



Charter Hall

FOR THE FUTURE

Sustainability Report

July 2017 – June 2018

1 Shelley Street, Sydney

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About Charter Hall

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Introduction

A Message from David Harrison

Managing Director and Group Chief Executive Officer



At Charter Hall, sustainability and community are fundamental to everything we do. As one of Australia's leading property groups, with a total managed property portfolio of \$23.2 billion (at 30 June 2018) and post balance increasing to \$26.8 billion, we believe in leaving a positive legacy.

We know sustainability is important for our stakeholders, from investors and tenant customers to communities we operate in, and we are conscious that our business needs to grow sustainably, in terms of investor returns as well as our operational and development footprint.

In FY16/17 we set ourselves carbon reduction targets and we adopted the Science Based Targets methodology. This year, we identified our current and projected emissions, and drafted our pathway to achieve our carbon reduction targets to 2025 and a pathway to our aspiration of net zero emissions.

We also commenced the preparation of climate change adaptation plans across our office, retail and industrial portfolios, to build the resilience of our assets and operations in preparation of potential climate change impacts.

This year, we have experienced the impacts of energy pricing on our operations, and the challenges that increasing energy costs pose to both our business and our tenants. In response, we are working to secure our energy pricing by investing in renewable energy and providing more energy efficient buildings for our tenant customers.

Across our office, industrial and retail sectors, we have now invested in 2,456kW of solar PV installations, generating over 3,670MWh of electricity per annum. This is enough energy to power 245 homes. In FY18, this included our retail portfolio's first solar investment of a 250kW PV system at our Singleton Shopping Centre and we are now investigating the expansion of this renewable footprint across the retail portfolio. We will continue to work in partnership with our customers to expand the energy efficiency and renewable footprint of our entire portfolio, resulting in mutually beneficial outcomes for both our customers and our business.

Introduction Continued

Charter Hall is proud to have maintained Australia's largest Green Star footprint, which continues to grow as our office and industrial developments seek and achieve Green Star ratings. Our alignment with highly regarded industry rating systems ensures that we are constantly improving the operational efficiency of our buildings, benefiting both our customers and the environment. I am pleased to note that our focus on higher energy efficiency has resulted in our office portfolio achieving an increase to 4.6 Star NABERS Energy weighted average rating and our retail portfolio increased to a 3.9 Star weighted average rating. These improvements put us firmly on track to achieve our goal of a 5 Star NABERS Energy weighted average by 2025.

Since FY17, we have supported our communities to address social issues through our Pledge 1% commitment. In FY18, our employee volunteering more than doubled, with 81% of our people volunteering to support a wide range of community initiatives, from working with the homeless, to building solar lights and participating in programs that support victims of domestic violence. Creating community spaces within our assets has remained a focus, giving us new opportunities to provide services to our tenants and more broadly the communities we operate in. Our Pledge 1% initiative has continued to expand with some of our larger developments creating employment programs and charity partnerships that address the needs of the surrounding communities.

We recognise that human rights and modern slavery are global issues, material to business and the community alike. In FY18, we prepared our Human Rights Policy and sought to better understand the potential human rights and modern slavery issues that may exist throughout our supply chain and operations. This will form part of our human rights framework.

We believe that our people are our greatest asset and I am particularly proud of our Melbourne and Perth offices achieving the WELL Certified™ Silver Interiors rating from the International WELL Building Institute. This rating, the first WELL rating in Western Australia and the first Interiors rating in Victoria, reflects our desire to provide the best possible environments to foster engagement, improve productivity and enhance wellbeing.

Innovation has also played a prominent role in our business this year, as we recognise that the workplace and our industry is constantly evolving and changing. We have invested in a range of programs to address emerging challenges and keep our workforce inspired and engaged. This innovative spirit was recognised when Charter Hall, the only AREIT, was named in the ASX 200 top 20 most innovative companies in 2018, as rated by innovation consultants, Collective Campus.

Through our sustainability approach, we are creating a resilient portfolio that creates great work spaces and experiences now and into the future.



David Harrison
Managing Director and
Group Chief Executive Officer

“
In FY18,
our employee
volunteering
more than doubled.”



About This Report

We publish our sustainability report annually to share insights and data about the environmental, social and economic challenges facing our business, and the way in which we respond to these issues in our business activities, while also delivering sustainable growth.



The Den, Charter Hall offices, 1 Martin Place Sydney

Scope

This is our seventh annual sustainability report, and it covers the business activities of the Charter Hall Group within Australia for the financial year ending 30 June 2018 (FY18). General disclosures about our policies and approach relate to Charter Hall Group and its managed funds. In alignment with our structure and approach to sustainability management, specific disclosures in relation to management's approach may be at a Group level or broken down by asset class—office, industrial, retail—with environmental performance data broken down by fund where appropriate.

We comply with applicable environmental standards and regulations and report our greenhouse gas emissions and energy use annually under the National Greenhouse and Energy Reporting Act (NGER) 2007.

Unless otherwise stated, environmental data in this report pertains exclusively to the assets and activities within Charter Hall's operational control, as defined by NGER, and does not include data for entities outside the organisation (e.g. tenants, suppliers, contractors).

Financial information contained in this report is based on Charter Hall Group's Securityholder Review and Annual Report for the year ended 30 June 2018 (FY18), unless otherwise stated. This report also contains content and data specific to Charter Hall Retail REIT (ASX: CQR) and Charter Hall Long WALE REIT (ASX: CLW), along with our unlisted funds.

WE WELCOME YOUR FEEDBACK

For comments or questions regarding this report, or our sustainability approach in general, please email sustainability@charterhall.com.au

External assurance

Charter Hall commissioned Deloitte Australia to provide assurance across a selection of our FY18 non-financial performance metrics. This included reasonable assurance for our energy consumed and emissions produced data, and limited assurance across other environmental and people data within this report. Our assurance statement can be viewed [here](#).

Global Reporting Initiative

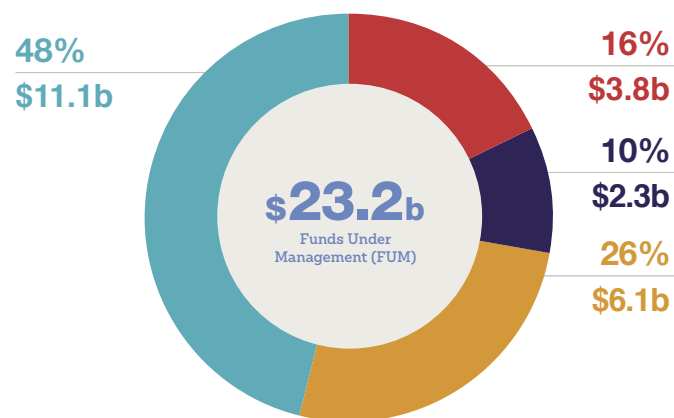
This report has been prepared in accordance with the GRI Standards: Core option. For further details about our performance against GRI disclosures, please refer to the GRI index.

Who is Charter Hall?

Charter Hall Group is one of Australia's leading property groups, with a total property portfolio of \$23.2 billion as at 30 June 2018, which post balance date has grown to \$26.4 billion.

Diversification by Sector

- Office
- Shopping Centre Retail
- Long WALE Retail
- Industrial



As a Group, Charter Hall Group listed on the Australian Securities Exchanges in 2005 under the ASX Code: CHC. Charter Hall Group is a stapled security comprising a share in Charter Hall Limited (CHL), the operating business, and a unit in Charter Hall Property Trust (CHPT), which predominantly co-invests in the funds and partnerships managed by the Group.

Our diversified property investment portfolio extends across retail, office and industrial assets. On behalf of our institutional, wholesale and retail investors, we own and manage a leading portfolio of 332 commercial properties around Australia, including office buildings, retail properties via supermarket anchored retail centres, hardware, hospitality assets and automotive dealerships, and a rapidly growing stable of industrial assets.

By investing in our people and our business, we strive to deliver exceptional results over the long term, and to be the property choice for our investors, tenants, communities and people alike.

We have a workforce of 474 employees working across our property value chain, which extends from our head office at No 1 Martin Place, Sydney, to our offices in Melbourne, Brisbane, Adelaide and Perth and a number of suburban and regional hubs throughout Australia. We have an integrated business model, with a highly skilled and motivated team working across investment management, asset management, property management, development and project delivery. Together, our people produce sustainable returns for our investors, and positive experiences for our tenants, communities and other stakeholders.

Our unique approach to sustainability governance reflects the diversity of our customers, and our commitment to maintaining and increasing their satisfaction. Our people's expertise and approach to stakeholder engagement further builds on our customer focus. Our Group policies and governance guide how sustainability is considered in the acquisition, development and management of all our assets.

In the 12-month period to 30 June 2018, Charter Hall delivered a total securityholder return of 15.2%. Over five years, the Group has delivered total securityholder returns of 26.2% outperforming both the S&P/ASX 200 Property Accumulation Index and the Mercer/IPD Wholesale Pooled Property Funds Index.

Our strategy to access, deploy, manage and invest equity in Australian property, alongside our capital partners, has enabled our business to generate superior income and capital growth. We are investing in our people and our business to drive innovation and develop award-winning investment vehicles that deliver exceptional results over the long term.

Each fund aligns itself with the Charter Hall Group Sustainability Strategy, and adopts the sustainability and governance policies and procedures of the Group.

Who is Charter Hall?

CONTINUED

TOTAL VALUE

\$23.2b

(as at 30 June 2018)

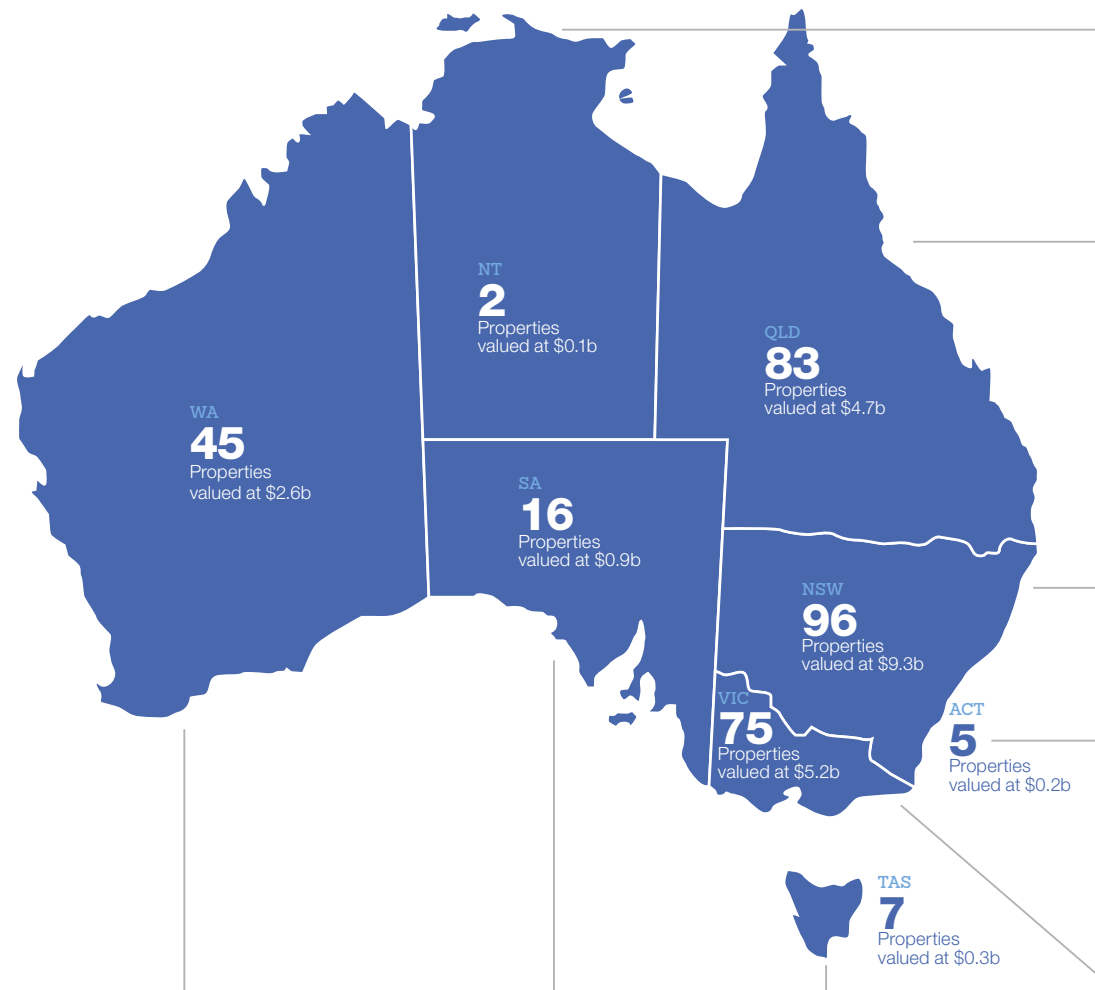
TOTAL PROPERTIES 332

CHC National Office 4.66 Stars NABERS*
Energy Weighted Average RatingCHC National Retail 3.90 Stars NABERS*
Energy Weighted Average Rating

474

* NABERS refers to the average weighted area rating for NABERS Energy per state. NABERS Energy ratings completed on all eligible office assets, and retail assets over 15,000 sqm.

Information correct at 30 June 2018



WA

Office	5
Retail	25
Industrial	15
Total assets ('000m ²)	848
Total employees	32
4.75 NABERS* Office	★★★★★
3.50 NABERS* Retail	★★★★

SA

Office	3
Retail	8
Industrial	5
Total assets ('000m ²)	300
Total employees	8
5.50 NABERS* Office	★★★★★
4.70 NABERS* Retail	★★★★★

TAS

Office	1
Retail	5
Industrial	1
Total assets ('000m ²)	110
Total employees	–
3.00 NABERS* Office	★★★

NT

Office	0
Retail	1
Industrial	1
Total assets ('000m ²)	22
Total employees	–
NABERS*	

QLD

Office	13
Retail	46
Industrial	24
Total assets ('000m ²)	944
Total employees	37
4.50 NABERS* Office	★★★★★
4.70 NABERS* Retail	★★★★★

NSW

Office	14
Retail	48
Industrial	34
Total assets ('000m ²)	1,492
Total employees	363
4.73 NABERS* Office	★★★★★
3.60 NABERS* Retail	★★★★

ACT

Office	1
Retail	4
Industrial	0
Total assets ('000m ²)	50
Total employees	0
4.50 NABERS* Office	★★★★★

VIC

Office	12
Retail	28
Industrial	35
Total assets ('000m ²)	1,610
Total employees	34
4.67 NABERS* Office	★★★★★
3.80 NABERS* Retail	★★★★

Our People

The success of Charter Hall is driven by our 474 people, who are our greatest strength and our competitive advantage. We recognise that our people seek purposeful experiences in their day-to-day working environment; and as a fast-growing business, we continue to reinforce a company culture that is aligned with meaningful purpose.

We also regularly review our employee benefits, our work environments, our approach to talent attraction, and the professional growth opportunities that we provide, to meet the changing needs of our people.

Our people are guided by our values:

- **Integrity:** the right thing before anything
- **Collaboration:** contribute your brilliance to others to grow our success; expand capability through diverse connections
- **Expertise:** use your smarts and all the ones you can borrow
- **Passion:** outdo yourself every day; be the spark that ignites others
- **Accountability:** own the issue and the solution; being accountable means you're dependable

Improving engagement, year on year

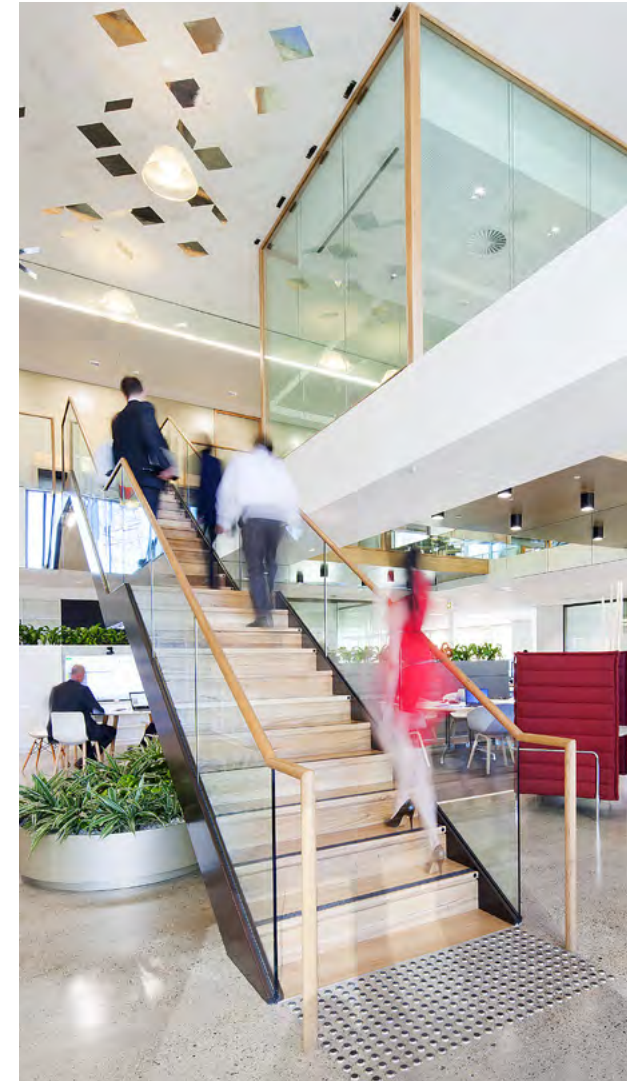
We seek regular feedback from our people and our annual Employee Engagement Pulse Survey, undertaken by Aon Hewitt, provides valuable insights into our workforce. The most recent survey in May 2018 was completed by 94% of employees (up from 88% in 2017) and showed an increase in levels of engagement by 3% since 2017.

The key actions arising from our employee feedback are to continue the focus on supporting flexible working and providing a wide range of personalised employee benefits; embedding inclusion; and enhancing the efficiency of our systems and processes.

Promoting purposeful community contributions

Purpose plays a significant role in motivating people's passion to outdo themselves every day. In FY18, we continued to give our people opportunities to contribute to the community through our Pledge 1% commitment. Since we introduced Pledge 1%, we have doubled our employee volunteering leave from one to two days per year and increased the options available for how this time can be spent. As a result, we have seen our people embrace the chance to take part in local and national volunteering programs with community organisations, such as Foundation for Young Australians, World Wildlife Fund (WWF) and Two Good, further increasing our impact.

After its success in FY17, our TED Tuesday program was expanded to include a range of 'live' speakers with purpose. Speakers included customers and market analysts, business leaders in renewable technologies (Jackie McKeown, WWF), community entrepreneurs (Ronnie Kahn, OzHarvest) and health and wellbeing advocates (Paul Taylor, Ritualize).



Charter Hall offices, 1 Martin Place Sydney

Our People

CONTINUED

Championing innovation and inclusion

Innovation is playing an increasingly prominent role in our business, as we continue to target the development of key innovation capabilities. We encourage our people to get involved in initiatives such as the Cedric Fuchs Scholarship and the wider PropTech community to participate in the Charter Hall Accelerator program. Our approach has resulted in our inclusion in the Top 20 most innovative ASX 200 companies, in 2018, as rated by innovation consultants, Collective Campus.

In FY18 our people also took part in programs on Design Thinking and Human-Centred Design, which were conducted in partnership with Paul Hawkins from Crazy Might Work.

We recognise that an innovative business requires inclusive leadership—and through our Driving Innovation Through Inclusion program, we worked to challenge thinking, unfreeze attitudes and optimise performance by showing our people the real value that diverse perspectives can bring to teams. 100% of our leaders have now participated in development focused on building inclusive leadership behaviours and all our employees undertake annual performance and career development reviews.

To prepare our business for the future, with a considered focus on global and local risks, 100% of our people also participated in Risk and Compliance Training. This included training in anti-money laundering, counter terrorism financing, fraud awareness, privacy, integrity and compliance.

Attracting the best talent

In FY18, we continued to focus on attracting and developing talent through ongoing partnerships with University of Technology Sydney (UTS) and Western Sydney University (WSU). Our Charter Hall Scholarship Program offers students studying a Bachelor of Business (Property) degree at WSU or Bachelor of Property Economics degree at UTS the opportunity to gain hands-on experience while they complete their studies. Students are paired with senior Charter Hall mentors and, over a 10-month period, are rotated through key business units, from real estate investment and property management to property development and business services.

Since its inception in 2016, the Charter Hall Scholarship Program has taken two candidates each year and we have offered full-time positions to all, either within Charter Hall or with our partners, most recently with CBRE.



Lauren Kalina, 2018 Scholarship Intern



The Scholarship enabled me to step outside my comfort zone and learn quickly within a fast paced environment.”

Lauren Kalina

2018 Scholarship Intern

Our People

CONTINUED



Community Space 570 Bourke Street, Melbourne

Enhancing the onboarding experience

Creating strong connections with our people from day one is important to us, and this year we introduced a new mobile platform Enboarder, to help managers do this more effectively. It delivers candidates the information they need, when they need it, supporting them through the first 100 days. Now, from the beginning of their journey with Charter Hall, candidates will have a sense of connection to our culture, and this will be carried through their entire experience with our business.

Connecting more effectively with our customers

As a fast-growing business, Charter Hall identified the need to strengthen our customer focus and enhance our systems and processes by introducing a new customer relationship management system. This review identified opportunities to enhance our customer systems and processes by introducing a new Customer Relationship Management (CRM) system. Implemented in FY18, this new CRM has given us a 360-degree view of our customers for the first time, enabling our employees to efficiently identify our customers across sectors, identify any opportunities, and keep track of who from Charter Hall is engaging with a customer at any given time. Our CRM provides a system to inform decision making and drive closer connection to customers across sectors.

Nurturing the wellbeing of our people

As well as connecting our people with a greater sense of purpose, we are also working to create an inclusive environment where all aspects of wellbeing are a priority. In FY18, we rolled out an inclusive leadership program across the group to support leaders to foster a deeper sense of belonging. We also revitalised the benefits available to employees at all stages of their lives, including Birthday Leave, Salary Continuance, 16 weeks Parental Leave, two weeks Carers Leave, two Volunteer Days and support for lifelong learning. These benefits were relaunched in December 2017 with a '12 Days of Christmas' themed campaign.

In addition, we introduced Wellbeing Leave where our people can take a day to be proactive about their own wellness. This can be used to do whatever makes our employees feel good, whether it's having a massage or catching up with friends.

We undertook a 12 week wellbeing program with Ritualize to create long-term healthy habits that drive performance across our workforce.

Our investment in our people's wellbeing has also seen us integrate the International WELL Building tool into our tenancy fitouts, which resulted in our Melbourne and Perth offices achieving a WELL Certified™ Silver Interiors Rating. This rating reflects the ways in which wellbeing has been integrated into the design of our workplaces, and our ongoing commitment to our people's wellbeing.

Stakeholder Engagement

Our open and collaborative approach ensures that we understand our stakeholders’ needs and aspirations, to manage our portfolios appropriately and responsibly.

Our approach to stakeholder engagement identifies who we engage with, the range of techniques we use, and the issues that are important to our stakeholders and our business.



GOVERNMENT AND INDUSTRY			
<p>We engage with local, state and federal government in all jurisdictions in which we operate.</p> <p>We participate in government and industry working groups to develop innovative solutions to issues facing the property industry and our communities.</p>	<p>Climate change and increasing climatic events/global warming.</p> <p>Energy, water and waste efficiency and carbon footprint.</p> <p>Energy security and pricing.</p> <p>Community and social cohesion.</p> <p>Responsible supply chain, human rights and modern slavery.</p>	<p>We have worked with all levels of government as part of all our developments and operations, and with key government and community agencies to address community needs—particularly in times of natural disaster.</p> <p>We are a founding and active member of the City of Sydney’s ‘Better Building Partnership’, which seeks to develop collaborative solutions and initiatives to improve the sustainability performance of commercial buildings.</p> <p>We have completed national energy and carbon reporting through the National Greenhouse and Energy Reporting Scheme (NGERS). Our office portfolio and retail assets (over 15,000 sqm) are rated annually under the National Australian Built Environment Rating System (NABERS) for energy and water.</p> <p>We are an active member of a range of industry groups including:</p> <ul style="list-style-type: none"> • The Property Council of Australia (PCA) • The Green Building Council of Australia (GBCA) • Shopping Centre Council of Australia (SCCA) • Urban Development Institute of Australia (UDIA) • Australian Property Institute (API) Committee for Sydney • Australian Diversity Council • Social Traders Connect • Cleaning Accountability Framework • Property Industry Foundation <p>Our involvement with the PCA included our participation in the preparation of the ‘Consultation on Modern Slavery in Supply Chains Reporting Requirement’ to the Attorney General’s Department (Nov 17) and the ‘National Energy Guarantee Draft Design Consultation Paper’ (Mar 18).</p>	<p>We will continue to actively engage with local, state and federal government and national industry bodies.</p>

Stakeholder Engagement

CONTINUED



INVESTORS

We provide investor briefings on our strategy and financial results.

We engage with our investors through a range of techniques to inform them of our progress in environmental, social and governance issues and initiatives.

Climate change and increasing climatic events/global warming.

Energy, water and waste efficiency and carbon footprint.

Energy security and pricing.

Stakeholder engagement and satisfaction.

Diversity and inclusion.

Charter Hall Group is a member of the Global Real Estate Sustainability Benchmark (GRESB). Eight of our funds report to GRESB, including:

- Charter Hall Prime Industrial Fund (CPIF)
- Charter Hall Office Trust (CHOT)
- Charter Hall Direct Office Fund (DOF)
- Charter Hall Retail REIT (CQR)
- Charter Hall Prime Office Fund (CPOF)
- Core Logistics Partnership (CLP)
- Brisbane Square Wholesale Fund (BSWF)
- Charter Hall Long WALE REIT (CLW)

We respond to investor surveys including DJSI, CDP, GRESB, MSCI REIT and individual fund surveys and requests. Charter Hall is a signatory of United Nations Principles for Responsible Investment (PRI).

We will continue to communicate with our investors and participate in investor surveys.



TENANTS

We seek to deliver meaningful interactions with our tenant customers across our office, retail and industrial portfolios through a range of means and relationship management models.

We deliver shared success and win-win outcomes with our tenant customers by building trusted partnerships.

We seek feedback (formal and informal) throughout the tenant customer lifecycle journey.

Climate change and increasing climatic events/global warming.

Energy, water and waste efficiency and carbon footprint.

Energy security and pricing.

Innovation and technology.

Stakeholder engagement and satisfaction.

Responsible supply chain, human rights and modern slavery.

Environmental impacts on wellbeing.

Customer wellbeing and amenity expectations.

We have held:

- Insight sessions with retail, office and industrial customers
- Tenant customer surveys to understand current satisfaction levels and find opportunities to enhance the experience and service principles
- Deep dive customer sessions to understand how we can better meet their needs through product and service delivery

We have designed a Group-wide customer value proposition and measured this against delivery.

We have engaged with our tenant customers through a range of safety, sustainability and community initiatives.

We implemented our Customer Relationship Management (CRM) system to enhance our capture and management of tenant customer interactions and engagement.

We will continue to work with our tenant customers through a co-designed framework to enable our products and services to meet their needs.

Stakeholder Engagement

CONTINUED



WIDER COMMUNITY

We undertake a range of community investment initiatives that contribute to the communities in which we develop and operate. We also engage with these communities using a range of techniques.

Climate change and increasing climatic events/global warming.
Energy security and pricing.
Community and social cohesion.
Diversity and inclusion.
Responsible supply chain, human rights and modern slavery.

We have undertaken a range of community and marketing initiatives to build community belonging.
We have national community partnerships with Australian Red Cross, Foundation for Young Australians and the Property Industry Foundation—providing mentoring and volunteering opportunities for our people within communities across Australia.
We have supported awareness of domestic violence through our partnership with Two Good.
We have supported WWF to raise awareness on the impacts of climate change.
We have engaged with local community groups to provide support—both monetary and in kind—to assist in the delivery of their services to our communities and tenants.
We have developed stakeholder engagement approaches with communities in our retail and office developments.
Our developments have worked with community partners to raise funds and provide services to groups in need in the communities in which we operate.
We have also engaged with local employment and training providers with our office developments to create employment programs.

Our Pledge 1% commitment will continue our ongoing engagement with the community, through Our People, Our Places and Our Partnerships.
We plan to formalise the processes we use and continue to engage with our communities surrounding our developments in future.



EMPLOYEES

We engage with our employees through regular 1:1 check ins, small group feedback sessions and formal surveys.

Formal communication channels include our intranet, The Bench, and Yammer which provide our employees business news and further means of communicating with each other.

Innovation and technology.
Community and social cohesion.
Responsible supply chain, human rights and modern slavery.
Environmental impacts on wellbeing.
Customer wellbeing and amenity expectations.

Aon Hewitt undertakes our annual employee survey, which was completed by 94% of employees, in FY18. The results of this survey informed our workplace activities and led to the expansion of our Employee Benefits. We also participated in several industry surveys as part of the Property Male Champions of Change initiative.
A wellbeing assessment was also undertaken to better understand employee needs and drivers and to enable self-awareness and action.

We will continually strive to seek high levels of employee engagement and satisfaction.

Stakeholder Engagement

CONTINUED



SUPPLIERS			
<p>Our supply chain is diverse, supporting both the operational management and development functions of our business. Significant suppliers for Charter Hall include suppliers of services required to operate our existing building portfolio such as cleaning, security and facilities management. Our major facilities management contract was transferred to CBRE in FY18.</p> <p>Our development supply chain consists of the construction companies we contract to build our new developments, as well as the materials used in our new builds.</p> <p>We undertake engagement with all these suppliers through regular meetings, reporting and project updates. We also work actively with our suppliers to enhance productivity and efficiencies in our operations and developments.</p>	<p>Responsible supply chain, human rights and modern slavery.</p>	<p>In FY18 we undertook supplier mapping to understand the key risks and opportunities where we can add value and collaborate further for the best proactive outcomes.</p> <p>We are members of Social Traders Connect and continue to expand our social procurement footprint.</p> <p>We are working with our suppliers to understand ways to increase efficiencies in our operations and identify opportunities for sustainable social procurement in our supply chain.</p> <p>We have continued to work with our supply chain on enhancing our environmental performance and social and economic outcomes.</p>	<p>We will work with our suppliers as we integrate our Human Rights Framework into our supply chain, and also implement sustainable supply chain principles with our suppliers.</p>

Stakeholder Engagement

CONTINUED





MEDIA

We proactively engage with the media, providing information about our business and our commitment to sustainability.

We take opportunities to advocate for our industry to be more sustainable.

Issues with the most coverage from the media in FY18 include:

- Climate change and increasing climatic events/global warming
- Energy security and pricing
- Diversity and inclusion
- Responsible supply chain, human rights and modern slavery
- Energy, water and waste efficiency and carbon footprint

We have continued to focus on opportunities across the Group to highlight the success of our sustainability and community achievements.

We will continue to work with the stakeholders across our funds management platform to broaden the reach of our media coverage on our sustainability and community achievements.

Material Topics

Guided by our customer focus and research on emerging issues, the following principles have been prioritised by our business.



Climate change and increasing climatic events / global warming

Climate Change and increasing extreme weather events have the potential to damage our properties, disrupt operations and impact the safety and wellbeing of our employees, customers and visitors.



Energy, water and waste efficiency and carbon footprint

The carbon, energy, water and waste associated with our large property portfolio can have significant impacts on our environment. Managing our impacts and optimising efficiency is also a crucial part of meeting Australia’s commitment to climate action under the Paris Agreement of 2015.



Energy security and pricing

Energy security and pricing poses a challenge due to increasing costs and power cuts during peak events, which create issues for our customers, our assets and for all Australians.



Innovation and technology

As the workplace and real estate technology continues to change, so do the needs of our people and customers. It’s up to us to respond by providing space and technology that meets these changing needs.



Stakeholder engagement and satisfaction

To deliver great customer satisfaction, we need to be flexible in delivering services and experiences that meet our customers’ expectations.



Community and social cohesion

The social cohesion of the communities in which we operate contributes to the stability and success of our local economies, connectedness and participation, helping us, with our customers, to address disadvantage.

Material Topics

CONTINUED



Diversity and inclusion

An inclusive workplace is one of belonging, where employees thrive because they can be their whole and best selves. To enable our employees to thrive we leverage diverse perspectives and value differences based on a wide range of personal characteristics including gender, sexual identity, age and ethnicity.



Employee satisfaction and wellbeing

Employee satisfaction and wellbeing contribute to the stability, productivity and success of our company. We believe our people are our greatest asset and we need to provide the best possible environment to foster engagement, improve productivity and enhance wellbeing.



Responsible supply chain, human rights and modern slavery

Human rights and modern slavery are global issues material to all companies. While Charter Hall is an Australian property company, we need to work with our suppliers to understand their practices and footprint as part of our responsibilities in addressing global slavery and human rights.



Environmental impacts on wellbeing

Environmental wellbeing has an impact on productivity, operational costs and the comfort of the workforce both within Charter Hall and our tenants' businesses. We have an important role to play in ensuring our assets meet customer expectations and contribute to the wellbeing of their employees.



Customer wellbeing and amenity expectations

Customer trends and wellbeing expectations in the work environment can have a major influence on employee health and wellbeing, with a flow-on effect to productivity. Our customers are seeking higher levels of amenity and wellbeing for their employees in their workplaces, to encourage retention and productivity.

Our Approach

2

175 Eagle Street, Brisbane

SUSTAINABILITY GOVERNANCE



Charter Hall offices, 1 Martin Place Sydney

Group Sustainability Policy

The Charter Hall Board has adopted a Group Sustainability Policy that forms the foundation of our commitment to sustainable business practices. Covering aspects of environmental management, sustainable design, occupational health and safety, supplier relationships, and community engagement, our Group Sustainability Policy defines our commitment to operating in an ethical manner and outlines the actions we take to deliver on this commitment. Charter Hall's managed funds adopt and are governed by this Policy and the Sustainability Strategy: For the Future.

The Charter Hall Group Sustainability Policy forms part of a suite of Charter Hall Corporate Governance Policies, which can be found on the Charter Hall website. In FY18, Charter Hall adopted our Human Rights Policy, which recognises that Charter Hall Group operates within Australia, which has democratic processes and judicial independence, high standards of governance, with legislative regimes relating to human rights including labour standards, privacy and non-discrimination. We also operate under the UN Guiding Principles on Business and Human Rights Framework.

Governance bodies

At Charter Hall, sustainability governance extends from the Board and its committees, through the Executive Leadership Group and through divisional management to our employees, contractors and suppliers. The Charter Hall Group Audit Risk and Compliance Committee has responsibility of Sustainability to receive regular updates from management on sustainability issues and initiatives; and review Group Sustainability Strategy, policies and annual sustainability reports, for recommendation to the Board for approval.

The Charter Hall Executive Leadership Group has ultimate responsibility for ensuring we deliver on commitments defined in our Group Sustainability Policy, supported by fund, asset, operations and development teams that embed the Group Sustainability Strategy into our day-to-day business.

Each of our managed funds has its own governance structure which determines decision making with regard to assets within that portfolio. All Charter Hall funds adopt the CHC Group's Sustainability Policy and Group Sustainability Strategy.

As the property manager of all assets, Charter Hall provides regular updates to each respective Board and/or investment committee regarding performance of properties in their respective portfolios and provides recommendations for improvement initiatives and/or investments.

SUSTAINABILITY GOVERNANCE

CONTINUED

Group-wide responsibility

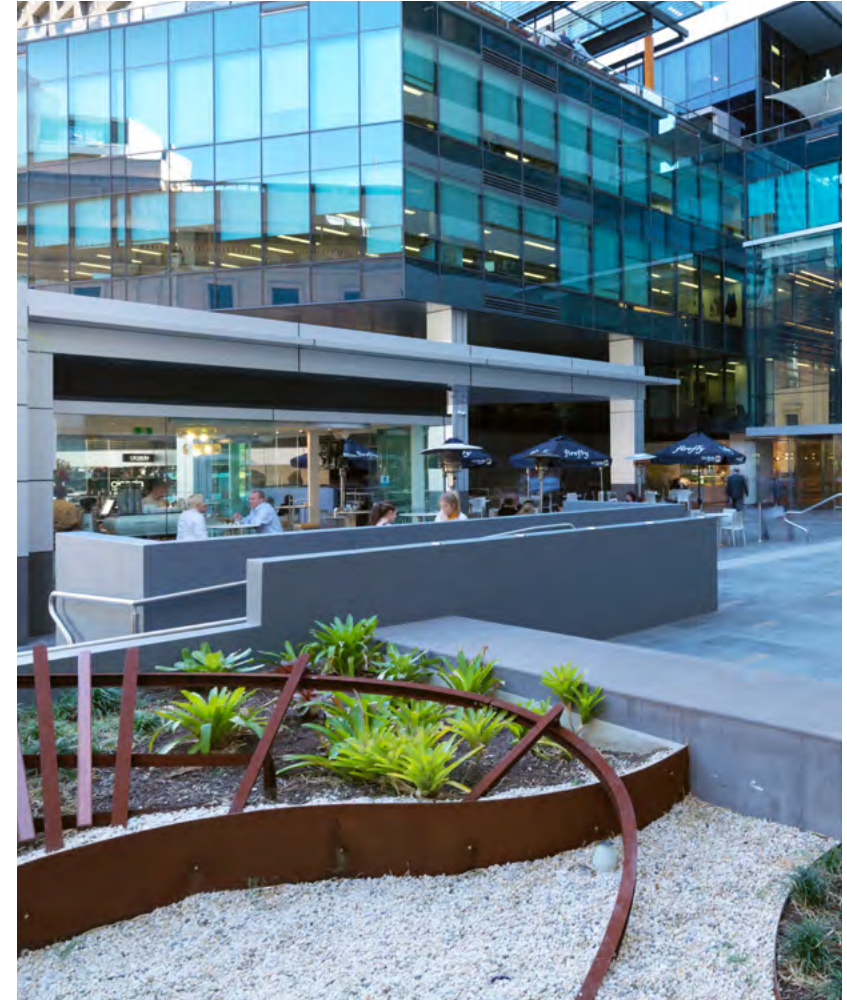
Risks associated with environmental, social and governance (ESG) are assessed at both Company and Asset level. At the Company level, the Board assumes ultimate responsibility for oversight of risk management. Charter Hall ESG achievements and considerations are reported to the People, Brand and Community Sub-Committee of EXCO and quarterly to the CEO and MD. Corporate policies and procedures are developed and reported through the Charter Hall Audit Risk and Compliance Committee and the Remuneration and Human Resources Committee Corporate Governance. In line with the precautionary approach, where there are activities or potential threats which may have a negative effect on the environment, people or our governance requirements, that activity is not undertaken.

Functional responsibility for the Group Sustainability Strategy and communications lies with Charter Hall's People, Brand and Community division, with the CFO, COO and CEOs of our office, retail and industrial divisions assuming responsibility for the delivery of sustainability outcomes across our assets, developments and operations.

Our operations and technical services teams are tasked with enhancing operational efficiency across our assets; our asset and property management teams with developing and maintaining trust-based relationships with our tenants; and our development team with designing, developing and delivering assets that are operationally efficient and align with customer expectations.

In our office and industrial portfolios, we have previously outsourced facilities management to Knight Frank; however during FY18, management was transferred to CBRE. Both companies have a dedicated sustainability manager responsible for monitoring and managing sustainability performance across the assets. The Facilities Manager prepares monthly reports for our technical services and property management teams, tracking the performance of assets against key sustainability criteria. Across all these key divisions, including facilities management, there are role-specific sustainability KPIs to which employees and managers are held to account.

Charter Hall Group, as the manager of the properties held by its managed funds, sets the strategic and policy requirements of the funds under management through the Charter Hall Group Sustainability Policy and Sustainability Strategy.



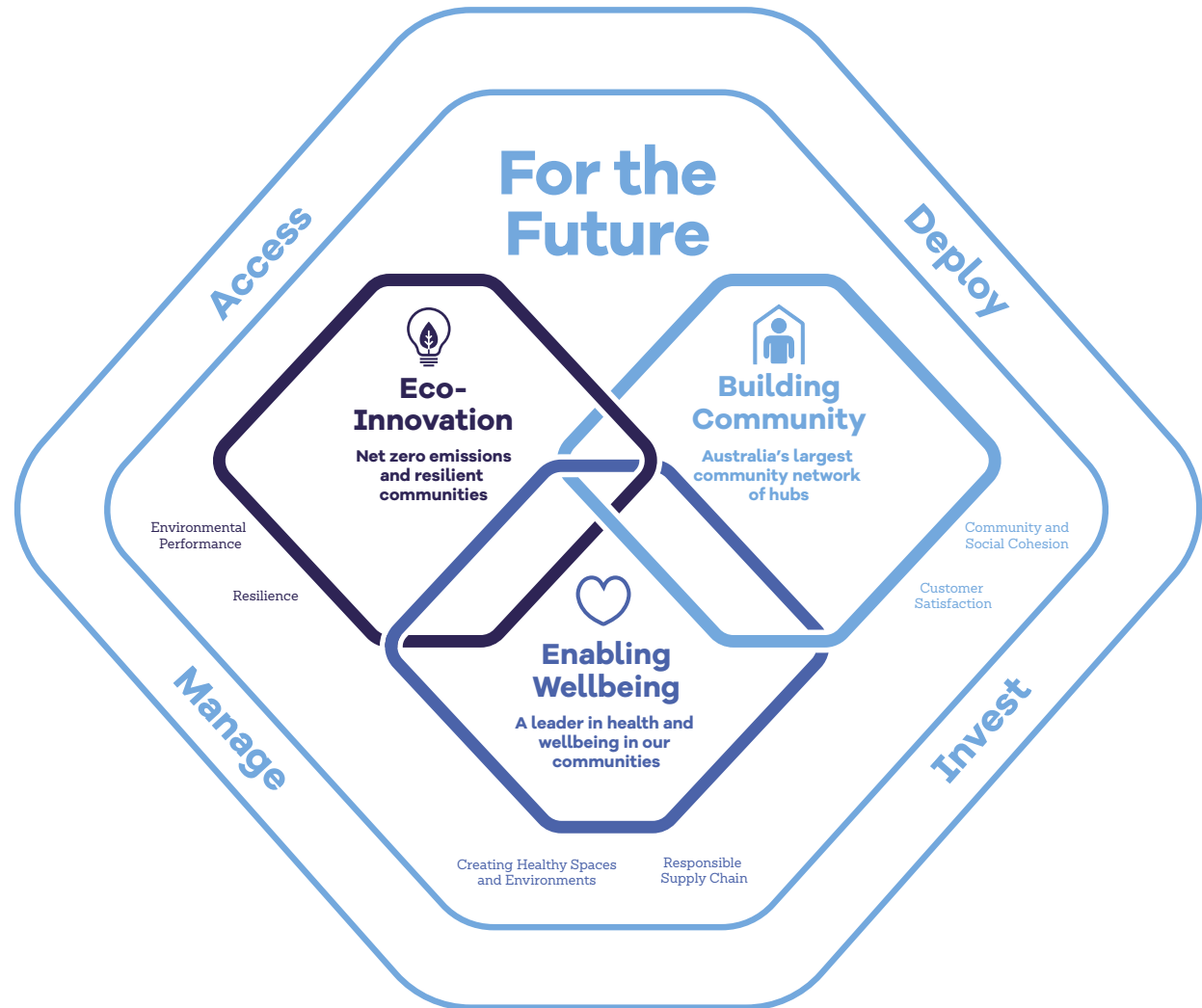
275 George Street, Brisbane

OUR SUSTAINABILITY STRATEGY: FOR THE FUTURE

Charter Hall's FY18 Sustainability Strategy, For the Future, refreshed our approach to better reflect how our business integrates our sustainability and community goals into our everyday business practices.

Our framework continues to focus on three key themes. The theme of Eco-Innovation has remained the same, while the theme of Place Creation has evolved to become Building Community, emphasising our focus on supporting the people in our communities. Our Wellbeing theme has also changed to become Enabling Wellbeing to reflect our active stance in this area in terms of buildings and programs.

Our refreshed Sustainability Strategy continues to recognise the UN Sustainable Development Goals (SDGs), and is aligned with our corporate strategy.



A modern interior space featuring a large, multi-tiered vertical garden wall on the right side, filled with various green plants. The wall is constructed from dark, rectangular panels. In the background, a large mural of a Buddha's face is visible on the wall. The ceiling has a grid of recessed lights. In the foreground, there are green, cylindrical ottomans and a small table. A large, semi-transparent purple rectangle is overlaid on the left side of the image, containing the text 'Eco Innovation' and a large white number '3' on the right side.

Eco Innovation

3

ECO INNOVATION



Our Commitment:

Deliver smart solutions that make a difference for our customers and the planet.

By creating and maintaining high-performing, environmentally efficient and resilient assets, we can not only minimise our carbon emissions and environmental impacts, we can also help our stakeholders combat issues important to their business.

ISSUES

Energy, water and waste efficiency and carbon footprint

The carbon, energy, water and waste associated with our large property portfolio can have significant impacts on our environment. Managing our impacts and optimising efficiency is also a crucial part of meeting Australia's commitment to climate action under the Paris Agreement of 2015.

Energy security and pricing

Energy security and pricing poses a challenge due to increasing costs and power cuts during peak events, which create issues for our customers, our assets and for all Australians.

Climate change and increasing climatic events/global warming

Climate Change and increasing extreme weather events have the potential to damage our properties, disrupt operations and impact the safety and wellbeing of our employees, customers and visitors.

OUR APPROACH

ENVIRONMENTAL PERFORMANCE

SDG 12 Responsible Production and Consumption

Our approach incorporates the Global SDG 12 targets of sustainable management, efficient use of natural resources and substantially reducing waste generation. We will also work with our supply chain to adopt similar practices.



RESILIENCE

SDG 13 Climate Action

Our approach incorporates Global SDG 13 targets of strengthening the resilience and adaptive capacity of our buildings and developments to climate-related hazards and natural disasters, and the integration of climate change considerations in our governance processes.



178

Green Star Performance rated buildings



18

Green Star Design and As Built rated buildings

Charter Hall has Australia's largest Green Star footprint



Eco Innovation

The Issue

Our Approach in FY18

Our Targets

FY20
Target

FY25
Target

Aspiration

Environmental Performance

Energy and Carbon

In Australia, the built environment represents 23% of the country's emissions. As a manager of 332 assets nationally, we seek to reduce the emissions from our buildings.

Our stakeholders are increasingly concerned about rising energy prices and security.

Reducing our impact on the planet

Using the Science Based Targets methodology, we developed a 2-degree reduction and net zero carbon emissions pathway.

Since FY17 we have achieved a 1% reduction in emissions, through divestment of less energy efficient buildings; acquisition and development of more energy efficient assets; and base building energy efficiency upgrades. Future activities will align with our Science Based Targets pathway.

Invest in renewable technologies

Commenced solar installation feasibility studies across 16 shopping centres in FY18 and achieved the installation of a 250kW solar system at Singleton Square.

Significant increase in renewable energy across the entire Charter Hall portfolio, with 2.5MW of solar currently installed, and with our tenants generating 3,670MWh per annum in green energy.

This represents more than a 2MW increase in solar installations across Australia, since FY17, associated with our retail and industrial developments, in partnership with our tenant customers.

Implement pathway to an equivalent 2-degree reduction in emissions.

Achieve the equivalent of a 2-degree reduction in emissions.

Net Zero Emissions.

Implementation of solar projects across applicable Charter Hall managed shopping centres.

Renewable energy creation in portfolio.

Renewable energy on all new large retail and industrial developments.

Natural Resources

With natural resources depleting and an increasing national focus on addressing waste and recycling locally, it is important we continue to be responsible with our waste.

Improve our waste management

Charter Hall Office assets have achieved a 35% diversion of waste from landfill, a 3% decrease from FY17.

In retail, through implementation of our waste management strategy with Veolia, we maintained a 22% waste diversion across retail assets. Our waste management strategies will continue to work with our suppliers and tenant customers to achieve our targets.

50% waste diversion in retail and office assets.

70% waste diversion in retail and office assets.

Australia is the driest inhabited continent, and the demand on water resources is increasing with growing urban populations and agriculture, and variable rainfall.

Conserve Our Water Resources

In FY18, our office portfolio achieved a reduction in water intensity by 4% and our retail portfolio by 5.3%, reflecting the divestment of several high water consuming assets and the correction of water leaks in our retail portfolio.

We achieved an increased Office NABERS Water weighted average rating from 3.57 Stars in FY17 to 3.78 Stars in FY18. Despite addressing water leakages our weighted average Retail NABERS water rating decreased from 3.43 Stars in FY17 to 3.3 Stars in FY18.

Establish water targets.

Implement water targets.



Eco Innovation CONTINUED

The Issue

Our Approach in FY18

Our Targets

FY20 Target

FY25 Target

Aspiration

Environmental Performance CONTINUED

Green Certifications

Customers are increasingly demanding environmentally efficient and high performing assets.

Improving our Green Star footprint

Charter Hall has maintained and expanded our Green Star footprint. We continue to have Australia's largest Green Star footprint, consisting of 178 Green Star Performance rated assets and 18 Green Star Design and Built assets, now achieving 5 and 6 Star standards. Our developments continue to achieve or exceed our Green Star targets and improvement plans are underway to meet Green Star Performance targets.

In FY18 we achieved an increased Office NABERS Energy weighted average rating from 4.5 Stars in FY17 to 4.66 Stars in FY18. Our Retail NABERS Energy weighted average rating also improved from 3.5 Stars in FY17 to 3.9 Stars in FY18, tracking towards FY20 targets.

3 Star average Green Star Performance rating across the Group.

5 Star Green Star Design and As Built ratings sought on all new large developments.

4.75 Star NABERS Energy weighted average rating for office assets.

3.75 Star NABERS Energy weighted average rating for retail assets.

5 Star Green Star Design and As Built ratings sought on all new large developments.

5 Star NABERS Energy Weighted Average Rating for Office Assets.

4 Star NABERS Energy Weighted Average Rating for Retail Assets.

Net Zero Emissions.

Resilience

Impacts of Climate Change

Climate change and increasing extreme weather events have the potential to damage our properties, disrupt operations and impact the safety and wellbeing of our employees, customers and visitors.

Addressing Climate Change Risk

Climate change adaptation planning workshops were held across office, retail and industrial and adaptation plans commenced, in line with our FY20 targets.

Employee engagement and education on climate change impacts was undertaken in partnership with WWF.

We continued Red Cross community resilience programs across our communities.

All assets have climate change adaptation plans.

Capital improvements in portfolio in line with climate change adaptation plans.

Resilient communities and future proofed assets.

Addressing Environmental Risk

In line with our targets, we developed a draft Environmental Management Plan for rollout in FY19. Pre-certification audits were conducted across 10 office and industrial properties.

All assets have environmental management plans to AS 14001.

Maintain certified EMS to ISO 14001.

>> For more detailed information on our environmental performance refer to [Environmental Data Tables](#)

Taking logistics to new levels

Collaborating with our customers and reaping environmental rewards



Woolworths Distribution Centre, Dandenong South Victoria

As energy costs rise, so do the returns achievable from solar energy and in FY18 we partnered with Woolworths to install Australia's largest industrial solar power system at the new Woolworths distribution centre in Dandenong South, Victoria. The \$500 million development will not only be the largest state-of-the-art distribution centre in Australia, it raises the bar in terms of both operational innovation and energy efficiency.

With more than 120 tenancies across the Group, Woolworths is a major tenant customer and we are very focused on meeting its needs. We acquired the 16-hectare site in mid-2016 and worked closely with Woolworths as it developed the 70,000 sqm facility.

With 3,800 panels producing 1MW of power, the solar power system on the facility's 1.2 hectare roof will meet 20% of its energy needs and deliver a return on investment within five years.

Adding to the building's energy efficiency is a solar hot water system for staff amenities, LED lighting throughout, and daylight harvesting via roof skylights with sensors and controls. The building itself has been designed with considerable ventilation, reducing the need for air conditioning, and features Power Factor Correction and Harmonics Management for efficient power utilisation. A 141,000 litre roof rainwater collection tank, water efficient tapware and water sensitive landscaping ensure that water is used efficiently.

As the first fully automated case-picking distribution centre in Australia, the Woolworths Dandenong facility represents a step change in logistics for all Australian supermarkets. Equipped with 14–15 cranes, more than 14 kilometers of conveyors, and automatic guided vehicles, the distribution centre brings a range of new innovations in logistics and distribution. In addition, the office spaces within the warehouse now occupy a larger footprint, reflecting the changing nature of the workforce, and the increased emphasis on the fulfilment and modelling of operations. The office areas within the logistics centres now take a more CBD office fitout style, incorporating break-out and wellbeing areas, and delivering an enhanced experience for workers in an industrial setting.

With the Woolworths facility expected to be fully operational in FY19, we look forward to seeing this future-focused logistics centre in action. As our logistics portfolio continues to grow, we continue to work with our customers to achieve their productivity and sustainability goals.

Journey to 70% waste diversion

Australians produced **64 million tonnes**, or **2.7 tonnes** per person, of waste in 2014–15¹. With a projected population of 40 million people in 2050 that would rise to over **100 million tonnes**. Recognising our need to work with our tenant customers to address this issue in our communities, we set ourselves a 70% average waste diversion from landfill target for our office and retail assets by 2025, in line with Green Star best practice.

To help us achieve this target the retail sector has partnered with Veolia, our waste contractor, and developed a customised waste management strategy across Charter Hall's retail assets to increase diversion of materials from landfill while maintaining cost efficient waste management operations. In February 2017, we piloted the approach with the Bateau Bay Hub, which included a mix of small and larger centres at Bateau Bay, Morisset and Rutherford.

This pilot involved site visits to the three centres to identify opportunities to implement best practice, separate additional waste streams, report on success and educate and engage our customers.

Outcomes of the pilot resulted in:

- Revised dock layout for more efficient waste operations and improved painting and signage inside the centre and in external waste areas
- Retrofitting food court bins to provide dual stream bins

- Engagement with our customers to identify additional waste stream opportunities, which included the implementation of soft plastics (LDPE), coffee grounds and organic waste stream recovery
- Discussions with our tenant customers also identified a range of other recycling initiatives where food was donated to charities (such as Secondbite) or to local farmers
- Engagement with cleaning contractors on managing food court commingle bins and dock cleanliness and upkeep guidance

In June 2017, the Retail Waste management strategy was rolled out across 28 shopping centres (mainly across NSW and WA), with the remaining 24 shopping centres (in VIC, ACT, SA and QLD) to follow later in 2018.

A detailed site assessment was conducted at each shopping centre by the Veolia Sustainability team and a custom waste management plan was developed for each site. The strategy was also cognisant that many of our centres are in regional areas and there are limitations in the waste stream recycling available. In the first six months of the strategy rollout, there has been a 4% increase in diversion and savings of 303.26 CO₂ tonnes greenhouse gas (GHG) emissions, in the participating centres. This is the equivalent of planting 1,132 trees, or removing 67 cars from the road each year.

The best waste diversion outcomes, to date, have occurred in the Central West, NSW hub; with Mudgee Square, which previously had no waste diversion, achieving 29% diversion, Dubbo Square increasing from 34% diversion to 44% diversion and Orange Central increasing from 34% diversion to 36% diversion. These improvements arose from engagement with our tenant customers and the introduction of mixed recycled and organic waste streams. While the introduction of soft plastic removal was a new concept for our regional contractors, the diversion of organics has been so successful that we have had to increase the size of organic bins and increased servicing by our contractors.

We will continue to work with our waste contractors and customers to achieve our target of 70% waste diversion by 2025.

“Comingled waste is improving as our tenants become more aware of what they can recycle.”

Rodney Binks

Facility Manager, Central West Hub



Orange Central Square

An aerial photograph of a modern lounge area with a purple and grey geometric patterned carpet. Several people are sitting on light grey modular sofas and beanbag chairs. Some are using laptops, and others are looking at documents or talking. A semi-transparent blue rectangle is overlaid on the left side of the image, containing the title text.

Building Communities

4

BUILDING COMMUNITIES



Our Commitment:

Increase community value and social cohesion in the places in which we operate.

Charter Hall has a footprint in over 100 communities across Australia, and we want to create a positive legacy within these communities. This means helping build strong communities and local economies, strengthening our position as a key local community player and addressing issues important to our business and our stakeholders.

OUR PEOPLE



81%

contributed 330 Volunteer Days

OUR PLACES



\$1.3m

contributed to the community

OUR PARTNERSHIPS



\$600,000

donated to community partners

ISSUES

Community and social cohesion

Community and social cohesion of the communities in which we operate contribute to the stability and success of local economies, helping us to contribute to customers' culture.



COMMUNITY AND SOCIAL COHESION



UN SDG 8 Decent work and economic growth

Our approach incorporates the SDG 8 targets through technological innovation and the creation of equal employment opportunities in our operations, assets and developments.



Stakeholder engagement and satisfaction

To deliver great customer satisfaction, we need to be flexible in delivering services and experiences that meet our customers' expectations.



INCLUSIVE PLACES



SDG 11 Sustainable cities and communities

Charter Hall seeks to engage with our key stakeholders in our operations and developments to maintain sustainable growth that meets the needs of our customers, communities and our people.



Diversity and inclusion

An inclusive workplace is one of belonging, where employees thrive because they can be their whole and best selves. To enable our employees to thrive we leverage diverse perspectives and value differences based on a wide range of personal characteristics including gender, sexual identity, age and ethnicity.

Building Communities

The Issue	Our Approach in FY18	Target	Target	Aspiration
Community and Social Cohesion				
Addressing disadvantaged communities Disadvantaged people are excluded from participating and connecting with their communities, including employment, access to services, connections in the community and ability to deal with personal crises.	Continuing our Pledge 1% investment In FY18, our Pledge 1% contributed: <ul style="list-style-type: none">81% of employees (a 130% increase from FY17) volunteering 330 days in the community (more than double the 161 days in FY17)\$600,000, an increase in \$100,000, towards partnerships that addressed social exclusion\$1.3 million or 46,054 sqm in space for the community, an additional 28,256 sqm from FY17 100% of large retail centres have a community space, in line with our 2020 target. The retail sector commenced a national partnership with Two Good to expand the social enterprise footprint and awareness of domestic violence. Community spaces in Office Assets include social enterprise cafes and services, art galleries and spaces for our customers and the wider community.	Continued Pledge 1% commitment.	Continued Pledge 1% commitment.	Creation of the largest community hub network in Australia.
	Building capacity in our communities An employment strategy was developed and piloted at Wesley Place, Melbourne, and GPO Exchange, Adelaide, office developments in partnership with our builders and job training service providers. This resulted in 16 participants trained in construction with an 81% employment rate. We are looking to scale this model across other developments next year.	Community hubs in all large retail assets. National programs with communities and partners to curate creative and community programs in all large assets.	Create a national network of innovation enterprises.	
Inclusive Spaces				
Engaging our stakeholders By maintaining high levels of customer engagement and satisfaction, our business and our buildings can provide for our customers' needs, which in turn results in long-term commitment to our business and our assets.	Improving stakeholder relationships We prepared stakeholder engagement plans for 100% of new office and retail developments, in line with the FY20 target. Stakeholder plans have also been prepared for all existing office assets, in line with the FY25 target. We sought feedback through tenant customer surveys across office, retail and industrial sectors. Results showed high levels of customer satisfaction, and highlighted areas for improvement, which we have integrated into our operational improvements.	Stakeholder engagement plans prepared for 100% of developments.	100% of developments and assets have stakeholder engagement plans.	

Building Communities CONTINUED

The Issue	Our Approach in FY18	Our Targets		
		FY20 Target	FY25 Target	Aspiration
Inclusive Spaces CONTINUED Customer satisfaction and amenity expectations Customer satisfaction and experience in place requires flexible delivery of services and innovations that meet our customers’ culture and expectations.	Creating great customer experiences In FY18, we continued to implement our retail place experience for continued improvement in our centres. Industrial and office sectors commenced a customer place experience approach. This will feed into an updated place experience tool in FY19. Our FlexiSpaces concept was piloted to meet customers’ changing needs.	Place index implemented across the portfolio.	Ongoing place experience ratings across our portfolio.	Leader in innovative place creation in our communities.
Diverse and inclusive workplaces An inclusive workplace is one of belonging, where employees thrive because they can be their whole and best selves. To enable our employees to thrive we leverage diverse perspectives and value differences based on a wide range of personal characteristics including gender, sexual identity, age and ethnicity.	Building our diversity In FY18, Charter Hall achieved the following diversity outcomes: <ul style="list-style-type: none"> • 40% female participation on CHC Board (Non-Executive Directors only) • 20% female participation in senior executive positions • 54.2% female participation in the workplace 	<ul style="list-style-type: none"> • >35% Female participation on CHC Board (Non-Executive Directors only) • 25–35% female participation in senior executive positions • 50% female participation in the workplace 	<ul style="list-style-type: none"> • >40% Female participation on CHC Board (Non-Executive Directors only) • >40% female participation in senior executive positions • 50% female participation in the workplace 	

>> For more detailed information on our environmental performance refer to [Environmental Data Tables](#)

FlexiSpaces meeting customer needs



Since launching the Cedric Fuchs Scholarship in 2013, our employees have developed innovative ideas and products that build innovation, collaboration and diversity of thinking at Charter Hall. The scholarship provides our people with the opportunity to create, plan and bring to life their own project within the business, not only for the betterment and success of Charter Hall and our customers, but for their own personal and professional development.

FY18, the scholarship was awarded to employees in our Industrial team, who created the FlexiSpaces concept to address our tenants' increasing need for space that could 'flex' with their shifting workforce and operational needs. After speaking with tenants, we found that many of their businesses require more (or less) space according to fluctuations in their workload or workforce. Through our interviews with our customers such as Australia Post, we identified the need for extra space for parcel storage leading into Christmas and other key times of year.

Customer feedback also identified that other customers had under-utilised spaces that they would be prepared to share with others, as long as the terms were flexible, there was an opportunity for financial return, and it worked within their lease arrangements.

The FlexiSpaces team recognised that the best way to identify and share space opportunities was through technology platforms, so FlexiSpaces became an online platform where businesses can list and find available space as needed.

The key difference between FlexiSpaces and a traditional sublet is that it allows customers to respond much more quickly to meet their need for more or less space. For some, it provides a simple way to get extra warehouse space when needed; for others it presents a chance to make money from desks that would otherwise be sitting empty.

Another key differentiator is that the platform is open only to those within the Charter Hall tenant network. This enables our tenants to continue to meet their leasing requirements and for Charter Hall to open new avenues to connect customers across sectors. This is beneficial for our business as well as theirs—for example, an industrial customer in WA may be seeking short-term office space in NSW, which they can now find easily through the platform.

While the FlexiSpaces concept was originally focused on industrial customers, we quickly realised FlexiSpaces had broader applications across our other commercial sectors, particularly our office sector, which is in the midst of great disruption due to the rise of co-working and flexible working providers.

After being named the Cedric Fuchs Scholarship winner, the FlexiSpaces concept was further developed over the 13-week Charter Hall PropTech Accelerator program, which gave the Charter Hall team an opportunity to thoroughly test and refine the proposition and spend time with other start-ups to learn how they think, act and do things differently to corporates.

By June 2018, the FlexiSpaces platform was live, allowing us to demonstrate the product in a testing environment. The platform also demonstrates how we are continuing to create more options to meet customer needs and delineate Charter Hall as a landlord of choice.

Upon completion of the initial testing the platform and its application will be reviewed.

Taking Two Good to the people



Delivering Good campaign.

Charter Hall recognises that domestic violence is an important societal issue that is occurring globally. It is experienced across all cultures and all demographics and, in Australia, one in four women and one in six men experience a form of domestic violence at some point in their lives.

As domestic violence is experienced across the hundreds of communities in which we operate, we wanted to extend our support and commitment to this issue through our partnership with Two Good, a social enterprise which supports women in domestic violence shelters. In FY18, Charter Hall's retail sector was proud to expand this support through the Delivering Good campaign. It seeks to raise awareness, helping people (including our own employees) to better understand this social issue and how to extend assistance to those impacted by domestic violence in our communities.

Whilst Two Good had delivered more than 60,000 meals to refuges and shelters since it began in late 2016, its reach had remained within Melbourne and Sydney. The Delivering Good campaign enabled Two Good to extend its reach and services into 26 new communities across four states and in regional areas, contributing \$140,000 towards regional community awareness of domestic violence and the delivery of 20,000 wholesome, delicious meals to domestic violence shelters in communities where Charter Hall operates.

As part of its Work Work program, Two Good employed 11 women from domestic violence shelters to work in its kitchen for three months, enabling them to produce the extra quantities of food required for the Delivering Good campaign. Five of the women from the Work Work program have already gone on to secure full-time jobs back in their communities. Two Good also involved other corporate partners, such as NAB, to assist with the logistics and coordination of deliveries, while Charter Hall engaged with our retailers to assist in the logistics of food storage.

Charter Hall developed an innovative way to engage with shoppers, where they were invited to help complete a giant puzzle –with each puzzle piece representing one meal donated by Two Good to a domestic violence survivor and information provided on domestic violence. As the puzzles were completed, they revealed portraits of 12 of the Two Good community members, including Delivering Good ambassadors Neil Perry and Maggie Beer, as well as several domestic violence survivors whose lives have been changed by Two Good. Supporting video content helped tell their stories, reaching over 163,000 people on Facebook alone.

The Delivering Good campaign has directly benefited women and families in need in suburban and regional areas and it has given thousands of our customers a better understanding of domestic violence in their communities, and how to provide support and initiate conversations that seek to address the issue. Stage Two of the Delivering Good program will continue and scale in FY19.

“Let’s face it, when you’re not up for things, the first thing that goes out the window is what you’re eating. It’s a fast spiral downhill. There’s also the extra bit of hope women get from knowing the food has been cooked by fellow domestic violence survivors,” said Leigh Smith, Tamworth Family Support Service.

“What I love most about this campaign is that it is a business transaction. We are a business that does good and doing business with us allows us to empower more women who have been disempowered. There is no doubt this campaign with Charter Hall has fast-tracked our mission of delivering our goodness to every women’s shelter in the country,” said Rob Caslick, Founder, Two Good.



Enabling Wellbeing

5

ENABLING WELLBEING



Our Commitment:

Enhance people's wellbeing at work and in our supply chain.

Increasingly, the business community is recognising the link between health and wellbeing and productivity within the workforce. At Charter Hall, we are focused on creating healthy and productive workspaces for our employees and extending this to our customers. Our FY18 focus on enabling wellbeing also extended to human rights and the elimination of modern slavery in our supply chain.



Silver WELL Interiors Certification for Melbourne and Perth offices.



Four office developments registered for International WELL Core and Shell certification.

ISSUES

Employee satisfaction and wellbeing

Employee satisfaction and wellbeing contribute to the stability, productivity and success of our company. We believe our people are our greatest asset and we need to provide the best possible environment to foster engagement, improve productivity and enhance wellbeing.

Environmental impacts on wellbeing

Environmental wellbeing has an impact on productivity, operational costs and the comfort of the workforce both within Charter Hall and our tenants' businesses. We have an important role to play in ensuring our assets meet customer expectations and contribute to the wellbeing of their employees.

Responsible supply chain, human rights and modern slavery

Human rights and modern slavery is a global issue material to all companies. While Charter Hall is an Australian property company, we need to work with our suppliers to understand their practices and footprint as part of our responsibility in addressing global slavery and human rights.

OUR APPROACH

CREATING HEALTHY SPACES AND ENVIRONMENTS

SDG 3 Good Health and Wellbeing

By creating healthy and productive spaces to work, addressing human rights and meeting the needs of our customers, Charter Hall ensures healthy lives and promotes wellbeing for all.



RESPONSIBLE SUPPLY CHAIN

SDG 3 Good Health and Wellbeing

By creating healthy and productive spaces to work, addressing human rights and meeting the needs of our customers, Charter Hall ensures healthy lives and promotes wellbeing for all.



Enabling Wellbeing

The Issue

Our Approach in FY18

Creating Healthy Spaces and Environments

Employee satisfaction and wellbeing

Our people are our greatest asset. Healthy, satisfied employees contribute to the stability, productivity and success of our company.

Focusing on employee wellbeing

In FY18, half of our workforce participated in a 12 week wellbeing program with Ritualize to create long-term healthy habits that drive performance across our workforce.

Creating great employee experiences

We created a range of initiatives to enhance our employee experience (beyond those mentioned in the People section) including:

- Partnered with Enboarder to develop stronger connections with our people from day one
- School holiday programs for Charter Hall employees in Melbourne and Sydney
- Adoption of the Benojo Community Giving Portal to manage and record our Pledge 1% giving and volunteering initiatives
- Annual employee satisfaction survey showed a 3% increase year on year. We use this survey to inform and measure the impact of the experiences we create

Environmental wellbeing impacts through innovation and technology

Through innovation, we can create environments that foster wellbeing. This affects the productivity, operating cost and comfort of our own workforce, and those of our customers.

Creating WELL environments

Charter Hall Melbourne and Perth tenancies achieved international WELL Certified™ Silver Interiors ratings. We now have four office developments registered for the International WELL Core and Shell certification, one more than in FY17, and Charter Hall is one of 13 companies internationally piloting the WELL Portfolio rating in our CHOT portfolio.

Our Targets

FY20 Target

FY25 Target

Aspiration

Wellbeing Strategy for our people and our places developed and implemented.

Provision of a menu of benefits and programs for our buildings and our communities.

Connect employee and customer value propositions to enhance their experiences at work.

WELL building accreditation sought for all large Charter Hall state offices and in new office developments.

Wellbeing programs/facilities available to all large assets and employees.

Shape the way we acquire and develop talent to align with a future of work.

WELL building accreditation sought for all large Charter Hall state offices and in new office developments.

Leader in health and wellbeing in our communities.

Enabling Wellbeing CONTINUED

The Issue

Our Approach in FY18

Our Targets

FY20 Target

FY25 Target

Aspiration

Creating Healthy Spaces and Environments CONTINUED

Environmental wellbeing impacts through innovation and technology

Through innovation, we can create environments that foster wellbeing. This affects the productivity, operating cost and comfort of our own workforce, and those of our customers.

Exceeding customer expectations

'Comfy' installed across Charter Hall tenancies and four buildings to enable occupant climate control, following pilot in FY17.

All office buildings undertake annual indoor air quality assessments, measuring carbon dioxide, carbon monoxide, lighting, humidity, temperature and particulates. Any areas under 'best practice' levels are reviewed with the facility management team and rectified.

One of our office buildings has a NABERS Indoor Environment rating and we are investigating the extension of these ratings across our office portfolio.

Expansion of new technologies across the portfolio.

Enhanced customer satisfaction experience in our assets.

Responsible supply chain

Human rights and modern slavery

Human rights and modern slavery are global issues material to all companies.

We seek to understand our suppliers' practices and footprint and our responsibilities.

Addressing modern slavery

Charter Hall Human Rights Policy developed as part of the Human Rights Framework. Supplier human rights risk assessment completed

Human Rights Framework implemented across all Charter Hall assets, developments and operations.

Integrated sustainable and equitable supply chain procurement into assets and developments.

Social procurement

Social procurement enables the provision of goods and services whilst creating social impact and addressing social issues in our communities.

Creating shared value

Social procurement enables the provision of goods and services whilst creating social impact and addressing social issues in our communities.

Development of social procurement strategy and expansion across our supply chain.

Green, social and Indigenous enterprises in the Charter Hall supply chain.

Ritualize inspires healthy new habits

At Charter Hall we believe that the health and wellbeing of our people and the communities we operate in are all connected. We have focused on promoting wellbeing in our workplaces through initiatives like Activity Based Working, community volunteering, wellbeing focused employee benefits, international WELL Accreditation for many of our buildings and our Pledge 1%.

In February 2018, we continued our wellbeing focus with the launch of Ritualize—a 12-week program that provides a pattern of behaviours and actions to create positive change, making wellbeing a ritual. The program began with our employees taking a BioAge test, which revealed the true state of their health. From there, weekly challenges were set related to all aspects of wellbeing, including exercise, nutrition, caffeine and alcohol consumption, mindfulness and sleep. Our employees logged their progress via the Ritualize App, which was linked to a pedometer and several fitness apps. This enabled them to track their progress and see how even small positive actions had a positive impact on their BioAge score. A leader board recognised the top performers every day, and weekly prizes were awarded—as well as an overall challenge winner.

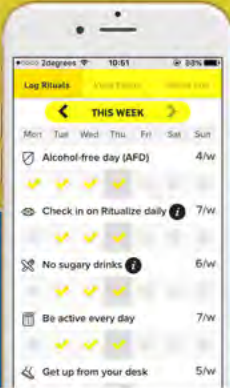
“The online nature of the tool enabled competition between employees across Australia, so it was a great way to motivate the team,” explained Trent Lowther, who won the Ritualize challenge. “I liked that you could opt into different challenges based on what you most need to change, but also add your own rituals. For me, sleep was one area I needed to focus on, as I tend not to go to bed early. I used the meditation technique called box breathing to help calm down and make sleep easier, and also tried to avoid using my phone before bed.”

To further encourage our people to make the most of program, we invited Paul Taylor, the Founder of Ritualize, to speak at our Tuesday TED morning breakfast. His talk was on the ‘Seven habits of peak performers’ and included some interesting insights into techniques such as 12-hour fasting, cold showers, mental rehearsal, digital detox and gratitude rituals.

“It would be good to do again,” says Trent Lowther. “Afterwards it was the best I have felt all year.”

“
The online nature of the tool enabled competition between employees across Australia, it was a great way to motivate the team”

Trent Lowther
Ritualize Challenge Winner




Ritualize

Turn your good intentions into great habits, **download Ritualize today!**


I enjoy keeping track of and noticing the little things in life I usually disregard or don't notice I even do.

— Simone Cartwright



I use Ritualize as a checker as it keeps me in focus about getting more physical and eating right.

— Michael Roumieh



Our journey to attaining WELL certification



Charter Hall Perth Office, 225 St Georges Terrace, Perth

Charter Hall has been on a wellness journey for some time and, this year, it culminated in a significant achievement when our Melbourne and Perth offices achieved the WELL Certified™ Silver Interiors rating from the International WELL Building Institute. The first WELL rating to be achieved in WA and the first Interiors rating in VIC, this certification enabled formal recognition of our approach in our workplaces and demonstrated to our people the benefits of our new way of working.

The International WELL Building Institute Certification is underpinned by seven key principles: air, water, nourishment, light, fitness, comfort and mind. The notion is that, by integrating these elements into workplaces, we can create a healthy and productive work environment that enables people to bring their whole selves to work. The certification not only looks at the physical environment, but also considers procurement practices, office systems, employee benefits and broader policies and processes.

We embraced the opportunity to apply the WELL principles when designing and fitting out new office spaces for our Melbourne and Perth teams. As well as meeting the seven elements of WELL, the design of spaces also had to reflect local characteristics of each region. Throughout the process, we worked closely with our employees to help them understand what makes a healthy workplace—from good air quality to the right cleaning products and employee snacks. We did encounter some challenges along the way, such as the initial changeover from biscuits to healthy snacks such as fruit. However, these changes have now been positively embraced by employees, who appreciate the company's new healthy outlook.

The introduction of a Wellbeing Day was particularly well received, and employees have also responded well to opportunities to participate in a range of healthy initiatives such as Ritualize, all of which further contribute to positive behavioural change.

Post occupancy, we sought formal feedback on the new workspaces and fit-outs through a University of Sydney BOSSA survey. The Perth survey was very positive, with no negative employee comments on the environmental aspects of the workspace. In Melbourne, the survey identified issues with air temperature and acoustics. Actions were taken to resolve these issues, including introducing 'Comfy' into the space, which enables employees to personally adjust temperatures. All survey results were shared with employees and our ongoing improvements continue to involve extensive employee engagement.

Our implementation of WELL has enabled a consistent national approach to our employee offering in our state regional offices, such as fruit and vegetables, snacks, cleaning products, wellbeing programs and benefits. We have identified the key to success in the creation of healthy workplaces is employee and customer engagement throughout the design, delivery and post occupancy of our spaces. As we embark on rating our other tenancies and wider portfolio, we plan to continue seeking feedback and making ongoing improvements. We will be seeking a WELL Core and Shell rating on all Charter Hall office developments, and we are one of 14 companies worldwide participating in the WELL Portfolio pilot with some buildings in our Charter Hall Office Trust (CHOT) portfolio.

Our Performance

6

MEMBERSHIPS AND AWARDS

Charter Hall supports, and is an active participant in, a range of industry specific sustainability groups and seeks third party sustainability certification ratings on our designs and operational performance.

We are proud that our developments and operations are recognised by our peers and industry in awards. We are also pleased with the improvements in our people and environmental performance factors.

Memberships

We support a number of general and industry specific sustainability groups and initiatives both nationally and internationally. Be it through membership, partnership, participation or other contribution, these relationships are important because they give us the opportunity to collaborate with our stakeholders, share knowledge and develop sustainable outcomes for the industry.

OUR PARTNERSHIPS AND MEMBERSHIPS INCLUDE:



Signatory to the
UN Principles of
Responsible Investment



Member of the
Green Building Council
of Australia



Founding member of the
Better Buildings Partnership
City of Sydney initiative



Participant in the
Carbon Disclosure Project
(CDP) since 2010



Member of the Global
Real Estate Sustainability
Benchmark (GRESB) in 2015
and participant since 2013



Member of the
Australian Property
Institute



Member of the
Property Council
of Australia



Member of
Urban Taskforce
Australia



Corporate Member
of Social Traders
Connect



Member of the
Urban Development
Institute of Australia



Member of the
Shopping Centre
Council of Australia



Member of the
Property Industry
Foundation



Member of the
Committee
for Sydney



Member of the
Diversity Council
Australia



Founding member of
Property Council Male
Champions of Change



Member of the Cleaning
Accountability Framework
Technical Group



Member of
City Switch

MEMBERSHIPS AND AWARDS

CONTINUED

GROUP AWARDS FY17/18

Association	Award
Professional Planner/Zenith Fund Awards	Winner – Fund of the Year (DOF) at the Professional Planner/Zenith Fund Awards – Charter Hall DOF
Property Council of Australia	2018 Finalist – 333 George – Property Council of Australia Innovation and Excellence Awards – Best Office Development 2018 Finalist – 1PSQ – Wood Bagot Award for Best Public Building – Property Council of Australia Innovation and Excellence Awards 2018 Finalist – 1PSQ – Award for Development Innovation – Property Council of Australia Innovation and Excellence Awards 2017 Finalist – 570 Bourke – Property Council of Australia Innovation and Excellence Awards – Development of the Year (VIC)
Shopping Centre Council of Australia	Runner Up – Marketing Community Medium Award (76 – 149 Stores) Fit Kids, Campbelltown, 2018 Runner Up – Marketing Community Multi Award – Delivering Good, Charter Hall, 2018
Urban Developer Awards	Winner – 900 Ann Street, Fortitude Valley – Development of the Year – Urban Regeneration
Urban Development Institute of Australia UDIA	Winner – UDIA – Excellence in Mixed Use Developments (Western Sydney University, 1 Parramatta Square) Finalist – Western Sydney University, 1 Parramatta Square for Social Infrastructure
Urban Taskforce	2017 Winner – 1PSQ – Urban Taskforce Development Excellence Awards – Commercial Office Metro Development of the Year

>> For all other awards go to <https://www.charterhall.com.au/about-us/awards/>

ASSET RATINGS AND CERTIFICATIONS

NABERS OFFICE ENERGY RATINGS

Property	Fund	FY18	FY17	FY16	FY15	FY14	FY13	FY12	FY11
NSW									
1 Martin Place	CHOT	4.5	3.5	3.5	3.5	3.5	3.5	3.5	3
1 Shelley Street	CPOF	5	5	5	–	–	–	–	–
167 Macquarie Street	CPOF	4	3	3	3	3	2.5	1.5	–
2 Market Street (tower)	CHOT	5	5	5	4.5	4.5	4.5	4.5	4
2 Market Street (forecourt)	CHOT	5	4.5	4.5	4.5	4.5	4.5	4.5	3.5
2 Park Street	CHOT	5	5	5	5	5	5	5	5
231 Elizabeth Street	CPOF	5	–	–	–	–	–	–	–
65 Berry Street	CHOT	5	4	4	3.5	4	3.5	3.5	3.5
68 Pitt Street	DOF	3.5	3	3	3	3	3.5	3	2.5
9–11 Wentworth Place	PFA	5	5	5	5	5	4.5	5	4.5
9 Castlereagh Street	CPOF	4.5	4.5	4	4	3.5	3	–	–
NSW State Average		4.73	4.50	4.20	–	–	–	–	–



2 Market Street, Sydney

ASSET RATINGS AND CERTIFICATIONS

CONTINUED

NABERS OFFICE ENERGY RATINGS CONTINUED

Property	Fund	FY18	FY17	FY16	FY15	FY14	FY13	FY12	FY11
VIC									
1 Nicholson Street	DOF	4	4	4	4	4	4	3.5	3
11–33 Exhibition Street	CPOF	4.5	4.5	4	4	4	3.5	–	–
1–21 Dean Street	PFA	0	2	2	1.5	0	0	–	–
150 Lonsdale Street	CHOT	4.5	4.5	4.5	4.5	4.5	4	4	3.5
200 Queen Street	DOF	4.5	4.5	4.5	4.5	4.5	4.5	4	3.5
300 La Trobe Street	CHOT	5	5	5	5	5	4.5	4	4
570 Bourke Street	CPOF	5	–	–	–	4	3	–	–
55 King Street	CPOF	4.5	4	4	–	–	–	–	–
171 Collins Street	CHOT	6	6	6	5	–	–	–	–
990 La Trobe Street	CPOF	5.5	–	–	–	–	–	–	–
VIC State Average		4.67	4.69	4.70	–	–	–	–	–
QLD									
175 Eagle Street	CHOT	4.5	4	2.5	3.5	3.5	3	2.5	2
200 Adelaide Street	PFA	2	3.5	3.5	3	2.5	2.5	–	–
266 George Street	CPOF/BSWF	4	4	4	–	–	–	–	–
275 George Street	CPOF	5	5	5	5	5	5	5	
32 Turbot Street	CCT	5.5	–	–	–	–	–	–	–
69 Ann Street	CPOF/DOF	4	4	3.5	4	4	4	4	–
85 George Street	CHOT	2.5	3.5	3.5	3.5	3.5	3	3.5	3.5
100 Skyring Terrace	CPOF	5.5	5.5	–	–	–	–	–	–
56 Edmondstone Road	Direct VA Trust	4	4	3.5	3	–	–	–	–
QLD State Average		4.50	4.36	3.90	–	–	–	–	–



171 Collins Street, Melbourne

ASSET RATINGS AND CERTIFICATIONS

CONTINUED

NABERS OFFICE ENERGY RATINGS CONTINUED

Property	Fund	FY18	FY17	FY16	FY15	FY14	FY13	FY12	FY11
WA									
181 St Georges Terrace	DOF	3.5	2.5	2	2	0	0	–	–
225 St Georges Terrace	CPOF	4	3.5	3	2	2	–	–	–
233 Adelaide Terrace	CHOT	4	4	4	4	4	3.5	3	2.5
303 Sevenoaks Street	PFA	5	4.5	4.5	4.5	4	3.5	–	–
300 Murray Street	CPOF/BSWF	5	5	5	5	5	–	–	–
202 Pier Street	CHDWT	5.5	5.5	5.5	5.5	–	–	–	–
WA State Average		4.75	4.44	4.40	–	–	–	–	–
SA									
12–26 Franklin Street	CLW	5.5	5.5	5	–	–	–	–	–
SA State Average		5.50	5.50	5.00	–	–	–	–	–
TAS									
134 Macquarie Street	PFA	3	3	3	3	3	3	2.5	–
TAS State Average		3.00	3.00	3.00	3.00	3.00	3.00	2.50	–
ACT									
44 Sydney Avenue	PFA	4.5	–	–	–	–	–	–	–
ACT Territory Average		4.50	–	–	–	–	–	–	–
National Average (Weighted by NLA)		4.66	4.51	4.30	4.13	3.65	3.07	3.03	2.78



ATO 12–26 Franklin Street, Adelaide

ASSET RATINGS AND CERTIFICATIONS

CONTINUED

NABERS OFFICE WATER RATINGS

Property	Fund	FY18	FY17	FY16	FY15	FY14	FY13	FY12	FY11
NSW									
1 Martin Place	CHOT	3.5	2.5	2.5	2.5	2.5	2.5	2.5	2
1 Shelley Street	CPOF	4.5	4.5	4.5	–	–	–	–	–
167 Macquarie Street	CPOF	2	1	1.5	2	2	2	–	–
2 Market Street (tower)	CHOT	3	3	3	2.5	3	3	3.5	3
2 Market Street (forecourt)	CHOT	3.5	3.5	3	3.5	3.5	3.5	3.5	–
2 Park Street	CHOT	4	3.5	3.5	3.5	3.5	3.5	3.5	3.5
231 Elizabeth Street	CPOF	4	–	–	–	–	–	–	–
65 Berry Street	CHOT	2.5	2	2.5	2	2.5	3	3	3
68 Pitt Street	DOF	3.5	3	2.5	2.5	3	3	2.5	3
9–11 Wentworth Place	PFA	4	4	4	4.5	5	4.5	4.5	4.5
9 Castlereagh Street	CPOF	3	3	3.5	3	3.5	–	–	–
NSW State Average		3.50	3.19	2.70	–	–	–	–	–



1 Shelley Street, Sydney

ASSET RATINGS AND CERTIFICATIONS

CONTINUED

NABERS OFFICE WATER RATINGS CONTINUED

Property	Fund	FY18	FY17	FY16	FY15	FY14	FY13	FY12	FY11
VIC									
1 Nicholson Street	DOF	3	3	3	3.5	3.5	3.5	4	4.5
11–33 Exhibition Street	CPOF	3.5	4	4	2.5	2	2	–	–
1–21 Dean Street	PFA	5	5	5	5	5	4.5	–	–
150 Lonsdale Street	CHOT	3	3	3.5	3	2.5	2.5	2.5	–
200 Queen Street	DOF	4.5	4.5	4.5	4.5	4.5	4.5	4.5	4.5
300 La Trobe Street	CHOT	3.5	3	2.5	3	3	2.5	3	3
570 Bourke Street	CPOF	3.5	–	–	–	–	–	–	–
55 King Street	CPOF	4	3	3	–	–	–	–	–
171 Collins Street	CHOT	4	4	4	–	–	–	–	–
990 La Trobe Street	CPOF	6	–	–	–	–	–	–	–
VIC State Average		3.74	3.58	3.60	–	–	–	–	–
QLD									
175 Eagle Street	CHOT	4	4	4	4	3.5	3.5	3.5	4
200 Adelaide Street	PFA	–	–	–	–	–	–	–	–
266 George Street	CPOF/BSWF	3.5	3.5	3	–	–	–	–	–
275 George Street	CPOF	4.5	4	–	2.5	3.5	3	3	–
32 Turbot Street	CCT	4.5	–	–	–	–	–	–	–
69 Ann Street	CPOF/DOF	4	4	4	4	4.5	4.5	4.5	–
85 George Street	CHOT	–	3.5	3.5	4	4	3.5	3	4
100 Skyring Terrace	CPOF	4	4	–	3.5	3.5	3	3.5	3.5
56 Edmondstone Road	Direct VA Trust	4.5	–	–	3	–	–	–	–
QLD State Average		4.04	3.81	3.46	3.00	–	–	–	–



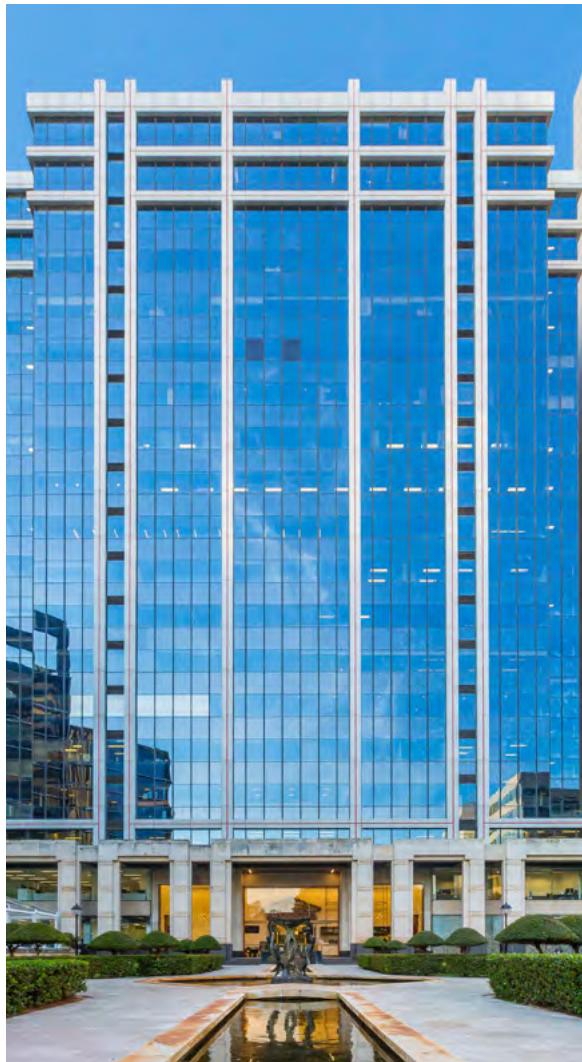
175 Eagle Street, Brisbane

ASSET RATINGS AND CERTIFICATIONS

CONTINUED

NABERS OFFICE WATER RATINGS CONTINUED

Property	Fund	FY18	FY17	FY16	FY15	FY14	FY13	FY12	FY11
WA									
181 St Georges Terrace	DOF	5.5	5	4	3.5	–	–	–	–
225 St Georges Terrace	CPOF	3.5	3	3	3	2	2	–	–
233 Adelaide Terrace	CHOT	4.5	4	4	4.5	4	4	4	–
303 Sevenoaks Street	PFA	–	4.5	4.5	4.5	4	–	–	–
300 Murray Street	CPOF/BSWF	4	3.5	4	4	3.5	–	–	–
202 Pier Street	CHDWT	3	3.5	3.5	4	–	–	–	–
WA State Average		3.80	3.58	3.90	–	–	–	–	–
SA									
12–26 Franklin Street	CLW	4	4.5	4.5	–	–	–	–	–
SA State Average		4.00	4.50	4.50	–	–	–	–	–
TAS									
134 Macquarie Street	PFA	3.5	4	4	–	–	–	–	–
TAS State Average		3.50	4.00	–	–	–	–	–	–
ACT									
44 Sydney Avenue	PFA	5	–	–	–	–	–	–	–
ACT Territory Average		5.00	–	–	–	–	–	–	–
National Average (Weighted by NLA)		3.78	3.57	3.50	3.23	3.33	3.11	3.32	3.32



225 St Georges Terrace Perth

ASSET RATINGS AND CERTIFICATIONS

CONTINUED



Lansell Square, Victoria

NABERS RETAIL ENERGY RATINGS

Property	Trust	FY18	FY17	FY16
NSW				
Bateau Bay Square	CHRP2	4	4.5	4
Singleton Square	CQR	5	4	4
Highlands Marketplace	CHRP1	3.5	4	3
Carnes Hill Marketplace	CHRP1	3	3	3.5
Campbelltown Mall	CPRF	3*	3.5	–
Salamander Bay	CQR	3.5	3.5	–
NSW State Average		3.60	3.80	3.60
VIC				
Lansell Square	CQR	3.5	3	3.5
Rosebud Plaza	CQR	4	3.5	3.5
VIC State Average		3.80	3.30	3.50
QLD				
Great Western Super Centre	TTP	4.5	3.0	4.0
Arana Hills Plaza	CQR	5.0	–	–
QLD State Average		4.70	3.00	4.00
WA				
Waneroo Central**	CQR	–	4	3.5
South Hedland	CQR	3.5	3.5	–
WA State Average		3.50	3.80	3.50

* TBC

** Not rated due to development.

ASSET RATINGS AND CERTIFICATIONS

CONTINUED



Brickworks Marketplace, South Australia

NABERS RETAIL ENERGY RATINGS

CONTINUED

Property	Trust	FY18	FY17	FY16
SA				
Brickworks Marketplace	CHRP1	4	4	4
Southgate Plaza	CQR	5.5	5.5	–
SA State Average		4.70	4.70	4.00
National Average (Weighted by GLA)		3.90	3.75	3.70

ASSET RATINGS AND CERTIFICATIONS

CONTINUED



Arana Hills Plaza, Queensland

NABERS RETAIL WATER RATINGS

Property	Trust	FY18	FY17	FY16
NSW				
Bateau Bay Square	CHRP2	4	4	3.5
Singleton Square	CQR	3.5	3	4
Highlands Marketplace	CHRP1	2.5	1.5	2.5
Carnes Hill Marketplace	CHRP1	0	0	1.5
Campbelltown Mall	CPRF	3.5*	4	–
Salamander Bay	CQR	4	3	–
NSW State Average		3.20	3.00	3.00
VIC				
Rosebud Plaza	CQR	4.5	4.5	4
VIC State Average		4.50	4.50	4.00
QLD				
Great Western Super Centre	TTP	4.5	4	4
Arana Hills Plaza	CQR	5.5	–	–
QLD State Average		5.00	4.00	4.00
WA				
Waneroo Central**	CQR	–	4.5	4.5
South Hedland	CQR	4	4	–
WA State Average		4.00	4.30	4.50

* TBC

** Not rated due to development.

ASSET RATINGS AND CERTIFICATIONS
 CONTINUED



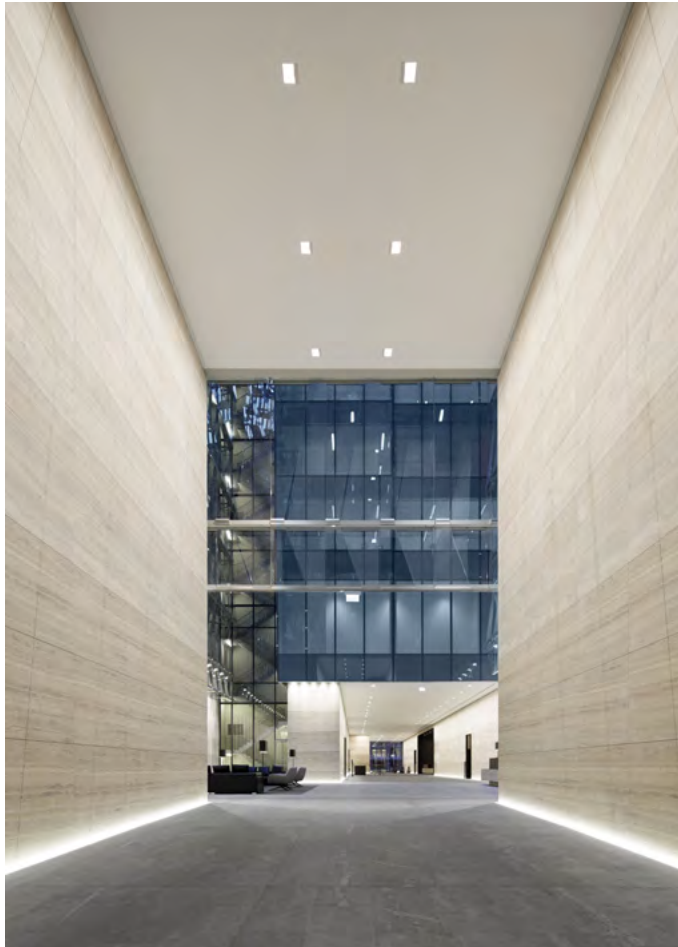
Southgate Square, South Australia

NABERS RETAIL WATER RATINGS
 CONTINUED

Property	Trust	FY18	FY17	FY16
SA				
Brickworks Marketplace	CHRP1	2.5	3.5	3
Southgate Square	CQR	3.5	3.5	–
SA State Average		3.00	3.50	3.00
National Average (Weighted by GLA)		3.60	3.43	3.40

ASSET RATINGS AND CERTIFICATIONS

CONTINUED



171 Collins Street, Melbourne

GREEN STAR CERTIFIED

Green Star Certified	Fund	Rating	Tool
NSW			
Charter Hall Head Office	CHH	5 star	Office Interiors v1.1
WSU, 1 Parramatta Square, Parramatta	CPOF	5 star	Education Design v1
WSU, 1 Parramatta Square, Parramatta	CPOF	5 star	Education As Built v1
333 George Street, Sydney	CPOF	5 star	Office Design v3
333 George Street, Sydney	CPOF	5 star	Office As Built v3
105 Phillip Street, Parramatta	CPOF	6 star	Office Design v3
105 Phillip Street, Parramatta	CPOF	TBC	TBC
1 Shelley Street, Sydney	CPOF	6 star	Office Design v2
1 Shelley Street, Sydney	CPOF	6 star	Office As Built v2
VIC			
171 Collins Street, Melbourne	CHOT	6 star	Office Design v2
171 Collins Street, Melbourne	CHOT	6 star	Office As Built v2
990 La Trobe Street, Melbourne	CPOF	6 star	Office Design v3
SA			
ATO, 12–26 Franklin Street, Adelaide	CLW	5 star	Office Design v3
ATO, 12–26 Franklin Street, Adelaide	CLW	5 star	Office As Built v3

ASSET RATINGS AND CERTIFICATIONS

CONTINUED



Santos Place, 32 Turbot Street QLD

GREEN STAR CERTIFIED CONTINUED

Green Star Certified	Fund	Rating	Tool
QLD			
275 George Street, Brisbane	CPOF	5 star	Office Design v2
275 George Street, Brisbane	CPOF	5 star	Office As Built v2
100 Skyring Terrace, Newstead	CPOF	5 star	Office Design v3
100 Skyring Terrace, Newstead	CPOF	5 star	Office As Built v3
900 Ann Street, Brisbane	CPOF/DOF	5 star	Office Design v3
Santos Place, 32 Turbot Street, Brisbane	CCT	6 star	Office Design v2
Santos Place, 32 Turbot Street, Brisbane	CCT	6 star	Office As Built v2
WA			
Raine Square, 300 Murray Street, Perth	CPOF/BSWF	4 star	Office As Built v2
WorkZone West, 202 Pier Street, Perth	WorkZone	5 star	Office Design v3
WorkZone West, 202 Pier Street, Perth	WorkZone	5 star	Office As Built v3

WELL CERTIFIED™

Building	WELL Rating	Date Certified
Charter Hall Melbourne Office	Silver New and Existing Interiors	Dec 2017
Charter Hall Perth Office	Silver New and Existing Interiors	Dec 2017

PEOPLE DATA

DIVERSITY AND INCLUSION



Parental leave	FY18*				FY17		
	Total	Male	Female	Prefer not to say	Total	Male	Female
Entitled to Paid Parental Leave	474	216	257	1	409	200	209
Commenced Primary Parental Leave	16	1	15	0	14	1	13
Still on Primary Parental Leave	11	0	11	0	11	0	11
Returned to Work	4	1	3	0	4	1	3
No longer employed or did not return	1	1	0	0	1	–	–

*FY18 now includes fixed-terms.

Return to work rate FY17 parental leavers	FY17
Took primary parental leave in FY17	14
Returned to Work and still employed (30 June 2018)	14
No longer employed or did not return	0
Still on Primary Parental Leave	0
Total	100%

Board composition by gender (NED)	FY18*		FY17*		FY16*		FY15		FY14		FY13	
	Number	Rate %	Number	Rate %	Number	Rate %	Number	Rate %	Number	Rate %	Number	Rate %
Male	3	60	3	60	4	80	7	87.5	7	87.5	7	87.5
Female	2	40	2	40	1	20	1	12.5	1	12.5	1	12.5
Total	5	100%	5	100%	5	100%	8	100%	8	100%	8	100%

*Non Executive Directors only.

PEOPLE DATA

CONTINUED

Remuneration Ratio

Remuneration reported in terms of the ratio of female remuneration in relation to male remuneration within each defined job band.

Job bands consist of:

- Senior Management comprises Managing Director, Executive Committee and Heads of Divisions
- Management comprises Senior Managers
- Senior Professional comprises Managers, Senior Professionals and Experienced Professionals
- Professional comprises:
 - Mid-level Professionals, Team Leaders and Senior Support Staff
 - Professional and Experienced Support Staff
- Support comprises Support Staff

Remuneration ratio	FY18		FY17		FY16		FY15		FY14	
	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male
Senior Management	0.69	1	0.75	1	0.59	1	0.40	1	0.49	1
Management	0.88	1	0.86	1	0.72	1	0.75	1	0.75	1
Senior Professional	1.03	1	1.01	1	0.77	1	0.71	1	0.78	1
Professional	0.90	1	0.94	1	0.88	1	0.77	1	0.79	1
Support	0.85	1	0.85	1	0.94	1	0.99	1	1.02	1
All company*	0.58	1	0.58	1	0.54	1	0.49	1	0.53	1

*Above is average of full-time fixed remuneration only and excluding employee 'prefer not to say to maintain confidentiality'.

Metric boundary:

- Includes only full-time and part-time permanent and fixed-term contract employees
- Includes only fixed remuneration

Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing their career endings

Induction	<ul style="list-style-type: none"> • STARTER – mandatory online modules completed within the first month of employment which summarise our organisational structure, strategy, culture and way of working, and key components across the employee lifecycle • Fundamentals to know as a Charter Hall employee • IT Introduction – step-by-step introduction to our technology and how to use it both in the office and when working remotely • Environment tour – a guided tour of the workplace to raise awareness of different office spaces and better understand how to use each space to optimise performance • Induction day – an interactive, 1.5 day face-to-face program that shares insights into the foundations of the organisation, and explains how our divisions and assets operate and interact to reinforce the importance of collaboration and customer focus
Compliance	<ul style="list-style-type: none"> • Safetrac – annual online compliance modules which are mandatory for all employees and focus on areas such as work, health and safety, ethics, security and integrity • Bite Sized Learning – regular short, face-to-face sessions that focus on areas such as risk, bullying and harassment, and general compliance
Technical	<ul style="list-style-type: none"> • Lunch n Learn – regular short face-to-face sessions managed by each division to focus on specific technical requirements and better understanding the impacts of their operations on other parts of the business • External Short Courses and Conferences – on an as needs basis aligned to individual development plans. Examples of these courses include Essentials of Finance for Non Finance Managers, Property Valuation, Leasing Fundamentals, Asset Management, Real Estate Certificate Program
General	<ul style="list-style-type: none"> • Bite Sized Learning – regular short face-to-face sessions available to all employees to build important skills and capabilities such as networking, presentation skills, emotional intelligence, having critical conversations • MindTools – online elearning platform available to all employees to access a range of learning and development resources on an as needs basis, anywhere and at any time • Live Tuesday sessions – monthly breakfast learning sessions where we invite speakers to share their stories and challenge our thinking about a wide range of local and global issues. These sessions have included customers, market analysts, business leaders in renewable technologies, community entrepreneurs and health and wellbeing advocates
Management and Leadership	<ul style="list-style-type: none"> • Manager Success Series – a series of live, virtual workshops to provide frontline managers with knowledge and tools to enhance their people management effectiveness. Topics include making great hiring decisions, maximising on the job learning, everyday coaching and leading teams through change • Leadership Development Program – a circa 10 month coaching based program for new leaders that focuses on building self awareness (informed by 360 degree feedback) and developing personal, team and strategic leadership skills

PEOPLE DATA

CONTINUED

Percentage of employees receiving regular (annual) performance and career development reviews, by gender and employee category.

Percentage reported in terms of proportion of total employees by gender and employee category receiving annual performance and career development reviews.

Job bands consist of:

- Senior Management comprises Managing Director, Executive Committee and Heads of Divisions
- Management comprises Senior Managers
- Senior Professional comprises Managers, Senior Professionals and Experienced Professionals
- Professional comprises:
 - Mid-level Professionals, Team Leaders and Senior Support Staff
 - Professional and Experienced Support Staff
- Support comprises Support Staff

Employee Category	Gender	Percentage of Employees receiving regular performance and career development reviews %
Senior Management	Male	100%
	Female	100%
Management	Male	100%
	Female	100%
Senior Professional	Male	100%
	Female	100%
Professional or Experienced Support; Support	Male	100%
	Female	100%

The above table includes performance and career development reviews completed for permanent employees and a select number of fixed term employees where they have short-term incentives in place. Given that performance reviews are finalised in September of the following reporting period, the FY18 performance reviews completion rate only includes eligible employees that were still employed as at 3 September 2018. The performance review completion rate metric also excludes the following: employees that are still within their 3–6 month probationary period as at 30 June 2018; employees who have transitioned to a new role within the organisation within the FY18 period.

PEOPLE DATA

CONTINUED

Workforce Breakdown by Job Band, Age and Gender

Workforce reported in terms of:

- Number: Number of employees by age and gender within each defined job band
- Percentage: Proportion of employees by age and gender within each defined job band

Job bands consist of:

- Senior Management comprises Managing Director, Executive Committee and Heads of Divisions
- Management comprises Senior Managers
- Senior Professional comprises Managers, Senior Professionals and Experienced Professionals
- Professional comprises:
 - Mid-level Professionals, Team Leaders and Senior Support Staff
 - Professional and Experienced Support Staff
- Support comprises Support Staff

Metric boundary:

Includes only full-time and part-time permanent and fixed-term contract employees.

Workforce breakdown by job band, age and gender	Senior Management			Management			Senior Professional			Professional			Support		
	Male	Female	Prefer not to say	Male	Female	Prefer not to say	Male	Female	Prefer not to say	Male	Female	Prefer not to say	Male	Female	Prefer not to say
Under 30	0	0	0	1	0	0	5	0	0	21	37	0	3	11	0
30–50	20	6	0	50	15	0	37	34	0	43	92	1	2	41	0
50+ years	4	0	0	8	3	0	2	2	0	15	2	0	5	14	0
Total	24	6	0	59	18	0	44	36	0	79	131	1	10	66	0

Workforce breakdown by job band, age and gender	Senior Management			Management			Senior Professional			Professional			Support		
	Male %	Female %	Prefer not to say %	Male	Female	Prefer not to say %	Male	Female	Prefer not to say %	Male	Female	Prefer not to say %	Male	Female	Prefer not to say %
Under 30	0%	0%	0%	1%	0%	0%	6%	0%	0%	10%	18%	0%	4%	14%	0%
30–50	67%	20%	0%	65%	19%	0%	46%	42%	0%	20%	44%	0.2%	3%	54%	0%
50+ years	13%	0%	0%	11%	4%	0%	3%	3%	0%	7%	1%	0%	7%	18%	0%
Total	80%	20%	0%	77%	23%	0%	55%	45%	0%	37%	63%	0.2%	14%	86%	0%

PEOPLE DATA

CONTINUED

Percentage of women in the workforce and senior management

Data reported in terms of:

- Number: Number of employees by age and gender within each defined job band
- Percentage: Proportion of employees by age and gender within each defined job band

Job bands consist of:

- Senior Management comprises Managing Director, Executive Committee and Heads of Divisions
- Management comprises Senior Managers
- Senior Professional comprises Managers, Senior Professionals and Experienced Professionals
- Professional comprises:
 - Mid-level Professionals, Team Leaders and Senior Support Staff
 - Professional and Experienced Support Staff
- Support comprises Support Staff

Metric boundary:

Includes only full-time and part-time permanent and fixed-term contract employees.

Headcount by Job Band and Gender	Senior Management		Management		Senior Professional		Professional		Support	
	Number	%	Number	%	Number	%	Number	%	Number	%
Male	24	80%	59	77%	44	55%	79	37%	10	13%
Female	6	20%	18	23%	36	45%	131	62%	66	87%
Prefer not to say	0	0	0	0	0	0	1	0	0	0

This is showing same information as previous page; just in a different way.

PEOPLE DATA

CONTINUED

Our Workforce

Employee breakdown by contract type and gender:

Employee breakdown reported in terms of number of employees by gender within each contract type.

Contract type consists of:

- Permanent full-time
- Permanent part-time
- Fixed-term full-time
- Fixed-term part-time

Metric boundary:

Includes only full-time and part-time permanent and fixed-term contract employees.

Breakdown by contract type and gender	FY18				FY17				FY16			FY15			FY14			FY13		
	Total	Male	Female	Prefer not to say	Total	Male	Female	Prefer not to say	Total	Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female
Permanent full-time	406	201	204	1	380	197	182	1	352	188	164	312	166	146	289	162	127	245	140	105
Permanent part-time	40	3	37	0	30	3	27	0	26	3	23	28	3	25	27	2	25	21	1	20
Fixed-term full-time	24	11	13	0	20	4	16	0	17	9	8	17	10	7	2	0	2	3	0	3
Fixed-term part-time	4	1	3	0	4	1	3	0												
Total	474	216	257	1	434	205	228	1	395	200	195	357	179	178	318	164	154	269	141	128

Employee breakdown by region and gender:

Employee breakdown reported in terms of number of employees by gender within each contract type.

Regions consist of each state in which Charter Hall operates:

- New South Wales
- Queensland
- South Australia
- Victoria
- Western Australia

Metric boundary:

Includes only full-time and part-time permanent and fixed-term contract employees.

Breakdown by region and gender	FY18				FY17			
	Employees	Male	Female	Prefer not to say	Employees	Male	Female	Prefer not to say
NSW	363	173	189	1	324	156	167	1
QLD	37	15	22	0	35	14	21	0
SA	8	1	7	0	9	2	7	0
VIC	34	14	20	0	36	17	19	0
WA	32	13	19	0	30	16	14	0
Total	474	216	257	1	434	205	228	1

PEOPLE DATA

CONTINUED

Breakdown by age	FY18				FY17			
	Employees	Male	Female	Prefer not to say	Employees	Male	Female	Prefer not to say
Under 30	78	30	48	0	75	26	48	1
30 – 50	341	152	188	1	312	149	163	0
50+ years	55	34	21	0	47	30	17	0
Total	474	216	257	1	434	205	228	1

Employee changes by age	FY18		FY17	
	New Hires	Termination	New Hires	Termination
Under 30	29	16	46	30
30 – 50	67	59	83	67
50+ years	12	11	7	10
Total	108	86	136	107

Employee changes by region	FY18		FY17	
	New Hires	Termination	New Hires	Termination
NSW	90	67	108	85
QLD	7	4	8	9
SA	5	6	1	2
VIC	2	6	10	5
WA	4	3	9	6
Total	108	86	136	107

Employee changes by gender	FY18		FY17	
	New Hires	Termination	New Hires	Termination
Male	41	33	48	47
Female	67	53	87	60
Prefer not to say	0	0	1	0
Total	108	86	136	107

Turnover	FY18		FY17		FY16		FY15	
	Number	%	Number	%	Number	%	Number	%
Voluntary	52	11.90	66	16.40	49	12.90	66	19.90
Involuntary	18	4.10	22	5.50	20	5.30	31	9.30
Total	70	16.10	88	21.80	69	18.10	97	29.20

*FY18 & FY17 is done as per new turnover to board only includes permanent employees. Therefore numbers do not add up to Employee Changes

ENVIRONMENTAL DATA

BACKGROUND NOTES

These notes provide an overview of the environmental data provided in this report. All data is for the reporting period 1 July 2017–30 June 2018.

Where we have buildings that are jointly owned by two different Charter Hall funds, the lettable area and the environmental data are split according to the percentage ownership allocation. Where buildings are jointly owned by a Charter Hall Fund and an external party, 100% of the lettable area and the environmental data are included in our reporting.

1. Energy and Emissions

We report our Scope 1 and Scope 2 emissions according to our operational control boundary under the National Greenhouse and Energy Reporting Act 2017. Emission factors for Scope 1 and Scope 2 emissions are sourced from the NGER Measurement Determination–July 2017. We also report our Scope 3 emissions from corporate travel (flights).

Changes in energy consumption and emissions generally reflect energy efficiency programs and initiatives, plus the acquisition and disposal of assets. More detail is provided in the energy and emissions tables on the following pages.

The table on the right provides an overview of what our emissions data encapsulates.

Emissions are calculated using energy content and emissions factors provided within the NGERS Determination. For those assets that have missing invoices, estimates have been provided.

2. Water and Waste

Total water consumed comprises potable water consumed by the whole building (base building and tenant) for our office and retail portfolio purchased by Charter Hall from local water utilities for sites under our operational control, as defined within the NGER Act. Water consumption is based on actual meter readings from water utilities, unless estimated by the utility. Where invoices are unavailable or extend across financial years, estimates based on the ‘same day, previous year’ consumption are used for reporting. In FY18, 10% of water has been estimated using this methodology.

Changes in water consumption generally reflect water efficiency programs and initiatives, tenancy mix, water leakages, plus the acquisition and disposal of assets.

Waste data for our office and retail operations is managed and reported by our waste contractors. For retail, waste is weighed where possible or calculated by bin lifts and density factors, based on historical data, from waste contractor. In office, waste is managed by different contractors across assets and regions with estimates for waste data based on waste volume. We do not collect waste data in industrial as this is directly managed by the tenant.

3. Intensity Values

Intensity values were calculated based on the total consumption or emissions value divided by the total floor area (sqm) for those assets for which data was provided. In retail GLA values were used, and in office NLA values were used.

Emissions	Boundary
Scope 1	Scope 1 (direct) emissions occur in our office and retail portfolio from fuels that are combusted on-site (natural gas and diesel) as well as refrigerant leakage.
Scope 2	Indirect GHG emissions from the consumption of purchased electricity. We report emissions from base building electricity across our office and retail assets where we have operational control, corporate tenancies and from outdoor lighting in some of our industrial facilities.
Scope 3	Corporate travel emissions from flights.

ENVIRONMENTAL DATA

CONTINUED



Pacific Square, Maroubra, NSW

ENERGY CONSUMPTION

The tables on the following pages reflect the electricity consumption and intensities of our Funds with buildings under operational control as at June 2018. Funds that closed during FY18, or in prior years, have been excluded. For FY18 this included 144 Stirling Street (CHIF 8).

Office and retail sector numbers include all buildings owned during FY18 so figures will be slightly different from Fund totals reflecting the additional buildings in Funds that were part-owned during the year.

Where data has been obtained for prior years subsequent to previous annual reporting, our figures have been updated for reporting accuracy.

Commentary

Charter Hall Group electricity consumption in FY18 went down by 0.3% compared to FY17. Office electricity consumption decreased by approximately 5% from FY17, with electricity intensity dropping by about 1%. These changes reflect a variety of energy-related changes within the portfolio including the divestment of buildings which were less energy efficient, the acquisition of more energy efficient buildings, a number of base building energy efficiency upgrades done during late FY17, as well as increased electricity consumption due to an on-site cogeneration mechanical issue.

In our retail portfolio, despite undertaking further LED upgrades in our common mall and outside lighting, our retail portfolio went up by just over 7% in electricity consumption and 5.5% intensity. This reflects the acquisition of a number of large, centrally serviced malls as well as the divestment of a number of smaller, non-centrally serviced centres where the air-conditioning is often on the tenant board and not controlled by Charter Hall.

ENVIRONMENTAL DATA

CONTINUED



175 Eagle Street, Brisbane, QLD

ELECTRICITY

Purchased electricity (kWh)	FY15	FY15 Intensity kWh/m ² /pa	FY16	FY16 Intensity kWh/m ² /pa	FY17	FY17 Intensity kWh/m ² /pa	FY18	FY18 Intensity kWh/m ² /pa
OFFICE¹								
Charter Hall Office Trust	21,555,695	73.91	19,672,769	67.45	16,242,043	60.58	14,754,813	65.27
Charter Hall Prime Office Fund ^{2,3}	19,669,885	69.55	20,275,589	68.67	23,578,660	69.73	22,661,617	68.46
Charter Hall Direct Office Fund ³	5,967,487	69.47	6,736,137	78.42	6,333,100	73.73	6,035,962	72.54
PFA Diversified Property Trust	5,190,595	71.00	6,409,550	95.74	5,100,392	76.18	4,285,025	80.28
Brisbane Square Wholesale Fund [*]	6,600,907	80.88	4,842,933	79.51	4,464,658	73.30	3,987,091	76.49
Charter Hall CCT Fund	–	–	–	–	–	–	1,068,688	52.00
Charter Hall Direct WorkZone Trust	573,248	36.74	627,100	40.19	654,126	41.93	630,347	40.40
Charter Hall Long WALE REIT	–	–	–	–	1,253,628	51.38	1,792,990	48.72
Total	59,557,817	71.69	58,564,078	71.75	57,626,607	67.51	55,216,533	67.44
RETAIL¹								
Charter Hall Retail REIT ³	20,356,787	42.70	21,733,743	42.64	21,300,790	43.80	23,023,809	45.32
Charter Hall Prime Retail Fund	–	–	–	–	3,052,496	111.70	4,099,870	99.49
Charter Hall Retail Partnership. No.1 ⁴	2,500,830	46.87	2,793,276	52.20	2,272,534	44.65	2,353,422	48.31
Charter Hall Retail Partnership No. 2	1,598,115	54.84	1,554,643	53.35	1,566,132	53.74	1,571,561	53.93
Charter Hall Retail Partnership No. 6	291,532	21.40	3,011,456	90.87	3,324,503	100.32	3,014,112	90.95
TTP Wholesale Fund	345,470	22.44	384,588	24.98	704,147	45.73	578,719	37.58
Total	25,092,734	44.84	29,477,706	47.92	32,220,602	48.82	34,641,491	51.35

^{*} Excluding Raine Square Retail due to redevelopment.

1. Calculated based on NGRS methodology–base building under operational control.
2. Numbers adjusted from prior years reporting to reflect JV fund allocation between CPOF and BSWF.
3. Numbers adjusted from prior years reporting to reflect correct JV allocation of 100 Skyring 50/50 CPOF and DOF.
4. Numbers adjusted from prior years reporting to reflect JV fund allocation between CQR and RP1 for consistency in reporting approach.

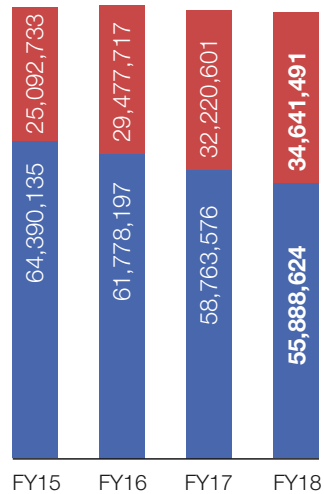
ENVIRONMENTAL DATA

CONTINUED

Electricity (kWh)

Consumption – Office and Retail

■ Office ■ Retail



ELECTRICITY CONTINUED

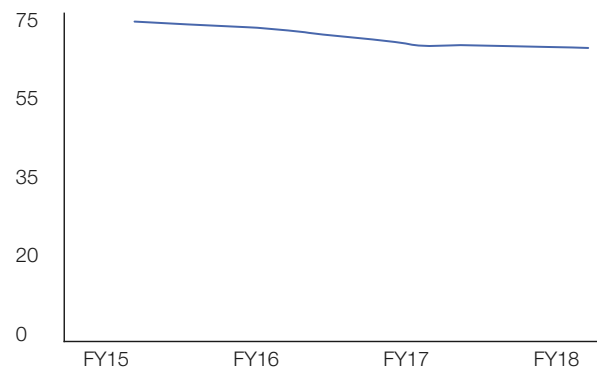
Purchased electricity (kWh)	FY15	FY15 Intensity kWh/m ² /pa	FY16	FY16 Intensity kWh/m ² /pa	FY17	FY17 Intensity kWh/m ² /pa	FY18	FY18 Intensity kWh/m ² /pa
INDUSTRIAL								
Industrial outdoor lighting	34,357	–	53,276	–	72,609	–	143,915	–
Total	34,357	–	53,276	–	72,609	–	143,915	–

Electricity Intensity by Sector (kWh/m ² /pa)	FY15 Total	FY15 Intensity kWh/m ² /pa	FY16 Total	FY16 Intensity kWh/m ² /pa	FY17 Total	FY17 Intensity kWh/m ² /pa	FY18 Total	FY18 Intensity kWh/m ² /pa
Office ¹	64,390,135	72.97	61,778,197	70.94	58,763,576	67.32	55,888,624	66.66
Retail ¹	25,092,733	44.84	29,477,717	47.92	32,220,601	49.86	34,641,491	51.35

1. Calculated based on NGERs methodology—base building under operational control.

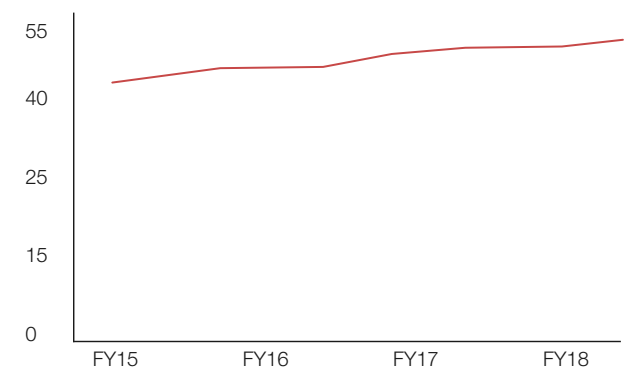
Office Electricity (kWh/m²/pa)

Intensity



Retail Electricity (kWh/m²/pa)

Intensity

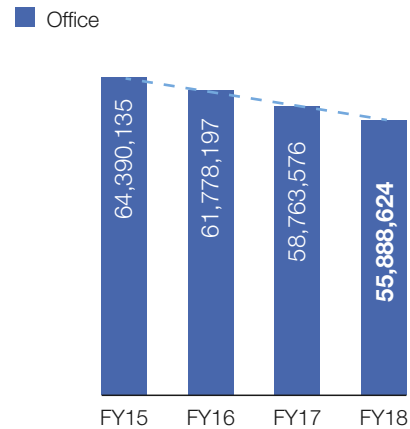


ENVIRONMENTAL DATA

CONTINUED

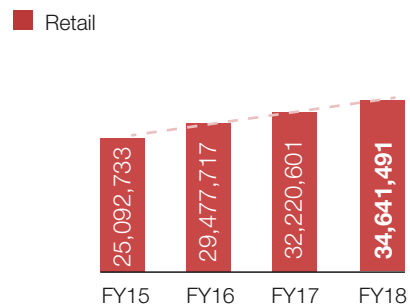
Electricity (kWh)

Consumption by asset class – Office



Electricity (kWh)

Consumption by asset class – Retail



ELECTRICITY CONTINUED

Electricity Consumption by Sector (kWh)	FY15	FY16	FY17	FY18
Office ¹	64,390,135	61,778,197	58,763,576	55,888,624
Retail ¹	25,092,733	29,477,717	32,220,601	34,641,491
Industrial	34,357	53,276	91,978	143,915
Charter Hall Limited (corporate offices)	117,290	264,860	303,634	406,710
Total	89,634,515	91,574,050	91,379,789	91,080,740

1. Calculated based on NGERS methodology—base building under operational control.

ON-SITE ELECTRICITY PRODUCTION FROM BUILDINGS UNDER OPERATIONAL CONTROL (kWh)

The following table contains on-site electricity production from the three cogeneration and two solar PV systems installed at Charter Hall buildings under operational control. The solar electricity production below refers to buildings under Charter Hall operational control only.

This data does not include assets where we have solar PV systems on buildings under tenant 'operational control'. Solar production data referenced on p.4 "A Message from David Harrison" and p.25 "Eco Innovation" refers to the combined assets within our portfolio with solar PV systems operated by the tenant customer and those operated by Charter Hall Group.

Solar Electricity Production* (kWh)	FY15	FY16	FY17	FY18
44 Sydney Avenue, Canberra, ACT	–	–	–	12,741
Singleton Shopping Centre, Singleton, NSW	–	–	–	179,186
Total Solar Electricity Production (Base Building Under Operational Control)	–	–	–	191,927

Co-generation Electricity Production (kWh)	FY15	FY16	FY17	FY18
171 Collins Street, Melbourne, VIC	516,172	562,945	512,213	329,764
990 La Trobe Street, Melbourne, VIC	–	–	–	610,790
32 Turbot Street, Brisbane, QLD	–	–	–	318,860
Total Co-generation Electricity Production (Base Building Under Operational Control)	516,172	562,945	512,213	1,259,414
TOTAL ON-SITE ELECTRICITY PRODUCTION FY18 (kWh)	516,172	562,945	512,213	1,451,341

* Solar electricity production from Charter Hall base building under operational control only.

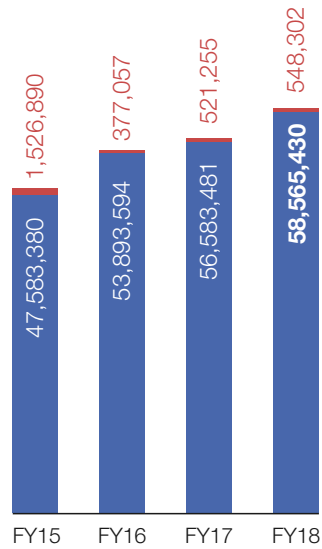
ENVIRONMENTAL DATA

CONTINUED

Gas (MJ)

Consumption – Office and Retail

■ Office ■ Retail



GAS

Purchased gas (MJ)	FY15 Consumption (MJ)	FY15 Intensity MJ/m ² /pa	FY16 Consumption (MJ)	FY16 Intensity MJ/m ² /pa	FY17 Consumption (MJ)	FY17 Intensity MJ/m ² /pa	FY18 Consumption (MJ)	FY18 Intensity MJ/m ² /pa
OFFICE¹								
Charter Hall Office Trust	23,384,896	76	23,631,109	77	22,069,528	78	18,760,586	78
Charter Hall Prime Office Fund	15,717,525	65	19,909,728	78	23,664,462	82	27,079,173	93
Charter Hall Direct Office Fund	6,884,740	100	7,566,209	110	7,763,407	113	6,771,812	102
PFA Diversified Property Trust	238,082	67	184,639	52	156,013	44	871,087	116
Brisbane Square Wholesale Fund	475,553	9	1,696,211	33	938,887	18	963,989	19
Charter Hall CCT Fund	–	–	–	–	–	–	1,629,106	79
Charter Hall Direct WorkZone Trust	882,583	–	905,698	58	1,046,315	67	854,461	55
Charter Hall Long WALE REIT	–	–	–	–	944,869	39	1,635,216	44
Total	47,583,380	–	53,893,594	–	56,583,481	–	58,565,430	–
RETAIL¹								
Charter Hall Retail REIT	1,526,890	50	377,057	13	478,520	17	471,195	17
Charter Hall Prime Retail Fund	–	–	–	–	42,735	2	77,107	2
Total	1,526,890	–	377,057	–	521,255	–	548,302	–
TOTAL CHARTER HALL	49,110,270	–	54,270,651	–	57,104,736	–	59,113,732	–

1. Calculated based on NGERS methodology—base building under operational control.

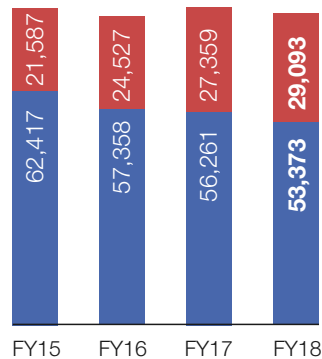
ENVIRONMENTAL DATA

CONTINUED

Scope 1 and 2 GHG Emissions (tCO₂e)

Office and Retail

■ Office ■ Retail



GREENHOUSE GAS EMISSIONS

The table below reflects the Scope 1 and 2 emissions total and intensities of our funds with buildings under operational control as at June 2018. Funds that closed during FY18, or prior years, have been excluded. Where data has been obtained for prior years subsequent to previous annual reporting, our figures have been updated to provide a more accurate assessment. For FY18 this included 144 Stirling Street (CHIF 8).

Office and retail sector numbers include all buildings owned during FY18 so figures will be slightly different from Fund totals reflecting the additional buildings in Funds that were part-owned during the year.

Commentary

Overall Group emissions have gone down by 1% since FY17. Whilst our Scope 1 emissions increased slightly from the previous year primarily due to the acquisition of 990 La Trobe Street which has a large gas fired co-generation system on site, our Scope 2 emissions went down by just over 1%. Our office portfolio reduced its emissions consumption and intensity by just over 5%. This reflects the divestment of a number of buildings which were less energy efficient, the acquisition of more energy efficient assets, the acquisition of two additional sites which have on-site gas-fired co-generation systems, as well as a number of base building energy efficiency upgrades done during late FY17. Our retail portfolio increased overall emissions and intensity by 6% due to the acquisition of larger, more energy intensive assets and the sale of smaller assets which are less energy intensive.

Scope 1 and 2 GHG (kgCO ₂ e)	FY15	FY15 Intensity kgCO ₂ /m ² /pa	FY16	FY16 Intensity kgCO ₂ /m ² /pa	FY17	FY17 Intensity kgCO ₂ /m ² /pa	FY18	FY18 Intensity kgCO ₂ /m ² /pa
OFFICE¹								
Charter Hall Office Trust	22,128,432	75.87	20,072,589	68.82	16,698,660	62.28	15,075,488	66.69
Charter Hall Prime Office Fund ^{2,3}	19,108,482	67.56	19,123,519	64.77	23,060,003	69.51	22,356,553	67.63
Charter Hall Direct Office Fund ³	6,883,394	80.13	6,956,931	80.99	6,714,690	78.17	6,314,599	76.35
PFA Diversified Property Trust	4,181,146	57.19	4,433,116	66.21	3,299,531	48.24	2,724,484	50.76
Brisbane Square Wholesale Fund*	5,530,040	67.76	5,316,641	65.14	3,780,179	62.06	3,324,920	63.79
Charter Hall CCT Fund	–	–	–	–	–	–	1,024,492	49.85
Charter Hall Direct WorkZone Trust	480,971	30.83	627,880	40.24	629,391	40.32	589,768	37.80
Charter Hall Long WALE REIT	–	–	–	–	–	–	1,200,941	32.63
Total	58,312,465	70.19	56,530,676	67.54	54,182,453	65.34	52,611,246	64.24

* Calculated using emission factors published in 2017 by the UK Government Department for Business, Energy & Industrial Strategy (DBEIS)

1. Calculated based on NGERS methodology–base building under operational control.
2. Numbers adjusted from prior years reporting to reflect JV fund allocation between CPOF and BSWF.
3. Numbers adjusted from prior years reporting to reflect correct JV allocation of 100 Skyring 50/50 CPOF and DOF.

ENVIRONMENTAL DATA

CONTINUED



9 Castlereagh Street, Sydney

GREENHOUSE GAS EMISSIONS CONTINUED

Scope 1 and 2 GHG (kgCO ₂ e)	FY15	FY15 Intensity kgCO ₂ /m ² /pa	FY16	FY16 Intensity kgCO ₂ /m ² /pa	FY17	FY17 Intensity kgCO ₂ /m ² /pa	FY18	FY18 Intensity kgCO ₂ /m ² /pa
RETAIL¹								
Charter Hall Retail REIT ²	17,805,101	37.36	18,067,204	35.49	17,993,150	37.53	19,414,777	37.90
Charter Hall Prime Retail Fund	–	–	–	–	2,566,417	62.28	3,444,500	83.59
Charter Hall Retail Partnership No.1 ²	2,166,045	48.19	2,227,996	41.63	1,806,861	34.93	1,786,560	37.49
Charter Hall Retail Partnership No. 2	1,443,644	49.54	1,382,090	47.42	1,391,741	48.28	1,433,158	49.18
Charter Hall Retail Partnership No. 6	–	–	2,548,928	76.92	2,811,887	84.85	2,556,599	77.15
TTP Wholesale Fund	279,830	18.17	303,825	19.73	549,235	35.67	457,242	29.69
Total	21,694,620	39.73	24,530,042	39.87	27,119,291	41.09	29,092,835	43.13
INDUSTRIAL								
Industrial outdoor lighting	29,547	–	48,058	–	65,127	–	127,529	–
Total	29,547	–	48,058	–	65,127	–	127,529	–

1. Calculated based on NGERS methodology–base building under operational control.

2. Numbers adjusted from prior years reporting to reflect correct JV allocation of 100 Skyring 50/50 CPOF and DOF.

Scope 3 GHG (tCO ₂ e)	FY17	FY18
Corporate travel (flights)*	1,314	1,158

* Calculated using emission factors published in 2017 by the UK Government Department for Business, Energy and Industrial Strategy (DBEIS).

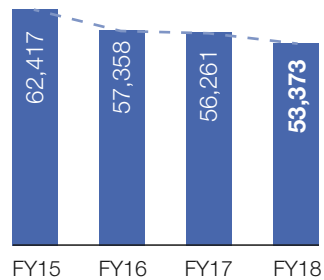
ENVIRONMENTAL DATA

CONTINUED

GHG Emissions (tCO₂e)

By asset class – Office

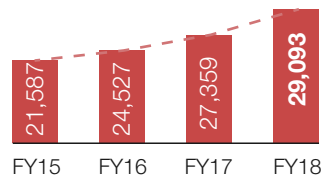
■ Office



GHG Emissions (tCO₂e)

By asset class – Retail

■ Retail



GREENHOUSE GAS EMISSIONS CONTINUED

Scope 1 and 2 GHG (tCO ₂ e)	FY15	FY16	FY17	FY18
Office ¹	62,417	57,358	56,261	53,373
Retail ¹	21,587	24,527	27,359	29,093
Industrial	30	48	65	128
Charter Hall Limited (corporate offices)	105	224	258	336
Total	84,139	82,157	83,943	82,930

1. Calculated based on NGERS methodology – base building under operational control.

ENVIRONMENTAL DATA

CONTINUED

Water (kL)

Consumption – Office and Retail

■ Office ■ Retail



WATER CONSUMPTION

The table below reflects the water consumption and intensities of our funds with buildings under operational control as at June 2018. Funds that closed during FY18, or prior years, have been excluded. Where data has been obtained for prior years subsequent to previous annual reporting, our figures have been updated to provide a more accurate assessment. For FY18 this included 144 Stirling Street (CHIF 8).

Office and retail sector numbers include all buildings owned during FY18 so figures will be slightly different from Fund totals reflecting the additional buildings in Funds that were part-owned during the year.

Commentary

Office water consumption has decreased however overall intensity has increased slightly due to the correction of poorly estimated water consumption by the water utility, and the addition of water accounts that had previously not been captured at two buildings. As these posed material changes to the building consumption, data has been rectified and backdated for FY16 and FY17 periods. Overall retail water consumption and intensity has reduced due to the correction of a number of leaks and some higher water intensive tenants moving out.

WATER

Potable Water Consumption (kL)	FY15	FY15 Intensity kL/m ² /pa	FY16	FY16 Intensity kL/m ² /pa	FY17	FY17 Intensity kL/m ² /pa	FY18	FY18 Intensity kL/m ² /pa
OFFICE¹								
Charter Hall Office Trust	206,677	0.71	210,233	0.72	184,385	0.69	166,368	0.74
Charter Hall Prime Office Fund ^{2,3}	223,544	0.81	209,660	0.73	214,809	0.67	217,049	0.66
Charter Hall Direct Office Fund ³	35,368	0.41	44,734	0.52	50,456	0.59	52,330	0.63
PFA Diversified Property Trust	16,943	0.31	32,768	0.59	41,750	0.75	39,116	0.73
Brisbane Square Wholesale Fund	73,084	1.06	81,696	1.19	47,511	0.93	44,643	0.87
Charter Hall CCT Fund	–	–	–	–	–	–	9,055	0.44
Charter Hall Direct WorkZone Trust	10,827	0.69	9,707	0.62	9,246	0.59	12,366	0.79
Charter Hall Long WALE REIT	–	–	–	–	–	–	15,527	0.42
Total	566,443	0.71	588,797	0.73	548,157	0.69	556,455	0.68

1. Total water consumed comprises potable water consumed by the whole building (base building and tenant) for our office and retail portfolio purchased by Charter Hall from local water utilities for sites under our operational control, as defined within the NGER Act. Water consumption is based on actual meter readings from water utilities, unless estimated by the utility. Where invoices are unavailable or extend across financial years, estimates based on the 'same day, previous year' consumption are used for reporting. In FY18, 10% of water has been estimated using this methodology.

2. Numbers adjusted from prior years reporting to reflect JV fund allocation between CPOF and BSWF.

3. Numbers adjusted from prior years reporting to reflect correct JV allocation of 100 Skyring 50/50 CPOF and DOF.

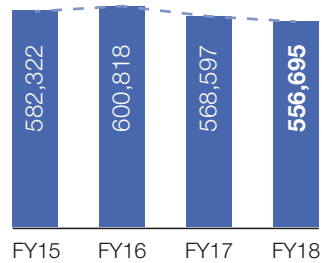
ENVIRONMENTAL DATA

CONTINUED

Water (kL)

Consumption by asset class – Office

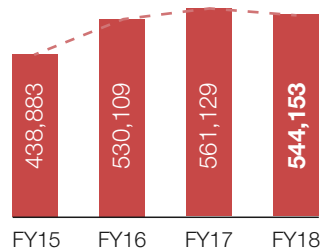
■ Office



Water (kL)

Consumption by asset class – Retail

■ Retail



WATER CONTINUED

Potable Water Consumption (kL)	FY15	FY15 Intensity kL/m²/pa	FY16	FY16 Intensity kL/m²/pa	FY17	FY17 Intensity kL/m²/pa	FY18	FY18 Intensity kL/m²/pa
RETAIL¹								
Charter Hall Retail REIT ²	341,316	0.77	372,554	0.79	363,959	0.77	350,868	0.71
Charter Hall Prime Retail Fund	–	–	–	–	24,653	0.90	37,864	0.92
Charter Hall Retail Partnership. No.1 ²	48,281	1.07	58,564	1.09	62,150	1.20	51,035	1.07
Charter Hall Retail Partnership No. 2	26,560	0.91	24,783	0.85	22,471	0.77	23,692	0.81
Charter Hall Retail Partnership No. 6	10,749	0.79	62,074	1.87	70,030	2.11	67,435	2.03
TTP Wholesale Fund	11,977	0.78	12,133	0.79	15,584	1.02	13,260	0.86
Total	438,883	0.80	530,109	0.88	558,848	0.88	544,153	0.82

1. Calculated based on NGRS methodology–base building under operational control.

2. Numbers adjusted from prior years reporting to reflect JV fund allocation between CQR and RP1 for consistency in reporting approach.

Water Consumption by Sector (kL)	FY15	FY16	FY17	FY18
Office	582,322	600,818	568,507	556,695
Retail	438,883	530,109	561,129	544,153
Total	1,021,205	1,130,927	1,129,636	1,100,848

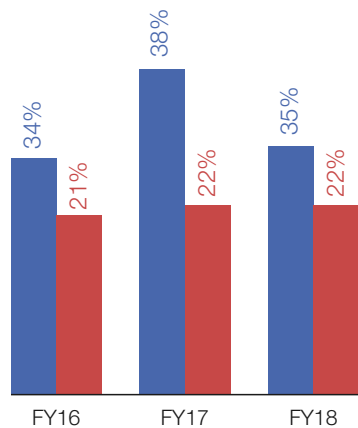
ENVIRONMENTAL DATA

CONTINUED

Waste Diversion

From landfill Office and Retail

■ Office ■ Retail



WASTE AND RECYCLING

In FY18, Charter Hall Office buildings diverted 35% of waste from landfill, a 3% decrease from FY17. In FY17, our waste data was based on the application of industry density factors or estimates from the waste contractors. In FY18, we have changed the way we report on our waste and we now align with the Better Buildings Partnership (BBP) Nominal Standards, with waste figures now calculated through the collection of daily bin data from our waste contractors and NABERS waste density factors applied. This enables Charter Hall to establish accurate baseline data to compare year on year improvements across office operations, however it has also increased the relative weight of our waste and recycling when compared to FY17. Our retail portfolio remained the same at 22% diversion from landfill. The implementation of operational waste management plans commenced in FY18, which will lead to improvements in recycling rates going forward.

In FY18 the data meets BBP Nominal Standards, using NABERS Standard densities. The FY18 data has increased data integrity (with a 3rd party reviewing the data and applying NABERS densities) over the previous FY17 data.

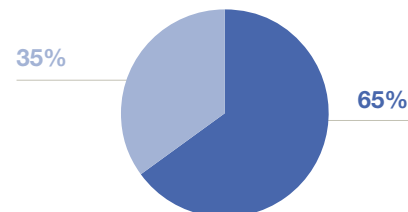
Waste by disposal method (tonnes) ¹	Retail ²			Office		
	FY16	FY17	FY18	FY16	FY17	FY18
Landfill	4,362	4,495	4,488	3,080	2,877	4,173
Waste to energy	1,335	1,500	1,521	–	–	–
Recycling	1,470	1,678	1,679	1,587	1,784	2,243
TOTAL	7,167	7,673	7,688	4,667	4,661	6,415
Total diverted from landfill	21%	22%	22%	34%	38%	35%

Waste diverted from landfill	FY16	FY17	FY18
Office	34%	38%	35%
Retail	21%	22%	22%

Waste by disposal method

Office

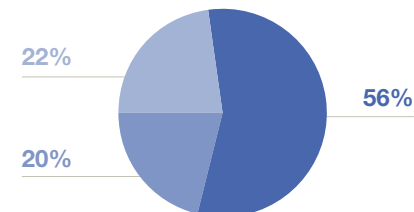
■ Landfill ■ Recycling



Waste by disposal method

Retail

■ Landfill ■ Waste to Energy ■ Recycling



1. Waste and recycling figures for assets under operational control as defined by NGER legislation and where waste is controlled by Charter Hall.

2. Retail waste reporting includes sites within the national Veolia contract only.



Global Reporting Initiative (GRI)

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GRI

GENERAL STANDARD DISCLOSURES

GRI Standard	Disclosure	Location	Notes
GRI 101: Foundation 2017			
General Disclosures			
GRI 102: General Disclosures 2016	Organisational profile		
	102-1 Name of the organisation	6, 7	
	102-2 Activities, brands, products, and services	7	
	102-3 Location of headquarters	7	
	102-4 Location of operations	7	
	102-5 Ownership and legal form	7	
	102-6 Markets served	7	
	102-7 Scale of the organisation	7, 8	
	102-8 Information on employees and other workers	7, 8, 56–62	
	102-9 Supply chain	15	
	102-10 Significant changes to the organisation and its supply chain	15, 21	
	102-11 Precautionary Principle or approach	21	
	102-12 External initiatives	42, 43	
	102-13 Membership of associations	42, 43	
	Strategy		
	102-14 Statement from senior decision-maker	4, 5	
	Ethics and integrity		
	102-16 Values, principles, standards, and norms of behaviour	9	
	Governance		
	102-18 Governance structure	20, 21	

GRI

CONTINUED

GENERAL STANDARD DISCLOSURES CONTINUED

GRI Standard	Disclosure	Location	Notes
GRI 101: Foundation 2017			
General Disclosures			
GRI 102: General Disclosures 2016	Stakeholder engagement		
	102-40 List of stakeholder groups	12-16	
	102-41 Collective bargaining agreements	–	Zero employees on collective bargaining agreements.
	102-42 Identifying and selecting stakeholders	12-16	
	102-43 Approach to stakeholder engagement	12-16	
	102-44 Key topics and concerns raised	12-16	Key topics and concerns raised are reflected in our material issues.
	Reporting practice		
	102-45 Entities included in the consolidated financial statements	6, 7	
	102-46 Defining report content and topic Boundaries	6	
	102-47 List of material topics	17-18	
	102-48 Restatements of information	See note	No restatements of information.
	102-49 Changes in reporting	See note	No restatements of information.
	102-50 Reporting period	6	
	102-51 Date of most recent report	See note	2017.
	102-52 Reporting cycle	See note	Annual.
	102-53 Contact point for questions regarding the report	6	
	102-54 Claims of reporting in accordance with the GRI Standards	6	
	102-55 GRI content index	75-83	
	102-56 External assurance	84-87	

GRI

CONTINUED

TOPIC-SPECIFIC DISCLOSURES

GRI Standard	Disclosure	Location	Notes
Material Topics			
GRI 200 Economic Standard Series			
GRI 201: Economic Performance 2016	Economic Performance		
	103-1 Explanation of the material topic and its Boundary	17, 24	
	103-2 The management approach and its components	24, 26	
	103-3 Evaluation of the management approach	24, 26	
	201-1 Direct economic value generated and distributed	Charter Hall Group Annual Report 2018	
	201-2 Financial implications and other risks and opportunities due to climate change	24-26	Management of Climate Change risk can be found on p.26. Information on financial implications of actions to manage climate change risks will be collected in FY19.
GRI 300 Environmental Standards Series			
GRI 302: Energy 2016	Energy		
	103-1 Explanation of the material topic and its Boundary	17, 63	
	103-2 The management approach and its components	24, 25, 64	
	103-3 Evaluation of the management approach	24, 25, 64	
	302-1 Energy consumption within the organisation	64-67	
	302-3 Energy intensity	65-66	
	302-4 Reduction of energy consumption	64-67	
	Own disclosure – Renewable energy	25	
GRI 303: Water and Effluents 2018	Water		
	103-1 Explanation of the material topic and its Boundary	17, 63	
	103-2 The management approach and its components	25	
	103-3 Evaluation of the management approach	25	

GRI

CONTINUED

TOPIC-SPECIFIC DISCLOSURES CONTINUED

GRI Standard	Disclosure	Location	Notes
Material Topics			
GRI 300 Environmental Standards Series			
GRI 303: Water and Effluents 2018	Water		
	303-5 Water consumption	72-73	Part B, total water consumption from areas with water stress, is not applicable as Charter Hall's assets in regional areas, where water stress occurs, do not undertake intensive water consuming activities. Assets in these areas are typically small regional shopping centres that utilise water for sanitation purposes only. Part C, change in water storage in megalitres, is not applicable as it is not a material issue for Charter Hall.
	Own disclosure – Water intensity	72-73	
GRI 305: Emissions 2016	Emissions		
	103-1 Explanation of the material topic and its Boundary	17, 63	
	103-2 The management approach and its components	24, 25, 69	
	103-3 Evaluation of the management approach	24, 25, 69	
	305-1 Direct (Scope 1) GHG emissions	69-71	
	305-2 Energy indirect (Scope 2) GHG emissions	69-71	
	305-3 Other indirect (Scope 3) GHG emissions	70	
	305-4 GHG emissions intensity	69-71	
	305-5 Reduction of GHG emissions	69-71	
GRI 306: Effluents and Waste	Waste and Recycling		
	103-1 Explanation of the material topic and its Boundary	17, 63	
	103-2 The management approach and its components	24, 25	
	103-3 Evaluation of the management approach	24, 25	
	306-2 Waste by type and disposal method	74	There was no hazardous waste found or reported from our office and retail sectors during FY18.
	Own disclosure – Waste diverted from landfill	74	

GRI

CONTINUED

TOPIC-SPECIFIC DISCLOSURES CONTINUED

GRI Standard	Disclosure	Location	Notes
Material Topics			
GRI 300 Environmental Standards Series			
Climate change and global warming	Climate change and global warming		
	103-1 Explanation of the material topic and its Boundary	17	
	103-2 The management approach and its components	24, 26	
	103-3 Evaluation of the management approach	24, 26	
	Own disclosure – Assets addressing environmental and climate change risks	26	
GRI 400 Social Standards Series			
GRI 401: Employment 2016	Employment		
	103-1 Explanation of the material topic and its Boundary	18, 9-11	
	103-2 The management approach and its components	9-11, 36	
	103-3 Evaluation of the management approach	9-11, 36	
	401-3 Parental leave	56	
Employee satisfaction and wellbeing	Employee satisfaction and wellbeing		
	103-1 Explanation of the material topic and its Boundary	9, 18	
	103-2 The management approach and its components	9-11, 39	
	103-3 Evaluation of the management approach	9-11	
	Own disclosure – Employee satisfaction	37	
	Own disclosure – Employee participation in corporate wellbeing program	37	

GRI

CONTINUED

TOPIC-SPECIFIC DISCLOSURES CONTINUED

GRI Standard	Disclosure	Location	Notes
Material Topics			
GRI 400 Social Standards Series			
Environmental impacts on wellbeing	Environmental impacts on wellbeing		
	103-1 Explanation of the material topic and its Boundary	11, 18	
	103-2 The management approach and its components	11, 36, 40	
	103-3 Evaluation of the management approach	11, 40	
	Own disclosure – WELL building accreditations	37, 40	
GRI 404: Training and Education 2016	Training and Education		
	404-3 Percentage of employees receiving regular performance and career development reviews	58	
GRI 405: Diversity and Equal Opportunity 2016	Diversity and Equal Opportunity		
	103-1 Explanation of the material topic and its Boundary	18	
	103-2 The management approach and its components	30, 32	
	103-3 Evaluation of the management approach	30, 32	
	405-1 Diversity of governance bodies and employees	56, 59, 60	Diversity of governance bodies and employees: 'Board composition by gender (NED)' disclosure on p.56. Information on breakdown by age group and other diversity indicators is disclosed for our broader workforce disclosures on p.59.
	405-2 Ratio of basic salary and remuneration of women to men	7, 8, 57	
Community and Social cohesion	Community and Social cohesion		
	103-1 Explanation of the material topic and its Boundary	17	
	103-2 The management approach and its components	30-31	
	103-3 Evaluation of the management approach	30-31	
	Own disclosure – Community investment	31	

GRI

CONTINUED

TOPIC-SPECIFIC DISCLOSURES CONTINUED

GRI Standard	Disclosure	Location	Notes
Material Topics			
GRI 400 Social Standards Series			
Stakeholder engagement and satisfaction	Stakeholder engagement and satisfaction		
	103-1 Explanation of the material topic and its Boundary	17	
	103-2 The management approach and its components	30-32	
	103-3 Evaluation of the management approach	30-32	
	Own disclosure – Stakeholder engagement	31, 32	
GRI 412: Human Rights Assessment 2016	Human Rights Assessment		
	103-1 Explanation of the material topic and its Boundary	18	
	103-2 The management approach and its components	36, 38	
	103-3 Evaluation of the management approach	36, 38	
	412-1 Operations that have been subject to human rights reviews or impact assessments	38	
Customer wellbeing and amenity expectation	Customer wellbeing and amenity expectation		
	103-1 Explanation of the material topic and its Boundary	18	
	103-2 The management approach and its components	32	
	103-3 Evaluation of the management approach	32	
	Own disclosure – Customer place experience	32	Data for customer place experience disclosure p.32 will be developed in FY19.

GRI

CONTINUED

TOPIC-SPECIFIC DISCLOSURES CONTINUED

GRI Standard	Disclosure	Location	Notes
Material Topics			
GRI 400 Social Standards Series			
Innovation and technology	Innovation and technology		
	103-1 Explanation of the material topic and its Boundary	17	
	103-2 The management approach and its components	37	
	103-3 Evaluation of the management approach	37	
	Own disclosure – Sustainable technology	37	

Assurance Statement

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Independent Assurance Practitioner's Limited Assurance Report on the 2018 Shared Value and Sustainability Report to the Directors of Charter Hall Holdings Pty Limited

We have undertaken a limited assurance engagement relating to the subject matter detailed below (the 'Subject Matter') presented in Charter Hall Holdings Pty Limited's ('Charter Hall') 2018 Shared Value and Sustainability Report ('Sustainability Report') for the year ended 30 June 2018, in order to state whether anything has come to our attention that would cause us to believe that the Subject Matter has not been reported, in all material respects, in accordance with the reporting criteria described in the table below ('Reporting Criteria').

Subject Matter and Reporting Criteria

The Subject Matter and Reporting Criteria for our limited assurance engagement for the year ended 30 June 2018 is as follows:

Subject Matter	Reporting Criteria
Total Scope 1 and Scope 2 Greenhouse Gas emissions (tCO ₂ e)	<i>National Greenhouse and Energy Reporting Act 2007, National Greenhouse and Energy Reporting (Measurement) Determination 2008</i> and related guidance, collectively referred as 'NGER legislation'
Total energy consumption (GJ)	
Total energy production (kWh)	
Water consumption (kL)	Global Reporting Initiative's Standard ('GRI Standard') 303-5 2018
Board composition by gender	GRI Standard 405-1 2016
Ratio of remuneration of women to men	GRI Standard 405-2 2016
Workforce breakdown by job band, age and gender	GRI Standard 405-1 2016
Percentage of women in the workforce and senior management	GRI Standard 405-1 2016
Employee breakdown by contract type and gender	GRI Standard 102-8
Percentage of employees receiving regular (annual) performance and career development reviews, by gender and employee category	GRI Standard 404-3 2016

Charter Hall's responsibility for the Subject Matter

The Directors of Charter Hall are responsible for:

- Ensuring that the Subject Matter is properly prepared and presented in accordance with the Reporting Criteria
- Confirming the measurement or evaluation of the underlying subject matter against the applicable criteria, including that all relevant matters are reflected in the subject matter information;
- Designing, establishing and maintaining internal controls to ensure that the Subject Matter is properly prepared and presented in accordance with the Reporting Criteria.

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Assurance Practitioner's Independence and Quality Control

We have complied with the independence and other relevant ethical requirements relating to assurance engagements, which are founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

The firm applies Auditing Standard ASQC 1 *Quality Control for Firms that Perform Audits and Reviews of Financial Reports and Other Financial Information, Other Assurance Engagements and Related Services Engagements*, and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Assurance Practitioner's Responsibility

Our responsibility is to express a limited assurance conclusion on the Subject Matter based on the procedures we have performed and the evidence we have obtained.

We conducted our limited assurance engagement in accordance with Australian Standard on Assurance Engagements ASAE 3000 *Assurance Engagements Other than Audits or Reviews of Historical Financial Information*, issued by the Australian Auditing and Assurance Standards Board in order to express a conclusion whether, based on the procedures performed and the evidence obtained, anything has come to our attention that causes us to believe that the Subject Matter has not been properly prepared and presented in all material respects in accordance with the Reporting Criteria. That standard requires that we plan and perform this engagement to obtain limited assurance about whether the Subject Matter is free from material misstatement.

A limited assurance engagement in accordance with ASAE 3000 involves identifying areas where a material misstatement of the Subject Matter information is likely to arise, addressing the areas identified and considering the process used to prepare the Subject Matter. A limited assurance engagement is substantially less in scope than a reasonable assurance engagement in relation to both the risk assessment procedures, including an understanding of internal control, and the procedures performed in response to the assessed risks.

The procedures we performed were based on our professional judgement and consisted primarily of:

- Interviewing respective Sustainability Performance Indicator data owners to understand and assess the approach for collating, calculating and reporting respective Sustainability Performance Indicators across the 2018 reporting period
- Undertaking a sample of detailed walkthroughs of key systems and processes used / relied upon to compile the Sustainability Performance Indicators for the 2018 reporting period
- Assessing the supporting process documentation developed to support the collation, calculation and reporting process in accordance with Charter Hall's policies and procedures and the GRI Standards
- Completing analytical reviews over material data streams to identify any material anomalies/ gaps for selected Sustainability Performance Indicators and investigate further where required
- Agreeing overall data sets for selected Sustainability Performance Indicators to the final Charter Hall's data contained in the 2018 Sustainability Report

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had we performed a reasonable assurance engagement. Accordingly, we do not express an opinion providing reasonable assurance



performed a reasonable assurance engagement. Accordingly, we do not express an opinion providing reasonable assurance about whether the Subject Matter has been properly prepared and presented, in all material respects, in accordance with the Reporting Criteria.

Inherent Limitations

Non-financial information, including the Subject Matter may be subject to more inherent limitations than financial information, given both its nature and the methods used for determining, calculating and sampling or estimating such information. Qualitative interpretations of relevance, materiality and the accuracy of data are subject to individual assumptions and judgements. The Subject Matter should be read in the context of Charter Hall's Reporting Criteria as set out in the 2018 Sustainability Report.

Limitations of Use

This report is made solely to the Directors of Charter Hall in accordance with our engagement letter dated 27 September 2018. However, we understand that a copy of the report will be included in Charter Hall's 2018 Sustainability Report and in submissions to the Global Real Estate Sustainability Benchmark (GRESB), the Dow Jones Sustainability Index (DJSI) and the Carbon Disclosure Project (CDP). We agree that a copy of the report may be included in Charter Hall's 2018 Sustainability Report and in submissions to the Global Real Estate Sustainability Benchmark (GRESB), the Dow Jones Sustainability Index (DJSI) and the Carbon Disclosure Project (CDP), but only on the basis that we accept no duty, liability or responsibility to third parties in relation to the report. We accept no duty, responsibility or liability to any party, other than you, in connection with the report or this engagement.

Matters relating to electronic presentation of information

Our limited assurance engagement included web-based information that was available via web links as of the date of this statement. We provide no assurance over changes to the content of the 2018 Sustainability Report after the date of this assurance statement.

Basis for Qualified Opinion

Included within Charter Hall's Scope 1 emissions are emissions associated with the use of hydrofluorocarbons which are predominantly used as refrigerants in air-conditioning units ('refrigerant gases') across Charter Hall's portfolio. The results from our testing indicated a number of weaknesses in the design of controls relating to this data and the completeness and accuracy of data on relevant equipment types used across its portfolio and the refrigerant gases used by that equipment. Our testing of equipment details for a sample of properties compared to those used as the basis of Charter Hall's reported emissions, also identified a number of exceptions which supported this finding. As a result, we have been unable to obtain sufficient and appropriate evidence regarding Scope 1 emissions reported in respect of refrigerants gases.

Qualified Opinion

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of our report, based on the procedures performed and the evidence obtained, nothing has come to our attention that causes us to believe that the Subject Matter has not been properly prepared and presented, in all material respects, in accordance with the Reporting Criteria for the year ended 30 June 2018.

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Paul Dobson
Partner
Sydney, 10 December 2018