

Our pathway to Net Zero emissions

**New energy, New opportunities.
Dexus is preparing for the future.**



Building on our track record of achieving strong environmental outcomes over the past decade, we are creating a pathway to net zero emissions through our approach to new energy and smart buildings."

Darren Steinberg, Dexus Chief Executive Officer

+ Case Study

Setting a new benchmark for energy ratings

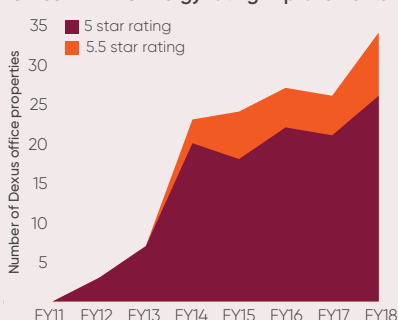
Dexus is driving the next phase of energy efficiency through a targeted building refurbishment program to optimise energy performance, reduce costs and deliver an enhanced customer experience.

Our 'virtual engineering' analytics platform identifies areas for optimisation, and together with strategic partnerships, has resulted in improvements to the NABERS Energy ratings across 15 Dexus office buildings.

As a result, we are well progressed on our target of delivering 1,000,000 square metres to a minimum 5 star NABERS Energy rating across the group's office portfolio by 2020.

A number of properties have achieved a 5.5 star NABERS Energy rating, including 14 Lee Street in Sydney and Waterfront Place in Brisbane where the building management control systems and central chiller plants have been upgraded, fully integrating sustainability initiatives to realise maximum efficiency and operational cost savings from the projects.

Office NABERS Energy rating improvements¹



1. Ratings exclude GreenPower

We believe it is time to leverage the opportunities presented by rapidly evolving energy markets and ground breaking new technologies. Now is the time to adopt a long-term solution which secures sustainable, affordable energy for our efficient, intelligent and integrated property portfolio.

With these developments, we have set a goal to achieve a net zero position for all carbon emissions across the group's managed property portfolio by 2030.

Net zero means that on balance, our base building operations will produce zero carbon emissions by 2030.

Why net zero? Not only is it the right thing to do, but it builds resilience into our portfolio and brings other real benefits to a wide variety of stakeholders. The direct beneficiaries of our *New energy, New opportunities* approach are our customers, and the cities and communities in which we operate.

We have long proven that setting bold group targets leads to the best outcomes. Applying the NABERS ratings system, we benchmark the energy efficiency, water usage, waste management and indoor environment quality of our buildings and tenancies to measure their environmental impact.

Since 2009, we have set and achieved each progressive target for NABERS Energy rating improvements and energy reduction. We are well on our way to achieving our current target to deliver 1,000,000 square metres of office space with a 5 stars NABERS Energy rating or above by 2020, which currently stands at 892,000 square metres.

How will we get there? Net zero will be achieved through continuing improvement in energy efficiency and transitioning our portfolio to operate from renewable energy.

The carbon emissions under our operational control are mostly from electricity. Reducing emissions starts with improving efficiency, an outcome we will achieve by embracing new technologies and creating smarter buildings where nothing is wasted (refer to page 15). Our goal is to reduce our energy use by up to 50% by 2030, setting the standard for the future of energy efficient workplaces.

Transitioning to renewable energy will see Dexus looking for new ways to generate, and smarter ways to purchase, electricity. As new technology advances, costs will reduce, while power purchase agreements will allow us to minimise risk and provide certainty for our customers in a volatile national energy market.

We have been working on this goal for some time, incorporating renewable energy, virtual engineering analytics and high efficiency plant upgrades into our operations. We are ready to leverage new opportunities from emerging technologies in addition to forward thinking to respond to our customers' needs, today and tomorrow.

Not only will our net zero commitment enable us to deliver on the expectations of our customers and investors – many of whom are keen for us to limit the climate change impacts of our properties – but Dexus will be making a positive contribution to a sustainable future for all Australians.



To learn more about Dexus's FY19 focus on optimising the environmental performance and resilience of our buildings, visit www.dexus.com

