



LEACO	Priority	Category	Page
1	High	Climate Change	123
<b>Reason for interaction</b>			
<input type="checkbox"/> To support investment decisions relating to climate change			
<input type="checkbox"/> To influence corporate practice for more sustainable business			
<input type="checkbox"/> To encourage improved ESG practices			
<input type="checkbox"/> To set or update climate-related targets or strategy			
<input type="checkbox"/> To support transition from fossil fuels to low-carbon energy			
<input type="checkbox"/> To influence corporate practice for more sustainable business			
<input type="checkbox"/> Other: specify			
<b>Type of engagement</b>			
Individualist/one-off engagements	<input type="checkbox"/> To support investment decisions relating to climate change		
Collaborative engagements	<input type="checkbox"/> To influence corporate practice for more sustainable business		
Service provider engagements	<input type="checkbox"/> To encourage improved ESG practices		
	<input type="checkbox"/> To set or update climate-related targets or strategy		
	<input type="checkbox"/> To support transition from fossil fuels to low-carbon energy		
	<input type="checkbox"/> To influence corporate practice for more sustainable business		
	<input type="checkbox"/> To encourage improved ESG practices		
	<input type="checkbox"/> To set or update climate-related targets or strategy		
	<input type="checkbox"/> To support transition from fossil fuels to low-carbon energy		
	<input type="checkbox"/> To influence corporate practice for more sustainable business		
	<input type="checkbox"/> To encourage improved ESG practices		
	<input type="checkbox"/> To set or update climate-related targets or strategy		

# CLIMATE TRANSPARENCY REPORT

## 2019

Charter Hall Group

# About the Climate-related Disclosure Indicators

Climate has been identified as a top priority for PRI signatories, with over 70% of asset owners reporting this as the most important long-term trend they are acting on.

The FSB Task Force's guidance on climate-related financial disclosure aim to create a single framework for disclosure on assessment and management of climate-related risk. The recommendations, supported by investors representing US\$22 trillion, identify four main disclosures, Governance, Strategy, Risk Management, Metrics and Targets, and include specific guidance for asset owners and managers.

As a result, the PRI introduced climate-related disclosure indicators that can be used to align with the TCFD recommendations in the 2019 PRI Reporting Framework.

## About this report

This report is an export of only the climate-related indicators from the 2019 Reporting Framework response. The full Public Transparency Report is available here ([https://reporting.unpri.org/surveys/PRI-reporting-framework-2019/-B706FC87-ACF5-4707-920C-E95E12E46093/00000000-0000-0000-0000-000000000000/doc/2/-%7C%7C\\*complete\\*%7C\\*public\\*/Merged/](https://reporting.unpri.org/surveys/PRI-reporting-framework-2019/-B706FC87-ACF5-4707-920C-E95E12E46093/00000000-0000-0000-0000-000000000000/doc/2/-%7C%7C*complete*%7C*public*/Merged/)). It shows the responses to all the completed climate indicators, even those you chose to keep private. It is designed for your internal review or – if you wish - to share with your stakeholders.

The PRI will not publish this report on its website if you have designated your 2019 climate reporting as “private”. Otherwise, you will be able to access the Climate Transparency Report of your organisation and that of other signatories on the [PRI website](#) and on the [Data Portal](#).

To easily locate information, there is a **Recommendation index** which summarises the indicators that signatories complete and disclose. The report presents information exactly as it was reported as per signatory preference. Where an indicator offers a response option that is multiple-choice, all options that were available to the signatory are presented in this report.

## TCFD Recommendations Index

Strategy and Governance - CC			TCFD Recommendation			
Indicator	Reported	Disclosure	Governance	Strategy	Risk Management	Metrics & Targets
SG 01.1	✓	Public				
SG 01.2	✓	Public				
SG 01.3	✓	Public				
SG 01.4	✓	Public				
SG 01.5	✓	Public				
SG 01.6 CC	✓	Public				
SG 01.7 CC	✓	Public				
SG 01.8 CC	✓	Public				
SG 01.9 CC	✓	Public				
SG 01.10 CC	✓	Public				
SG 01.11 CC	-	Public				
SG 01.12 CC	✓	Public				
SG 02.2	✓	Public				
SG 07.5 CC	✓	Public				
SG 07.6 CC	✓	Public				
SG 07.7 CC	✓	Public				
SG 07.8 CC	-	Public				
SG 13.1	✓	Public				
SG 13.2	✓	Public				
SG 13.4 CC	✓	Public				
SG 13.5 CC	✓	Public				
SG 13.6 CC	✓	Public				
SG 13.7 CC	✓	Public				
SG 13.8 CC	✓	Public				
SG 14.1	✓	Public				
SG 14.2	✓	Public				
SG 14.3	✓	Public				
SG 14.4	✓	Public				
SG 14.5	✓	Public				
SG 14.6 CC	✓	Public				
SG 14.7 CC	✓	Public				
SG 14.8 CC	✓	Public				
SG 14.9 CC	-	Public				
SG 15.1	✓	Public				
SG 15.2	✓	Public				
SG 15.3	✓	Public				

Symbol	Status
✓	The signatory has completed this sub-indicator
-	The signatory did not complete this sub-indicator.
	This indicator is relevant to the named TCFD recommendation
Within the first column "Indicator", indicators marked in blue are mandatory to complete. Indicators marked in grey are voluntary to complete.	

# ORGANISATIONAL OVERVIEW

This section provides an overview of your organisation. These characteristics are used to define your peer groups.

MAIN CHARACTERISTICS	
<b>Name</b>	Charter Hall Group
<b>Signatory Category</b>	Fund Management - Majority
<b>Signatory Type</b>	Investment Manager
<b>Size</b>	US\$ 10 - 29.99 billion AUM
<b>Main Asset Class</b>	>50% Property Internally Managed
<b>Signed PRI Initiative</b>	2008
<b>Region</b>	Oceania
<b>Country</b>	Australia
<b>Disclosure of Voluntary Indicators</b>	55% from 38 Voluntary indicators

# Charter Hall Group

## Reported Information

### Public version

### Strategy and Governance

## PRI disclaimer

This document presents information reported directly by signatories. This information has not been audited by the PRI Secretariat or any other party acting on their behalf. While this information is believed to be reliable, no representations or warranties are made as to the accuracy of the information presented, and no responsibility or liability can be accepted for any error or omission.

## Investment policy

SG 01

Mandatory

Public

Core Assessed

General

**New selection options have been added to this indicator. Please review your prefilled responses carefully.**

SG 01.1

Indicate if you have an investment policy that covers your responsible investment approach.

Yes

SG 01.2

Indicate the components/types and coverage of your policy.

Select all that apply

Policy components/types	Coverage by AUM
<input checked="" type="checkbox"/> Policy setting out your overall approach <input checked="" type="checkbox"/> Formalised guidelines on environmental factors <input checked="" type="checkbox"/> Formalised guidelines on social factors <input checked="" type="checkbox"/> Formalised guidelines on corporate governance factors <input checked="" type="checkbox"/> Fiduciary (or equivalent) duties <input checked="" type="checkbox"/> Asset class-specific RI guidelines <input checked="" type="checkbox"/> Sector specific RI guidelines <input type="checkbox"/> Screening / exclusions policy <input type="checkbox"/> Other, specify (1) <input type="checkbox"/> Other, specify(2)	<input checked="" type="radio"/> Applicable policies cover all AUM <input type="radio"/> Applicable policies cover a majority of AUM <input type="radio"/> Applicable policies cover a minority of AUM

SG 01.3

Indicate if the investment policy covers any of the following

- Your organisation's definition of ESG and/or responsible investment and it's relation to investments
- Your investment objectives that take ESG factors/real economy influence into account
- Time horizon of your investment
- Governance structure of organisational ESG responsibilities
- ESG incorporation approaches
- Active ownership approaches
- Reporting
- Climate change
- Understanding and incorporating client / beneficiary sustainability preferences
- Other RI considerations, specify (1)
- Other RI considerations, specify (2)

**SG 01.4**

Describe your organisation’s investment principles and overall investment strategy, interpretation of fiduciary (or equivalent) duties, and how they consider ESG factors and real economy impact.

The Charter Hall Sustainability Policy 2018 provides the foundation for Charter Hall's commitment to sustainable business practices. This policy creates a formal sustainability and shared value framework for the Charter Hall Group, which sets the sustainability strategy and targets that apply to all funds under management, assets and operations under operational control. At Charter Hall, our shared value and sustainability framework enables integration of responsible investment, sustainable and community outcomes into our business practices, which aligns with UN Principles for Responsible Investment (PRI), recognises the UN Sustainable Development Goals and is aligned with our corporate strategy Access, Deploy, Manage and Invest equity in our core real estate sectors - office, retail and industrial - to create value and generate superior returns for our customers.

Our corporate strategy considers long term and emerging trends and risks on an annual basis, which are presented annually to the Charter Hall Group Board for discussion and noting. The material risks are then aligned to the Charter Hall Group formal Risk Management approaches that are approved by the Board annually and informs our shared value and sustainability framework.

The Charter Hall Sustainability Policy is disclosed at <https://www.charterhall.com.au/About-Us/Corporate-Governance/>

**SG 01.5**

Provide a brief description of the key elements, any variations or exceptions to your investment policy that covers your responsible investment approach. [Optional]

The Charter Hall Group Corporate Governance Statement outlines our overarching approach and reporting structures and frameworks. Charter Hall Group (comprising Charter Hall Limited and the Charter Hall Property Trust, listed jointly on the ASX as a stapled security) is committed to delivering strong and sustainable returns to Securityholders and investors. The Board of Charter Hall recognises the importance of good governance in achieving these corporate objectives and in discharging its responsibilities to all stakeholders of the Group. This statement is further supported by our Corporate Governance Policies on Sustainability, Diversity and Inclusion, Human Rights, Risk Management, Codes of Conduct (for Directors, Employees and Suppliers), Conflicts of Interest, Anti-Bribery, Fraud and Corruption Risk Management and Corporate Governance, which guide our employees in how they consider ESG factors and real economy impact.

<https://www.charterhall.com.au/About-Us/Corporate-Governance/>

The Charter Hall Risk and Sustainability Policies outline our focus areas and long-term trends and methods to address these trends in our operations and developments and can be found at disclosed at <https://www.charterhall.com.au/About-Us/Corporate-Governance/>

No

I confirm I have read and understood the Accountability tab for SG 01

I confirm I have read and understood the Accountability tab for SG 01

<b>SG 01 CC</b>	<b>Voluntary</b>	<b>Public</b>	<b>Descriptive</b>	<b>General</b>
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**SG 01.6 CC**

Indicate the climate-related risks and opportunities that have been identified and factored into the investment strategies and products, within the organisation's investment time horizon.

In 2016, Charter Hall undertook Climate Change Risk Assessment (CCRA) on all assets under management and developed an Adaptation Framework

The overall methodology aligns with the AS5334-2013 standard for climate change adaptation for settlements and infrastructure. Since the initial assessment Charter Hall has also undertaken climate change adaptation plans for all assets, under operational control and integrated climate risk assessments with all transaction and investment due diligence.

Risk assessments considered a combination of exposure, weather and climate events and vulnerability.



- Exposure risk was rated for each climate variable according to the potential exposure of each asset to the variable.
- Vulnerability refers to predisposition of an asset to be adversely affected by a climate or weather-related event. This includes the characteristics of a building/site, including design, operational management and objectives of that site.
- Natural hazards and climate events include the climatic and weather-related extreme events which may occur today and into the future. Figure 3 shows how changing climate can lead to changes in weather extremes.

Risk assessments undertook modelling, with the following considerations:

- Time Horizons - considered the most up to date CMIP5 products based in the RCP8.5 emission scenarios are made available by CSIRO for 2030 and 2070-time horizons.
- Emissions scenario - Both scenarios represent a high growth/worst case/current trajectory of emissions and are very similar in trajectory and magnitude. The NARcliM projections are specific to the South East of Australia and use the SRES A2 emissions scenario (AR4). For all other areas, the Climate Change in Australia (CCiA) projections are used which are based on the IPCC updated RCP 8.5 emissions scenario. The OzCOASTS scenario 3 is the high-end scenario used in AR4.
- Global climate model - utilised the NARcliM (OEH) and CCiA (CSIRO) modelling

Charter Hall have identified the following climate change-related opportunities for our business operations and our customers:

- Setting a pathway to net zero- Charter Hall has adopted the Science Based Targets approach to determine our pathway to net zero
- Efficiency in assets - Charter Hall has set higher NABERS energy ratings targets for our office portfolio, Green Star Performance ratings for our assets, and energy efficiencies in our operations.
- Efficiencies in our developments - Charter Hall has set minimum 5 Star Green Star Design and As Built ratings for our new large developments and NABERS Energy Commitments.
- Investing in renewable energy - 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. Our retail portfolio has also committed to generating to installation of 11,316 kW of solar PV, across 14 retail shopping centres.
- 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

SG 01.7 CC	Indicate whether the organisation has assessed the likelihood and impact of these climate risks?
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Yes

SG 01.8 CC	Indicate the associated timescales linked to these risks and opportunities.
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Climate change projections and exposure to natural hazards and opportunities were carefully selected considering the likelihood of risk to any of Charter Hall properties. These variables are:

- Increase in mean temperature
- Increase in extreme temperature
- Sea level rise
- Present exposure to bushfire
- Historical exposure to extreme storms

- Historical exposure to cyclones

Although future projections for bushfire, extreme storms and cyclones are still general and qualitative, the scientific community largely agree (see Climate Change in Australia) that these natural hazards events tend to increase their frequencies based on the projected changes in precipitation and temperature.

The timescales applied to assess these risks, against various data sources were projections for 2030 and 2070.

No

<b>SG 01.9 CC</b>	Indicate whether the organisation publicly supports the TCFD?
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Yes

No

Explain the rationale
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Charter Hall Group supports the TCFD, however has yet to do so publicly. In FY19, Charter Hall Group will prepare a gap analysis to report to the TCFD framework. Once this analysis has been completed Charter Hall will publicly support the TCFD and commence reporting against the TCFD framework.

<b>SG 01.10 CC</b>	Indicate whether there is an organisation-wide strategy in place to identify and manage material climate-related risks and opportunities.
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Yes

Describe
----------

Charter Hall Group's Sustainability Policy (<https://www.charterhall.com.au/About-Us/Corporate-Governance/>) outlines the Group approach to identify and manage material climate-related risks and opportunities stating,

*"We are committed to playing a leading role in achieving a sustainable future by:*

- *Actively addressing and managing our impact through optimising the use of resources, minimising our carbon footprint, waste and pollution and protecting the environment in which we operate; ...*
- *Assessing and incorporating the effect of climate change risk, adaptation and resilience into our investment and business decisions..."*

Charter Hall disclose climate change as a material issue and the initiatives and targets to address climate change resilience for the property portfolio and our customers in our annual Sustainability report. <https://charterhall.reportonline.com.au/fy18/sustainability-report/>.

The Charter Hall Group Shared Value Framework outlines our actions and progress in identifying and managing material climate-related risks and opportunities. The strategy to identify and manage climate-related risks includes undertaking a climate risk assessment of all Charter Hall buildings and the preparation of climate change adaptation plans across our office, retail and industrial portfolios, integrating mitigation initiatives into operational risk processes and capital works planning.

The strategy to identify and manage climate-related opportunities includes the development of a pathway to net zero, improved energy efficiency of all buildings in the portfolio and investment in renewable energy.

Outcomes and targets to identify and manage climate-related risks and opportunities during FY18 can be found at <https://charterhall.reportonline.com.au/fy18/sustainability-report/>, specifically <https://charterhall.reportonline.com.au/fy18/sustainability-report/about-charterhall/introduction.html> and <https://charterhall.reportonline.com.au/fy18/sustainability-report/eco-innovation/our-commitment.html>.

No

<b>SG 1.12 CC</b>	Indicate the documents and/or communications the organisation uses to publish TCFD disclosures.
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- Public PRI Climate Transparency Report
- Annual financial filings
- Regular client reporting
- Member communications
- Other

specify

Charter Hall Group respond to CDP which aligned with the TCFD disclosures. In FY19, Charter Hall Group will commence its TCFD disclosure.

<b>SG 02</b>	<b>Mandatory</b>	<b>Public</b>	<b>Core Assessed</b>	<b>PRI 6</b>
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**New selection options have been added to this indicator. Please review your prefilled responses carefully.**

<b>SG 02.1</b>	Indicate which of your investment policy documents (if any) are publicly available. Provide a URL and an attachment of the document.
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- Policy setting out your overall approach

URL/Attachment

- URL

URL

{hyperlink:<https://www.charterhall.com.au/About-Us/Corporate-Governance/>}

- Attachment (will be made public)

Attachment

[File 1:CHC Group Sustainability Policy June 2018 \(9\).pdf](#)

- Formalised guidelines on environmental factors

URL/Attachment

- URL

URL

{hyperlink:https://www.charterhall.com.au/About-Us/Corporate-Governance/}

Attachment (will be made public)

Attachment

[File 1:CHC Group Sustainability Policy June 2018 \(9\).pdf](#)

Formalised guidelines on social factors

URL/Attachment

URL

URL

{hyperlink:https://www.charterhall.com.au/About-Us/Corporate-Governance/}

Attachment (will be made public)

Attachment

[File 1:Charter Hall Group Human Rights Policy.pdf](#)

Formalised guidelines on corporate governance factors

URL/Attachment

URL

URL

{hyperlink:https://www.charterhall.com.au/About-Us/Corporate-Governance/}

Attachment (will be made public)

Attachment

[File 1:2018 Corporate Governance statement \(1\).pdf](#)

Fiduciary (or equivalent) duties

URL/Attachment

URL

URL

{hyperlink:https://www.charterhall.com.au/About-Us/Corporate-Governance/}

Attachment (will be made public)

Attachment

[File 1:2018 Corporate Governance statement \(1\).pdf](#)

Asset class-specific RI guidelines

URL/Attachment

URL

URL

{hyperlink:https://charterhall.reportonline.com.au/fy18/sustainability-report/}

Attachment (will be made public)

Attachment

[File 1:CHH003-Sustainability-Report-Final-PRI.pdf](#)

Sector specific RI guidelines

URL/Attachment

URL

URL

{hyperlink:https://charterhall.reportonline.com.au/fy18/sustainability-report/}

Attachment (will be made public)

Attachment

[File 1:CHH003-Sustainability-Report-Final-PRI.pdf](#)

We do not publicly disclose our investment policy documents

**SG 02.2** Indicate if any of your investment policy components are publicly available. Provide URL and an attachment of the document.

Your organisation's definition of ESG and/or responsible investment and it's relation to investments

URL/Attachment

URL

URL

{hyperlink:https://www.charterhall.com.au/About-Us/Corporate-Governance/}

Attachment

File Attachment

{hyperlink:CHC Group Sustainability Policy June 2018 (9).pdf [275KB]}

Your investment objectives that take ESG factors/real economy influence into account

URL/Attachment

URL

URL

{hyperlink:https://www.charterhall.com.au/About-Us/Corporate-Governance/}

Attachment

File Attachment

{hyperlink:CHC Group Sustainability Policy June 2018 (9).pdf [275KB]}

Governance structure of organisational ESG responsibilities

URL/Attachment

URL

URL

{hyperlink:https://www.charterhall.com.au/About-Us/Corporate-Governance/}

Attachment

File Attachment

{hyperlink:Charter Hall Group Audit, Risk and Compliance Committee Charter.pdf [55KB]}

ESG incorporation approaches

URL/Attachment

URL

URL

{hyperlink:https://www.charterhall.com.au/About-Us/Corporate-Governance/}

Attachment

File Attachment

{hyperlink:CHC Group Sustainability Policy June 2018 (9).pdf [275KB]}

Active ownership approaches

URL/Attachment

URL

URL

{hyperlink:https://charterhall.reportonline.com.au/fy18/sustainability-report/}

Attachment

File Attachment

{hyperlink:CHH003-Sustainability-Report-Final.pdf [12476KB]}

Reporting

URL/Attachment

URL

URL

{hyperlink:https://www.charterhall.com.au/About-Us/Corporate-Governance/}

Attachment

File Attachment

{hyperlink:CHH003-Sustainability-Report-Final for PRI.pdf [5328KB]}

Climate change

URL/Attachment

URL

URL

{hyperlink:https://www.charterhall.com.au/About-Us/Corporate-Governance/}

Attachment

File Attachment

{hyperlink:CHC Group Sustainability Policy June 2018 (9).pdf [275KB]}

Understanding and incorporating client / beneficiary sustainability preferences

## URL/Attachment

URL

## URL

{hyperlink:<https://charterhall.reportonline.com.au/fy18/sustainability-report/about-charterhall/stakeholder-engagement.html>}

Attachment

## File Attachment

{hyperlink:CHH003-Sustainability-Report-Final for PRI upload.pdf [5328KB]}

We do not publicly disclose any investment policy components

## SG 02.3

### Additional information [Optional].

Charter Hall Group (comprising Charter Hall Limited and the Charter Hall Property Trust, listed jointly on the ASX as a stapled security) (the Group or Charter Hall) is committed to delivering strong and sustainable returns to Securityholders and investors. The Board of Charter Hall recognises the importance of good governance in achieving these corporate objectives and in discharging its responsibilities to all stakeholders of the Group.

Charter Hall publicly discloses its Corporate Governance approach and policies on its website, <https://www.charterhall.com.au/About-Us/Corporate-Governance/>. This website outlines Charter Hall governance policies, including the Sustainability Policy, Board and Committee Charters and CHC Director Skills Matrix.

The policies include:

- Auditor Independence Policy
- Continuous Disclosure and Communications Policy
- Risk Management Policy
- Anti-Bribery, Fraud and Corruption Risk Management Policy
- Securities Trading Policy
- Conflicts of Interest and Related Party Transactions Policy
- Charter Hall Diversity and Inclusion Policy
- Charter Hall Group Sustainability Policy
- Charter Hall Group Human Rights Policy
- Charter Hall Limited - Code of Conduct for Directors
- Charter Hall Limited - Code of Conduct for Employees
- Charter Hall Privacy Policy
- Charter Hall Funds Management Limited - Code of Conduct for Directors
- Charter Hall Supplier Code of Conduct

The Committees include:

- Group Audit Risk and Compliance Committee
- Remuneration and Human Resources Committee
- Charter Hall Limited Board Charter and Charter Hall Funds Management Limited Board
- Retail REIT Audit Risk and Compliance Committee
- Nomination Committee

Charter Hall's approach to sustainability and community is outlined in our 2018 Sustainability Report as it is considered intrinsically linked. The Shared Value Report <https://charterhall.reportonline.com.au/fy18/sustainability-report/>



## Governance and human resources

SG 07 CC	Voluntary	Public	Descriptive	General
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<b>SG 07.5 CC</b>	Indicate the roles in the organisation that have oversight, accountability and/or management responsibilities for climate-related issues.
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Board members or trustees

- Oversight/accountability for climate-related issues
- Assessment and management of climate-related issues
- No responsibility for climate-related issues

Chief Executive Officer (CEO), Chief Investment Officer (CIO), Chief Risk Officer (CRO), Investment Committee

- Oversight/accountability for climate-related issues
- Assessment and management of climate-related issues
- No responsibility for climate-related issues

Other Chief-level staff or head of department

- Oversight/accountability for climate-related issues
- Assessment and management of climate-related issues
- No responsibility for climate-related issues

Portfolio managers

- Oversight/accountability for climate-related issues
- Assessment and management of climate-related issues
- No responsibility for climate-related issues

Investment analysts

- Oversight/accountability for climate-related issues
- Assessment and management of climate-related issues
- No responsibility for climate-related issues

Dedicated responsible investment staff

- Oversight/accountability for climate-related issues
- Assessment and management of climate-related issues
- No responsibility for climate-related issues

Investor relations

- Oversight/accountability for climate-related issues
- Assessment and management of climate-related issues
- No responsibility for climate-related issues

External managers or service providers

- Oversight/accountability for climate-related issues
- Assessment and management of climate-related issues
- No responsibility for climate-related issues

Other role, specify (1)

Other description (1)

Internal and external Facilities Managers

- Oversight/accountability for climate-related issues
- Assessment and management of climate-related issues
- No responsibility for climate-related issues

Other role, specify (2)

Other description (2)

WHS Team

- Oversight/accountability for climate-related issues
- Assessment and management of climate-related issues
- No responsibility for climate-related issues

<b>SG 07.6 CC</b>	For board level roles for which have climate-related issues oversight/accountability or implementation responsibilities, indicate how these responsibilities are executed.
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The Charter Hall Board formally delegates certain functions to Board Committees and to Management via formal Board and Committee charters. The Board directly retains responsibility for a range of matters including:

- overseeing the Group's strategic direction;
- monitoring the operational and financial position and performance of the Group;
- overseeing the Group's risk management framework;
- setting the financial and informational reporting requirements from management to the Board;
- reporting to Securityholders and the ASX;
- monitoring the effectiveness of and compliance with policies governing the operation of the Group;
- reviewing and approving the annual operating budgets;
- determining distribution policy and approving distributions;
- approving decisions concerning the capital of the Group; and
- overseeing and evaluating the performance of the Managing Director and Group CEO and other Senior Executives in the context of the Group's strategies and objectives.

<https://www.charterhall.com.au/About-Us/Corporate-Governance/> and <https://www.charterhall.com.au/news/2018/charter-hall-group-annual-report-2018/>.

The Charter Hall Board has adopted a Group Sustainability Policy that forms the foundation of our commitment to sustainable business practices. Covering aspects of climate change, 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 Shared Value Framework. 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. <https://www.charterhall.com.au/About-Us/Corporate-Governance/>.

The Charter Hall Board's Audit, Risk and Compliance Committee (ARCC) considers all risks associated with the business. The ARCC key functions are to oversee and review:

- the internal control and accountability systems;
- the financial reporting process, including significant accounting issues and judgements;
- the appointment and performance of the Auditor, including the scope and effectiveness of audits;
- the internal systems of risk management and control (ensuring that material business risks are identified); and
- compliance processes to meet legislative and regulatory requirements.

The ARCC also has oversight to sustainability strategy, policies and reports.

The Charter Hall Board's Remuneration and Human Resources Committee Key functions are to review and make recommendations on:

- the Group's Human Resources strategy
- criteria for reviewing the performance of the Managing Director and Group CEO;
- remuneration framework and policy for Senior Executives;
- fixed annual remuneration and incentive outcomes for Senior Executives;
- incentive plans for all employees;
- any other remuneration matters that relate to executives; and
- remuneration policies and fees for NEDs and Committee members.

The Charter Hall Board's Investment Committee (IC) considers matters as referred to it/delegated to it by the Board which may include from time to time the approval of the following:

- acquisitions and disposals of entities or assets on behalf of the Group in accordance with the relevant delegated authority
- investments in funds managed by the CH entity in accordance with the relevant delegated authority; and
- disclosure documents for capital raisings by funds managed by the Responsible Entity

<b>SG 07.7</b> <b>CC</b>	For the management-level roles that assess and manage climate-related issues, provide further information on the structure and process involved.
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The Charter Hall Board is responsible for approving policy and frameworks and the Executive Leadership Group has responsibility for ensuring we deliver on commitments defined in our Group Sustainability Policy, supported by fund, asset, operations and development teams that embed the 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 Shared Value Framework.

The Charter Hall Executive and the Sector based Senior Management Teams work with the Sustainability Team to develop sector-based Sustainability Strategies which include the assessment and management of climate-related issues and opportunities. These strategic sector-based strategies are integrated into fund strategies and individual building strategic management plans.

Each sector Sustainability Strategy adopt the Charter Hall Group Eco Innovation targets (outlined at <https://charterhall.reportonline.com.au/fy18/sustainability-report/eco-innovation/our-commitment.html>) and apply these targets where relevant to their portfolio. Those climate-related targets that management-level-roles have included in their sector based strategies include::

- Implementing a pathway to an equivalent 2-degree reduction in emissions by FY20 and achieving the equivalent of a 2-degree reduction in emissions by FY25. All sectors have an aspirational target of Net Zero emissions.
- investigating renewable energy opportunities and where appropriate installation of renewable energy on new developments by FY20;
- For the retail portfolio, investigating solar projects across applicable Charter Hall managed shopping centres.
- Energy improvement targets, utilising NABERs Energy ratings as a measure of improvement
- Waste reduction targets by FY20 and FY25
- Undertaking climate change adaptation plans by FY20 and integrating these plans into risk frameworks and operational and capital works programs.

## ESG issues in asset allocation

SG 13	Mandatory	Public	Descriptive	PRI 1
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**SG 13.1** Indicate whether the organisation undertakes scenario analysis and/or modelling and provide a description of the scenario analysis (by asset class, sector, strategic asset allocation, etc.).

- Yes, to assess future ESG factors

Describe

Charter Hall consider ESG factors in the annual strategic risk analysis process for consideration within the risk register. The scenario analysis considers risks for each sector and markets for all risk factors. Future ESG factor analysis is also considered in materiality reviews aligned with GRI

- Yes, to assess future climate-related risks and opportunities

Describe

Charter Hall undertook climate change risk assessments across office, industrial, retail and hospitality assets, considering potential exposure to a range of climate scenarios utilising the Charter Hall risk profile. Climate change adaptation plans consider these scenarios in terms of likelihood and consequence scales to estimate the level of risk.

- No, not to assess future ESG/climate-related issues

**SG 13.2** Indicate if your organisation considers ESG issues in strategic asset allocation and/or allocation of assets between sectors or geographic markets.

We do the following

- Allocation between asset classes
- Determining fixed income duration
- Allocation of assets between geographic markets
- Sector weightings
- Other, specify
- We do not consider ESG issues in strategic asset allocation

**SG 13.3**

## Additional information. [OPTIONAL]

The Charter Hall due diligence process considers a range of ESG issues in its strategic asset acquisitions and allocations, from geographic and economic markets to climate change and other environmental and social issues. The ESG issues considered across sectors align with higher environmental performance requirements on assets to minimise ESG issues.

The allocation of assets across sectors and geographies considers a range of markets and ESG factors to provide a diversity of product. and minimise exposure to one market sector or geography The allocation of investment across wholesale, listed and equity provides further diversity in markets..

Charter Hall Group's Risk Management Policy sets out:

- roles and responsibilities in relation to risk management at Charter Hall;
- the review process in regards to the Risk Management Framework and its key components;
- the assessments that are carried out to identify the risk appetite of the business and the risks within the Group;
- significant identified controls that seek to minimise, mitigate or manage the risks within the business which includes the roles and responsibilities for the management and oversight of risk; and
- specific risk areas where there is a specialised approach and policies to control the inherent risks.

**SG 13 CC**

## Voluntary

## Public

## Descriptive

## General

**SG 13.4  
CC**

## Describe how the organisation is using scenario analysis to manage climate-related risks and opportunities, including how the analysis has been interpreted, the results and any future plans.

Initial assessment

## Describe

Charter Hall has undertaken Climate Risk Assessments of all standing assets and development sites in FY16. This assessment involved consideration of a range of climate related scenario events (past) and probability and consequence of these extreme climatic events impacting on the Charter Hall portfolio in the future, using insurance records and claims as well as engagement with asset managers and operational employees. The assessment also considered NARClIM (OEH) and CCiA (CSIRO) data, which projects climate scenarios, to document low, medium or high-risk ratings on assets and development sites across the portfolio.

Charter Hall has commenced preparation of Climate Change Adaptation Plans for all assets in its industrial, office and retail portfolios where Charter Hall has operational control and the asset does not have a triple net lease, by FY2020. These plans complete a climate risk assessment matrix (which is aligned to the Charter Hall Risk Matrix) and identify opportunities to mitigate the risks, with a target of reducing climate risk of assets.

Charter Hall has commenced a gap analysis of the scenarios and requirements sought under the reporting framework for the Task Force for Climate Change Disclosure in FY19.

Charter Hall has invested in renewable energy through our tenant customers and is committed to further renewable energy projects in our Retail portfolio from FY19.

The Charter Hall approach to addressing climate-related risks and opportunities can be found at <https://charterhall.reportonline.com.au/fy18/sustainability-report/eco-innovation/our-commitment.html>.

Incorporation into investment analysis

Describe
----------

Charter Hall's property investment selection process undertakes a due diligence process which includes ESG issues. This process identifies and considers the sustainability credentials of the property, as well as opportunities to enhance the credentials of the property. The process also considers other ESG factors such as:

- Geographic location - access to markets, transportation and infrastructure, accessibility for building occupants, suppliers and customers, location of major physical features such as water courses and natural hazards.
- Market and economic development trends
- Environmental issues (including contamination, flooding and other climate related and natural hazard risks, materials assessment, water efficiency, energy efficiency/supply. All our buildings are reviewed for flood risk (1 in 100 flood event), as well as the condition and age of HVAC to ensure that tenant comfort is maintained during extended days of extreme heat.
- Climate change risk assessment (extreme weather conditions such as storm, bushfire, extreme heat and sea level rise) and the ability of the investment to withstanding potential climate change impact, depending on its location.
- Environmental data/performance ratings against country level or international benchmarks such as NABERS, Green Star or WELL ratings, which inform GHG emissions. Buildings with lower carbon systems (eg on-site solar) are an attractive option for us based on the energy savings and lower occupancy costs (where applicable).
- Services and building operations and mechanical - such as water and energy supply and efficiencies, waste management, and ability to perform under extreme conditions (such as extreme heat)
- Workplace health and safety compliance
- Building structure, materials and hazardous materials inspections identify compliance with industry codes and certifications.
- Planning and compliance factors in relation to Federal, State and Local Government regulations such as the Disability Discrimination Act (DDA).
- Building ratings against the Property Council of Australia Guide to Office Building Quality

All due diligence considerations are undertaken in accordance with the Charter Hall Corporate Governance policies, which are publicly disclosed on our website <https://www.charterhall.com.au/About-Us/Corporate-Governance/>

Investment analysis includes financial and risks of tenant and sector.

Inform active ownership

Describe
----------

Charter Hall has undertaken Climate Risk Assessments of all standing assets and development sites in FY16. This assessment involved consideration of a range of climate related scenario events (past) and probability and consequence of these extreme climatic events impacting on the Charter Hall portfolio in the the future, using insurance records and claims as well as engagement with asset managers and operational employees. The assessment also considered NARClIM (OEH) and CCiA (CSIRO) data, which projects climate scenarios, to document low, medium or high-risk ratings on assets and development sites across the portfolio.

Charter Hall has commenced preparation of Climate Change Adaptation Plans for all assets in its industrial, office and retail portfolios where Charter Hall has operational control and the asset does not have a triple net lease, by FY2020. These plans complete a climate risk assessment matrix (which is aligned to the Charter Hall Risk Matrix) and identify opportunities to mitigate the risks, with a target of reducing climate risk of assets.

Charter Hall has commenced a gap analysis of the scenarios and requirements sought under the reporting framework for the Task Force for Climate Change Disclosure, in FY19.

Opportunities have been identified in the form of the development of the net zero pathway, in accordance with the SBT methodology and an increased investment in renewable energy. Alignment with and increased investment in improving both development and operational building performance, as demonstrated through NABERS and Green Star certifications.

The Charter Hall approach to addressing climate-related risks and opportunities can be found at <https://charterhall.reportonline.com.au/fy18/sustainability-report/eco-innovation/our-commitment.html>.

Other

<b>SG 13.5 CC</b>	Indicate who uses this analysis.
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- Board members, trustees, C-level roles, Investment Committee
- Portfolio managers
- Dedicated responsible investment staff
- External managers
- Investment consultants/actuaries
- Other

<b>SG 13.6 CC</b>	Indicate whether the organisation has evaluated the impacts of climate-related risk, beyond the investment time-horizon, on the organisations investment strategy.
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Yes

	Describe
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The Charter Hall Climate Risk Assessment criteria was assessed based on 2030 and 2070 projections, utilising a range of modelling and data sources for climate variables including: mean temperature, extreme temperature, sea level rise, bushfire, tropical cyclones and extreme storms.

The assessment considered these variables against the 2030 and 2070 time horizons and determined the extent of exposure and risk of office, industrial, retail and hospitality investments under both scenarios. The climate change mitigation plans seek to address operational and capital improvements to mitigate these risks and reduce the likelihood or consequence of these variables in the short, medium and longer term.

The Charter Hall net zero emissions pathway, which is aligned with the Science Based Targets, also assumes future time horizons to in line with anticipated future growth of the Charter Hall business.

No

<b>SG 13.7 CC</b>	Indicate whether a range of climate scenarios is used.
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- Yes, including analysis based on a 2°C or lower scenario
- Yes, not including analysis based on a 2°C or lower scenario
- No, a range is not used

<b>SG 13.8 CC</b>	Indicate the climate scenarios the organisation uses.
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Provider	Scenario used	
IEA	<input type="checkbox"/> Beyond 2 Degrees Scenario (B2DS)	
IEA	<input checked="" type="checkbox"/> Energy Technology Perspectives (ETP) 2 Degrees scenario	
IEA	<input type="checkbox"/> Sustainable Development Scenario (SDS)	
IEA	<input type="checkbox"/> New Policy Scenario (NPS)	
IEA	<input type="checkbox"/> Current Policy Scenario (CPS)	
IRENA	<input type="checkbox"/> RE Map	
Greenpeace	<input type="checkbox"/> Advanced Energy [R]evolution	
Institute for Sustainable Development	<input type="checkbox"/> Deep Decarbonisation Pathway Project (DDPP)	
Bloomberg	<input type="checkbox"/> BNEF reference scenario	
IPCC	<input checked="" type="checkbox"/> Representative Concentration Pathway (RCP) 8.5	
IPCC	<input type="checkbox"/> RPC 6	
IPCC	<input type="checkbox"/> RPC 4.5	
IPCC	<input type="checkbox"/> RPC 2.6	
Other	<input checked="" type="checkbox"/> Other (1)	<div style="background-color: #cccccc; padding: 5px; border: 1px solid #000;">Other (1) please specify:</div> Science Based Targets
Other	<input type="checkbox"/> Other (2)	
Other	<input type="checkbox"/> Other (3)	

SG 14	Mandatory to Report Voluntary to Disclose	Public	Additional Assessed	PRI 1
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**SG 14.1**

Some investment risks and opportunities arise as a result of long term trends. Indicate which of the following are considered.

- Changing demographics
- Climate change
- Resource scarcity
- Technological developments
- Other, specify(1)

other description (1)

**Diversity of tenant markets and trends**

- Other, specify(2)
- None of the above

**SG 14.2**

Indicate which of the following activities you have undertaken to respond to climate change risk and opportunity

- Established a climate change sensitive or climate change integrated asset allocation strategy
- Targeted low carbon or climate resilient investments
- Phase out your investments in your fossil fuel holdings
- Reduced portfolio exposure to emissions intensive or fossil fuel holdings
- Used emissions data or analysis to inform investment decision making
- Sought climate change integration by companies
- Sought climate supportive policy from governments
- Other, specify

other description

Climate Change Risk Assessments across 259 properties. 2,456kW of solar PV installations  
Environmental, climate change due diligence is carried out in all acquisitions and disposals

- None of the above

**SG 14.3** Indicate which of the following tools the organisation uses to manage climate-related risks and opportunities.

- Scenario analysis
- Disclosures on emissions risks to clients/trustees/management/beneficiaries
- Climate-related targets
- Encouraging internal and/or external portfolio managers to monitor emissions risks
- Emissions-risk monitoring and reporting are formalised into contracts when appointing managers
- Weighted average carbon intensity
- Carbon footprint (scope 1 and 2)
- Portfolio carbon footprint
- Total carbon emissions
- Carbon intensity
- Exposure to carbon-related assets
- Other emissions metrics
- Other, specify

other description

- Target setting <w:br />Environmental Due Diligence <w:br />Report emissions to NGERS and identify Clean Energy Initiatives
- None of the above

**SG 14.4** If you selected disclosure on emissions risks, list any specific climate related disclosure tools or frameworks that you used.

Reporting frameworks which Charter Hall utilise in its disclosure on emissions include:

- The Australian National Greenhouse Energy Reporting System (NGERS)
- GRI
- Green Star Performance
- GRESB
- CDP
- DJSI
- Science Based Targets - which aligns to the IEA's Energy Technology Perspectives 2 degree scenario and the IPCC RPC 2.6.

**SG 14.5** Additional information [Optional]

Charter Hall established targets in FY16 Annual Report and Shared Value Report which identifies time scenarios in FY20, FY25 and Aspirational longer-term targets

Charter Hall investigated the changing demographics in researching office, retail and industrial occupancy and industry trends. Investigations into changing demographics also influenced the Community Investment approach.

Charter Hall undertook climate risk assessments across office, retail and industrial portfolios to develop a climate change management framework for existing assets and to inform future asset considerations.

Charter Hall discloses and tracks emissions through NGERS and CDP, as well as in the annual Shared Value and Sustainability Report. Targets have been set and monitored with asset, property and facility managers to

reduce emissions. Green building achievements and maintenance or improvements of these achievements are integrated into contracts.

Charter Hall has trialled new technologies in building management and building efficiency to enhance operations and tenant customer satisfaction.

SG 14 CC	Voluntary	Public		General
SG 14.6 CC	Please provide further details on these key metric(s) used to assess climate related risks and opportunities.			

Metric Type	Coverage	Purpose	Metric Unit	Metric Methodology
<b>Climate-related targets</b>	<input checked="" type="checkbox"/> All assets <input type="checkbox"/> Majority of assets <input type="checkbox"/> Minority of assets	To determine the risk and coverage of risk in the portfolio.	Number of climate risk assessments and climate change adaptation plans	Number of assets Number of climate change risk assessments Number of climate change adaptation management plans
<b>Weighted average carbon intensity</b>	<input checked="" type="checkbox"/> All assets <input type="checkbox"/> Majority of assets <input type="checkbox"/> Minority of assets	To reduce the carbon footprint. To measure reduction in carbon emissions in diverse portfolio	kWh/m2/pa	kilowatts per hour/metres squared/per annum
<b>Carbon footprint (scope 1 and 2)</b>	<input checked="" type="checkbox"/> All assets <input type="checkbox"/> Majority of assets <input type="checkbox"/> Minority of assets	To report our Carbon Footprint (scope 1 and 2 emissions) to the Australian Greenhouse and Energy Regulator annually	kgCO2/m2/ pa	Calculated based on NGERs methodology – base building under operational control
<b>Portfolio carbon footprint</b>	<input checked="" type="checkbox"/> All assets <input type="checkbox"/> Majority of assets <input type="checkbox"/> Minority of assets	To report our Carbon Footprint and demonstrate reductions across reporting years	kgCO2/m2/ pa	Charter Hall report on our carbon emissions by kilograms of carbon by metres squared per annum. According to our operational control boundary under the National Greenhouse and Energy Reporting Act (2007) (NGER).
<b>Total carbon emissions</b>	<input checked="" type="checkbox"/> All assets <input type="checkbox"/> Majority of assets <input type="checkbox"/> Minority of assets	To report to the NGERs Regulator and for Science Based Targets	GHG (tCO2) emissions	Charter Hall report on our carbon emissions by kilograms of carbon by metres squared per annum. According to our operational control boundary under the National Greenhouse and Energy Reporting Act (2007) (NGER).
<b>Carbon intensity</b>	<input checked="" type="checkbox"/> All assets <input type="checkbox"/> Majority of assets <input type="checkbox"/> Minority of assets	To measure reduction in intensity across the diverse portfolio	kgCO2/m2/ pa	Charter Hall report on our carbon intensity by kilograms of carbon by metres squared per annum. According to our operational control boundary under the National Greenhouse and Energy Reporting Act (2007) (NGER).

SG 14.7  
CC

Describe in further detail the key targets.

Targettype	Time Frame	Description	Attachments
<input checked="" type="checkbox"/> Absolute target <input type="checkbox"/> Intensity target	The time frame for emissions reductions targets are 2025 and 2030.	Utilising the Science Based Targets methodology identify a pathway to 2 degree reduction in emissions by 2020; and achieve 2 Degree reduction in emissions by 2025. Determine a pathway to Net Zero emissions for Scope 1 and Scope 2 and a reduction pathway for Scope 3 emissions by 2030.	<a href="#">File 1:CHH003-Sustainability-Report-Final-PRI.pdf</a>
<input checked="" type="checkbox"/> Absolute target <input type="checkbox"/> Intensity target	Preparation of climate change adaptation plans for office, retail and industrial assets by FY20	Preparation of climate change adaptation plans, aligned with Green Building Council of Australia definitions, across the office, industrial and retail portfolios by FY20.	<a href="#">File 1:CHH003-Sustainability-Report-Final-PRI.pdf</a>
<input type="checkbox"/> Absolute target <input checked="" type="checkbox"/> Intensity target	Targets for emissions reductions (in intensities) are FY2020 and FY2025	Utilising the Science Based Targets methodology identify a pathway to 2 degree reduction in emissions by 2020; and achieve 2 Degree reduction in emissions by 2025. Determine a pathway to Net Zero emissions for Scope 1 and Scope 2 and a reduction pathway for Scope 3 emissions by 2030.	<a href="#">File 1:CHH003-Sustainability-Report-Final-PRI.pdf</a>
<input type="checkbox"/> Absolute target <input checked="" type="checkbox"/> Intensity target	Reduction in emissions FY17 to FY18	Since FY17, Charter Hall Group emissions reduced by 1%, in FY18. The 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. 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.	<a href="#">File 1:CHH003-Sustainability-Report-Final-PRI.pdf</a>
<input type="checkbox"/> Absolute target <input type="checkbox"/> Intensity target			

**SG 14.8  
CC**

Indicate whether climate-related risks are integrated into overall risk management and explain the risks management processes for identifying, assessing, and managing climate-related risks.

☉ Process for climate-related risks is integrated into overall risk management

Please describe

The Charter Hall Climate Risk Assessment process considered vulnerability, exposure and weather and climate events and how they interact to define asset risk. Climate change projections and exposure to natural hazards were carefully selected considering the likelihood of risk to any of Charter Hall properties, including:

- Increase in mean temperature
- Increase in extreme temperature
- Sea level rise
- Present exposure to bushfire and future projections for bushfire
- Historical exposure to extreme storms and future projections for extreme storms
- Historical exposure to cyclones and future projections for cyclones.

The Charter Hall climate change mitigation plans review the climate-related risks in alignment with the Charter Hall risk matrix and against the matrix likelihood and consequence scales. Once the likelihood and consequence of a risk were determined they are combined to estimate the level of risk using the risk assessment matrix. Consequence assessment included a number of success categories in line with the AGO guidelines for climate change impacts and risk management (AGO 2007). Risks and materiality threshold points for climate-related risks are also integrated into emergency response and management plans and general operational procedures.

Since 2017, Charter Hall has been undertaking climate change adaptation plans which outline, for each building, risk mitigation approaches for management and operation of buildings, in accordance with Charter Hall risk management processes.

The annual Charter Hall strategic risk review also integrates climate-related risks into the overall ESG risks, which is then determined against other company risks and integrated into the Charter Hall Risk Appetite Statement.

The Charter Hall Science Based Target pathway aligns with IEA's Energy Technology Perspectives 2 degree scenario and the IPCC RPC 2.6.

Within the Australian regulatory context, Charter Hall annually reports to the National Greenhouse and Energy Reporting Regulator. Charter Hall also participate in a range of industry bodies, such as the Property Council of Australia, Green Building Council of Australia, and the City of Sydney Better Building Partnership which advocate for energy and carbon policy and certainty outcomes within the Australian building codes and regulatory framework.

Process for climate-related risks is not integrated into our overall risk management

SG 15	Mandatory to Report Voluntary to Disclose	Public	Descriptive	PRI 1
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SG 15.1	Indicate if your organisation allocates assets to, or manages, funds based on specific environmental and social themed areas.
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Yes

SG 15.2	Indicate the percentage of your total AUM invested in environmental and social themed areas.
---------	--

	%
--	---

100

SG 15.3	Specify which thematic area(s) you invest in, indicate the percentage of your AUM in the particular asset class and provide a brief description.
---------	--

	Area
--	------

Energy efficiency / Clean technology

	Asset class invested
--	----------------------

Property

	% of AUM
--	----------

30

### Brief description and measures of investment

Across Charter Hall's 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. In FY19, the retail portfolio has further committed to:

10,300 kW of solar PV generation to be delivered under a Power Purchase Agreement (PPA) model across 13 initial sites in 2019. This will be delivered by industry leading PPA providers to build, own, operate and maintain roof top solar PV with integrated batteries.

The PPA is anticipated to deliver affordable long term price certainty for 40% of the retail portfolio's energy needs at the 13 sites (13.4 GWh of solar energy consumption pa).

Through our net zero pathway, Charter Hall will investigate further renewable opportunities to address Scope 2 emissions.

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.

#### Renewable energy

### Asset class invested

#### Property

### % of AUM

30

### Brief description and measures of investment

Across Charter Hall's 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. In FY19, the retail portfolio has further committed to:

- 10,300 kW of solar PV generation to be delivered under a Power Purchase Agreement (PPA) model across 13 initial sites in 2019. This will be delivered by industry leading PPA providers to build, own, operate and maintain roof top solar PV with integrated batteries; and
- The PPA delivering affordable long term price certainty for 40% of the retail portfolio's energy needs at the 13 sites (13.4 GWh of solar energy consumption pa).

Through our net zero pathway, Charter Hall will investigate further renewable opportunities to address Scope 2 emissions.

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.

#### Green buildings

### Asset class invested

#### Property

% of AUM

60

Brief description and measures of investment

Charter Hall has achieved Green Star Performance ratings on 178 existing assets and 20 Green Building ratings and now invest in high value green buildings in both acquisitions and developments. Our investment has resulted in Charter Hall achieving Australia's largest green star footprint.

Charter Hall has set green building targets (through NABERS and Green Star) for new developments across the office, retail and industrial sectors and embarked on first retail and industrial green building ratings in FY17.

All eligible Charter Hall office assets (over 1,000sqm) and eligible retail assets (over 15,000sqm), seek annual NABERS Energy and Water ratings.

Charter Hall has also invested in new technologies to improve the operational performance of buildings, while also providing customer comfort. These technologies include Comfy which enable building occupants to control the temperatures within tenancies, resulting in energy savings in buildings.

- Sustainable forestry
- Sustainable agriculture
- Microfinance
- SME financing

Asset class invested

- Property

% of AUM

0.5

Brief description and measures of investment

Charter Hall has also invested in seeding to emerging PropTech enterprises to enhance operations and responds to evolving and changing landscapes. Charter Hall was recognised as the only AREIT named in the ASX 200 top 20 most innovative companies in 2018, as rated by innovation consultants, Collective Campus.

Charter Hall also partner with the Foundation for Young Australians mentoring 15 young social pioneer enterprises and providing seed funding to enable enertprise development.

- Social enterprise / community investing

Asset class invested

- Property

% of AUM

1



### Brief description and measures of investment

Charter Hall Pledge 1% commits our People: Places: and Partnerships to community investment, through volunteering and workplace giving, donation matching, community place creation, enterprise development and community partnerships.

In FY18, Charter Hall contributed the following through our Pledge 1%"

- 81% of our people volunteered 330 days to the community
- \$1.3 million in space was provided to not for profit and community groups,
- \$600,000 was donated to community partnerships.

Charter Hall are partners with Social Traders, resulting in an increase of social procurement through corporate services, as well as through our supply chain.

Affordable housing

Education

### Asset class invested

Property

### % of AUM

1

### Brief description and measures of investment

Charter Hall developed and manages the University of Western Sydney, 1 Parramatta Square, Parramatta campus. This development has provided the University with a state of the art building, in the easily accessible heart of Parramatta and Western Sydney. 1 Parramatta Square is an integrated development which links the university sector with the commercial office sector and facilitated the co-location of corporate tenants that have strong synergies with the University.

<http://1psq.com.au/>

Charter Hall is now focussed on developing more education assets, including a second vertical campus for Western Sydney University and University of New South Wales. Charter Hall Group commenced discussions with the Folkestone Education Trust, in FY18, to integrate early learning assets into the portfolio in FY19.

Global health

### Asset class invested

Property

### % of AUM

0.1

## Brief description and measures of investment

Charter Hall's Melbourne and Perth offices achieved the WELL Certified™ Silver Interiors rating from the International WELL Building Institute, in FY18. 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.

<https://charterhall.reportonline.com.au/fy18/sustainability-report/enabling-wellbeing/our-journey-to-attaining-well-certification.html>.

Charter Hall office developments are now seeking Core and Shell WELL certification for all new office developments in CBD locations. The Charter Hall Office Trust will also participate in the WELL Portfolio Pilot for existing office buildings in FY19.

- Water
- Other area, specify

No

**SG 15.4**

Please attach any supporting information you wish to include. [OPTIONAL]

[File 1:CHH003-Sustainability-Report-Final-PRI.pdf](#)