



LEA 02	Discipline: Monetary	Principle: PRI 1, 2, 3
<p>Type of engagement</p> <p>Individual/ internal staff engagements</p>	<p>Reason for interaction</p> <ul style="list-style-type: none"> <input checked="" type="checkbox"/> To support investment decisionmaking in & company's material ESG issues <input checked="" type="checkbox"/> To influence corporate practice or identify the need for additional or enhanced ESG disclosure <input type="checkbox"/> To engage internal staff <input type="checkbox"/> Other: specify <input type="checkbox"/> We do not engage in internal staff 	
<p>Collaborative engagements</p>	<ul style="list-style-type: none"> <input type="checkbox"/> To support investment decisionmaking in & company's material ESG issues <input type="checkbox"/> To influence corporate practice or identify the need for additional or enhanced ESG disclosure <input type="checkbox"/> We do not engage in collaborative engagements 	
<p>Service provider engagements</p>	<ul style="list-style-type: none"> <input type="checkbox"/> To support investment decisionmaking in & company's material ESG issues <input type="checkbox"/> To influence corporate practice or identify the need for additional or enhanced ESG disclosure <input type="checkbox"/> Other: specify <input type="checkbox"/> We do not engage in service provider engagements 	

RI TRANSPARENCY REPORT

2019

Charter Hall Group

About this report

The PRI Reporting Framework is a key step in the journey towards building a common language and industry standard for reporting responsible investment (RI) activities. This RI Transparency Report is one of the key outputs of this Framework. Its primary objective is to enable signatory transparency on RI activities and facilitate dialogue between investors and their clients, beneficiaries and other stakeholders. A copy of this report will be publicly disclosed for all reporting signatories on the [PRI website](#), ensuring accountability of the PRI Initiative and its signatories.

This report is an export of the individual Signatory organisation's response to the PRI during the 2019 reporting cycle. It includes their responses to mandatory indicators, as well as responses to voluntary indicators the signatory has agreed to make public. The information is presented exactly as it was reported. Where an indicator offers a response option that is multiple-choice, all options that were available to the signatory to select are presented in this report. Presenting the information exactly as reported is a result of signatory feedback which suggested the PRI not summarise the information. As a result, the reports can be extensive. However, to help easily locate information, there is a **Principles index** which highlights where the information can be found and summarises the indicators that signatories complete and disclose.

Understanding the Principles Index

The Principles Index summarises the response status for the individual indicators and modules and shows how these relate to the six [Principles for Responsible Investment](#). It can be used by stakeholders as an 'at-a-glance' summary of reported information and to identify particular themes or areas of interest.

Indicators can refer to one or more Principles. Some indicators are not specific to any Principle. These are highlighted in the 'General' column. When multiple Principles are covered across numerous indicators, in order to avoid repetition, only the main Principle covered is highlighted.

All indicators within a module are presented below. The status of indicators is shown with the following symbols:

Symbol	Status
✓	The signatory has completed all mandatory parts of this indicator
☑	The signatory has completed some parts of this indicator
🔒	This indicator was not relevant for this signatory
-	The signatory did not complete any part of this indicator
Ⓜ	The signatory has flagged this indicator for internal review

Within the table, indicators marked in blue are mandatory to complete. Indicators marked in grey are voluntary to complete.

Principles Index

Organisational Overview				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
OO TG		✓	-							
OO 01	Signatory category and services	✓	Public							✓
OO 02	Headquarters and operational countries	✓	Public							✓
OO 03	Subsidiaries that are separate PRI signatories	✓	Public							✓
OO 04	Reporting year and AUM	✓	Public							✓
OO 05	Breakdown of AUM by asset class	✓	Asset mix disclosed in OO 06							✓
OO 06	How would you like to disclose your asset class mix	✓	Public							✓
OO 07	Fixed income AUM breakdown	🔒	n/a							✓
OO 08	Segregated mandates or pooled funds	🔒	n/a							✓
OO 09	Breakdown of AUM by market	✓	Public							✓
OO 10	Active ownership practices for listed assets	🔒	n/a							✓
OO 11	ESG incorporation practices for all assets	✓	Public							✓
OO 12	Modules and sections required to complete	✓	Public							✓
OO LE 01	Breakdown of listed equity investments by passive and active strategies	🔒	n/a							✓
OO LE 02	Reporting on strategies that are <10% of actively managed listed equities	🔒	n/a							✓
OO FI 01	Breakdown of fixed income investments by passive and active strategies	🔒	n/a							✓
OO FI 02	Reporting on strategies that are <10% of actively managed fixed income	🔒	n/a							✓
OO FI 03	Fixed income breakdown by market and credit quality	🔒	n/a							✓
OO SAM 01	Breakdown of externally managed investments by passive and active strategies	🔒	n/a							✓
OO PE 01	Breakdown of private equity investments by strategy	🔒	n/a							✓
OO PE 02	Typical level of ownership in private equity investments	🔒	n/a							✓
OO PR 01	Breakdown of property investments	✓	Public							✓
OO PR 02	Breakdown of property assets by management	✓	Public							✓
OO PR 03	Largest property types	✓	Public							✓
OO INF 01	Breakdown of infrastructure investments	🔒	n/a							✓
OO INF 02	Breakdown of infrastructure assets by management	🔒	n/a							✓
OO INF 03	Largest infrastructure sectors	🔒	n/a							✓
OO HF 01	Breakdown of hedge funds investments by strategies	🔒	n/a							✓
OO End	Module confirmation page	✓	-							

CCStrategy and Governance				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
SG 01	RI policy and coverage	✓	Public							✓
SG 01 CC	Climate risk	✓	Private							✓
SG 02	Publicly available RI policy or guidance documents	✓	Public						✓	
SG 03	Conflicts of interest	✓	Public							✓
SG 04	Identifying incidents occurring within portfolios	✓	Private							✓
SG 05	RI goals and objectives	✓	Public							✓
SG 06	Main goals/objectives this year	✓	Private							✓
SG 07	RI roles and responsibilities	✓	Public							✓
SG 07 CC	Climate-issues roles and responsibilities	✓	Public							✓
SG 08	RI in performance management, reward and/or personal development	✓	Public							✓
SG 09	Collaborative organisations / initiatives	✓	Public				✓	✓		
SG 09.2	Assets managed by PRI signatories	🔒	n/a	✓						
SG 10	Promoting RI independently	✓	Public				✓			
SG 11	Dialogue with public policy makers or standard setters	✓	Public				✓	✓	✓	
SG 12	Role of investment consultants/fiduciary managers	✓	Public				✓			
SG 13	ESG issues in strategic asset allocation	✓	Public	✓						
SG 13 CC		✓	Private							✓
SG 14	Long term investment risks and opportunity	✓	Public	✓						
SG 14 CC		✓	Private							✓
SG 15	Allocation of assets to environmental and social themed areas	✓	Public	✓						
SG 16	ESG issues for internally managed assets not reported in framework	🔒	n/a							✓
SG 17	ESG issues for externally managed assets not reported in framework	🔒	n/a							✓
SG 18	Innovative features of approach to RI	✓	Private							✓
SG 19	Communication	✓	Public		✓				✓	
SG End	Module confirmation page	✓	-							

Direct - Property				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
PR 01	Responsible Property Investment (RPI) policy	✓	Public	✓					✓	
PR 02	Fund placement documents and RI	✓	Public	✓			✓		✓	
PR 03	Formal commitments to RI	✓	Private				✓			
PR 04	Incorporating ESG issues when selecting investments	✓	Public	✓						
PR 05	Types of ESG information considered in investment selection	✓	Private	✓		✓				
PR 06	ESG issues impact in selection process	✓	Public	✓						
PR 07	ESG issues in selection, appointment and monitoring of third-party property managers	✓	Public				✓			
PR 08	ESG issues in post-investment activities	✓	Public		✓					
PR 09	Proportion of assets with ESG targets that were set and monitored	✓	Public		✓	✓				
PR 10	Certification schemes, ratings and benchmarks	✓	Public		✓					
PR 11	Proportion of developments and refurbishments where ESG issues were considered	✓	Public		✓					
PR 12	Proportion of property occupiers that were engaged with	✓	Public		✓					
PR 13	Proportion of green leases or MOUs referencing ESG issues	✓	Private		✓					
PR 14	Proportion of assets engaged with on community issues	✓	Private		✓					
PR 15	ESG issues affected financial/ESG performance	✓	Private	✓	✓					
PR 16	Examples of ESG issues that affected your property investments	✓	Private	✓		✓				
PR End	Module confirmation page	✓	-							

Charter Hall Group

Reported Information

Public version

Organisational Overview

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.

Basic information

OO 01

Mandatory

Public

Gateway/Peering

General

OO 01.1

Select the services and funds you offer

Select the services and funds you offer	% of asset under management (AUM) in ranges
Fund management	<input type="radio"/> 0% <input type="radio"/> <10% <input type="radio"/> 10-50% <input checked="" type="radio"/> >50%
Fund of funds, manager of managers, sub-advised products	<input checked="" type="radio"/> 0% <input type="radio"/> <10% <input type="radio"/> 10-50% <input type="radio"/> >50%
Other	<input checked="" type="radio"/> 0% <input type="radio"/> <10% <input type="radio"/> 10-50% <input type="radio"/> >50%
Total 100%	

Further options (may be selected in addition to the above)

- Hedge funds
- Fund of hedge funds

OO 01.2

Additional information. [Optional]

Charter Hall Group (ASX:CHC) is one of Australia's leading fully integrated property groups, with a total property portfolio of \$23.2 billion as at 30 June 2018 (the PRI reporting year), which post balance date has grown to \$26.4 billion of high quality, long leased property across the office, retail, industrial and social infrastructure sectors.

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. The ASX100 Group has offices in Sydney, Melbourne, Brisbane, Adelaide and Perth and has over 28 years' experience managing and investing in high quality property on behalf of institutional, wholesale and retail clients.

Charter Hall's success is driven by our focus on our tenant and investor customers. We look to partner with our tenants, growing with them and helping meet their property needs. We invest alongside our capital partners, creating value and generating superior investment returns together.

Our \$5.3 billion development pipeline creates new assets for our investors, improving future returns, while creating opportunities for our tenant partners to expand and adapt their businesses.

Sustainability and innovation are key elements of our approach. By ensuring our actions are innovative, commercially sound and make a difference to our people, customers and the environment, Charter Hall makes a positive impact for its investors, the community and the Group.

OO 02	Mandatory	Public	Peering	General
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OO 02.1 Select the location of your organisation's headquarters.

Australia

OO 02.2 Indicate the number of countries in which you have offices (including your headquarters).

- 1
- 2-5
- 6-10
- >10

OO 02.3 Indicate the approximate number of staff in your organisation in full-time equivalents (FTE).

FTE

430

OO 03	Mandatory	Public	Descriptive	General
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OO 03.1 Indicate whether you have subsidiaries within your organisation that are also PRI signatories in their own right.

- Yes
- No

OO 04	Mandatory	Public	Gateway/Peering	General
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OO 04.1 Indicate the year end date for your reporting year.

30/06/2018

OO 04.2 Indicate your total AUM at the end of your reporting year.

Include the AUM of subsidiaries, but exclude advisory/execution only assets, and exclude the assets of your PRI signatory subsidiaries that you have chosen not to report on in OO 03.2

	trillions	billions	millions	thousands	hundreds
Total AUM		23	200	000	000
Currency	AUD				
Assets in USD		17	109	936	802

Not applicable as we are in the fund-raising process

OO 04.4

Indicate the total assets at the end of your reporting year subject to an execution and/or advisory approach.

Not applicable as we do not have any assets under execution and/or advisory approach

OO 04.5

Additional information. [Optional]

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OO 06

Mandatory

Public

Descriptive

General

OO 06.1

Select how you would like to disclose your asset class mix.

as percentage breakdown

	Internally managed (%)	Externally managed (%)
Listed equity	0	0
Fixed income	0	0
Private equity	0	0
Property	100	0

Infrastructure	0	0
Commodities	0	0
Hedge funds	0	0
Fund of hedge funds	0	0
Forestry	0	0
Farmland	0	0
Inclusive finance	0	0
Cash	0	0
Money market instruments	0	0
Other (1), specify	0	0
Other (2), specify	0	0

as broad ranges

OO 06.2

Publish asset class mix as per attached image [Optional].

Charter Hall Group | 2018 Full Year Results

Property Funds Management

Group Funds Management portfolio

	Portfolio Value (\$bn)	Lettable Area (m sqm)	No. of Properties	No. of Tenants	Gross Income (\$m)	WALE ¹ (years)	Occupancy (%)	WACR ² (%)
30 Jun 18	23.2	5.4	330	2,447	1,634	7.7	98.1	5.74
30 Jun 17	19.8	5.1	329	2,658	1,454	7.7	98.0	6.07

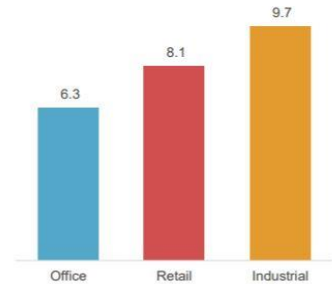
Diversification by equity source



Asset type diversification



WALE by sector



1. WALE is the weighted average lease expiry for the Property Funds Management portfolio and is weighted by gross income.
 2. WACR is the weighted average cap rate for the Property Funds Management portfolio and is weighted by gross asset value

OO 06.3

Indicate whether your organisation has any off-balance sheet assets [Optional].

- Yes
- No

OO 06.5

Indicate whether your organisation uses fiduciary managers.

- Yes, we use a fiduciary manager and our response to OO 5.1 is reflective of their management of our assets.
- No, we do not use fiduciary managers.

OO 06.6

Provide contextual information on your AUM asset class split. [Optional]

In FY18, our diversified property investment portfolio extends across office assets (48% of the portfolio), industrial assets (26% of the portfolio), retail shopping centres (16% of the portfolio) and Long WALE Retail (10% of the portfolio). All assets under management (AUM) are located in Australia and in FY18 the split is:

- Office Assets \$11.1bn AUM
- Industrial Assets \$6.1bn AUM
- Retail Shopping Centre Assets \$3.8bn AUM
- Long WALE Retail Assets \$2.3bn AUM

Please note all dollar values are described in AUD.

OO 09

Mandatory

Public

Peering

General

OO 09.1	Indicate the breakdown of your organisation's AUM by market.
	Developed Markets
100	
	Emerging Markets
0	
	Frontier Markets
0	
	Other Markets
0	
	Total 100%
100%	

OO 09.2 Additional information. [Optional]

Charter Hall's assets and investments are located in the Australian property market

Asset class implementation gateway indicators

OO 12	Mandatory	Public	Gateway	General
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OO 12.1 Below are all applicable modules or sections you may report on. Those which are mandatory to report (asset classes representing 10% or more of your AUM) are already ticked and read-only. Those which are voluntary to report on can be opted into by ticking the box.

Core modules

- Organisational Overview
- Strategy and Governance

RI implementation directly or via service providers

Direct - Other asset classes with dedicated modules

- Property

RI implementation via external managers

Closing module

Closing module

Peering questions

OO PR 01	Mandatory to Report Voluntary to Disclose	Public	Descriptive	General
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OO PR 01.1 Indicate the level of ownership you typically hold in your property investments.

- a majority stake (>50%)
- a 50% stake
- a significant minority stake (between 10-50%)
- a limited minority stake (<10%)
- a mix of ownership stakes
- N/A, we manage properties, new constructions and/or refurbishments on behalf of our clients, but do not hold equity in property on their behalf

OO PR 01.2 Provide a breakdown of your organisations allocation to Real Estate Investment Trusts (REITs) or similar

- >50%
- 10 – 50%
- <10%
- 0%

OO PR 01.3 Additional information. [Optional]

Charter Hall Group (ASX:CHC) is one of Australia's leading fully integrated property groups, with a total property portfolio of \$23.2 billion as at 30 June 2018 (the PRI reporting year), which post balance date has grown to \$26.4 billion of high quality, long leased property across the office, retail, industrial and social infrastructure sectors.

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. The ASX100 Group has offices in Sydney, Melbourne, Brisbane, Adelaide and Perth and has over 28 years' experience managing and investing in high quality property on behalf of institutional, wholesale and retail clients.

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Our \$5.3 billion development pipeline creates new assets for our investors, improving future returns, while creating opportunities for our tenant partners to expand and adapt their businesses.

Sustainability and innovation are key elements of our approach. By ensuring our actions are innovative, commercially sound and make a difference to our people, customers and the environment, Charter Hall makes a positive impact for its investors, the community and the Group.

OO PR 02	Mandatory to Report Voluntary to Disclose	Public	Gateway	General
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OO PR 02.1	Provide a breakdown of your organisation's property assets based on who manages the assets.
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Property assets managed by	Breakdown of your property assets (by number)
Managed directly by your organisation	<input checked="" type="radio"/> >50% <input type="radio"/> 10-50% <input type="radio"/> <10% <input type="radio"/> 0%
Managed via third-party property managers appointed by you	<input type="radio"/> >50% <input type="radio"/> 10-50% <input checked="" type="radio"/> <10% <input type="radio"/> 0%
Managed by other investors or their property managers	<input type="radio"/> >50% <input type="radio"/> 10-50% <input type="radio"/> <10% <input checked="" type="radio"/> 0%
Managed by tenant(s) with operational control	<input type="radio"/> > 50% <input checked="" type="radio"/> 10-50% <input type="radio"/> < 10% <input type="radio"/> 0%
Total 100%	

OO PR 02.2	Additional information. [Optional]
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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.

Charter Hall Group's AUM is comprised of a large proportion of assets in retail shopping centres, commercial offices and logistics and industrial buildings that are directly managed.

Four commercial office buildings are joint-venture assets with external partners. Of these assets, Charter Hall have operational control over 3 of them and they are managed in accordance with Charter Hall's principles, policies and procedures in accordance with the Charter Hall Group Sustainability Policy and Group Sustainability Strategy. In addition, one office building, located in Tasmania is managed by external property managers.

Charter Hall Group's industrial and diversified assets are predominantly managed by tenants with operational control. The percentage allocated (10-50% by number of total assets) in this circumstance reflects the greater number of industrial and diversified assets than offices and shopping centres in the Charter Hall portfolio. In cases of assets with common areas and multiple tenants, these areas are managed directly by Charter Hall Group.

OO PR 03	Mandatory to Report Voluntary to Disclose	Public	Descriptive	General
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OO PR 03.1	Indicate up to three of your largest property types by AUM.
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Types	Main property types (by AUM)
Largest property type	<input type="radio"/> Industrial <input type="radio"/> Retail <input checked="" type="radio"/> Office <input type="radio"/> Residential <input type="radio"/> Leisure/Hotel <input type="radio"/> Mixed use <input type="radio"/> Other, specify
Second largest property type	<input checked="" type="radio"/> Industrial <input type="radio"/> Retail <input type="radio"/> Office <input type="radio"/> Residential <input type="radio"/> Leisure/Hotel <input type="radio"/> Mixed use <input type="radio"/> Other, specify
Third largest property type	<input type="radio"/> Industrial <input checked="" type="radio"/> Retail <input type="radio"/> Office <input type="radio"/> Residential <input type="radio"/> Leisure/Hotel <input type="radio"/> Mixed use <input type="radio"/> Other, specify

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. In FY18, our diversified property investment portfolio extends across office assets (48% of the portfolio), industrial assets (26% of the portfolio), retail shopping centres (16% of the portfolio) and Long WALE Retail (10% of the portfolio).

On behalf of our investors, we own and manage a leading portfolio of 332 commercial properties (at 30 June 2018, as per PRI Reporting year at FY18) around Australia from our head office at No 1 Martin Place, Sydney, as well as our regional offices in Melbourne, Brisbane, Adelaide and Perth, and a number of regional hubs throughout Australia.

Charter Hall Group

Reported Information

Public version

Strategy and Governance

PRI disclaimer

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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/](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

SG 02

Mandatory

Public

Core Assessed

PRI 6

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

SG 02.1

Indicate which of your investment policy documents (if any) are publicly available. Provide a URL and an attachment of the document.

Policy setting out your overall approach

URL/Attachment

URL

URL

<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

<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

<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

<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

<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

<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

<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

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

Attachment

File Attachment

[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

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

Attachment

File Attachment

[CHC Group Sustainability Policy June 2018 \(9\).pdf \[275KB\]](#)

- Governance structure of organisational ESG responsibilities

URL/Attachment

- URL

URL

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

- Attachment

File Attachment

[Charter Hall Group Audit, Risk and Compliance Committee Charter.pdf \[55KB\]](#)

- ESG incorporation approaches

URL/Attachment

- URL

URL

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

- Attachment

File Attachment

[CHC Group Sustainability Policy June 2018 \(9\).pdf \[275KB\]](#)

- Active ownership approaches

URL/Attachment

- URL

URL

<https://charterhall.reportonline.com.au/fy18/sustainability-report/>

- Attachment

File Attachment

[CHH003-Sustainability-Report-Final.pdf \[12476KB\]](#)

Reporting

URL/Attachment

URL

URL

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

Attachment

File Attachment

[CHH003-Sustainability-Report-Final for PRI.pdf \[5328KB\]](#)

Climate change

URL/Attachment

URL

URL

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

Attachment

File Attachment

[CHC Group Sustainability Policy June 2018 \(9\).pdf \[275KB\]](#)

Understanding and incorporating client / beneficiary sustainability preferences

URL/Attachment

URL

URL

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

Attachment

[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/>

SG 03

Mandatory

Public

Core Assessed

General

SG 03.1

Indicate if your organisation has a policy on managing potential conflicts of interest in the investment process.

Yes

SG 03.2

Describe your policy on managing potential conflicts of interest in the investment process.

Charter Hall defines conflicts of interest as those circumstances where the interests of one or more parties have the potential of interfering, or being perceived as interfering, with fair and equitable dealing. This includes potential, apparent and actual conflicts of interest.

The Charter Hall Conflicts of Interest and Related Party Transactions Policy complies with its statutory legal obligations under section 912A(1)(aa) of the Corporations Act 2001. Different types of Conflicts of Interests are managed according to a number of specific legislative, regulatory and fiduciary or equity requirements. Therefore, when dealing with Conflicts of Interests, Charter Hall Group utilise a Conflicts of Interest Flowchart, which provides a summary of the various scenarios and is intended to provide simple guidance as to which documents are applicable to each category of Conflict. We also have documented asset allocation protocols and leasing conflict protocols to manage conflicts at asset level in the transaction process.

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

The Charter Hall Conflicts of Interest and Related Party Transaction Policy is reviewed on at least an annual basis with all changes approved by the Charter Hall Board.

A copy of the Charter Hall Conflicts of Interest and Related Party Transaction Policy is available on our website at <https://www.charterhall.com.au/About-Us/Corporate-Governance/>.

No

Objectives and strategies**SG 05****Mandatory****Public****Gateway/Core Assessed****General****SG 05.1**

Indicate if and how frequently your organisation sets and reviews objectives for its responsible investment activities.

- Quarterly or more frequently
- Biannually
- Annually
- Less frequently than annually
- Ad-hoc basis
- It is not set/reviewed

SG 05.2

Additional information. [Optional]

Charter Hall undertakes periodic reviews of its responsible investment activities, as part of its participation in industry leading initiatives, regulatory reviews and investor requests.

Charter Hall tracks stakeholder engagement with its investors, tenants, employees and suppliers, through regular engagement, surveys, risk appetite analysis and other activities. The outcomes of this engagement are reported to the Board and considered as part of the Group's annual strategy planning. ESG issues are incorporated within these engagement activities, for example, specific ESG questions within surveys, and are addressed as part of the Group, Customer and Sustainability strategies.

Charter Hall also participates in independent annual environmental and ESG surveys which provides independent ratings on its sustainability (environmental, governance, social) performance. These surveys include CDP, GRESB, DJSI, MSCI, FTSE4Good as well as Australian regulatory National Greenhouse and Energy Reporting (NGER).

Charter Hall seeks certification of buildings in development through Green Star Design, and As Built and Performance, through Green Star Performance and NABERS independent rating tools. Charter Hall also seeks WELL Certification for Charter Hall tenancies and new office buildings.

Environmental due diligence, including climate change considerations, is carried out in all acquisitions and the findings of these reports are considered within the financial investment decision.

A quarterly report is prepared for the CEO and Board which reviews performance against the objectives. Charter Hall report on the progress and achievements of responsible investment activities in its Annual Report and Sustainability and Shared Value report.

After the periodic reviews of responsible investment activities, emerging issues or regulation, if there is a need to update Charter Hall Sustainability Strategies or Policies, the emerging issues and subsequent updates are taken through the Charter Hall Executive, the Board Audit Risk and Compliance Committee and the Charter Hall Board.

Governance and human resources

SG 07	Mandatory	Public	Core Assessed	General
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SG 07.1	Indicate the internal and/or external roles used by your organisation, and indicate for each whether they have oversight and/or implementation responsibilities for responsible investment.
---------	---

Roles

- Board members or trustees
 - Oversight/accountability for responsible investment
 - Implementation of responsible investment
 - No oversight/accountability or implementation responsibility for responsible investment
- Internal Roles (triggers other options)

Select from the below internal roles

- Chief Executive Officer (CEO), Chief Investment Officer (CIO), Chief Operating Officer (COO), Investment Committee
 - Oversight/accountability for responsible investment
 - Implementation of responsible investment
 - No oversight/accountability or implementation responsibility for responsible investment
- Other Chief-level staff or head of department, specify
 - CEO of Sectors
 - Fund Managers

- Oversight/accountability for responsible investment
- Implementation of responsible investment
- No oversight/accountability or implementation responsibility for responsible investment
- Portfolio managers
 - Oversight/accountability for responsible investment
 - Implementation of responsible investment
 - No oversight/accountability or implementation responsibility for responsible investment
- Investment analysts
 - Oversight/accountability for responsible investment
 - Implementation of responsible investment
 - No oversight/accountability or implementation responsibility for responsible investment
- Dedicated responsible investment staff
 - Oversight/accountability for responsible investment
 - Implementation of responsible investment
 - No oversight/accountability or implementation responsibility for responsible investment
- Investor relations
 - Oversight/accountability for responsible investment
 - Implementation of responsible investment
 - No oversight/accountability or implementation responsibility for responsible investment
- Other role, specify (1)

Other description (1)

Development, Technical Services and Operations

- Oversight/accountability for responsible investment
- Implementation of responsible investment
- No oversight/accountability or implementation responsibility for responsible investment
- Other role, specify (2)

Other description (2)

People, Asset and WHS Teams

- Oversight/accountability for responsible investment
- Implementation of responsible investment
- No oversight/accountability or implementation responsibility for responsible investment
- External managers or service providers
 - Oversight/accountability for responsible investment
 - Implementation of responsible investment
 - No oversight/accountability or implementation responsibility for responsible investment

SG 07.2

For the roles for which you have RI oversight/accountability or implementation responsibilities, indicate how you execute these responsibilities.

Board Members, including the CEO, have oversight and accountability and follow the ASX Corporate Governance Council Principles and Recommendations to execute these responsibilities through creation and implementation of Corporate Governance policies and practices. The charters of all Board Committees address different elements of responsible investment.

The Executive Committee (including the CEO, CFO, CIO, Sector CEOs and the Chief Experience Officer) have direct responsibility for Corporate Policy and responsible investment decisions, through management committees and implementation of RI objectives in their sector.

Fund managers, property managers and investment analysts have direct responsibility for ensuring Corporate Policy is integrated into the responsible investment decisions associated with funds, property and investment management.

Dedicated responsible investment staff work across the sectors to define, engage, record, manage and coordinate the Shared Value and Sustainability approach. These responsibilities include setting targets, managing and reporting on environmental, social and governance performance. These roles work closely with the development, technical services and operations who implement strategies, policies and initiatives into the development and operation of assets.

External managers or service providers have key conduct, sustainability and risk management performance targets identified and performance monitored in their management of operations of office and industrial buildings.

Investor Relations have oversight and accountability for responsible investment decisions by engaging with key stakeholders, addressing all legal and compliance requirements, responding to investor requests and publishing of information.

The People, Asset and WHS teams are responsible for the governance elements of responsible investment through our people and risk strategies.

Suppliers have key conduct, sustainability and risk management performance targets identified and performance monitored in their management of their services for our operations of Charter Hall assets.

SG 07.3

Indicate the number of dedicated responsible investment staff your organisation has.

Number

3

SG 07.4

Additional information. [Optional]

Board Members and the Executive Leadership Group develop Corporate Policy and responsible investment decisions. 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 Shared Value Framework. Group Sustainability Policy.

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. All Fund Managers have directly responsibility for responsible investment decisions. We have embedded responsibility for continual improvement across our Property and Asset Management, Development and Technical Services teams.

The Fund Managers, Property Managers, Asset Managers, Development and Technical Services roles also develop the Charter Hall Sustainability Strategy and are responsible for the further development and implementation of the strategy across the business. People and Risk Managers are responsible for implementation of the governance and people strategies across the business.

Charter Hall has dedicated sustainability and community personnel, who also facilitate internal committees, such as the Sustainability Committee, Renewables Committee and Community Investment Committee, to further expand ESG responsibilities across the business.

External facility managers and our suppliers are also responsible for implementing the Charter Hall Sustainability Strategy.

All Charter Hall employees are responsible for implementation of the Charter Hall policies and responsible investment practices.

I confirm I have read and understood the Accountability tab for SG 07

I confirm I have read and understood the Accountability tab for SG 07

SG 07 CC	Voluntary	Public	Descriptive	General
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SG 07.5 CC	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
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- 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
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- 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

SG 07.6 CC	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

SG 07.7 CC	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.

SG 08	Voluntary	Public	Additional Assessed	General
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SG 08.1	Indicate if your organisation's performance management, reward and/or personal development processes have a responsible investment element.
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Board members/Board of trustees
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SG 08.1b	RI in personal development and/or training plan
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Responsible investment included in personal development and/or training plan

SG 08.2	Describe any activities undertaken during the reporting year to develop and maintain Board members' skills and knowledge in relation to responsible investment.
----------------	---

The Charter Hall Sustainability team provide formal updates, information and Board papers to the Charter Hall Board, the Charter Hall Audit Risk and Compliance Committee and the Charter Hall Listed Boards including Charter Hall Retail REIT and Charter Hall Long WALE REIT on a range of ESG matters.

The Charter Hall Sustainability Team also provide quarterly ESG update reports to the CEO and MD which are included in quarterly CHC Board papers.

None of the above

Chief Executive Officer (CEO), Chief Investment Officer (CIO), Chief Operating Officer (COO), Investment Committee

SG 08.1a RI in objectives, appraisal and/or reward

- Responsible investment KPIs and/or goals included in objectives
- Responsible investment included in appraisal process
- Variable pay linked to responsible investment performance
- None of the above

SG 08.1b RI in personal development and/or training plan

- Responsible investment included in personal development and/or training plan
- None of the above

Other C-level staff or head of department

CEO of Sectors
Fund Managers

SG 08.1a RI in objectives, appraisal and/or reward

- Responsible investment KPIs and/or goals included in objectives
- Responsible investment included in appraisal process
- Variable pay linked to responsible investment performance
- None of the above

SG 08.1b RI in personal development and/or training plan

- Responsible investment included in personal development and/or training plan
- None of the above

Portfolio managers

SG 08.1a RI in objectives, appraisal and/or reward

- Responsible investment KPIs and/or goals included in objectives
- Responsible investment included in appraisal process
- Variable pay linked to responsible investment performance
- None of the above

SG 08.1b | RI in personal development and/or training plan

- Responsible investment included in personal development and/or training plan
- None of the above

Investment analysts

SG 08.1a | RI in objectives, appraisal and/or reward

- Responsible investment KPIs and/or goals included in objectives
- Responsible investment included in appraisal process
- Variable pay linked to responsible investment performance
- None of the above

SG 08.1b | RI in personal development and/or training plan

- Responsible investment included in personal development and/or training plan
- None of the above

Dedicated responsible investment staff

SG 08.1a | RI in objectives, appraisal and/or reward

- Responsible investment KPIs and/or goals included in objectives
- Responsible investment included in appraisal process
- Variable pay linked to responsible investment performance
- None of the above

SG 08.1b | RI in personal development and/or training plan

- Responsible investment included in personal development and/or training plan
- None of the above

Investor relations

SG 08.1a | RI in objectives, appraisal and/or reward

- Responsible investment KPIs and/or goals included in objectives
- Responsible investment included in appraisal process
- Variable pay linked to responsible investment performance
- None of the above

SG 08.1b RI in personal development and/or training plan

- Responsible investment included in personal development and/or training plan
- None of the above

Other role (1) [from SG 07]

Development, Technical Services and Operations

SG 08.1a RI in objectives, appraisal and/or reward

- Responsible investment KPIs and/or goals included in objectives
- Responsible investment included in appraisal process
- Variable pay linked to responsible investment performance
- None of the above

SG 08.1b RI in personal development and/or training plan

- Responsible investment included in personal development and/or training plan
- None of the above

Other role (2) [from SG 07]

Internal and External Facilities Managers

SG 08.1a RI in objectives, appraisal and/or reward

- Responsible investment KPIs and/or goals included in objectives
- Responsible investment included in appraisal process
- Variable pay linked to responsible investment performance
- None of the above

SG 08.1b RI in personal development and/or training plan

- Responsible investment included in personal development and/or training plan
- None of the above

SG 08.3 Provide any additional information on your organisation's performance management, reward and/or personal development processes in relation to responsible investment.

Charter Hall Group developed sector wide sustainability KPIs in FY18, which identifies best practice Sustainability KPIs that can be adopted across the different job families and responsibilities within the Charter Hall Group.

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, social media, integrity and compliance and work health and safety.

Charter Hall host a range of employee activities which engage and educate employees in a range of issues associated with responsible investment including:

- Tuesday Live breakfasts with speakers discussing renewable energy, climate change, social impacts, wellbeing

- Lunch and Learn and volunteering activities with organisations such as WWF outlining the impacts of climate change
- Participation in national and international events such as Earth Hour, World Environment Day, National Recycling Week and Ride/Walk to Work Day and the International Day for Elimination of Violence against Women
- Sector Based Sustainability Strategy Sessions
- Sector Based Climate Change Adaptation planning sessions.
- Fund and Sector sessions on Green Star and GRESB
- Green Building Council of Australia participation in sustainability strategy sessions
- OH&S Training for front line managers

The Charter Hall Sustainability team also present at Sector conferences on the Shared Value and Sustainability Framework and case studies of how it is being applied to through that sectors activities.

Promoting responsible investment

SG 09

Mandatory

Public

Core Assessed

PRI 4,5

SG 09.1

Select the collaborative organisation and/or initiatives of which your organisation is a member or in which it participated during the reporting year, and the role you played.

Select all that apply

Principles for Responsible Investment

Your organisation's role in the initiative during the reporting period (see definitions)

- Basic
- Moderate
- Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]

Charter Hall is a signatory to PRI and reports annually.

Charter Hall participated in stakeholder engagement in the assurance review, in 2016 . During FY17/18 Charter Hall's Community and Sustainability Manager chaired the Assurance Working Group.

- Asian Corporate Governance Association
- Australian Council of Superannuation Investors
- AFIC – La Commission ESG
- BVCA – Responsible Investment Advisory Board
- CDP Climate Change

Your organisation's role in the initiative during the reporting period (see definitions)

- Basic
- Moderate
- Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]

Charter Hall has been a signatory to CDP Climate Change, since 2011, and reports annually. Charter Hall personnel participate in CDP training sessions and engages with CDP.

- CDP Forests
- CDP Water
- CFA Institute Centre for Financial Market Integrity
- Code for Responsible Investment in SA (CRISA)
- Code for Responsible Finance in the 21st Century
- Council of Institutional Investors (CII)
- Eumedion
- Extractive Industries Transparency Initiative (EITI)
- ESG Research Australia
- Invest Europe Responsible Investment Roundtable
- Global Investors Governance Network (GIGN)
- Global Impact Investing Network (GIIN)
- Global Real Estate Sustainability Benchmark (GRESB)

Your organisation's role in the initiative during the reporting period (see definitions)

- Basic
- Moderate
- Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]

Charter Hall has participated in the GRESB Survey since 2012, and in 2016 became a corporate member of GRESB.

Charter Hall has attended training events and attended and presented at the Australian GRESB results in 2016 and 2018.

Charter Hall employees participated in the Regional Benchmarking Reference Group and the Health and Wellbeing Group during FY17/18.

In FY18 Charter Hall had eight funds participate in GRESB, including Charter Hall Retail REIT, Charter Hall Long WALE REIT, Charter Hall Office Trust, Charter Hall Prime Office Fund, Charter Hall Prime Industrial Fund, Charter Hall Brisbane Square Fund, Charter Hall Direct Office Fund and Charter Hall Core Logistics Partnership.

- Green Bond Principles
- Institutional Investors Group on Climate Change (IIGCC)
- Interfaith Center on Corporate Responsibility (ICCR)
- International Corporate Governance Network (ICGN)
- Investor Group on Climate Change, Australia/New Zealand (IGCC)
- International Integrated Reporting Council (IIRC)
- Investor Network on Climate Risk (INCR)/CERES
- Local Authority Pension Fund Forum
- Principles for Sustainable Insurance
- Regional or National Social Investment Forums (e.g. UKSIF, Eurosif, ASRIA, RIAA), specify
- Responsible Finance Principles in Inclusive Finance
- Shareholder Association for Research and Education (Share)
- United Nations Environmental Program Finance Initiative (UNEP FI)
- United Nations Global Compact

Your organisation's role in the initiative during the reporting period (see definitions)

- Basic
- Moderate
- Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]

Charter Hall Group employees participated in the UN Global Compact Network (Australia) industry briefings on the Modern Slavery legislation and modern slavery movements internationally; as well as the development of the Australian Modern Slavery legislation, as part of the development of the Charter Hall Human Rights Framework.

- Other collaborative organisation/initiative, specify
Green Building Council of Australia (GBCA)

Your organisation's role in the initiative during the reporting year (see definitions)

- Basic
- Moderate
- Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]

Charter Hall has undertaken in-house training with the GBCA to expand the knowledge of Charter Hall personnel on the Green Star tools.

Charter Hall has engaged with the GBCA in developing new additions to the Green Building standards including improving the application of these standards to industrial and retail development, incorporation of the tool to include existing and new buildings, and feedback on the new wellbeing modules.

Charter Hall has also been involved in the development of the Health and Wellbeing module for Green Star and participates in the Industry Working Group advising on the new Green Star Tool development.

- Other collaborative organisation/initiative, specify

City of Sydney's Better Building Partnership

Your organisation's role in the initiative during the reporting year (see definitions)

- Basic
 Moderate
 Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative.
[Optional]

Charter Hall is a founding member of the City of Sydney's Better Building Partnership. Charter Hall personnel are involved in the Leadership Panel and chair the Tenant Engagement Committee, as well as having representation on all Better Building Partnership Committees.

Charter Hall properties have participated in pilots for waste de-fit reduction and have adopted the BBP Waste guidelines.

Charter Hall was actively involved in the creation of the Green Lease documents and our precedent office lease has been rated as a Gold Standard Green Lease

- Other collaborative organisation/initiative, specify

Property Council of Australia Board, Sustainability Roundtable and regional committees

Your organisation's role in the initiative during the reporting year (see definitions)

- Basic
 Moderate
 Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative.
[Optional]

Charter Hall personnel are involved in the Property Council of Australia's Board, Chair and participate in a range of diversity, sustainability and regional committees, providing information for responses to Government policy as well as industry leadership in areas including diversity, climate change policy, modern slavery legislation, building codes and energy policy, to name a few.

Charter Hall's CEO and MD is a Board member of the PCA and a Male Champion for Change and has actively facilitated this initiative both within Charter Hall as well as to the wider industry.

- Other collaborative organisation/initiative, specify

Cleaning Accountability Framework (CAF)

Your organisation's role in the initiative during the reporting year (see definitions)

- Basic
- Moderate
- Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]

Charter Hall is involved in reference groups to develop and implement the principles of the CAF.
Charter Hall has nominated pilot sites to trial CAF initiatives in FY17/18

SG 10	Mandatory	Public	Core Assessed	PRI 4
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SG 10.1 Indicate if your organisation promotes responsible investment, independently of collaborative initiatives.

- Yes

SG 10.2 Indicate the actions your organisation has taken to promote responsible investment independently of collaborative initiatives. Provide a description of your role in contributing to the objectives of the selected action and the typical frequency of your participation/contribution.

- Provided or supported education or training programmes (this includes peer to peer RI support) Your education or training may be for clients, investment managers, actuaries, broker/dealers, investment consultants, legal advisers etc.)
- Provided financial support for academic or industry research on responsible investment

Description

Charter Hall is a founding, financial and executive member of the City of Sydney's Better Building Partnership, which undertakes industry research on building emissions, waste programs, green leases and tenant engagement in reducing emissions.

Charter Hall is a member of the Property Council of Australia, which undertakes a range of research <https://research.propertycouncil.com.au/research-and-data> and research that informs trends and tools used by the property industry and research in its advocacy on Leading Sustainability https://www.propertycouncil.com.au/Web/Advocacy/Advocacy_Priorities/Web/Advocacy/Priority/Our_priorities.aspx?homepage=3%20NoRightColumn%3DNo+&iSession=56d4845ddff04af7a6d5f16a545b68d7,49d89a9d7134466598020fc8471f8e18,49d89a9d7134466598020fc8471f8e18,56d4845ddff04af7a6d5f16a545b68d7,49d89a9d7134466598020fc8471f8e18,49d89a9d7134466598020fc8471f8e18.

Charter Hall also supported research by University of Western Sydney on the Future of Education as an asset class.

Frequency of contribution

- Quarterly or more frequently
 - Biannually
 - Annually
 - Less frequently than annually
 - Ad hoc
 - Other
- Provided input and/or collaborated with academia on RI related work
- Encouraged better transparency and disclosure of responsible investment practices across the investment industry

Description

Charter Hall personnel participated, as the Chair, in the PRI Assurance Working Group to encourage better transparency and disclosure of responsible investment practices across the investment industry. Charter Hall personnel provide regular briefings to investors on a range of existing and emerging responsible investment practices being undertaken by Charter Hall as well as those Charter Hall is preparing to address. Charter Hall personnel participate in Industry working groups including the Property Council of Australia Round-tables on Risk and Sustainability; GRESB Benchmarking Working Group; and the GBCA Industry Advisory Group.

Frequency of contribution

- Quarterly or more frequently
 - Biannually
 - Annually
 - Less frequently than annually
 - Ad hoc
 - Other
- Spoke publicly at events and conferences to promote responsible investment

Description

Charter Hall's CEO participated and spoke at the Better Building Partnership Executive luncheon and the Property Council of Australia's National Congress. Charter Hall personnel participated in Property Council of Australia training sessions for property professionals on sustainability. Charter Hall's Head of Sustainability and Community participated in a forum at the GRESB Oceania Results event in September 2018.

Frequency of contribution

- Quarterly or more frequently
 - Biannually
 - Annually
 - Less frequently than annually
 - Ad hoc
 - Other
- Wrote and published in-house research papers on responsible investment
- Encouraged the adoption of the PRI

Description

Principle 1: We will incorporate ESG issues into investment analysis and decision-making processes. ESG issues are considered in asset acquisition due diligence processes, as well as operational and capital budget expenditure, with many ESG initiatives underway across the portfolio, ranging from climate change adaptation, improved energy, water and waste efficiencies, employee and stakeholder engagement and community investment.

Principle 2: We will be active owners and incorporate ESG issues into our ownership policies and practices.

Charter Hall has actively incorporated ESG into our operational practices, from Green Leases, to Green Star and GRESB ratings and improvement plans, to fitout guidelines and development guidelines.

Principle 3: We will seek appropriate disclosure on ESG issues by the entities in which we invest. Charter Hall disclose our sustainability approach and achievements in our annual report (<https://charterhall.reportonline.com.au/fy18/chc/>) and our annual Shared Value and Sustainability Report (<https://charterhall.reportonline.com.au/fy18/sustainability-report/>)

Principle 4: We will promote acceptance and implementation of the Principles within the investment industry.

Charter Hall participates in a range of property and investment industry groups. Charter Hall personnel participate and sit on several committees in these organisations which promotes and implements industry wide ESG and PRI principles.

Principle 5: We will work together to enhance our effectiveness in implementing the Principles.

Charter Hall is a member or participant in a range of industry groups, which provides feedback and joint promotion of the ESG and PRI principles.

Principle 6: We will each report on our activities and progress towards implementing the Principles. Charter Hall provides a Group Annual Report and Half Yearly reports and presentations which report on our Sustainability approach, targets and achievements. (<https://charterhall.reportonline.com.au/fy18/chc/>). Charter Hall Group also provides an annual Shared Value and Sustainability Report which outlines our strategy and targets and achievements for the financial year (<https://charterhall.reportonline.com.au/fy18/sustainability-report/>)

Frequency of contribution

- Quarterly or more frequently
 - Biannually
 - Annually
 - Less frequently than annually
 - Ad hoc
 - Other
- Responded to RI related consultations by non-governmental organisations (OECD, FSB etc.)
- Wrote and published articles on responsible investment in the media

Description

Charter Hall has been showcased in the Australian media on its Green Star Footprint, approach to people and flexible working and innovation in environmental comfort, the Charter Hall Prop Tech initiatives and tenant engagement.

Charter Hall provides regular social media posts on its environmental and community investment. Charter Hall community partners (WWF Australia and Two Good) have published videos on social media outlining the community investment programs which has resulted in increased awareness of climate change and domestic violence.

Frequency of contribution

- Quarterly or more frequently
 - Biannually
 - Annually
 - Less frequently than annually
 - Ad hoc
 - Other
- A member of PRI advisory committees/ working groups, specify

Description

Charter Hall's Community and Sustainability Manager was the Chair of the PRI Assurance Working Group during 2018.

Frequency of contribution

- Quarterly or more frequently
 - Biannually
 - Annually
 - Less frequently than annually
 - Ad hoc
 - Other
- On the Board of, or officially advising, other RI organisations (e.g. local SIFs)
- Other, specify
- No

SG 10.3	Describe any additional actions and initiatives that your organisation has taken part in during the reporting year to promote responsible investment [Optional]
----------------	---

Financial Support

Charter Hall's involvement in industry groups such as the Green Building Council of Australia, the Property Council of Australia, the Better Building Partnership and the Cleaning Accountability Framework, provides financial support for industry research on responsible investment. Charter Hall also provided financial support to research into responsible investment in the future of education with the University of Western Sydney.

Charter Hall provides financial support to other industry groups such as the Shared Value Network, promoting shared value practices in corporate Australia.

Charter Hall provides financial support to Social Traders, an industry body that develops the capability of the social enterprise sector in Australia. Other financial support is provided to community partners including Australian Red Cross (on resilience programs and services); Foundation for Young Australians (mentoring young social pioneers); Property Industry Foundation (supporting disadvantaged young people); and Two Good (providing support and employment for women experiencing domestic violence).

Leadership

Charter Hall participated in and provided case studies for encouraging diversity in the property and investment industry, through our involvement in Property Male Champions of Change. Charter Hall is a founding member of the Property Male Champions of Change and our CEO sits on the Property Council of Australia Board.

SG 11	Voluntary	Public	Additional Assessed	PRI 4,5,6
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SG 11.1	Indicate if your organisation - individually or in collaboration with others - conducted dialogue with public policy makers or regulators in support of responsible investment in the reporting year.
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Yes

	If yes
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- Yes, individually
- Yes, in collaboration with others

SG 11.2	Select the methods you have used.
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- Endorsed written submissions to governments, regulators or public policy-makers developed by others
- Drafted your own written submissions to governments, regulators or public-policy markers
- Participated in face-to-face meetings with government members or officials to discuss policy
- Other, specify

SG 11.3	Where you have made written submissions (individually or collaboratively) to governments and regulatory authorities, indicate if these are publicly available.
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Yes, publicly available

	provide URL
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https://www.propertycouncil.com.au/Web/Content/Submissions/National/2017/Consultation_on_modern_slavery_in_supply_chains_reporting_requirement.aspx

provide URL

https://www.propertycouncil.com.au/Web/Events_Services/Research_Services/A_Guide_to_Office_Building_Quality.aspx

provide URL

https://www.propertycouncil.com.au/Web/Content/Submissions/National/2018/National_Energy_Guarantee_Draft_Design_Consultation_Paper.aspx

No

No

SG 11.4 Provide a brief description of the main topics your organisation has engaged with public policy-makers or regulators on.

Climate change and energy policies

Charter Hall personnel have participated in working groups and industry forums, where public policy makers and regulators have participated or engaged on issues about the uncertainty in the Australian policy and political arena on energy security and pricing, climate change and emissions targets. Charter Hall has provided feedback at industry sessions and forums to key policy makers and politicians and provided content into the Property Council submissions to Government.

Charter Hall has also participated in forums that assisted Federal and State Governments in the development of Carbon Neutral standards.

Modern Slavery Legislation

Charter Hall personnel have participated in working groups and industry forums to provide feedback on the Australian Federal Government's Joint Standing Committee on Foreign Affairs, Defence and Trade Inquiry into establishing a Modern Slavery Act in Australia. <https://www.aph.gov.au/modernslavery>. Charter Hall personnel have provided content and feedback on the Property Council submission into this inquiry. Charter Hall is also a participant in the PCA Pilot to develop a Pre-qualification tool assessing modern slavery risk for suppliers of the property industry.

Outsourcing to fiduciary managers and investment consultants

SG 12	Mandatory	Public	Core Assessed	PRI 4
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New selection options have been added to this indicator. Please review your prefilled responses carefully.

SG 12.1 Indicate whether your organisation uses investment consultants.

Yes, we use investment consultants

SG 12.4

Indicate whether you use investment consultants for any the following services. Describe the responsible investment components of these services.

- Custodial services
- Investment policy development
- Strategic asset allocation
- Investment research

Describe how responsible investment is incorporated

Charter Hall uses investment consultants to identify global and regional trends in property, property investment, emerging trends and risks to inform investment and operational strategies and risk assessments.

Charter Hall engage a range of consultants to advise the Group on environmental and climate change aspects, social and governance aspects associated with investment decisions; strategy and governance approaches

- Other, specify (1)
- Other, specify (2)
- Other, specify (3)
- None of the above
- No, we do not use investment consultants.

ESG issues in asset allocation

SG 13**Mandatory****Public****Descriptive****PRI 1****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 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
Environmental Due Diligence
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]
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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 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.
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	Area
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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 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 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
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- Property

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

60

	Brief description and measures of investment
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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
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- Property

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

0.5

	Brief description and measures of investment
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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]
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[File 1:CHH003-Sustainability-Report-Final-PRI.pdf](#)

Communication				
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SG 19	Mandatory	Public	Core Assessed	PRI 2, 6
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SG 19.1	Indicate whether your organisation typically discloses asset class specific information proactively. Select the frequency of the disclosure to clients/beneficiaries and the public, and provide a URL to the public information.
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Caution! The order in which asset classes are presented below has been updated in the online tool to match the Reporting Framework overview.

If you are transferring data from an offline document, please check your response carefully.

	Property
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Do you disclose?

- We do not disclose to either clients/beneficiaries or the public.
- We disclose to clients/beneficiaries only.
- We disclose to the public

The information disclosed to clients/beneficiaries is the same

- Yes
- No

Disclosure to public and URL	
Disclosure to public and URL	<input type="checkbox"/> ESG information on how you select property investments <input checked="" type="checkbox"/> ESG information on how you monitor and manage property investments <input checked="" type="checkbox"/> Information on your property investments' ESG performance <input type="checkbox"/> Other
Frequency	<input type="checkbox"/> Quarterly or more frequently <input type="checkbox"/> Biannually <input checked="" type="checkbox"/> Annually <input type="checkbox"/> Less frequently than annually <input type="checkbox"/> Ad-hoc/when requested
URL	https://charterhall.reportonline.com.au/fy18/sustainability-report/
URL	https://charterhall.reportonline.com.au/fy18/chc/

SG 19.2 Additional information [Optional]

Charter Hall disclose our sustainability achievements in the Charter Hall yearly and half yearly results and in the Charter Hall Annual Report <http://www.charterhall.com.au/news/2018/charter-hall-group-annual-report-2018> and <https://www.charterhall.com.au/Investors/>

Charter Hall also prepare an annual Sustainability Report and disclose the sustainability achievements and targets on our website. <https://charterhall.reportonline.com.au/fy18/sustainability-report/>

Charter Hall Group

Reported Information

Public version

Direct - Property

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.

Overview

PR 01

Mandatory

Public

Core Assessed

PRI 1-6

PR 01.1

Indicate if your organisation has a Responsible Property Investment (RPI) policy.

Yes

PR 01.2

Provide a URL or attach the document

URL

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

Attach Document

[CHC Group Sustainability Policy June 2018 \(9\).pdf \[275KB\]](#)

No

PR 01.3

Provide a brief overview of your organisation's approach to responsible investment in property, and how you link responsible investment in property to your business strategy. [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 recognise the ASX Corporate Governance Council has released Corporate Governance Principles and Recommendations (Principles) which are designed to maximise corporate performance and accountability in the interests of shareholders and the broader economy.

Responsible investment is addressed in Charter Hall's Sustainability Policy and Corporate Governance Statement, located on our Corporate Governance section of our website. <https://www.charterhall.com.au/About-Us/Corporate-Governance/>. The Charter Hall Board has adopted a Group Sustainability Policy that forms the foundation of our commitment to sustainable business practices, outlining our commitment 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;
- Establishing responsible sustainability practices in property design and operations that optimise building performance and maximise stakeholder/end-user satisfaction;
- Assessing and incorporating the effect of climate change risk, adaptation and resilience into our investment and business decisions;
- Protecting, restoring and where possible creating opportunities to improve the biodiversity of environments in our operational control.
- Providing high standards of health and safety for our employees and stakeholders;
- Creating an engaging and innovative workplace that attracts, develops, retains and supports our employees;
- Connecting with the communities in which we operate and making a positive contribution through our investments, projects and support for local charities and programmes;
- Engaging with our key stakeholders to identify and address common goals and facilitating environmentally and socially responsible actions and behaviours; and
- Behaving in accordance with our values at all times.

Charter Hall will pursue these policy commitments by:

- Implementing our Shared Value Framework and strategies to support it;
- Establishing accountability for the implementation of our sustainability policy and strategies at Board and/or management level, as appropriate;
- Developing and implementing baseline measures and targets for tracking environmental, social and economic sustainability outcomes;
- Regularly monitoring, reviewing and reporting on our performance;
- Engaging our stakeholders to achieve joint sustainability outcomes: Investors: to reflect changing expectations and providing timely access to material sustainability and community information and to facilitate informed investment decisions;
- People: to inform and develop their knowledge so they apply smart and innovative approaches in all they do;
- Customers: to create sustainable outcomes in our developments and properties resulting in high levels of satisfaction;
- Community: to engage with our people, in our places and in partnership with community organisations and industry;
- Industry groups and government to meet legislative and industry best practice requirements and inform the development of innovation in sustainability practices; and
- Suppliers and service providers to adopt practices and standards for environmental management and sustainability leadership consistent with this policy.
-
- Promoting the use of innovative, practical and cost-effective solutions and technologies that deliver more sustainable properties.

This policy provides the foundation for Charter Hall's commitment to sustainable business practices. As our business evolves, we will continue to develop our sustainability commitments to ensure that we respond to future challenges and opportunities.

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. Charter Hall also operate under the UN Guiding Principles on Business and Human Rights Framework.

Charter Hall's 2018 Sustainability report identifies how the responsible investment approach is linked into the four strategic pillars of our business strategy: Access, Deploy, Manage and Invest and align with the shared value focus areas of Eco-Innovation, Building Community and Enabling
[Wellbeing.https://charterhall.reportonline.com.au/fy18/sustainability-report/our-approach/our-sustainability-strategy.html](https://charterhall.reportonline.com.au/fy18/sustainability-report/our-approach/our-sustainability-strategy.html)

Fundraising of property funds				
PR 02	Mandatory	Public	Core Assessed	PRI 1,4,6
PR 02.1	Indicate if your most recent fund placement documents (private placement memorandums (PPMs) or similar) refer to responsible investment aspects of your organisation.			

Yes

PR 02.2

Indicate how your fund placement documents (PPMs or similar) refer to the following responsible investment aspects of your organisation:

- Policy and commitment to responsible investment
- Approach to ESG issues in pre-investment processes
- Approach to ESG issues in post-investment processes

PR 02.3

Describe how your organisation refers to responsible investment for property funds in fund placement documents (PPMs or similar). [Optional]

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 on assets within that portfolio. All Charter Hall funds adopt the CHC Group's Sustainability Policy and Group Sustainability Strategy, as they relate to the funds.

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.

Fund placement documents developed by Charter Hall outline our approach to responsible property investment. Where appropriate, these documents or presentations includes fund specific responsible property investment strategies which outline ESG vision, objectives, commitments, targets and achievements.

- No
- Not applicable as our organisation does not fundraise

Pre-investment (selection)

PR 04

Mandatory

Public

Gateway/Core Assessed

PRI 1

PR 04.1

Indicate if your organisation typically incorporates ESG issues when selecting property investments.

- Yes

PR 04.2

Provide a description of your organisation's approach to incorporating ESG issues in property investment selection.

Charter Hall's property investment selection process undertakes a due diligence process which outlines and considers 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 involves specialist consultants to identify and consider 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 risks, materials assessment, indoor environmental quality, 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 analysis - assessing relevant climate risks (extreme storm, bushfire, extreme heat and sea level rise) and determine if the building is capable of withstanding potential climate change impact, depending on its location.
- Building performance (environmental ratings such as NABERS, Green Star, WELL etc which inform GHG emissions),
- Services and building operations - such as water and energy supply and efficiencies, waste management,
- Workplace health and safety compliance
- Hazardous material 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 selection analysis includes financial risks of tenant and sector.

PR 04.3

Indicate which E, S and/or G issues are typically considered by your organisation in the property investment selection process, and list up to three examples per issue.

Environmental

Environmental example 1, select one

- Climate change adaptation
- Contamination
- Energy efficiency
- Energy supply, Flooding, GHG emissions
- Indoor environmental quality
- Natural hazards
- Resilience
- Transportation
- Water efficiency
- Waste management
- Water supply
- Other
- Other
- Flooding
- GHG emissions

Environmental example 1, description

Information and analysis on Climate change related risks, energy efficiency/supply and water efficiency are sought for new acquisitions. Climate change risk analysis includes assessing relevant climate risks (extreme storm, bushfire, extreme heat and sea level rise) and determine if the building is capable of withstanding potential climate change impact, depending on its location. Energy and water efficiency analysis considers building performance (environmental ratings such as NABERS, Green Star, WELL etc which inform GHG emissions),

Environmental example 2, select one

- Climate change adaptation
- Contamination
- Energy efficiency
- Energy supply, Flooding, GHG emissions
- Indoor environmental quality
- Natural hazards
- Resilience
- Transportation
- Water efficiency
- Waste management
- Water supply
- Other
- Other
- Flooding
- GHG emissions

Environmental example 2, description

Energy efficiency ratings/certification (such as NABERS), energy audits, visibility of consumption through sub-metering and/or analytics systems, consideration of age of plant and equipment, energy efficiency attributes of energy intensive systems such as HVAC and lighting systems. Energy supply considerations are also sought for new acquisitions.

Environmental example 3, select one

- Climate change adaptation
- Contamination
- Energy efficiency
- Energy supply, Flooding, GHG emissions
- Indoor environmental quality
- Natural hazards
- Resilience
- Transportation
- Water efficiency
- Waste management
- Water supply
- Other
- Other
- Flooding
- GHG emissions

Environmental example 3, description

Contaminated land assessments are sought for new acquisitions.

- Social

Social example 1, select one

- Building safety and materials
- Health, safety and wellbeing
- Socio-economic
- Accessibility
- Affordable Housing
- Occupier Satisfaction
- Other
- Other
- Other

Social example 1, description [OPTIONAL]

Location and transportation considerations for tenants are considered in property acquisitions, which determines the desirability of the building for current and future occupants in terms of ease of access to various forms of transport, accessibility for their operations as well as for our tenant's customers.

Social example 2, select one

- Building safety and materials
- Health, Safety and wellbeing
- Socio-economic
- Accessibility
- Affordable Housing
- Occupier Satisfaction
- Other
- Other
- Other

Social example 2, description [OPTIONAL]

Health, Safety and Wellbeing considerations are identified in our due diligence procedures for building acquisitions, including hazardous material assessment, fire and OHS compliance, to ensure health and wellbeing of occupants and reduced risk for Charter Hall.

Social example 3, select one

- Building safety and materials
- Health, Safety and wellbeing
- Socio-economic
- Accessibility
- Affordable Housing
- Occupier Satisfaction
- Other
- Other
- Other

Social example 3, description [OPTIONAL]

Charter Hall requires due diligence reports prepared on building safety compliance and material compliance.

- Governance

Governance example 1, select one

- Anti-bribery & corruption
- Board structure
- Conflicts of interest
- Governance structure
- Regulatory
- Shareholder structure & rights
- Supply chain governance
- Other
- Other
- Other

Governance example 1, description

Charter Hall due diligence considerations review all relevant regulatory and legislative requirements associated with the asset and governance.

Governance example 2, select one

- Anti-bribery & corruption
- Board structure
- Conflicts of interest
- Governance structure
- Regulatory
- Shareholder structure & rights
- Supply chain governance
- Other
- Other
- Other

Governance example 2, description

Charter Hall due diligence considerations review Governance issues such as legal, property management, zoning and planning, building environmental ratings and certifications.

Governance example 3, select one

- Anti-bribery & corruption
- Board structure
- Conflicts of interest
- Governance structure
- Regulatory
- Shareholder structure & rights
- Supply chain governance
- Other
- Other
- Other

Governance example 3, description

Charter Hall due diligence is undertaken in accordance with our Corporate Governance policies including the Charter Hall Anti-Bribery, Fraud and Corruption Risk Management Policy, which is publicly disclosed on our website <https://www.charterhall.com.au/About-Us/Corporate-Governance/>

No

PR 06	Mandatory	Public	Core Assessed	PRI 1
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PR 06.1

Indicate if ESG issues impacted your property investment selection process during the reporting year.

- ESG issues helped identify risks and/or opportunities for value creation
- ESG issues led to the abandonment of potential investments
- ESG issues impacted the investment in terms of price offered and/or paid
- ESG issues impacted the terms in the shareholder/purchase agreements and/or lending covenants
- ESG issues were considered but did not have an impact on the investment selection process
- Other, specify
- Not applicable, our organisation did not select any investments in the reporting year
- We do not track this potential impact

PR 06.2

Indicate how ESG issues impacted your property investment deal structuring processes during the reporting year.

- ESG issues impacted the investment in terms of price offered and/or paid
- ESG issues impacted the terms in the shareholder/purchase agreements and/or lending covenants
- ESG issues were considered but did not have an impact on the deal structuring process
- Other, specify
- Not applicable, our organisation did not select any investments in the reporting year
- We do not track this potential impact

PR 06.3	Additional information.
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Charter Hall partners with many investment groups who identify ESG requirements associated with their investment, which align with their corporate ESG approach.

Investors in our funds have reviewed fund ESG ratings and influenced the fund's approach to asset selection (such as seeking assets with high green star or NABERS ratings or seeking higher GRESB ratings).

All large Charter Hall developments seek a Green Star Design and As Built ratings, which are identified to attract tenants to commit to longer term lease agreements.

Selection, appointment and monitoring third-party property managers

PR 07	Mandatory	Public	Core Assessed	PRI 4
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PR 07.1	Indicate if your organisation includes ESG issues in your selection, appointment and/or monitoring of third-party property managers.
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Yes

PR 07.2	Indicate how your organisation includes ESG issues in your selection, appointment and/or monitoring of third party property managers.
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Selection process of property managers incorporated ESG issues

	Types of actions
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- Request explanation of how ESG is effectively integrated, including inquiries about governance and processes
- Request track records and examples of how the manager implements ESG in their asset and property management
- Discuss property level out-performance opportunities through greater integration of ESG criteria
- Request explanation of engaging stakeholders on ESG issues
- Other, explain

	Coverage
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- >75% to 100%
- >50% to 75%
- <50%
- Contractual requirements when appointing property managers includes ESG issues

Types of actions

- Include clear and detailed expectations for incorporating ESG
- Require dedicated ESG procedures in all relevant asset and property management phases
- Clear ESG reporting requirements
- Clear ESG performance targets
- Other, explain

Coverage

- >75% to 100%
 - >50% to 75%
 - <50%
- Monitoring of property managers covers ESG responsibilities and implementation

Types of actions

- Performance against quantitative and material environmental / resource targets over specified timeframe.
- Performance against quantitative and material environmental / resource targets against relevant benchmarks
- Performance against quantitative and qualitative targets to address social impacts of the portfolio/investment,
- Other, explain

Coverage

- >75% to 100%
 - >50% to 75%
 - <50%
- No

PR 07.3

Provide a brief description of your organisations selection, appointment and monitoring of third party property managers and how they contribute to the management of ESG issues for your property investments.

Charter Hall employs an integrated property management service where property management is internalised and managed by Charter Hall. As such, this question is irrelevant to Charter Hall.

Charter Hall outsources the facilities management of our office and industrial portfolios to CBRE. The facilities management contract includes ESG KPI's which align with our targets in environmental (energy efficiency, water efficiency, waste reduction, climate resilience, environmental management), social (stakeholder and community engagement, employment programs and procurement) and governance outlined in our FY18 Shared Value and Sustainability Report.

Charter Hall requires all principal development contractors to meet our sustainability development targets throughout the development, including a minimum 5 Star Green Star Design and As Built ratings (for large developments), WELL ratings (for office developments), as well as participation in stakeholder engagement, employment and charity projects.

Charter Hall also required our Retail and Office waste contractors, to develop a waste management plan, in line with our waste reduction targets in the FY18 Shared Value and Sustainability Strategy, with KPIs aligned to these targets.

In consideration of other major national supplier tenders Charter Hall has requested an overview of ESG practices and to demonstrate their ESG policies and practices.

Post-investment (monitoring and active ownership)

Overview

PR 08	Mandatory	Public	Gateway	PRI 2
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PR 08.1

Indicate if your organisation, and/or property managers, considers ESG issues in post-investment activities relating to your property assets.

Yes

PR 08.2

Indicate whether your organisation, and/or property managers, considers ESG issues in the following post-investment activities relating to your property assets.

- We consider ESG issues in property monitoring and management
- We consider ESG issues in property developments and major renovations.
- We consider ESG issues in property occupier engagements
- We consider ESG issues in community engagements related to our properties
- We consider ESG issues in other post-investment activities, specify

PR 08.3

Describe how your organisation, and/or property managers, considers ESG issues in post-investment activities related to your property assets.

Property Monitoring and Management

Charter Hall monitors key operational and environmental aspects of each property, through metering, monthly and quarterly reports on usage, utilising dashboards and suppliers. Environmental and operational targets on performance are reviewed monthly and achievements reported quarterly.

NABERS ratings are reviewed and tracked annually and as of FY18 tracked against targets. All ratings are publicly reported annually in the sustainability report.

178 Charter Hall offices, retail centres and industrial buildings have a Green Star Performance rating, resulting in Charter Hall having the largest Green Star footprint in Australia. These ratings will be reviewed annually and provide further opportunities to extend ESG considerations in property monitoring and management.

Property fitout guidelines further identify ESG opportunities to enhance the operation and customer comfort of our properties.

Charter Hall's office precedent lease has achieved a Gold Standard Green Lease rating by the City of Sydney's Better Building Partnership.

Charter Hall seeks further third-party certification of its property and investment management through investor surveys such as GRESB, DJSI, CDP and PRI. These surveys identify the broad spectrum of ESG issues and provides Charter Hall international benchmarks to manage our property assets and measure our performance.

Property Developments and Major Renovations

Charter Hall has set development targets, for large developments, of a minimum 5 Star Green Star Design and As Built. All new office developments will also seek WELL Certification. In FY18, Charter Hall Perth and Melbourne tenancies achieved a Silver WELL Interiors rating.

Each property sector has identified ESG initiatives to be incorporated into their developments, either in their development or fitout guidelines. Engagement with our tenant customers in the development and renovation process also enables further opportunity for ESG initiatives.

All Charter Hall large developments partner with a local charity where Charter Hall and contractors raise funds for a charity program or infrastructure. In FY18, Charter Hall undertook developments that raised funds for youth projects, medical research and homelessness. In FY18, Charter Hall continued to pilot an employment project on one of its Victorian development sites, in partnership with two major contractors and community partners.

Property Occupier Engagements

Charter Hall undertake a range of engagement techniques with our tenant customers including an annual tenant survey, which are then compared to industry benchmarks. Charter Hall engage with our customers through a range of other techniques including email, face-to-face meetings, joint initiatives and individual building and wider portfolio events (such as annual Earth Hour events).

Charter Hall recognise that our suppliers, such as facilities managers, concierge, cleaners, waste contractors and security are also a valued information source on tenant customer engagement and feedback. Charter Hall works with its suppliers and utilises their systems to enhance the Group's customer engagement and respond to our tenant customer needs. For example, our retail waste contractor, Veolia, undertook waste management plans for our retail portfolio, which commenced with engaging our tenant customers in New South Wales shopping centres, understanding their waste needs and practices and developing a waste management plan that reduced waste for both our customers and our retail centres overall.

Community Engagements

Charter Hall's community investment strategy, Pledge 1%, encourages our people and our places to make a difference in the communities in which we operate. Charter Hall employees engage and volunteer in our local communities and our places provide space for community organisations to promote and provide local services and undertake programs. Charter Hall partners with local and national community partners to expand our community investment. In FY18, Charter Hall contributed 330 personal and team volunteering days; \$1.3 million in space to the community; and \$600,000 towards community partnerships. Charter Hall engages with our investor customers through a range of techniques including investor surveys, face-to-face meetings, teleconferences and forums

Charter Hall engages with our government and industry stakeholders through a range of industry groups and associations.

No

Property monitoring and management

PR 09	Mandatory	Public	Core Assessed	PRI 2,3
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PR 09.1 Indicate the proportion of property assets for which your organisation, and/or property managers, set and monitored ESG targets (KPIs or similar) during the reporting year.

- >90% of property assets
- 51-90% of property assets
- 10-50% of property assets
- <10% of property assets

(in terms of number of property assets)

PR 09.2 Indicate which ESG targets your organisation and/or property managers typically set and monitor

- Environmental

Target/KPI	Progress Achieved
<p>Pathway developed for a 2-degree reduction in emissions by FY2020 Achieve 2- Degree reduction in emissions by FY2025 Aspiration: Net Zero</p> <p>All assets have climate change adaptation plans by FY2020</p> <p>All assets have environmental management plans to AS 14001 by FY2020</p>	<p>Development of 2-degree reduction pathway following Science Based Targets in FY18. NABERS pathways to improved targeted ratings completed, for Office assets, in FY18</p> <p>All assets achieved climate risk assessments in FY17. Climate change adaptation plans in development throughout FY18 tracking towards FY20 targets.</p> <p>In FY18 development of a draft Environmental Management Plan for rollout in FY19. Pre-certification audits were conducted across 10 office and industrial properties.</p>

Social

Target/KPI	Progress Achieved
<p>National programs with communities and partners to curate creative and community programs in all large assets.</p> <p>Stakeholder engagement plans prepared by 100% of developments by FY2020</p> <p>Employment strategy developed for all large developments by FY2020</p>	<p>Our Pledge made a difference in our communities contributing:</p> <ul style="list-style-type: none"> • \$600,000 in donations - 330 Days of volunteering • \$1.3 million or 17,798sqm of space <p>Stakeholder engagement plans prepared and implemented in office and retail development projects.</p> <p>Employment approach developed, and two pilot projects undertaken in Melbourne and Adelaide office developments, resulting in 81% of participants achieving employment outcomes.</p>

Governance

Target/KPI	Progress Achieved
<p>Human Rights Framework implemented across all Charter Hall assets and operations by FY2020</p> <p>Wellbeing Strategy for our people and our places developed and implemented by FY2020</p> <p>WELL building accreditation sought for all large Charter Hall state offices and in new office developments by FY2020</p>	<p>Human Rights Framework commenced with a review of supplier risk assessment. Charter Hall Human Rights Policy adopted in November 2017. Participation in supplier portal project.</p> <p>Wellbeing Survey undertaken for Charter Hall Employees by our Employee Assistance Provider. in FY17. Ritualize program rolled out to all employees in FY18.</p> <p>Charter Hall Melbourne and Perth Offices achieved Silver WELL Building Interiors Certification. Three office development projects, Melbourne, Brisbane and Adelaide registered for WELL Building certification.</p>

We do not set and/or monitor against targets

PR 09.3 Additional information. [Optional]

Charter Hall outsources the facilities management of our office and industrial portfolios to CBRE. The facilities management contract includes ESG KPI's which align with our targets in environmental (energy efficiency, water efficiency, waste reduction, climate resilience), social (stakeholder and community engagement) and governance outlined in our FY18 Sustainability Report. <https://charterhall.reportonline.com.au/fy18/sustainability-report/eco-innovation/our-commitment.html>

Charter Hall requires all principal development contractors to meet our sustainability development targets throughout the development, including a minimum 5 Star Green Star Design and As Built ratings (for large developments), WELL ratings (for office developments), as well as participation in stakeholder engagement, employment and charity projects.

Charter Hall requires our waste contractors, to develop waste management plans, in line with our waste reduction targets in the FY18 Shared Value and Sustainability Strategy, with KPIs aligned to these targets.

Charter Hall has integrated sustainability elements in all new facilities management contracts to enable achievement of targets.

PR 10	Voluntary	Public	Descriptive	PRI 2
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PR 10.1	Indicate whether your property assets are assessed against certification schemes, ratings and/or benchmarks
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Yes

PR 10.2	List the certification schemes, ratings and/or benchmarks your property assets are assessed against and what proportion of your property assets they apply to.
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Add certification scheme, rating and benchmark 1

Specify	NABERS Energy and NABERS Water
Proportion of property assets these apply to	<input type="radio"/> >90% of property assets <input checked="" type="radio"/> 51-90% of property assets <input type="radio"/> 10-50% of property assets <input type="radio"/> <10% of property assets (in terms of number of property assets)

Add certification scheme, rating and benchmark 2

Specify	GBCA Green Star Certification
Proportion of property assets these apply to	<input type="radio"/> >90% of property assets <input checked="" type="radio"/> 51-90% of property assets <input type="radio"/> 10-50% of property assets <input type="radio"/> <10% of property assets (in terms of number of property assets)

Add certification scheme, rating and benchmark 3

Specify	GRESB
Proportion of property assets these apply to	<input type="radio"/> >90% of property assets <input checked="" type="radio"/> 51-90% of property assets <input type="radio"/> 10-50% of property assets <input type="radio"/> <10% of property assets (in terms of number of property assets)

No

PR 10.3	Indicate if your organisation uses property specific reporting standards to disclose information related to your property investments' ESG performance.
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- Global Reporting Initiative (GRI) Construction & Real Estate Sector Supplement (CRESS)
- Other property reporting standards, specify
 - GRESB
 - CDP
 - Australian NGERs
- No property specific reporting standards are used

PR 10.4	Additional information.
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Charter Hall has 178 Green Star Performance ratings across its office, industrial and retail portfolio in FY18 and an additional 20 Green Star Design and As Built Ratings for our office developments, resulting in Charter Hall having Australia's largest Green Star footprint.

Charter Hall Group responded to PRI, CDP, DJSI, MSCI and FTSE4Good surveys in FY18. Eight Charter Hall funds (two listed and six unlisted funds) responded to GRESB in FY18.

All eligible Charter Hall office and retail assets seek a NABERS Energy and Water rating.

The FY18 Charter Hall Sustainability Report is prepared in accordance with GRI.

Property developments and major renovations

PR 11	Mandatory	Public	Core Assessed	PRI 2
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PR 11.1	Indicate the proportion of active property developments and major renovations where ESG issues have been considered.
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- >90% of active developments and major renovations
- 51-90% of active developments and major renovations
- 10-50% of active developments and major renovations
- <10% of active developments and major renovations
- N/A, no developments and major renovations of property assets are active

(by number of active property developments and refurbishments)

PR 11.2	Indicate if the following ESG considerations are typically implemented and monitored in your property developments and major renovations.
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- Environmental site selection requirements
- Environmental site development requirements
- Sustainable construction materials
- Water efficiency requirements
- Energy efficiency requirements
- Energy generation from on-site renewable sources
- Waste management plans at sites
- Health and safety management systems at sites
- Health and wellbeing of residents
- Construction contractors comply with sustainability guidelines
- Resilient building design and orientation
- Other, specify

PR 11.3	Additional information. [Optional]
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All large Charter Hall developments target 5 Star Green Star Design and As Built ratings. All Charter Hall office developments seek Silver International WELL building Core and Shell ratings.

All office developments seek NABERS Energy pre-commitments.

All large office and retail developments create charity partnerships and in partnership with the contractor and construction workforce raise funds for a local community organisation addressing a local social issue. 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. Charter Hall is looking to scale this model across other developments next year.

Occupier engagement

PR 12	Mandatory	Public	Core Assessed	PRI 2
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PR 12.1	Indicate the proportion of property occupiers your organisation, and/or your property managers, engaged with on ESG issues during the reporting year.
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- >90% of occupiers
- 50-90% of occupiers
- 10-50% of occupiers
- <10% of occupiers

(in terms of number of occupiers)

PR 12.2

Indicate if the following practises and areas are typically part of your, and/or your property managers', occupier engagements.

- Distribute a sustainability guide to occupiers
- Organise occupier events focused on increasing sustainability awareness
- Deliver training on energy and water efficiency
- Deliver training on waste minimisation
- Provide feedback on energy and water consumption and/or waste generation
- Provide feedback on waste generation
- Carry out occupier satisfaction surveys
- Health and wellbeing of residents
- Offer green leases
- Other, specify

PR 12.3

Additional information. [Optional]

Charter Hall's Office standard precedent lease, has achieved a Gold Star Green Lease standard, in accordance with the Better Building Partnership leasing provisions. These provisions encourage the landlord, occupier or both to carry out their roles in a sustainable way and relate to achievement of specific ESG outcomes. Charter Hall's involvement, with the City of Sydney's Better Building Partnership, on both the executive committee and chairing the tenant working group has resulted in expansion of ESG considerations in leases and fit-out and development guidelines.

Charter Hall retail and office fit-out and development guidelines include ESG considerations.

Charter Hall engages annually with our office and retail tenant customers on Earth Hour. Different properties, across the portfolio, hold a range of customer events, with some linking into our community and education partners. In FY18, Charter Hall partnered with WWF to also engage with Charter Hall employees on climate change and provided volunteer activities for employees to build solar lights for communities in Papua New Guinea.

In areas where there have been adverse extreme weather events, Charter Hall has undertaken significant engagement with our office and retail tenant customers and shopping centre customers, to ensure continuity of trade, where appropriate, and management and communications of emergency situations.

Charter Hall also undertakes annual tenant customer surveys across our Office, Retail and Industrial portfolios.

Charter Hall and our major retail waste contractor, Veolia, have engaged with our retail tenant customers in the development of the Retail Waste Management Strategy. This engagement has resulted in feedback on waste generation, training as well as reductions in waste generation.

<https://charterhall.reportonline.com.au/fy18/sustainability-report/eco-innovation/journey-to-70-waste-diversion.html>.

Charter Hall engaged with our industrial tenant customers on opportunities for renewable energy in developments and standing assets, increasing the Charter Hall renewable footprint and enabling our tenant customers the opportunity to better understand the benefits of renewable energy.

<https://charterhall.reportonline.com.au/fy18/sustainability-report/eco-innovation/taking-logistics-to-new-levels.html>.

Charter Hall partnered with Two Good to provide our tenant and shopper customers awareness on domestic violence and provide 20,000 meals to domestic violence shelters across Australia.

<https://charterhall.reportonline.com.au/fy18/sustainability-report/building-communities/taking-two-good-to-the-people.html>