

**Charter Hall** 

**Charter Hall Group**  
Sustainability Report  
2024





Acknowledgement of Country

Charter Hall acknowledges the Traditional Custodians of the lands on which we work and gather.

We pay our respects to Elders past and present and recognise their continued care and contribution to Country.

Raine Square, Perth WA  
Whadjuk land

Cover Image  
Wesley Place, 130 Lonsdale, Melbourne Vic  
Wurundjeri and Bunurong land

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About this report

The Sustainability Report covers the business activities of Charter Hall Group (CHC or the Group) and its managed property funds and assets for the financial year ending 30 June 2024. View our [Funds Management Portfolio](#).



# Introduction







Sydney CBD, NSW  
Gadigal land

# Welcome

This Sustainability Report covers our business activities as Charter Hall Group (CHC or the Group) and our managed property funds and assets for the financial year ending 30 June 2024. View our [Funds Management Portfolio](#).

The contents and structure of this Report have been guided by the Global Reporting Initiative (GRI), United Nations Sustainable Development Goals (UN SDGs) and United Nations Global Compact (UNGC).

We have historically aligned with the Task Force for Climate-related Financial Disclosures (TCFD) and are transitioning our alignment to the International Financial Reporting Standards General Requirements for Disclosure of Sustainability related Financial Information (IFRS S1 and S2) and the emerging Australian Sustainability Reporting Standards (ASRS) Disclosure of Climate-related Financial Information. For further details on our disclosures, please refer to [Reporting approach](#).

The data and the associated ESG Databook relate specifically to assets and activities within our direct operational control, unless stated otherwise. The report should be read in conjunction with our other key non financial disclosures including our [ESG Databook](#), [Corporate Governance and Policy Statements](#), [UNGC](#), [Modern Slavery Statement](#) and sustainability related disclosures located on our [website](#).

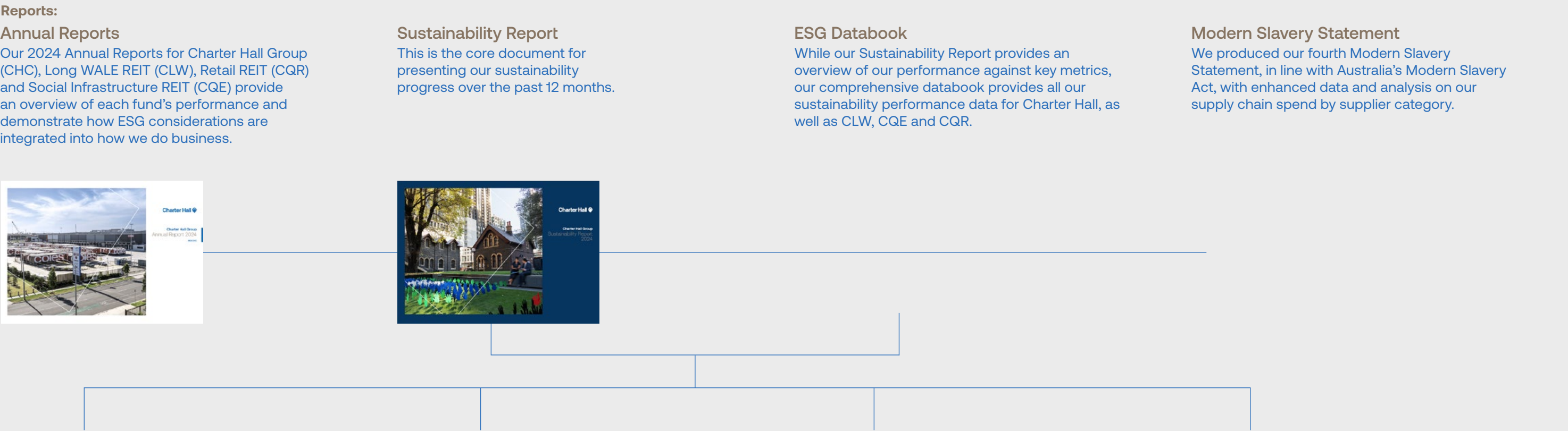
PricewaterhouseCoopers (PwC) Australia has provided limited assurance over selected sustainability performance metrics in our ESG Databook and reflected in this report. [View our assurance statement](#).

If you have any questions or comments, please contact us via the details on [page 71](#).



# Reporting approach

Guided by a range of key global standards, we report on our performance every year.



**Global standards:**

**Climate Related Disclosure**

Our Climate Related Disclosure provides a summary of approach for the identification, assessment and management of climate related risks and opportunities, as we transition to the emerging Australian Sustainability Reporting Standards (ASRS) for disclosure of climate related financial information.

**Global Reporting Initiative (GRI)**

The GRI is an independent, international body that enables businesses and organisations to be accountable and transparent in relation to their operations and impacts. The GRI reporting framework is now the world’s most widely accepted standard for accountability on ESG impacts.

**United Nations Global Compact (UNGC)**

The UNGC encourages companies to align their strategies and operations with its Ten Principles on human rights, labour, environment and anti-corruption, and to take actions that advance better societal outcomes through collaboration and innovation. We are proud to have been a signatory to the UN Global Compact since 2019.

**United Nations Sustainable Development Goals (UN SDGs)**

The United Nations SDGs are the blueprint to address global challenges, including poverty, inequality, climate change, environmental degradation, peace and justice. Our alignment to these sustainability goals, responses and targets is shown here.



# FY24 highlights

## Environment

### Net Zero by 2025

**71%** reduction in Scope 1 and Scope 2 emissions – on track to achieve Net Zero by 2025 target<sup>1</sup>

### Nature-based offsets

Forward procured **three years of nature-based carbon offsets**, to support Net Zero Carbon in operation target, deliver benefits for First Nations communities and mitigate carbon price volatility

### Scope 3 emissions

**77%** of the onsite solar across the Group supplies tenants with clean energy, reducing our downstream Scope 3 emissions

### Clean energy

**81%** renewable electricity supplied to our assets in operational control, underpinned by long-term PPA

**80MW** of onsite solar installed platform-wide to date, an uplift of 27% since FY23

### Waste diversion from landfill

**>7%** improvement in operational waste diverted from landfill compared to FY23, and integrated roadmaps where we can make the most difference

Established **Circular Economy Framework** to drive our approach

## Social

### Natural disaster relief and recovery

**130** additional skilled volunteers, enabling Red Cross to proactively respond to emergency events and provide community relief

Provided eight **Community Grants** through Foundation for Rural & Regional Renewal, to deliver community-led recovery projects for the long-term

### Employer of choice

**Achieved Silver status** in the Australian Workplace Equality Index (AWEI) for LGBTQ+ inclusion

Maintained **Workplace Gender Equality Agency** (WGEA) recognition for gender equality

### Social inclusion and impact

**>\$2.6m** invested in spend with social enterprises, up from \$1.4 million in FY23. Created 222 employment outcomes for vulnerable young Australians in partnership with state-based social enterprises

### Engaged workforce

Maintained strong **89%** employee engagement score, nine points above the global high-performing norm

### Community partnership

**3,766 hours** contributed in community volunteering, the most recorded in a year and representing 80% employee participation

### First Nations

Achieved **Innovate RAP** status endorsed by Reconciliation Australia

## Governance

### GRESB global and regional sector leadership

Three funds recognised as leaders in their peer group and 15 out of 29 participating funds scored in the **top 20%** of the total benchmark

Brisbane Square Wholesale Fund and CPOF awarded **Global Sector Leader** status in standing assets and development assessments respectively. CQR ranked first in Oceania region for Listed Retail

### Sustainable finance

In FY24, the Group secured **\$3 billion** in sustainable finance an increase of 88% since last year – each transaction leveraging the Group’s independent sustainability ratings at the asset and fund level

### Independent green building ratings

We have continued to maintain **Australia’s largest footprint** of independently green rated space, with 7.1 million sqm

1. Our Net Zero target applies to Scope 1 and Scope 2 emissions for existing assets that fall under the operational control of responsible entities for which Charter Hall Limited is the controlling corporation. Where residual Scope 1 emissions are offset, Charter Hall will use high quality nature-based offsets.



# Chair and Managing Director & Group CEO message

## Remaining steadfast throughout the cycle

The impacts of the current economic environment have been wide-reaching. The persistently high cost of debt and stubborn inflation have challenged businesses, while the impacts on individuals and the community organisations that support them are even more pronounced.

As we navigate the property cycle with confidence, we continue to listen, gather data, and co-create with our stakeholders. Guided by our long-standing principles of environmental stewardship, social responsibility and strong governance, we control what's within our control, curating our portfolios to support our customers, meet the needs of our people, and ensure communities have the support they need to grow and thrive.

## Platform-wide climate action

One of our key differentiators and enablers of change is the scale of our platform. We leverage our scale to decarbonise our operations and address the risks and opportunities of a changing climate.

We've made significant progress toward our Net Zero by 2025 target for Scope 1 and Scope 2 emissions. Through energy efficiency, electrification and renewable electricity, we've reduced these emissions by more than 70% since our baseline year, and have sourced high-quality, nature-based carbon offsets to compensate for residual emissions.

From 1 January, we formally commenced our ENGIE market-linked renewable power purchase agreement (PPA) supplying 100% renewable electricity for more than 80% of electricity consumption in assets in operational control.

We're proud to maintain Australia's largest footprint of independently green rated assets, with 7.1 million sqm assets rated across the country. We continue to leverage best-in-class independent rating tools to measure our progress, drive environmental outcomes and improve our operational performance.

The strength of our ESG credentials has also enabled us to unlock access to capital in a challenging environment. Our sustainable finance platform is now one of the largest in Australian property at \$6.4 billion, representing 20% of the platform's total debt.

While we are making significant progress on our ESG targets, we are acutely aware of what is at stake.

Robust benchmarking, rigorous reporting methods and transparency in disclosures characterise how we govern our targets, and everyone in our business has a role to play. We're focused on educating our people on ESG risks and opportunities while encouraging them to take ownership of our Group-wide commitment to sustainability.

## Listening to inform and improve

Central to our growth is active listening – ensuring the way we partner, operate and grow is informed by our customers, our people and our communities. This formula allows us to continuously improve our approach, knowing which strengths to lean into and where to focus our efforts.

Increasingly, our tenant customers have told us that ESG and energy costs are top of mind for them. In response, we've focused on greater gathering of data and sharing of information and insights to support their knowledge and sustainability performance.

By actively supporting our tenant customers to reduce their emissions, we are also mitigating our Scope 3 emissions. We've increased onsite solar across our assets, which has now reached 80MW across the platform, with 77% of the clean energy generated being supplied directly to our tenant customers.

## Dedicated and engaged teams

The culture we've built within our business has driven strong commercial outcomes, while our agile approach has allowed us to evolve roles and structures in a way that enhances the talent and capability in our business.

This year, we've invested in reshaping work and equipping our people with the tools required to thrive in the current environment and beyond. In doing so, we focused on improving processes, leveraging AI and automation and enhancing data consistency.

Our recent Engagement and Culture Survey results reflected the positive impact of our investment. We saw a 95% response rate, with our Group engagement score sitting at 89% and our well-being score at 86% – both outperforming the high-performance norm.

This year, we were recognised with Silver in the annual Pride in Diversity Australian Workplace Equality Index (AWEI), as we grow our ally network and actively work toward improving LGBTQ+ inclusion in the workplace.



From left: **David Harrison**, Managing Director & Group CEO; **David Clarke**, Chair

## Partnering on issues that matter

Our efforts and investment in social issues remain focused where we believe we can make the most difference. As with everything we do, we leverage our scale and our long-term relationships to combat the issues that impact the most vulnerable in our communities.

In line with our commitment to Pledge 1%, we've invested \$1.4 million in two key areas: unlocking employment and learning pathways for vulnerable young Australians; and delivering long-term support and capabilities to communities impacted by hardship.

This year we furthered our work with state-based social enterprises to create 222 employment outcomes. We have procured more than \$2 million in goods and services from social enterprise and First Nations-owned businesses, up from FY23 and a focus moving forward.

We've also formalised long-term partnerships designed to support communities across Australia throughout the entire cycle of a disaster. Our support of the Australian Red Cross will fund an additional 130 emergency services volunteers each year. With Foundation for Rural and Regional Renewal (FRRR), we have co-designed a grant program to provide communities with the resources to build and rebuild strong foundations. The program has delivered eight grants, with an additional \$150,000 available for communities impacted by natural disaster and hardship.

Our team has contributed the highest number of volunteering hours, collectively contributing 3,766 hours

to community organisations, or volunteering on charitable boards and mentoring programs.

We've progressed our reconciliation journey, launching our Stage Two: Innovate Reconciliation Action Plan (RAP), endorsed by Reconciliation Australia. As we continue to listen and learn from First Nations peoples, our actions focus on economic empowerment, active engagement, and championing educational initiatives.

## Looking to the future

Despite the challenges of the operating environment, we have made demonstrable progress this year and have set the foundation for many milestones in FY25. In light of this, in the first half of FY25, we are putting considerable effort into updating our targets to leverage our operating model and create positive outcomes for capital, customers, climate and the community.

Thank you to our people, tenant and investor customers, and communities, for your ongoing support and partnership. Together, we will ensure that sustainability remains a priority and achieve mutual success and an enduring impact.

A handwritten signature in dark ink, appearing to read 'David Harrison'.

**David Harrison**  
Managing Director  
& Group CEO

A handwritten signature in dark ink, appearing to read 'David Clarke'.

**David Clarke**  
Chair



# Charter Hall Group



# About us

Charter Hall Group (ASX:CHC) is one of Australia’s leading fully integrated property investment and funds management groups.

Partnership and financial discipline are at the heart of our approach. We use our expertise to access, deploy, manage and invest equity in core real estate sectors, creating value and generating returns for our customers through our integrated model.

By integrating sustainability across our platform and making best use of our scale, we attract and retain capital and maximise value for our customers and employees, creating enduring benefits for all.

Over the past three decades we have built a diverse \$65.5 billion property portfolio with 1,618 high quality properties, including office buildings, retail properties, convenience retail, hospitality assets, automotive dealerships, industrial and logistics properties, telecommunication exchanges and early learning centres.

As the largest custodian of capital invested in Australian property, our approach to partnership and mutual success remains central to the way we do business. We partner with tenant and investor customers to create environmental, economic and social value alongside sustainable financial growth and returns.

We always aim to act in the best interests of our customers and communities, combining insight and inventiveness to deliver value. Our \$12.5 billion development pipeline provides sustainable, technology equipped assets for our customers and the community.

We pride ourselves on being good stewards of capital and experienced shapers of places. We have talented and dedicated teams in each of the major capital cities, providing local service and expertise to our customers and communities.

## Property funds under management<sup>1</sup>




1. Figures and statistics throughout this report are for the 12 months to 30 June 2024, unless otherwise stated. FUM listed on the map exclude Maxim and other smaller investments.




# How we create value

With a focus on resilience throughout the cycle, we make full use of our strengths and harness the ambitions of our customers, our people and our communities. Our approach has allowed us to consistently outperform and create value with enduring impact.


## Key differentiators




**Scale and diversification**  
We are fully-integrated, with a national presence across our core sectors




**Deep, trusted relationships**  
We deeply understand our customers’ businesses and partner to create long-term value



**Transaction origination**  
Our market penetration across all channels enables us to capture first-mover advantage

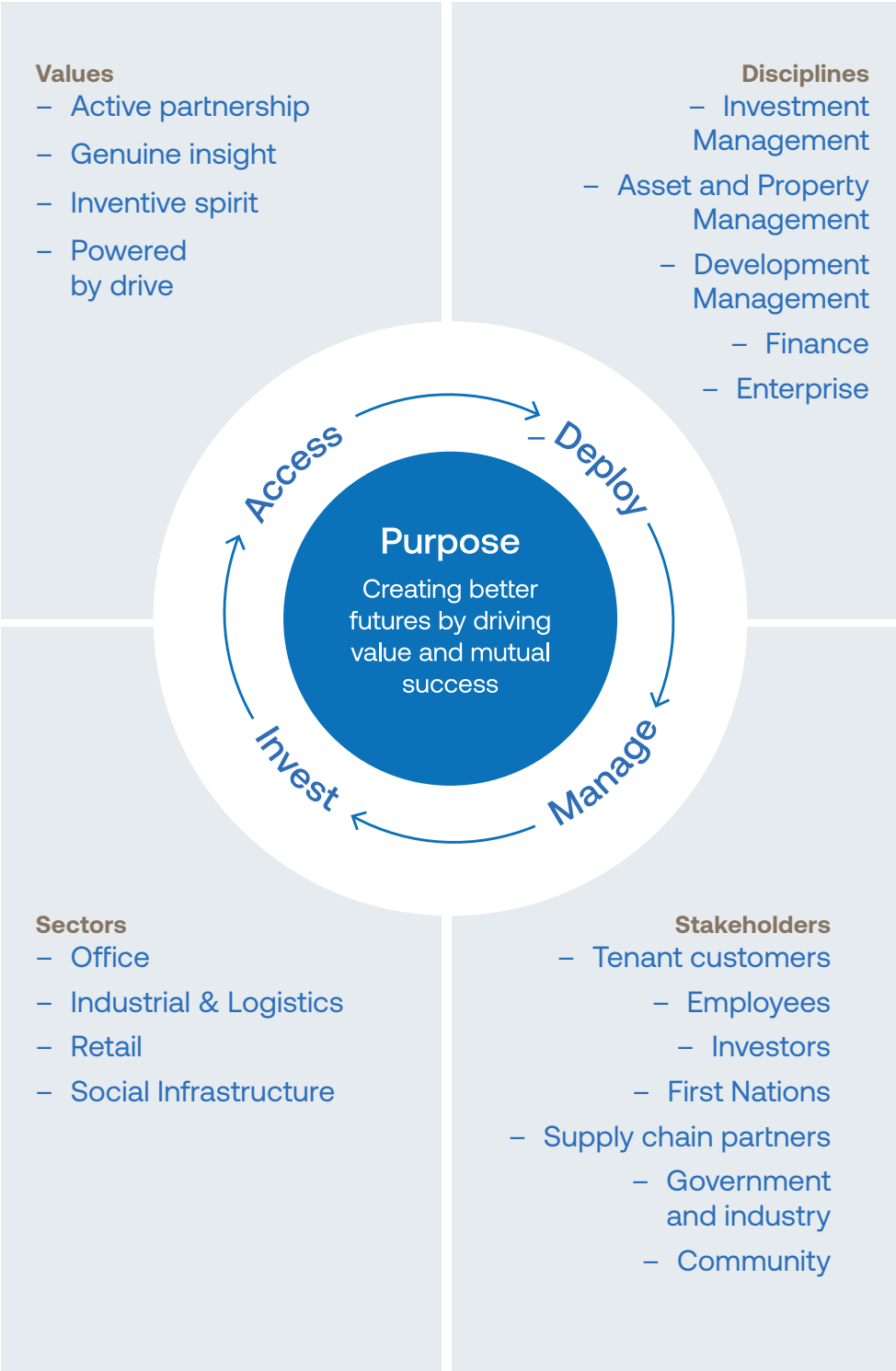


**A place for talent**  
Our operating model and value chain develop top talent and provide unmatched growth potential



**Product innovation**  
We create bespoke products, designed with purpose and discipline, in response to customer needs and market insights

## Our platform



## Value created

<p><b>Capital</b></p> <p><b>8.4%</b> 12-month total shareholder return</p>	<p><b>\$80.9bn</b> funds under management<sup>1</sup></p>
<p><b>Customers</b></p> <p><b>+66</b> NPS among top customers</p>	<p><b>8.4</b> investor score<sup>2</sup></p>
<p><b>Climate</b></p> <p><b>71%</b> reduction in Scope 1 and Scope 2 emissions<sup>3</sup></p>	<p><b>81%</b> powered by renewables and more than 80MW of onsite solar deployed across our platform</p>
<p><b>Communities</b></p> <p><b>\$1.4m</b> invested in our communities</p>	<p><b>3,766</b> hours volunteered</p>
<p><b>Company</b></p> <p><b>89%</b> of our people are highly engaged</p>	<p><b>94%</b> recommend Charter Hall as an inclusive workplace</p>

1. Group funds under management. Includes Paradise Investment Management (PIM) Partnership, with \$15.4bn of FUM.  
2. Survey conducted by Greenwich.  
3. Against the FY17 baseline using the market based methodology. Reduction is for emissions associated with assets under the operational control of Charter Hall Group.



# Approach





# Sustainability framework

Charter Hall’s approach to sustainability is practical, platform-wide and integrated into how the Group does business, delivering value for our stakeholders. To ensure our approach is current and fully informed, our review of our material issues includes research into pivotal global shifts, as well as emerging ESG issues, stakeholder interests, thought leadership and peer reporting in the real estate and construction sectors.

Our Sustainability Framework focuses our efforts on where we can all generate the greatest value and make the most difference over the long-term. Our purpose and values guide how we deliver on the full range of economic, environmental and social impacts that we promise.

Our strategic pillars align with the UN SDGs and enable us to:

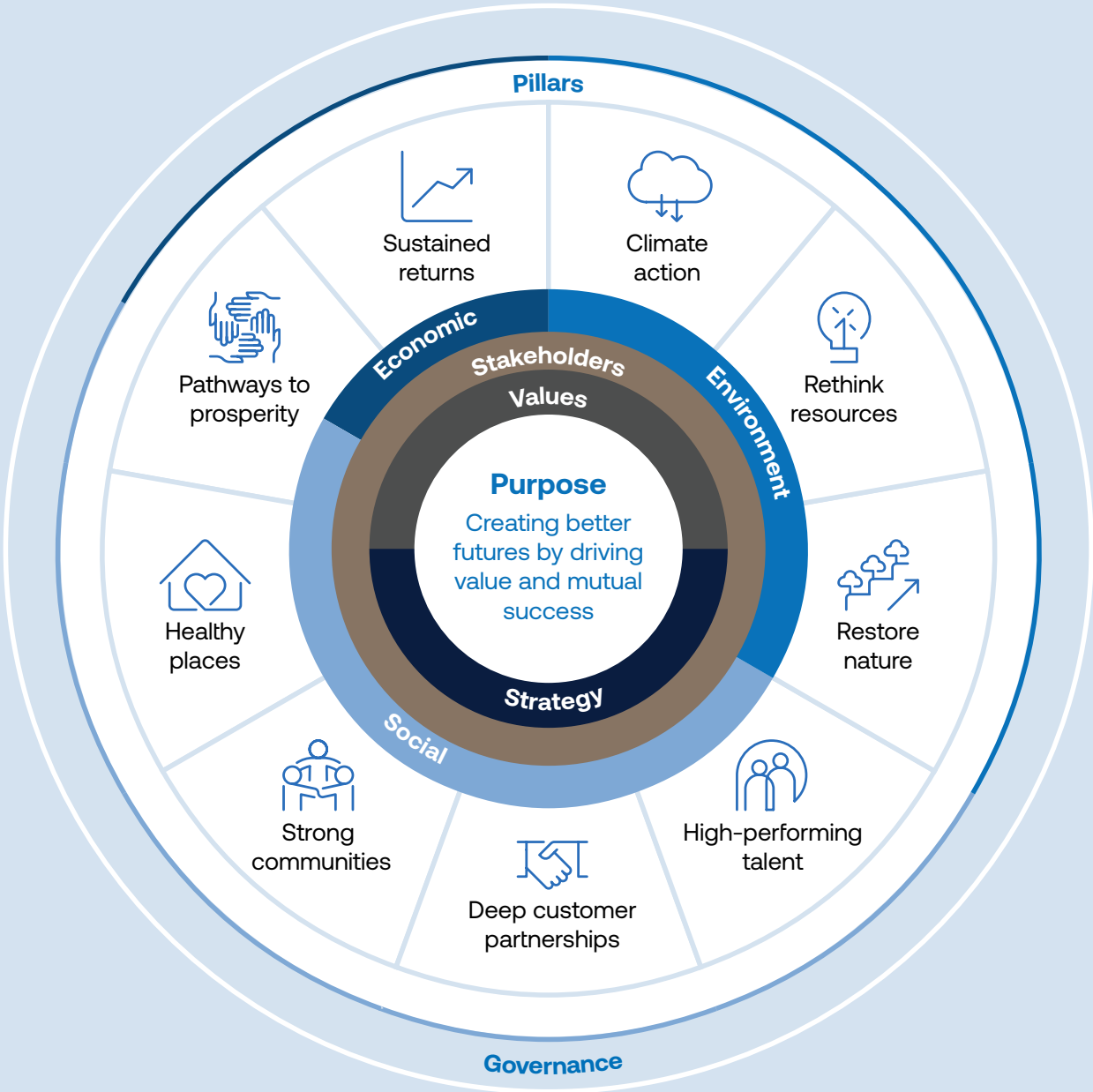
- Cultivate**

deep, trusted relationships with stakeholders and high-performing talent.
- Respond**

to the challenges and consequences of a warming climate through rethinking how we use resources and prioritising the protection and restoration of nature.
- Drive**

lasting change for vulnerable young Australians and communities impacted by natural disaster and hardship through strong communities, healthy places and pathways to prosperity.
- Deliver**

long-term value and mutual success for our investors, customers and communities.





# Global megatrends

The Group has identified the following megatrends as most likely to influence our current and future operating environment. We recognise that the megatrends taking place on a global scale are significant in nature and long term in effect. They drive or influence economic, environmental, social, political and cultural changes that will shape our world for many years to come. The intersection of these trends has turbocharged the speed and pervasiveness of the changes resulting in the need to deal with short and long-term challenges together.

These megatrends have been mapped to material topics, our strategic pillars and the United Nations Sustainable Development Goals.

Please see [ESG Databook GRI Table](#) for further information.



## Environment

### Global warming

The physical impacts of a warming world are inescapable. Risk factors include adapting to a changing climate, increasing natural disasters, health impacts, water scarcity, infrastructure disruptions, insurance increases, mass migration and increasing temperatures. Australia’s property sector faces increasing risk and costs, prompting investment in resilient infrastructure.

### Decarbonisation

Climate change mitigation requires global Net Zero emissions by 2050. The property sector is responsible for 37% of global emissions and will play a crucial role in decarbonisation efforts. At the same time, the rapid growth of renewables is key to tackling climate change and a more sustainable future.

### Circular economy

Economic activity is placing unsustainable pressure on natural resources. Opportunities abound for businesses that can successfully transform their business models. Opportunities exist to generate more value and economic returns by reducing reliance on virgin materials and keeping existing materials in circulation through maintenance, repurpose or transformation into new products. The growth of the sharing economy via renting or leasing provides greater opportunity to manage material flows and create new business value and models.

### Nature loss

Biodiversity loss threatens significant economic value globally. Heightened regulatory and investor focus on nature-related risks is impacting nature-intensive industries, including real estate. Preservation of biodiversity is increasingly moving towards the holistic management of ecosystems, addressing the impacts of resource extraction and climate change, and responding to shifts in social values.



## People, Technology and Social Change

### Changing demographics

Aging populations and housing supply challenges have led to a shift in demand across real estate sectors. This includes more affordable housing, senior-friendly living, green cities, smart city tech and experiential retail – fuelling greater investment in sustainability and innovation.

### Urbanisation

Urban populations are on the rise, and by 2050 more than two-thirds of the global population is expected to live in cities. Creating adaptable, healthy and resilient places are key to innovation, productivity and quality of life.

### Built environment technologies

Technology is transforming the property sector by enhancing energy efficiency, sustainability and construction speed – reducing costs and creating adaptive spaces that meet evolving tenant and environmental needs. Together, physical proximity and digital connectivity are creating environments that are real and virtual.

### Workplace health and wellness

A more holistic approach to health in the workplace, will drive business to proactively prioritise a supportive work environment addressing mental health, wellness, and stress management.

### The future of work

Technological, social and economic factors, including AI adoption, talent shortages, diversity, equity and inclusion and remote work are reshaping the property sector, driving changes in corporate culture and office space utilisation. More and more businesses are now accepting that employees will share the work week between office and home.



## Economics and Geopolitics

### Focus on sustainability/ESG

The focus on sustainability, accountability, inclusivity and transparency has escalated. By having a stronger regard for the long-term implications of their business operations on the environment and adjusting their models accordingly, companies are attracting investors, improving stakeholder relations and enhancing market performance. Carbon neutrality is a key focus, as is the combatting of greenwashing that undermines the credibility of ESG credentials.

### Geopolitical conflict

Ongoing regional conflict has impacted globalisation, particularly between the US and China. This shift is causing economic instability, supply chain disruptions and increasing protectionism, affecting multinational businesses and global trade patterns. All of this requires companies to adopt a holistic yet nuanced approach to navigating the economic, environmental and social complexities of an increasingly volatile world.

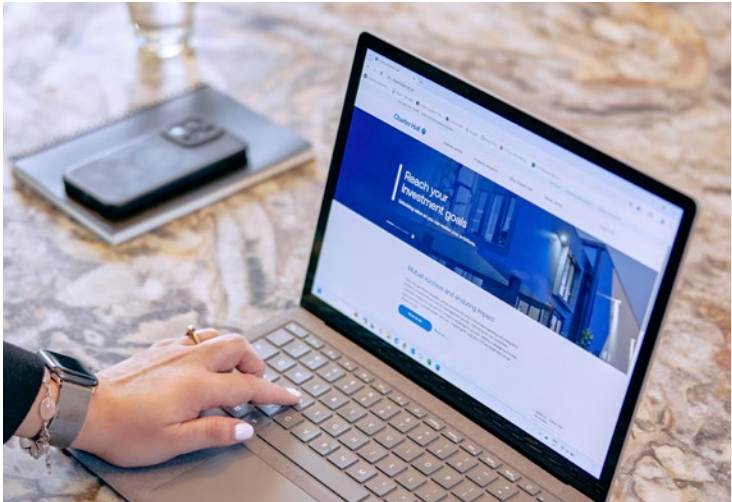
### Stakeholder capitalism

Businesses are shifting towards stakeholder capitalism, balancing profit with broader societal and environmental concerns. This trend is driven by growing investor interest in ESG, political pressures and regulatory changes, and is reshaping corporate strategies and reporting practices.



# Stakeholders

We pride ourselves on maintaining deep, trusted relationships. We take time to listen to and understand our stakeholders’ needs, which informs an iterative process of co-creation. This allows us to respond to their needs in an increasingly sophisticated way, over the long-term.



## Employees

### How we engage

- Regular employee “Meet Ups” with our Group leadership team
- “In Conversation” series with our Managing Director & Group CEO
- Divisional meet ups led by our Executives
- Well-being and learning programs tailored to support our people
- Annual employee engagement and culture surveys
- Our internal channels including our intranet, podcast and social network keep our employees up to date on business news
- Training on governance, code of conduct, Diversity, Equity and Inclusion, human rights and modern slavery, safety and environmental sustainability
- A secure and safe channel for employees to report any concerns

### What we focus on

- Integrating our purpose and values into everything we do to foster an entrepreneurial culture
- Identifying and developing future capability to deliver on our business strategy
- Driving greater business value by leveraging diverse perspectives through equity and inclusion
- Providing a compelling offer to attract and retain top talent
- Future proofing our organisational structure to drive sustained performance
- Evolving our way of working to enable our people to perform to their potential

**Our response**  
**High-performing talent**

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## Tenant customers

### How we engage

- Learning about tenant customers business strategies and how we can support them
- Undertaking deep dive customer sessions
- Seeking feedback throughout the tenant customer lifecycle
- Placemaking activations and experiences for the building community
- Customer engagement around diversity and inclusion
- Direct day-to-day contact, and via our facilities management partners
- Sharing ESG developments, trends and outcomes
- Activating meaningful social partnership opportunities
- Co-creation workshops to support development and the place creation process

### What we focus on

- Partnering with our tenant customers on solving key issues
- Improving satisfaction levels
- Enhancing tenant customer experience
- Providing well-being initiatives in our assets
- Partnering with tenant customers to engage and acknowledge Traditional Owners

**Our response**  
**Climate action**  
**Climate action**  
**Healthy places**  
**Deep customer partnerships**

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## Investor

### How we engage

- Understanding investors’ strategies and matching the right product to each investor’s unique needs
- Creating a foundation of trust and ensuring long-term success across market cycles
- Seeking feedback through regular investor perception studies and one-on-one engagements
- Sharing market insights from macroeconomic, to transactions, leasing, developments and ESG
- Providing timely and accurate information with respect to the funds investors invest in
- Hosting investor briefings, roadshows and financial results

### What we focus on

- Fostering meaningful partnerships and co-creating innovative solutions
- Investing alongside our capital partners to generate mutual success
- Curating insightful forums to foster meaningful dialogue/ conversations
- Regular reporting to provide investors with updates on their portfolio and performance
- Providing annual reports to demonstrate our controls environment for the management of the funds
- Improving investor satisfaction levels and enhancing their investor experience

**Our response**  
**Climate action**  
**Rethink resources**  
**Deep customer partnerships**  
**Sustained returns**  
**Governance**

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Stakeholders



First Nations

How we engage

- Our [Innovate Reconciliation Action Plan \(RAP\)](#)
- Involving First Nations to foster employment partnerships across our value chain
- Promoting and supporting educational initiatives within our organisation, industry and communities

What we focus on

- Implementing our Innovate RAP - through relationships, respect and opportunities
- Integrating First Nations business opportunities into the way we do business across our operating model
- Enabling First Nations people to build wealth and financial security by leveraging our property and fund management expertise
- Developing our First Nations employment and Cultural Learning strategy
- Implementing an engagement plan with Aboriginal and Torres Strait Islander stakeholders and organisations
- Strengthening existing and establishing new First Nations partnerships

Our response

**High-performing talent**  
**Strong communities**  
**Pathways to prosperity**

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Supply chain partners

How we engage

- Meetings, reporting and project updates with our suppliers
- Collaborating on efficient and responsible supplier practices
- Performing deep dive workshops on our response to modern slavery and human rights
- Charter Hall Supplier Portal

What we focus on

- Requiring suppliers to review and accept our [Supplier Code of Conduct](#) annually
- Monitoring and mitigating modern slavery and human rights risks in our supply chain
- Supplier pre-qualification via PCA survey
- Creating social value through procurement spend with social enterprise and First Nations in our supply chain

Our response

**Rethink resources**  
**Strong communities**  
**Governance**

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Government and industry

How we engage

- Regular engagement with all levels of government, which is one of our largest tenant customers
- Engaging with government and community agencies on community needs
- Active member of a range of industry groups
- Our Office CEO is on the board of the PCA. Several Charter Hall employees sit on working groups and committees of the PCA
- Active membership on the GBCA's Industry Advisory Group (Chair) and the City of Sydney's Better Building Partnership. Our memberships can be found [here](#)

What we focus on

- Partnering on solutions to issues facing the property industry and our communities
- Providing input on key government consultation papers
- Advocating for a more sustainable property sector via participation in industry associations and development of rating tools for buildings

Our response

**Climate action**  
**Rethink resources**  
**Deep customer partnerships**  
**Strong communities**  
**Pathways to prosperity**  
**Sustained returns**  
**Governance**

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Community

How we engage

- Employee volunteering activities
- Co-funding support through our grants program
- State-based employment partners creating pathways to employment for vulnerable young Australians
- Sponsoring the Property Industry Foundation
- Working with community partners to raise funds and provide services and employment programs to those in need in communities we operate in

What we focus on

- Partnering with social enterprises and community organisations to deeply understand issues where our approach and business can make the most difference
- Volunteering to support cost of living pressures through emergency food hamper packing
- Social inclusion
- Supporting communities impacted by disaster and hardship
- Maximising social impact of community initiatives

Our response

**High-performing talent**  
**Strong communities**  
**Healthy places**  
**Pathways to prosperity**

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1. Engaging closely with Reconciliation Australia on the development of our new RAP, with an intended launch to be set in the coming months.



# Material topics

Throughout FY24 we have continued to align our material topics and respond to global megatrends. This informs and aligns with our sustainability framework and drives environmental and social performance at an asset, fund and organisational level. Below is a summary of our alignment to our pillars, relevant global megatrends and the UN SDGs.

Refer to [Definitions of our material topics](#) for further information.

Strategic pillars	Material topics	Relevant global megatrend(s)	Alignment to UN SDGs
<b>Climate action</b> <a href="#">Page 24</a>	Climate change	<ul style="list-style-type: none"> <li>Global warming</li> <li>Decarbonisation</li> <li>Circular economy</li> <li>Nature loss</li> <li>Built environment technologies</li> </ul>	  
<b>Strong communities</b> <a href="#">Page 40</a>			
<b>Climate action</b> <a href="#">Page 24</a>	Energy efficiency and renewables	<ul style="list-style-type: none"> <li>Global warming</li> <li>Decarbonisation</li> <li>Circular economy</li> <li>Built environment technologies</li> </ul>	 
<b>Rethink resources</b> <a href="#">Page 30</a>	Responsible and sustainable supply chain Resource efficiency	<ul style="list-style-type: none"> <li>Decarbonisation</li> <li>Materials revolution</li> <li>Circular economy</li> <li>Built environment technology</li> <li>Geopolitical conflict</li> </ul>	
<b>Restore nature</b> <a href="#">Page 33</a>	Biodiversity	<ul style="list-style-type: none"> <li>Nature loss</li> </ul>	 
<b>High-performing talent</b> <a href="#">Page 35</a>	Employee engagement and satisfaction	<ul style="list-style-type: none"> <li>The future of work</li> <li>Changing demographics</li> <li>Urbanisation</li> <li>Workplace health and wellness</li> </ul>	   
<b>Deep customer partnerships</b> <a href="#">Page 38</a>	Customer engagement and satisfaction	<ul style="list-style-type: none"> <li>The future of work</li> <li>Built environment technologies</li> <li>Global warming</li> <li>Future of mobility</li> </ul>	
<b>Strong communities</b> <a href="#">Page 40</a>	Community and social inclusion	<ul style="list-style-type: none"> <li>Urbanisation</li> <li>Changing demographics</li> <li>Built environment technology</li> </ul>	   
<b>Healthy places</b> <a href="#">Page 43</a>	Health, safety and well-being	<ul style="list-style-type: none"> <li>Workplace health and well-being</li> <li>The future of work</li> <li>Urbanisation</li> </ul>	 
<b>Pathways to prosperity</b> <a href="#">Page 46</a>	Community and social inclusion	<ul style="list-style-type: none"> <li>Urbanisation</li> <li>Demographics</li> <li>Built environment technologies</li> </ul>	  
<b>Sustained returns</b> <a href="#">Page 49</a>	Sustainable growth and returns	<ul style="list-style-type: none"> <li>The future of work</li> <li>Focus on sustainability/ESG</li> </ul>	
<b>Governance</b> <a href="#">Page 52</a>	Responsible investment Business ethics and compliance Innovation and technology	<ul style="list-style-type: none"> <li>Focus on sustainability/ESG</li> <li>Geopolitical conflict</li> </ul>	 



# Independent benchmarks

To provide confidence to our investors and stakeholders, we align to best practice independent rating tools for our assets and portfolios. This allows us to measure our progress, validate performance and align to emerging trends for real estate.

## Responsible investment

We align to globally recognised benchmarks to support and respond to evolving investor requirements and benchmark our performance.

### Global Real Estate Sustainability Benchmark (GRESB)

In the 2023 Global Real Estate Sustainability Benchmark (GRESB) results our achievements include:

- 15 funds ranked in the top 20% out of more than 2,084 listed and unlisted funds;
- Charter Hall Brisbane Square Wholesale Fund (BWSF) awarded Global Sector Leader Office;
- Charter Hall Prime Office Fund awarded Global Sector Leader in development;
- Charter Hall Retail REIT ranked first in Oceania for Listed Retail;
- Charter Hall Prime Industrial Fund (CPIF) and Core Logistics Partnership ranked second and third respectively Australia Unlisted Industrial.

### Principles for Responsible Investment

Charter Hall has been a [signatory](#) to the UNPRI since 2008. Our FY24 Transparency Report will soon be available on the UN PRI Data Portal.

## High performing assets

We continue to use Green Star, NABERS and WELL to demonstrate our commitment to creating a healthy, sustainable and efficient built environment for our customers and communities.

We are proud to maintain Australia’s largest independently rated portfolio of real estate. In FY24, we completed Green Star Performance certification of approximately 7.1 million sqm across our Office, Retail and Industrial & Logistics sectors. As part of this certification, we now have Australia’s largest 5 star Green Star Performance rating for our Office platform. This includes a record 12 assets achieving 6 star, the highest possible rating, signifying “World Leadership” in sustainability performance.

We actively participate in the development and piloting of new rating standards for NABERS and Green Star. We work alongside the PCA and the GBCA in lifting performance, innovation and accountability across the property sector. We also participate in a range of ESG surveys to benchmark our sustainability performance against peers and industry norms.

With 1.7 million sqm WELL at Scale certified and 1.4 million sqm WELL Health and Safety certified, we’ve continued to leverage the WELL Building Standard to make meaningful progress on creating better workplaces and advancing human health and wellness. Maintaining Australia's largest ratings coverage across both scores, WELL supports our approach to leveraging operational efficiencies by scaling our health strategies and supporting tenant customers with theirs.



### NABERS

5.1 star

NABERS Energy portfolio rating for Office, covering 100% of eligible<sup>1</sup> Office assets (by area)

5.1 star

NABERS Energy portfolio rating for Retail, covering 80% of eligible<sup>1</sup> Retail assets (by area)

### Green Star

6.0 star

12 Office assets achieved the highest possible rating of Green Star Performance

5.0 star

Green Star Performance portfolio rating, covering 93% of eligible<sup>1</sup> Office assets (by area)

3.0 star

Green Star Performance portfolio rating, covering 100% of eligible<sup>1</sup> Retail assets (by area)

2.0 star

Green Star Performance portfolio rating, covering 71% of eligible<sup>2</sup> Industrial & Logistics assets (by area), achieving the largest rating for this sector in Australia

### WELL

1.7m sqm

WELL at Scale

1.4m sqm

WELL Health and Safety

#### Achieved:

- Australia’s largest WELL at Scale and WELL Health and Safety ratings coverage
- Platinum WELL Certification at 130 Lonsdale Street
- 56 Office assets including five Charter Hall workplaces achieved WELL Health Safety ratings

1. Refers to assets that are in our operational control and meet the criteria for a NABERS or Green Star Performance rating.  
2. Refers to assets that meet the criteria for Green Star Performance ratings.










# Performance against targets

Accelerated Progressed Progressed but behind schedule

The following table summarises our performance against our targets in the past year and looking forward to FY24 and beyond.

Strategic Pillars and UN SDGs	Goals	Measure	FY24 achievements	Looking forward to FY25 and beyond
<div>Climate action</div> <div></div> <div>Page 24</div>	<b>Carbon and climate action</b> Achieve Net Zero emissions in our operations	100% Net Zero (Scope 1 and Scope 2) <sup>1</sup> by 2025	<div> 71% reduction in carbon emissions (Scope 1 and 2)<sup>2</sup> compared to FY17 baseline</div> <div> Forward procured three years of nature-based carbon offsets, to support Net Zero Carbon in operation target, deliver benefits for First Nations communities and mitigate carbon price volatility</div> <div> Owned Office assets at 30 June achieved Net Zero emissions in operation for Scope 1 and Scope 2 emissions<sup>3</sup></div> <div> 90% of Office assets with gas heating systems completed electrification feasibility studies</div> <div> Progressed our understanding of physical climate risks for the portfolio aligned to the latest climate models, and continued to integrate adaptation measures into Strategic Asset Plans</div>	<div>– 100% Net Zero emissions (Scope 1 and Scope 2)<sup>1</sup> by 2025</div> <div>– Establish Electrification pathways for all assets under operational control by 2025</div> <div>– Incorporate climate change adaptation planning in Strategic Asset Plans by 2025</div> <div>– Four Office assets will be electrified over the next 18 months</div>
	<b>Energy efficiency</b> Maintain a highly energy-efficient portfolio powered by clean energy	100% renewable electricity by 2025 for all Charter Hall assets under operational control	<div> Over 80% electricity supplied from renewable sources for assets in operational control</div> <div> Group-wide renewable PPA leveraged secure market linked renewable electricity pricing until 1 July 2025, FY26 in QLD, NSW and VIC</div>	<div>– 100% renewable electricity by 2025 for all Charter Hall assets under operational control</div>
	<b>Resilience and adaptation</b> Fortify and improve the adaptive capacity of our portfolio to climate-related impacts	Partner with our customers and suppliers to reduce emissions in our value chain	<div> 80MW of solar installed and 12.5MWh of batteries installed Group-wide</div> <div> Progressed benchmarking of upfront carbon emissions for recent Office and Industrial Developments</div>	<div>– Continue to partner with customers on opportunities for on-site solar, with an additional 11MW committed</div> <div>– Feasibility studies underway for the installation of an additional five batteries in Retail Shopping Centres</div>
	<b>Innovation</b> Accelerate automation and operational performance with technology		<div> Commenced independent assessment and verification of scope 3 emissions inventory of baseline year</div> <div> 77% tenant data coverage for all Charter Hall reporting entities in the Global Real Estate Sustainability Benchmark (GRESB) in 2023</div>	<div>– Partner with suppliers to improve data collation and measurement of upfront carbon</div> <div>– Achieve 6 star Green Star Buildings for all new Office developments, which includes a commitment to 40% reduction in upfront embodied carbon<sup>4</sup></div> <div>– Achieve 5 star Green Star for all new Industrial &amp; Logistics developments, which includes a commitment to 40% reduction in upfront carbon<sup>4</sup></div>
				<div>– Continue to increase tenant data coverage and emissions data quality to support Climate Disclosures and Scope 3 targets for down stream emissions</div> <div>– 50% reduction in tenant emissions intensity<sup>5</sup> by 2030, against baseline year</div>

1. Our Net Zero target applies to Scope 1 and Scope 2 emissions for existing assets that fall under the operational control of responsible entities for which Charter Hall Limited is the controlling corporation. Where residual Scope 1 emissions are offset, Charter Hall will use high quality nature-based offsets.

2. Emissions have been calculated using the market based methodology.

3. Eligible Australian Office assets approved to participate in Offset procurement, representing 6,756 of Scope 1 related emissions under the operational control of responsible entities for which Charter Hall Limited is the controlling corporation.

4. For Office developments commencing construction in 2026 and for Industrial & Logistics developments reaching practical completion in 2030, calculated from a reference building in line with GBCA guidance at practical completion.

5. Where the emission boundary is defined by energy using equipment in the lease as landlord responsibility. This target reflects current business activity and plan. Charter Hall will monitor emerging reporting frameworks, reserving the right to change this target in the future.



Performance against targets

Accelerated

Progressed

Progressed but behind schedule

Strategic Pillars and UN SDGs	Goals	Measure	FY24 achievements	Looking forward to FY25 and beyond
<div><div><div><div>9</div><div>INDUSTRY, INNOVATION AND INFRASTRUCTURE</div></div><div><div>12</div><div>RESPONSIBLE CONSUMPTION AND PRODUCTION</div></div></div><div><div>Page 30</div></div></div> <div>Rethink resources</div>	<div><div><b>Waste</b></div><div>Minimise waste to landfill in operations and development</div></div> <div><div><b>Materials</b></div><div>Maximise reuse, repair, recycling and repurposing to reduce the need for raw materials</div></div> <div><div><b>Supply chain innovation</b></div><div>Embed circular economy principles into our materials use and supply chain</div></div>	<div>Achieve 75% diversion from landfill at our Office and Shopping Centre Retail assets by 2030, where we manage waste</div> <div>Implement a circular economy approach by FY25</div>	<div><div>✓</div><div>Achieved 44% diversion of operational waste from landfill, for Office and Shopping Centre Retail assets where we manage waste</div></div> <div><div>✓</div><div>Implementation of our Circular Economy Framework, including roadmaps to integrate approach into sectors</div></div>	<div><div>–</div><div>Embed our circular economy framework by FY25</div></div> <div><div>–</div><div>Achieve 50% diversion from landfill at our Office and Shopping Centre Retail portfolios by 2025, where we manage waste</div></div> <div><div>–</div><div>90% diversion from landfill by 2030 for construction and demolition waste</div></div>
<div><div><div><div>6</div><div>CLEAN WATER AND SANITATION</div></div><div><div>15</div><div>LIFE ON LAND</div></div></div><div><div>Page 33</div></div></div> <div>Restore nature</div>	<div><div><b>Water</b></div><div>Conserve freshwater resources and reduce reliance on potable water</div></div> <div><div><b>Biodiversity</b></div><div>Minimise adverse impacts to biodiversity through our assets and supply chain.</div></div> <div>Restore and regenerate the natural environment to maintain and enhance the integrity of nature</div>	<div>Prepare water strategy to address future climate scenarios by FY25</div>	<div><div>✓</div><div>Water strategy progressed, including understanding our water footprint (operational control and tenant consumption)</div></div> <div><div>✓</div><div>257 sites across the Industrial &amp; Logistics portfolio have rolled out water submeters. This covers over 69% of the sector by area</div></div> <div><div>✓</div><div>Secured Australian nature based carbon offsets, contributing to nature benefits through savanna burning and environmental planting</div></div>	<div><div>–</div><div>Progress our water strategy, with a focus on Improving data capture and completeness</div></div> <div><div>–</div><div>Continue to integrate our approach to nature and alignment to emerging frameworks</div></div>
<div><div><div><div>5</div><div>GENDER EQUALITY</div></div><div><div>8</div><div>DECENT WORK AND ECONOMIC GROWTH</div></div><div><div>10</div><div>REDUCED INEQUALITIES</div></div></div><div><div>Page 35</div></div></div> <div>High-performing talent</div>	<div><div><b>Engaging employees</b></div><div>Create a culture with our people that drives innovation and an entrepreneurial spirit</div></div> <div><div><b>Unlocking potential</b></div><div>Build capabilities for the future by leveraging our operating model to unlock potential for our business and customers</div></div> <div><div><b>Reimagining work</b></div><div>Leverage technology to reshape roles and set up for growth</div></div> <div><div><b>Celebrating difference</b></div><div>Attract and develop talent that represents our diverse customer base and communities (gender, age, LGBTQ+, First Nations, disability and ethnicity)</div></div>	<div>Continue to achieve employee engagement above global high-performing norm</div> <div>Female participation on CHC Board of &gt;40%, and in senior management of &gt;40% by FY25</div> <div>100% succession and development plans in place for business critical roles</div>	<div><div>▶▶</div><div>In our Annual Engagement and Culture Survey Charter Hall received a 89% engagement and 95% employee participation rate</div></div> <div><div>▶▶</div><div>More than 90% of our people said they would recommend Charter Hall as a good place to work</div></div> <div><div>▶▶</div><div>Received Silver status in the annual Pride in Diversity Australian Workplace Equality Index (AWEI)</div></div> <div><div>▶▶</div><div>Retained our Workplace Gender Equality Agency (WGEA) Employer of Choice citation</div></div> <div><div>✓</div><div>29% female participation on Charter Hall Board (executive and non-executive directors)</div></div> <div><div>✓</div><div>37% female participation in senior management positions</div></div> <div><div>✓</div><div>55% female participation in the workforce</div></div> <div><div>✓</div><div>Succession and development plans have been implemented for all business critical roles</div></div>	<div><div>–</div><div>Continue to achieve global high-performing employee engagement</div></div> <div><div>–</div><div>Continue to deeply embed inclusion through Employer of Choice for Gender Equality and AWEI</div></div> <div><div>–</div><div>Female participation on Charter Hall Board of &gt;40%, and in senior management of &gt;40% by FY25</div></div>



Performance against targets



Accelerated



Progressed



Progressed but behind schedule

Strategic Pillars and UN SDGs	Goals	Measure	FY24 achievements	Looking forward to FY25 and beyond
<b>Deep customer partnerships</b>  <a href="#">Page 38</a>	<b>Customer engagement</b> Engage with our customers through regular formal and informal feedback sessions to build an understanding of their needs	Maintain high level of customer satisfaction through active engagement	 Combined cross-sector Net Promoter Score (NPS) steady at +52, a strong result for the third year, with an NPS of +66 among top customers.	<ul style="list-style-type: none"> <li>Invest in centralised and connected data to deepen our understanding of customer needs</li> </ul>
	<b>Strategic growth</b> Leverage our cross-sector platform and the skills and experience of our people to grow our customer base and meet their business requirements		 61% (by income) of our tenant customers held leases in more than one Charter Hall tenancy	
	<b>Value creation</b> Develop informed, strategic solutions to satisfy customer needs now and in the future		 72% (by income) of our top 20 tenant customers have relationships with us across more than one sector	
	Deliver end-to-end workplace solutions and experiences across all property types		 Established a benchmark to measure our holistic cross-sector experience for top customers	
<b>Strong communities</b>    <a href="#">Page 40</a>	<b>Community resilience</b> Support communities with immediate relief and longer-term recovery from natural disasters and crises	Increase engagement with First Nations organisations to generate economic empowerment and create employment opportunities through our value chain	 Reconciliation Australia endorsed our Stage Two: Innovate Reconciliation Action Plan (RAP)	<ul style="list-style-type: none"> <li>Engage with First Nations organisations to generate economic empowerment and create employment opportunities through our value chain</li> </ul>
	<b>First Nations</b> Facilitate strong and lasting relationships with First Nations peoples			
	<b>Connection through place</b> Design spaces and experiences that develop a sense of belonging and enable communities to connect in a meaningful way	Continue to develop our community partnership framework and social impact tool by 2025	 Donated over \$1.4 million to support communities with resources to build and rebuild strong foundations	<ul style="list-style-type: none"> <li>Continue to develop our community partnership framework and social impact tool by 2025</li> <li>Continue to co-create initiatives that make a genuine long term impact for our communities</li> </ul>
	<b>Community engagement</b> Support community sports to build connections and healthier lifestyles		 Helped recruit an additional 130 volunteers to the Australian Red Cross Emergency Response network through our partnership with Australian Red Cross	
			 Strengthened our partnership with Cricket NSW as the Major Partner of the NSW Women's Cricket Team, the Breakers	
<b>Healthy places</b>   <a href="#">Page 43</a>	<b>Health, safety and hygiene</b> Implement a portfolio-wide strategy to address health, safety and hygiene standards	Maintain WELL Portfolio accreditation in our workplaces with two additional workplaces to achieve at least silver accreditation by 2025	 Maintained WELL accreditation for all our workplaces	<ul style="list-style-type: none"> <li>Seek individual WELL accreditation for at least 2 workplaces in FY25. Targeting Gold or above</li> </ul>
	<b>Human centred design</b> Develop flexible and inclusive places that actively support diversity, well-being, productivity and engagement	Achieve WELL Building accreditations for all new office developments by 2025	 WELL rating for 130 Lonsdale Street, Melbourne was our first Platinum achievement. The 96-point rating is one of the highest scores ever achieved in Australia	
	<b>Wellness programs</b> Deliver health and lifestyle amenities, education and wellness services		 Achieved 5 star or above NABERS Indoor Environment on more than 1 million sqm representing 36 Office assets and maintained WELL Health Safety rating for 56 Office assets covering over 1.4 million sqm	<ul style="list-style-type: none"> <li>Continue to improve the indoor environment for our tenants, benchmarked through NABERS Indoor Environment, WELL Health Safety and WELL at Scale</li> </ul>
		Conduct a psychosocial risk assessment to deeply understand opportunities to further improve well-being and performance	 Five-year strategy endorsed for Workplace Health and Safety	
			 Psychosocial risk assessment was undertaken during the year and we are proactively building a plan for further support for our people	<ul style="list-style-type: none"> <li>Continue to build employee capability through targeted training programs as well as implement our Workplace Health and Safety Strategy</li> </ul>



Performance against targets

Accelerated

Progressed

Progressed but behind schedule

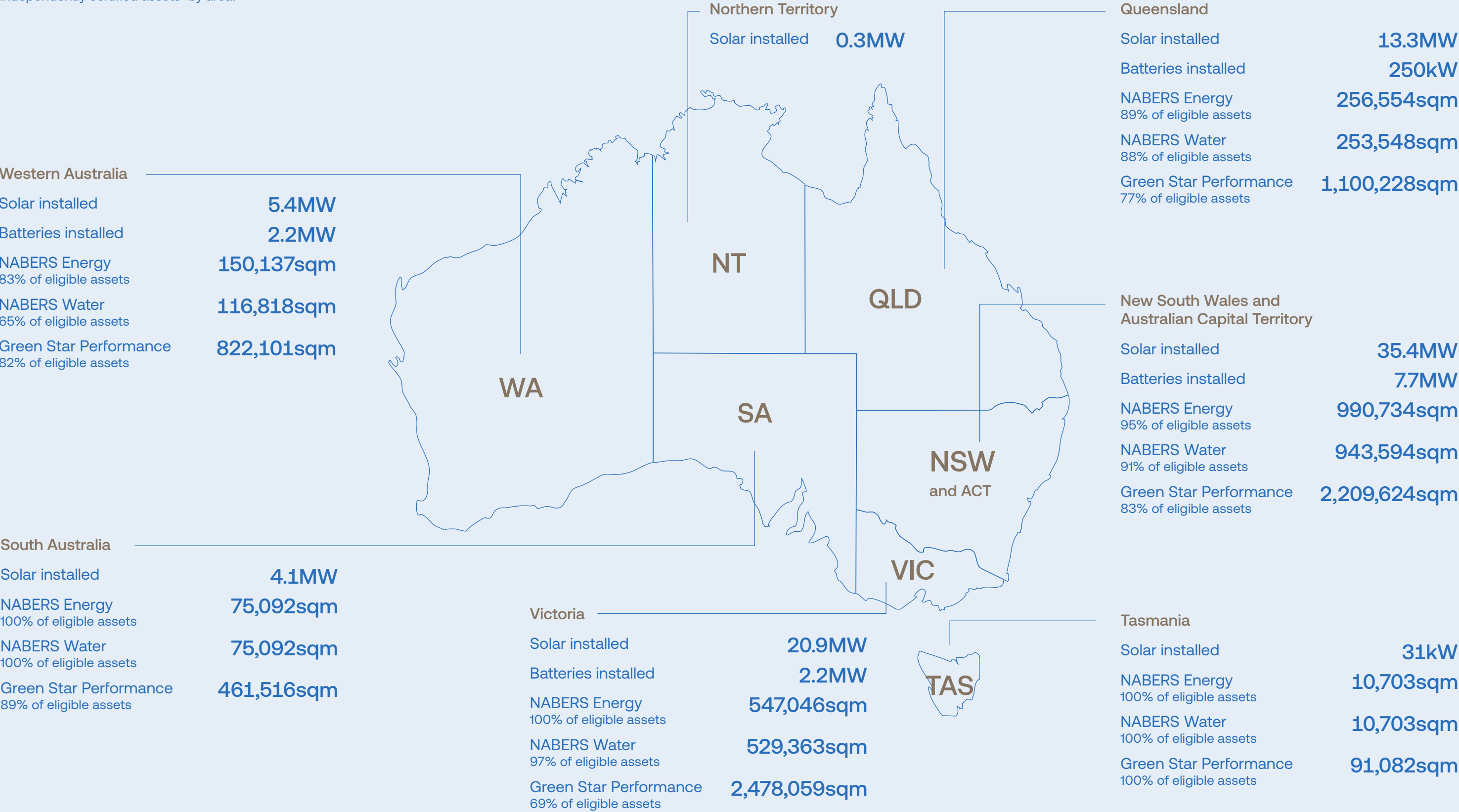
Strategic Pillars and UN SDGs	Goals	Measure	FY24 achievements	Looking forward to FY25 and beyond
<div>Pathways to prosperity</div> <div> </div> <div>Page 46</div>	<b>Pledge 1%</b> Leverage a portion of our profits, space and our people’s time to support our communities	Invest up to 1% of profits <sup>1</sup> , underutilised space <sup>2</sup> and people’s time to community partners	<div> 3,766 hours of volunteering up 11% on last year</div> <div> Over \$2.6 million of under-utilised space<sup>2</sup> provided to community organisations and investment in community activations</div>	<div>– Contribute up to 1% of profits<sup>1</sup>, underutilised space<sup>2</sup> and people’s time to community partners each year to help them achieve positive social impacts by FY25</div> <div>– Volunteer 6,000 hours of time in the community by FY25</div>
	<b>Employment outcomes</b> Improve access to learning, skills and job opportunities to support meaningful employment and sustained livelihoods in the communities in which we operate	Achieve 400 youth employment outcomes by 2025 and 1,200 by 2030	<div> 222 employment outcomes for vulnerable young Australians delivered in partnership with State Based Partners</div>	<div>– Achieve 400 employment outcomes for vulnerable young Australians by 2025 and 1,200 by 2030</div>
	<b>Social procurement</b> Strengthen our social impact through our supply chain partners and processes	Establish a social procurement spend target to support local communities	<div> Over \$2.6 million in spend with social enterprises comprising spend on social procurement with First Nations, Social Traders and Deductible Gift Recipient entities</div>	
<div>Sustained returns</div> <div></div> <div>Page 49</div>	<b>Responsible investment</b> Access and deploy capital in a way that creates value for all stakeholders	Continue to leverage our ESG credentials in support of green finance activity	<div> \$6.4 billion sustainable finance transactions to date, increased by \$3 billion in the period covering approximately 32% of our total debt</div>	<div>– Continue to leverage ESG credentials in support of green finance activity</div>
	<b>Sustainable finance</b> Leverage our approach to ESG to attract and retain capital partners			
<div>Governance</div> <div> </div> <div>Page 52</div>	<b>Ethics</b> Conduct business activities in line with the highest ethical standards	Achieve 100% employee participation in risk and compliance training	<div> In our most recent employee engagement survey we scored 91% for our approach to compliance and ethical business practice</div>	<div>– Train employees on governance and risk management policies, including Group’s Sustainability Policy, Employee Code of Conduct, Human Rights Policy and Work Health Safety Policy</div>
	<b>Cyber security</b> Harness the opportunities of digital technology and data while actively protecting the privacy of individuals and businesses	Work across our technology and operational supply chain to increase cyber awareness, maturity and readiness by FY25	<div> Progressed our cyber security activities</div>	<div>– Continue our emphases on robust data security systems</div> <div>– Maintain 100% employee training on cybersecurity and data governance and continue to strengthen controls on data lifecycle management and ongoing security measures</div>
	<b>Responsible supply chain</b> Procure sustainably and ethically delivered services, products and materials	Maintain approach to independently screening suppliers for Human Rights and Modern Slavery	<div> Released our Fourth Modern Slavery Statement</div>	<div>– Deliver a Sustainable Supply Chain Framework that addresses modern slavery, preferred materials, and circular economy principles by FY25</div>
	<b>Transparency and disclosure</b> Disclose ESG information according to national and international best practice standards and rating systems	Improve Climate related disclosure in line with existing and emerging frameworks	<div> Reviewed our recent disclosures against emerging climate related financial frameworks, and commenced roadmap to address gaps</div>	<div>– Develop our approach to the management of climate related risks and opportunities and integration into risk management and financial reporting</div> <div>– Undertake double materiality to improve our understanding of the material impacts of our business to people and planet, and of impacts to our business that may reasonably affect our financial performance</div>

1. Up to 1% of profits related to property funds management.  
2. Underutilised space provided to community organisations including casual mall leasing, lobby space and value of rent forgone.



# Platform-wide scale

This snapshot highlights our scale in terms of onsite solar, battery storage and independently certified assets<sup>1</sup> by area.



1. Excludes convenience retail and childcare assets where no rating tool is currently available. For Office and Shopping Centre Retail, this only includes assets in Charter Hall's operational control.



# Climate action

Achieve Net Zero and strengthen resilience to climate-related impacts.

Alignment to UN SDGs



Woolworths, Dandenong Distribution Centre, South Vic  
Bunurong land

## Goals

### Carbon and climate action

- Achieve Net Zero in our operations
- Partner with customers and suppliers to reduce emissions in our value chain

### Energy efficiency

- Maintain a highly energy-efficient portfolio powered by clean energy

### Resilience and adaptation

- Fortify and improve the adaptive capacity of our portfolio to climate-related impacts

### Innovation

- Accelerate automation and operational performance with technology

## Measures

100%  
Net Zero (Scope 1 and Scope 2) by 2025<sup>1</sup>

100%  
renewable electricity by 2025 for all Charter Hall assets under operational control

Partner  
with our customers and suppliers to reduce emissions in our value chain

## Key achievements

71%  
reduction in carbon emissions (Scope 1 and 2)<sup>2</sup> compared to FY17 baseline

>80%  
electricity supplied from renewable sources for assets in operational control

80MW  
solar installed Group-wide with 45MW in Industrial & Logistics, 19MW in Shopping Centre Retail, 12MW in Long WALE Retail and 2.6MW in Office

Refer to [page 19](#) for all key achievements and measures

1. Our Net Zero target applies to Scope 1 and Scope 2 emissions for existing assets that fall under the operational control of responsible entities for which Charter Hall Limited is the controlling corporation. Where residual Scope 1 emissions are offset, Charter Hall will use high quality nature-based offsets.  
2. Emissions have been calculated using the market based methodology.



Climate action



As the impacts of climate change continue to intensify, so does the need for accelerated and meaningful progress towards emissions reduction aligned to climate science.

We are on track to achieve our revised target of Net Zero (Scope 1 and Scope 2) by 2025. We have progressed with measurement of our Scope 3 emissions, and continued to reduce downstream tenant emissions through the installation of on-site solar. Our long-term goal is Net Zero for all emissions by 2050.

We are progressing well on reducing Scope 1 and Scope 2 carbon emissions through energy efficiency, electrification, renewable electricity and sourcing nature-based carbon offsets to compensate for residual emissions.

Tenant-related emissions within our assets are the largest contributor to our Scope 3 emissions. That’s why we have focused on gathering tenant data and insights that inform co-investment strategies designed to address their challenges (e.g. energy costs) and support our shared ESG targets. Across the sector, upfront carbon in the supply chain continues to be a key challenge. For Charter Hall, this is our second largest contributor to Scope 3, linked to our development pipeline. To solve this challenge, we are partnering with our supply chain and piloting innovative, low carbon products.

We continue to mature our approach to the management of physical risks to our assets from a changing climate. Recently we have improved the granularity of our assessment by moving from region to location specific variables and have updated to the latest climate models (AR6). We have refined our approach aligned to our risk management framework and continue to incorporate adaptation measures into our strategic asset plans.

Through our involvement in the World Green Building Council, Australian Green Building Council and the Property Council of Australia we regularly contribute and collaborate with our peers to progress the decarbonisation journey.

- During the year, we have progressed our emissions reduction journey by focusing on:
- 1. Material emissions, in particular improving our understanding and measurement on Scope 3 emissions;
  - 2. Refining our approach to physical risk evaluation and adaptation;
  - 3. Understanding the risks and opportunities of a changing climate on our business through application of scenario analysis.

Material Emissions

**Carbon Footprint**

Our carbon footprint relates directly to the emissions produced over the lifecycle of the assets we manage. We have calculated our total carbon footprint and identified our most material value chain emissions as:

- Upfront carbon emissions associated with extraction, manufacturing and transportation of building products to site and construction activities (A1-A5) for our Office and Industrial & Logistics developments;
- Downstream tenant emissions associated with equipment used in our leased assets such as lighting, heating and cooling.

	Emissions type	Description	% of emissions
↑ Emissions we include in our boundary ↓	Scope 1	<ul style="list-style-type: none"><li>– Combustion of fuel on-site (diesel and natural gas)</li><li>– Fugitive emissions from refrigerant leakage</li></ul>	~2%
	Scope 2	Emissions generated by the grid supplied electricity	~5%
	Scope 3 Upstream	Products and services we procure for our Office and Industrial Developments (upfront carbon)	>15%
		Products and services we procure for our Operations including: <ul style="list-style-type: none"><li>– Non-production related activities;</li><li>– Refurbishment &amp; maintenance activities that are landlord responsibility;</li><li>– Emissions associated with transmission and distribution of fuel and energy;</li><li>– Waste where it is the landlord's responsibility.</li></ul>	<10%
	Scope 3 Downstream	Energy using equipment within our tenancies that is our (landlord) responsibility in the lease. This may include lighting, hot water, heating and cooling systems	>65%
↓ Monitor ↑	Financed emissions from our investments	Equity share of emissions associated with: <ul style="list-style-type: none"><li>– Investment in external real estate investment trusts and property related securities;</li><li>– Investment in assets where we do not have influence over operating policies, purchasing decisions or sustainability performance.</li></ul>	🔍 Monitor emissions for inclusion in future reporting
	Emissions associated with whole of asset performance	Whole of asset emissions (landlord and tenant emissions) independent of ownership or control	🔍 Monitor emissions for inclusion in future reporting to emerging stakeholder expectations
↓			



Climate action

Net Zero in operations

We are on track to achieve Net Zero (Scope 1 and Scope 2 emissions) by 2025 for assets in operational control.

Our boundary for reporting is informed by the National Greenhouse and Energy Reporting Act. We report both market and location-based methodologies.

Against our baseline year of FY17, we have achieved a 71% reduction in emissions. This has been achieved through using energy efficiency measures, on and off-site renewable electricity and compensating for residual emissions with nature based carbon offsets.

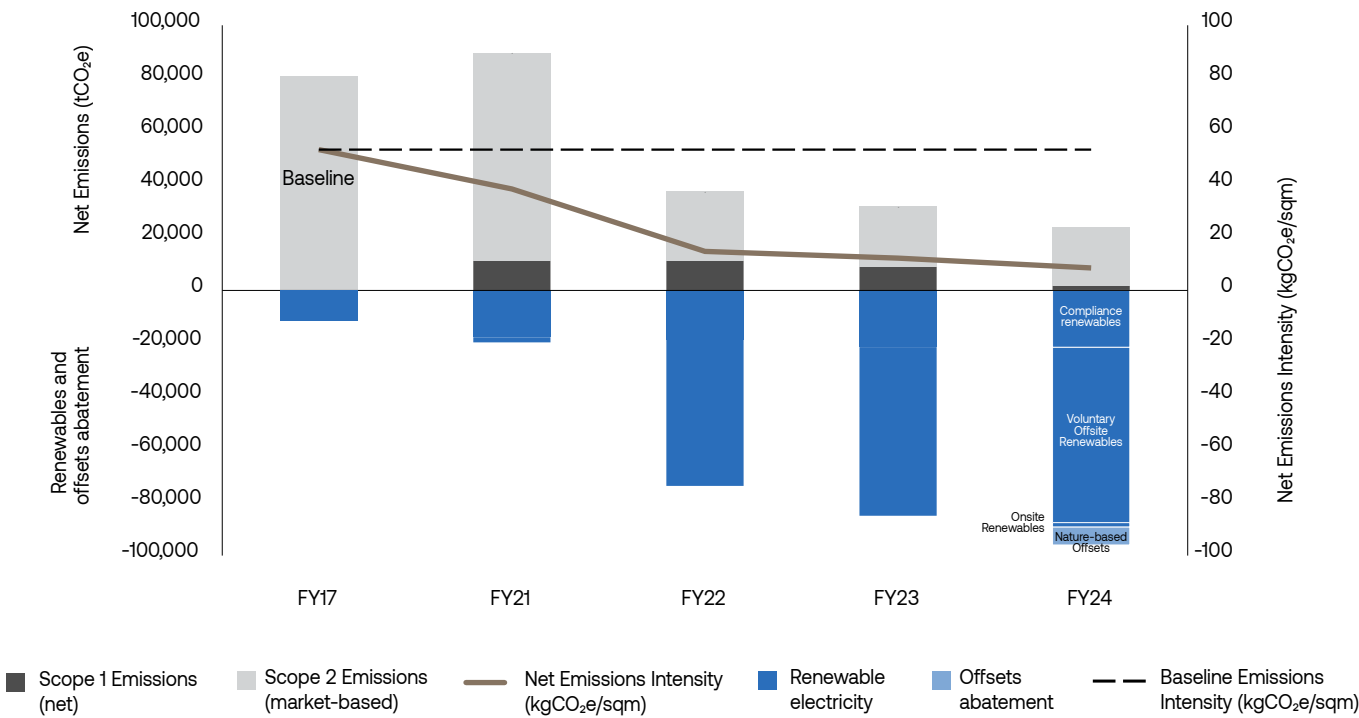
We have achieved:

1833tCO<sub>2</sub>-e  
Scope 1 emissions (net)  
an 81% reduction from last year

21908tCO<sub>2</sub>-e  
Scope 2 emissions  
(market-based)  
a 4% reduction from last year

(Refer to the [ESG databook](#) for further details)

Towards Net Zero by 2025

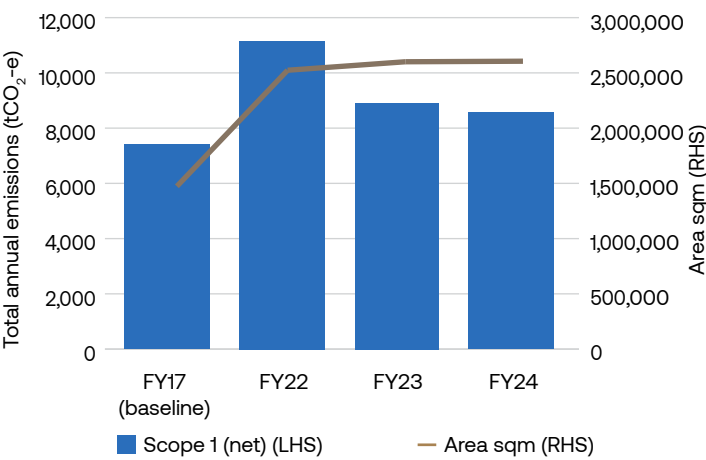


Scope 1 emissions

The bulk of our Scope 1 emissions consist of combustion of natural gas on-site from heating (75%) with the remaining from leakage of refrigerant (25%) and a residual amount from combustion of diesel (<1%).

Our gross Scope 1 emissions have decreased by 4% from FY23. Natural gas consumption has increased by 2% however, has been offset by a reduction in top up refrigerant. The reduction in top up refrigerant amounts is expected due to improved maintenance practices.

Scope 1 emissions (tCO<sub>2</sub>-e)

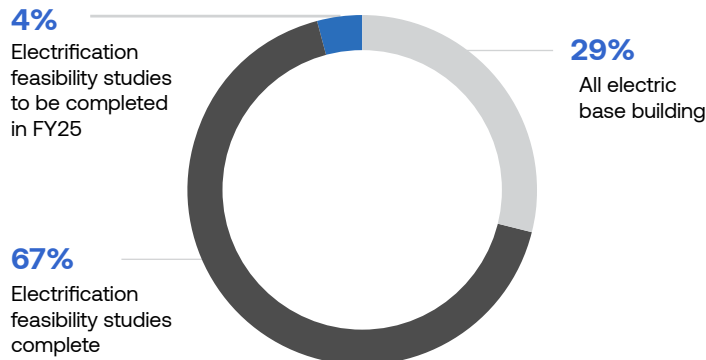


Electrification

The majority of our Scope 1 emissions from gas occur in the Office sector. Of the Office assets within our operational control, 26% are already all electric plant and equipment. To date, we have completed electrification feasibility studies for 67% of Office assets within our operational control, and plan to complete the remaining 7% during FY25.

Over the next 18 months we will electrify four assets. We have scheduled the balance of electrification activities within our strategic asset plans in line with the end of life replacement of gas plant and equipment.

Office assets in operational control



Compensating residual emissions

In line with our Net Zero Scope 1 and Scope 2 roadmap, we are using local high-quality nature based offsets to compensate for residual emissions.

During the reporting year, we leveraged our banking relationship to forward purchase three years of high-quality nature based carbon offsets. We undertake due diligence processes with an independent third party at both acquisition and surrender stages to ensure that we are only purchasing high integrity offsets that genuinely deliver carbon and climate solutions.

Our carbon offset strategy allows for a mix of carbon offsets from environmental planting and savanna burning projects. We have selected carbon offset generation projects that are managed by First Nations peoples, and therefore deliver economic benefit and employment opportunities aligned to our Innovate RAP.



Electrification - Demand drives ongoing energy transition

→ [Read more](#)  
Case studies, see pages 57 to 65



Carbon offsets - Quality offsets contribute to important First Nations outcomes

→ [Read more](#)  
Case studies, see pages 57 to 65



Climate action

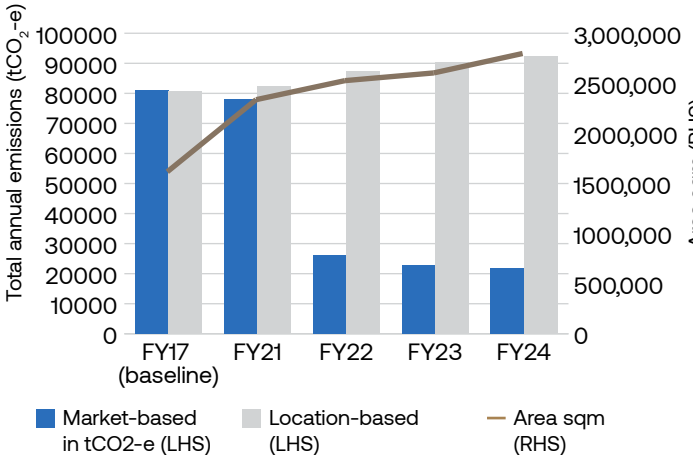


Scope 2 emissions

Our Scope 2 emissions result from the consumption of grid supplied electricity for assets within our operational control. During the reporting period, our Scope 2 emissions (location based) rose by 2% due to an increase in floor area as well as increase in occupancy within the Office sector. Overall our emissions intensity decreased from 38.12kgCO<sub>2</sub>-e/sqm to 36.07kg CO<sub>2</sub>-e/sqm due to a combination of improved energy efficiency and reduction in grid emission factors.

Our Scope 2 emissions (market based) for the period were 21,908tCO<sub>2</sub>-e including the procurement of renewable electricity.

Scope 2 emissions (tCO<sub>2</sub>-e)



Energy efficient portfolio

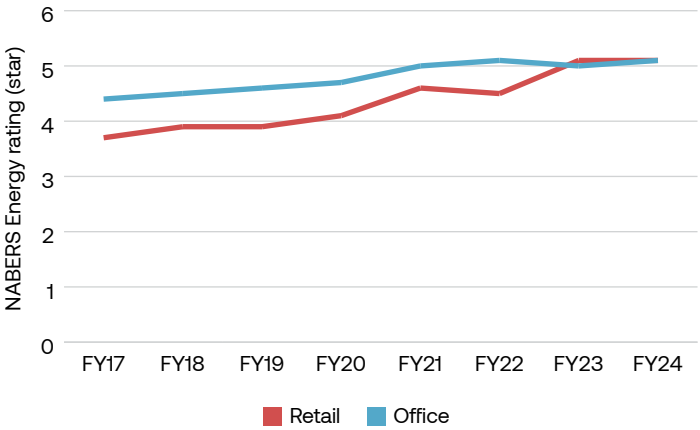
The energy intensity of our portfolio is 223 MJ/sqm, a 1.5% improvement from FY23. We achieved this reduction through:

- Upgrades to chillers and building management systems across a number of assets in the Office portfolio;
- Expansion of the CIM Building Data Analytics platform to include an additional seven buildings. Now covering 64 assets in the Office portfolio, the platform enables the optimisation of key plant and equipment through data analysis and insights to improve energy efficiency, reliability of plant and equipment and occupant comfort. The platform currently monitors over 40,000 individual pieces of equipment and over 4,500 submeters monitor water, gas, temperature and energy.

NABERS Energy ratings

We use the NABERS Energy ratings to benchmark our energy performance. Overall, our NABERS Energy for Office portfolio ratings improved by 0.1 star to 5.1 stars, while the Shopping Centre Retail portfolio maintained their 5.1 Star NABERS Energy portfolio rating.

NABERS Energy - Performance over time



Powered by clean energy

Over 80% of the electricity provided to our assets in our operational control is from renewable sources. Assets within our Office, Social Infrastructure and Industrial & Logistics sectors are supplied with 100% on and off-site renewable electricity. Our renewable off-site electricity is achieved through the procurement and retirement of large scale generation certificates (LGC) equal to 1MWh of renewable electricity generated or displaced at a power station. Clean energy sources include:

- Our long-term Power Purchase Agreement (PPA) with ENGIE for the supply of renewable electricity to our assets in ACT, NSW, Qld, Vic and SA from new solar and wind farms that commenced on 1 January 2024;
- Additional LGC secured from ENGIE for the period 1 July – 31 December 2023;
- An offsite wind farm that supplies our West Australian assets with renewable electricity through an Energy Supply Agreement with Synergy;
- Surrendered LGC generated on-site by our Industrial & Logistics assets against the consumption within Industrial & Logistics assets within our operational control;
- GreenPower (accredited government program for the supply of renewable electricity) or top up LGC sourced directly from the market.
- 19MW of solar has been installed in our Retail portfolio. Currently the LGC associated with these systems are being sold, and the renewable electricity is claimed by others. In 2025, we will commence retirement of these certificates and recognise the supply of renewable electricity certificates.

Battery storage to optimise clean energy

Throughout the year we have experienced increased demand for onsite energy generation, which has also resulted in increased installation of battery storage systems at our assets.

These batteries are supporting peak demand management in our Shopping Centre Retail and Industrial & Logistics sectors where we have installed 11MW and 1.5MW in respectively totalling 12.5MW Group-wide. To maximise the combined 2.4MW of solar at Motorway Industrial Park and Compass Logistics Estate, we have partnered with CEVA and HCL to deliver lower cost energy by deploying excess at night.

Enabling the transition to EV

To support our customers’ transition to electric vehicles (EV), we have:

- Rolled out an additional 136 EV charging locations across nine assets in the Office portfolio, increasing our Office assets with EV charging facilities to 39%;
- Provided 6% of car bays for our Industrial developments with EV charging, and included infrastructure provisions for up to 20% of car bays in the future;
- Partnered with tenant customers across our Retail sector to leverage their expertise in EV charging. In our convenience retail assets, Ampol and BP have installed EV charge infrastructure at 144 service stations (25% of the manned sites we own);
- Agreed terms with Ampol and BP and are progressing the installation of fast chargers at eight shopping centre sites with 70 charging bays. This is a slight reduction in our target for the period as a result of asset sales and capital required to upgrade substation infrastructure at assets with limited space;
- Progressed detailed feasibility studies, particularly within the Office portfolio, to identify further opportunities for installation of EV charging locations.

Designing for the future

Our development pipeline is designed to respond to the need for carbon neutral enabled buildings without gas for major base building plant and equipment. We now have 200,000sqm combined of delivered or under construction assets with all-electric base building plants, powered by 100% grid-supplied renewable electricity.

This includes the recently completed office development 60 King William and 480 Swan Street and two major developments underway at 360 Queen Street in Brisbane and Chifley South in Sydney.

The new Chifley South development in Sydney will deliver more than 50,000sqm of new premium office space to the existing precinct. These works include electrification of the existing tower at Chifley North, demonstrating our ability to optimise and electrify existing buildings in operation.



Climate action

Scope 3 emissions

Scope 3 emissions refer to carbon emissions in our value chain, including upstream (in the procurement of capital goods and services) and downstream (in the management of assets and our investment in assets). Our carbon emissions boundary has been informed by the Greenhouse Gas Protocol Corporate Value Chain Standard, an internationally recognised framework.

To determine the value chain emissions that are relevant to our business, we have considered:

- A financial control approach, where we account for all 100% of emissions over which we have financial control;
- A minimum boundary to focus in on the material emissions where we have the most influence;
- The relevance of each of the 15 distinct categories of value chain emissions outlined by the Greenhouse Gas Protocol. We have considered the nature of our business, investor expectations and guidance provided by Greenhouse Gas Protocol for the property sector;
- The size of emissions for each distinct emission category along with the availability of data.

The following emission categories were found to be most material to our business:

- Downstream tenant emissions;
- Upfront carbon emissions associated with our Office and Industrial & Logistics development pipeline.

We will continue to monitor emerging guidance on the measurement and disclosure of Scope 3 emissions and undertake regular relevance and material testing of our value chain focus areas.

We have selected the reporting period of July 2021 to June 2022 as the baseline year (FY22 Baseline).

Upfront carbon

Upfront carbon refers to the emissions associated with the extraction, manufacture and transportation of building products to site as well as construction activities (A1-A5) all the way to completion. It is categorised as a subset of embodied carbon during the whole building lifecycle and represents approximately 16% of all emissions in Australia from the built environment.

We have commenced baselining our Scope 3 Category 1 emissions for Office and Industrial & Logistics developments, including new build and major refurbishments. We’re partnering with our supply chain to ensure accurate calculation of upfront carbon emissions, and in the interim have aligned our methodology with the EN15978 Sustainability of construction works and GBCA Upfront Carbon Emissions Calculation Guide.

The data gathering process is taking longer than we expected due to the complexity of gathering information for which there’s no consistent methodology or standard, particularly for Office assets. As a result, we are engaging extensively with our supply chain to gather accurate and high-quality data, and are seeking additional clarification where it’s needed to ensure consistency and comparability in the calculation of our upfront carbon baseline.

The current baseline work will inform:

- Development of an Embodied Carbon Roadmap that integrates upfront embodied carbon data and guidance within standard project processes;
- Identification of education and training needs across internal and external stakeholders to improve upfront embodied carbon outcomes;
- Development of standard reporting templates;
- Development of benchmarks and reduction upfront embodied carbon pathways.

We continue to engage with our peers through involvement in GBCA, NABERS and Industrial Leadership Sustainability Committee (ILSC) on the development of industry tools to support a consistent approach for the collation of upfront carbon emissions. During the year, we piloted a number of low carbon alternatives in partnership with our project manager Richard Crookes at our Light Horse Logistics Hub Development, including:

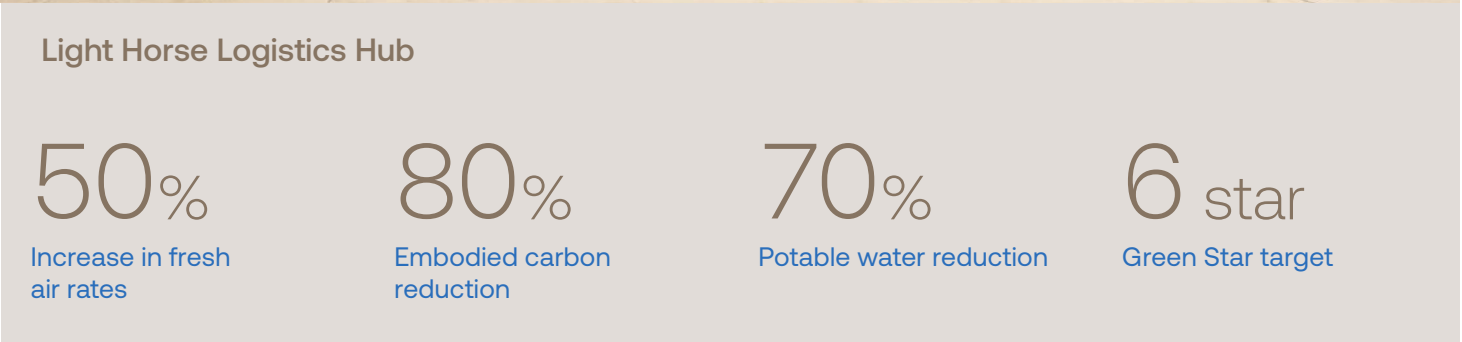
- Use of low carbon concrete in our footpath mix and concrete precast panels and low carbon green asphalt. The products achieved low carbon through use of reclaimed material such as slag, fly ash or glass. This did not impact durability or strength, however use of these products did attract a small premium;
- Replacement of steel and concrete with locally sourced structural timber within the Office component of the development providing an 80% reduction in the structural embodied carbon associated versus the conventional concrete and steel structure.

Within Light Horse Logistics Hub development we are also targeting a 60% reduction in operational carbon emissions through strategic design and on-site renewable electricity solutions.

Downstream tenant emissions

In FY23, we established a target of 50% reduction in downstream tenant emissions by 2030<sup>1</sup>. These emissions are associated with energy-using equipment within the leases at our assets.

During the year we have reduced our Scope 3 emissions by partnering with our tenants to share information, co-investing in initiatives which support shared emissions reduction targets, by:



Providing renewable electricity to our tenants within embedded networks in our office assets in WA and Qld;

- Partnering with tenants in our Office assets to undertake a Co-Assess NABERS rating, benchmarking their energy and carbon performance and providing guidance on measures to improve performance;
- Rolling out an additional 11MW of solar across 9 assets, contributing to our total installed solar of 72MW supplying directly to tenants;
- Partnering with tenants on collation of tenant-related energy, water and waste consumption. For the FY23 period we have achieved 77% coverage of tenant energy based on tenant data compiled for our Funds participating in GRESB;
- Progressed our methodology for measurement of emissions, including estimations where tenant energy data is not available.

Communicating our performance

We participate in the GRESB benchmark, which is used by investors to understand and measure the performance of our funds and assets.

We regularly respond to investor queries for carbon emission data, leveraging our third party assured data to help investors with their financed emissions reporting needs at an asset and fund level.

We have measured our emissions against the Carbon Risk Real Estate Monitor (CRREM). We have also integrated the Australian Energy Market Operator (AEMO) scenarios for decarbonisation of the national electricity grid. By comparing our whole of asset carbon emissions against the modified CRREM trajectory, we can benchmark whole of asset against the 1.5°C Paris aligned trajectory to identify and support continued integration of emissions reduction strategies into strategic asset planning.

1. Target is to be achieved without carbon offsets. Target reflects current business activity and plan. Charter Hall will monitor emerging reporting frameworks, reserving the right to change the target in the future.



Climate action

Resilience and adaptation

Physical climate risk

Our work this year has created increased awareness across the business of the physical risks and opportunities of a changing climate on our portfolio. We have aligned our physical risk approach to updated climate models and worked with asset management teams to mature our risk assessment and adaptation planning. This work supports the Group to meet future climate reporting standards and continuously evolve our approach.

We’ve also updated our approach to assessing physical climate-related risk in the due diligence and decision-making processes for investment opportunities to make it consistent with the assessments undertaken for our stabilised assets. The Climate Change Exposure Assessment utilises the same climate data as our stabilised assets and identifies red and amber flags as part of the acquisition process, with the findings embedded within investment papers.

To date our physical risk exposure has identified:

- A number of assets that are located in a one-in-100-year floodplain. In general these assets have considered the floodplain risk, with floor levels above the floodplain and/or mitigation measures in place such as flood gates. Further investigation is underway to determine the adequacy of these controls to combat the increased risk of flood and inform the inherent risk;
- A very small number of assets are located in low lying coastal zones subject to sea level rise. Further investigation is underway to determine the inherent risk and if broader measures (e.g. coastal zone management measures) are in place to combat the increased erosion and threat of inundation.

From 2050, our portfolio is subject to an increasing risk of chronic physical impacts such as extreme rainfall, heat stress and water scarcity. Adaptation measures will be incorporated into strategic asset planning to consider the following at end-of-life replacement:

- Improvements to roofs, guttering and site drainage systems to address increased and more intensive rainfall;
- The size and type of cooling system, along with increased vegetation and shading, to address increased heat stress.

Climate-related risks and opportunities

This year, we undertook a series of workshops with leaders from across the business to update our climate-related risks and opportunities. We looked at the possibilities between now and 2050 across our three future climate scenarios: equitable well-being; technology and policy effectiveness; and regional rivalry.

More than 5% of our workforce participated in these workshops including members of our risk, finance, asset and property management, funds management, customer and investor relations teams. In these workshops we explored risks and opportunities related to customer, brand and reputation, market conditions, supply chain, policy and technology and asset operations, with our people sharing their views and engaging in group discussion.

The workshops were supported by an external climate change advisory practice with expertise in applying physical and transitional risks to real estate, and was informed by the Intergovernmental Panel on Climate Change (IPCC), Network for Greening the Financial System and the International Energy Agency.

Our seven climate-related exposures

1. **Products and services:** Ability of existing portfolio, current pipeline and strategic focus to adapt to evolving market conditions;
2. **Supply chain:** Cost impacts and support challenges of resources due to climate change impacts;
3. **Access to capital:** Evolving investment landscape resulting from varying climate outcomes;
4. **Physical impacts to assets:** Impact of climate change on assets and tenants affecting operation costs, asset valuation, business continuity and tenant mix;
5. **Policy:** Increasing climate related regulation impacting capital and operating expenditure;
6. **Resource availability:** Reduced resource availability and access to energy due to transition to a lower carbon future, requiring innovative approaches to procurement and asset operation;
7. **Partnership:** Opportunities to leverage our scale and partner with our value chain to drive support for the transition to a low carbon economy through people and procurement.



Our climate-related impacts have been benchmarked against local and international peers and mapped to the UN Environment Programme Finance Initiative’s key climate risks in the real estate sector.

Moving forward, we will seek to measure the potential impacts of the climate-related exposures on our business in alignment with ASRS reporting requirements.

Looking forward

- Establish electrification strategies for all assets under our operational control by 2025
- Incorporate climate change adaptation planning into Strategic Asset Plans by 2025
- 100% renewable electricity by 2025 for all Charter Hall assets under our operational control
- Achieve Net Zero Scope 3 emissions before 2050 aligned to science based methodology
- 50% reduction in tenant emissions intensity by 2030, against our FY22 baseline year
- Achieve 6 star Green Star for all new Office developments, which includes a commitment to 40% reduction in upfront embodied carbon
- Achieve 5 star Green Star for all new Industrial & Logistics developments, which includes a commitment to 40% reduction in upfront carbon
- Increase tenant data coverage to support Net Zero targets

Our climate change adaption process

Risk exposure	Inherent physical risk	Adaptation planning	Residual risk	Target
Climate variables assess at RCP8.5 and 2050 to determine likelihood of impact from physical climate change <ul style="list-style-type: none"><li>– River flood</li><li>– Urban flood</li><li>– Sea level rise</li><li>– Water scarcity</li><li>– Bushfire</li><li>– Heat stress</li><li>– Cold spell</li><li>– Wind storm</li></ul>	Determine the consequence of physical climate variables with consideration for the attributes of the asset <ul style="list-style-type: none"><li>– Purpose</li><li>– Age</li><li>– Elevation</li><li>– Implemented adaptation measures</li></ul>	Identify of adaptation measures Integrate into strategic asset plans	Update following implementation of adaptation measures	Incorporate climate change adaptation planning into Strategic Asset Plans by 2025
Risk Management Framework				

Progress on assessment of Physical Risk

	Office	Shopping Centre Retail	Industrial & Logistics	Social Infrastructure	Long WALE Retail
% Sector (by area)	100%	100%	100%	58%	40%
Risk Exposure	✓	✓	✓	✓	✓
Inherent risk	⌚	⌚	⌚	📍	📍
Adaptation planning	⌚	⌚	⌚	⌚	⌚

✓ Complete ⌚ In progress 📍 To commence in FY25



# Rethink resources

Evaluate use of resources as we transition to a circular economy.

Alignment to UN SDGs



Bateau Bay Square, Bateau Bay NSW  
Darkinjung land

## Goals

### Waste

- Minimise waste to landfill in operations and development

### Materials

- Maximise reuse, repair, recycling and repurposing to reduce the need for raw materials

### Supply chain innovation

- Embed circular economy principles into our materials use and supply chain

## Measures

75%

diversion from landfill

achieved at our Office and Shopping Centre Retail assets by 2030, where we manage waste

By 2025

Circular Economy approach to be implemented

## Key achievements

44%

diversion of operational waste

from landfill achieved for our Office and Shopping Centre Retail assets where we manage waste

Circular Economy Framework

implementation of our roadmaps to integrate approach into sectors



Rethink resources

Reevaluating how we use resources across our platform is part of our approach to successfully transitioning our company to a circular economy and protecting the environment.

Our approach has focused on minimising waste to landfill in our operations and development projects, and maximising opportunities for reuse, repair and recycling of materials. We are actively integrating circular economy principles in our operations and supply chain, where we can make the most difference.

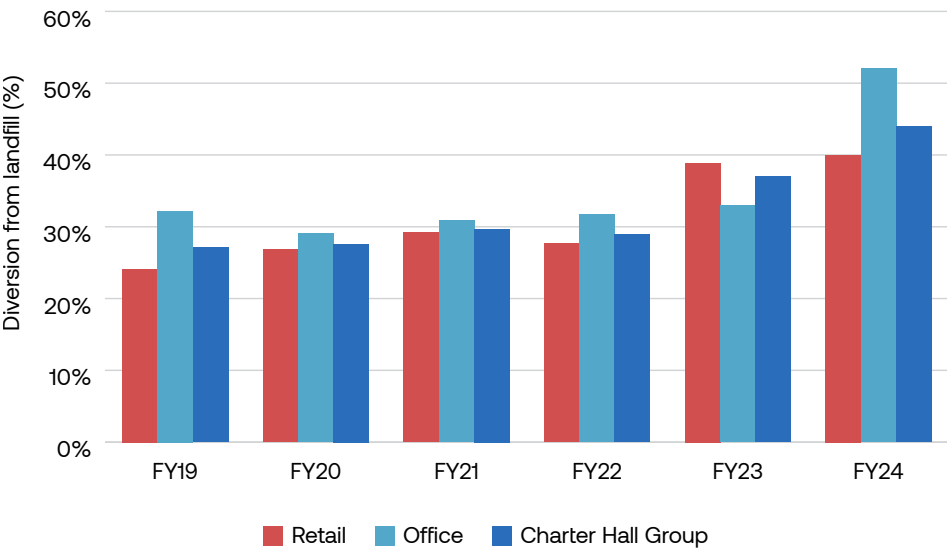
Diverting operational waste

We manage waste collection at most of the Office and Shopping Centre Retail assets within our operational control as a result of leasing arrangements and agreements with tenants. Our shopping centre assets have historically generated more than 60% of the waste generated, with office contributing the remainder.

Property management and asset management teams have been focused on contracting, educating and implementing performance objectives to improve our operational waste. Total waste generated this year was over 15,000 tonnes, which is an increase of 3% compared to the prior period, driven by increased occupancy levels in Office assets and increased foot traffic in Shopping Centre Retail assets.

Despite an increase in total Group waste, our initiatives have seen waste diverted from landfill increase by 7%, taking our Group wide diversion rate to 44%.

Waste diverted from landfill<sup>1</sup>



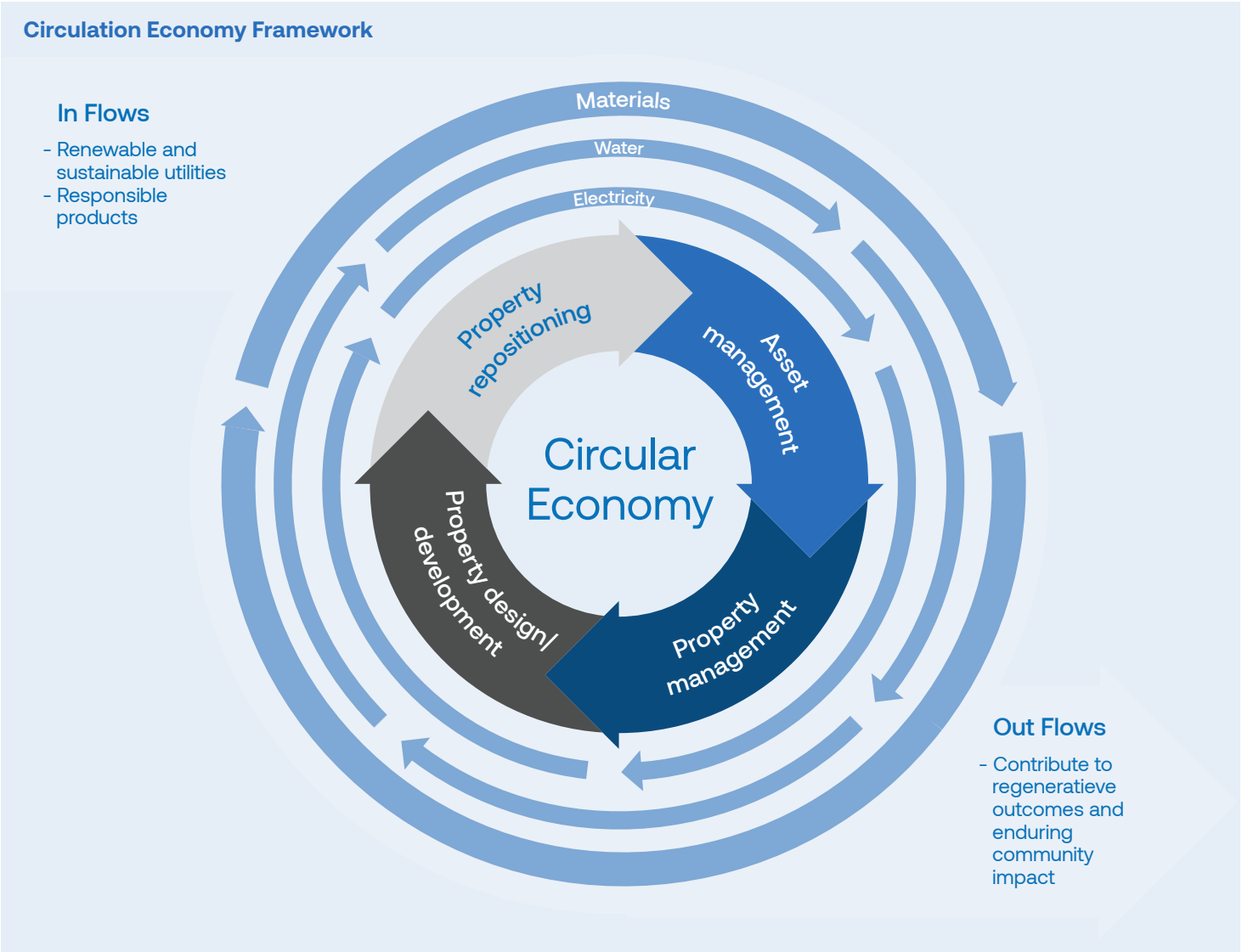
Our Retail Shopping Centre portfolio achieved a 40% diversion rate from landfill, a slight increase of 1% achieved through:

- Regular audits to identify issues and process improvements;
- Further rollout of organics, including streamlining the collection process to reduce contamination;
- Ongoing liaison with tenants to promote correct separation of waste.

Our Industrial & Logistics portfolio, has very little operational waste control given this is typically the responsibility of tenant customers. Throughout the period we have engaged customers on environmental data sharing beyond electricity and water. This has resulted in over 10% of customers sharing their waste data with us, helping us to better understand the sustainability challenges and opportunities for our customers.

Our Office portfolio significantly improved diversion rates from 33% to 52%, through the introduction of wet/dry separation of waste in Sydney CBD offices. Key achievements included:

- Benchmarking of performance, with all Office assets completing a NABERS Waste assessment;
- Improving data measurement, including movement to actual weights;
- Tenant customer engagement programs to promote the correct separation of waste.



Rethinking use of materials

Circularity provides opportunities to drive operational cost savings, deliver on our tenant customers' expectations, unlock opportunities for social procurement, limit biodiversity loss and enable carbon emission reductions in our value chain. The volume and type of material flows as well as our ability to control or influence circularity varies significantly across different parts of the asset lifecycle.

Our Circular Economy Framework establishes a common approach to integrating circular economy principles into decision-making processes across the Group, anchored to our key asset lifecycle stages. It outlines the flow of materials, from property design and development to asset management and day-to-day operations.

The Framework was developed in collaboration with key stakeholders across development, capital works, asset management and operations teams. It was informed by a landscape review of our supply chain, national and state regulations and frameworks, our tenant customers' ambitions and emerging opportunities to embed circularity.

Sector specific pathways

The Circular Economy Framework will be delivered through Sector-specific Implementation Pathways, developed in consultation with our sector teams. The sector specific pathways introduce minimum standards and guidelines for materials and waste management into existing documentation such as tenant fitout guidelines, building fitout guides and procurement guidelines.

1. Waste is reported in accordance to the GRI Standards Waste Guidelines 2020. In accordance with these guidelines waste-to-energy is considered a disposal operation not recovery of materials for recycling or reuse.



Rethink resources

We have identified the following areas of focus.

Aspect	Activity	Circular economy principles	Tools / Guidelines
Property Design & Development	Development of assets in the Office and Industrial & Logistics sector	Engage with supply chain (designers, builders and suppliers) on circularity in design and construction activities, including material selection, adaptability, extension of life, reuse and disassembly	<ul style="list-style-type: none"><li>– Circular Design Guidelines</li><li>– Procurement guide / alternative materials review</li><li>– C&amp;D materials outflow pathways</li></ul>
Property Repositioning	Capital projects undertaken including refurbishment to improve customer amenity, tenant fitout, plant and equipment replacement and Retail Shopping Centre Pad sites	Engage with supply chain (designers, contractors and suppliers) on circularity in design, material selection, adaptability, extension of life, reuse and disassembly	<ul style="list-style-type: none"><li>– Fit out guidelines review</li><li>– Circular procurement &amp; outflows guide</li></ul>
Asset Management	Capital projects undertaken by the tenant including tenant fitout and make good activities	Engage with tenants on material recovery and reuse in fit out activities	<ul style="list-style-type: none"><li>– Green leasing</li><li>– Tenant engagement collateral</li><li>– Make good clauses</li></ul>
Property Management	Provision of waste management services and procurement of consumables (e.g. toilet paper, hand towel, etc.)	Engage with tenants on waste management and separation and responsible sourcing of consumables	<ul style="list-style-type: none"><li>– Procurement guide and supplier code of conduct</li><li>– Waste improvement strategies</li></ul>



Rockdale Plaza, Rockdale NSW  
Gweagal and Bidjigal land

Embedding circular economy principles

Refurbishment of office spaces

During the year we partnered with social enterprises and suppliers to maximise recycling and repurposing opportunities in our refurbishment of office spaces. This includes:

- Achieving a 90% recycling and repurpose target as part of repositioning works at 300 La Trobe St, Melbourne. The works included reusing over 50 tonnes of our carpet tiles and furniture, and recycling of over 100 tonnes of cable materials, metal and particle board. While we couldn't repurpose the existing task chairs, we were able to fully deconstruct the chairs into pathways for plastic granulation, metal and textile recycling, instead of sending to landfill;
- Partnering with Green Collect to reuse, repair and recycle over 13 tonnes of redundant office furniture, IT and equipment as part of the refurbishment works at Southern Cross West. Green Collect is a social enterprise that delivers environmental solutions for office waste through creation of employment and training pathways for people who experience disadvantage and barriers to employment. Our partnership on this project enabled generation of 174 hours of work for 10 people within Green Collect;
- Using recycled and repurposed carpet tiles across the Office sector, with 1% of spend being donated to the Property Industry Foundation (PIF) to provide tangible solutions for youth homelessness.

Development

In our Industrial & Logistics developments, we have piloted products that replace raw materials with reclaimed material such as slag, fly ash and glass in concrete mixes and asphalt. These products have the added benefit of reducing upfront carbon emissions.

Expanding our approach

Measuring the impact of our circular economy practices can be challenging, however we are actively partnering and engaging with our supply chain to improve the data quality and measurement of impact.

We leverage our established memberships of industry associations such as the City of Sydney's Better Building Partnership (throughout FY24 a member of the Charter Hall team chaired the Circular Economy Working Group), Green Building Council of Australia and the Property Council of Australia to support the establishment and adoption of a sector methodology and drive a consistency of approach.

Looking forward

Over the next 12 months we will continue to progress our circular economy journey including:

- Embed sector specific pathways into existing tools and guidelines;
- Continue to look for opportunities to partner with social enterprises to reuse and repurpose materials in our refurbishment activities;
- Progress data measurement, and working towards quantifying our impact;
- Continue to engage with our suppliers and customers to improve our circular economy practices.



Waste - Reducing waste together

→ [Read more](#)  
Case studies, see pages 57 to 65



# Restore nature

Protect and restore natural environments and biodiversity to transition towards a regenerative future.

Alignment to UN SDGs



## Goals

### Water

- Conserve freshwater resources and reduce reliance on potable water

### Biodiversity

- Minimise adverse impacts to biodiversity through our assets and supply chain
- Restore and regenerate the natural environment to maintain and enhance the integrity of nature

## Measures

Prepare water strategy to address future climate scenarios by 2025

## Key achievements

Progressed water strategy including understanding our water footprint (operational control and tenant consumption)

53 submeters rolled out across our Industrial & Logistics assets, resulting in 314 installed water meters, covering 69% of the sector by area

Secured Australian nature based carbon offsets contributing to nature benefits through savanna burning and environmental planting



Restore nature

With investment in over 47 million sqm of property assets, we are intrinsically linked to land and understand we have an integral role to play as custodians of nature.

Our portfolio consists of offices, shopping centres, warehouses and logistic facilities, childcare centres, hotels and convenience retail that are largely located in urban areas and generally not within or near protected (conservation) areas or internationally-recognised natural heritage areas.

Our Development pipeline is in urban infill and urban fringe in areas that have been zoned for industrial development. We partner with relevant planning and community stakeholders to minimize impact on nature and support conservation endeavours.

To date we have focused on our direct impacts to nature. As our approach to nature matures we will assess the risks, opportunities and dependencies to our business, as well as consider the impacts to surrounding sites and within our supply chain.

Reducing reliance on potable water

Water supply and sources

We depend on potable water supplied by water utilities for assets under our control, including water used in bathrooms, amenities, end of trip, air-conditioning services, sanitation and irrigation. We also have a small number of assets with rain water harvesting and ground water use.

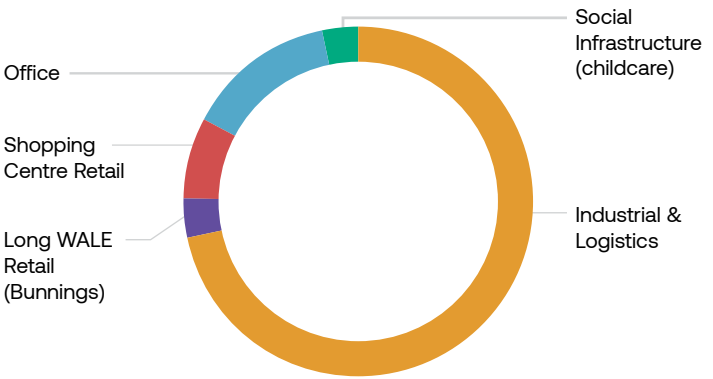
Across our operations, we supply water to our tenants, including for use in industrial processes such as food and materials manufacture. While we don't have control over this water use, we do have opportunities to partner with our tenants to reduce water consumption.

The potable water consumed within our assets is largely provided from water catchments within metropolitan regions and is highly dependent upon the ecosystem services of water supply, purification and flow regulation in providing the water resource.

Water supply to most of our sites comes from metropolitan water authorities that, due to investment in infrastructure such as desalination plants, present a low risk for water scarcity. However about 5% of our assets are in regional areas supplied by local water authorities which could be more vulnerable to water scarcity at times of drought and severe water restrictions.

In the period, we investigated our water footprint (including tenant information and assumptions), and found that our most material water use by sector was Industrial & Logistics. The largest water consumers for Charter Hall are our tenants in the manufacturing sector.

Water Footprint by sector including tenant



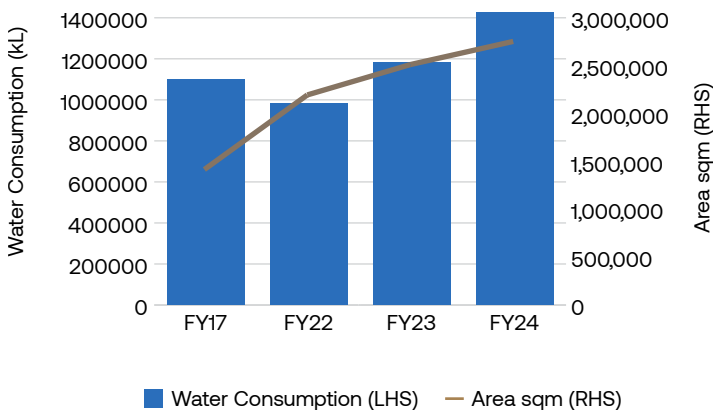
In determining our footprint, we identified a number of gaps in data and accuracy. As we further develop our approach, opportunities exist to:

- Improve submetering and data collation;
- Further understand the different types of water sources supplying our assets desalination, groundwater and rainwater;
- Develop water efficiency management plans, particularly for assets located in regional water catchments.

Water consumption

During the year, assets in our operational control consumed 1427ML of portable water, an 20% increase over last year. This was expected, due to higher occupancy in offices and increased foot traffic in our retail shopping centres. Our potable water intensity is 518L/sqm, which is a 10% increase from FY23.

Water consumption - Charter Hall Group (kL).



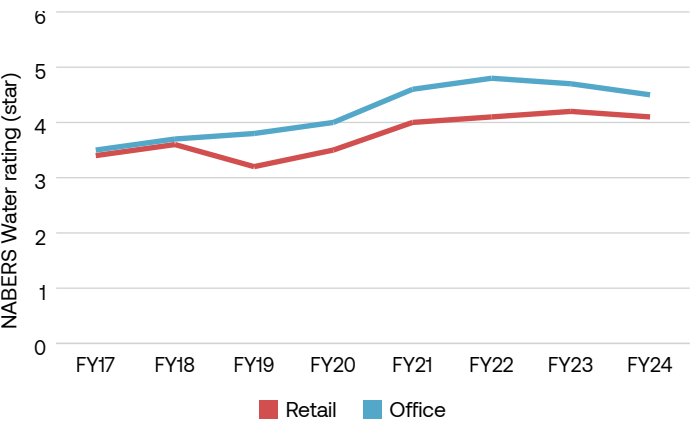
Benchmarking performance

As part of our ongoing commitment to independently certifying the sustainability credentials of our buildings, we continued to partner with NABERS to baseline and support continuous water efficiency activity across our portfolio.

Our Office portfolio achieved a 4.5 star NABERS water rating, a slight decrease of 0.2 from FY23 due to increased occupancy and return to work for Office tenants which has increased water consumption.

Our Retail portfolio achieved a 4.1 star NABERS water rating, a decrease of 0.1 stars.

NABERS Water- Performance over time



Biodiversity

Minimise impact

We seek to minimise potential impact to nature from pollution, including noise, light pollution and stormwater outflows through our environmental management plans.

During the year, we reviewed our Environmental Management Plan for our shopping centres and found it to be consistent with the requirements of ISO140001. The review provided an opportunity to strengthen our procedures and practices and further integrate these into our operational management system.

For assets in our Office and Industrial & Logistics sectors, we partner with external facility managers to actively manage the environmental impacts of our stabilised assets. More broadly, all our suppliers are required to comply with our Supplier Code of Conduct, which requires active management of environmental impact and the minimisation of negative impacts from products and services.

In keeping with our alignment to Green Star, our Industrial & Logistics and Office developments require an ISO14001 Environmental Management Plan that includes measures to minimise potential for pollution including noise and light pollution, waste management, and soil and erosion

management as well as measures to protect the ecological and biodiversity of habitats adjacent to the site.

Throughout the year, there were no reportable environmental incidents.

Rethink

To reduce our reliance on raw materials, where possible we use sustainably sourced materials and look for opportunities to recycle, reuse and repurpose in line with our circular economy framework. During the year we have recycled and repurposed materials in the refurbishment of offices, and piloted reclaimed material replacement in concrete and asphalt mixes. For further details refer to [Rethink Resources](#).

Restore

During the period we procured Australian nature based carbon offsets from savanna burning and environmental planting projects. While our primary purpose was to reduce carbon emissions, the projects also deliver nature benefits.

We procured 70% of our carbon offsets from Jawoyn Fire 2 and Tiwi Island savanna burning projects. Both projects are located in the northern territory and reduce carbon emissions through traditional fire management techniques that encourage low intensity and low emissions early dry season fires in place of intense late dry season fires. The small cooler and lower intensity fires assist with weed management, as well as regenerating vegetation.

We also procured 30% of our carbon offsets from the Peniup/Biodiverse Carbon Conservation Project located in Western Australia. The project establishes and maintains native plant species between the Stirling National Park and the Fitzgerald River National Park, on land that has previously been used for agriculture.



**Carbon offsets - Quality offsets contribute to important First Nations outcomes**

→ [Read more](#)

Case studies, see pages 57 to 65



# High-performing talent

Drive performance and engagement by leveraging diversity and enabling potential.

Alignment to UN SDGs



257 George Street, Brisbane Qld  
Turrbal and Yuggera land

## Goals

- Engaging employees
  - Create a culture with our people that drives innovation and an entrepreneurial spirit
- Unlocking potential
  - Build capabilities for the future by leveraging our operating model to unlock potential for our business and customers
- Reimagining work
  - Leverage technology to reshape roles and set up for growth
- Celebrating difference
  - Attract and develop talent that represents our diverse customer base and communities (gender, age, LGBTQ+, First Nations, disability and ethnicity)

## Measures

Achieve employee engagement above global high-performing norm

>40% Female participation on CHC Board and senior management by FY25

100% succession and development plans in place for business critical roles

## Key achievements

89% Engagement with 95% participation rate in our Annual Engagement and Culture Survey

>90% of our people said they would recommend Charter Hall as a good place to work

Silver status received in the annual Pride in Diversity Australian Workplace Equality Index (AWEI)

Workplace Gender Equality Agency (WGEA)  
Retained for **Employer of Choice for Gender Equality**

Refer to [page 21](#) for all key achievements



High-performing talent

We have focused this year on ensuring our people have the tools and capabilities to thrive in all environments, and navigate the challenges of a down cycle.

Against a challenging economic backdrop, we remained focused on engaging and developing our people, through evolving roles and structures to create new opportunities for professional growth. We collectively identified ways to leverage automation and AI, gradually improving processes and alleviating workloads. We continued to listen to our people and sharpen our focus areas and our approach, readying our business and our people to scale again during the next growth cycle. Our investment in these areas has been received positively by our people, with below average turnover levels and strong employee engagement scores.

Engaging and listening to our people

Each year our Engagement and Culture Survey helps us gather the insights and perspectives of our people, so we know which strengths to lean into and where to focus our efforts for improvement. Employee participation remains strong at 95%, and our Group engagement score held steady at 89%, nine points above the Australian norm.

We expanded our Engagement and Culture Survey this year to include a series of questions on psychosocial risk to further support our people. Pleasingly, our results were positive against all benchmarks. As we enter FY25, we are proactively building a plan to support our people in how they navigate public and customer aggression in our assets and the pressures of the current cycle in their roles.

Reimagining work

We are also reimagining our ways of working to address pace and volume of work, which can be a challenge. We are focused on having the right resources in the right places to support our people and leveraging systems to provide data-driven insights. This includes investment in automation, process improvement, technology and AI to shift our people’s time away from repetitive tasks to more interesting, value-add work.

An example of one of our recent investments is our award-winning, custom-built Lease Easy platform. This innovation has freed up our Lease Administration team to spend more time on high value tasks by dramatically reducing the steps and time involved in the leasing transaction process. Innovations like this are reflective of our entrepreneurial culture, where 95% of our people say that they are encouraged to come up with innovative solutions.

Prioritising well-being

Our fast-paced culture is a key differentiator for us, and something that attracts top talent to our business. To ensure our people have the support they need to perform at pace, we’ve continued to invest in a more personalised approach to their well-being, with curated programs, initiatives and benefits that act as a lever for us to retain high-performing people.

Our Engagement and Culture Survey shows that the overall well-being of our people remains high, at 86%, ten points above the high-performing norm and 17 points above the Australian norm.

Our multi-faceted partnership with AIA offers our people many kinds of support, no matter their stage in life.

AIA Vitality, an award-winning health and well-being program, has supported our people in staying well through health and fitness related activities and we are pleased to have seen an uptake of the platform by over 270 people.

AIA also includes support for menopause, as well as access to second opinion medical support. Its 'Embrace' program provides end-to-end support for people affected by cancer, including bespoke rehab services and other services needed to maximise recovery.

This year our managers asked for more support in navigating mental health challenges in their teams. To this end, we partnered with the Black Dog Institute to run manager capability uplift sessions helping them to be alert to possible mental health issues and have proactive conversations about mental health and available support mechanisms. Every participant rated the training as useful for leading their teams and 91% of participants reported feeling confident in how to foster a working environment that prevents and reduces stress in their team – up from 52% prior to the session.



No.1 Martin Place, Sydney NSW  
Gadigal land



High-performing talent



Annual Pride in Diversity Australian Workplace Equality Index Event

Unlocking potential

With transaction volumes slower this year due to market conditions, we capitalised on the chance to provide our people with opportunities for growth and more diverse experiences, creating secondments, job rotations and role expansions. This took place across sectors and our value chain. The positive effects of our investment in this area were felt by our people, with 88% of our people saying they believe they have the opportunity for personal development and growth – 15 points above the Australian norm. We continue to leverage our scale and multi-sector business to benefit our people and grow our talent pipeline.

Our internal career coaching program is designed to help our people identify and work towards achieving their longer-term career aspirations with the help of an internal mentor.

Our support of the PCA and its initiatives enables us to profile talent via committee membership and programs like 500 Women in Property and the Inclusive Leadership Program.

Internally, we are increasing exposure to senior leadership through initiatives like ‘In conversation with David’ – where a small group of people get to sit down to ask our MD and Group CEO questions and learn from his insights. This also enhances the flow of insights from the top down.

Celebrating difference

For years we’ve been focusing as a business on creating a culture where our people feel they can make a contribution and belong and that attracts and retains the best talent in the market. Our efforts to improve inclusion are having a positive impact, with 90% of our people saying they can be themselves at work without worrying about how they’ll be accepted, and 94% saying they’d recommend Charter Hall as an inclusive place to work for all people. This work is ongoing as evidenced by cross sector participation in our First Nations and CH Proud Working Groups. We are proud of the following outcomes, which demonstrate our progress:

- Launched the digital learning program, Diversity, Equity and Inclusion at Charter Hall as part of our onboarding experience. This program was created in partnership with SBS’s leading online inclusion training course and 100% of our new starters have completed or commenced the course since its implementation in October 2023;
- Sponsored 11 women in our business to participate in the Property Council of Australia’s 500 Women in Property, an annual program designed to support female talent and empower them to advance in the workforce;
- Retained our Workplace Gender Equality Agency (WGEA) Employer of Choice citation and are on track to achieve our 2025 gender targets by increasing female

participation in senior management positions and revenue generating roles, and increasing retention and tenure of female talent. In our Engagement and Culture Survey 97% of our people said their manager supports equality between genders and 98% feel gender-based harassment and sexual harassment is not tolerated;

- Elevated from Bronze to Silver status in the annual Pride in Diversity Australian Workplace Equality Index (AWEI) which benchmarks Australian employers and their efforts towards improving LGBTQ+ inclusion in the workplace;
- Increased our AWEI survey participation by 63% compared to last year. Twenty-one new allies joined our Ally Network, bringing to 83 those who have completed the Pride in Diversity ally training.

Looking forward



- Continue to achieve global high-performing employee engagement
- Continue to deeply embed inclusion through the RAP
- Employer of Choice for Gender Equality and AWEI
- Female participation on CHC Board of >40%, and in senior management of >40% by FY25



# Deep customer partnerships

Long-term value creation through cross-sector partnerships.

Alignment to UN SDGs



Opening event  
555 Collins Street, Melbourne Vic  
Wurundjeri land

### Goals

#### Customer engagement

- Engage with our customers through regular formal and informal feedback sessions to build an understanding of their needs

#### Strategic growth

- Leverage our cross-sector platform and the skills and experience of our people to grow our customer base and meet their business requirements

#### Value creation

- Develop informed, strategic solutions to satisfy customer needs now and in the future
- Deliver end-to-end workplace solutions and experiences across all property types

### Measures

Maintain  
high level of customer  
satisfaction through  
active engagement

### Key achievements

+52  
combined cross-  
sector NPS  
a strong result for the third year

61%  
(by income) of our  
tenant customers  
held leases  
in more than one Charter Hall  
tenancy

72%  
(by income) of our top  
20 tenant customers  
have relationships with us across  
more than one sector

Refer to [page 21](#) for all  
key achievements



Deep customer partnerships

Our customer-led culture has driven long-term, cross-sector partnerships, built on a deep understanding of our customers' needs. We take an iterative approach, together creating shared value and supporting sustainable growth.

Our strong relationships deliberately span key market sectors, Federal, State and Local Government, retail, distribution, financial services, education and energy – all of which we've targeted based on resilience and growth potential. Our focus on these sectors this past year has provided stability in challenging market conditions.

Understanding and iterating

Every year, our sectors survey our tenant customers about their asset-based experience. This year, we added another level, focused on our largest cross-sector customers, designed to understand their experience across the business and identify further opportunities to add value.

In collaboration with our customers, we've implemented an iterative process where we are proactively playing back what we've heard from our customer listening and agreeing action plans, continuously closing the loop.

This has helped us understand key partnership strengths, including our extensive industry expertise across various sectors and our collaborative approach to optimising customer outcomes. Additionally, there is a strong desire for increased sharing of insights on property-related topics and the application of innovation from different sectors to meet our customers' business needs.

We have delivered value-adding initiatives informed by our customer listening such as sharing market data and insights, supporting sustainability performance, and sharing expertise about the opportunities of technology-enabled workspaces and automation, workplace strategy, clean technology, electric fleets and EV infrastructure. The need for a more integrated, seamless transition from the design and development phases to the occupancy of their new space was also recognised.

These insights guide our delivery of solutions that satisfy customer needs, now and in the future.

We also heard that, for some customers, their business models are evolving, which in turn will guide how we respond. There will be an increasing requirement for more multi-use assets, such as in Industrial & Logistics sites where the Office element will need to leverage industry-leading design standards. For example, the Light Horse Logistics Hub in Western Sydney, is an Industrial & Logistics development where our vision

was to reimagine the traditional warehouse and office design, putting our tenant customers and their employees well-being at the forefront of all design considerations. Our tenant customers were attracted to the ESG credentials incorporated throughout the estate, including rooftop solar, EV charging and natural landscaping.

In partnership with our customers, we have also focused on reducing emissions and reliance on the grid to ultimately deliver on our Net Zero ambitions.

Co-creating solutions

Increasingly, our customers are looking for bespoke, co-created solutions that align to their business strategy across all property types.

The biggest success driver has been working closely with each customer to create spaces that reflect their culture and engagement style and support their sustainability aspirations. For example, with one of our long-term cross-sector customers, Australia Post, we built the first vertical post office in Australia, as well as their new purpose-built Melbourne head office. We also co-created a new Melbourne headquarters for Amazon, delivering a highly connected, flexible workplace. This included a dedicated dog park in response to their need for a healthier, happier workplace.

Deepening industry knowledge

This year, we built our collective capability around industry knowledge. We also evolved our account planning process, shaping them around key industries and their challenges. This is supported by account planning processes that are shaped around our key industries with increasing use of data and insights to drive our focus.

A standout customer experience requires a multi-layered team with several touchpoints and we continue to have dedicated customer contacts with an agreed approach as to how we engage with customers to foster collaboration.

Our approach has been supported by investments in centralised data systems and new tools that generated insights for our people to respond to customer needs.

Our teams are now able to go further in supporting our customers to respond to challenges and opportunities in their industries, equipped with enhanced knowledge, insights and capability.

Encouragingly, 96% of our people told us that the customer is at the heart of everything we do, through our Engagement and Culture Survey.



Chullora Logistics Park, Chullora NSW  
Bidjigal and Wangal land

One Charter Hall approach

Our Tenant Customer Subcommittee meets monthly to provide strategic focus, shape key customer initiatives, evaluate opportunities coming to market and provide oversight on delivering a unified and consistent approach to drive customer satisfaction. The Subcommittee includes significant executive involvement, including sector CEOs and customer leads from across our business and is chaired by our Chief Experience Officer.

Delivering a One Charter Hall approach requires all our people to take ownership, ensuring it's deeply engrained in our culture and the way we operate.

Measuring success

Our success this year in nurturing solid and lasting customer partnerships is evident in the data, including:


- 86% tenant customer retention rate;
- 61% (by income) of our tenant customers hold leases in more than one Charter Hall tenancy;
- NPS for our largest cross-sector tenant customers was +66, reflecting the strength of these key partnerships;
- Our combined cross-sector NPS held steady at +52, a strong result for the third year.

You can read more about how we are creating positive ESG impacts through our partnerships with tenant customers in the Strong Communities, Healthy Places and Pathways to Prosperity sections of this Report.

Looking forward



- Investing in centralised and connected data to deepen our understanding of customer needs



**Electrification - Demand drives ongoing energy transition**

→ [Read more](#)

Case studies, see pages 57 to 65



Strong communities

# Strong communities

Enabling community-led solutions through partnership, funding and places for connection.

Alignment to UN SDGs



Busy Bees, Killarney Heights NSW  
Garigal and Gayemagal land

## Goals

### Community resilience

- Support communities with immediate relief and longer-term recovery from natural disasters and crises

### First Nations

- Facilitate strong and lasting relationships with First Nations peoples

### Connection through place

- Design spaces and experiences that develop a sense of belonging and enable communities to connect in a meaningful way

### Community engagement

- Support community sports to build connections and healthier lifestyles

## Measures

### Increase engagement with First Nations organisations

to create employment opportunities through our value chain

By 2025  
completion of our community partnership framework and social impact tool

## Key achievements

### Innovate Reconciliation Action Plan (RAP)

endorsed by Reconciliation Australia (Stage Two)

>\$1.4m

invested to support communities

with resources to build and rebuild strong foundations

130

additional skilled volunteers trained and recruited

by the Australian Red Cross enabled through partnership

### Strengthened our partnership

with Cricket NSW as the Major Partner of the NSW Women's Cricket Team, the Breakers

Refer to [page 21](#) for all key achievements



Strong communities



Our greatest opportunity to positively impact our communities is to empower them to inform and lead their own solutions, leveraging our partnerships, funds and places for good.

Changing the relief and recovery model

In the five months between December 2023 and April 2024, emergency services volunteers across the eastern part of Australia responded to eight significant emergencies, spanning cyclones, severe weather events, flooding and collective trauma incidents in north and southeast Queensland. Red Cross volunteer activities included management and support of evacuation and recovery centres and storm tide shelters, manning pop-up recovery hubs and other community outreach initiatives.

The Australian Red Cross’ approach to emergency response highlights the power of skilled volunteers to make a meaningful impact on Australian communities in times of need. This year, through our partnership with Australian Red Cross, the organisation recruited an additional 130 volunteers to the Australian Red Cross Emergency Response network:

State / Territory	Volunteers recruited
NSW	17
VIC	16
QLD	17
WA	16
SA	16
TAS	16
ACT	16
Northern Territory	16
National Total	130

These new volunteers represent a 5% growth in the total Red Cross emergency services volunteer workforce. Importantly, given the role it plays in the mental health and emotional recovery of community members affected by disasters, the training includes psychological first aid.

In the reporting period more than 750 emergency services volunteers, including the 130 we supported, responded to a total of 66 natural disasters affecting some 324,000 people.

- We have been able to extend the partnership to support:
- Volunteering at the Red Cross Young Parents Program in Sydney. This program centres on vulnerable young parents and their children, providing residential accommodation, support services and access to educational and vocational opportunities. Our volunteers worked in the lead up to Christmas to plant a garden and install new play equipment for those in the Young Parents Program to enjoy with their children over summer;
  - Procure Modern Slavery training for our people which we with work on in FY25.

Our partnership with Red Cross will continue to be part of our broader commitment to supporting communities across Australia throughout the entire cycle of a disaster, alongside our expanded partnership with FRRR, which is focused on enabling community-led solutions to build resilience and long-term viability and vitality in remote communities across Australia.

Progressing our approach to Reconciliation

In May 2024, Reconciliation Australia endorsed our Stage Two: Innovate Reconciliation Action Plan (RAP). This launch is an important development in walking alongside First Nations peoples.

- Our earlier Reflect RAP (Building strong foundations), launched in 2021, had already enabled us to achieve a range of significant milestones including:
- Building cultural awareness through training and activations;
  - Increasing our spend with First Nations businesses via our Supply Nation membership;
  - Acknowledging First Nations peoples at our assets;
  - Supporting education and pathways to employment through initiatives like the Charter Hall Indigenous Scholarship program.

Our Innovate RAP continues our journey with a focus on empowering First Nations peoples to drive their own economic futures.

- This involves:
- Generating economic empowerment through co-investment and partnership with First Nations organisations;
  - Actively engaging with First Nations organisations to create employment opportunities through our value chain;
  - Championing educational initiatives that benefit our sector and drive positive outcomes throughout our wider value chain and communities.

Importantly, our growing partnerships with First Nations business are being integrated into the way we do business throughout our operating model. This aligns with our community investment partnership approach which centres on supporting self-determination through employment and education.

Charter Hall measures its spend with organisations that are certified and registered with Supply Nation, Australia’s largest database of verified First Nations businesses. This helps us understand how successful we’ve been in integrating First Nations businesses into our supply chain and identify further opportunities for partnership.

Innovate RAP underpins our vision for reconciliation for the next two years. By leveraging our expertise, business opportunities and relationships, we aim to support First Nations peoples in meaningful, measurable ways.

This year we increased our procurement spend with Aboriginal and Torres Strait Islander suppliers to \$1.47 million, up 304% on FY23.

Activating place

National Reconciliation Week and NAIDOC

We hosted the Property Council of Australia’s network lunch ‘The RAP Journey: Navigating with Confidence’ at our No.1 Martin Place offices. It was an important opportunity for us to facilitate industry discussion and share views and insights on the importance of the RAP journey for organisations, along with knowledge-sharing around navigating successful pathways.

- To celebrate NAIDOC week, we participated in a wide range of initiatives across the country including:
- Live Artists at Shelley Street, No.1 Martin Place, 52 Martin Place and 201 Elizabeth Street;
  - Live Music at Wesley Place, GPO and Southern Cross Towers;
  - Art Displays at 555 Collins Street and Wesley Place.

Our Raine Square shopping centre in WA also hosted seven weeks of First Nations art and cultural experiences, from weaving workshops, fashion showcases, visual art and digital exhibitions, musical performances, storytelling sessions and a pop-up market.

Pride in our assets

‘Wear it Purple Day’ was an occasion to support the LGBTQ+ community. The idea is simple – wearing purple to acknowledge safe and inclusive environments that enable all people to speak up and thrive.

We celebrated with a keynote by Abbie Jane of the Rainbow Shoelace Project, which distributes Pride-colored beads that people can proudly wear on their shoelaces. This grassroots initiative, aims to foster support for the LGBTQ+ community. Over 80 volunteers prepared 3,600 bead kits, and our shopping centres engaged the community with 579 bead packs collected and 348 donated to the project.

Our shopping centre at Pacific Square in Maroubra in NSW, continued its involvement in the annual Sydney Pride and Mardi Gras event for the third consecutive year, launching the Sweet Taste of Pride from 17 February to 3 March 2024. The event celebrated inclusivity and supported Rainbow Families, reaching over 21,000 people on social media, raising \$2,500 for Rainbow Families and boosting Town Square sales and foot traffic by 4%.

These successful campaigns demonstrate the power of bringing people together to celebrate diversity and support important causes.

Two Good Co. - Delivering a new era of social partnership - Two Good Co.

→ [Read more](#)

Case studies, see pages 57 to 65



Strong communities



NSW Indigenous Women's Cricket

Community and sport

We recognise the role that sport plays in bringing people together and creating communities, as well as the clear link between a sense of community and mental health. Our sporting partnerships have focused on teams with a strong sense of community, nurturing the well-being of participants and volunteers and creating a welcoming environment for everyone.

Partnership supporting women’s cricket

Through our partnership with Cricket NSW, we aim to elevate women’s participation in sport, foster community involvement and ensure the continuing success of the players. Eight members of the NSW Breakers have already been selected to represent Australia in various international matches.

As the Major Sponsors, we are also the Official Partner of the NSW Indigenous Women’s Team. This team successfully reclaimed its title at the 2024 National Indigenous Cricket Championships, now in its seventh year, held on Arrernte Country in Alice Springs.

A key element of our partnership is the Charter Hall NSW Breakers Mentoring Program, now in its third year. This program connects our senior leaders with players to help them prepare for life after cricket. It offers players a glimpse into the corporate world while providing our senior leaders with unique insights into the world of elite, high-performing teams. Mentoring activities this year included knowledge-sharing on careers in the professional corporate world, CV writing and interview techniques.

Supporting grassroots rugby and recognising community spirit

As we enter our seventh season as Principal Sponsor of the Charter Hall Shute Shield, we increasingly appreciate the role of such grassroots sports in promoting well-being and connection within communities.

Volunteers, who are the backbone of local rugby, embody the spirit of giving and community support. We recognise their contributions through our Charter Hall Community Spirit Award, given to those who exemplify dedication to their clubs, foster community spirit and inspire participation at all levels. This year, Richard Maude was honoured with the Charter Hall Shute Shield Community Spirit Award, celebrating his exceptional half-century commitment to rugby. His passion and dedication have not only shaped the sport but also enriched the lives of countless individuals within the community.

As a member of the NSW Positive Rugby Foundation, we invested \$50,000 in funding to support the Foundation’s mission of promoting health and well-being through Rugby. This funding was used to support initiatives in Indigenous rugby as well as in women’s and girls’ rugby through:

- Partnering with Aboriginal educators and community members to deliver school-based rugby programs that promote school attendance and health education, aiming to grow Indigenous participation in all levels of the game;
- Supporting the Waratah Women’s Rugby program with player development opportunities including education and employment, assisting with players’ medical costs, funding player camps and training opportunities, providing meals for players after training and matches and assisting players with travel and rehabilitation expenses. NSW Rugby’s vision is to grow female participation in rugby by establishing a female team in every club and school across NSW.

Moriarty Cup Charity Football Tournament 2023

The annual Moriarty Cup Charity Football Tournament was held on 26 September 2023 to raise funds to support football as a means of enhancing the lives of Indigenous children in remote and regional Australia.

This year, over 100 keen competitors took to the field, including a team from Charter Hall. The \$9,000 entry fee contributes towards the broader initiative of training 2,200 young Indigenous athletes.

Addressing disadvantage early in life

In Australia, thousands of children suffer disadvantage early in life by missing out on early learning and care due to their socio-economic situation. This year, we extended our partnership with the Early Learning Fund (ELF) which provides fee relief for those families living under the poverty line. Since 2015 the ELF has partnered with Goodstart Early Learning (Goodstart), The Benevolent Society and Uniting (NSW/ACT) to support thousands of children in need.

This year more than 300 children benefited from the ELF, with many of these attending the 42 Goodstart centres located at Charter Hall properties. The children we supported identify as Aboriginal and Torres Strait Islander, refugee and humanitarian entrants, families in hardship and children at risk of abuse and neglect. The fee relief we help provide removes the financial barriers for children to attend these centres and improves their family’s financial security, as well as emotional and social well-being. For many single parents, it enhances their independence and helps them secure employment opportunities.

Looking forward



- Engaging with First Nations organisations to create employment opportunities throughout our value chain
- Continue to develop our community partnership framework and social impact tool by 2025
- Continue to co-create initiatives that make a genuine long term impact for our communities



FRRR - Redesigning our support for rural communities

→ [Read more](#)

Case studies, see pages 57 to 65



# Healthy places

Support health and well-being outcomes through innovative workplace design and management.

Alignment to UN SDGs



130 Lonsdale Street, Melbourne Vic  
Wurundjeri and Bunurong land

## Goals

### Health, safety and hygiene

- Implement a portfolio-wide strategy to address health, safety and hygiene standards

### Human centred design

- Develop flexible and inclusive places that actively support diversity, well-being, productivity and engagement

### Wellness programs

- Deliver health and lifestyle amenities, education and wellness services

## Measures

By 2025  
maintain WELL Portfolio accreditation  
in our workplaces with two additional workplaces to achieve at least silver accreditation

By 2025  
achieve WELL Building accreditations  
for all new office developments

Conduct  
a psychosocial risk assessment  
to deeply understand opportunities to further improve well-being and performance

## Key achievements

96-point  
WELL rating for 130 Lonsdale Street, Melbourne  
was our first Platinum achievement and one of the highest scores ever achieved in Australia

5 star  
or above achieved for NABERS Indoor Environment

on more than 1 million sqm representing 36 Office assets and maintained WELL Health Safety rating for 56 Office assets covering over 1.4 million sqm

5 years  
Workplace Health and Safety Strategy introduced

Refer to [page 21](#) for all key achievements



Healthy places

Our portfolio is curated in response to our customers’ evolving needs. With health and well-being a priority for many of our customers, we’ve developed a more integrated approach to place creation and activation that goes beyond the physical asset and emphasises the human experience.

Customer

In creating workplaces for our tenant customers, our iterative process enables us to change and adapt our assets and our approach to align with their priorities.

While the physical performance of the building is important, it is also now a baseline expectation. To meet the holistic needs of our customers, we must deliver workplaces that are more flexible, amenity-rich, designed for connection, sustainable and experience-driven.

In order to achieve this, we have aligned our assets to global standards designed to promote well-being and enable us to benchmark our progress for continual improvement, while also creating offerings and activations within our assets that foster a greater sense of community and positively contribute to the physical and mental health of our tenant customers.

Benchmarking building performance

We use independent rating tools to measure human health and wellness and the quality of indoor environments for the people that occupy our buildings.

The WELL Rating tool is designed to support organisations to prioritise the health and safety of the people that occupy their buildings, maximise real estate value and optimise human and social capital performance.

By applying the science of physical and social environments to benefit the health, well-being and performance of people, WELL creates a benchmark to measure human health and wellness of people in the built environment.

Our portfolio is the largest of its kind in Australia, rated under WELL at scale, with WELL Health Safety Ratings on 56 locations. Our WELL rating for our building at 130 Lonsdale Street, Melbourne was our first Platinum achievement. The 96-point rating is one of the highest scores ever seen in Australia.

The results also reflect a well-being movement accelerated by digitally-enabled smart buildings that use sensors to proactively manage spaces.

Enhancing indoor environments

From air filtration and air quality testing, to building automation and systems measurement, we are leveraging the data we have available to deliver workplace environments that enable people to operate at their best.

Our building analytics platform uses data-driven building operations software to support increased efficiency of asset operations, as well as manage indoor environment quality for building occupants.

The quality of the indoor environment of our Office assets is benchmarked each year using NABERS Indoor Environment (IE), measuring attributes such as air quality, temperature, lighting, and potable water that provide insight on the quality of our spaces and the way our teams maintain them. The quality of our indoor environment is indicated by over 1 million sqm of space with NABERS IE rating of 5 Star and above.

This year, we continued to engage with our property and asset management teams to evolve our strategy relating to WELL certification so that it better aligns with delivering the most impact for our customers in relation to their health and well-being.

From a design point of view, that means continuing to evolve the way we think about space, using aesthetics to provide a strong sense of belonging, and improving how teams can meet and work together.

Our focus in the year ahead will be to use the insights from WELL at scale and drive asset level optimisation and certification. We will continue to maintain minimum development requirements for all new projects that align with Healthy Places standards to deliver WELL building performance.

Focusing on well-being

Through design, amenity, offerings and activations, we actively support our tenant customers’ mental and physical health within our assets.

Across our platform, we have more than 5,500 secure bicycle parking spaces for tenants and visitors and over 8,000 lockers with associated shower facilities to promote fitness, flexibility, well-being programs and sustainable transport options. Properties like 555 Collins Street in Melbourne represent our next generation of wellness investment, including a dedicated well-being centre for programs like spin classes, yoga, pilates and mindfulness. These results reflect a strong collaborative effort between our funds, development, property, asset and operations management teams.

Protecting the mental health of those working in and from our buildings is a natural extension of our approach.

In Industrial & Logistics, we continued our partnership with Healthy Heads in Trucks & Sheds (HHTS) which promotes mental health and psychologically safe work



R U Ok Activation  
Motorway Industrial Park, Berrinba Qld  
Yugambeh and Yugger lands



Healthy places

environments in the road transport, warehousing and logistics industries. We also continued our partnership with Morsl, which offers a 24/7 self-service, healthy micro market to employees in our warehouses, providing convenient access to healthier food.

Over the past 12 months, we have delivered healthy lifestyle activities and events for our tenant customers across our portfolio, including activations, guest speakers and educational materials for events such as May as a Mindfulness Month, RU OK? Day, Men’s Health Week and Movember.

Importantly, these activations bring together our customers in a meaningful way, creating a greater sense of community within our assets that further drives positive mental health outcomes.

Enhancing our workplaces

Our own workplace strategy is designed to meet the needs of our people, while also allowing us to iterate and learn in a way that benefits our tenant customers. It is predicated on choice, enabled by technology and prioritises sustainability, community and well-being.

Our workplaces in Sydney, Melbourne, Brisbane and Perth are powered by 100% renewables, provide end of trip activities to encourage physical activity and sustainable transport choices, and include activations and food offerings for our people.

The performance of our workplaces is reflected in our WELL Portfolio at Scale accreditation.

We evolve our workplaces through:

- Flexible and bookable spaces that can evolve alongside our business and space needs;
- High-quality amenity and services that enhance the workplace experience;
- Spaces and activations that foster community, connection and collaboration;
- Sustainable practices and technologies that align with our environmental, social, and governance goals;
- Creating welcoming and inclusive common areas that reflect our brand and culture.

A key component in delivering healthier places for our people is through our approach to employee engagement, reimagining work, and prioritising well-being within our employee benefits and workplace experience (See High Performing Talent on page 36). Our approach to well-being is focused on four skills that are fundamental to long-term success: generosity, resilience, positive outlook and focus.

From providing nutritious food for our people and gathering for regular Tuesday breakfasts through to program-based health and wellness offerings, we deliver healthier outcomes both mentally and physically.

We continued to provide mental health and well-being educational materials for our people through our Wellness Library on the Charli app, covering anxiety and stress management, mindfulness, resilience and creating stronger connections.

Maturing our approach to WHS

As we grow, the consideration of both the internal and external environment on our Workplace Health and Safety (WHS) risk management evolves, and we continue to review and update our systems and policies accordingly.

Given the scale and integrated nature of our platform, we methodically consider and manage our WHS risks, which can include risks associated with the safe delivery of our developments, monitoring and management of contractors, ensuring safety standards are met in our operational assets and providing a safe environment for our employees, contractors and visitors. Our platform also affords us a number of opportunities, such as development of a safety-first culture within Charter Hall and skilling our people and service providers to enable safer practices.

This year, our initiatives focused on reinforcing the whole-of-business responsibility for WHS, improving our process for reporting and data collection and learning from incidents and trends to inform a long-term strategy. We also progressed our psychosocial risk strategy by partnering with an external provider to complete a comprehensive psychosocial risk review.

Providing the foundation for these improvements is the implementation of a new incident management platform, known as Beakon. This platform has enhanced our data collection and trend analysis and streamlined our business reporting efforts – all of which were identified as priority areas for improvement by internal stakeholders to meet the needs of our business.

We have put in place a cross-sector WHS Steering Committee whose role is to promote awareness, accountability and transparency of the management of WHS risks. We also have WHS committees in each sector, with representatives from development, operational and WHS teams, as well as the sector CEO. These committees meet each month to discuss recent incidents, lessons learnt, trends across the industry, focus areas and Employee Retreat Room No.1 Martin Place, Sydney NSW Gadigal land best practice. The committees also produce a monthly update for our Executive Committee, based on the key insights and outcomes of the committee meetings.

Building upon the foundational work completed in previous years, we introduced a five-year WHS Strategy. The Strategy centres on enhancing our employees’ ability to effectively manage risk within their role through required trainings, as well as effectively implementing and maintaining our Work Health and Safety Management System (WHSMS). Throughout the year we have undertaken WHS training, successfully implementing targeted modules for our entire organisation in line with focus areas and needs analysis.



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Looking forward

- Seeking individual WELL accreditation for at least two of our workplaces in FY25, targeting Gold or above
- Continue to improve the indoor environment for our tenants, benchmarked through NABERS Indoor Environment, WELL Health Safety and WELL at Scale





# Pathways to prosperity

Invest in communities to support sustained livelihoods and access to opportunity.

Alignment to UN SDGs



Two Good Co. annual fundraiser dinner

## Goals

### Pledge 1%

- Leverage a portion of our profits, space and our people’s time to support our communities

### Employment outcomes

- Improve access to learning, skills and job opportunities to support meaningful employment and sustained livelihoods in the communities in which we operate

### Social procurement

- Strengthen our social impact through our supply chain partners and processes

## Measures

### Invest

up to 1% of profits<sup>1</sup>, underutilised space<sup>2</sup> and people’s time to community partners

400

youth employment outcomes

to be achieved by 2025 and 1,200 by 2030

### Establish

a social procurement spend target to support local communities

## Key achievements

3,766

hours in volunteering up 11% on last year

222

employment outcomes for vulnerable young Australians

\$2.6m

of underutilised space provided to community organisations and investment in community activations

>\$2.6m

spend with social enterprises

comprising of social procurement with First Nations, Social Traders and Deductible Gift Recipient entities

1. 1% of profits related to property funds management.  
2. Underutilised space provided to community organisations including casual mall leasing, lobby space, car parks, storage and value of rent forgone.



Pathways to prosperity

As financial pressures on individuals and communities have increased, we’ve been working with our social partners to rethink and reconfigure pathways to prosperity. The old model of donations alone is giving way to a more integrated, involved approach that is progressively redefining our social and community delivery.

This year, through our social initiatives, we have looked to use our scale and resources to help communities facing financial stress and related challenges to take greater control of their futures and lay the groundwork for longer-term inclusion and participation. Our vision remains to enable Australians with independence by building their capacity and capability to grasp opportunities. Equipped with knowledge, skills and workplace exposure, individuals have greater confidence in their abilities and are encouraged to embark on new journeys that will uplift them and their communities.

When it comes to community investment, we’re focused on two key areas – partnering with social enterprises to unlock employment pathways for vulnerable young Australians, and delivering long-term support and capability to communities impacted by hardship.

To that end, our focus is on delivering the following:

- Allocating a portion of our profits, under-utilised space and people’s time to communities needing support;
- Improving access to meaningful employment and sustained livelihoods in our communities by encouraging learning, skills and job opportunities;
- Boosting our social impact through procurement decisions and supply chain engagement.

Delivering value through our social initiatives

Seven years ago, Charter Hall became the first Australian property company to join the Pledge 1% movement to share our success with those in need. Up to 1% of our profits, places and peoples time are donated to help Australian communities.

This year, we invested over \$7 million in social impact and value generation. This included:

- Donating over \$1.4 million to support communities;
- Involving more of our people in community engagement through volunteering, with a 11% increase in volunteering hours over last year;
- Over \$2.6 million of under-utilised space provided to community organisations and social enterprises;
- Partnering with social enterprises to create 222 employment outcomes.

Amplifying social value through procurement

Each year we aim to increase our approach to leveraging our national presence, scale and operating model to increase social procurement and spend with social enterprises. We measure our spend on an annual basis through our memberships with Social Traders and Supply Nation.

A good example of this is our award-winning partnership with Two Good which has evolved over many years into a promising model designed to enable Two Good to grow sustainably over time. At the centre of this model is progressively shifting our annualised spend toward social procurement, bringing Two Good into our value chain as a supplier, ultimately increasing their scale and impact.

The table below demonstrates our increased procurement with social enterprise. We are proud of the progress we've made with more than \$2.6 million of expenditure with social procurement and First Nations business in FY24.

Charter Hall social procurement spend (FY22 to FY24)

Reporting Year	Amount (AUD)
FY22	\$997,772
FY23	\$615,375
FY24	\$2,681,324
TOTAL	\$4,294,471

State partnerships

Our state partnerships with three social enterprises focus on employment for vulnerable young Australians. We created an additional 12 employment outcomes in the period, taking the year total to 222.

How we are tracking

Employment outcomes (per year)

Partner	State	Status
Dismantle	WA	47
Green Collect	VIC	43
White Box Enterprises	QLD	132
Total		222

Green Collect – Victoria

Green Collect is a social enterprise dedicated to helping young people grow and thrive by creating employment opportunities. Supporting young Australians facing barriers to employment and those with lived experiences of complex issues that have historically impacted their well-being and job prospects.

Throughout FY24, Green Collect has provided job readiness and training programs for 33 young Australians to support pathways to employment, as well as creating 10 new roles directly. This aligns with our operating model of collecting, sorting and reusing furniture items from workplaces and homes to avoid waste to landfill.

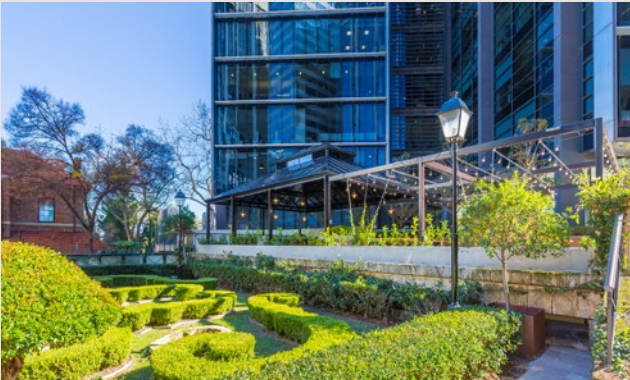
This year Green Collect has provided services to youth at risk of homelessness, entering the justice system, living with disabilities, from refugee backgrounds or identifying as LGBTQI.

Our office sector engaged Green Collect for the de-fit of office space in partnership with our tenant customers. With the scale of our portfolio, this represents a significant opportunity to continue amplifying our partnership and employment outcomes for vulnerable young Australians, aligned with our approach.

Dismantle – Western Australia

Dismantle works with at-risk youths to minimise their risk of long-term unemployment and to provide them with basic skills and support to enable personal growth, independence and future success at a critical time in their lives. The services we support include:

- **Bike Rescue:** Hand-on, skills-based mentoring to re-engage at risk young people;
- **Bike Doctor:** Employment pathways for program participants. This program alone generates approximately 40% of Dismantle’s annual revenue;
- **ReNew:** A social enterprise Property Maintenance business which has supported garden maintenance services on our shopping centre assets. This has created more than \$365,118.00 trade revenue for the business, as well as created over 590 work shifts for young Australians creating more than \$110,000 in wages.



Dismantle - Dismantling barriers for at-risk youth

→ [Read more](#)

Case studies, see pages 57 to 65



Pathways to prosperity

White Box Enterprises - Queensland

White Box Enterprises (White Box) identifies market gaps and then scales business opportunities to create jobs for young, disadvantaged Australians. This year we collaborated with them to make available 18,500sqm of space in Brisbane’s CBD and supported 148 employment outcomes, contributing to their target of creating 5,000 jobs for vulnerable Australians by 2030.

In FY24, our partnership with White Box delivered over 130 employment outcomes. This included providing ongoing support to eight Indigenous-owned social enterprises which resulted in 29 jobs for Indigenous youth in Far North Queensland. A strategic partnership with GREAT (the Gulf Regional Economic Aboriginal Trust), also launched in FY24, is expected to generate 52 employment outcomes in the coming year through the creation of social enterprises in remote communities, such as Normanton and Burketown, both bordering the Gulf of Carpentaria. The incubation of a new civil construction social enterprise called Civic in Cairns created 10 jobs with plans to generate a further 30 employment outcomes in FY25 in Cairns and Townsville.

Further south in Brisbane, over 80 employment outcomes were generated through the partnership. Ongoing support provided to the Mt Gravatt Jobs Hub generated 30 employment outcomes, whilst support for Australian Spatial Analytics (ASA) created 55 ongoing employment outcomes. Founded in 2020, ASA is a unique data services provider harnessing the exceptional talents of young autistic adults to deliver onshore data services to some of Australia’s largest corporate organisations and government departments.

The partnership also unlocked 16,000sqm of space for social enterprise development in Indooroopilly at Witton Barracks. This historic World War II site in Brisbane’s inner south is opening its doors after 13 years of closure, reimagined as a new community and social enterprise hub.

In addition, through partnership support in FY24, Fruit2Work was able to expand their operations in Brisbane with 2,500sqm property in Archerfield. Fruit2Work is an award-winning certified social enterprise and registered charity delivering fresh fruit, milk and pantry items across Brisbane, Sunshine Coast and Gold Coast, as well as in Melbourne, Geelong, Ballarat, Mornington Peninsula.

Other partnership initiatives in the past 12 months generated additional employment outcomes, including the retention of 27 jobs in Payment By Outcomes (PBO), a Queensland-based social enterprise.

Sector partnerships

This year, in addition to our state partnerships, we also supported social enterprises that tackle sector-based challenges, partnering with our tenant customers and development and supply chain partners.

Mates on the Move - Industrial & Logistics

Mates on the Move (MOTM) is a social enterprise run by the Prisoners’ Aid Association of NSW that offers ex-offenders employment opportunities in sustainable waste management services. This year we again engaged with MOTM to collect paper hand towels in our NSW office buildings, with over 74.72 tonnes of waste collected and diverted from landfill.

Settlement Services International (SSI) - Industrial & Logistics


Our Industrial & Logistics sector has extended its partnership with SSI, an organisation that creates pathways for equality by connecting local community members seeking employment with employers offering skilled work experience. Following a successful partnership at Light Horse Logistics Hub, where 5 local community members were employed by our supply chain partners, we are rolling this out across our development projects nationally, leveraging our scale to amplify SSI’s impact. The program will deliver:

- 4 weeks employment training;
- 5 employment outcomes delivered already;
- Provision of skilling and ongoing mentoring support for SSI to maintain employment and development opportunities.


Property Industry Foundation

The housing crisis continues to worsen in Australia and homelessness is both a human and economic issue. Among those experiencing homelessness, young people are the most vulnerable. The Property Industry Foundation (PIF) is focused on solving the issue of youth homelessness, and bringing together the scale of the industry to maximise its impact. We are a National Partner of PIF and participate in the direction of PIF through our involvement on Advisory Boards and committees.

Since we started working with the team in 2002, we’ve contributed over \$1.1 million through a variety of channels, which often also provide an opportunity for our people to volunteer their time or participate in events and activities. This includes our integration of PIF into our new starter onboarding - a new initiative this year - where our new starters get to know each other while volunteering their time to renovate two significant spaces at the Salvation Army’s Oasis Youth Services Centre, which works with young people from marginalised and disadvantaged backgrounds. Among other community projects we’ve supported, one of the biggest this year is PIF’s Haven House Projects, including our investment in an apartment at Haven House South Dowling, its largest project to date.



**PIF - Coming together to tackle youth homelessness**  
→ [Read more](#)  
Case studies, see pages 57 to 65



**Two Good Co. - Delivering a new era of social partnership - Two Good Co.**  
→ [Read more](#)  
Case studies, see pages 57 to 65



# Sustained returns

Deliver long-term risk-adjusted returns for investors.

Alignment to UN SDGs



## Goals

### Responsible investment

- Access and deploy capital in a way that creates value for all our stakeholders

### Sustainable finance

- Leverage our approach to ESG to attract and retain capital partners

## Measures

Continue to leverage our ESG credentials in support of green finance activity

## Key achievements

\$6.4bn sustainable finance transactions to date, increased by \$3bn in the period covering approximately 32% of our total debt



Sustained returns



Brisbane Square, 266 George Street Qld  
Turrbal and Yuggera

Throughout the year, our Treasury, Fund Management and ESG teams have worked together to leverage our ESG credentials to unlock new funding strategies. This approach has supported the diversification of our capital and debt sources, with our sustainable finance platform now one of the largest in Australian property.

Investing responsibly

The demand for green assets is fuelling awareness among capital partners that environmental credentials enhance value creation, reputation and returns. Increasingly, these partners are seeking improved reporting and transparency on sustainability performance measures, alongside independent assessment of performance particularly for Real Estate Investment Trusts (REITs).

We continue to benchmark our sustainability approach and strategy against independent rating tools to measure outcomes and to provide the market with insights into our operational performance and ESG progress. We were pleased to be recognised by the GBCA as maintaining Australia’s largest footprint of Green Star Performance certified space, by area and volume, covering more than 7.1 million sqm across Office, Industrial & Logistics and Retail assets, a 6% increase up from FY23.

For the property sector, GRESB remains the largest and leading benchmark for asset-level and portfolio performance relating to governance and environmental indicators. We have engaged directly with GRESB on emerging ESG topics and participated in roundtables on property insights and reporting roadmap. In our 2023 assessment, 15 out of our 29 Funds ranked in the top 20% of the benchmark, representing more than 2,000 property companies with US \$7.2 trillion in assets, covering 170,000 assets across 75 countries. Our Funds scored the following:

- Brisbane Square Wholesale Fund (BSWF) Global Sector Leader Non-Listed - Office;
- Charter Hall Prime Office Fund (CPOF) Global Sector Leader - Office Development;
- Charter Hall Retail REIT (CQR) Regional Sector Leader Listed - Oceania Retail;
- Charter Hall Prime Industrial Fund (CPIF) and Core Logistics Partnership (CLP) ranked 2nd and 3rd respectively Australia Industrial Distribution Warehouse.

During the period, we engaged with the regional network of the PRI and remained as a signatory to their transparency reporting process. The PRI has 3,826 signatories (30,404 investors and 422 service providers) representing more than US\$121 trillion. In line with our signatory commitment, we continued the following actions:

- Incorporating ESG issues into investment analysis and decision-making processes, formally evaluating risks and opportunities;
- Integrating ESG issues into policies and sustainability strategies for our funds that support achievement of our carbon commitment to Net Zero by 2025 for assets (Scope 1 and Scope 2)<sup>1</sup>, use 100% renewable electricity by 2025 and collaborate with our tenant customers to transition to renewable electricity and mitigate our downstream Scope 3 emissions;
- Promoting responsible investment by committing to the use of green rating tools and labels to benchmark and disclose ESG performance at both the portfolio and asset level;
- Engaging and sharing knowledge with stakeholders on ESG issues related to responsible property investment practices, promoting the acceptance and implementation of the PRI;
- Partnering with industry associations, policy makers and other bodies to create tools to measure and assess ESG in property and investment industries;
- Measuring and reporting our ESG activities and progress against targets aligned with our Charter Hall Sustainability Policy.

During the year, we observed and participated in industry-level conversations around the emerging policy landscape for mandatory reporting relating to climate-related risks and opportunities.

1. Our Net Zero target applies to Scope 1 and Scope 2 emissions for existing assets that fall under the operational control of responsible entities for which Charter Hall Limited is the controlling corporation. Where residual Scope 1 emissions are offset, Charter Hall will use high quality nature-based offsets.



Sustainable finance

The rise of sustainable finance is a result of financial markets across the globe more closely scrutinising how sustainable the companies are that they invest in and lend to, aligning their activities to the global energy transition and managing their exposure to emissions.

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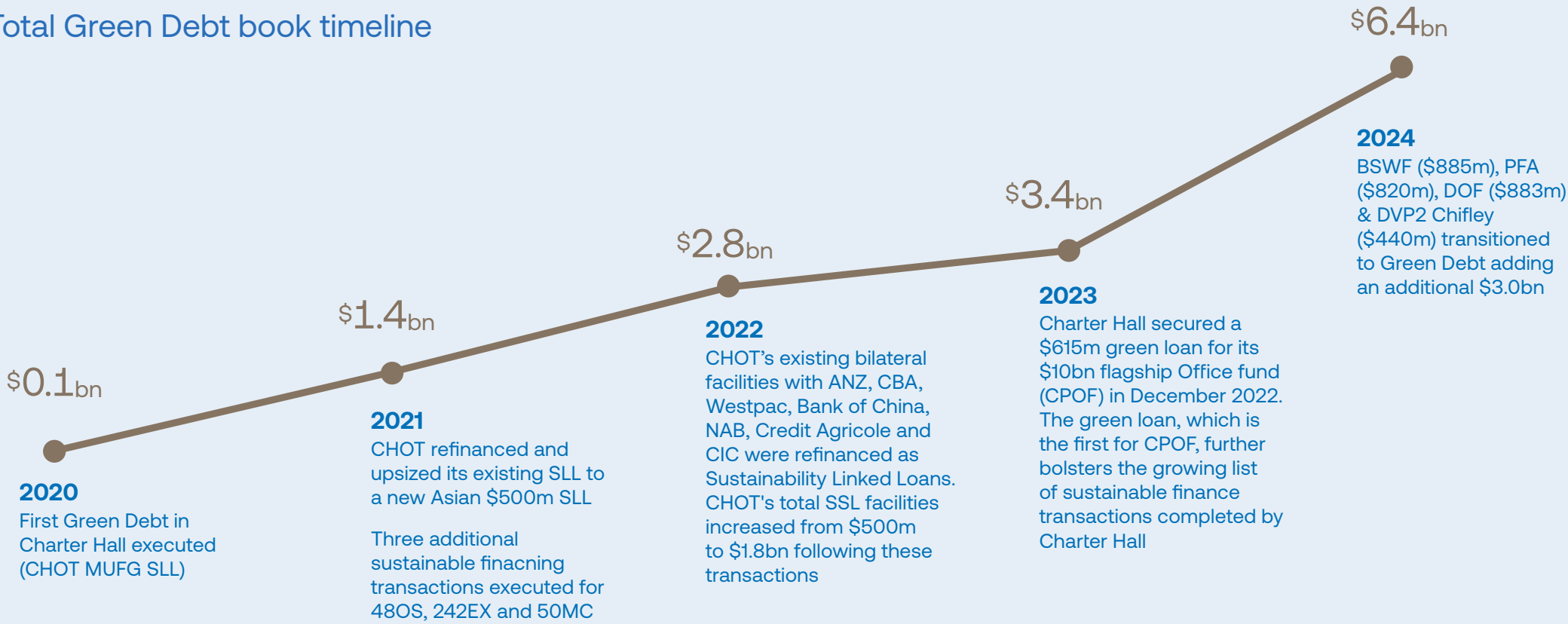


Green Debt - Accessing green debt to navigate volatile market conditions

→ [Read here](#)

Case studies, see pages 57 to 65

Total Green Debt book timeline



Linking to independent benchmarks

In November 2021, we entered into a new 7-year \$500 million Sustainability Linked Asian Term Loan Facility with six lenders. This facility is our first ESG-linked facility and only sustainability-linked loan. We chose the Asian Term Loan market for its strong tenor and pricing dynamics and the flexibility of bank debt arrangements (no break costs for early repayment).

The facility includes a pricing grid linked to the NABERS Energy and Water ratings and Green Star performance of our properties and calculated using the NABERS Rule methodology. Sustainability Performance Targets (SPT) align with our ESG strategy and the margin benefit is cumulative and assessed independently for each rating type:

**SPT 1 - NABERS Energy:** We aim to achieve 5.0 stars NABERS Energy (Base Building) weighted average rating across the portfolio;

**SPT 2 - NABERS Water:** We aim to achieve 4.0 stars NABERS Water weighted average rating across the portfolio;

**SPT 3 - Green Star Performance:** We aim to achieve 5.5 stars (67 points) Green Star weighted average across the portfolio.

In addition, in CY22 our existing bilateral facilities with established banking partnerships were refinanced as Sustainability Linked Loans (SLL), consistent with the existing facility. Our total SLL facilities increased from \$500 million to \$1.8 billion following these transactions.

In December 2023, BSWF, DOF and PFA transitioned to green-use-of-proceeds loans under our first green-common-terms-deed-poll (GTDP) structure, adding an additional \$2.6 billion in sustainable financing.

We adhere to Green Star, NABERS, CBI and WELL to demonstrate our commitment to creating a healthy, sustainable and efficient built environment for our customers and communities.

Looking forward



- Continue to leverage ESG credentials in support of green finance activity

[Learn more](#) about how we have progressed our alignment of ESG ratings to Green Financing activity.



# Governance

Conduct business activities in line with the highest ethical standards.

Alignment to UN SDGs



Charter Hall  
130 Connsdale Street, Melbourne Vic  
Wurundjeri and Bunurong land

## Goals

### Ethics

- Conduct business activities in line with the highest ethical standards

### Cyber security

- Harness the opportunities of digital technology and data while actively protecting the privacy of individuals and businesses

### Responsible supply chain

- Procure sustainably and ethically delivered services, products and materials

### Transparency and disclosure

- Disclose ESG information according to national and international best practice standards and rating systems

## Measures

100%

employee participation in risk and compliance training to be achieved

By 2025

work across our technology

and operational supply chain to increase cyber awareness, maturity and readiness

Maintain

approach to Independently screen suppliers

for Human Rights and Modern Slavery

Improve

climate related disclosure

in line with existing and emerging frameworks

## Key achievements

91%

scored in our most recent employee engagement survey for our approach to compliance and ethical business practice

Progressed

our cyber security activities

Released

our Fourth Modern Slavery Statement

Reviewed

our recent disclosures against emerging climate related financial frameworks and have commenced roadmap to address gaps



Governance



From left: **Anastasia Clarke**, Chief Financial Officer CFO; **Richard Stacker**, Industrial & Logistics CEO; **Steven Bennett**, Direct CEO; **Natalie Devlin**, Chief Experience Officer; **David Harrison**, Managing Director & Group CEO; **Ben Ellis**, Retail CEO; **Carmel Hourigan**, Office CEO; **Sean McMahon**, Chief Investment Officer; **Avi Anger**, Diversified CEO.

Charter Hall’s leadership is tasked with delivering long-term value to its investors and other stakeholders.

This duty hinges on the responsible management of our business to deliver on our strategic objectives and maintain ongoing performance. We uphold a culture of accountability in order to achieve our full potential, and we support this by integrating our values through our code of conduct, responsibly managing our budget and aligning our risk appetite with the best interests of our stakeholders.

Charter Hall Board

Our Board oversees our sustainability strategy, policies, risks and opportunities, including our approach to climate change and the integration of ESG across the business.

Audit Risk and Compliance Committee (ARCC)

The ARCC receives quarterly updates from the Executive Committee on sustainability issues and initiatives. This includes reviewing and measuring progress against targets for recommendation to the Board.

Managing Director & Group CEO

The Managing Director & Group CEO has responsibility for the day-to-day management and strategic direction of the business, as well as fostering an environment that supports embedding ESG into business strategy.

Executive Committee

The Executive Committee implements the Sustainability Policy across Charter Hall. The Executive Committee and the Board share ultimate responsibility for the overall implementation and governance of sustainability across the business. The key sustainability representative on the Executive Committee is our Chief Experience Officer. Our Executive Committee and Board also regularly engage with our customers, investors and employees on the sustainability impacts of our business through shareholder and investor meetings, employee surveys and direct engagement.

ESG Committee

Our ESG Committee focuses on the platform-wide alignment and implementation of our ESG strategy and initiatives.

ESG teams

Our Group ESG team regularly reports our performance against ESG goals and targets to the Executive Committee and quarterly to the Managing Director & Group CEO. The ESG team also delivers the strategic and tactical aspects of our sustainability endeavours, supported by sector ESG leads in Office and Industrial and leadership in Direct, Social infrastructure and Retail sectors.

All employees

Our people drive sustainability outcomes in their day-to-day activities to support continued improvement. They receive guidance on governance and risk management policies, including our Code of Conduct, and are required to fully understand and embrace our Sustainability Policy.

Oversight and accountability

Charter Hall Board

Review management reporting regarding potential material risks, opportunities and approve sustainability policies.

ARCC

Oversee and review Group sustainability strategy and policies, and propose required amendments to the Board

Managing Director & Group CEO

Day-to-day management of the business and overall strategic direction

Executive Committee

Accountable for implementation of sustainability strategy and policies across the platform

Chief Financial Officer	Chief Experience Officer	Chief Investment Officer	Direct CEO	Diversified CEO	Industrial & Logistics CEO	Retail CEO	Office CEO
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ESG Committee

Established to drive platform-wide alignment and implementation of sustainability strategy to address risks and opportunities

Energy Working Group	Modern Slavery Working Group	Community Investment Working Group	First Nations Working Group
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ESG teams

<b>Group ESG team</b> Facilitate the management of sustainability policies and support implementation of policies across managed entities	<b>Sector ESG Leads</b> Sector implementation of ESG initiatives and operational performance
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All employees

Integrate sustainability considerations into day-to-day activities and align with the sustainability framework



Governance

Our governance principles cover our ethical responsibilities, inform our environmental and social commitments and demonstrate our adherence to our legal obligations.

Transparent, accountable and responsive behaviours

Robust governance principles, standards and processes ensure our business practices remain transparent, accountable and responsive to our stakeholders and broader society.

Our Board oversees the effectiveness, development and delivery of our sustainability framework and associated policies, impacts and opportunities via the Audit Risk and Compliance Committee (ARCC). The Board and the Executive Committee also participate annually in identifying our material topics, reviewing and approving the content of our governance and sustainability disclosures.

We monitor our performance, compliance and responsible practices to maintain our relationships, brand and reputation. Our internal and external reporting provides accountability and transparency around our processes and outcomes. Our reporting includes this Sustainability Report, our suite of 2024 Annual Reports, our climate-related reporting, our United Nations Global Compact (UNGC) Communication on Progress, our annual Modern Slavery Statement and our annual ESG Databook. Since 2008, we have been a signatory to the Principles for Responsible Investment (PRI) and continue to adhere to its six Principles.

Our Executive Committee is responsible for the implementation of policies and processes that address our sustainability goals and targets. They provide regular updates on our sustainability impacts and performance to the ARCC. Our Chief Experience Officer is the key sustainability representative on the Executive Committee and, together with our Group Head of ESG, owns the implementation of our sustainability framework.

The Board and Executive Committee regularly engage with our customers, investors and employees about our sustainability impacts through shareholder and investor meetings, employee surveys and “roadshow” events. The databook also includes information on x page.

Our ESG managers support the ESG team and Sector Leads to deliver our sustainability goals across the business. The teams report performance against the goals and targets in our nine sustainability pillars to our Executive Committee, including our Managing Director & Group CEO. There are also a range of accountabilities, described in our Codes of Conduct, for our employees,

contractors and suppliers around the delivery of our sustainability goals.

Our ESG Committee underpins the delivery of sustainable business practices in procurement, climate disclosures and climate adaptation plans and the delivery of positive social impacts. This Committee meets bimonthly.

Maintaining business integrity, credibility and reputation

Our [Employee Code of Conduct](#) and [Supplier Code of Conduct](#) provide guidance on good governance, ethics, transparency, accountability and risk management. A whistleblower policy and associated hotline support our Codes. In our most recent employee engagement survey, we heard that 95% of our people believe leadership sets the right tone on the importance of compliance and ethical behaviour. No donations were made to political parties during the year.

It’s important we demonstrate accuracy and transparency in how we portray our ESG strategies and performance, including that of our funds.

We utilise a variety of recognised reporting frameworks, independent assurance providers, benchmarking tools, and other processes to validate how we monitor, analyse and communicate our ESG performance.

Making sustainable and responsible decisions

Our Group-wide policies, codes and charters, including our [Group Sustainability Policy](#), are embedded across all our managed funds and guide how sustainability is incorporated into our portfolio decision-making. Ultimately, responsibility for our alignment with these policies, codes and charters resides with our Executive Committee and Board.

Our ESG team and ESG Sector Leads facilitate the implementation of our sustainability policies across our managed entities, as well as sector-level implementation of ESG initiatives. This year we reviewed and updated a range of key governance and sustainability policies ([Work health & safety](#), [Domestic violence](#), [Risk management and Diversity, equity and inclusion](#), [Sustainability Policy](#)) to ensure they align with current practice and industry standards.

We also conducted refresher training for our people on our policies related to workplace culture, relationship management, environment, governance and technology.

Our governance approach and the principles that affect our decision-making are described in detail in the [Corporate Governance Statements](#) for our listed funds.

Informing our people

It is critical that our people are aware, aligned and engaged with our governance principles to ensure strong customer partnerships and the promotion of a safe and respectful workplace in which everyone can thrive. Ongoing education and training are essential. This year saw compulsory policy refresher training and a behaviour session facilitated by Joydeep Hor, a leading expert in employment law.

Managing material risks

Environmental and social risks are fully considered when identifying risks and opportunities for our company and our stakeholders. Key risks and opportunities associated with environmental stewardship (including climate related risks and opportunities), health and well-being, human rights and other social impacts, and business ethics and governance are discussed as part of our strategic risk registers and risk management processes.

We respond to key risks and opportunities through our property acquisition process, our developments’ project controls and our strategic asset planning at both fund and asset levels. We provide a risk report to our Board’s ARCC for review and, where necessary, further consideration or action.

In the second half of 2024, we will embark on a comprehensive double materiality exercise to explore our potential and actual impacts in depth. This will provide a solid foundation for future reporting and for further refinement and focusing of our sustainability strategy.



No.1 Martin Place, Sydney NSW  
Gadigal land



Chart 1: Spend by category

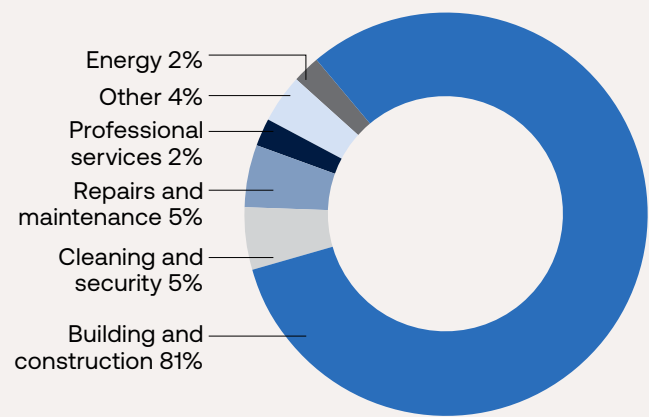


Chart 2: Spend by sector

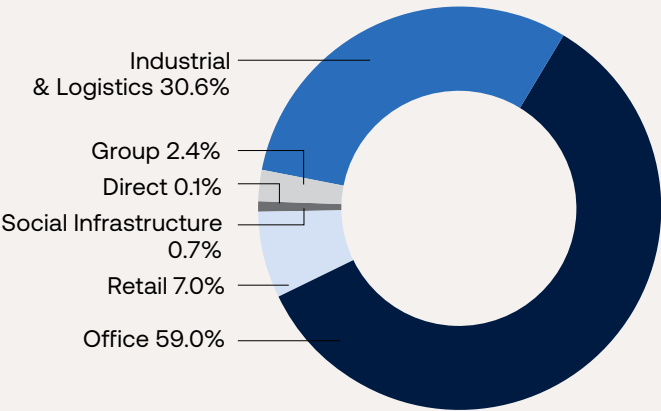
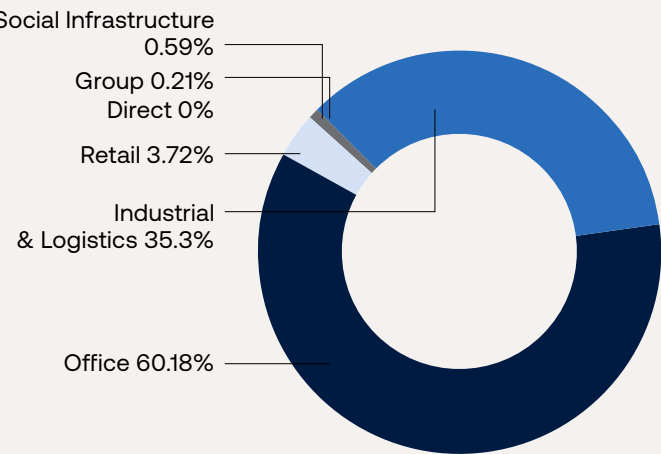


Chart 3: Building and construction spend by sector



Procuring responsibility

We have a clear expectation that all our business partners, contractors and suppliers uphold to, as well as adhering to regulations related to insider trading, antitrust, price fixing and market manipulation.

We have continued working with our supply chain to promote practices that align with circular economy principles, improve ethical business practices, and help us procure sustainable services, products and materials.

Many of our suppliers operate in areas where there is heightened potential of modern slavery, including cleaning and security services, energy, building and construction, repairs and maintenance services and professional services. Our supplier spend in these higher risk areas is shown in the charts below. Allocation of supplier spend by category is highlighted in chart 1.

Across our sectors and business, our spend was most significant across our Office sector where we largely retain operational control of our assets. See chart 2, which also displays Charter Hall’s allocation of supplier spend by sector.

Chart 3 outlines the share of the building and construction spend across our sectors. Our spend was most significant in our Office and Industrial & Logistics sectors.

Cleaning and security supply chains represent the highest risk of human rights abuse. Our spend data shows we engaged with 318 suppliers in the high-risk industries of cleaning and security, making up 5% of our total spend.

We continued our membership of the Cleaning Accountability Framework (CAF), which focuses on reducing modern slavery issues in cleaning services. We require our suppliers and contractors to conform with our Supplier Code of Conduct.

Our next Modern Slavery Statement is due for release in late 2024.

Protecting against cybercrime

This year, well publicised data attacks on Australian businesses, government departments, universities, hospitals, NFPs etc. have continued unabated, emphasising the importance of robust data security systems and strictly managing the amount of data being stored.

In FY23, we formed a Data Governance Steering Group to systematise our approach to data classification, retention and destruction, and to examine how data life cycle processes can be automated to reduce manual intervention and its risks.

During the reporting period, we progressed our cyber security activities in a number of ways, including:

- Increasing the frequency and sophistication of our cyber controls testing, and regularly assessing external attack surface and internal threats;
- Implementing a data governance platform that automates the classification of unstructured data (files), identifies and protects sensitive data, reduces access to overshared files and identifies candidate files for archiving in line with our data destruction policy;
- Implementing a number of security platforms focused on user behaviour analytics. These are trained to identify variations and anomalies in how our people usually work and provide an automated early warning for potential unauthorised account access;
- Continuing our industry-leading monthly employee cyber-awareness training and phishing skills testing program;
- Increasing the number of security controls and third-party suppliers tested each year for their own cyber maturity;
- Implementing GS007 type 1 reporting to our investors ahead of type 2 reporting in FY25.

Adopting AI

We’re continuously enhancing our ways of working, leveraging the tools and resources available to us to boost efficiencies and support data-driven insights. This includes investing in technology that creates a more frictionless experience for our people and allows them to spend more time on high value work.

With the rise of generative Artificial Intelligence (AI) tools, we’ve continued to examine how we support our people to use this technology safely, unlocking the many benefits while mitigating security risks. Measures included:

- Developing and implemented a Board-approved company-wide AI policy that steers our people in the responsible use of AI;
- Allowing company-wide access to a ‘safe’ generative AI chat platform with measures in place to protect our data;
- Implementing an internally hosted Large Language Model offering a natural language interface to streamline the Retail Lead to Lease process;
- Implementing Generative AI to drive efficiencies in data extraction through human supervised use of computer vision (OCR) - due Q1 FY25;
- Trialling generative AI (Microsoft Copilot) in a number of teams to speed ‘first draft’ content creation, summarisation/comparison of both internal and external content.

As technology continues to rapidly evolve, we are proactively tracking and managing the opportunities and risks that arise, and educating our people every step of the way.

Looking forward



- Maturing our approach to the management of climate related risks and opportunities and integration into risk management and financial reporting
- Undertake double materiality to improve our understanding of the material impacts of our business to people and planet, and of impacts to our business that may reasonably affect our financial performance





Coles Distribution Centre, Edinburgh SA  
Kaurua land

## Funds management portfolio

This report outlines the sustainability strategy and achievements for all Charter Hall entities, including the following funds and partnerships:

### Listed entities

- Charter Hall Group (ASX:CHC)
- Charter Hall Retail REIT (ASX:CQR)
- Charter Hall Long WALE REIT (ASX:CLW)
- Charter Hall Social Infrastructure REIT (ASX:CQE)

### Unlisted funds

#### Direct Funds

- Charter Hall Direct Industrial Fund No. 4 (DIF4)
- Charter Hall Direct Office Fund (DOF)
- Charter Hall Direct PFA Fund (PFA)
- Charter Hall Direct Long WALE Fund (LWF) (Previously known as DCSF)
- Charter Hall Direct BW Trust (CHIF11)
- Charter Hall Direct Industrial Fund No 3 (DIF3)

#### Wholesale Property Funds

- Charter Hall Prime Office Fund (CPOF)
- Charter Hall Prime Industrial Fund (CPIF)
- Charter Hall Prime Retail Fund (CPRF)

#### Partnerships

- Charter Hall Office Trust (CHOT)
- Charter Hall Counter Cyclical Trust (CCT)
- Charter Hall DVP Fund (DVP)
- Charter Hall Brisbane Square Wholesale Fund (BSWF)
- Charter Hall Retail Partnership No. 1 (RP1)
- Charter Hall Retail Partnership No. 2 (RP2)
- Charter Hall Retail Partnership No. 6 (RP6)
- Charter Hall Australian Investment Trust (CHAIT)
- Charter Hall Core Logistics Partnership (CLP)
- Charter Hall Long WALE Hardware Partnership (LWHP)
- Chifley Tower Trust (CTT)
- Charter Hall 201 Elizabeth Trust (201E)
- 1 Shelley St Trust (1 Shelley)
- Charter Hall Canberra Office Trust (CHCOT)
- Charter Hall LWIP1
- Charter Hall LWIP2
- Charter Hall LEP Trust (CHLEP)
- 1 Brisbane Trust (1BT)
- 242 Exhibition Trust (242Ex)
- Charter Hall PGGM Investment Partnerships 1 (CHPIP1)
- Charter Hall PGGM Investment Partnerships 2 (CHPIP2)



# Case studies



Two Good Co. Cookbook campaign  
Campbelltown Mall, Campbelltown NSW  
Dharawal land

Caption



Delivering a new era of social partnership

Case study: Two Good Co.

# Delivering a new era of social partnership



## Material topics

- Climate change adaptation
- Community and social inclusion

Domestic violence is now the leading cause of homelessness for women in Australia. Since 2015, Two Good Co. has supported, employed and empowered women with lived experience of homelessness, domestic violence and complex trauma. The opportunities they create help vulnerable women rebuild self-worth and independence and can have a life changing effect.

We have worked alongside and partnered with Two Good for many years, gaining a deeper understanding of the challenges they face and how we can structure our support to amplify the work they do. We now have in place a promising model that has redefined how we drive social good together and ensure Two Good can grow sustainably over the long term, extending their reach and impact.

Two Good makes beautiful, high-quality food and products which they then sell to provide much needed supplies and care for women and children in crisis.

We look for opportunities to deliver with purpose for all our stakeholders every day.

By progressively shifting our normal annualised spend towards social procurement and bringing Two Good into our value chain as a supplier, we can partner with them in a number of new ways across our platform. This has enabled them to increase the scale of their operations, amplifying their impact within the communities they serve.

At Charter Hall, we procured \$334,454 of Two Good’s soap and toiletries within our Office portfolio. This supply contract is ongoing, providing Two Good with a reliable revenue source to do their important work with funding certainty. We also procured place activation, catering and events services across many of our assets with almost all of our sectors benefitting – as well as our customers. This includes:

- The ‘Two is better than one’ school holiday campaign held in our shopping centres, where local community members decorated backpacks and teddy bears for children living in crisis, with 2,430 packs donated;
- For the third year, our Retail team collaborated with Two Good to reward shoppers who reached a spending threshold with a bonus copy of Two Good’s *Cookbook Three*, distributed by our people as part of their volunteering leave;
- Hosting multiple executive-level Two Good-catered events with our top tenant customers and our investors, giving their people valuable work experience and allowing us to engage with key stakeholders for important strategic conversations.



In total, our FY24 spend with Two Good reached \$924,247. The arrangement is a win-win. It enables us to procure services we would be buying anyway from a social enterprise we trust and who make quality products, and it provides Two Good with the resources and customer demand to expand their services, build resilience in their business model and support their longer-term growth and stability.

We have also been able to leverage partnerships in other parts of our supply chain, to achieve mutual goals particularly around renewables. In recent years, we’ve significantly scaled our investment in onsite solar across our shopping centres and our Industrial & Logistics assets. By leveraging our strong partnership with Clean Peak Energy, we’ve facilitated a Going Green investment in onsite solar for Two Good’s facility at Alexandria that will eliminate Two Good’s electricity expenses over the next five years, delivering an additional \$150,000 operational saving. That, in turn, frees up capital for them to reinvest in protecting those in need.

Our people and our communities have also demonstrated that they share our passion for supporting Two Good’s mission through the high level of engagement in the various campaigns we’ve supported throughout the year.

A small example is the procurement of 1,000 Love+Care packs to be donated to women living in refuges across the country, which our people donated their time to help put together.

We’ve achieved a lot together this year, and as our award-winning partnership continues to grow and mature, so too does Two Good’s ability to address the needs of women affected by domestic violence. As we move forward, we’ll continue applying the same principles and values that have served us well as a business for more than three decades to this partnership, while exploring new, creative ways to deliver mutual success.

## Looking forward



- We will continue to look for innovative ways to engage with social enterprise partners to bolster their financial independence and achieve stretch targets.



Redesigning our support for rural communities

Case study: The Foundation for Rural & Regional Renewal

# Redesigning our support for rural communities



## Material topics

– Community and social inclusion

Climate change continues to increase the likelihood and frequency of natural disasters for rural communities. Our partnership with The Foundation for Rural & Regional Renewal (FRRR) has evolved to combine our scale and capacity-building with FRRR’s deep community ties, enabling them to deliver solutions that will build resilience and long-term viability and vitality in smaller and more remote communities across Australia.

Our work with FRRR began in FY20 when rural communities were tackling the impacts of severe drought and bushfire. We provided a \$250,000 donation for relief and recovery for impacted communities. Our initial donation supported regional grants that included local infrastructure improvements, support for community services, emergency preparedness and upgrades in technology. The funds were desperately needed by these communities, but we quickly realised that immediate relief is only the first stage and that a reactive approach wasn’t enough.

As a business who has always taken a long-term view, we knew there was more we could do to provide support throughout the cycle of a natural disaster. So, we listened and learned from FRRR’s experience in disaster recovery and preparedness over more than two decades to understand how we could extend our support beyond the short-term.

FRRR taught us three things: community-led efforts have the greatest impacts; flexible funding enables community groups to be agile and respond to challenges they might face along the way; and small grants in the right hands can make a big difference.

It became clear that two strategies were needed. Immediate relief is still important, and our initial donation continues to enable FRRR to provide the critical support they do today. But a well-structured partnership that unlocks the ability to recover and rebuild over many years, especially once the news cycle and society’s attention has moved on, more closely aligns with FRRR’s model and enhances their impact.

This critical insight helped us pave the path forward for our partnership: multi-year community grants deployed by FRRR, who have the expertise and deep community connections to know when and where the funds can make the biggest difference.

### New partnership agreement signed

Throughout the year, we expanded our partnership with FRRR, signing a three-year agreement to drive further investment in disaster preparedness and recovery efforts across remote, rural and regional communities. The funding will be distributed through FRRR’s flagship Strengthening Rural Communities small grants program.



These grants are designed to help communities recover from disasters, as well as build social resilience, to prepare communities for any disruptions they might face in the medium to long-term. This approach fully aligns with our community strategy of helping facilitate longer-term benefit, looking beyond the immediate impacts to help revive the community and prepare it for future challenges and opportunities.

“With rural communities increasingly at the forefront of the impacts of climate change, it’s more important than ever that communities can access flexible funding. We’re grateful for this commitment from Charter Hall, as it means that there will be more funding to empower local communities to shape and lead their preparedness, disaster recovery and resilience building projects in a way that makes the most sense in their community,” Natalie Egleton, FRRR’s CEO, said.

These learnings were echoed by one recent grant recipient, the Friends of Tenterfield Aerodrome. This group of volunteers is developing Tenterfield Aerodrome into a disaster response and emergency services hub, which will advance community safety, security, health, resilience and disaster-readiness.

Barry Bicknell, spokesperson for the group said, “One of the great benefits of this kind of grant is the way in which it lifts spirits across the community as a whole. They feel that someone respects and cares about their efforts, and it builds on the sense of pride and purpose that is at the core of so many local initiatives.”

The extension of our partnership with FRRR will continue to be part of our broader commitment to supporting communities across Australia throughout the entire cycle of a disaster, alongside our first-of-its-kind partnership with the Australian Red Cross, which is focused on recruiting and training 130 additional skilled volunteers each year for three years. Between these two partnerships, we’re able to leverage the experience and community connections of our social partners and amplify them with the scale of the Charter Hall platform to drive greater resilience and prosperity in our communities.

## Looking forward



– We will continue to contribute up to 1% of profits, underutilised space and people’s time to community partners each year to help them achieve positive social impacts by FY25.



Accessing green debt to navigate volatile market conditions

Case study: Green Debt

# Accessing green debt to navigate volatile market conditions



## Material topics

– Sustainable growth and returns

Over the past twelve months, economic uncertainty and high interest rates have caused global capital flows to slow across many industries, while the cost of the debt has remained elevated, creating a range of funding challenges across the economy.

The property industry hasn’t been immune to the impacts of this, but we pride ourselves on our ability to prepare our business to be cycle-ready. This includes our investment in strong sustainability credentials, which have enabled us to access capital at competitive pricing through all market conditions and provide critical stability even during the downcycle.

There is a clear trend in financial markets, both domestic and global, in favour of aligning more of their funding strategies with environmental and social investment opportunities. As strong sustainability credentials are a long-term investment, forward-thinking companies have been able to unlock capital through sustainable finance, attracting debt investors and lenders looking to embrace sustainability in their allocation of funds.

Sustainable financial options (including green bonds and sustainability linked loans) often offer lower interest rates and better terms than traditional financing, which can help to manage capital costs and attract a more diverse investor base.

As of this year, Charter Hall now has one of the largest sustainable finance platforms in Australian property, with \$6.4 billion in green bond issuance and sustainability-linked loans, up \$2.6 billion from last year. Our sustainability financing at asset level is measured by both NABERS (National Australian Built Environment Rating System) and Green Star ratings. Our approach, led by our Group Treasury and Financing teams in close partnership with our ESG team, leverages our commitment to sustainability and our scale, with Australia’s largest footprint of independently green rated assets and funds.

This competitive access to green debt facilities enables us to structure our debt in ways that work for the business and our investors and lower our cost of capital, while rewarding us for pursuing and achieving positive environmental outcomes. Our ability to secure funding also strengthens our reputation and market position.

Our Direct business has also proactively leveraged its strong ESG credentials and successfully accessed around \$1.7 billion of green-use-of-proceeds debt, underpinned by our Group-wide Green Financing, from six different lenders under Charter Hall’s first green-common-terms-deed-poll (GTDP) structures.

Sustainability remains a top priority at all levels of our business, across our entire platform. Transactions like this highlight how a long-term view on investing in ESG credentials drives more than positive environmental and social impacts – it also creates strong commercial outcomes, increasing the diversity in our capital sources while providing stability in funding in all market cycles.



## Looking forward



– We will continue to leverage our ESG credentials in support of green finance activity.



Demand drives ongoing energy transition

Case study: Electrification

# Demand drives ongoing energy transition



## Material topics

- Climate change adaptation
- Energy efficiency and renewables

Increasingly, businesses are recognising the role their physical footprint plays in advancing their sustainability goals. As a result, our tenant customers have put the ESG credentials of a building at the centre of leasing conversations.

Curating our portfolio to supply high performing green assets, optimising asset operations and electrification, accessing renewables and offsetting any shortfalls has made us more resilient through the cycle by attracting high quality customers while advancing our sustainability objectives.

While location and amenity remain important to tenant customers, sustainability is increasingly a driving factor for major businesses in selecting workplaces. For us, this is a significant opportunity and has driven strong commercial outcomes through leasing momentum and market-leading occupancy in our Office sector.

### Industry-first sustainable office design

At Light Horse Logistics Hub, currently under construction, the office design for our first building in the Estate incorporates high sustainability performance and a superior design aesthetic that focuses on occupant experience. The pavilion-style design utilises natural

timber and covered courtyard areas that blend indoor and outdoor spaces and improve thermal comfort.

Choosing timber also provides an 80% reduction in the structural embodied carbon associate versus the conventional concrete and steel structure. We have also reduced operational carbon by 60% through integrating sustainable design and renewable energy solutions, including working with our tenant customers and PPA providers on solar opportunities.

Facilities management of the fully electric building includes an operational waste management plan, water monitoring, energy-saving measures such as LED lighting and daylight sensor controls for warehouse lighting, and drought-resistant native landscaping with an Indigenous landscape design provided by Yerrabingin. There are also electric vehicle charging points.

### Designing for the future

60 King William Street is a 14 storey commercial office building with a net lettable area of approximately 39,000sqm located in Adelaide, South Australia. The brownfield project achieved practical completion in 2023. To future proof against climate change, the design of the building includes all electric plant, 120kW of onsite solar, energy efficiency measures (targeting a 5 Star NABERS Energy rating), climate friendly refrigerants and electric vehicle charging infrastructure.

An additional cooling tower provides heat rejection redundancy and additional capacity to enable future



chiller upgrades, with rainwater harvesting reticulated through the building to flush toilets and serve the cooling towers. We also took the opportunity to increase onsite the stormwater detention tank and stormwater drainage pipes to accommodate expected increases in rainfall intensity.

### Transitioning away from fossil fuels

Buildings have typically relied on gas for space and water heating, as well as cooking. The process of electrification removes energy generated emissions from gas, where there is no renewable alternative and installs or replaces this infrastructure with more efficient plant / equipment.

When electricity is procured from 100% renewable sources, this leads to near zero carbon emissions in building operations. Any residual emissions will be offset with verified and certified offsets to bring emissions to a science-based definition of true Net Zero.

### Electrification

A key driver towards our progress toward Net Zero is the integration of energy efficiency and transition strategies into our strategic asset planning. Electrification makes sense environmentally and commercially – enabling us to achieve our Net Zero targets and to transform the energy and cost efficiencies of our assets.

The new 45,000sqm South Tower development in our Chifley precinct in Sydney is designed to be carbon neutral in operation, with works commenced in Feb 2024

to electrify the plant and equipment in the existing tower.

Developing all of these fully electric assets has provided valuable commercial and technical insights into electrical infrastructure, energy demand management and pricing for technology.

We have also been working closely with consulting engineers Northrop to undertake asset electrification and electrification feasibility assessments. To date, we have undertaken electrification feasibility assessments at more than 70 of our existing assets. Between now and 2030, we have 13 gas boilers across 10 office assets reaching end-of-life, and a further 66 gas boilers across 27 buildings reaching end-of-life between 2030 and 2035. Knowing this, we have commenced integrating electrification into all our capital works’ forecasts.

## Looking forward



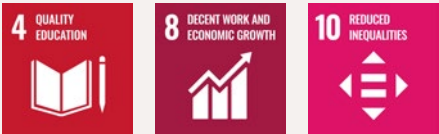
- We expect to achieve Net Zero (Scope 1 and Scope 2)<sup>1</sup> by 2025 and Net Zero Scope 3 emissions before 2050, aligned to science based methodology, with a near-term target for downstream tenant emissions<sup>3</sup>.
- Our goal to achieve 6 star Green Star Buildings for all new Office developments includes a commitment to 40% reduction in upfront embodied carbon<sup>4</sup>.
- We will also increase our tenant data coverage to support Net Zero emissions targets.



Coming together to tackle youth homelessness

Case study: PIF

# Coming together to tackle youth homelessness



## Material topics

– Community and social inclusion

Young people experiencing homelessness are among the most vulnerable in Australia. Without a permanent address, they often can’t secure employment and get stuck in a cycle of lifelong challenges. The most common triggers for homelessness are family violence, relationship breakdowns and substance abuse.

The upcoming generations are the future of Australia. As a proudly Australian company, we recognise that we as a country and a society have a brighter outlook when we all play our part in ensuring young people are given a chance to succeed and supported to get on their feet again.

But we also know that this is not something we could do on our own. That’s why we have a longstanding partnership with the Property Industry Foundation (PIF), an independent not-for-profit whose mission is to increase the availability of bedrooms for homeless youth. PIF brings together the entire property sector, from building suppliers and product manufacturers, to builders, fund managers and even direct property investors.

Working with them has enabled us to engage in a range of initiatives that are close to our hearts and our values, as well as enabling us to partner with parts of the property value chain.

### Haven House

Haven House brings the property and construction industries together to build homes and provide more beds to address housing needs for young people. Half the construction costs are from donations, and the other half are leveraged from property and construction partners such as Charter Hall.

Alongside PIF and in collaboration with the Salvation Army, this year we invested \$290,000 through our Community Investment Fund to create an apartment at Haven House South Dowling, PIF’s largest project to date. The project will have nine two-bedroom apartments and one one-bedroom apartment, as well as communal spaces and meeting rooms. Importantly, it offers 6-month transitional housing for young Australians so that they can safely and securely pursue pathways to employment.

With a unique project funding model that brings together the funds and expertise of many property and charitable organisations, PIF has ensured that residents of Haven House South Dowling will have access to a wide range of programs and services which address the often complex health and welfare needs of young people who are experiencing homelessness.

### Celebrating the best in people

Working with PIF has also offered us opportunities to foster industry excellence. Construction Rocks, for example, is an annual industry-wide event that celebrates the talented people within the property and construction industry (including a Charter Hall band), as well as hosting the next generation of Property Leaders through the PIF ‘Change Makers Program’.



PIF Haven House volunteering - tackling youth homelessness

### Furniture recycling

One of PIF’s flagship initiatives is their Furniture Fund, a circular economy initiative that enables companies to donate and recycle furniture to support homeless youth. This year, we reached out to the PIF Furniture Fund to coordinate the removal of old furniture at Telstra’s vacated offices at 300 La Trobe Street, Melbourne.

2,116 furniture items were earmarked for reuse, with over 99% successfully reassigned, diverting almost 42 tonnes of waste from landfill - a significant environmental and social outcome.

Tackling a big issue like homelessness shouldn’t be a stand-alone initiative. A key learning for us, across the time of our relationship with PIF, is that partners can bring different priorities together and that, sometimes, combining actions is the most satisfying way to achieve real difference in people’s lives.

## Looking forward



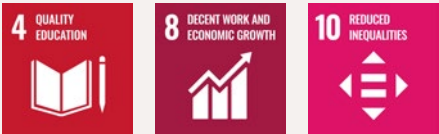
– We will continue to contribute up to 1% of profits, underutilised space and people’s time to community partners each year to help them achieve positive social impacts by FY25.



Dismantling barriers for at-risk youth

Case study: Dismantle

# Dismantling barriers for at-risk youth



## Material topics

– Community and social inclusion

Equity and inclusion for all Australians means greater workforce participation and better economic outcomes. Focusing our support on vulnerable young Australians sets them up for long-term success, maximising impact on individuals and communities. In order to do this at scale, it’s critical that the state-based organisations that are doing life-changing work in their local communities are set up for success, paving the way for more young Australians to have a brighter future.

Dismantle is a WA-based social enterprise that helps vulnerable young Australians navigate social barriers. Providing 15- to 25-year-olds with basic skills supports personal development and independence and maximises their chances of future success by reducing the risk of long-term unemployment.

We’ve partnered with Dismantle for the past six years, offering direct support for several of their services including Bike Rescue, a hands-on, skills-based mentoring program.

But Dismantle understands that just training people often isn’t enough. Experience is critical, which is why Dismantle also operates a work-integrated social enterprise, ReNew Property Maintenance. We are one of ReNew Property Maintenance’s core clients, paying them to provide property and garden maintenance services for our assets across Perth. Involving them provides revenue lines for the organisation and for the young people involved.

Pat Ryan, CEO of Dismantle, said, “For every dollar that Charter Hall spends with us, \$0.40 goes directly into the pockets of our employees. Charter Hall is enabling us to pay young people to attend our program, get their first job, and access support from our team of case managers.”

From 2022 to 2024, our spend with ReNew Property Maintenance exceeded \$340,000, helping youth employees to deliver almost 600 full day-shifts, totalling over 2,200 hours of paid work and \$110,000 in wages.

Charter Hall Chief Experience Officer, Natalie Devlin, said, “Our strategy revolves around building strong foundations for long-term prosperity and a lasting impact. Our work with Dismantle is a wonderful example of how social procurement at the local level can deliver meaningful change in young people’s lives.”



Dismantle’s CEO sees us as the leader of social procurement in WA. “WA still does not have a social procurement policy environment that recognises social enterprises, and Charter Hall started dedicating a portion of its supply chain to social procurement four years ago. That’s really set the tone for other companies to follow suit.”

## Looking forward



- We will contribute up to 1% of profits, underutilised space and people’s time to community partners each year to help them achieve positive social impacts by FY25.



Quality offsets contribute to important First Nations outcomes

Case study: Carbon offsets

# Quality offsets contribute to important First Nations outcomes



## Material topics

- Climate change adaptation
- Community and social inclusion

We are making good progress in our bid to achieve Net Zero emissions by decarbonising our operations. However, eliminating Scope 1 emissions within our Office portfolio, which represents 97% of our Group’s Scope 1 emissions, will take time. As we assess and plan for electrification of our existing Office assets, we’re carefully procuring premium carbon offsets as an interim measure. Importantly, we’re making sure that our money spent is not just benefitting us, but also actively benefitting First Nations communities.

This year we leveraged Treasury banking relationships to access high-quality, nature-based offset projects that deliver low carbon outcomes. We forward-procured three years’ worth of offsets which are aligned with Industry Association policy positions. Our longer-term goal is to reduce our need for offsets.

To finalise our choice of projects, we looked at a range of providers and independently assessed them, where we could, based on availability and volume. Desktop due diligence of eight potential projects identified two savanna burning and one environmental planting projects that met our quality criteria.

After due diligence, we approved an approach to purchase Australian Carbon Credit Units (ACCUs) based on 30% environmental planting and 70% savanna burning, based on project availability provided by CBA.

These projects shield us from volatility in carbon pricing, satisfy scrutiny on certain carbon offsets and help us achieve our Net Zero by 2025 target for Scope 1 and Scope 2 emissions. However, while they meet our immediate needs, more Environmental Planting ACCUs are required to maintain the 30/70 split after that.

Alongside improved carbon and climate outcomes, these projects also come with a range of community-based benefits, including: contributing to the positive mental health and well-being of Indigenous communities; providing job-specific training for local employees; creating local jobs, including Indigenous roles; and maintaining and improving the ecosystems and habitat for native species.

Having a range of offsets also ensured multiple communities benefitted.

### Savanna Burning

Savanna fire management methods have been integral to indigenous land management practices for millennia. The management of fire is used for asset protection and is also intimately connected with caring for country. Savanna burning protects Aboriginal sites and provides access to country for cultural proposes.

Traditional fire management is gaining attention as part of the response to destructive late dry-season fires that destroy mature trees and emit 50% more greenhouse gases (GHG) than early dry-season fires.

Jawoyn Fire 2 savanna burning project: Located on traditional lands in the Northern Territory Top End, the Jawoyn Fire 2 project enables the planned burning of over 610,000 Ha of savanna grass in the high rainfall zones during the early dry season. The project has been in operating since 2016 and provides employment opportunities for local First Nations people.

The Jawoyn Association’s Rangers manage the areas across the Katherine, Kakadu and Roper regions. The Association has also worked on the West Arnhem Land Fire Abatement project which pioneered savanna burning.

Traditional burning techniques are applied in conjunction with modern technology (such as satellite tracking) to plan and manage the fire impacts. The revenue from the sale of the carbon credit is fully invested back into country.

Tiwi Islands savanna burning project: Located on the Tiwi Islands, 80km to the north of Darwin, this project has been underway since 2016 and spans some 260,000 Ha. It is funded by the Indigenous Land and Sea Corporation in exchange for carbon credits. The project promotes new plant growth, attracts fauna to the area and helps protect local biodiversity from intense wildfires and invasive pests and weeds. This complements the Tiwi Islands’ exceptional biodiversity values which are an integral part of Tiwi cultural heritage.

In addition to the environmental benefits, the sale of the carbon credits from the project also creates a wide range of positive cultural and economic outcomes for the Tiwi people, including employment, training and professional development opportunities as well as community benefit programs.

The project employs Tiwi Rangers to develop and implement a fire management plan, again using helicopters to monitor the burning process. The project also supports the management of country by Traditional Owners and enhances intergenerational knowledge sharing through funding Tiwi ceremonies and cultural programs.



### Environmental planting projects

Environmental planting involves planting native vegetation to establish or help restore native forest. This reduces greenhouse gases in the atmosphere by sequestering carbon in new vegetation.

An environmental planting project involves establishing and maintaining native plant species on land that has been cleared of forest for at least five years. A mix of native trees, shrubs or understory species or species of mallee eucalypts are typically planted.

#### The Peniup/Biodiverse Carbon Conservation project:

Registered in 2015, the Peniup project is managed by Greening Australia in conjunction with its nature-based solutions business, Canopy. Located in the Jerramungup local government area in WA, and spanning 750 Ha, it is part of the ‘Gondwana Link’ restoring land between the Stirling Ranges National Park and the Fitzgerald River National Park. It is also part of Greening Australia’s Great Southern Landscapes Program which looks to create the largest tree-based carbon sink in Australia.

The project is located in an area that suits the permanent plantings of mixed nature tree species to improve the local ecology and create habitat for local fauna and flora, on land that was previously used for agriculture. The project also employs local Indigenous people, generating income and supporting regional development.

## Looking forward



- We will continue to contribute up to 1% of profits, underutilised space and people’s time to community partners each year to help them achieve positive social impacts by FY25.



Reducing waste, together

Case study: Waste

# Reducing waste, together



## Material topics

- Resource efficiency
- Responsible and sustainable supply chain

Improving waste segregation and management is essential for long-term environmental sustainability and an important part of our circular economy framework. We are working towards a target of 50% diversion from landfill by 2025 for our Office assets where we manage waste collection.

Our management of waste at GPO Exchange in Adelaide’s CBD shows what’s possible. By involving customer tenants in this target, waste diversion from landfill has improved from 61% in FY22 to 98% in FY24 through the continued joint effort of the property manager and customer tenants. This progress has been verified through industry ratings like NABERS Waste, with GPO Exchange achieving the highest-possible 6 Stars for three consecutive years.

A five point plan has underpinned progress:

- Roll out of dry waste streams that include additional off-site waste separation;
- Implementing a building-wide marketing communications campaign to help occupants understand their role, use the correct bins and minimise waste contamination;

- Scheduled sustainability meetings with property managers and tenants to lift awareness of waste initiatives and promote joint responsibilities and accountabilities in managing waste practices;
- Property managers and tenants driving change through good practices in waste management, taking a learned approach to correcting practices;
- A data-driven engagement built around tenant and floor-level performance, identifying the performance leads and lags, visual sources of contamination and improvement opportunities.

## Looking forward



- Minimise waste to landfill in operations and development.
- 75% diversion from landfill by 2030, for Office assets where we manage waste.



GPO Tower  
2-10 Franklin Street, Adelaide SA 5000  
Kauria land



# Disclosure





Definitions of our material topics

# Definitions of our material topics

Term	Definition
Biodiversity	In its operations and developments, Charter Hall must remain mindful of, and accountable for, the quality, resilience and quantity of ecosystem assets and the provision of their services on which we rely. Understanding this enables Charter Hall to protect, restore and where possible, create opportunities to reduce harm and improve natural environments.
Business ethics and compliance	Charter Hall must rely on robust governance principles, structures and processes that ensure our business practices are responsible and our sustainability framework is fully implemented. We must ensure that our business activities align with the highest environmental, social and governance standards. We must comply with all relevant regulations and be accountable and transparent regarding any compliance matters.
Climate change adaptation	Building the resilience of our business, properties and communities against the physical impacts of climate change is critical to our business viability and success and to our stakeholders. Additionally, preparing for changing regulations and markets in a low carbon economy must be front-of-mind as transitioning to a low-carbon economy will likely entail extensive policy, legal, technology, and market changes.
Community and social inclusion	Supporting and contributing to the strength of our communities and promoting social inclusion of vulnerable groups is important to Charter Hall. We must aim to minimise, mitigate, or compensate for adverse social and/or economic impacts, and/or to identify opportunities or actions to enhance positive impacts of a project on the community. The promotion of social inclusion for vulnerable or disadvantaged groups, including young Australians, people with disability, and indigenous peoples, should remain a key objective for the business.
Customer engagement and satisfaction	Charter Hall has an obligation to meet the needs of our tenants and investors, to ensure they have a voice in the type and quality of services and support that we provide. These obligations extend to areas such as customer privacy, confidentiality and data protection, marketing and service offerings, as well as customer health, safety and well-being.
Employee engagement and satisfaction	Charter Hall must endeavour to maintain a workplace culture and working environment that enables our people to feel valued and recognised in their roles, give their best and maintain a positive attitude towards the business. This also extends to flexible workplaces, employee privacy, health, safety and well-being. It also includes investing in the learning and development of our people to ensure that we retain a skilled and adaptable workforce.
Energy efficiency and renewables	Charter Hall should aim to develop and implement technological modifications, behavioural changes, procurement practices, and process alterations that use less energy or source energy that is renewable. The impact of these changes should be monitored to ensure that they are effective in contributing to energy reductions in our business and across our portfolios.
Health, safety and well-being	Charter Hall has a duty of care to ensure healthy lives and to promote well-being for all at all ages. This duty of care extends across our operations to our employees (including our contractors), customers and tenants as well as the public that use our spaces. As well as physical well-being, we recognise that we need to prioritise mental health and well-being and ensure that our work environments are flexible and accommodating for all.
Innovation and technology	Charter Hall should embrace, investment in and adoption new technologies and innovations that create positive economic, social and environmental outcomes across our assets and in partnership with our customers. Additionally, we should look to maintain our interest, involvement and investment in research and design.
Responsible and sustainable supply chain	Charter Hall must adopt procurement approaches and supplier management practices that deliver responsible and sustainable outcomes. This extends to the and implementation of policies and management practices relating to human rights, sustainable procurement, modern slavery, anti-corruption, anti-bribery, insider trading, anti-trust, price fixing and market manipulation.
Responsible investment	Charter Hall must continue to integrate ESG considerations into our investment decisions (due diligence, property management and day-to-day operations) and ongoing engagements to ensure sustainable growth and returns. Remaining a signatory to the Principles of Responsible Investment (PRI) also helps us understand the investment implications of ESG factors and incorporate these factors more effectively into our investment and ownership decisions.
Sustainable growth and returns	Charter Hall has a responsibility to ensure a fair return to providers of capital over the long-term, through the responsible and sustainable management of our business and assets and the use of flexible lease agreements. Our services must satisfy the highest professional standards of the industry to ensure long-term, mutually beneficial relationships and returns for the company and investors.



# Glossary

Term	Definition
Absolute emissions	Absolute emissions refer to the total amount of greenhouse gases (GHGs) emitted into the atmosphere over a specific period. Examples of absolute emissions metrics include an organisation’s total GHG emissions for a reporting year or total emissions from a specific source, such as office electricity or fleet vehicles.
Anaerobic digestion	Anaerobic digestion is a process through which bacteria break down organic matter—such as animal manure, wastewater biosolids, and food wastes—in the absence of oxygen.
Australian Workplace Equality Index (AWEI)	The definitive national benchmark on LGBTQ workplace inclusion and comprises the largest and only national employee survey designed to gauge the overall impact of inclusion initiatives on organisational culture. The Index drives best practice in Australia and sets a comparative benchmark for Australian employers across all sectors.
Biodiversity	The variability among living organisms from all sources, including, inter alia, terrestrial, marine and other aquatic ecosystems and the ecological complexes of which they are part; this includes diversity within species, between species and of ecosystems.
Circular economy	A model of production and consumption, which involves sharing, leasing, reusing, repairing, refurbishing and recycling existing materials and products for as long as possible.
Circularity	Economic, technical, and environmental systems that aim to eliminate waste and maximise the reuse of resources.
Clean energy	Energy from generation systems that do not produce greenhouse gas emissions during operation.
Clean technology	Products, procedures, and services that harness sources of renewable energy to reduce or eliminate wastes and emissions and significantly minimise the utilisation of natural resources.
Cleaning Accountability Framework (CAF)	A world-first organisation whose mission is to improve labour practices in the cleaning industry.
Decarbonisation	The word decarbonisation refers to all measures through which a business sector, or an entity reduces its carbon footprint, primarily its greenhouse gas emissions, carbon dioxide (CO <sub>2</sub> ) and methane (CH <sub>4</sub> ), in order to reduce its impact on the climate.
Digitalisation	The process of converting information from a physical format into a digital format.
Dow Jones Sustainability Index	The Dow Jones Sustainability Australia Index tracks the performance of the top 30% of the two hundred listed Australian companies in the S&P/ASX 200 that lead the field in terms of sustainability.
Environmental Social and Governance (ESG)	Environmental Social and Governance and refers to the three key factors when measuring the sustainability and ethical impact of an investment in a business or company.
Embodied carbon	The carbon dioxide (CO <sub>2</sub> ) emissions associated with materials and construction processes throughout the whole lifecycle of a building or infrastructure.
First Nations	First Nations recognises Aboriginal and Torres Strait Islander peoples as the sovereign peoples of Australia.
Frank Lowy Fellowship	The Fellowship is awarded to an emerging leader in the shopping centre industry who has demonstrated distinction in their professional field and a commitment to industry excellence.
Global Reporting Initiative (GRI)	The world’s most widely used sustainability reporting standards, which cover topics that range from biodiversity to tax, waste to emissions, diversity and equality to health and safety. As such, GRI reporting is the enabler for transparency and dialogue between companies and their stakeholders.
Green debt	A green debt financing instrument is like any other equivalent debt instrument, except that the use of proceeds is directed toward projects or assets that deliver clear environmental benefits.
Green financing	Green financing aims to increase the level of financial flows (from banking, micro-credit, insurance and investment) from the public, private and not-for-profit sectors to sustainable development priorities. A key part of this is to better manage environmental and social risks, take up opportunities that bring both a decent rate of return and environmental benefit and deliver greater accountability.
Green power	GreenPower is a commonwealth government accredited renewable electricity product.
Green Star Performance rating	Green Star Performance is Australia’s leading sustainability rating tool to assess the operational performance of existing buildings. The rating tool is comprehensive and covers nine categories including energy, emissions, water, land use, materials and indoor air quality
Global Real Estate Sustainability Benchmark (GRESB)	The Global Real Estate Sustainability Benchmark is an investor-led organisation that provides actionable and transparent ESG data to financial markets.
Intergovernmental Panel on Climate Change (IPCC)	The Intergovernmental Panel on Climate Change is the United Nations body for assessing the science related to climate change.



Glossary

Term	Definition
International WELL Building Institute (IWBI)	The International WELL Building Institute is the global authority for transforming health and well-being in buildings, organisations and communities around the world.
LGBTQ+	A term used to refer to the community formed by lesbian, gay, bisexual, transgender, transsexual, intersexual and any other individuals who’s sexual and/or gender identity differs from the cis heterosexual.
Low carbon economy	An economy that generates low levels of GHG emissions compared with today’s carbon-intensive economy.
LTIFR	Lost Time Injury Frequency Rate, is the number of Lost Time Injuries (LTI) that occurred over a period time per number of hours worked in that period.
Materiality matrix	A tool used to identify and prioritize ESG (Environmental, Social and Governance) issues that are the most critical to an organization.
NAIDOC Week	NAIDOC Week (National Aborigines and Islanders Day Observance Committee) occurs annually in July, and celebrates the history, culture and achievements of Aboriginal and Torres Strait Islander peoples.
NABERS	National Australian Built Environment Rating System. A NABERS rating helps to accurately measure, understand, and communicate the environmental performance of a building while identifying areas for cost savings and future improvements.
Natural capital	The stock of renewable and non-renewable resources (e.g., plants, animals, air, water, soils, minerals) that combine to yield a flow of benefits to people.
Net Promoter Score (NPS)	A customer experience metric that measures loyalty and is predictive of business growth.
Net Zero emissions	Achieved when residual greenhouse gas emissions are balanced by carbon removals (e.g. Carbon offsets) over a specified period and within a specified boundary (IWA 42:2022 Net Zero Guidelines)
National Institute of Standards and Technology (NIST) Cybersecurity Framework	The National Institute of Standards and Technology Cybersecurity Framework helps businesses of all sizes better understand, manage, and reduce their cyber security risk and protect their networks and data. The Framework is voluntary.
Pledge 1% movement	A global corporate philanthropy movement that engages business leaders and their employees to give back to local and national social causes through an ongoing commitment of staff time, product, and/or cash derived from the company’s profits or equity.
Placemaking	Placemaking means creating places and focuses on transforming public spaces to strengthen the connections between people and these places. This process relies on community participation.
Potable water	Water that is intended for use as drinking water.
Principles for Responsible Investment (PRI)	The UN Principles for Responsible Investment aims to promote the incorporation of environmental, social, and corporate governance factors (ESG) into investment decision-making.
Regenerative future	Ways in which we can re-think our relationship with the planet and build a healthy ecosystem, as an interconnecting whole across environment, society and economy.
Renewable energy/electricity	Produced using natural resources that are constantly replaced.
Reconciliation Action Plan (RAP)	Based around the core pillars of relationships, respect and opportunities, RAPs provide tangible and substantive benefits for Aboriginal and Torres Strait Islander peoples, increasing economic equity and supporting First Nations self-determination.
Scope 1 emissions	The emissions released to the atmosphere as a direct result of an activity, or series of activities at a facility level. Sometimes referred to as direct emissions.
Scope 2 emissions	The emissions released to the atmosphere from the indirect consumption of an energy commodity. For example, “indirect emissions” come from the use of electricity produced by the burning of coal in another facility.
Scope 3 emissions	Indirect greenhouse gas emissions other than scope 2 emissions that are generated in the wider economy. They occur as a consequence of the activities of a facility, but from sources not owned or controlled by that facility’s business. Some examples are extraction and production of purchased materials, and transportation of purchased fuels.
Social Infrastructure	The construction and maintenance of facilities that support social services. These can include healthcare (medical facilities and ancillary infrastructure), education (schools, universities and student accommodation), and housing.
Social enterprises	Social enterprises create social or environmental outcomes while generating most or all of their revenue from trading or a business model. This allows for greater financial and strategic independence than traditional charitable grants.
Social procurement	Social procurement is when organisations use their buying power to generate social value above and beyond the value of the goods, services, or construction being procured.
S&P Global Corporate Sustainability Assessment (CSA)	An annual evaluation of companies’ sustainability practices. It covers over 10,000 companies from around the world. The CSA focuses on sustainability criteria that are both industry-specific and financially material and has been doing so since 1999.



Glossary

Term	Definition
Sustainability framework	A sustainability framework defines your sustainability vision and strategy, your sustainability goals and objectives and your key performance indicators.
Sustainable Digitalisation Project (SDP)	A multi-disciplinary collaboration across industry, government and academia with the purpose of establishing sustainable digitalisation as core to the use of digital technology in the built environment.
Sustainable Supply Chain	A sustainable supply chain is one that uses environmentally and socially sustainable practices at every stage to protect the people and environments across the whole chain. This means an organisation upholds environmental and social standards for their own operations and their suppliers’ operations.
Sustainability linked loans (SLLs)	Loans where a portion of the interest rate is linked to the borrower’s ability to meet sustainability targets. An SLL incentivises companies to achieve these targets so they can secure a lower interest rate.
Task Force on Climate-related Financial Disclosures (TCFD)	Task Force on Climate-related Financial Disclosures. The Financial Stability Board (FSB) created the TCFD to develop recommendations on the types of information that companies should disclose to support investors, lenders, and insurance underwriters in appropriately assessing and pricing risks related to climate change.
Traditional Owners	A group of Aboriginal persons who authorise certain Indigenous Land Use Agreements under the Native Title Act, or native title holders.
TRIFR	TRIFR or the total recordable injury frequency rate is the number of fatalities, lost time injuries, substitute work and other injuries requiring treatment by a medical professional per million hours worked.
WELL rating	Independent verified performance based benchmark that measures impacts to human health and well being of building occupants. Features assessed include air quality, nourishment, light, fitness and comfort.
Workplace Gender Equality Agency (WGEA)	The WGEA Employer of Choice for Gender Equality (EOCGE) citation is a voluntary program that recognises organisations’ active commitment to achieving workplace gender equality.
Work health and safety (WHS)	Work health and safety involves managing risks to the health and safety of everyone in a workplace.
WHS ISO 45001	ISO 45001:2018 specifies requirements for an occupational health and safety (OH&S) management system, and gives guidance for its use, to enable organizations to provide safe and healthy workplaces by preventing work-related injury and ill health, as well as by proactively improving its OH&S performance.



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**Important information**

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