

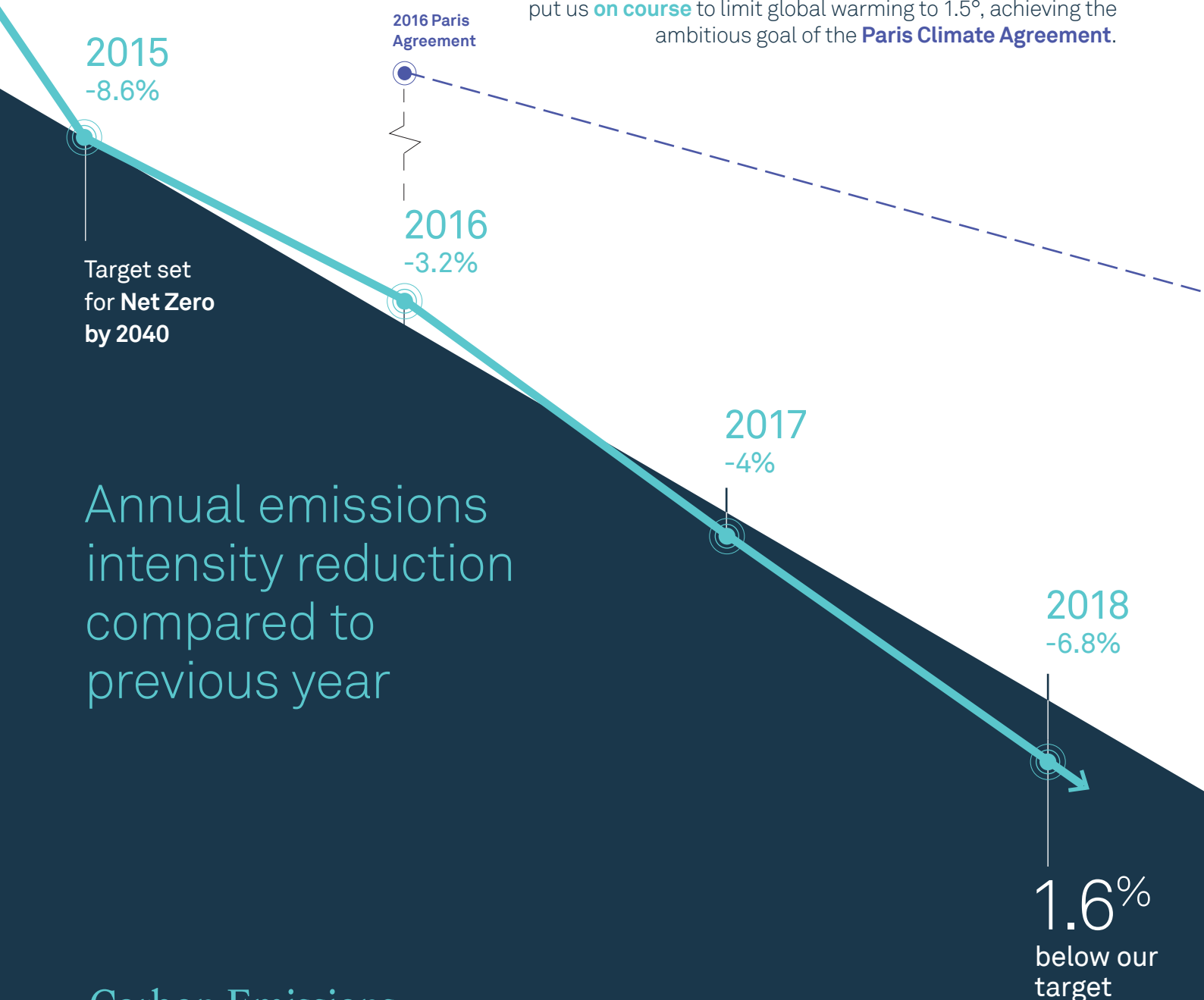
Sustainability
Report 2018

1.5°

2018 A Year of Impact

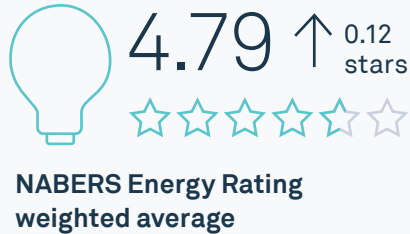
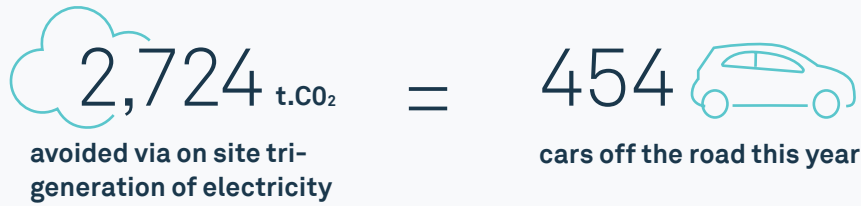
Despite 2017 being Australia's third hottest year on record and a lack of Federal policy addressing climate change, we are proud of this year's progress towards our **Net Zero 2040 target**. Since 2004, we have reduced our emissions intensity by **61%**.

Pleasingly, our comprehensive strategy of positive action has put us **on course** to limit global warming to 1.5°, achieving the ambitious goal of the **Paris Climate Agreement**.



Carbon Emissions

Now in our fourteenth year of tracking our carbon emissions data, we have seen a consistent pattern of year on year improvement. We have set a new industry benchmark standard by achieving a 61% reduction in carbon emissions intensity since 2004. Our ongoing performance improvements have netted a 6.8% emissions intensity reduction over the course of the 2018 reporting year.



Impact

Delivering maximum positive impact has meant embedding sustainable practices across every aspect of the business. As a global sector leader with a proud 14- year track record, we back ourselves as inspiration to our partners to recognise sustainability as creating immense value for the environment, society and shareholders alike.

target path for
Net Zero
by 2040

A letter from our Chairman and CEO

“1.5°

A small number by every measure, but by contrast, an enormous global target, with tremendous consequence.

In a global landscape where the environment and climate change science have become political footballs, it brings us immense pride to reflect on the amazing work our teams across the country are doing to reduce emissions and minimise global warming to 1.5°C. Despite the constant change in direction of federal energy policy, Investa has charted an ambitious course to Net Zero emissions by 2040. We set this target to do our share of the heavily lifting so we could deliver on the Paris Target, and this year alone, we have collectively reduced our emissions intensity by 6.8%. As an organisation who accepts wholly, the science of climate change, we understand that it is our moral and ethical obligation to address climate change and to commit to a 1.5°C future. Anything less would be a fundamental breach of our duty to investors, tenants and staff alike.

In 2016 when we set this ambitious target, the world was optimistic following the success of the Paris Climate Agreement, sealed by global cooperation and a collective desire for action. What a different time we find ourselves in now. Markedly 2017 was the third warmest year on record, in keeping with a general trend of every other year being Australia's "hottest year on record". Climate change is no longer something for future generations to deal with, it is evident every day in the noticeably abnormal weather, evidenced in sustained drought, bushfires in winter, absent monsoonal rainfall, or unseasonal flooding.

The impacts of a changing climate are being felt in our buildings across the country. Compensating for longer summers, building cooling systems must work harder and run longer during extended days of extreme heat. As we carefully address these challenges, we've seen energy prices escalate in part due to a lack of policy confidence, and continued uncertainty in the renewable energy sector. Despite these challenging conditions, our teams of experts have increased our NABERS Energy and GRESB ratings universally on a continued basis. This is again, a tremendous result.

In 2017 Investa launched two significant projects aimed at broadening our scope of influence to include our tenants and investors in a pathway to Net Zero emissions. Our recently launched Sustainability Toolkit is a global-first in sharing building performance data, low carbon fit out guidance, and wealth of information on health, well-being and productivity with our +100,000 building occupants. We built the Toolkit to enable our occupants to make sustainable choices every day, contributing to both their well-being, and to emission reductions across the country. We see the Toolkit as a key driver of tenant empowerment, and its launch has been met with great enthusiasm and positive feedback.

On the back of a very successful cooperation agreement with our investor partner the CEFC, this year we launched an extensive investor ESG engagement programme which sought to share our expertise, results, and strategy with our investors. Not only did we invite our investors to contribute to our ESG strategy, we also created an environment where they could connect, sharing ideas and solutions with each other. We believe by leveraging our expertise, and engaging our investors and tenants in a pathway to Net Zero emissions, Investa can have a profoundly positive impact in achieving our 1.5°C future.

Again, it is with enormous pleasure that we share our annual Sustainability Report. We look forward to your feedback.



Rebecca McGrath

Chair of the Board



Jonathan Callaghan

Chief Executive Officer

Our Community Impact



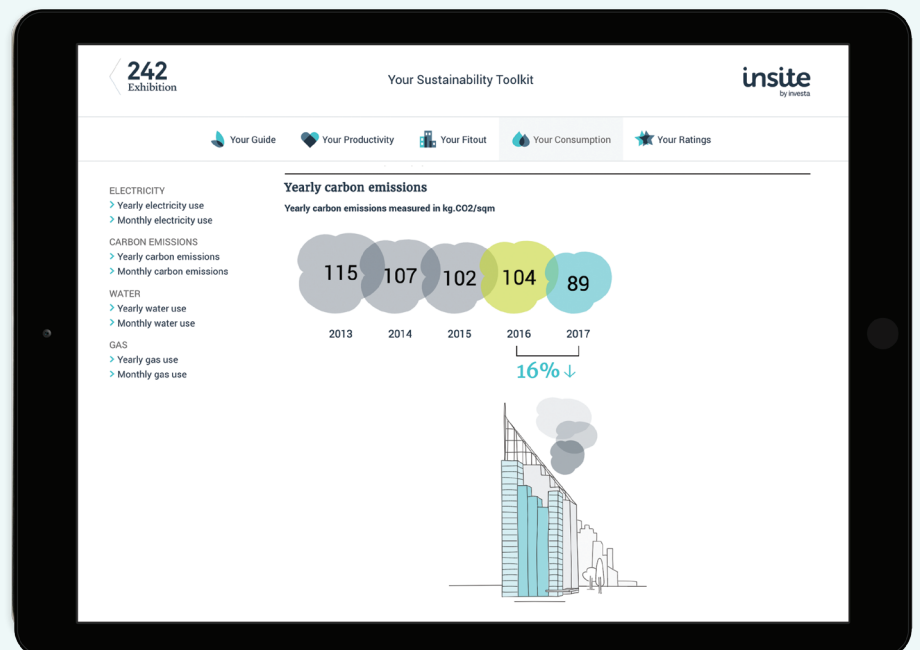
We recognise that without the cooperation and support of the communities we operate in, we cannot achieve our ambitious sustainability goals. As an organisation that prides itself on operating with integrity and authenticity, we have sought to openly engage our communities and stakeholders, creating powerful partnerships to deliver positive impact.

The Tenant Toolkit

In setting our Net Zero 2040 target, we recognised that real leadership would mean bringing our +100,000 occupants with us on this journey. With this goal in mind, we built Investa's online Sustainability Tenant Toolkit, the first of its kind. The Toolkit provides key information on occupant health and well-being, productivity, tips and tricks for making sustainable choices, and linking these decisions to the ultimate environmental performance of the building. The Toolkit enables Investa to share our +10yr expertise in sustainable workplaces with +750 businesses, supporting them to create thriving, low carbon, healthy and productive workplaces.

This year Investa offset 100% of our operational emissions via a Tasmanian biodiversity offset programme. Having

demonstrated the effectiveness of this programme, we have now extended an invitation to our tenants to offset their share of the base building emissions. Much like the aeronautical industry enables a passenger to offset their seat on a plane, we are now inviting our tenants to offset their office emissions via the Toolkit. We hope the Toolkit will empower hundreds of sustainability champions in our buildings to influence their organisations to address climate change in a meaningful way.



<https://sustainability.investa.com.au>

Supporting Our Communities

Investa recognises the business importance of supporting our local communities, both from a corporate social responsibility, and social licence to operate perspective. Investa prides it's self on it's generosity and willingness to get in and lend a hand to achieve a positive impact. Our Donation

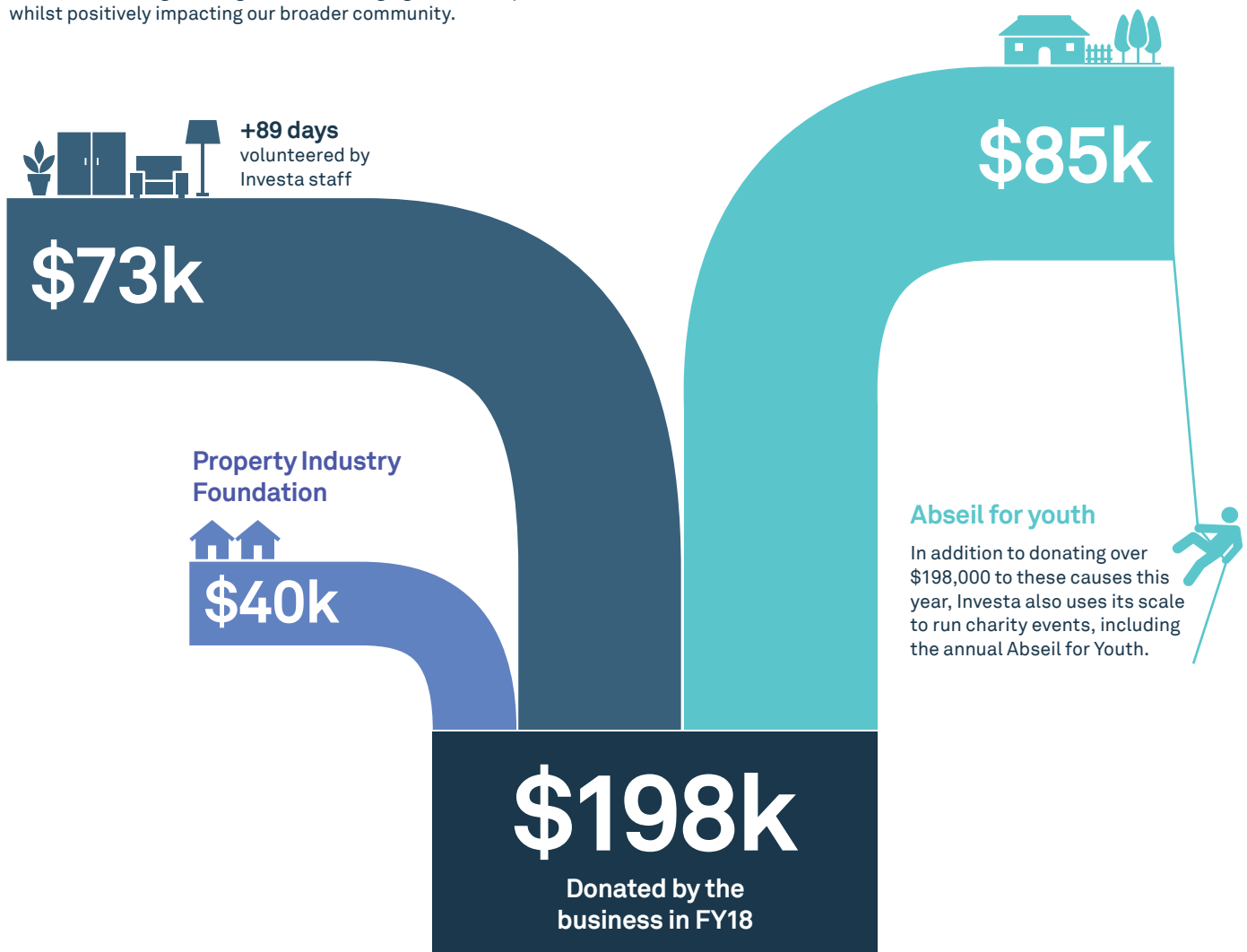
and Sponsorship policy defines three key focus areas; homelessness in our cities, youth at risk, and emergency recovery. Each year, we partner with charitable organisations including the Sir David Martin Foundation, Habitat for Humanity, and the Property Industry Foundation.

Habitat for Humanity

Investa donated over \$73,000 to Habitat for Humanity, a charity providing safe housing to vulnerable Australians. In addition to the financial contribution, almost half Investa's Head Office in Sydney spent a day volunteering with the charity, assembling furniture Investa donated at housing locations in the Sydney metropolitan area. Combining financial support with staff input showcases the alignment of the employee values with those of the broader business, creating a strong sense of belonging in the workplace whilst positively impacting our broader community.

Triple Care Farm

Supporting the Sir David Martin Foundation Triple Care Farm, the Abseil for Youth event enabled over \$325,000 to be raised this year for young Australians dealing with addiction issues, with \$85,000 of that raised by Investa staff. For every \$1 invested into programs at Triple Care Farm, \$3 of social return is generated, equating to almost \$1 million of value generated through the event.




VIC & QLD floods,
cyclone Yasi

2011

Australian Business Roundtable for Disaster Resilience and Safer Communities

Never before has resilience been so critical. 2017 was Australia's third-warmest year on record, with the annual national mean temperature 0.95°C above average. As an owner, manager and operator of city office buildings throughout Australia, we understand that the resilience of our communities is a key material issue. This can mean, for example, our ability to literally keep the lights on during a natural hazard. With rising temperatures come new challenges we must face to ensure our buildings and communities are safe.

2012

Australian Business Roundtable
for Disaster Resilience and Safer
Communities formed

2013

White Paper, *Building our Nation's
Resilience to Natural Disasters*



Warmest spring
on record

2014

*Building an Open Platform for
Natural Disaster Resilience
Decisions Report*



VIC bushfires & east
coast low storms

2015

ABR was awarded the certificate
of distinction in the prestigious
2015 United Nations Sasakawa
Awards for Risk Reduction



Ocean temperatures
warmest on record

2016

*Building Resilient Infrastructure
& The Economic Cost of the
Social Impact of Natural
Disasters Reports*

2017

*Building Resilience to
Natural Disasters in our
States and Territories
report*



Cyclone Debbie



National mean
temperature 0.95°C
above average

2018

National Resilience
Taskforce

Our people

Diversity & Inclusion

Investa recognises the importance of maintaining a diverse, inclusive workforce that harnesses diversity of thought; ensuring that the way we do business and make decisions is representative of our stakeholders and the broader community. We understand that a diverse workforce improves operational and commercial performance, contributes to investor value and delivers better outcomes for our customers. Fostering an inclusive workplace culture is also key to attracting, engaging and retaining a talented workforce to support delivery of our strategic objectives.

40:40:20
female male variable

Gender Diversity

As part of our commitment to diversity, in 2016 Investa set a workforce gender composition target applicable to all managerial and professional roles across the Group, targeting a 40:40:20 gender balance (40% female, 40% male, 20% variable) at each level. This target was set in response to the industry-wide focus on driving greater female participation at senior management levels of organisations, given the clear research link between gender-balanced leadership teams and strong, sustainable financial business performance. This target remained in place throughout FY18 and was linked to short-term incentive compensation outcomes for all executives and employees.

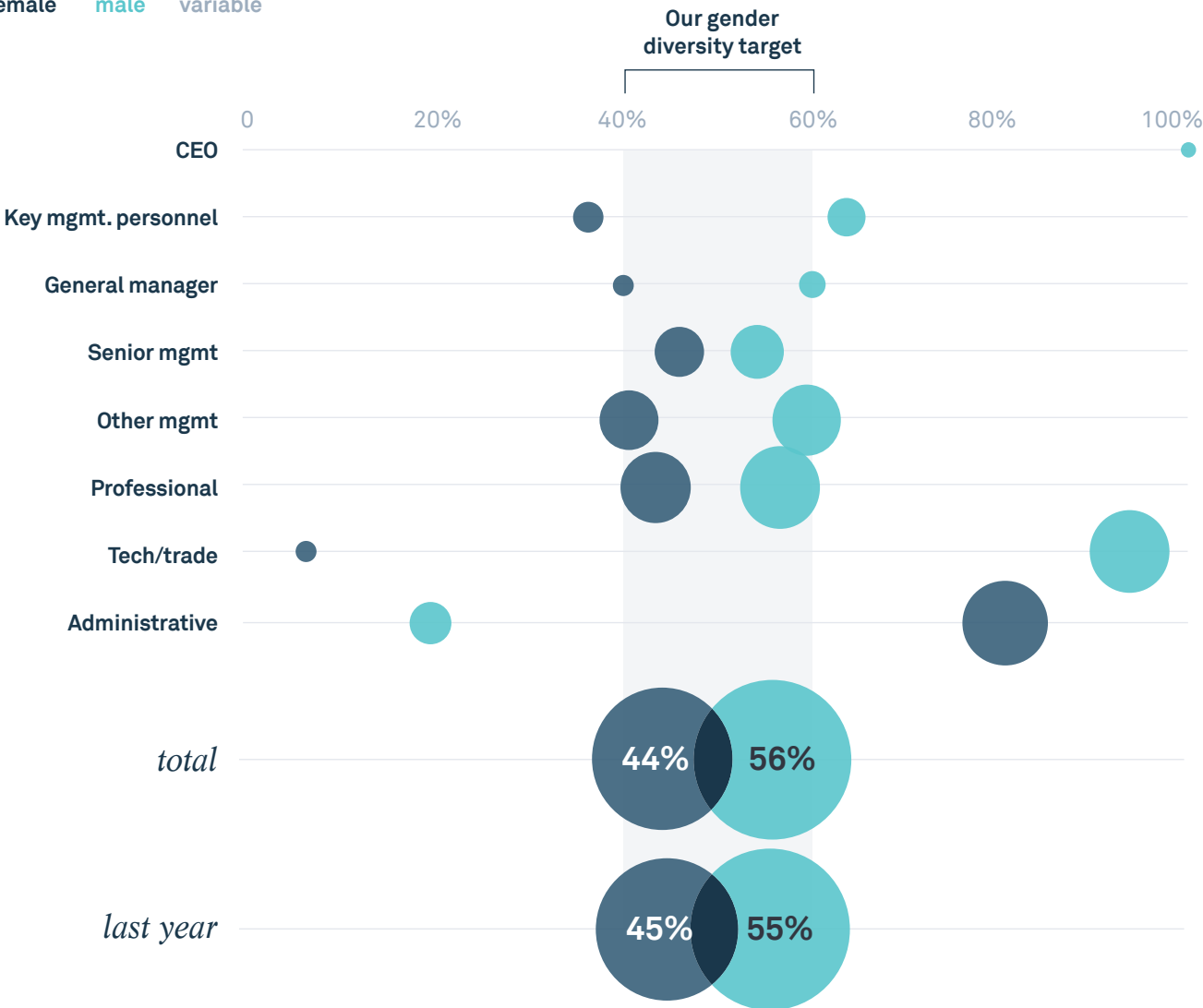
Pleasingly, Investa was once again successful in achieving this target in 4 out of 5 role categories, with the remaining category (key management personnel) within striking distance at 36.36%



50%
of all new promotions
were women



51.6%
of all new hires
were women



Health & Wellbeing

Supporting the health and wellbeing of Investa's workforce is key to driving productivity, engagement and enhanced business performance. With this objective in mind, Management has implemented a holistic employee health & wellbeing program including: discounted healthcare insurance, influenza vaccinations, skin cancer checks, nutrition seminars, discounted wearable fitness devices, yoga and mindfulness classes, executive health checks, lunchtime team sports and discounted gym memberships. These programs have contributed to strong levels of employee retention and reduced absenteeism across the Group.

14%
staff turnover

FY18 turnover held steady from FY17 levels and on par with industry averages.



1.4%
absenteeism

This equates to 3.17 sick days per person per annum and is down from 1.53% in FY17.

Responsible Investment

Investa's Sustainability Strategy ensures we retain a global leadership position, adding value via universal management of environmental, social and governance (ESG) risks and opportunities.

This year we have showcased the financial opportunities created when ESG risk and opportunities are managed and leveraged effectively. We have seen unprecedented investor engagement in ESG issues and opportunities, a reflection of both the growing awareness around climate change, long-term investment exposure and of our role as a global leader in this space.

Leveraging various responsible investment opportunities, Investa has again enjoyed several industry firsts;



The Clean Energy Finance Company (CEFC) have become a key ally in addressing ESG risk and opportunity. The original co-operation agreement (outlining six key cooperation projects) that accompanied the CEFC equity investment into ICPF has already resulted in several industry firsts. Management's monthly engagement with the CEFC has delivered the opportunity to share insights and progress solutions. The demonstrated benefits of this regular dialogue has significantly influenced our approach to broader inclusive investor engagement.



- Australia's first certified property \$250M Green Bond Issuance
- A world-first online tenant sustainability engagement tool
- Launching a platform to share building consumption data directly with tenants to drive awareness of operational consumption.
- The ongoing pursuit of an Australian real estate solution for Science Based Targets
- An industry-first to develop a Scope 3 emission target in alignment with Science Based Targets.

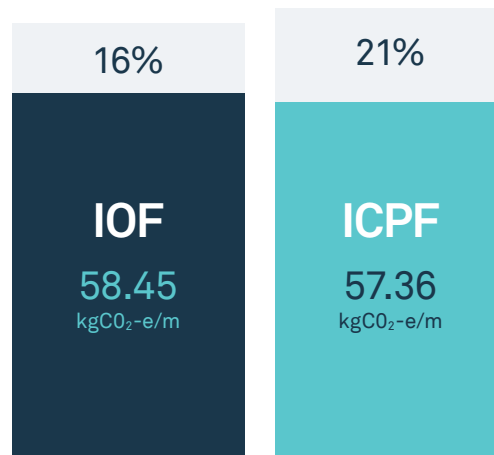
Net Zero by 2040

Green Bonds

Supporting the development of the Australian responsible finance sector is a material opportunity for Investa to demonstrate the connection between ESG performance and financial opportunity. With this objective in mind, in FY17, Investa successfully launched Australia's first Climate Bonds Initiative (CBI) certified property Green Bonds totalling \$250M. Both Bonds were more than twice over subscribed, reflecting high investor demand.

Ongoing CBI certification and assurances require the Green Bond tagged asset portfolios remain under their respective CBI threshold requirements. Pleasingly, this year we achieved this comfortably with 16% and 21% portfolio threshold buffers.

Headroom from CBI Threshold



Emissions intensity

ESG Briefings

Investa's carbon reduction strategy *Getting to Zero*, articulates an opportunity to expand our boundary of influence to work with and alongside our investors to address the threat of climate change. Earlier this year, and in response to increased investor interest and engagement, Investa hosted the first ESG investor briefings in Sydney and Melbourne. Management sought to bring together key ESG analysts, investors and responsible investment managers to connect our investor community to each other, and to also build working relationships and partnerships to address the challenges of climate change. These connections enable two-way conversations, sharing insights and dialogue around key material issues for both managers and investors.

More than 40 investors attended the briefings, which covered ESG strategy and FY17 performance, plans for FY18 performance improvement, global benchmarking trends and finishing with a robust discussion on our Taskforce on Climate Related Financial Disclosure (TCFD) approach.

The TCFD discussion directly resulted in Investa completely reshaping its response to the Recommendations, to better reflect investor timeframes and readiness to absorb data.

Feedback from the sessions has been very positive, and has resulted in Investa establishing ourselves as a strategic property partner in solving ESG challenges. Management intend to host these briefings on an ongoing annual basis, and to continue to include our investor community in our pathway to Net Zero emissions.

Taskforce on Climate Related Financial Disclosure (TCFD)

As a long-term owner and manager of commercial office buildings around the country, the resilience of our cities and the systems we rely on like public transport and healthcare are of key material operational risk to Investa. Since 2012, Investa has been working with the Australian Business Roundtable to drive awareness in the property sector for awareness of resilience risk, and necessary mitigation investment. As our carbon strategy

Getting to Zero articulates, Investa aims to expand our boundary of influence to include investors and our broader community. Pleasingly, the TCFD enables Investa to engage in a direct dialogue around the resiliency of our assets and ultimately their financial exposures.

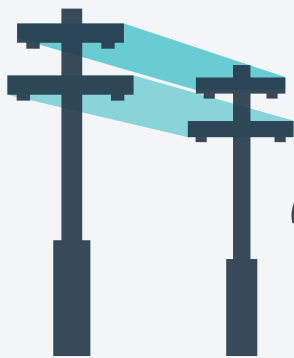
In June 2017, The Financial Stability Board's Taskforce on Climate Related Financial Disclosure (TCFD) established guidance for disclosing clear, comparable and consistent information about the risks and opportunities presented by climate change.

During FY18, Management engaged our investors directly to establish investor

expectation and best practice approaches. The result of this engagement was a re-engineering of our strategy, to stage the development of our TCFD response.

Reflective of investor feedback, our TCFD Strategy is divided into three separable chapters to be commissioned over three years; Stage 1. Identify Key Material Risk. Stage 2. Assess climate change scenarios of key material risks. Stage 3. Define and disclose financial valuations associated to those risks. In FY18, Management completed Stage 1, and is now proceeding to Stage 2. Investa is pleased to work with the UN Environmental Programme Finance Initiative working group on establishing TCFD best practice reporting models. It is our intention to continue to gather investor and best practice feedback in TCFD reporting on an ongoing basis.

HIGH RISK



Increasing electricity costs



Storm damage



Increased temperature



Required building upgrades



Water availability issues



Sea level rise



Changing tenant composition

LOW RISK

Industry partnerships

Investa continues to work with our global peers to reach international benchmarks that define best-practice and measure ourselves accordingly against the highest levels of governance and performance. Working with sector peers ensures we can identify material risks and act together where possible to mitigate them and seize opportunities.



Signatory of:



Governance

Investa's culture of compliance and risk management ensures all business activities comply with laws, regulations, codes and in-house policies and procedures. A Governance structure which provides ongoing and regular access to Investa's Investors, Boards, and the Audit and Operational Risk Committee allows Investa's dedicated sustainability team to work with all levels of management to maximise ESG outcomes.

Sustainability reporting structure



184 ↑38
FY17
incidents reported



19 ↑9
FY17
needed medical treatment

Workplace health & safety

In FY18, Investa's Safety Health and Environment Management System, covering the operation of our commercial office buildings, successfully maintained certification to AS/NZS 4801:2001 Occupational Health and Safety Management Systems. In FY18, over 2.47 million hours of work (FY17 1.74 million) were undertaken by staff and contractors across buildings managed by Investa and across its development projects. During the reporting period there were 184 incidents, 19 of which resulting in injuries requiring medical treatment or assignment of alternative duties (TRIFR of 7.2). There were two (2) incidents which resulted in lost time (LTIFR of 0.8).

	Hours worked (millions)	TRIFR	LTIFR
FY15	0.73	4.1	0
FY16	1.47	4.7	1.4
FY17	1.74	5.7	2.3
FY18	2.47	7.2	0.8

Environment

1.5°

Investa has proactively committed to a 1.5° future

	Emissions Intensity (kg.CO ₂ /sqm)	Change Since FY17	Electricity Intensity (kWh/sqm)	Gas Intensity (MJ/sqm)	Water Intensity (L/sqm)	NABERS Energy (Stars)	NABERS Water (Stars)
16-18 Mort Street, Canberra	46	-6.4%	44	176	349	5.0	5.0
105-151 Miller Street, North Sydney	58	-13.9%	64	91	656	5.0	4.0
111 Pacific Highway, North Sydney	57	-28.4%	64	71	577	5.0	4.0
126 Phillip Street, Sydney	60	-7.2%	76	71	947	5.0	3.5
347 Kent Street, Sydney	77	-14.1%	93	*	959	4.5	3.5
99 Walker Street, North Sydney	56	-23.9%	66	13	1012	5.0	3.5
133 Castlereagh Street, Sydney	55	-30.0%	79	18	606	5.0	4.0
222 Pitt Street, Sydney	66	1.5%	72	108	839	5.0	3.5
151 Clarence Street, Sydney ^{GS W}	^	^	^	^	^	^	^
140 Creek, 295 Ann & 232 Adelaide Street, Brisbane	65	2.9%	83	*	673	5.0	4.0
239 George & 15 Adelaide Street, Brisbane	64	-4.9%	81	*	750	5.0	4.0
242 Exhibition Street, Melbourne	86	-3.8%	75	100	468	4.5	5.0
567 Collins Street, Melbourne ^{GS}	45	3.4%	35	135	611	5.0	3.5
836 Wellington Street, West Perth	35	14.8%	49	11	406	5.5	4.0
66 St Georges Terrace, Perth	40	-0.3%	54	30	489	3.5	-
6 O'Connell Street, Sydney	71	-7.1%	75	163	1065	4.5	3.5
1 Market Street, Sydney	69	-2.7%	82	24	689	4.5	4.0
130 Pitt Street, Sydney	59	-2.3%	71	*	698	5.0	3.5
135 King Street, Sydney	64	-11.1%	74	53	775	5.0	3.5
201 Kent Street, Sydney	56	-9.6%	66	23	777	5.0	3.0
40 Mount Street, North Sydney ^{GS}	42	-0.5%	59	56	724	5.5	3.5
400 George Street, Sydney	81	-1.6%	95	30	742	4.5	3.5
420 George Street, Sydney ^{GS}	47	-8.9%	54	41	590	5.0	4.0
60 Martin Place, Sydney ^{GS}	^	^	^	^	^	^	^
259 Queen Street, Brisbane	60	10.1%	76	*	532	5.0	4.5
120 Collins Street, Melbourne	84	1.8%	71	143	566	4.0	3.5
231 Elizabeth Street, Sydney	87	0.6%	101	61	601	5.0	4.0
20 Bridge Street, Sydney	87	-	103	20	904	4.0	3.0
179 Turbot Street, Brisbane	54	-0.2%	68	*	739	5.5	4.0
737 Bourke Street, Melbourne	51	0.8%	45	51	426	4.5	4.0
Total	64	-6.8%	71	73	676	4.79	3.83
Change since FY17	-6.8%	-	-4.0%	-14.6%	+3.7%	+0.12	-0.02
Change since FY04	-60.9%	-	-47.3%	-47.5%	-41.7%	+2.19	+0.83

^ Development Site

* No gas consumed at this asset

W: WELL Rated Asset

GS: Green Star Design and As Built Rated

EY has been engaged to provide limited assurance on the above performance data for the year ending 31 March 2018, consistent with ASAE 3000 and ASAE 3410. EY's assurance statement and Investa's Reporting Rules can be found on Investa's public website at <https://www.investa.com.au/about-investa/sustainability/results-and-reports>.

2004
164
kg.CO₂/sqm/yr

↓ 61%
since 2004

IOM carbon emissions intensity

2018
64
kg.CO₂/sqm/yr

Now in our fourteenth year of tracking our carbon emissions data, we have set a new industry benchmark by achieving 61% reduction in carbon emissions intensity since 2004.

Ongoing performance improvements have netted 6.8% emissions intensity reduction in FY18, representing strong progress against our Net Zero target by 2040. The below case studies provide illustration as to how we are getting to Net Zero;

our target of zero



Investa's new tenancy at 420 George St

Investa's commitment to reducing emissions extends to the business' new offices on George Street in Sydney, with careful and considered design achieving a;

- 34% embodied carbon reduction
- 11% Recycled content
- 20% Re-claimed content
- 10% Re-use at end-of-life (carbon reduction & waste avoidance)



41%
Recycled or
re-used



111 Pacific Highway

Emissions are reduced by driving operational performance. 111 Pacific Highway, a 44 year old building, achieved a 5 Star NABERS Energy rating for the first time, with a 28% reduction in emissions intensity resulting from the installation of energy efficient LEDs in building car parks and fire stairs combined with an upgrade to the building's heating, ventilation and Air Conditioning systems.



28%
Emissions
intensity

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