

ENVIRONMENTAL, SOCIAL  
AND GOVERNANCE

# ESG

at Brookfield

DECEMBER 2018



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## Message from our Executive Vice-Presidents and Co-Heads

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Throughout Brookfield Properties globally we strive to embed environmental, social and governance (ESG) principles across all that we do. Our goal is to minimise the impact of our operations and improve our efficient use of resources over time.

We are pleased to share with you our achievements across our Australian portfolio in 2018 where we saw successes across all of our ESG pillars. A number of properties received improved NABERS ratings, our employees demonstrated leadership within the industry and positive contributions were made to our communities through employee volunteerism and charitable giving.

Arts Brookfield, a global initiative of Brookfield, presents free world-class cultural experiences to the public and brings the public spaces of Brookfield Properties to life. In 2018, we continued to enliven our portfolio nationally through Arts Brookfield programs including a variety of exhibitions, displays and interactive events for the wider community to enjoy.

We look forward to continuing to pursue innovative ESG initiatives that reflect the values of both our business and employees. Your feedback and ideas are invaluable, so please don't hesitate to reach out to us.

Carl Schibrowski

Danny Poljak





## Who we are

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Brookfield Properties is a fully-integrated, global real estate services company, providing industry-leading development and portfolio management capabilities across the real estate investment strategies of Brookfield Asset Management – a global alternative asset manager with over \$365 billion in AUM.

Through the development and management of our premier real estate portfolio, we focus on maximising the tenant experience in addition to the investment and operational performance of the asset. We also integrate leading-edge technologies which enables our properties to be at the forefront of innovation and sustainability – benefiting not only our tenants, residents and business partners, but also the communities in which we operate.

~30M

SQUARE METRES  
OF OFFICE, RETAIL  
& MULTIFAMILY  
GLOBALLY

~1.95M

SQUARE  
METRES UNDER  
CONSTRUCTION

~1.1M

SQUARE METRES  
DEVELOPMENT  
PIPELINE



# Our Commitment to ESG

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Our mission focuses on providing the highest quality commercial office space while bringing responsible environmental solutions and innovative energy saving strategies to our tenants and the communities where we work.



## Brookfield Properties ESG Principles

As we pursue value-related goals within our global properties the following principles and associated practices ensure that we manage our investments with integrity, balancing economic goals with good corporate citizenship.

### **ENSURE THE WELLBEING AND SAFETY OF EMPLOYEES**

**Employee wellbeing:** Meet or exceed all applicable labour laws and standards in jurisdictions where Brookfield operates, which includes respecting human rights, offering competitive wages and implementing nondiscriminatory, fully inclusive hiring practices.

**Health and Safety:** Aim to have zero serious safety incidents within our business by working towards implementing consistent health and safety principles across the organisation.

### **BE GOOD STEWARDS IN THE COMMUNITIES IN WHICH WE OPERATE**

**Community Engagement:** Engage with community groups that might be affected by our actions to ensure that their interests, safety and wellbeing are appropriately integrated into the firm's decision-making.

**Philanthropy:** Empower our employees to participate in – and use the firm's resources to give back to – the communities in which Brookfield operates.

### **MITIGATE THE IMPACT OF OUR OPERATIONS ON THE ENVIRONMENT**

**Environmental Stewardship:** Strive to minimise the environmental impact of our operations and improve the firm's efficient use of resources over time.

To develop, operate, retrofit, redesign and renovate properties to achieve optimum energy efficiency, occupant satisfaction and reduced carbon emissions.



## Global Best Practices Committees

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We value opportunities to share best practices across our organisation. The Global Sustainability and Global Operations Committees meet with members representing Brookfield Properties in Australia, Canada, the United Kingdom, and United States.

As a global organisation, we are proud to collaborate and share best practices between regions.

### SHARED BEST PRACTICES

#### Environmental

- Global Environmental Data Collection
- GRESB Gap Analysis
- Deloitte Studies: Communications, Carbon Neutrality, GHG Verification
- Regional Best Practices and Energy Management Systems
- Green Parking
- Brookfield Energy Management Course

#### Operational

- Tenant Survey
- Sharepoint and Collaboration Tools are allowing the business to easily share information and work together seamlessly
- Implementation of global co-ordination committees to share knowledge across the regions and business groups and implement best practices



# GRESB

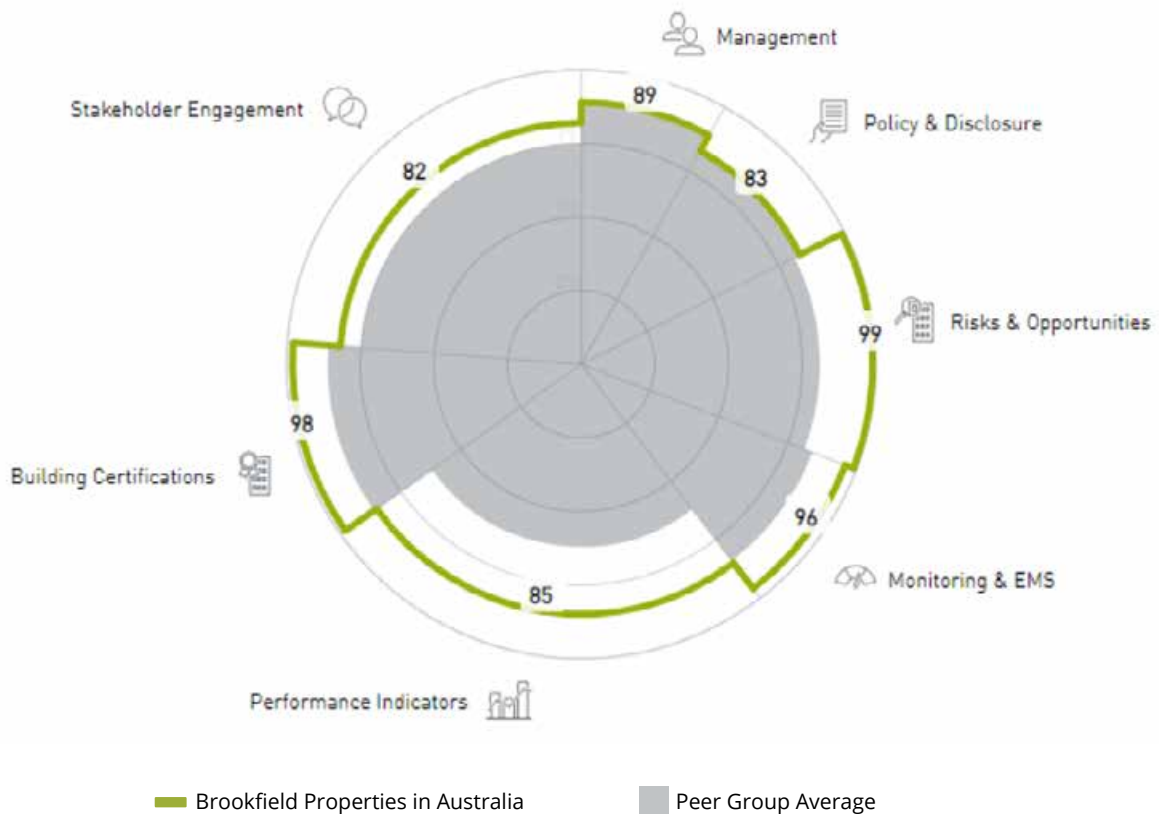
## GLOBAL REAL ESTATE SUSTAINABILITY BENCHMARK

### Brookfield Properties in Australia

GRESB is an industry-driven organisation that independently assesses the sustainability performance of real estate portfolios. The dynamic benchmark is used by institutional investors to elevate the sustainability performance of property companies.

### Scoring Model

- The GRESB survey is structured around seven aspects, plus a separate aspect for new construction and major renovations. The weighted scores for each of the seven aspects combined, generate the overall GRESB score.
- In the 2018 GRESB survey, Brookfield Properties in Australia achieved a score of 89 and maintained Green Star status for the fifth consecutive year. Brookfield Properties Australia outscored the global average for all seven aspects of the survey.



## GLOBAL REAL ESTATE SUSTAINABILITY BENCHMARK

### Quadrant Model

The overall GRESB score is divided into two dimensions:

- **Management and Policy** – the means by which a company handles its portfolio and stakeholders and/or a course or principle of action adopted by the company.
- **Implementation and Measurement** – the process of executing a decision or plan and/or the action of measuring something related to the portfolio.

The scores for Management and Policy and Implementation and Measurement are seen using the GRESB Quadrant Model. Each participant is allocated to one of the following quadrants:

### Green Starters

Participants with a score of less than 50 on Management and Policy and a score of less than 50 on Implementation and Measurement.

### Green Talk

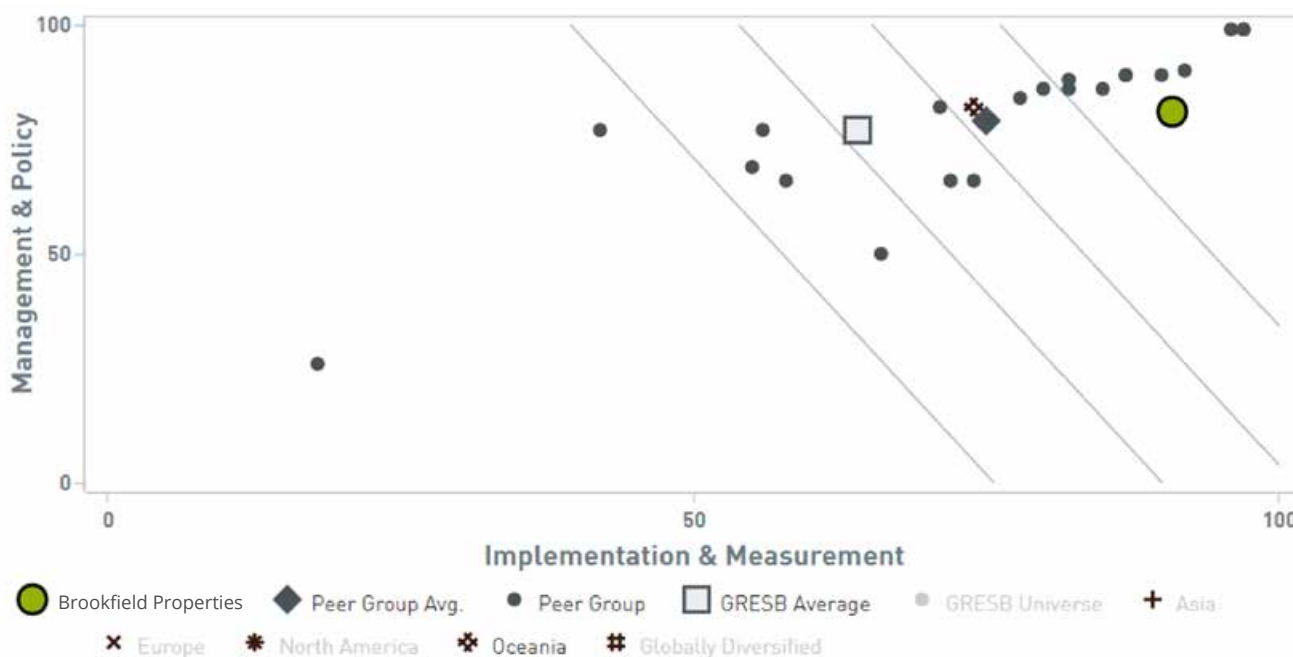
Participants with a score that is equal or larger than 50 on Management and Policy but a score of less than 50 on Implementation and Measurement.

### Green Walk

Participants with a score of less than 50 on Management and Policy but a score that is equal or larger than 50 on Implementation and Measurement.

### Green Stars

Participants with a score that is equal or larger than 50 on Management and Policy and a score that is equal or larger than 50 on Implementation and Measurement. Brookfield maintained Green Star status in 2017.





# ESG in Australia



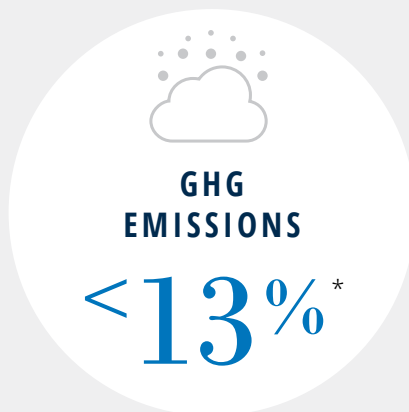
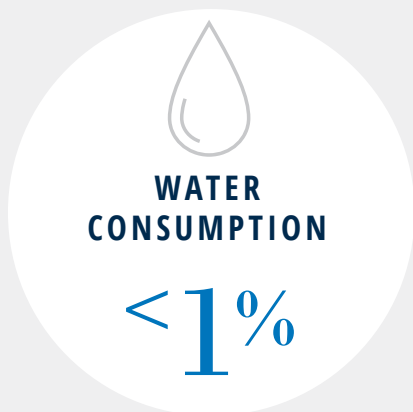
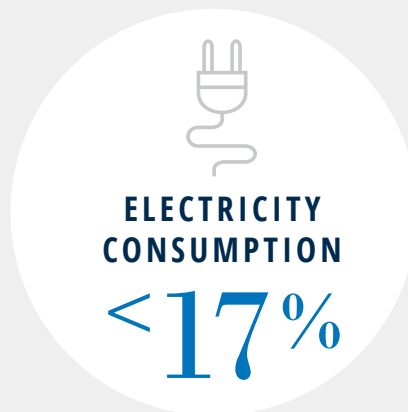
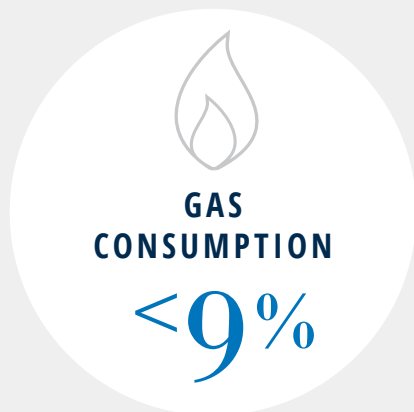


# Measuring our Australian Portfolio

We are committed to maximising energy and resource efficiency at our properties. We closely manage the environmental performance through green building certifications, industry sustainability benchmarks, or internal reviews.

Our baseline is a rolling five year methodology which is well accepted in the industry. As the Brookfield Properties baseline keeps improving, we continually achieve reductions in resources used and waste generated.

Compared to 2014, Brookfield Properties has reduced consumption on a like-for-like basis in Australia by:



Like-for-like basis includes all Brookfield Properties managed properties in the 2014 to 2018 reporting period.

\* Scope 1 and 2 Emissions Base Building. Excludes 388 George Street Building as it is currently undergoing refurbishment

# NABERS Overview

## NATIONAL AUSTRALIAN BUILT ENVIRONMENT RATING SYSTEM

National Australian Built Environment Rating System (NABERS) is a national rating system that measures energy efficiency, water usage, waste management, or indoor environment quality of a building or tenancy. In the 2017/2018 financial year 1,743 projects were rated with the NABERS Energy rating systems.

### AVERAGE NABERS ENERGY/WATER

 **4.8**

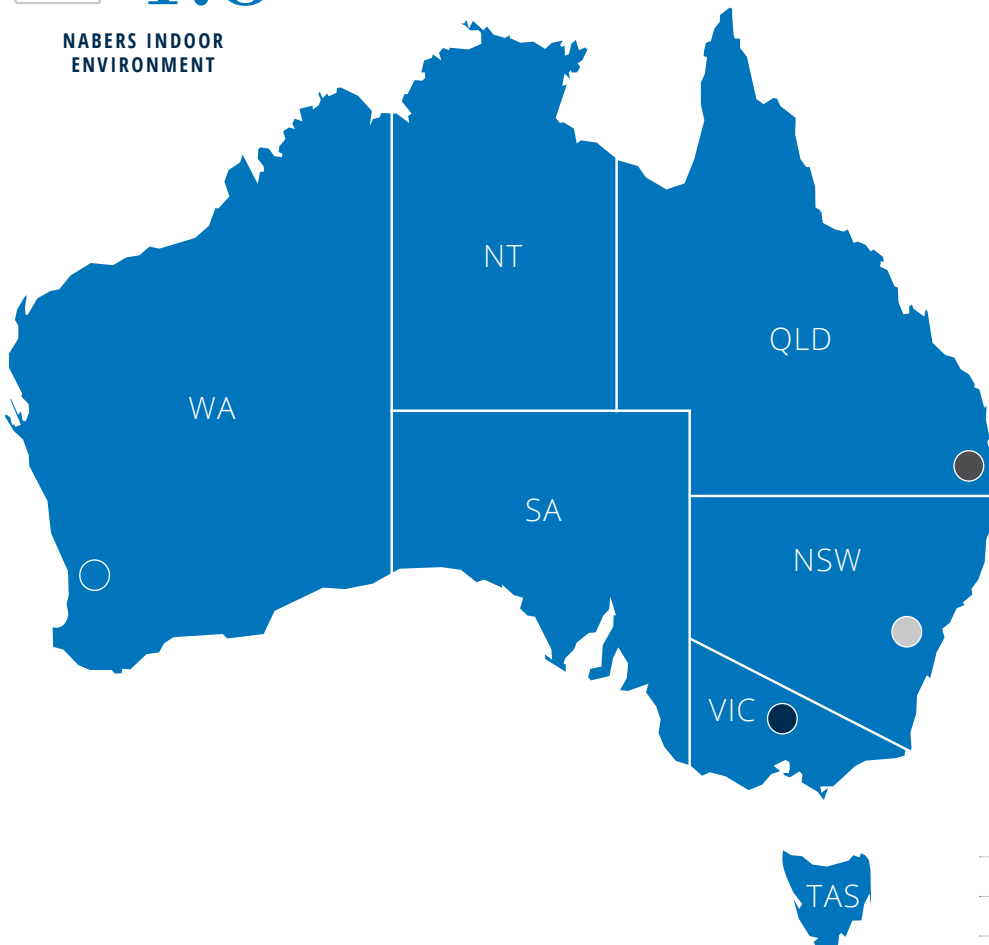
NABERS ENERGY AVERAGE

 **3.8**

NABERS WATER AVERAGE

 **4.8**

NABERS INDOOR ENVIRONMENT



## NABERS ENERGY AND NABERS WATER 6 STAR MAXIMUM

- 6 Stars ..... Market leading
- 5 Stars ..... Excellent
- 4 Stars ..... Good
- 2.5 to 3 Stars ..... Average
- 2 Stars ..... Below average
- 1 Star ..... Poor
- 0 Stars ..... Very poor

### BRISBANE, QLD

1 Asset

28,287 sqm Lettable Area

3.5 Stars Portfolio NABERS Energy Rating

4 Stars Portfolio NABERS Water Rating

5 Star NABERS Indoor Environment Rating

### SYDNEY, NSW

12 Assets

324,500 sqm Lettable Area

5.2 Stars Portfolio NABERS Energy Rating

3.5 Stars Portfolio NABERS Water Rating

5 Star NABERS Indoor Environment Rating

### MELBOURNE, VIC

2 Assets

126,100 sqm Lettable Area

4.7 Stars Portfolio NABERS Energy Rating

4.2 Stars Portfolio NABERS Water Rating

5.5 Star NABERS Indoor Environment Rating

### PERTH, WA

5 Assets

186,751 sqm Lettable Area

4.4 Stars Portfolio NABERS Energy Rating

4 Stars Portfolio NABERS Water Rating

4.2 Star NABERS Indoor Environment Rating



# Australian Portfolio Environmental Ratings

AT 31 DECEMBER 2018



**240 QUEEN STREET, BRISBANE**

NABERS Energy Rating ★★★★★  
 NABERS Water Rating ★★★★★  
 NABERS Indoor Environment ★★★★★



**SOUTHERN CROSS EAST TOWER, MELBOURNE**

NABERS Energy Rating ★★★★★  
 NABERS Water Rating ★★★★★  
 NABERS Indoor Environment ★★★★★



**SOUTHERN CROSS WEST TOWER, MELBOURNE**

NABERS Energy Rating ★★★★★  
 NABERS Water Rating ★★★★★



**108 ST GEORGES TERRACE, PERTH**

NABERS Energy Rating ★★★★★  
 NABERS Water Rating ★★★★★



**235 ST GEORGES TERRACE, PERTH**

NABERS Energy Rating ★★★★★  
 NABERS Water Rating ★★★★★  
 NABERS Indoor Environment ★★★★★  
 Green Star Rating<sup>1</sup> ★★★★★



**BROOKFIELD PLACE TOWER 1, PERTH**

NABERS Energy Rating ★★★★★  
 NABERS Water Rating ★★★★★  
 NABERS Indoor Environment ★★★★★  
 Green Star Rating<sup>2</sup> ★★★★★



**BROOKFIELD PLACE TOWER 2, PERTH**

Targeting NABERS Energy Rating ★★★★★  
 Targeting NABERS Water Rating ★★★★★  
 NABERS Indoor Environment ★★★★★  
 Green Star Rating<sup>3</sup> ★★★★★



**EY BUILDING, PERTH**

NABERS Energy Rating ★★★★★  
 NABERS Water Rating ★★★★★  
 NABERS Indoor Environment ★★★★★



**32 CARRINGTON STREET, SYDNEY**

Not a disclosure affected building for NABERS



**36 CARRINGTON STREET, SYDNEY**

Not a disclosure affected building for NABERS



**50 CARRINGTON STREET, SYDNEY**

NABERS Energy Rating ★★★★★  
 NABERS Water Rating ★★★★★  
 NABERS Indoor Environment ★★★★★



**60 CARRINGTON STREET, SYDNEY**

NABERS Energy Rating ★★★★★  
 NABERS Water Rating ★★★★★  
 NABERS Indoor Environment ★★★★★

<sup>1</sup>Achieved 5 Star Green Star - Office Design v2 rating.

<sup>2</sup>Achieved 5 Star Green Star - Office Design v2 rating and 6 Star Green Star Interiors.

<sup>3</sup>Achieved 5 Star Green Star - Office Design v3 rating and as built.



**680 GEORGE STREET, SYDNEY**

NABERS Energy Rating ★★★★★  
 NABERS Water Rating ★★★★★  
 NABERS Indoor Environment ★★★★★



**50 GOULBURN STREET, SYDNEY**

NABERS Energy Rating ★★★★★  
 NABERS Water Rating ★★★★★  
 NABERS Indoor Environment ★★★★★



**52 GOULBURN STREET, SYDNEY**

NABERS Energy Rating ★★★★★  
 NABERS Water Rating ★★★★★  
 NABERS Indoor Environment ★★★★★



**DARLING PARK 1, SYDNEY**

NABERS Energy Rating<sup>3</sup> ★★★★★  
 NABERS Water Rating ★★★★★



**DARLING PARK 2, SYDNEY**

NABERS Energy Rating<sup>3</sup> ★★★★★  
 NABERS Water Rating ★★★★★



**388 GEORGE STREET, SYDNEY**

NABERS Energy Rating ★★★★★  
 NABERS Water Rating ★★★★★  
 Green Star Rating<sup>1</sup> ★★★★★



**JESSIE STREET CENTRE, PARRAMATTA**

NABERS Energy Rating ★★★★★  
 NABERS Water Rating ★★★★★  
 NABERS Indoor Environment ★★★★★  
 Green Star Rating<sup>2</sup> ★★★★★

<sup>1</sup>Achieved 5 Star Green Star - Office Design v2 rating, 4 Star Green Star - Office As Built v2 rating.  
<sup>2</sup>Achieved 4 Star Green Star - Office Design v2 rating, 4 Star Green Star - Office As Built v2 rating.  
<sup>3</sup>NABERS energy rating includes Green Power.

## Our Impact in Australia

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20

OFFICE  
PROPERTIES

A\$10B

REAL  
ESTATE

145

OPERATING  
STAFF

4.8\*

NABERS  
ENERGY

3.7\*

NABERS  
WATER

4.8\*

NABERS INDOOR  
ENVIRONMENT

\* Average rating across portfolio





## Stakeholder Engagement

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Relationships are essential to our success and collaboration is critical. We encourage engagement with our tenants, investors, employees, government officials and other stakeholders to improve our ESG and learn together to better anticipate emerging trends and improve operational practice.

We communicate our corporate responsibility initiatives through our corporate and property websites, presentations to investors and tenants as well as marketing and promotional materials.

# End of Trip Facilities

Brookfield Properties supports tenants in an active lifestyle and alternate modes of transport to and from work. End of Trip facilities have been introduced at a number of our properties. These facilities are available for tenants and include bike racks, lockers and showers.

	Bike Racks	Lockers	Showers	EV charging	Tyre Pressure	Window Washing	Car Share	Walking Distance to Public Transport (m)
50 Carrington Street	10	28	6	No	No	No	No	12
60 Carrington Street	16	46	2	No	No	No	No	51
52 Goulburn Street	0	0	0	No	No	No	No	300
680 George Street	276	453	29	No	No	No	No	400
10 Shelley Street	84	140	13	Yes	Yes	Yes	Yes	140
Jessie Street Centre	60	40	9	Yes	Yes	Yes	Yes	5
108 St Georges Terrace	72	189	20	Yes	Yes	Yes	No	55
235 St Georges Terrace	72	172	6	Yes	Yes	Yes	No	55
Brookfield Place Tower 1	900	600	57	Yes	Yes	Yes	No	33
Brookfield Place Tower 2	345	389	36	Yes	Yes	Yes	No	65
EY Building	56	136	14	No	No	No	No	65
Southern Cross East	297	100	14	Yes	Yes	Yes	No	200
Southern Cross West	525	300	30	Yes	Yes	Yes	No	63
240 Queen Street	15	0	3	Yes	Yes	Yes	Yes	51





# Engaging the Community - Tenant Wellbeing



Brookfield Properties is at the forefront of innovative property services and we aim to provide unparalleled tenant experiences. A core focus is creating a culture of good health and wellbeing for our tenants by providing them with opportunities across all facets of wellbeing including mental health, physical fitness, lifestyle choices and the community.

Throughout 2018, we held a number of programs to promote tenant wellbeing across our national portfolio.





## HIIT and Boxercise

Fast pace classes aimed  
at maximising physical  
fitness for all levels

**>2,000 ATTENDEES**  
ACROSS NSW



## Yoga and Pilates

Incorporating strength,  
posture, balance and mental  
stamina for all levels

**2,000 ATTENDEES**  
ACROSS NSW  
AND WA



## Bike n' Blend

Make your own pedal powered  
smoothies, promoting both physical  
activity and nutrition

**1,335 SMOOTHIES**  
MADE BY A BICYCLE  
POWERED BLENDER



## Wellness Workshops

A series of workshops  
promoting mindfulness and  
mental wellbeing

**8 WORKSHOPS**  
IN SYDNEY



## Ride 2 Work Day

A national focus promoting  
physical activity and concerns  
around traffic congestion

**85 MASSAGES**  
GIVEN TO TENANTS WHO  
RODE THEIR BIKE  
TO WORK

# Diversity

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We are dedicated to supporting diversity within the workplace and are committed to ensuring our employees are gaining the best experiences possible.

A workplace that values diversity and is free of discrimination is more productive and leads to greater employee satisfaction and staff retention. Through retaining employees and by harnessing employee skills and perspectives, creativity and innovation is also increased within the workplace.

We believe a reputation for respect and diversity also enhances an employer's business with new markets and opportunities often resulting.

# Brookfield women's network

Brookfield Women's Network is an employee-led initiative which fosters a learning and networking community of women in various roles and at all levels at the company.

In 2019, Brookfield Women's Network is being implemented in our Australian business. Through a wide variety of events and initiatives, the group aims to provide a valuable forum to explore and discuss opportunities and challenges facing professional women. Brookfield Women's Network convenes regularly to hear from each other and outside speakers, opening a dialogue on a broad range of topics that pertain to their careers, their personal lives or, often, both.

The group pursues relevant discussions and tangible initiatives that can have a real impact on its members.



# Industry Leadership and Engagement

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Brookfield Properties recognise the importance of supporting our employees in industry professional development.

Our Australian employees are engaged in local and national committees, roundtables, workshops and mentoring programs with the Property Council, Urban Land Institute, Green Building Council, Facilities Management Association and Better Buildings Partnership.



Committees and Roundtables that our employees participate in include:

- Sustainability Roundtable
- Risk Roundtable
- Cities Roundtable
- Social Sustainability Roundtable
- Division Council
- Asset Management and Sustainable Development Committee
- Capital Markets Committee
- Commercial Office Property Committee
- Diversity Committee
- Future Directions Committee
- Hotel Property Committee
- Planning Committee
- Tax Committee



# Arts Brookfield

Brookfield's corporate responsibility strategy goes beyond the development, ownership, and operation of sustainable commercial real estate. We also enhance the communities in which our buildings are located through our award winning international arts and events program, Arts Brookfield. For more than 25 years, our program has helped invigorate public spaces through the presentation of free cultural experiences in Brookfield's premier office buildings around the world.

By commissioning, producing, and presenting world-class works of art, Arts Brookfield supports creativity and innovation in the fields of music, dance, theatre, film, and visual art.



LOL Comedy Festival, Perth



Black Swan Prize, Perth



Jessie Street Centre Community Art, Parramatta



R U OK Piano, Sydney



Winter Lights Festival, Perth



Spring Carnival at Southern Cross Lane, Melbourne

# Being Good Stewards in the Communities in which we operate

We believe that making a positive contribution to the communities in which we operate is fundamental to the way we do business. We seek to instill a culture of charitable giving and volunteerism amongst our colleagues and business partners.

## CHARITABLE GIVING

We support impactful charitable organisations in the communities where we operate, especially those groups that are focused in the areas of education (including programs that focus on the real estate sector), environmental protection, local healthcare and arts and culture.

## MATCHING GIFTS

To make individual employee contributions more meaningful and to encourage employees to participate, we allocate a portion of our charitable giving budget to a matching gift program. Brookfield's matching donations program provides a 1-to-1 company match of employees' individual financial contributions to qualified charitable organisations.

## VOLUNTEERING

We encourage our employees to be active volunteers in their communities and provide opportunities at the workplace as well. In conjunction with our environmental achievements, we believe that our business can, and should play a leadership role in improving the quality of life in the communities in which we operate.

Outside of the office the Brookfield team are regular entrants in fundraising events, rallying support for charitable organisations in the communities where we work.



Property Industry Foundation Charity Sailing Day, Sydney





**Brookfield is delighted to  
support Taronga Conservation  
Society Australia**





# Our Impact in Australia

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**\$35,126**

**RAISED IN  
DONATIONS**



**\$7,601**

**STAFF GIFT  
MATCHING**



**27**

**VOLUNTEERING  
EMPLOYEES**



**384**

**HOURS  
VOLUNTEERED**



**29**

**ORGANISATIONS  
SUPPORTED**

#### IMPORTANT NOTICE

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