



**CROMWELL**  
PROPERTY GROUP

# SUSTAINABILITY REPORT **2019**



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This report covers Cromwell Property Group's sustainability performance for the year ending 30 June 2019 (FY19). Cromwell Property Group (Cromwell) reports sustainability performance on an annual financial year cycle, with the previous report dated 30 June 2018.

This report has been prepared in accordance with the GRI Standards (Core Option) and follows the GRI Reporting Principles for defining report content and quality. Further details on the GRI standard are available at [www.globalreporting.org](http://www.globalreporting.org).

### 1.1 Report Boundaries

This report covers Cromwell's sustainability activities for our corporate operations, balance sheet property assets in Australia, Australian retail funds, and European funds under management including assets managed on behalf of the Cromwell European REIT (SGX:CNUU).

Reporting does not cover other operational businesses where Cromwell does not have a majority ownership of > 51% and does not have the ability to directly control operational activity (Phoenix Portfolios, LDK Healthcare, Oyster Property Group).

Within some directly owned property assets, tenants hold a lease and full management control over the operations for the entire asset that they occupy. For these assets Cromwell does not have the capacity to set sustainability policy or directly implement change.

Cromwell also manages property funds in Australia, Europe and Singapore. Participation and disclosure of consumption and performance data for property assets in these funds is wholly dependent upon the willingness and capacity of those investors and tenants to support Cromwell's sustainability reporting objectives. Moreover, different leasing and reporting standards and funds with significant asset acquisition and disposal profiles across countries further restricts capacity to collect and uniformly disclose comparable operational data.

As the breadth of reporting increases, comparability becomes more challenging, particularly across active funds where regular transactions occur. To this end Cromwell endeavours to collect more data and provide greater transparency on how and where data is collected as well as the policies and risk measures they are applied against.

The Global Real Estate Sustainability Benchmark (GRESB) and Dow Jones Sustainability Index (DJSI) are used to provide verification on performance as well as benchmarking against peers. In addition, they are becoming increasingly valuable in setting standards for comparability. For GRESB, two years of comparable data is required before a property asset can be included in the submission. Similarly there are also definitions on when a property asset is no longer comparable and should not be included.

Cromwell has a long history of purchasing assets with value add and repositioning opportunities meaning that it is not always practical to include transitioning assets into reporting metrics. Exceptions that have occurred

are noted in the report or included in Pillar data packs, available on our website.

The Group Sustainability Committee is comprised of the Chief Sustainability Officer (CSO) and each of the Sustainability Pillar Owners. The Sustainability Committee have reviewed this report for accuracy and, in addition, Ernst & Young (EY) are engaged to conduct pre-assurance on select non-financial disclosures.

This document is issued by **Cromwell Property Group** consisting of

**Cromwell Corporation Limited**

ABN 44 001 056 980 and

**Cromwell Diversified Property Trust**

ARSN 102 982 598 ABN 30 074 537 051

(the responsible entity of which is Cromwell Property Securities Limited AFSL 238052

ABN 11 079 147 809)

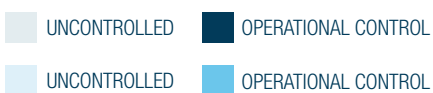
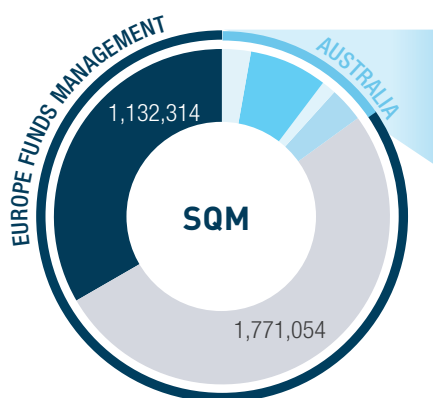
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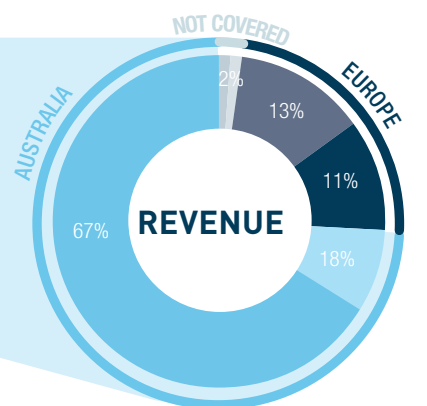
Fax: +61 7 3225 7788

Figure 1: Report Boundaries

**Composition of global portfolio by area in sqm**



**Composition of global portfolio by revenue**





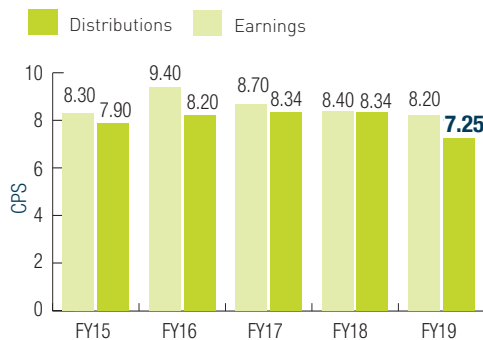
**SUSTAINABILITY**  
EVERYTHING IS CONNECTED

# SUSTAINABILITY FY19 RESULTS SNAPSHOT

## Economic Pillar

1

**Distributions of 7.25 cps**  
**Achieved**

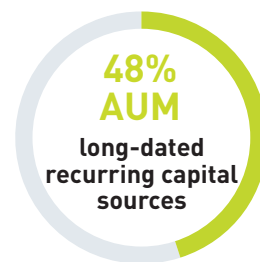


2

**Increase European assets under management by €400 million**

**Not Achieved**

Slight net decrease (\$17 million)



## Governance Pillar

1

**Continue to comply with the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (3rd edition)**  
**Achieved - ongoing**

2

**Maintain a clean compliance record**  
**Achieved - ongoing**

3

**Maintain an effective Business Continuity Plan and Crisis Management Plan**  
**Achieved**

4

**Achieve 100% public disclosure as measured by GRESB**  
**Achieved - ongoing**  
**Received an A for public disclosure**  
(Australia 87/100, CERIT 67/100)



## People Pillar

1

**Maintain top quartile employee engagement score (65%)**  
**Achieved**  
**67%**

2

**Refresh/strengthen Employer Brand across the platform**  
**Achieved**

3

**Cromwell will engage with a Diversity and Inclusion specialist**  
**Achieved**

4

**Increase global L&D hours by 5% (22.7hrs/employee), increase coverage of sustainability-specific training from 39% to over 50% globally**  
**Not Achieved**  
FY19 AU Total: 16.35hrs/employee, 100% Sustainability-specific training  
FY19 EU: Cromwell implemented Workday which will allow for improved monitoring and measurement globally



## Stakeholders Pillar

**1** | Develop a global stakeholder engagement policy and strategy  
**Achieved**

### RETAIL INVESTORS

**2** | Maintain a positive Net Promoter Score (NPS) of more than +20  
**FY20 - ongoing**

**3** | Increase Biannual Retail Investor Survey coverage from 4.91%  
**FY20 - ongoing**

### INDUSTRY / COMMUNITY

**4** | \$400,000 in total contributed community value  
**Achieved**  
**\$402,256**

### TENANT CUSTOMERS

**5** | **Australia**  
Improve tenant engagement score from 79 (Overall Property Performance Score)  
**Not Achieved**  
**Reduced to 77**

**6** | Increase tenant engagement survey coverage to over 50% of tenants  
**Achieved**  
**82 percent coverage**

**7** | **Europe**  
Establish an initial benchmark tenant engagement score for CERIT  
**Achieved**

## Environment Pillar

**1** | **Australia**  
**Improve GRESB Scores**

Cromwell Diversified Property Trust  
61 to 64

**Achieved**



Cromwell Ipswich City Heart Trust  
72 to 74

**Achieved**



Cromwell Riverpark Trust  
71 to 74

**Achieved**



Cromwell Direct Property Fund  
53 to 56

**Achieved**



Cromwell Property Trust 12  
57 to 60

**Achieved**



Northpoint Trust  
60 to 63

**Achieved**



**2** | **Europe**  
**Improve GRESB Scores**

Improve GRESB participation from 68% of portfolio by area  
**Achieved**



Cromwell Polish Retail Fund (CPRF)- 57 to 60

**Achieved**



Hummingbird - 34 to 36

**Achieved**



CERIT - 47 to 49

**Achieved**



**3** | **Other ratings and targets**

Increase DJSI score from 39 to 41  
**Achieved**  
**47**

Achieve a 5-Star weighted average NABERS Energy  
**Base Building: 4.7 stars**  
**Whole Building: 5.0 stars**

## 2. CEO'S LETTER



**Paul Weightman**  
CEO  
Cromwell Property Group

This time last year we articulated our 'Invest to Manage' strategy. Simply put, the strategy is to invest capital to acquire or improve assets, to create new funds and attract investment from capital partners. We then typically hold a co-investment stake in each fund, manage the assets, and recycle the capital into new initiatives.

The initiatives identified as part of the strategy are intended to increase asset value, build enterprise value, add to medium-term earnings and generate higher total securityholder return.

For the last 12 months we have been focused on execution. This has included two large, multi-country transactions on behalf of the Cromwell European REIT (CEREIT). The first transaction involved the acquisition of 23 assets in five countries and the second for six assets in two countries, for a combined value of \$775 million. Other initiatives have since come to fruition albeit after 30 June 2019.

The strategy represents an exciting new growth stage in our journey, but the key to successful delivery is that we remain true to our values and remember that a truly resilient and successful business, over the long term, is based on sustainable and socially responsible Environmental, Social and Governance (ESG) practices.

More than 100 institutional investors with over USD\$22 trillion in assets under management use GRESB data to

monitor their investments, engage with their managers and make investment decisions. ESG is not just important to our values and who we are as a business but is also increasingly a requirement from our capital sources.

Cromwell has been reporting on its activities in this space since 2009 and has a clear Sustainability framework and materiality process which enables us to identify key ESG issues and embed the subsequent targets and activities into our business plans.

We are also committed to communicating our actual ESG performance according to internationally recognised standards and our FY19 performance in this regard is detailed in this report.

### 2.1 Organisational Changes

During the year there were no material changes to Cromwell's organisational structure. In April, Cromwell was successful in obtaining an Alternative Investment Funds Management (AIFM) licence from the Luxembourg regulator to continue to provide services in advance of any possible disruption caused by Brexit. Otherwise the supply chain remains the same.

In December 2018, Cromwell concluded a 2 for 13 accelerated non-renounceable entitlement offer which raised approximately \$228 million and, including the PRP/DRP, there were 2,236.6 million securities on issues

as at 30 June 2019 (FY18 1,985.3 million). The increase in securities on issue has effectively increased the size of the business and brought new investors to Cromwell.

A new three-year €225 million syndicated facility agreement was also executed at the end of June.

As at 30 June 2019, Cromwell had a market capitalisation of \$3.0 billion, a direct property investment portfolio in Australia valued at \$2.5 billion and total assets under management of \$11.9 billion across Australia, New Zealand and Europe. Cromwell had more than 3,800 tenant customers in 15 countries, leasing over 3.7 million sqm of space.

## 2.2 Outlook

It's hard to ignore the economic and political noise around us. The ripple effects of the US-China trade war are continuing to be felt globally. Spiking economic policy uncertainty is leading to an increase in market volatility, and also potential opportunity, around the world.

Globally, commercial real estate markets remain highly liquid boosted by lower bond rates. The hunt for yield continues, albeit to different degrees in different sectors.

We remain focused on executing our 'Invest to Manage' strategy, capital recycling and value-add development opportunities. The balance sheet is strong and we are

well positioned to take advantage of the opportunities in our pipeline, and those that we identify in a volatile market in general.

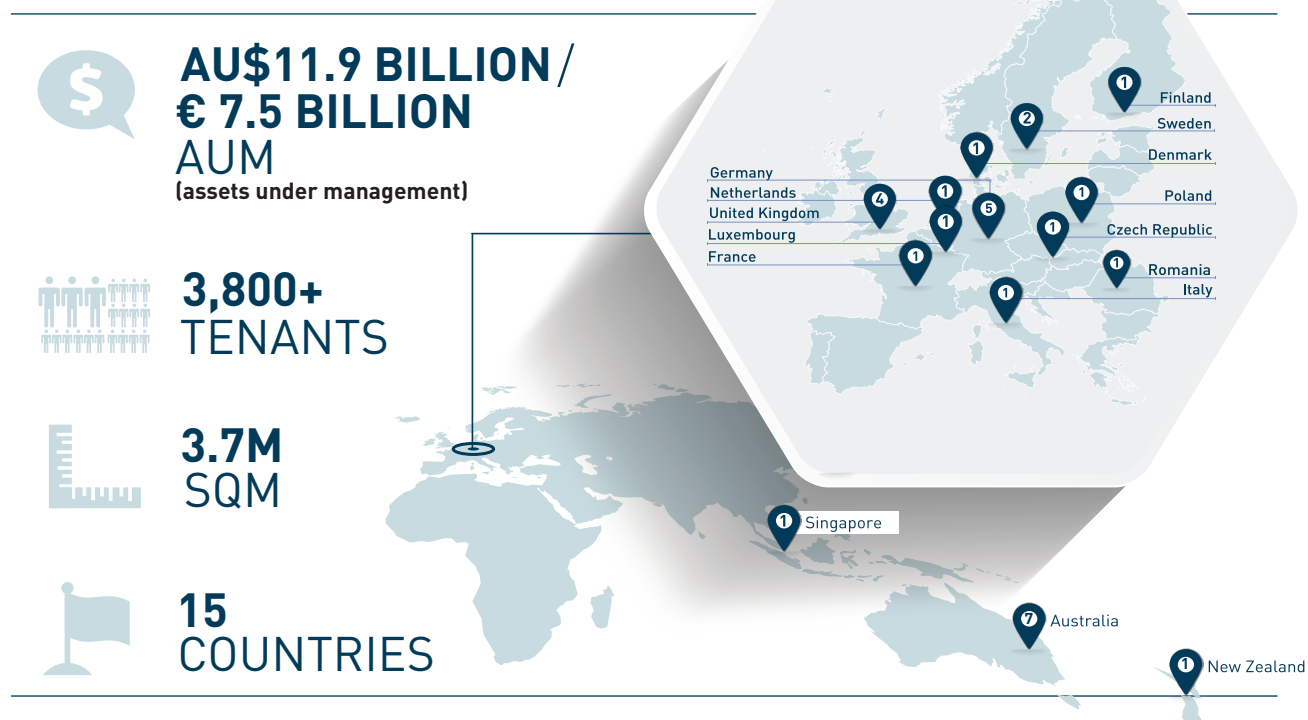
This means continued investment in order to develop the resilience of our people and platform. This investment is required to ensure we can weather any adverse economic or real estate market shock that might impact our ability to deliver for securityholders as well as the longer-term structural changes impacting our industry such as globalisation, demographics, urbanisation and technology.

Cromwell's shorter-term challenges include continuing to increase connectivity and consistency across the platform, as well as engaging with our people on our purpose, values and strategy execution.

FY20 operating profit is affirmed at the upper end of previous guidance at not less than 8.30 cps and we confirm distributions guidance of 7.50 cps, a 3.45% increase on FY19. These targets form part of the economic pillar in this, Cromwell's eleventh annual sustainability report.

**Paul Weightman**  
**CEO**  
 Cromwell Property Group

Figure 2: Cromwell Property Group Key Statistics



\* As at 30 June 2019

# 3. OUR APPROACH TO SUSTAINABILITY



**Philip Cowling**  
**Chief Sustainability Officer**  
Cromwell Property Group

Welcome to our FY19 annual sustainability report. Last year we set targets to improve our sustainability performance through a process of continuous review, training and an ongoing commitment to apply our core values across the business, all in the context of a rapidly changing business and market environment.

In a year of achievements and success, a highlight was the achievement of a fantastic series of GRESB results. These results were further buoyed by the release of the DJSI results where Cromwell achieved a 20% score improvement and entered into the global 65th percentile of reporting organisations.

These results are important and demonstrate significant progress across a number of initiatives and targets that we have been working towards since the implementation of our Sustainability Framework in 2016. However, of greater importance is the underlying goal to embed sustainability into our culture so that it is not something else we do, rather that it reflects our values and is part of who we are.

At the beginning of the year we updated our materiality review to once again identify the aspects that are of greatest importance to our business and stakeholders. The number of participants were also increased to broaden the depth of engagement across our management team. We have also committed to

reviewing our material topics annually to prepare the sustainability objectives for the business, check that we are responding appropriately to emerging concerns and legislation as well as to recognise opportunities to make ongoing improvements. Further details on the materiality aspects and our review are included in this report.

During the year focus remained on strengthening awareness of our sustainability framework and building and sharing skills, knowledge and processes across the platform. Objectives were set to align our Environmental Management Systems with the international best practice standard ISO14001. Applications for final audits for certification were lodged in June along with a further application for certification to ISO 27001 Information Security Management. Our intention is to obtain certification for Australia, with consideration then given to further rollout across the Global platform.

New induction and on-boarding programmes coupled with lifelong training and development resources were implemented with the first stage providing access for all employees to a library of over 5,000 educational resources. Recognising the importance of our people and attracting and developing a diverse and talented team is at the heart of our values and the focus of our People Pillar.



Our commitment to calculate the emissions from our corporate operations using the Australian National Carbon Offset Standard (NCOS) and to offset them using the Qantas future planet offset programme continues. Significant steps have also been made to plot a path towards reducing the emissions from our property assets and to deliver our 2050 net zero target for the assets we own and have operational control over.

Following its listing in Singapore, CEREIT achieved an A Rating for sustainability disclosure as well as matching the GRESB peer group benchmark score in its first full year of participation. Achieving a 100% management score, the GRESB outcomes confirm our capability to deliver best practice and establish a sustainability benchmark for Cromwell's future property management activities in Europe.

Investor and market expectation for increased environmental governance and disclosure continues to grow. The publication of the recommendations on climate related financial disclosures (TCFD) has served to focus reporting on the impacts of climate change and the challenges from transitioning to a low carbon economy. This year an update has been included on the implementation targets that were set and our progress

to respond to the 11 recommended disclosures included in the TCFD. To support these activities submissions were completed for the GRESB resilience module and the Carbon Disclosure Project (CDP).

With the enactment of the Federal Governments Modern Slavery Bill, Cromwell in conjunction with 15 property peers and the Property Council of Australia has collaborated to develop and introduce a modern slavery supplier platform that will be used by the industry to develop our understanding of, and to protect people from, Modern Slavery. Further information on this worthy initiative is available online.

Finally, I would like to thank everyone who has contributed to our sustainability efforts during the year. The great steps we have made remain a tribute to the boundless energy and commitment of our people and the support from the CEO and Executive team.

If you have any questions please contact us at [sustainability@cromwell.com.au](mailto:sustainability@cromwell.com.au)

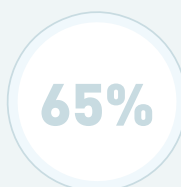
**Philip Cowling**  
Chief Sustainability Officer  
Cromwell Property Group

Figure 3: Cromwell Property Group Sustainability Highlights

#### DJSI RESULTS



**ACHIEVED**  
**20%**  
**IMPROVEMENT**



**ENTERED**  
**65TH PERCENTILE**  
**GLOBALLY**  
of reporting organisations

#### INTERNAL IMPROVEMENTS



**5,000 EDUCATIONAL**  
**RESOURCES**  
**INTRODUCED**

for employees' lifelong training and development



**2050 NET ZERO**  
**CARBON EMISSION**  
**TARGET**

for the assets we own and have operational control over

#### CEREIT AND DPT GRESB RESULTS



**A-RATING**  
for public disclosure



**100%**  
**MANAGEMENT**  
**SCORE**

### 3.1 Sustainability Management

Cromwell’s sustainability framework was implemented to ensure that we remain focused on improving performance through a structured, responsible and balanced pathway to sustained success. The framework comprises five pillars through which we address material ESG risks and opportunities.

Each Pillar is led by a senior leader in the business who is responsible for adopting the sustainability objectives and targets, embedding them into business plans and for delivering the activities and initiatives relating to that particular pillar across the entire business, thus ensuring a global approach.

Cromwell’s sustainability framework has been approved by the Board and responsibility for the framework has in turn been delegated

by the Chief Executive Officer (CEO) to the Chief Sustainability Officer (CSO), who chairs the Group Sustainability Committee.

The Group Sustainability Committee is in turn responsible for reviewing ESG topics, setting sustainability strategy and overseeing the delivery of Cromwell’s Group Sustainability Policy. Regular progress reports are submitted to the Board as well as to the Audit and Risk Committee.

The Group Sustainability Committee is also responsible for communicating with employees and other key stakeholders as well as overseeing production of the annual Sustainability Report and all sustainability activities. Our Sustainability structure is displayed in Figure 4.

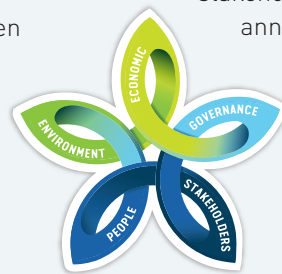
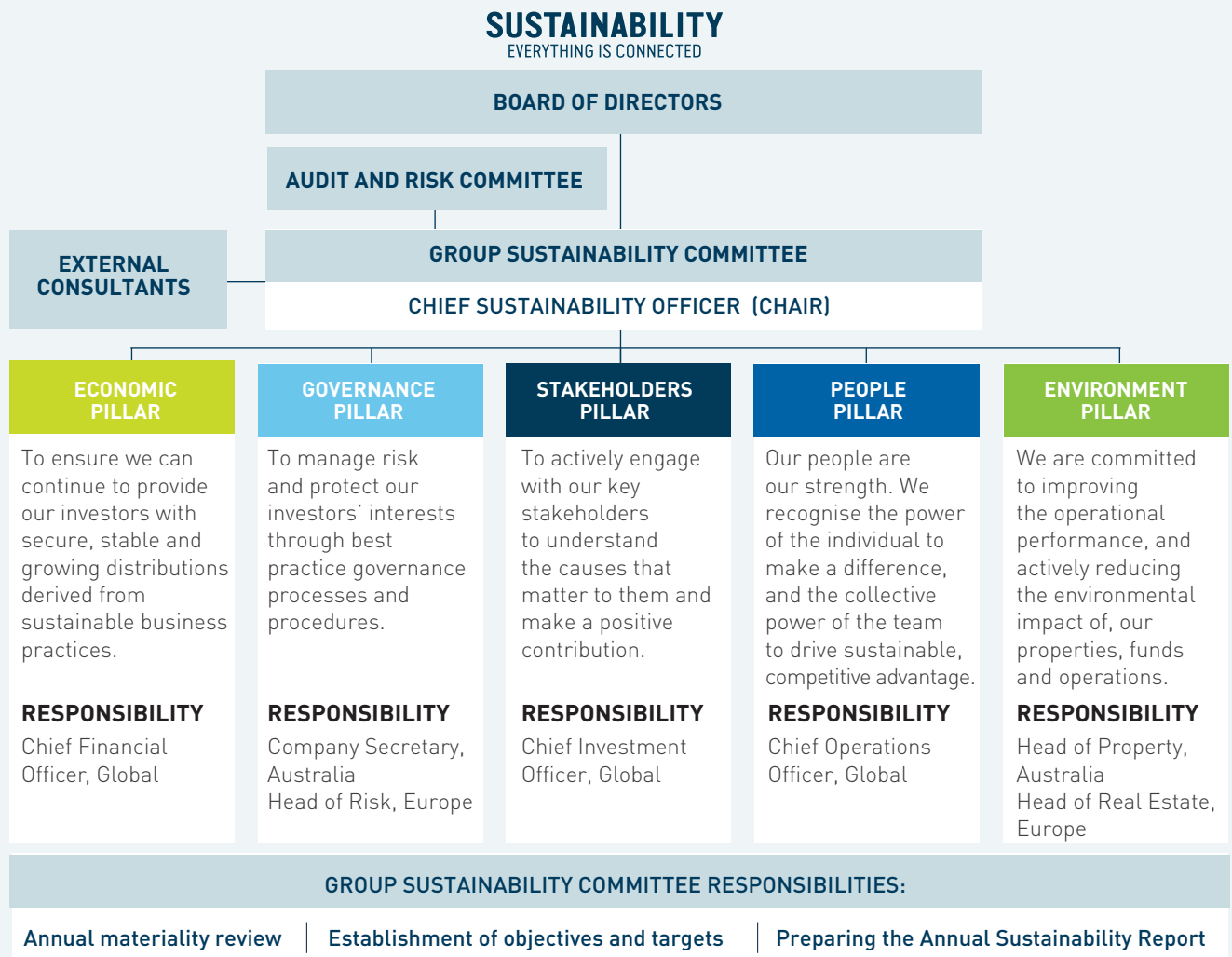


Figure 4. Sustainability Structure



### 3.2 Materiality Review

Each year Cromwell conducts a materiality review to identify and prioritise the most relevant ESG issues, taking into account the impact each one has on Cromwell and on its stakeholders.

The materiality review has become an increasingly important tool to check that we are responding appropriately to emerging concerns or legislation as well as to identify opportunities to make ongoing improvements. Conducting an annual review helps to ensure our objectives are appropriate and can respond to the fluid and dynamic environment in which we operate.

The results of the review are used to form our sustainability objectives and prepare business plans, targets and performance objectives for the financial year. Our annual sustainability report is a direct response to material topics identified through the review process.

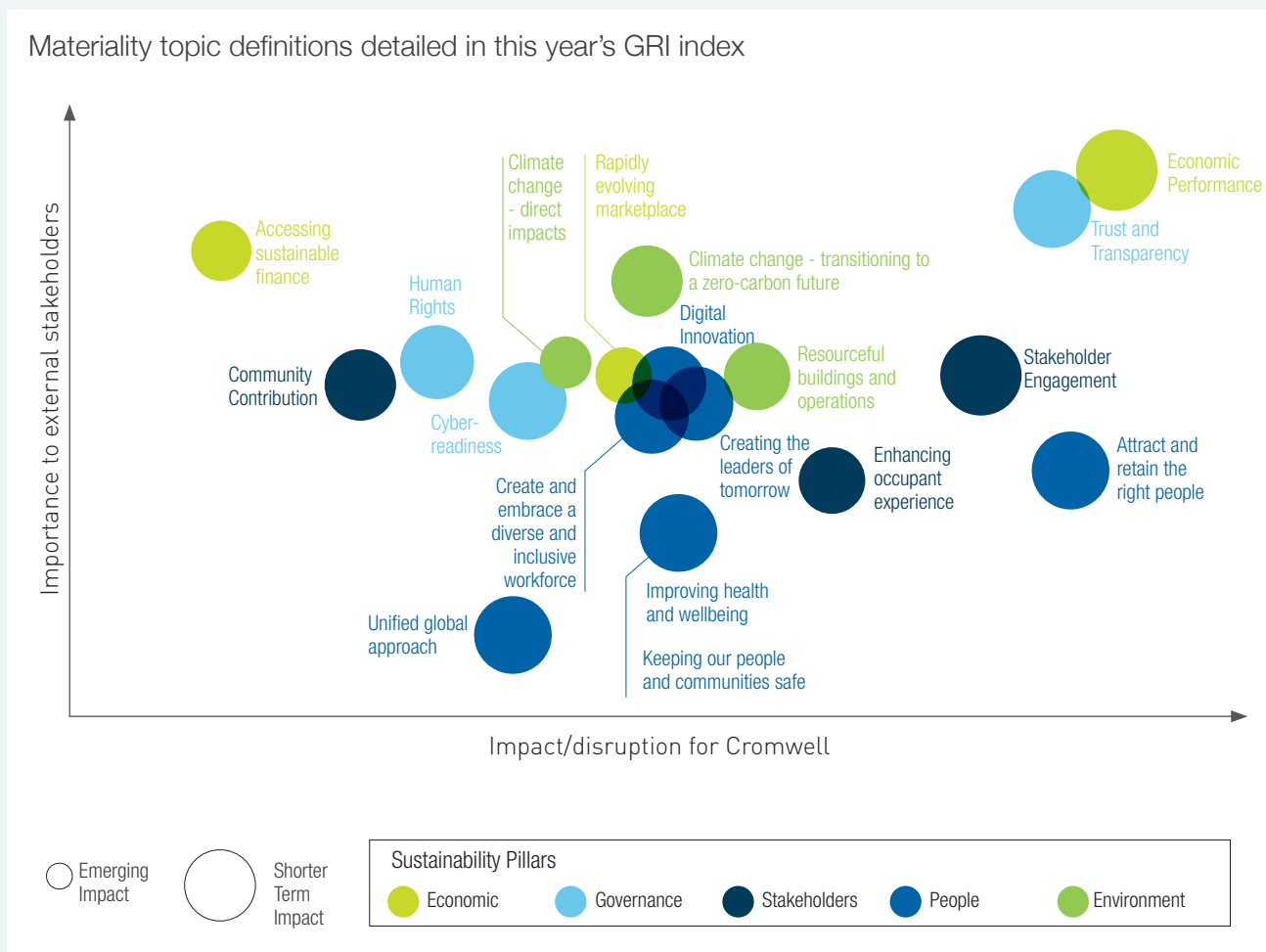
#### MATERIALITY TIMELINE

1. Materiality Review - November to January
2. Objectives and budget setting (for financial year post June 30) - March
3. End of financial year - June 30
4. Reporting Period - July to November

In FY19 Ernst & Young (EY) were appointed to facilitate the materiality review. EY were also engaged to undertake background research on a range of emerging issues and their impact on businesses, economies, industries, societies and individuals.

Material topics presented in Figure 5 are organised by Pillar and sized according to their relative impact and timeframe, from short-term (small) to long-term (large).

Figure 5. FY20 Group Materiality Matrix



**RISK MAPPING**

Investors, stock exchanges, regulators and communities are all increasingly interested in the ESG risks facing organisations. Stakeholders are calling on companies to identify and articulate the risks and confirm what is being done to respond to them.

Material topics and sustainability objectives have been mapped to the corporate risk register so that for each

risk there is an identified mitigation measure. The materiality review allows new and emerging aspects to be identified and recognised in the register. The review process ensures that the business strategy as well as our sustainability framework are aligned and integrated into our corporate risk management processes.

Figure 6. Cromwell’s Sustainability Framework Process



**FY19 Objectives**

The following top ten material topics were used to prioritise sustainability objectives for the business which guided much of our management efforts this year. Progress against these objectives are the specific focus of this report.

Figure 7. Key Material Topics Informing FY19 Objectives

Economic	Governance	Stakeholders	People	Environment
Economic Performance	Trust and Transparency	Community Contribution	Attract and Retain the Right People	Resourceful Buildings and Operations
Rapidly Evolving Marketplace	Cyber-readiness		Keeping our People and Communities Safe	Trend towards 'smart building' innovation
Accessing Sustainable Finance				



## 4. ESG DISCLOSURES

Cromwell is a real estate investor and manager with operations on three continents and a global investor base. Submitting in participatory rating schemes provides Cromwell with direct comparison of its performance at a portfolio level against peer groups both globally and locally.

Cromwell has adopted two benchmarks for measuring our sustainability performance, 'Global Real Estate Sustainability Benchmark' (GRESB) and the 'Dow Jones Sustainability Index' (DJSI). GRESB is used to compare ESG performance against similar funds across asset types and geographies. Cromwell submits CEREIT and separate funds in Europe and Australia to GRESB.

DJSI invites pre-selected organisations across all industries to participate in an annual submission to be listed. DJSI is considered to be a world leading index and measure of ESG best practice.

Proxy advisers that provide voting advice to major institutional investors, financial institutions and rating agencies also refer to sustainability disclosures as a measure of risk management, strong corporate governance and resilience.

Figure 8. FY19 ESG Scorecard

PARTICIPATORY RATINGS	Component <sup>1</sup>	FY19			
		OVERALL	Environment	Social	Governance
GRESB	Australia	<b>86</b>	83	89	92
	Europe	<b>63</b>	65	41	77
	CEREIT	<b>67</b>	61	55	92
DJSI	Cromwell	<b>47</b>			
Carbon Disclosure Project	Australia	<b>Benchmark Year</b>			

THIRD-PARTY RATINGS		FY19			
		OVERALL	Environment	Social	Governance
Sustainalytics	Australia	<b>68- Outperformer</b>	71	62	71
ISS	Cromwell		4	4	2
MSCI <sup>2</sup>	Cromwell	<b>A</b>			
Australian Council of Superannuation Investors	Australia	<b>A</b>			

<sup>1</sup> Component refers to the part of Cromwell the rating refers to, usually either Cromwell as a corporate group, the Australian or European property platforms or CEREIT.

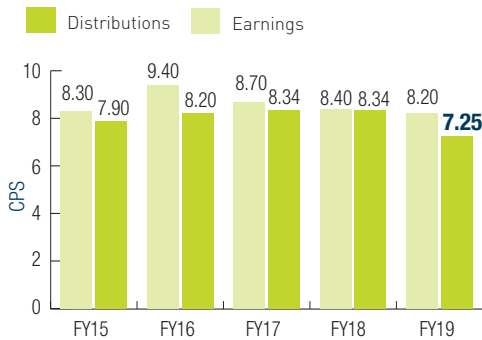
<sup>2</sup> The use by Cromwell Property Group of any MSCI ESG Esearch LLC or its affiliates ("MSCI") data, and the use of MSCI logos, trademarks, service marks or index names herein, do not constitute a sponsorship, endorsement, recommendation, or promotion of Cromwell Property Group by MSCI. MSCI services and data are the property of MSCI or its information providers, and are provided 'as-is' and without warranty. MSCI names and logos are trademarks or service marks of MSCI.

# 4. ECONOMIC PILLAR

## FY19 Targets

1

**Distributions of 7.25 cps**  
**Achieved**

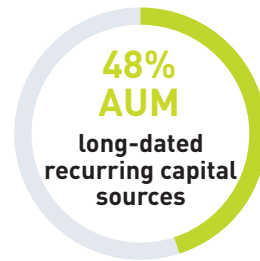


2

**Increase European assets under management by €400 million**

**Not Achieved**

Slight net decrease (\$17 million)



### 4.1 Introduction

Cromwell's economic objective is to ensure we can continue to provide our investors with secure, stable and growing distributions derived from sustainable business practices and the dynamic allocation and deployment of capital to our three business activities presented in Figure 9.

Figure 9. Invest to Manage Strategy



Principal economic activities engaged in during this financial year consisted of property investment, funds management, property management and property development.

## 4.2 Direct and Indirect Economic Impacts

### Cromwell creates direct and indirect economic benefits through:



#### Wealth Creation

Directly increasing the wealth of our investors through secure, stable and increasing distributions per share with some capital appreciation in security-price.



#### Employment Opportunities

Contributing to job creation both directly through employing staff as well as indirectly through engaging with contractors and suppliers.



#### Building Refurbishment

Building and refurbishing assets which then indirectly support the long-term growth and the revitalisation of our major cities.



#### Community Development

Directly supporting community development via charitable donations, advisory services and community partnerships throughout the year.



#### Provision of Responsible Investment Opportunities

Developing responsible investment products which encourage investors to make informed decisions regarding the impacts of their investments.



#### Sustainability Leadership

Demonstrating industry leadership in building efficiency and sustainability and minimising the environmental impacts associated with our properties.



#### Healthy Work Environments

Creating modern and attractive workspaces which encourage work-life balance and support productivity and lifestyle improvements for our tenant customers.

## 4.3 Economic Performance

Figure 10. Invest to Manage Strategy

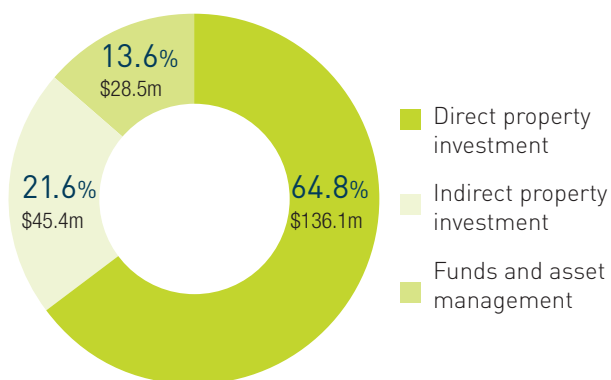


### INVEST TO MANAGE STRATEGY

In 2018 Cromwell released its 'Invest to Manage' strategy. The Invest to Manage strategy prioritises investments where returns can be leveraged from additional management revenues to build value. The strategy uses existing balance sheet liquidity and asset recycling to fund a range of initiatives that build enterprise value, adding to medium-term earnings, generating a higher total shareholder return.

FY19 statutory profit was \$159.9 million. Operating profit, considered by the Directors to best reflect the underlying earnings of Cromwell, was up 11.1% from the prior year to \$174.2 million reported by business segment and split as follows:

Figure 11. Percentage of Revenue by Area of Business.



### STRONG DEBT PROFILE

Gearing decreased from 37% to 35% during the year as a result of the decrease in borrowings and the increase in property valuations. This places Cromwell's gearing in the midpoint of the newly adopted range of between 30% - 40%.

Leverage capacity will be used on a short-term basis to execute the 'Invest to Manage' strategy. Pro-forma gearing post capital raises is below target Gearing range at 23.9%. Weighted average debt expiry is 4.5 years diversified across twelve domestic and international lenders and two Convertible Bond issues.

Figure 12. Group Gearing

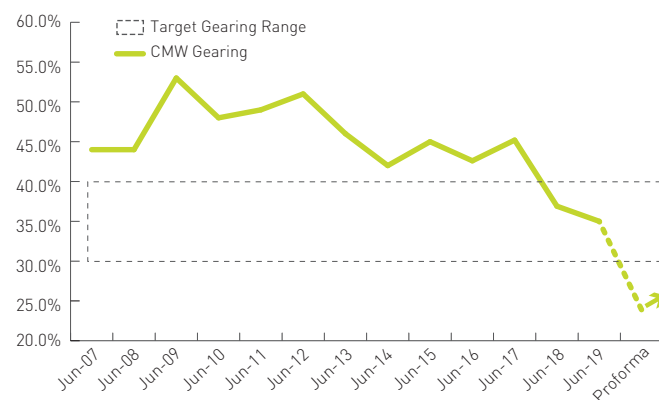
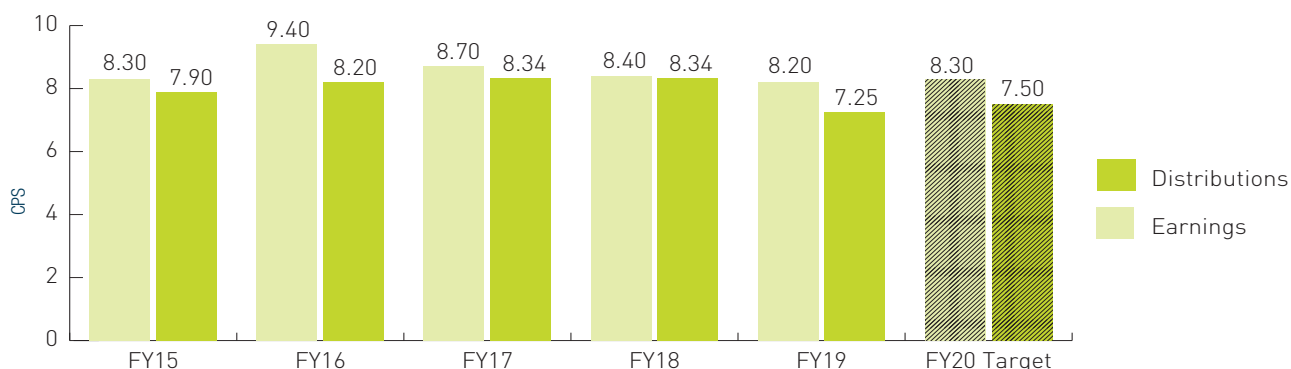




Figure 13. Earnings and Distributions (cents per share)



### DISTRIBUTIONS PER SECURITY

In FY19, as part of the “Invest to Manage” strategy, Cromwell adjusted its distribution policy to target a payout ratio of 90% of operating earnings. Surplus funds to be reinvested into investment opportunities to accelerate the growth of the funds management platform.

Cromwell achieved its FY19 target of distributing 7.25 cps, presented in Figure 13. For FY20 we are targeting a 3.45% increase of distributions to 7.50 cps.

### FY20 TARGETS

**1** | Operating profit of no less than **8.30 cps**

**2** | Distributions of no less than **7.50 cps**

### Accessing Sustainable Finance

Investors and lenders are increasingly incorporating sustainability criteria into their decision-making processes. During the FY20 financial year Cromwell intends to establish a working group to investigate how to better access green finance, secure beneficial finance terms and reduce debt risk.

### Climate-related Financial Disclosures

Cromwell is committed to acting responsibly and pro-actively to continuously improve our sustainability performance and to support a responsible and balanced pathway to sustained business success. By providing a consistent reporting approach, financiers, investors, insurers and other stakeholders are able to understand our material climate-related risks, the financial implications of these risks and the approach being taken to manage them.

Cromwell recognises the potential risks and opportunities arising from climate change and a transition to a low-carbon economy. Cromwell is supportive of, and embraces, the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). For our latest TCFD statement navigate to [www.cromwellpropertygroup.com/sustainability/climate-related-financial-disclosure-statement](http://www.cromwellpropertygroup.com/sustainability/climate-related-financial-disclosure-statement)

# 5. GOVERNANCE PILLAR

## FY19 Targets

1

**Continue to comply with the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (3rd edition).**

**Achieved- ongoing**

**Detailed in our 2019 Corporate Governance Statement, accessible via our corporate website**

3

**Maintain an effective Business Continuity Plan and Crisis Management Plan,** ensuring key personnel are trained regularly and that each plan is tested annually

**Achieved**

2

**Maintain a clean compliance record** against the targets that are set out in figure 14.

**Achieved- ongoing**

4

**Achieve 100% public disclosure** as measured by GRESB

**Achieved- ongoing**

**Received an A for public disclosure** (Australia 87/100, CEREIT 67/100)

## 5.1 Introduction

Cromwell's Governance Pillar objective is to manage risk and protect investors' interests through best practice governance processes and procedures.

Cromwell measures performance against local and global indices and compliance standards to provide a transparent reporting framework as a demonstration of best practice corporate governance. All employees understand the principles of good governance and corporate social responsibility.

## 5.2 Corporate Governance

The Board is committed to Cromwell meeting securityholders' and stakeholders' expectations of good corporate governance. The Board is proactive with respect to corporate governance and actively reviews developments to determine which corporate governance arrangements are appropriate for Cromwell and its securityholders and stakeholders.

The Board operates in accordance with a formal, written Board Charter, and the governance framework is extensively detailed in the Corporate Governance Statement, both of which can be found on the Corporate Governance webpage at [www.cromwellpropertygroup.com/securityholder-centre/corporate-governance](http://www.cromwellpropertygroup.com/securityholder-centre/corporate-governance)

As at 30 June 2019, the Board comprised seven Directors, including the Chief Executive Officer (CEO). The Board is responsible for overall corporate governance and adopts appropriate policies and procedures to guide all company functions. Day-to-day management of Cromwell's affairs and implementation of strategic objectives, including those in relation to sustainability, are delegated by the Board to management, under the direction of the CEO, via the Delegation of Authority Policy.

The Board understands that identifying and managing risk is central to the successful delivery of the Group's strategy. Cromwell has an Enterprise Risk Management Policy and a supporting framework to promote an understanding of risk and how to manage those risks for the benefit of securityholders and other stakeholders.

### 5.3 Trust and Transparency

During the 2019 financial year, Cromwell complied with the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (3rd edition). Recommendation 7.4 requires listed entities to disclose the extent to which they have material exposure to economic, environmental and social sustainability risks, and how those risks are, and will be managed.

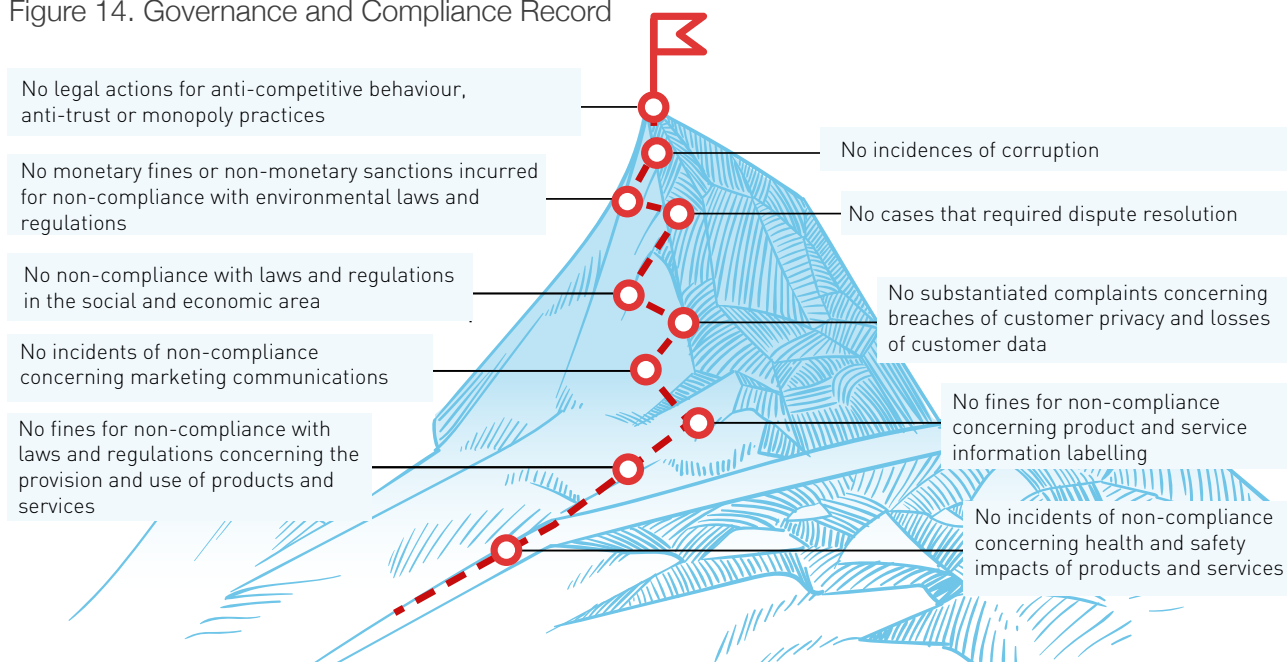
Cromwell meets recommendation 7.4 through publishing this Sustainability Report, which provides stakeholders with a clear understanding of how Cromwell approaches sustainability and manages its business activities.

As an Australian financial services licensee and responsible entity, Cromwell has a robust compliance framework, including a Compliance Committee. The Committee comprises a majority external, independent members and reports to the Board on a regular basis.

Detailed procedures ensure that Cromwell and its investment products comply with strict disclosure and marketing requirements set by the ASX Listing Rules, Corporations Act 2001 (Cth) and Australian Securities and Investments Commission policy.

#### COMPLIANCE RECORD

Figure 14. Governance and Compliance Record



#### FY20 TARGETS

1

**Continue to comply with the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (3rd edition)** and prepare for implementation of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (4th edition) which takes effect for Cromwell with the financial year ended 30 June 2021

2

**Maintain a clean compliance record** against the targets set out in the Analyst Data Pack

## 5.4 GRESB Public Disclosure

The Global Real Estate Sustainability Benchmark (GRESB) is an investor driven organisation that assesses the sustainability performance of real estate assets. GRESB measures and ranks public disclosure practices of participating listed entities on an annual basis. Categories assessed include: Sustainability Governance, Sustainability Implementation, Operational Performance and Stakeholder Engagement Practices.


In FY19 Cromwell received two disclosure ratings: one for the Cromwell Diversified Property Trust (DPT) (which forms part of the ASX listed Cromwell Property Group) and another for the SGX listed Cromwell European REIT (CEREIT). DPT has maintained a Public Disclosure Rating of 'A' for the third consecutive year, while CEREIT also received a rating score of 'A'.

Figure 15. GRESB Public Disclosure Scores

### DPT

	Disclosure of Sustainability Governance	<b>A</b>
	Disclosure of Sustainability Implementation	<b>A</b>
	Disclosure of Operational performance data	<b>A</b>
	Disclosure of Stakeholder Engagement Practices	<b>A</b>

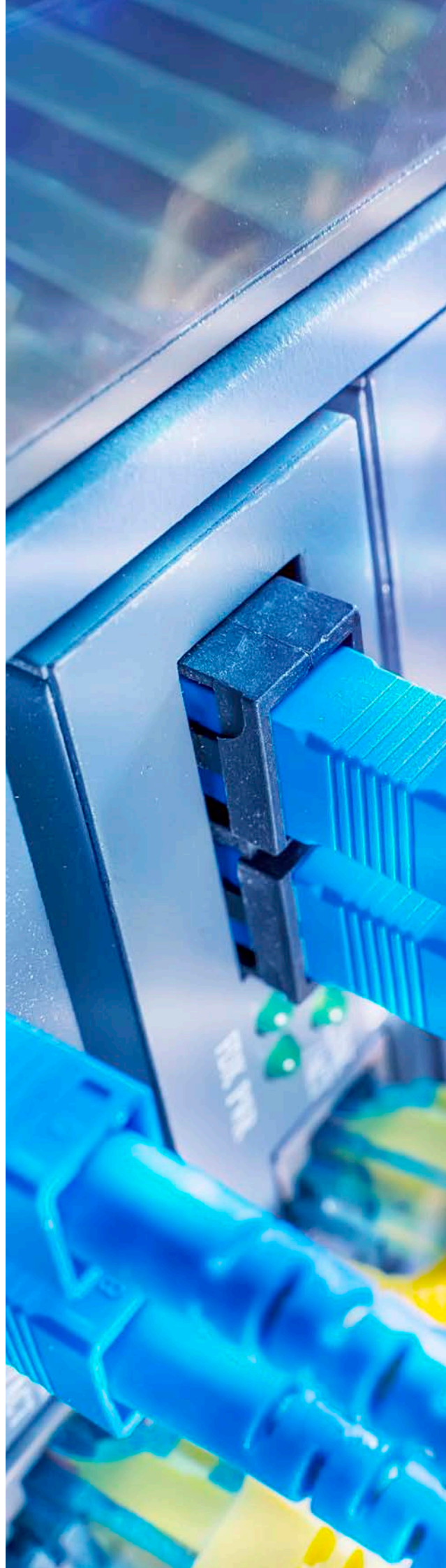
### CEREIT

	Disclosure of Sustainability Governance	<b>A</b>
	Disclosure of Sustainability Implementation	<b>A</b>
	Disclosure of Operational performance data	<b>C</b>
	Disclosure of Stakeholder Engagement Practices	<b>A</b>

### FY20 TARGETS

**3**

Maintain public disclosure rating score of 'A'





## 5.5 Ethics and Grievances

Cromwell's Code of Conduct sets out expectations for directors, officers and employees in relation to ethics, honesty and integrity, conflicts of interest or duty, fair dealing, protection and proper use of assets, and compliance with laws, regulations and policies. The Code of Conduct is publicly available on the Corporate Governance section of the website [www.cromwellpropertygroup.com/securityholder-centre/corporate-governance](http://www.cromwellpropertygroup.com/securityholder-centre/corporate-governance)

Cromwell's Whistleblower Policy actively encourages and supports the reporting of any actual or suspected contraventions of Cromwell's ethical standards or legal obligations. Cromwell also maintains both a Conflict of Interest Policy and a Related Party Policy, the latter of which requires Board/Board Committee approval for all related party transactions.

Cromwell's staff and operations are covered by business wide policies that address the risk of corruption in each of our operating jurisdictions. Cromwell Directors and employees receive training on a periodic basis that covers compliance requirements, including any specific local anti-corruption regime.

In line with the Australian regulatory framework, the Anti-Money Laundering and Counter-Terrorism Financing (AML/CTF) compliance program requires an assessment of employees and all investors in our unlisted funds. AML/CTF requirements form part of the distribution agreement with our Australian distribution network, including financial advisers.

Cromwell complies with all requirements concerning marketing communications, including advertising, promotion and sponsorships. All marketing communications must be approved to ensure compliance with the relevant regulations and voluntary codes.

## 5.6 Cyber-readiness

Cromwell's systems and networks are critical assets and their security is essential to maintaining operational effectiveness, financial accuracy, legal compliance and reputation. We are subjected to a wide variety of increasingly sophisticated security threats, including viruses, hackers, computer-assisted fraud, commercial espionage, industrial sabotage as well as crime and natural disasters.

Real-time agility in the face of a cyber-attack and resilience against these threats protects Cromwell's assets. Cromwell continues to invest in this area, comply with all regulatory requirements and is implementing a Cyber-Security Awareness and Incident Response Training plan.

### ISO 27001

Over the course of 2019 Cromwell has made significant progress towards achieving ISO 27001 certification of our information security management system (ISMS). An effective information security management system (ISMS) provides a management framework of policies and procedures that will keep information secure, irrespective of the format of that information.

Achieving ISO 27001 certification shows that a business has:

- Protected information from getting into unauthorised hands;
- Ensured information is accurate and can only be modified by authorised users;
- Assessed the risks and mitigated the impact of a breach; and
- Been independently assessed to an international standard based on industry best practices.

ISO 27001 certification is demonstration that risks have been identified, the implications assessed, and systems of control have been put in place to limit any damage to the organisation. Cromwell will achieve ISO 27001 certification of our information security management system in FY20.

## 5.7 Digital Governance

There are numerous challenges and opportunities that arise from digital disruption. This includes facilitating a connected and agile workforce, more efficient business and supply chain processes, and customer-centric innovation through smarter buildings.

A key control associated with mitigation of risk has been the formation of the IT Steering Group. This committee comprises both Australian and European senior management and executive representatives and is tasked with setting the priorities and focus of technology project resources. The committee meets bi-monthly and is presented with updates and recommendations from senior IT management representatives from both Australia and Europe. This ensures alignment of technology prioritisation across the regions and facilitates coordination of group technology outcomes.

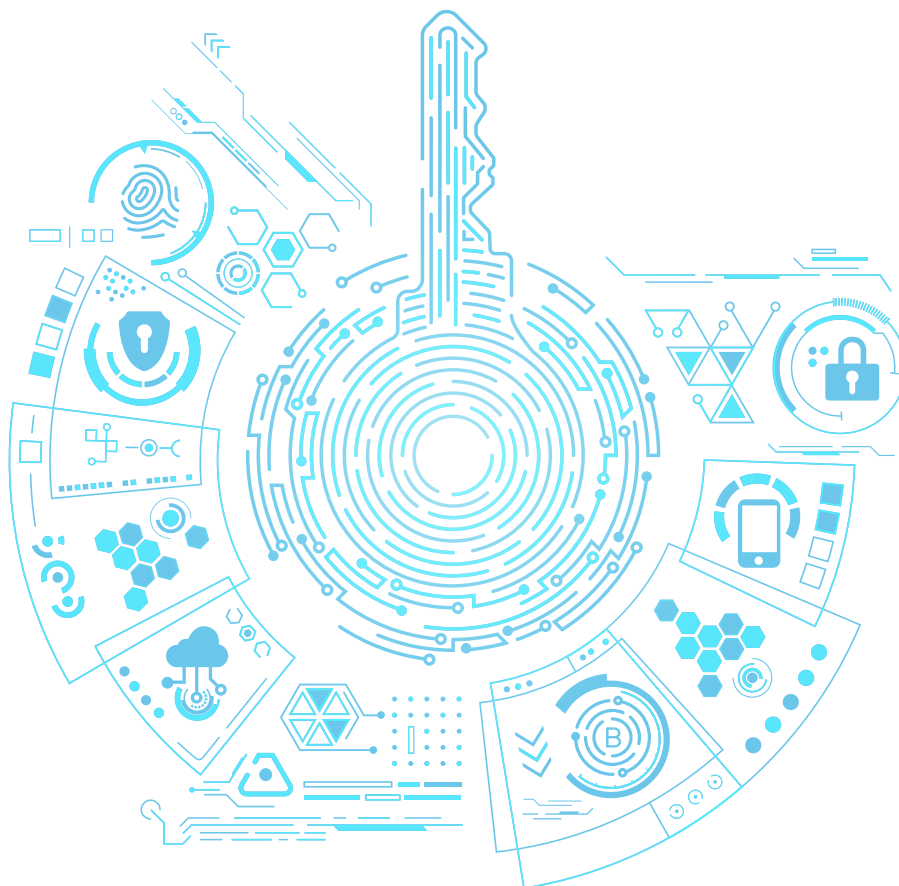
The IT Steering Group considers a range of factors in prioritising decisions including:

- Criticality and value of the technology initiative to the business;

- Effort and input required from key business stakeholders to achieve meaningful outcomes;
- Per cent of departmental or country resource required to achieve outcomes; and
- Operational impact of delays to achieving technology project outcomes.

To further mitigate against risk, a group Platform Technology Taskforce has been established. This taskforce is comprised of representatives from a range of departments and regional offices and serves to align IT initiatives to the needs of employees, stakeholders and customer groups.

Meeting on a bi-monthly schedule (subsequent to the IT Steering Group meetings), this working group is tasked with: providing feedback on current initiatives and workload, raising technology-related challenges with their region/workstream and highlighting technology advancements of interest within their region and stakeholder groups.



## 5.8 Supply Chain Management

### OUR SUPPLY CHAIN

Cromwell’s operations stretch across Australia, Belgium, Czech Republic, Denmark, Finland, France, Germany, Italy, Luxembourg, Netherlands, Poland, Romania, Sweden and the United Kingdom (UK).

The activities within our primary supply chain include, but are not limited to, building maintenance and repair services, real estate services, utilities, public administration, cleaning and janitorial services, professional engineering services, insurance, banking and investment, security services, accounting, legal services, computer services, taxation, marketing and promotions.

Cromwell recognises the risks of modern slavery that may be present within aspects of our supply chain. From a high-level review of our suppliers, we have identified that the outsourcing of property management services presents a risk of modern slavery where property managers appointed by Cromwell sub-contract further to suppliers in potentially low skilled labour sectors.

At Cromwell systems have already been put in place to allow for the reporting of any suspected breaches of human rights, including contact details to ensure confidential reporting can be made where required – [governance@cromwell.com.au](mailto:governance@cromwell.com.au).

### MODERN SLAVERY LEGISLATION UK/AU

Legislation across UK and Australia, referred to as the Modern Slavery Act (MSA) 2015 and 2018 respectively, established additional reporting requirements for large organisations to respond to the risk of modern slavery in their operations and supply chains. Under the Acts, relevant organisations are to produce and publish a slavery and human trafficking statement on an annual basis.

The Anti-Slavery and Human Trafficking Statement for Cromwell European Holdings can be found on the [www.cromwellpropertygroup.co.uk](http://www.cromwellpropertygroup.co.uk). For Australian corporations, the first reporting year will be 1 July 2019 to 30 June 2020 with reports due December 2020.

### MODERN SLAVERY INITIATIVES

Cromwell participates in an industry initiative, coordinated by the Property Council of Australia (PCA), to co-create a common questionnaire and online platform that will provide a consistent framework for reporting and reduce the reporting burden for suppliers.

Cromwell also established a Supplier Code of Conduct. The Supplier Code of Conduct establishes an expectation that Suppliers hold a joint commitment with Cromwell to conduct business with integrity, honesty and in compliance with the law. The Supplier Code of Conduct is available on Cromwell’s website.

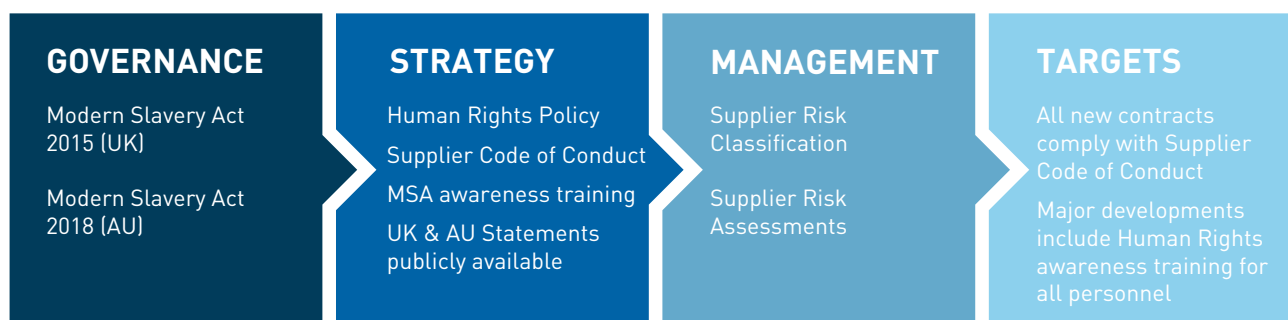
The Supplier Code of Conduct will be incorporated into the terms of engagement or referenced in the terms and conditions of contracts issued to engaged suppliers for the provision of goods or services. During FY20 Cromwell will identify the highest risk suppliers for participation in the PCA questionnaire.

### FY20 TARGETS

4

Full compliance with all relevant Modern Slavery legislation

Figure 16. Modern Slavery Act Response



# 6. STAKEHOLDERS PILLAR

## FY19 Targets

### ALL STAKEHOLDERS

1

Develop a global stakeholder engagement policy and strategy

**Achieved**

**Global Stakeholder Engagement Strategy  
'A Customer Focused Approach' established**

### RETAIL INVESTORS

2

Maintain a positive Net Promoter Score (NPS) of more than +20

**FY20 - ongoing Biennial Retail Investor survey results**

3

Increase Biannual Retail Investor Survey coverage from 4.91%

**FY20 - ongoing Biennial Retail Investor survey results**

4

\$400,000 in total contributed community value, equivalent to an 8% increase on FY18

**Achieved Donations in FY19 totalled \$402,256**

### TENANT CUSTOMERS

5

**Australia**

Improve tenant engagement score from 79 (Overall Property Performance Score)

**Not Achieved Reduction in engagement score from 79 to 77**

6

Increase tenant engagement survey coverage to over 50% of portfolio

**Achieved Survey coverage increased to cover 82 percent of our tenants**

7

**Europe**

Establish an initial benchmark tenant engagement score for CEREIT

**Achieved EU Benchmark established via 'Voice of Customer' feedback FY18 tenant engagement survey**



## 6.1 Introduction

Cromwell seeks to adopt a 'customer focused approach' to stakeholder engagement. This involves actively engaging with key identified stakeholder groups to better understand the issues that matter to them in order to be able to respond to their concerns appropriately.

Cromwell is committed to being open and honest with stakeholders, providing accurate and timely information, listening to and responding to stakeholder

views and concerns, evaluating the effectiveness of stakeholder engagement activities and working to continually improve them.





The eight key identified stakeholder groups include retail and institutional investors, tenant customers, the real estate industry and the local communities in which we operate. Supplier and value chain engagement is captured within the governance pillar and employees under the People Pillar.

Figure 17. Details our key stakeholder groups

	Internal Organisation	Value chain	Customers		External Organisation
Stakeholder Group Size					Industry/Community
				Institutional LISTED	
			Retail LISTED	Institutional UNLISTED	
		Value chain Suppliers	Tenants & Occupiers	Retail UNLISTED (HNW & Advisers)	
	Employees				
	Environment				

## 6.2 Engagement Approach

Figure 18. Details our engagement approach across each group of our key stakeholder groups.

Stakeholder Group	Objective	Engagement Mode
<b>RETAIL INVESTORS</b> (Listed and unlisted) 	To build brand in Australian High Net Worth (HNW) market, generate prospects, increase investor numbers and engage with current investors	<ul style="list-style-type: none"> <li>• Biennial Investor Survey</li> <li>• Insight Magazine (Quarterly)</li> <li>• By phone with Investor Services team</li> <li>• ASX Disclosure requirements via the ASX and Cromwell website</li> <li>• Full and half yearly announcement of results plus regular reports and statements on funds investment performance</li> <li>• Annual retail investor roadshow</li> <li>• Annual General Meeting</li> </ul>
<b>INSTITUTIONAL INVESTORS</b> (Listed and unlisted) 	To build awareness, generate prospects for capital teams and engage with current investors	<ul style="list-style-type: none"> <li>• ASX Disclosure requirements via the company's website</li> <li>• Full and half yearly announcement of results plus regular reports and statements on funds investment performance</li> <li>• Regular results briefings for analysts</li> <li>• Direct investor (in person) activity</li> <li>• Proxy and other Advisor engagement</li> </ul>
<b>INDUSTRY AND COMMUNITY</b> 	To contribute to the causes that matter to our key stakeholders	<ul style="list-style-type: none"> <li>• Periodic participation in industry forums and dialogues</li> <li>• Membership of relevant industry associations</li> <li>• Stakeholder surveys plus solicited feedback per philanthropic activity</li> </ul>
<b>TENANT CUSTOMERS</b> 	To ensure a consistent tenant customer experience, build loyalty and increase retention	<ul style="list-style-type: none"> <li>• Annual Engagement Survey(s)</li> <li>• Building systems (My Buildings in AU)</li> <li>• Regular phone and in person meetings with property managers, plus regular written correspondence</li> <li>• Hospitality and events</li> </ul>



## RETAIL INVESTOR ENGAGEMENT

Regular and transparent engagement with our investors is central to our core values and has resulted in positive investor feedback and loyalty since inception. Investor engagement activities are conducted either directly or via third-party advisors.

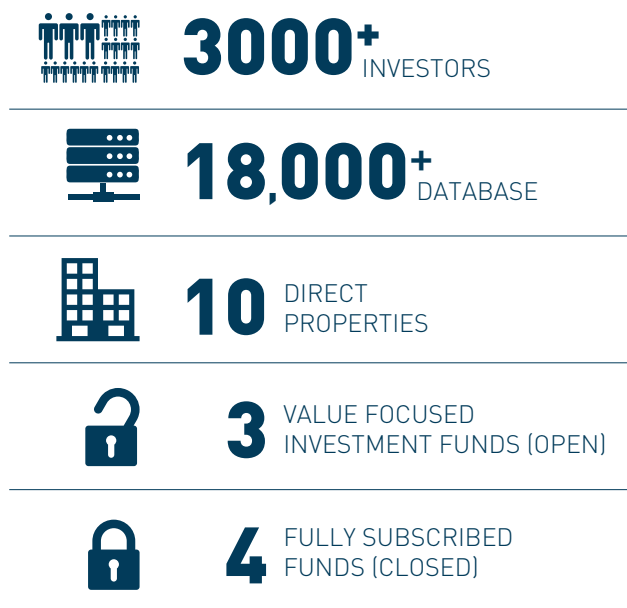
Cromwell's investor services team operates out of our head office in Brisbane, Australia. The team provide support to current, past and prospective advisers and retail investors, with our direct share and unlisted fund registries also directed to put queries through to the team where possible.

In FY18 Cromwell engaged Investment Trends to conduct a biennial investor engagement survey covering our retail investors and their views on investment matters and service from Cromwell. On the back of this survey the following target was adopted relating to our retail investors.

Due to the biennial nature of the survey results will be published in our FY20 sustainability report.



Figure 19. Retail Investor Snapshot



\*For Cromwell Funds Management unitholders and CMW Securityholders

## INSTITUTIONAL INVESTOR ENGAGEMENT

Cromwell also engages directly with domestic and overseas institutional investors. In April 2019 Cromwell rolled out a customer relationship management system (Salesforce) to support its global institutional investor relationship management activities.

The CRM will provide Cromwell with a view of its global institutional investor activity.



Cromwell's investor relations team also engages with a range of third-party proxy and ESG advisory groups. These groups represent institutional investors on a range of different issues. Cromwell's ESG credentials were assessed by a range of third party rating agencies and this year's ESG scores are detailed in Section 4.

## INDUSTRY ENGAGEMENT

Cromwell contributes to the real estate and funds management industry in which it operates. This includes active corporate participation in industry associations as well as supporting employees in their relevant individual memberships. Cromwell does not hold a position on the governance body of any industry body but the key industry organisations of which it is a member are:

- PCA (Property Council of Australia - Corporate Leader)
- GRESB (Global Real Estate Sustainability Benchmark)
- GBCA (Green Building Council Australia)
- RICS (Royal Institution of Chartered Surveyors)
- INREV (European Association for Investors in Non-Listed Real Estate Vehicles)
- ANREV (Asian Association for Investors in Non-Listed Real Estate Vehicles Limited)
- APREA (Asia Pacific Real Estate Association)

## COMMUNITY ENGAGEMENT

Cromwell also seeks to make a difference to the local communities in which our employees work. Cromwell's Philanthropic Strategy, accessible on the group website, aims to progressively increase the total amount of community value generated per employee towards a medium-term target of \$1,500 of contributed value per employee per annum.

Philanthropic activity is defined as all monetary contributions, non-monetary contributions, benefit-in-kind donations, pro-bono work and volunteering or health and fitness activity team participation.

During FY19 \$402,256 was contributed in the form of direct or indirect benefit-in-kind via funds raised or donated, corporate sponsorships, donations or volunteering hours. This equates to \$1,130 per employee, representing another incremental increase towards achieving our medium-term target of \$1,500 in total contributed value per employee per annum.

### There are four categories through which Cromwell looks to make a difference.



**1. The Employee Volunteer Programme (EVP)** grants two days of paid leave each year to encourage employees to engage in community activities and support causes that are important to them. The EVP is an important platform for our employees to support community organisations with their professional knowledge, skills and experience.



**2. Staff fundraising and participation support.** Employees undertake a variety of initiatives each year to raise funds for worthy causes. Cromwell also supports employee participation in community and health and fitness related activity. This usually takes the form of entrance or participation support in charitable events e.g. bike rides, swims, races, marathons or other similar activity.

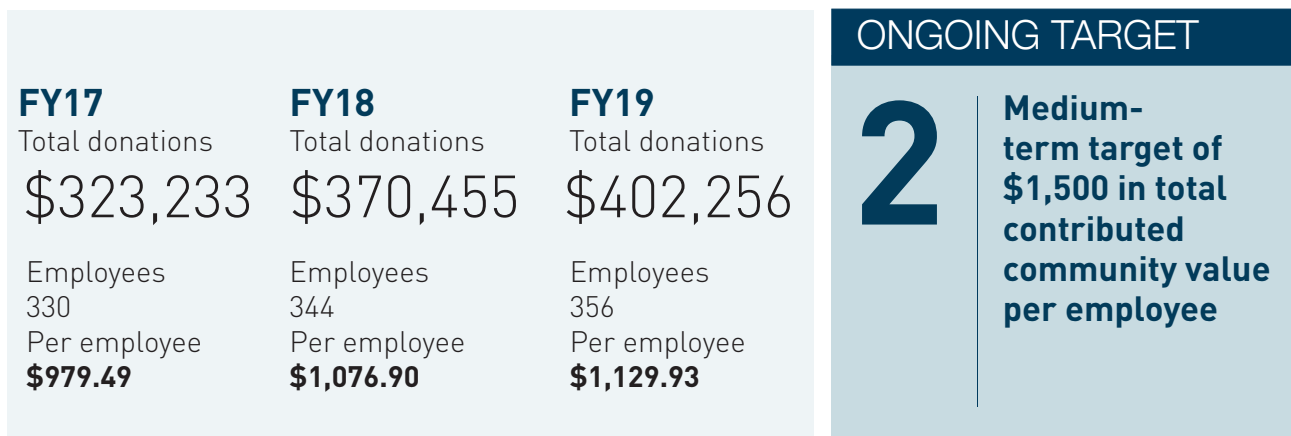


**3. The Cromwell Property Group Foundation** makes donations to registered charities with Deductible Gift Recipient (DGR1) status within Australia. The Foundation's mission is to donate funds directly to causes related to the mature aged community. Securityholders can donate a proportion of their quarterly distributions to the Foundation.



**4. Corporate contributions** include sponsorships and events in partnership with various selected charity, community or industry bodies. Donations, or other non-financial benefit in kind value, can be provided to causes that may not meet the Foundations' mandate, particularly where those organisations may be outside of Australia.

Figure 20. Community Contribution



## TENANT CUSTOMER ENGAGEMENT

As at 30 June 2019, Cromwell had more than 3,800 tenant customers in 15 countries, leasing over 3.7 million sqm of space. Cromwell recognises that a fundamental determinant of success is high tenant customer satisfaction levels and retention rates which play a critical role in reducing leasing, agent and fitout costs, maximising rental income and ultimately protecting securityholder value.

Property managers in each country regularly engage with tenant customers on a wide range of day to day matters. Cromwell also seeks to proactively monitor and improve tenant customer satisfaction through annual surveys conducted in Australia and Europe. The output of each survey is used to create an action plan per each asset and tenant customer. Execution of the plan is the responsibility of the Head of Property, Australia and the Head of Real Estate, Europe.

### a. Australian Tenants

Campbell Scholtens were engaged to conduct this year's tenant engagement survey covering our Australian assets. The 2018 survey saw coverage increased to 82 percent of tenants while the engagement score reduced from 79 to 77.

Action plans were subsequently put together for each asset and completed by mid-year.

### b. European Tenants

Cromwell commissioned RealService to carry out a 'Voice of Customer' feedback study at the end of 2018, establishing an initial benchmark for tenant engagement in Europe. The study measured tenant satisfaction levels for the top 20 tenant customers

of the Cromwell European REIT in each of the Netherlands, Italy, France, Denmark and Germany. An initial overall NPS of -7 was achieved.

Action plans were put together in January 2019 for property managers to execute in each country.

During FY20, and in recognition of the increased size of CEREIT, Cromwell will increase the number of CEREIT tenant customers surveyed. During FY21 Cromwell intends to further broaden the survey to include other non CEREIT tenant customers. Coverage targets for FY21 will be set this year.

## FY20 TARGETS

### AU TENANT CUSTOMERS

**3** | Improve engagement score of **77**

### EU TENANT CUSTOMERS

**4** | Increase the number of tenant customers surveyed

**5** | Improve net promoter scores in each country surveyed from the FY19 benchmark



# 7. PEOPLE PILLAR

## FY19 Targets

# 1

Maintain top quartile employee engagement score

**Achieved**

Cromwell global employee engagement score

# 67 percent

2 percent above Aon's global average score of 65% for 2018

# 3

Cromwell will engage with a Diversity and Inclusion specialist

**Achieved**

Engaged Brook Graham, a specialist international Diversity & Inclusion Consultancy

to assist us to complete a diversity and inclusion audit

# 2

Refresh/strengthen Employer Brand across the platform

**Achieved**

Refreshed corporate values  
Established Employer Brand Working Group

# 4

Increase global L&D hours by 5%, increase coverage of sustainability-specific training from 39% to over 50% globally

**Not Achieved**

FY19 AU Total:

# 16.35 hours

per employee

FY19 EU:

Cromwell implemented Workday in June 2019. It's L&D module has 5,000 courses and will bring rigour to the application and approvals processes and allow for improved monitoring and measurement globally

## 7.1 Introduction

At Cromwell, we believe our people are our strength. We recognise the power of the individual to make a difference, and the collective power of the team to drive sustainable, competitive advantage. We invest in the career development and knowledge of our people. We celebrate diversity, recognise and reward performance and support our people in achieving their professional and community related goals.

## 7.2 Workforce Statistics

As at 30 June 2019, Cromwell employed 356 employees on either a permanent, casual or contract basis in Australia (144), Europe (204) and Singapore (8). Employees operate out of 29 offices across 13 countries, namely Australia, the United Kingdom, Poland, the Netherlands, Germany, France, Finland, Italy, Singapore, Sweden, Luxembourg, Denmark and the Czech Republic.

During the year Cromwell hired 93 new employees. Of the new employees hired 29 were sourced in Australia and 64 in Europe. Turnover was 21 and 63 in Australia and Europe respectively.

Cromwell reports incidents to the relevant regulators, government departments and insurers as per the

applicable work, health and safety laws in the different jurisdictions in which it operates. Minor incidents and near misses are recorded in accordance with local Workplace Health and Safety Policy.

During FY19, there were two minor injuries resulting in no lost working days. There were no notifiable incidents or major incidents, occupational diseases or fatalities.

### ATTRACT AND RETAIN THE RIGHT PEOPLE

'Attract and retain the right people' was identified as the most material People Pillar topic for FY19. To be successful in attracting and retaining the right people requires Cromwell to have a strong employer brand and employee value proposition, encompassing recognition,

Graphic 21: Cromwell's Workforce statistics



**356**  
EMPLOYEES



**29**  
OFFICES



**13**  
COUNTRIES



**93**  
NEW  
EMPLOYEES



**2**  
TWO MINOR  
INJURIES

growth and flexibility, and to position itself as an employer of choice in its key markets.

Cromwell has prioritised the attraction, retention and development of people who are aligned with our corporate values and who have the skills and capability to help us execute our strategy. We recognise that a strong Employer Brand is key to attracting talent and that an effective Learning & Development strategy will help retain and develop individuals while increasing our organisational capability.

### VALUES DRIVEN

As Cromwell's presence continues to grow, so too does the risk of brand and culture dilution. Cromwell is primarily a values-based organisation and our common values are what unite us. Our strength comes from diversity, through having colleagues with different backgrounds, cultures, languages and passions come together for a specific purpose.

In FY19 to enhance our ability to communicate and reinforce our values to the different cultures in our business we restated our corporate values, condensing the original nine into three. The three values are Principled, Respectful and Responsible.

### EMPLOYER BRAND WORKING GROUP

During the year an Employer Brand Working Group was formed with the objective of understand key drivers of talent attraction and retention and to strengthen our global Employer Brand. Three key stakeholder groups identified by the group were;

- the satisfaction of existing employees (existing talent),
- the impression left on former employees (exiting talent), and
- the interest from job seekers (new talent).

To help assist us with understanding our three stakeholder groups, what interested them about Cromwell, how they look for roles in the market, and what is important to them we conducted a survey in 2019 within the business across young, mid-level and senior professionals.

Four major themes were subsequently identified across each professional group:

- Remuneration;
- Growth;
- Flexibility, balance and time; and,
- Health and fitness.

To address these issues a number of initiatives were subsequently incorporated into different areas of the business, some of which are detailed further on in this section of the report.

Figure 22. Cromwell Values

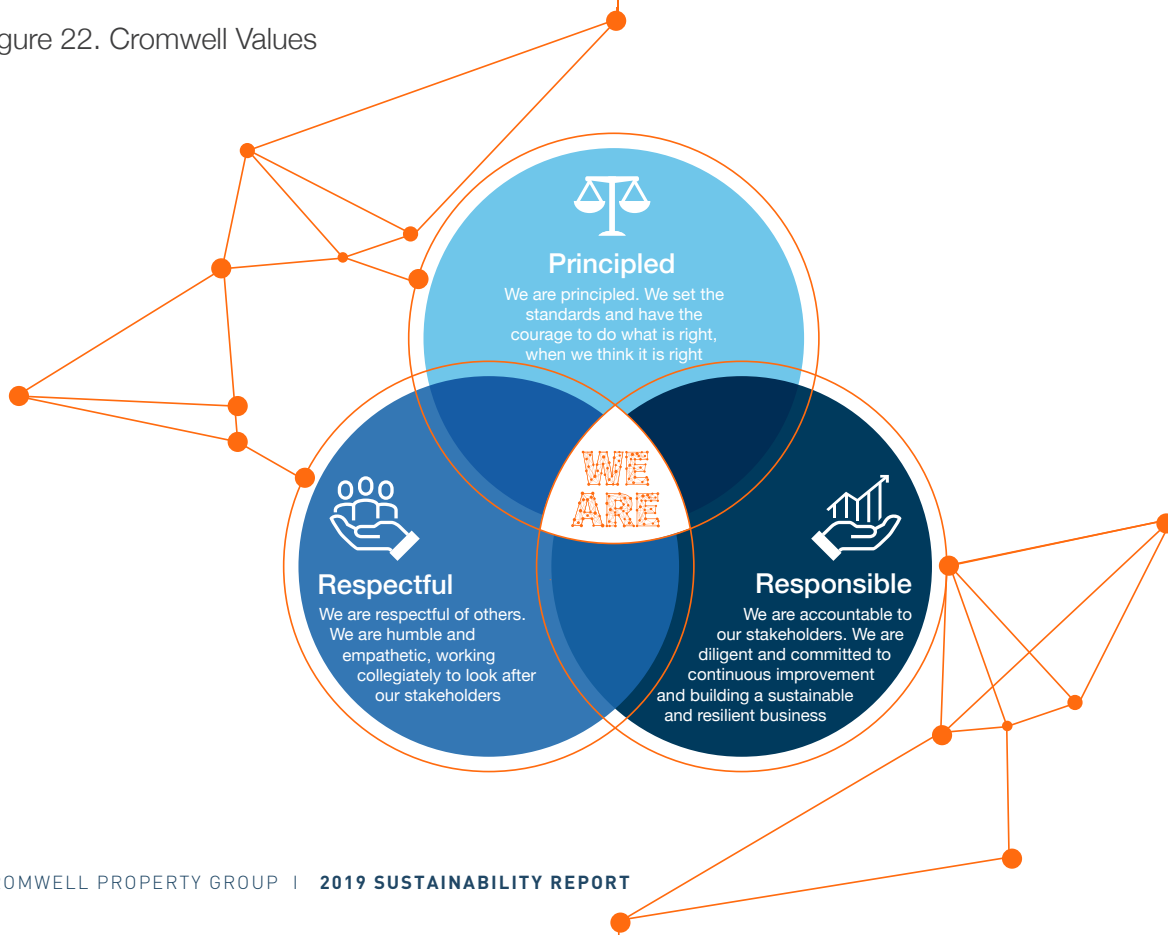
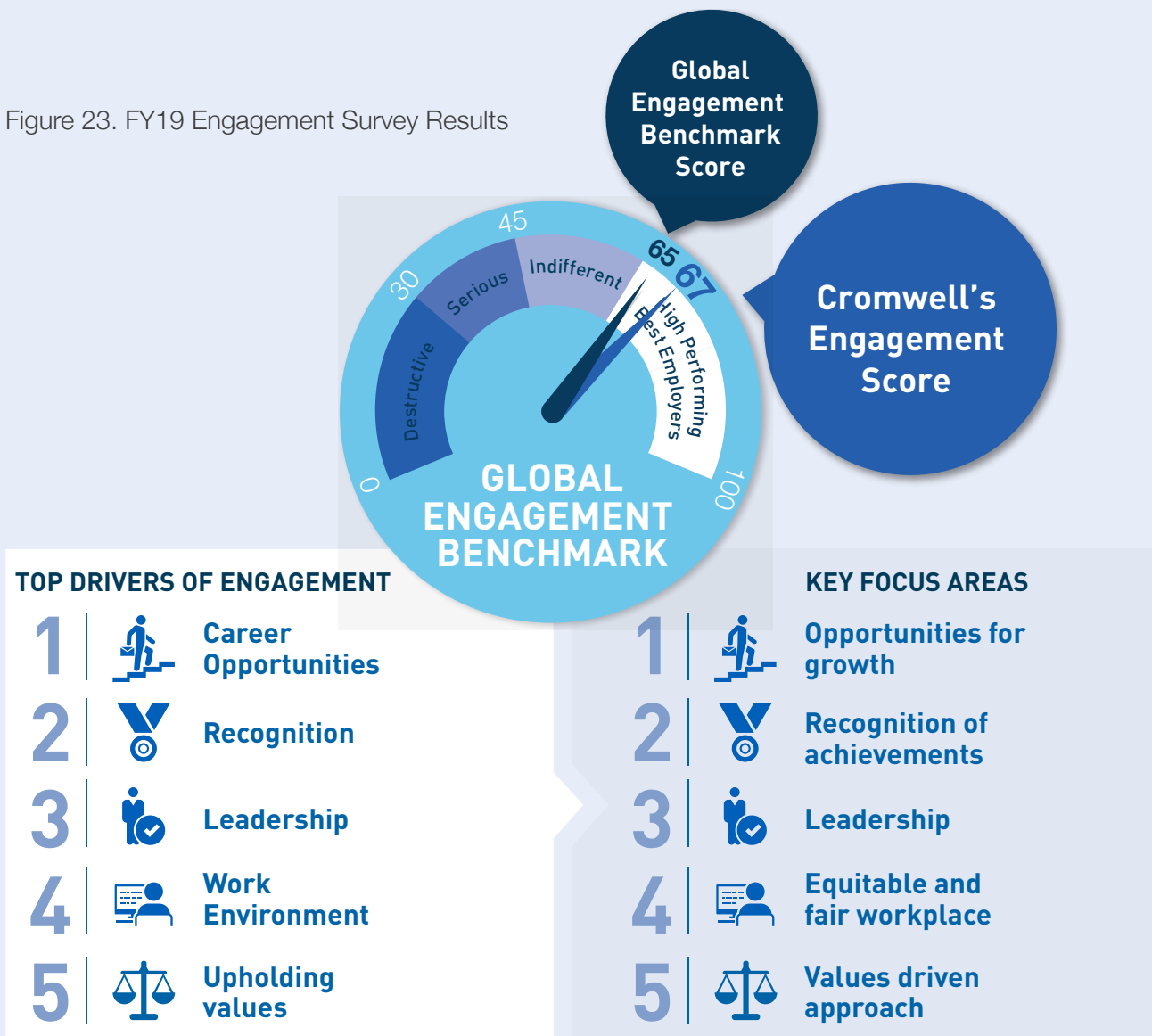




Figure 23. FY19 Engagement Survey Results



**EMPLOYEE ENGAGEMENT**

Each year Cromwell conducts an annual Employee Engagement Survey to measure overall engagement, get feedback on what's going well, what we can do better and how we can improve as a business. The survey is designed to provide a formalised opportunity to provide feedback, assisting the further development of our People Pillar strategies over the forthcoming 12 months.

In the past we have used the information gleaned to implement a range of initiatives, including:

- Learning and Development Programs,
- Informing Cromwell's Global People Strategy,
- Improvements to our performance and development review process,
- Better communication about the group's strategy and achievements,
- Employee recognition through the Global Awards Programme, and
- Increasing People Pillar resources in order to better support business requirements.

The FY19 Engagement Survey Results are shown in Figure 23.

The key focus areas of engagement identified include opportunities for growth, recognition of achievements, leadership example, an equitable and fair workplace and values driven. These key areas will continue to be a focus over the next few years.

**FY20 TARGETS**

- 1 **To maintain an employee engagement score at a level above the global benchmarked average**  
(as measured by Aon Hewitt 2018 Trends in Global Engagement Report)

## 7.3 Create and embrace a diverse and inclusive workforce

### DIVERSITY & INCLUSION PROGRAMME

We are Cromwell, but we are all individually unique. It is the coming together of this uniqueness that makes us Cromwell. We exist to look after people, we are principled and we do what is right. Inclusion promotes belonging and when people belong, they're more engaged. We are taking a focus on Diversity & Inclusion because we are a people business and the stronger our people, the stronger our business. It makes good business sense.

In 2019 Cromwell engaged Brook Graham, a specialist and international Diversity & Inclusion Consultancy, to assist us to complete a diversity and inclusion audit. The audit's objective was to determine our people's perception of diversity and inclusion at Cromwell.

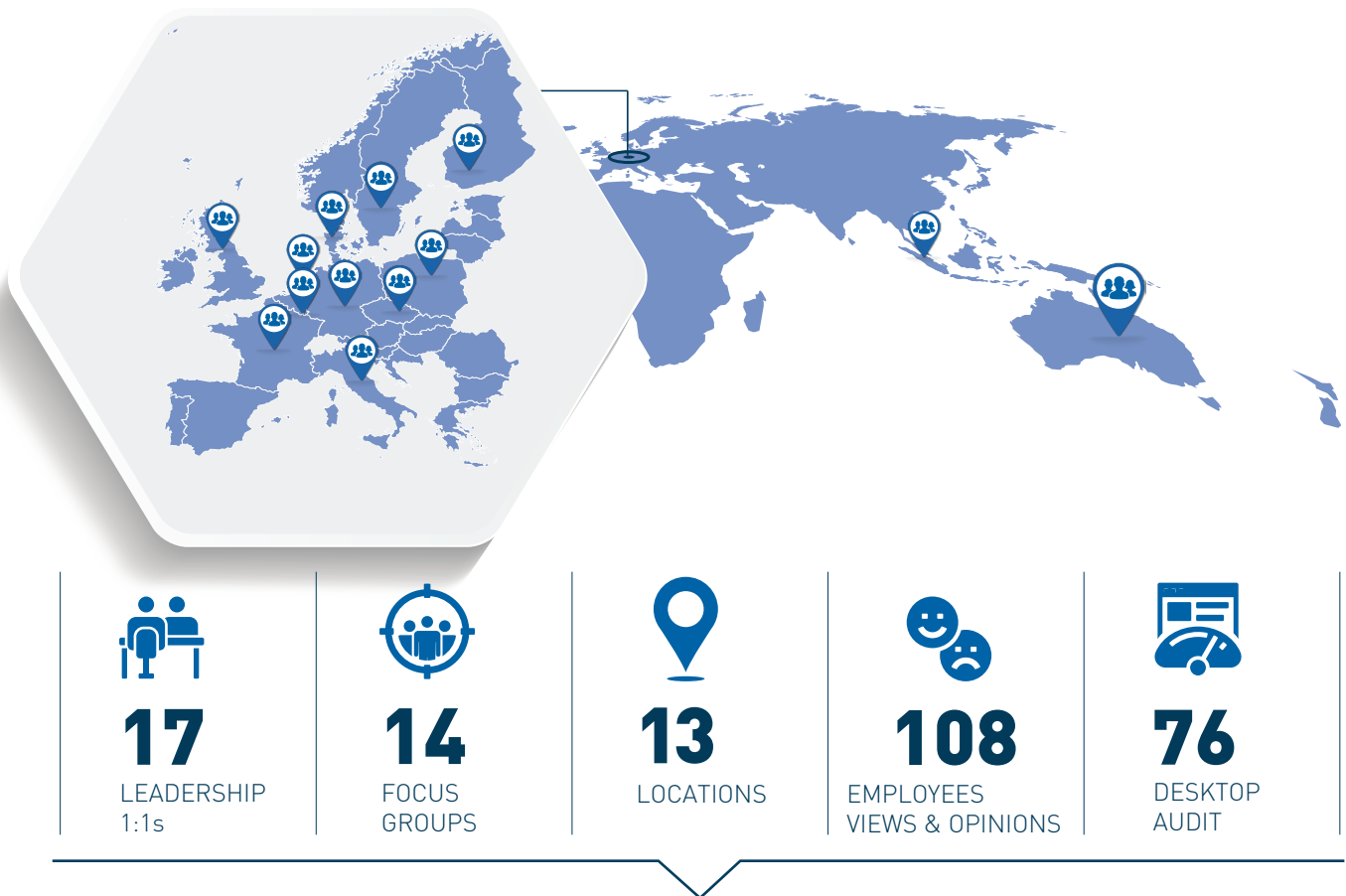
Brook Graham conducted 17 leadership 1:1's, 14 focus groups including 79 employees across 13 locations and

a survey which captured the views and opinions of 108 employees. In addition, they conducted a desktop audit of 76 Cromwell employment documents.

The findings of the audit were presented to the entire Group Leadership Team and in response, the Diversity Leadership Council (DLC) was formed. The DLC is a group of executive leaders who are committed to advocating for greater diversity and a more inclusive culture.

The DLC have developed an action plan that will initially focus on educating our people about our values, embedding a culture of inclusion and respect across the global business and ensuring that all of our policies and processes explicitly support inclusion and control against bias. Progress on the action plan will be documented in next year's report.

Graphic 24. Diversity and Inclusion



## Diversity Leadership Council (DLC)



## 7.4 Creating the leaders of tomorrow

Cromwell aims to encourage and mentor employees to become future leaders by investing in continuous learning and development. Over the course of this year significant time and energy has been invested into developing our leadership pathways, specifically via our Leadership Framework, our Performance Framework, Workday and transitional education pieces.

### LEADERSHIP FRAMEWORK

To help our people understand how our values translate into everyday behaviour and what's expected of them, we have a Leadership Framework made up of five levels of organisational leadership. This framework will help employees identify which behaviours they are expected to exhibit, and also what they need to work towards if they intend to progress to the next level of leadership. The Leadership framework will provide a basis for targeted training programmes, succession planning and talent identification in FY20.

### PERFORMANCE FRAMEWORK

Our Performance Framework pulls through levels of leaders from the leadership framework and aligns our values with competencies and behaviours for a more transparent performance measurement. Included in the performance framework is a shift from KPI's to a choice of either quarterly or annual Objectives & Key Results (OKR's).

### WORKDAY

To effectively manage and track the composition of our people's knowledge, experience, social and personality attributes embodied in our organisation Cromwell has invested in Workday - a human capital management software. The software is progressively being rolled out across our global operations.

As the platform evolves, it will ensure Cromwell has visibility of its global workforce, talent and skills to help ensure that opportunity is provided to all of our people. The learning management system and performance module is set for implementation in FY20.

### TRANSITIONAL EDUCATION

'Just in time' education sessions were conducted to support teams transitioning through changes that were occurring. Topics included emotional intelligence, change resistance and resilience techniques. Additional sessions split between leaders and employees, addressed the new frameworks and processes to enable a smooth transition through the changes in 'how we do things around here'.

The development of support tools including Leaders Guide to educate on our new frameworks, values, competencies, behaviours, and the GROW coaching model were rolled out in FY19. To support the change

transition, guide cards on new frameworks and how to apply the new learning management system and performance module were developed, ready for system implementation in FY20.

## FY20 TARGETS

# 2

**To continue to grow the Learning and Development platform, target to achieve a global average of 20hrs training per employee per annum.**

## 7.5 Keeping our people and communities safe

### OUR PEOPLE

In Australia, our workplace health and safety management system (WHSMS) covers all employees, tenant customers, suppliers, auditing premises and services contract tendering and has a focus on continuous improvement.

The WHSMS, designed by GreenCap, includes policies, procedures and training. Cromwell reports incidents to the relevant regulators, government departments and insurers as per the applicable WHS laws in the different jurisdictions in which it operates. Minor incidents and near misses are recorded in accordance with local WHS policy requirements.

Employees are able to report work related hazards via the Hazard Report form or by approaching a Workplace Health and Safety Officer. Workers are protected from discrimination, bullying or victimization by our Equal Employment Opportunity Policy. Employees are also provided the opportunity to provide anonymous

feedback on OHS via the Engagement Survey. If an incident requires an investigation to determine the root causes, Cromwell will appoint a suitably qualified investigator to investigate the incident to determine root cause and identify corrective action.

### OUR CONTRACTORS

Cm3 is Australia's leading OHS/WHS Contractor Prequalification system. As at 30 June 2019, 75 per cent of Cromwell's 388 registered contractors had been assessed under cm3's prequalification system. Cm3's OHS/WHS qualified specialists assesses contractors on an individual basis, conducting a comprehensive assessment of contractor safety management systems, capabilities and insurance coverage ensuring that contractors are able to uphold health and safety requirements.

### IMPROVING HEALTH AND WELLBEING

At Cromwell, the wellbeing of our people is hugely important and we focus on supporting and improving their mental and physical health in order to create healthier, happier, stronger teams. The primary health and safety risk to all of our employees has been identified as sedentary work.

In order to combat this issue we have encouraged physical exercise through physical 10,000 step challenges, gamifying exercises and by assisting with the costs of physical activity through our Wellbeing Contribution Policy. The policy offers eligible employees a reimbursement on health, fitness and wellbeing activities of their choice up to \$299 per annum.

Other types of health consultations and services offered include flu vaccinations, heart screening, skin checks and ergonomic assessments.

Cromwell is also aware of the psychological risks that can be associated with office-based work and as such, strongly encourages employees to utilize the Employee Assistance Program (EAP). The EAP is a confidential, short-term counselling service to assist employees with work or personal issues. In Australia Cromwell uses Assure Programs, a dedicated counselling service, to deliver this programme.







# 8. ENVIRONMENT PILLAR

## FY19 Targets

### AUSTRALIA - IMPROVE GRESB SCORES AS FOLLOWS:

1

Cromwell Diversified Property Trust - 61 to 64

Achieved GRESB score  
87

2

Cromwell Ipswich City Heart Trust - 72 to 74

Achieved GRESB score  
89

3

Cromwell Riverpark Trust - 71 to 74

Achieved GRESB score  
87

4

Cromwell Direct Property Fund - 53 to 56

Achieved GRESB score  
79

5

Cromwell Property Trust 12 - 57 to 60

Achieved GRESB score  
78

6

Northpoint Trust 60 to 63

Achieved GRESB score  
85

### EUROPE - IMPROVE GRESB SCORES AS FOLLOWS:

7

Improve GRESB participation from 68% of portfolio by area

Achieved GRESB participation of portfolio by area  
72%

8

Cromwell Polish Retail Fund (CPRF)- 57 to 60

Achieved GRESB score  
74

9

Hummingbird - 34 to 36

Achieved GRESB score  
42

10

CEREIT - 47 to 49

Achieved GRESB score  
67

### OTHER RATINGS AND TARGETS

11

Increase DJSI score from 39 to 41

Achieved DJSI score  
47

12

Achieve a 5-Star weighted average NABERS Energy Base Building

Ongoing Achieve a 5-Star weighted average NABERS Energy Base Building



## 8.1 Introduction

Cromwell's Environment Pillar objective is to improve the operational performance of our assets whilst actively reducing the environmental impact of our properties, funds and operations.

Our Environmental Pillar owners for Australia and Europe are responsible for asset management and property operations across the property portfolio. Their responsibilities include leasing, building operations and maintenance, compliance, tenant customer engagement and protecting the value of our assets by managing capital works, refurbishment, asset enhancement and utilities efficiently in order to provide secure returns for our investors.

### PROPERTY PORTFOLIO - GRESB PARTICIPATION

	Australia	Europe	Total
AUM (m\$)	2,722.70	3,876.26	6,598.96
Funds	6	3	9
Assets	30	119	149
Tenants	297	1,452	1,749
Sqm	501,081	2,084,229	2,585,310

Visit [www.cromwellpropertygroup.com/property](http://www.cromwellpropertygroup.com/property) for a complete list of our property portfolio.

For Cromwell's operations the most significant environmental impacts arise from energy and water consumption and the waste produced within our properties. Our construction and major refurbishment activities also have an impact as do the choices we make over material use, recycling and procurement.

Primary emissions from our management activities derive from business travel and the energy and water consumed in our offices. The greatest impact we can have on reducing these emissions is through improving energy efficiency and minimising waste. At properties where we have operational control, our asset managers monitor consumption and set energy improvement targets. Emissions related to our corporate activities that we are unable to completely eliminate are offset through the Qantas Future Planet Programme.

## 8.2 Rating Systems & Reporting Initiatives

Cromwell use a variety of rating systems to measure and integrate environmental commitments into our business platform.

### WITHIN AUSTRALIA

1. Cromwell use the National Australian Built Environment Rating System (NABERS [www.nabers.gov.au](http://www.nabers.gov.au)) to measure the operational impacts from the energy and water used in our properties on the environment and to provide an indication of how well we are managing these impacts.
2. Cromwell also use the Green Building Council of Australia (GBCA [www.gbca.org.au](http://www.gbca.org.au)) Green Star suite of rating tools. The Green Star system is a comprehensive national voluntary environmental rating system that evaluates the environmental design and construction of new and refurbished buildings. Cromwell participates with the Green Star – Design & As Build rating system to certify the design and construction of new and existing assets, and Green Star – Performance to certify the operational performance of our properties.

### WITHIN EUROPE

1. Cromwell uses the Building Research Establishment Environmental Assessment Method (BREEAM) for select buildings across Europe. BREEAM use third party certification for the assessment of a property's environmental, social and economic sustainability performance using standards developed by BRE. Developments are rated and certified on a scale of Unclassified (<30%), Pass (>30%), Good (>45%), Very Good (>55%), Excellent (>70%) and Outstanding (>85%).
2. Cromwell acquires Energy Performance Certificates (EPC) for all properties leased or sold across our European portfolio. EPCs are a European-wide rating scheme used to summarise the energy efficiency of buildings, as set out in the European Energy Directive (EED). EPCs are rated from A to G, ranking energy performance from best practice to least efficient.

## 8.3 Resourceful buildings and operations

The transition to a sustainable real estate industry is one of the most fundamental challenges we face. Central to this transition is reliable ESG information, meaningful global benchmarks and collective action towards the facilitation of sustainable outcomes.

### RELIABLE AND COMPREHENSIVE DATA

As Cromwell continues to grow, so too does our reliance on timely and reliable data. Envizi is an independent software provider with a global reach enabling a unified global approach to ESG data. The platform was selected to streamline our data capture, improve data accuracy, integrate and share data and simplify the audit and assurance process for data disclosure.

In Australia, Cromwell has grown the platform to capture all electricity, natural gas, diesel and water consumption for assets where we have direct operational control. Throughout FY19 Cromwell transitioned a large number of automated accounts to manual meters, increasing data reliability. Envizi now records data from 214 meters and 313 accounts across our Australian properties.

In FY20 we will continue to increase our data coverage with a focus on recording additional waste streams within the Envizi system and monthly consumption data from our non-operational controlled assets where practicable.

### GLOBAL REAL ESTATE SUSTAINABILITY BENCHMARK

Cromwell is committed to implementing our Sustainability Framework across all aspects of our operations wherever this is practicable. Managing property portfolios across multiple countries, asset types, and a variety of lease and jurisdictional requirements continues to limit our ability to collect and disclose performance data and implement change where we do not have management control.

Within Europe, Cromwell has 13 Funds under Management. A number of these are original mandates that pre-date the Cromwell acquisition in 2016. In its capacity as a manager, Cromwell provides asset management services on behalf of third parties as well as being a Fund manager for Cromwell investment Funds. Some Funds, or the assets within them, may have mandates or leases that preclude operational control from Cromwell and therefore impact on our capacity to implement long term asset improvement and operations strategies. In these situations, Cromwell can only seek to encourage participation in benchmarks

such as GRESB or to promote tenant participation in the provision of operational data.

Cromwell has participated in GRESB for six consecutive years, successively increasing the number of funds and level of coverage annually. This year's submission covered six separate funds across Australia and three across Europe (including CEREIT's second assessment), representing a total AUM of \$6,598.96 million.

Our key metrics for property operations are measured through participation in GRESB. Our year on year commitment, once again, is to improve both the extent and scope of participation, as well as our overall performance scores.

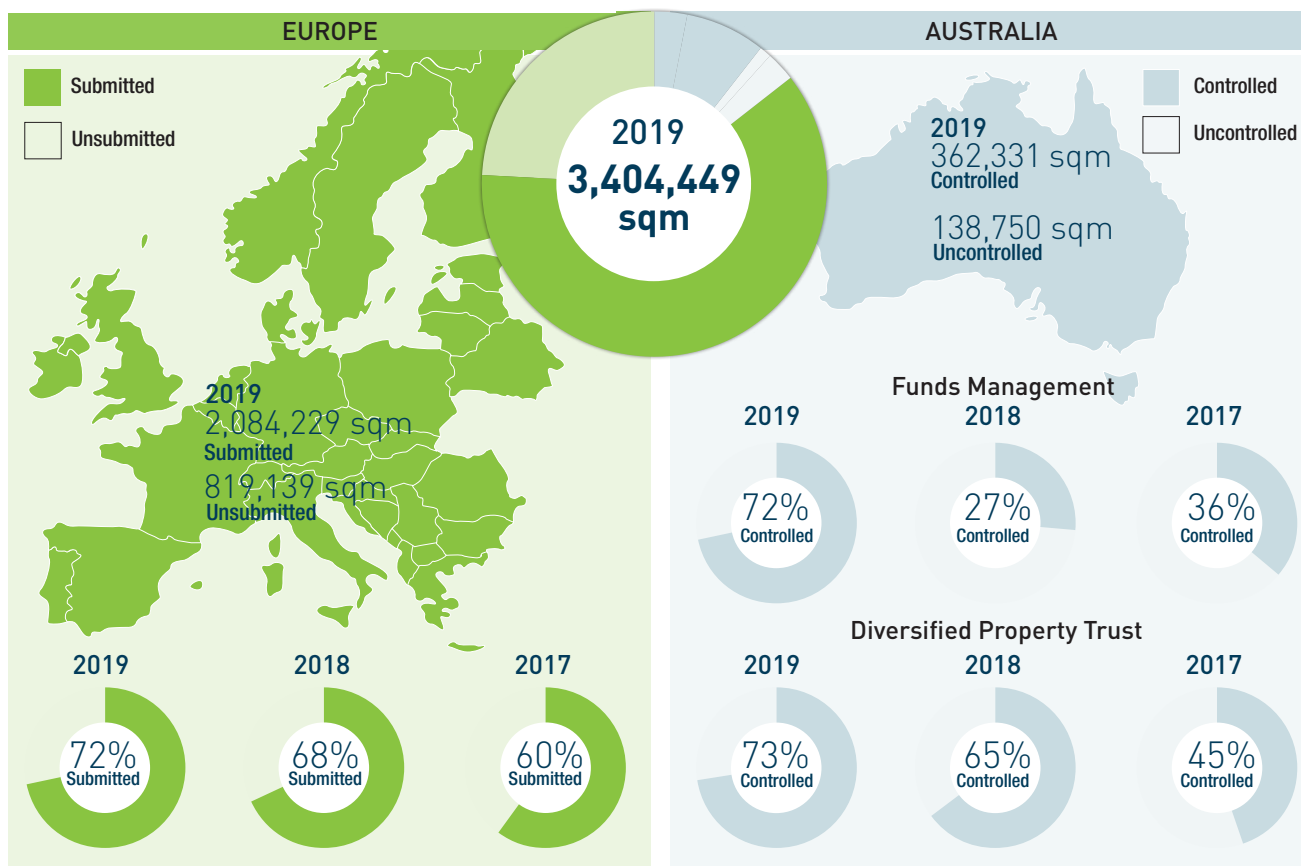
Across the Australian portfolio, 30 properties representing 100% of qualifying assets were submitted to GRESB. In Europe 119 properties representing 72% of qualifying assets were submitted.

Across our European management we are committed to engaging with our Stakeholders and to target continuous improvement in our operational performance metrics, and in participation of our key sustainability performance benchmark indices. This commitment has been demonstrated again this year with the growth in participation by value and by asset area in GRESB and in the increase in scores in both of our two major funds being CEREIT and CPRF.

In FY19 Cromwell submitted a total area of 2,585,310 sqm representing a 35 percent increase on FY18.

	2019	2018	2017
<b>AUSTRALIA</b>			
<b>Funds Management</b>			
Controlled (sqm)	111,111	43,548	80,496
Uncontrolled (sqm)	43,548	92,456	140,840
<b>Cromwell Diversified Property Trust</b>			
Controlled (sqm)	251,220	215,829	137,872
Uncontrolled (sqm)	95,202	140,676	169,039
<b>EUROPE</b>			
Submitted (sqm)	2,084,229	2,038,997	2,300,362
Unsubmitted (sqm)	819,139	954,558	1,530,082
Area Submitted (sqm)	2,585,310	2,531,505	2,828,609
Area Submitted (%)	76%	73%	65%

Figure 25. Composition of GRESB Submission



All funds submitted in FY19 demonstrated a significant uplift in performance score, far exceeding our FY19 targets. On average each fund increased by 17 points, with a minimum and maximum increase of 8 points and 26 points respectively. A complete list of FY19 scores plus the ongoing targets are displayed in Figure 26, displayed by fund and region.

This year's results are a testament to the hard work and collective commitment to best practice and to incorporating sustainability and corporate social responsibility into everything that we do at Cromwell.

Figure 26. YOY GRESB Scores

	2017	2018	2019	Achieved Score
<b>Australian Funds</b>				
Cromwell Diversified Property Trust	65	61	87	+26
Cromwell Direct Property Fund	55	53	79	+26
Cromwell Ipswich City Heart Trust	67	72	89	+17
Cromwell Northpoint Partners Trust	69	60	85	+25
Cromwell Riverpark Trust	n/a	71	87	+16
Cromwell Property Trust 12	n/a	57	78	+21
<b>European Funds</b>				
Hummingbird	48	34	42	+8
Cromwell Polish Retail Fund	35	57	74	+17
Cromwell European REIT	n/a	47	67	+20
<b>Cromwell Average</b>		<b>57</b>	<b>76</b>	<b>+20</b>
<b>Global Average</b>		<b>63</b>	<b>68</b>	<b>+5</b>

\*FY19 GRESB results are representative of CY18 consumption.

**FY20 GRESB Targets**

**1** | **AUSTRALIA**  
ongoing target to achieve 90 GRESB score across all submitted funds

**2** | **EUROPE**  
targeting ongoing year on year improvement on submitted funds

**NABERS**

Within Australia, Cromwell also measure the energy and water performance of its commercial offices utilising the National Australian Built Environment Rating Scheme (NABERS) for energy and water.

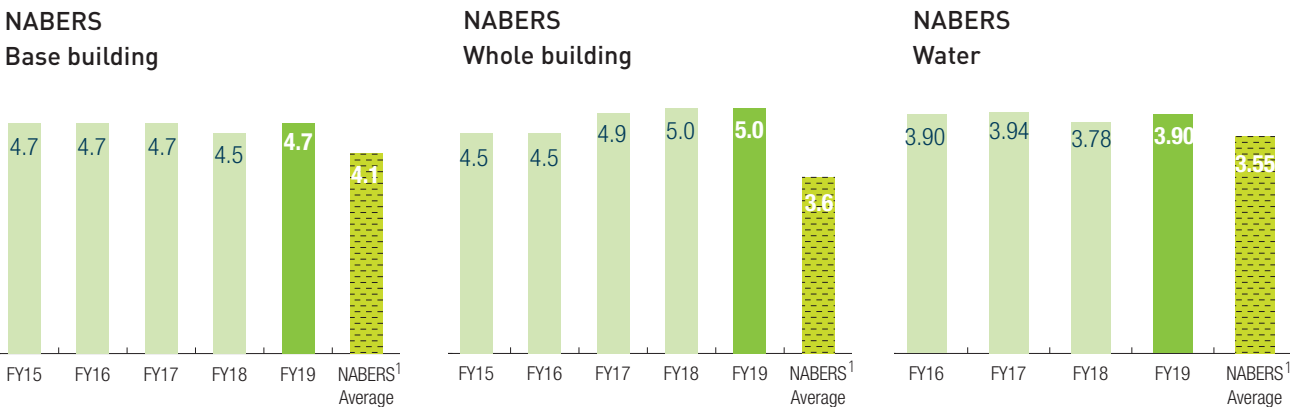
NABERS aims to standardise consumption by paring consumption with total floor area of the rated space allowing the consumption intensity of an asset to be compared to the wider industry.

Cromwell’s NABERS performance target is to

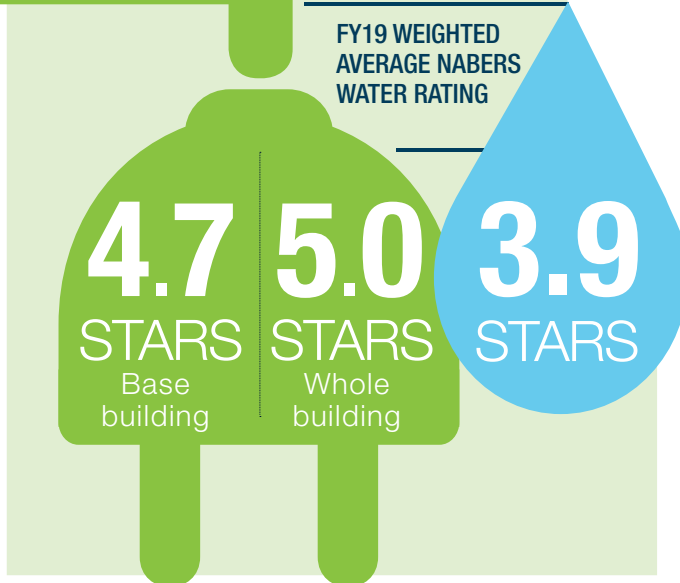
achieve a 5.5-star weighted average NABERS energy and 4-star weighted average NABERS water rating across properties where have management control and can undertake a base building or whole building rating. Where properties are transitioning into major redevelopment or for the first two years following acquisition we do not include them.

Progress towards the attainment of the above target is detailed in Figure 27.

Figure 27. Cromwell Weighted Average NABERS Scores vs Average across Australia



**FY19 WEIGHTED AVERAGE NABERS ENERGY RATING**



**Ongoing Targets**

**3** Achieve a **5.5-Star** weighted average NABERS Energy rating and **4.0-Star** weighted average NABERS Water rating across properties where Cromwell has operational control

<sup>1</sup> NABERS average includes all active ratings across Australia in FY19

### GREEN STAR PERFORMANCE

In FY19 Cromwell achieved an initial Green Star Performance benchmark score for the portfolio covering all thirty Australian properties, including all operational and non-operational controlled assets.

Green Star Performance v1.2 assesses the operational performance of buildings across nine impact categories.

In FY20 Cromwell has an objective to develop a program to Improve the Green Star Performance portfolio Rating, to be implemented over the ensuing three years. Cromwell will then set and monitor annual objectives and targets towards the achievement of the development program.

Figure 28. Nine environmental impact categories



## ENERGY PERFORMANCE CERTIFICATES

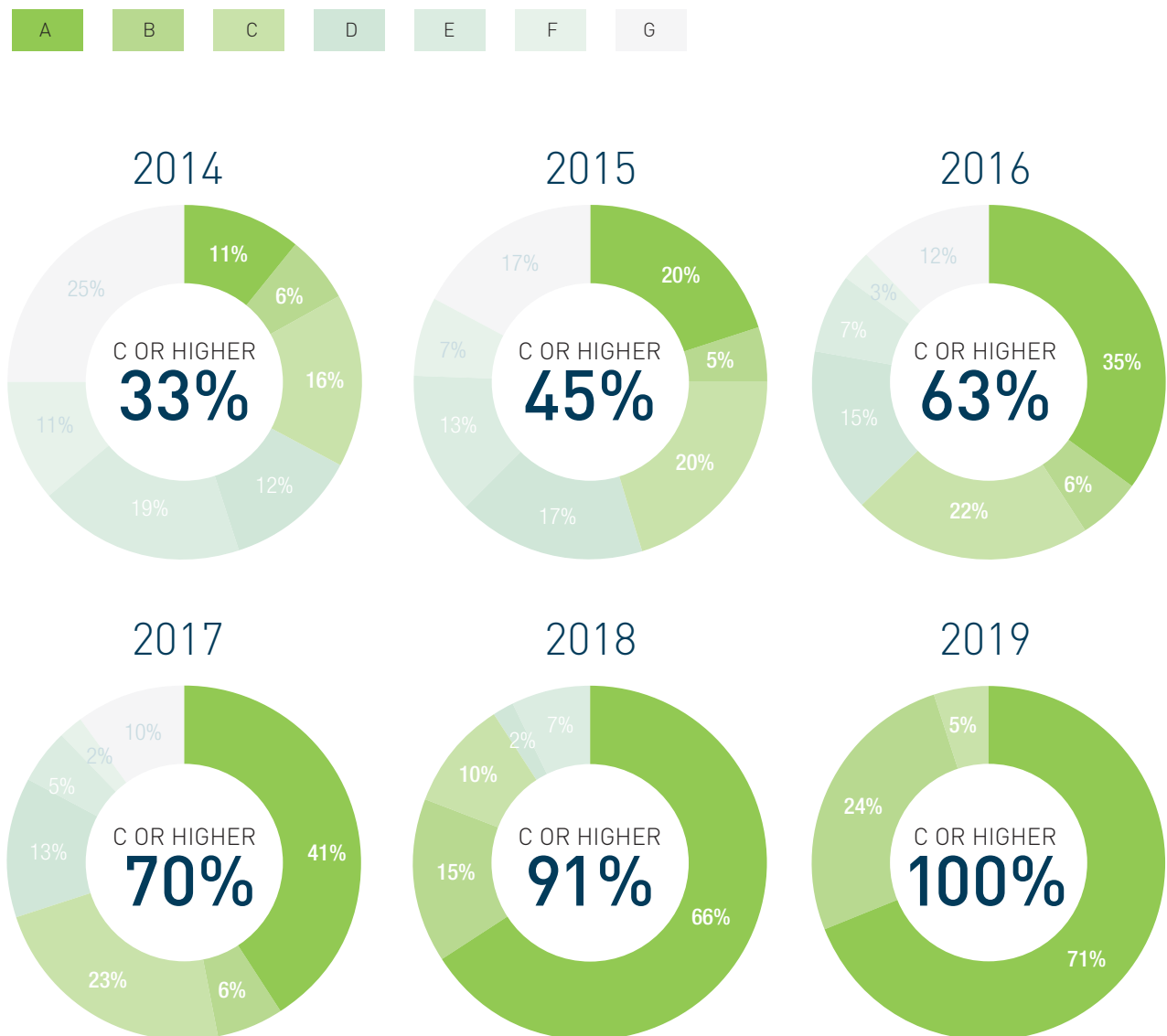
Within Europe, building energy performance is assessed under the Energy Performance of Buildings Directive (EPBD). The directive requires that Energy Performance Certificates (EPCs) are issued when a building is built, sold or rented. EPCs are rated from A to G, ranking energy performance from best practice to least efficient. Cromwell has now been issued with over 3,000 EPCs across our European Portfolio.

Over the last six years assets in the Netherlands have undertaken a dramatic shift towards energy efficiency.

All capital expenditure programmes are established to monitor their impact on the energy performance of the asset to ensure that they make a positive contribution to the property's value and energy efficiency.

In FY19 Cromwell achieved a minimal threshold of C across all EPCs held for Dutch office assets and is looking to complete an assessment of EPC status across all our directly managed assets (by region).

Figure 29. Netherlands Energy Improvements: EPCs





## ENVIRONMENTAL MANAGEMENT

Growing pressure on the environment from pollution, inefficient use of resources, improper waste management, climate change, degradation of ecosystems and the loss of biodiversity has amplified societal and legislative expectations for sustainable development. Best practice environmental management increasingly requires a greater balance between economic, social and environmental outcomes.

Cromwell has adopted International Management Standard ISO 14001:2015 as the means which it will control and continually improve our environmental management. The purpose of ISO 14001 is to provide organisations with a framework to protect the environment and respond to changing environmental conditions. This international standard specifies necessary requirements that will enable Cromwell to achieve management outcomes through our environmental management system (EMS).

In FY19 Cromwell engaged Feddersen Consulting Group for the alignment of our environmental management system to ISO 14001. ISO certification of our EMS is anticipated to occur in FY20 for all operations in our Australian property services division.

### FY20 Targets

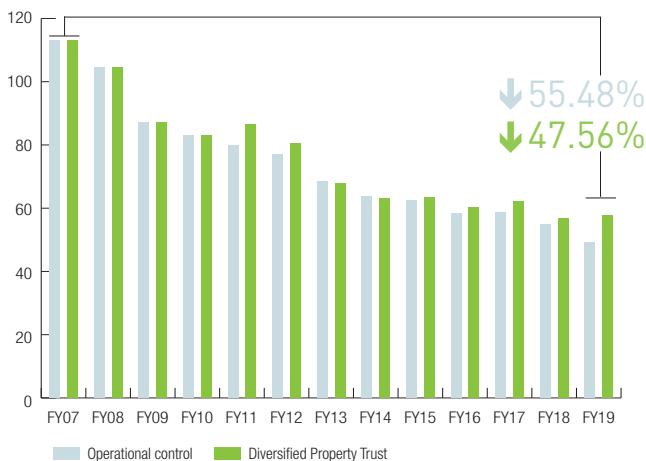
4

Achieve

## ISO 14001

certification

Figure 30. Year-on-year Emissions Intensity<sup>1</sup> (CO<sub>2</sub>e/m<sup>2</sup>/p.a.)



1. Emissions calculated for directly owned commercial offices where Cromwell had operational control for which base building energy and gas data was available for a full 12 months.

## 8.4 Climate change - transitioning to a zero-carbon future

### TCFD STATEMENT

In 2018 Cromwell prepared a climate related disclosure statement which was linked with the annual sustainability report and separately published on the corporate website. The purpose of this statement was to confirm our adoption of the Financial Stability Board's Task Force on Climate-related Financial Disclosures (TCFD recommendations [www.fsb-tcfd.org](http://www.fsb-tcfd.org)) and to provide a background to the actions already taken as part of a longstanding commitment to sustainability.

Cromwell recognises that there are potential and emerging risks and opportunities arising from climate change and a transition to a low-carbon economy. This year's update summarises our approach to identifying and managing these risks and mitigating the financial impacts from climate change to the Australian directly owned properties and funds management business as well as the current process of alignment across the European funds management business.

For our latest TCFD statement navigate to [www.cromwellpropertygroup.com/sustainability/climate-related-financial-disclosure-statement](http://www.cromwellpropertygroup.com/sustainability/climate-related-financial-disclosure-statement)

### PRECAUTIONARY PRINCIPLE

Cromwell acknowledges the UN principle 15 approach in applying a precautionary principle to considering the physical impacts of a changing climate. Where there are threats of serious or irreversible damage, including severe weather events, rising sea levels and shifting temperature zones, a lack of full scientific certainty will not be used as a reason for postponing cost-effective measures to prevent environmental degradation.

Cromwell is committed to minimising the environmental impact associated with our corporate operations through firstly, incrementally reducing our emission intensities year-on-year and secondly, through the offsetting of our corporate emissions.

Since 2007 Cromwell has achieved a 55.48 percent decrease in energy intensity for assets with operational control and a 47.56 percent decrease for directly controlled assets.

## CARBON NEUTRAL OPERATIONS

This year Pangolin Associates, an independent external carbon and energy management specialist, were engaged to complete a comprehensive Greenhouse Gas (GHG) Assessment of Cromwell's Australian operations and global air travel.

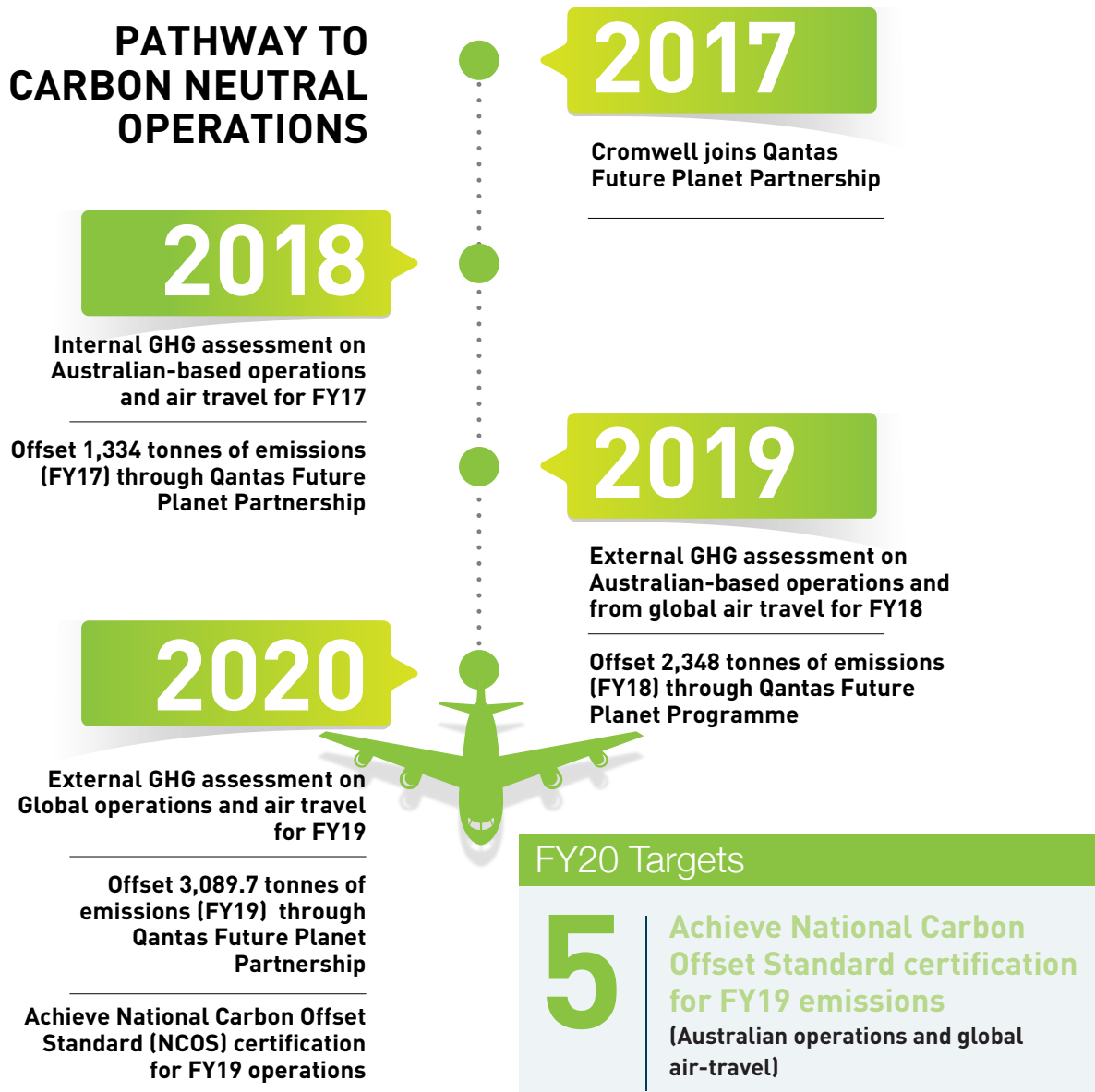
The assessment included the measurement of Cromwell's scope 1, 2 based emissions and relevant scope 3 emissions relating to our direct operations. The assessment included emissions derived from purchased electricity, telecommunications, IT equipment, office paper, stationary, newly acquired office furniture, employee commute, catering services, postage, printing, advertising, accommodation

and both domestic and international flights.

Based on the assessment, Cromwell will offset 3,089.7 tonnes of emissions associated with Australian corporate activities through the Qantas Future Planet Programme, to be finalised in FY20.

Verified carbon offset projects supported by the Qantas Future Planet Programme meet strict international standards, including the Verified Carbon Standard and the Gold Standard and deliver a range of positive environmental, social and economic outcomes. Further information on the programme can be found at [www.qantasfutureplanet.com.au/](http://www.qantasfutureplanet.com.au/)

Figure 31. Pathway to Carbon Neutral Operations



## 8.5 Climate change - direct impacts

The physical impacts of a changing climate, including severe weather events, rising sea levels and shifting temperature zones, will have an increasing impact across the portfolio. In order to understand the impacts of physical and transitional climate change risks, Cromwell is committed to embedding risk management and resilience assessments within our acquisitions and operational strategies to support the appropriate allocation of capital and procedures that can deliver resilient assets and operations.

### TECHNICAL BUILDING ASSESSMENTS

In FY19 Cromwell introduced a board approved resilience and climate change policy. The objective of this policy is to support the implementation of effective processes to identify and manage the organisation's financial exposure to climate related risk and to mitigate the impacts of climate related uncertainty.

The policy includes undertaking building and technical assessments to consider asset location and physical vulnerabilities, as well as opportunities arising from climate change. These assessments consider asset vulnerability to increasing weather related events including increased precipitation, storm events, tidal increases and temperature extremities. Assessments were completed across all Australian assets in FY19, with a plan to implement similar reviews across the European Platform.

These assessments involved understanding how Cromwell's physical assets may respond to varying climate scenarios, including flooding, earthquakes and landslides. Questionnaires were issued to the building managers of Cromwell's Australian assets, with a variety of questions on building resilience and building performance under hot weather conditions over the past financial year. From this analysis, Cromwell does not consider there to be an immediate risk to Cromwell's Australian assets from the identified physical risks of climate change.

### RESILIENCE ASSESSMENT

This year GRESB designed an optional resiliency module purposed at meeting growing investor demand for information on asset and fund resilience and a growing need for industries to develop meaningful adaptive strategies.

The resilience module is designed as an evolving benchmark, to be developed over a three-year period. The module addresses two fundamental dimensions of climate risk and resilience identified by the Financial Stability Board's Task Force on Climate-related Financial Disclosures (TCFD) recommendations, namely transition risk and physical risk.

In FY19 Cromwell received an initial benchmark resilience score for our Australian and European submissions to GRESB. Engagement with this module in forthcoming years will help inform our strategic approach, acting as a demonstration of evolving best practice across the real-estate industry.

## FY20 Targets

# 6

**Technical building assessments to be conducted on core European assets**

# 9.0 GRI CONTENT INDEX

Table 1: Key Cromwell Material Issues

FY20 Economic Material Topics	
<b>Economic Performance</b>	To ensure we can continue to provide our investors with secure, growing distributions derived from sustainable business practices.
<b>Accessing sustainable finance</b>	Investigating opportunities to utilise sustainable finance tools, such as green bonds, to grow our business. Identify and develop opportunities with measurable sustainability outcomes.
<b>Rapidly evolving marketplace</b>	We operate in a rapidly evolving marketplace, with changing expectations for the services provided by our built environment. This is driven by urbanisation, the emergence of mega-cities, and changing demographics. We must position our business to predict and capitalise on future opportunities, and build and enable a built environment to meet the needs of current and future generations.
FY20 Environment Material Topics	
<b>Climate change - direct impacts</b>	The physical impacts of a changing climate, including severe weather events, rising sea levels and shifting temperature zones, will have an increasing impact across our portfolio.
<b>Climate change - transitioning to a zero-carbon future</b>	As a leader in the built environment, we have an opportunity to work with our peers to minimise the carbon footprint of our assets. Opportunities such as generation of electricity, processing of waste, and provision of ecosystem services will form our response.
<b>Resourceful buildings and operations</b>	Our buildings consume resources and produce waste throughout their lifecycle. We must understand and manage the impacts of our buildings, operations, supply chain, and business partnerships. These include waste, materials, water, energy, biodiversity, and greenhouse gas emissions
FY20 Governance Material Topics	
<b>Trust and Transparency</b>	Developing and maintaining a culture of continuous improvement, good governance and ethical conduct and making sure that this culture is supported by robust systems and processes.
<b>Cyber-readiness</b>	Protecting customer's personal information and maintaining trust and competency in IT systems extends to all areas of our business. Real-time agility in the face of cyber-attack and resilience against these threats will improve business confidence and enable growth and opportunity.
<b>Human Rights</b>	Cromwell will need to consider modern slavery legislation in Australia and Europe and any potential ethical and human rights risks



<b>FY20 People Material Topics</b>	
<b>Attract and retain the right people</b>	Attracting and retaining a diverse range of high calibre talent is increasingly challenging. It is paramount that we have a strong employer brand and employee value proposition, encompassing recognition, growth and flexibility, to position ourselves as an employer of choice to the types of people we want to attract.
<b>Create and embrace a diverse and inclusive workforce</b>	Committing to creating and embracing a diverse and inclusive workforce including ensuring business practices are designed in a way that include and leverage the diversity of talent, thoughts and ideas.
<b>Creating the leaders of tomorrow</b>	Encourage and mentor employees to become the future innovative leaders of our business by investing in continuous learning and growth. This will help us remain competitive and future focused.
<b>Digital Innovation</b>	There are numerous challenges and opportunities that arise from digital disruption. To remain competitive, we must continually assess and leverage digital innovation. This includes facilitating a connected and agile workforce, more efficient business and supply chain processes, and customer-centric innovation through smarter buildings.
<b>Keeping our people and communities safe</b>	Our workplace health and safety system covers all of our employees, tenant customers, suppliers and has a focus on continuous improvement.
<b>Improving health and wellbeing</b>	Focusing on supporting and improving the mental and physical health and wellbeing of our people to create healthier, happier, stronger teams that are efficient and effective
<b>Unified global approach</b>	We operate across different areas, and embrace our cultural differences, whilst also working to align our business structure and processes.
<b>FY20 Stakeholder Material Topics</b>	
<b>Community Contribution</b>	Developing a local philanthropic program that supports the business strategy and contributes to the communities where we operate. This includes shared value opportunities, sponsorships, partnerships and volunteering. Community programs are tailored to the needs of each community in which we operate.
<b>Enhancing occupant experience</b>	As cities become more urbanised, buildings become more than just a place to live or work. Cromwell must understand and respond to our customers' changing needs, and demand for more services. Creating modern and attractive workspaces which encourage work-life balance and support productivity and lifestyle improvements for our tenants.
<b>Stakeholder Engagement</b>	Develop and maintain strong relationships with employees, investors, tenants, direct third-party suppliers, regulators, government and the community.

Disclosure	Core	Location or comment
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### GRI 102: General Disclosures

#### GRI 102 ORGANISATIONAL PROFILE

102-1	Name of the organization	Core	Cromwell Property Group
102-2	Activities, brands, products, and services	Core	<a href="https://www.cromwellpropertygroup.com/about">https://www.cromwellpropertygroup.com/about</a>
102-3	Location of headquarters	Core	Level 19, 200 Mary Street, Brisbane QLD 4000
102-4	Location of operations	Core	<a href="https://www.cromwellpropertygroup.com/about/our-global-presence">https://www.cromwellpropertygroup.com/about/our-global-presence</a>
102-5	Ownership and legal form	Core	<a href="https://www.cromwellpropertygroup.com/about/corporate-structures">https://www.cromwellpropertygroup.com/about/corporate-structures</a>
102-6	Markets served	Core	<a href="https://www.cromwellpropertygroup.com/about/our-global-presence">https://www.cromwellpropertygroup.com/about/our-global-presence</a> <a href="https://www.cromwellpropertygroup.com/property">https://www.cromwellpropertygroup.com/property</a>
102-7	Scale of the organization	Core	i. Total number of employees: Table 4.1 FY19 Data Pack ii. Total number of operations: Table 4.1 FY19 Data Pack iii. Net revenues: Table 1.3 FY19 Data Pack iv. Total capitalisation: Table 1.3 FY19 Data Pack v. Quantity of products or services: <a href="https://www.cromwellpropertygroup.com/property">https://www.cromwellpropertygroup.com/property</a>
102-8	Information on employees and other workers	Core	Table 4.2 FY19 Data Pack
102-9	Supply chain	Core	p.23 FY19 Sustainability Report
102-10	Significant changes to the organisation and its supply chain	Core	p.06 FY19 Sustainability Report
102-11	Precautionary Principle or approach	Core	p.45 FY19 Sustainability Report
102-12	External initiatives	Core	p.27 FY19 Sustainability Report
102-13	Membership of associations	Core	p.27 FY19 Sustainability Report

#### GRI 102 STRATEGY

102-14	Statement from senior decision-maker	Core	pp.06-07 FY19 Sustainability Report
102-15	Key impacts, risks, and opportunities		pp.11-12 FY19 Sustainability Report

#### GRI 102 ETHICS AND INTEGRITY

102-16	Values, principles, standards, and norms of behaviour	Core	Code of Conduct <a href="https://www.cromwellpropertygroup.com/securityholder-centre/corporate-governance">https://www.cromwellpropertygroup.com/securityholder-centre/corporate-governance</a>
102-17	Mechanisms for advice and concerns about ethics		Code of Conduct & Whistleblower Policy: <a href="https://www.cromwellpropertygroup.com/securityholder-centre/corporate-governance">https://www.cromwellpropertygroup.com/securityholder-centre/corporate-governance</a>

Disclosure		Core	Location or comment
<b>GOVERNANCE</b>			
102-18	Governance structure	Core	pp.02-03 FY19 Corporate Governance Statement
102-19	Delegating authority		p.18 FY19 Sustainability Report
102-20	Executive-level responsibility for economic, environmental, and social topics		p.10 FY19 Sustainability Report
102-21	Consulting stakeholders on economic, environmental, and social topics		FY19 Corporate Governance Statement (recommendations 4.3, 6.1, 6.2, 6.3, 6.4): <a href="https://www.cromwellpropertygroup.com/securityholder-centre/corporate-governance">https://www.cromwellpropertygroup.com/securityholder-centre/corporate-governance</a>
102-22	Composition of the highest governance body and its committees		FY19 Corporate Governance Statement (recommendation 1.1) <a href="https://www.cromwellpropertygroup.com/securityholder-centre/corporate-governance">https://www.cromwellpropertygroup.com/securityholder-centre/corporate-governance</a>
102-23	Chair of the highest governance body		FY19 Corporate Governance Statement (recommendation 2.5): <a href="https://www.cromwellpropertygroup.com/securityholder-centre/corporate-governance">https://www.cromwellpropertygroup.com/securityholder-centre/corporate-governance</a>
102-24	Nominating and selecting the highest governance body		FY19 Corporate Governance Statement (recommendations 1.2, 2.2, 1.5, 2.3): <a href="https://www.cromwellpropertygroup.com/securityholder-centre/corporate-governance">https://www.cromwellpropertygroup.com/securityholder-centre/corporate-governance</a>
102-25	Conflicts of interest		FY19 Corporate Governance Statement (recommendation 1.3): <a href="https://www.cromwellpropertygroup.com/securityholder-centre/corporate-governance">https://www.cromwellpropertygroup.com/securityholder-centre/corporate-governance</a>
102-26	Role of highest governance body in setting purpose, values, and strategy		Delegation of Authority Policy FY19 Corporate Governance Statement (recommendation 1.1) Board Charter (clause 3) <a href="https://www.cromwellpropertygroup.com/securityholder-centre/corporate-governance">https://www.cromwellpropertygroup.com/securityholder-centre/corporate-governance</a>
102-27	Collective knowledge of highest governance body		FY19 Corporate Governance Statement (recommendation 2.2 & 2.6): <a href="https://www.cromwellpropertygroup.com/securityholder-centre/corporate-governance">https://www.cromwellpropertygroup.com/securityholder-centre/corporate-governance</a>
102-28	Evaluating the highest governance body's performance		FY19 Corporate Governance Statement (recommendation 1.6): <a href="https://www.cromwellpropertygroup.com/securityholder-centre/corporate-governance">https://www.cromwellpropertygroup.com/securityholder-centre/corporate-governance</a>
102-29	Identifying and managing economic, environmental, and social impacts		FY19 Corporate Governance Statement (recommendation 1.1 & 2.2) Audit and Risk Committee Charter (clause 7d) Investor Relations Policy (section 5.6) <a href="https://www.cromwellpropertygroup.com/securityholder-centre/corporate-governance">https://www.cromwellpropertygroup.com/securityholder-centre/corporate-governance</a>

Disclosure	Core	Location or comment
102-30		FY19 Corporate Governance Statement (recommendations 7.1 and 7.2) Audit and Risk Committee Charter (clause 7d) <a href="https://www.cromwellpropertygroup.com/securityholder-centre/corporate-governance">https://www.cromwellpropertygroup.com/securityholder-centre/corporate-governance</a>
102-31		Section 6: Governance Pillar; Corporate Governance
102-32		Section 1: About this Report Section 3: Our Approach to Sustainability; 3.1 Sustainability management
102-33		Section 6: Governance Pillar; Corporate Governance FY19 Corporate Governance Statement (recommendation 1.1)
102-34		FY19 Corporate Governance Statement (recommendation 1.1) Delegation of Authority Policy <a href="https://www.cromwellpropertygroup.com/securityholder-centre/corporate-governance">https://www.cromwellpropertygroup.com/securityholder-centre/corporate-governance</a>
102-35		Annual Report 2019 - Remuneration Report (page 43) <a href="https://www.cromwellpropertygroup.com/securityholder-centre/annual-reports">https://www.cromwellpropertygroup.com/securityholder-centre/annual-reports</a> FY19 Corporate Governance Statement (recommendation 1.6 & 8.2) <a href="https://www.cromwellpropertygroup.com/securityholder-centre/corporate-governance">https://www.cromwellpropertygroup.com/securityholder-centre/corporate-governance</a>
102-36		FY19 Corporate Governance Statement (recommendations 8.1, 8.2 & 8.3) Nomination and Remuneration Committee Charter, clauses 6, 8 & 12) <a href="https://www.cromwellpropertygroup.com/securityholder-centre/corporate-governance">https://www.cromwellpropertygroup.com/securityholder-centre/corporate-governance</a>
102-37		FY19 Corporate Governance Statement (recommendation 6.1, 6.2, 6.3 & 6.4) Investor Relations Policy (section 5.6) Annual Report 2019 - Remuneration Report (page 43)
102-38		Not Disclosed
102-39		Not Disclosed
<b>GRI 102: STAKEHOLDER ENGAGEMENT</b>		
102-40	Core	p.25 FY19 Sustainability Report
102-41	Core	Table 4.4 FY19 Data Pack
102-42	Core	p.25 FY19 Sustainability Report
102-43	Core	p.26 FY19 Sustainability Report
102-44	Core	p.24-29 FY19 Sustainability Report



Disclosure	Core	Location or comment
<b>GRI 102: REPORTING PRACTICE</b>		
102-45	Core	p.19 Cromwell Property Group Annual Financial Report - 30 June 2019 <a href="https://www.cromwellpropertygroup.com/securityholder-centre/annual-reports">https://www.cromwellpropertygroup.com/securityholder-centre/annual-reports</a>
102-46	Core	p.02 FY19 Sustainability Report
102-46	Core	p.02 FY19 Sustainability Report
102-47	Core	Table 1.5, 2.9, 3.2, 4.35, 5.12 FY19 Data Pack
102-48	Core	Table 5.10 FY19 Data Pack - GRESB Participation numbers for FY18
102-49	Core	pp.02-03 FY19 Sustainability Report
102-50	Core	pp.02-03 FY19 Sustainability Report
102-51	Core	pp.02-03 FY19 Sustainability Report
102-52	Core	pp.02-03 FY19 Sustainability Report
102-53	Core	pp.02-03 FY19 Sustainability Report
102-54	Core	pp.02-03 FY19 Sustainability Report
102-55	Core	pp.48 FY19 Sustainability Report
102-56	Core	pp.02-03 FY19 Sustainability Report
<b>GRI 200: Economic</b>		
<b>GRI 201: ECONOMIC PERFORMANCE 2016</b>		
103		
103-1		Table 7 FY19 Data Pack - Impacts Economic Performance: to ensure we can continue to provide our investors with secure, growing distributions derived from sustainable business practices.”
103-2		Table 1.5 FY19 Data Pack pp. 14-17 FY19 Sustainability Report
103-3		NA
201-1		Table 1.1-1.4 FY19 Data Pack
201-2		Economic Pillar - Climate-related financial disclosures <a href="https://www.cromwellpropertygroup.com/sustainability/climate-related-financial-disclosure-statement">https://www.cromwellpropertygroup.com/sustainability/climate-related-financial-disclosure-statement</a>
201-3		Not reported
201-4		Not applicable - no financial assistance received from government

Disclosure	Core	Location or comment
<b>GRI 202: MARKET PRESENCE 2016</b>		
103		Management Approach
103-1		Explanation of the material topic and its boundary Table 7 FY19 Data Pack - Impacts Unified global approach and branding: we operate across different areas, and embrace our cultural differences, whilst also working to align our business structure and processes.
103-2		The management approach and its components Table 3.2 FY19 Data Pack p. 24-29 FY19 Sustainability Report
103-3		Evaluation of the management approach NA
202-1		Ratios of standard entry level wage by gender compared to local minimum wage Table 4.5 FY19 Data Pack
202-2		Proportion of senior management hired from the local community Table 4.6 FY19 Data Pack
<b>GRI 203: INDIRECT ECONOMIC IMPACTS 2016</b>		
103		Management Approach
103-1		Explanation of the material topic and its boundary [Table 7] FY19 Data Pack - Impacts Community Contribution: developing a local philanthropic program that supports the business strategy and contributes to the communities where we operate. This includes shared value opportunities, sponsorships, partnerships and volunteering. Community programs are tailored to the needs of each community in which we operate.
103-2		The management approach and its components Table 3.2 FY19 Data Pack pp. 24-29 FY19 Sustainability Report
103-3		Evaluation of the management approach NA
203-1		Infrastructure investments and services supported Not applicable - Cromwell does not have any significant infrastructure investments
203-2		Significant indirect economic impacts a. Economic Pillar - 'Direct and Indirect Economic Impacts' p.15 b. Not reported
<b>GRI 204: PROCUREMENT PRACTICES 2016</b>		
103		Management Approach
103-1		Explanation of the material topic and its boundary Table 7 FY19 Data Pack - Impacts Human Rights: Cromwell will need to consider modern slavery legislation in Australia and Europe and any potential ethical and human rights risks.
103-2		The management approach and its components Table 2.9 FY19 Data Pack pp. 18-23 FY19 Sustainability Report
103-3		Evaluation of the management approach NA
204-1		Proportion of spending on local suppliers Not reported

Disclosure	Core	Location or comment
<b>GRI 205: ANTI-CORRUPTION 2016</b>		
103	Management Approach	
103-1	Explanation of the material topic and its boundary	Table 7 FY19 Data Pack - Impacts Trust and transparency: developing and maintaining a culture of continuous improvement, good governance and ethical conduct and making sure that this culture is supported by robust systems and processes.
103-2	The management approach and its components	Table 2.9 FY19 Data Pack pp. 18-23 FY19 Sustainability Report
103-3	Evaluation of the management approach	NA
205-1	Operations assessed for risks related to corruption	p.19 FY19 Sustainability Report
205-2	Communication and training about anti-corruption policies and procedures	p.21 FY19 Sustainability Report
205-3	Confirmed incidents of corruption and actions taken	Table 2.1 FY19 Data Pack
<b>GRI 206: ANTI-COMPETITIVE BEHAVIOUR 2016</b>		
103	Management Approach	
103-1	Explanation of the material topic and its boundary	[Table 7] FY19 Data Pack - Impacts Trust and transparency: developing and maintaining a culture of continuous improvement, good governance and ethical conduct and making sure that this culture is supported by robust systems and processes.
103-2	The management approach and its components	Table 2.9 FY19 Data Pack pp. 18-23 FY19 Sustainability Report
103-3	Evaluation of the management approach	NA
206-1	Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices	Table 2.1 FY19 Data Pack
<b>GRI 300: Environmental</b>		
<b>GRI 301: MATERIALS 2016</b>		
103	Management Approach	
103-1	Explanation of the material topic and its boundary	Table 7 FY19 Data Pack - Impacts Resourceful buildings and operations: our buildings consume resources and produce waste throughout their lifecycle. We must understand and manage the impacts of our buildings, operations, supply chain, and business partnerships. These include waste, materials, water, energy, biodiversity, and greenhouse gas emissions.
103-2	The management approach and its components	Table 5.12 FY19 Data Pack pp. 38-47 FY19 Sustainability Report

Disclosure	Core	Location or comment
103-3		NA
301-1		Not reported
301-2		Not reported
301-3		Not reported
<b>GRI 302: ENERGY 2016</b>		
103		Management Approach
103-1		Table 7 FY19 Data Pack - Impacts Climate change - transitioning to a zero-carbon future: as a leader in the built environment, we have an opportunity to work with our peers to minimise the carbon footprint of our assets. Opportunities such as generation of electricity, processing of waste, and provision of ecosystem services will form our response.
103-2		Table 5.12 FY19 Data Pack pp. 38-47 FY19 Sustainability Report
103-3		NA
302-1		[Table 5.1] FY19 Data Pack
302-2		[Table 5.1-5.2] FY19 Data Pack
302-3		Climate-related financial disclosure statement <a href="https://www.cromwellpropertygroup.com/sustainability/climate-related-financial-disclosure-statement">https://www.cromwellpropertygroup.com/sustainability/climate-related-financial-disclosure-statement</a>
302-4		[Table 5.1-5.2, 5.5-5.6] FY19 Data Pack
302-5		Not reported
<b>GRI 303: WATER AND EFFLUENTS 2018</b>		
103		Management Approach
103-1		[Table 7] FY19 Data Pack - Impacts Resourceful buildings and operations: our buildings consume resources and produce waste throughout their lifecycle. We must understand and manage the impacts of our buildings, operations, supply chain, and business partnerships. These include waste, materials, water, energy, biodiversity, and greenhouse gas emissions.
103-2		Table 5.12 FY19 Data Pack pp. 38-47 FY19 Sustainability Report
103-3		NA
303-1		Not reported
303-2		Not reported
303-3		Not reported



Disclosure	Core	Location or comment
303-4		Not reported
303-5		a. Table 5.1-5.2 FY19 Data Pack b. Not reported c. Not reported d. Not reported
<b>GRI 304: BIODIVERSITY 2016</b>		
103		
103-1		Table 7 FY19 Data Pack - Impacts Resourceful buildings and operations: our buildings consume resources and produce waste throughout their lifecycle. We must understand and manage the impacts of our buildings, operations, supply chain, and business partnerships. These include waste, materials, water, energy, biodiversity, and greenhouse gas emissions.
103-2		Table 5.12 FY19 Data Pack pp. 38-47 FY19 Sustainability Report
103-3		NA
304-1		Not applicable
304-2		Not applicable
304-3		Not applicable
304-4		Not applicable
<b>GRI 305: EMISSIONS 2016</b>		
103		
103-1		[Table 7] FY19 Data Pack - Impacts Climate change -transitioning to a zero-carbon future: as a leader in the built environment, we have an opportunity to work with our peers to minimise the carbon footprint of our assets. Opportunities such as generation of electricity, processing of waste, and provision of ecosystem services will form our response.
103-2		Table 5.12 FY19 Data Pack pp. 38-47 FY19 Sustainability Report
103-3		NA
305-1		Table 5.1-5.2 FY19 Data Pack
305-2		Table 5.1-5.2 FY19 Data Pack

Disclosure		Core	Location or comment
305-3	Other indirect (Scope 3) GHG emissions		Table 5.1-5.2 FY19 Data Pack
305-4	GHG emissions intensity		Table 5.5-5.6 FY19 Data Pack
305-5	Reduction of GHG emissions		p.46 FY19 Sustainability Report
305-6	Emissions of ozone-depleting substances (ODS)		Table 5.1 FY19 Data Pack
305-7	Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions		Table 5.1 FY19 Data Pack
<b>GRI 306: EFFLUENTS AND WASTE 2016</b>			
103	Management Approach		
103-1	Explanation of the material topic and its boundary		[Table 7] FY19 Data Pack - Impacts Resourceful buildings and operations: our buildings consume resources and produce waste throughout their lifecycle. We must understand and manage the impacts of our buildings, operations, supply chain, and business partnerships. These include waste, materials, water, energy, biodiversity, and greenhouse gas emissions.
103-2	The management approach and its components		Table 5.12 FY19 Data Pack pp. 38-47 FY19 Sustainability Report
103-3	Evaluation of the management approach		NA
306-1	Water discharge by quality and destination		Not applicable
306-2	Waste by type and disposal method		Not applicable
306-3	Significant spills		No significant spills during the reporting period
306-4	Transport of hazardous waste		Not applicable
306-5	Water bodies affected by water discharges and/or runoff		Not applicable
<b>GRI 307: ENVIRONMENTAL COMPLIANCE 2016</b>			
103	Management Approach		
103-1	Explanation of the material topic and its boundary		[Table 7] FY19 Data Pack - Impacts Trust and transparency: developing and maintaining a culture of continuous improvement, good governance and ethical conduct and making sure that this culture is supported by robust systems and processes.
103-2	The management approach and its components		Table 2.9 FY19 Data Pack pp. 18-23 FY19 Sustainability Report
103-3	Evaluation of the management approach		NA

Disclosure	Core	Location or comment
<b>GRI 400: Social</b>		
<b>GRI 401: EMPLOYMENT 2016</b>		
103		Management Approach
103-1		Explanation of the material topic and its boundary
		Table 7 FY19 Data Pack - Impacts Attract and retain the right people: attracting and retaining a diverse range of high calibre talent is increasingly challenging. It is paramount that we have a strong employer brand and employee value proposition, encompassing recognition, growth and flexibility, to position ourselves as an employer of choice to the types of people we want to attract.
103-2		The management approach and its components
		Table 4.35 FY19 Data Pack pp. 28-36 FY19 Sustainability Report
103-3		Evaluation of the management approach
		NA
401-1		New employee hires and employee turnover
		Table 4.7-4.8 FY19 Data Pack
401-2		Benefits provided to full-time employees that are not provided to temporary or part-time employees
		Standard benefits provided to full time employees are also provided to part time employees. There are benefits which would not be applicable to casual or temporary employees, specifically, paid leave, policies which are in reference to permanent employees only, Cromwell's paid parental leave policy.
401-3		Parental leave
		Table 4.9 FY19 Data Pack
<b>GRI 402: LABOUR/MANAGEMENT RELATIONS 2016</b>		
103		Management Approach
103-1		Explanation of the material topic and its boundary
		Table 7 FY19 Data Pack - Impacts Attract and retain the right people: attracting and retaining a diverse range of high calibre talent is increasingly challenging. It is paramount that we have a strong employer brand and employee value proposition, encompassing recognition, growth and flexibility, to position ourselves as an employer of choice to the types of people we want to attract.
103-2		The management approach and its components
		Table 4.35 FY19 Data Pack pp. 28-36 FY19 Sustainability Report
103-3		Evaluation of the management approach
		NA
402-1		Minimum notice periods regarding operational changes
		Table 4.10 FY19 Data Pack
<b>GRI 403: OCCUPATIONAL HEALTH AND SAFETY 2018</b>		
103		Management Approach
103-1		Explanation of the material topic and its boundary
		Table 7 FY19 Data Pack - Impacts Keeping our people and communities safe: our workplace health and safety system covers all of our employees, tenant customers, suppliers and has a focus on continuous improvement.

Disclosure		Core	Location or comment
103-2	The management approach and its components		Table 4.35 FY19 Data Pack pp. 28-36 FY19 Sustainability Report"
103-3	Evaluation of the management approach		NA
403-1	Occupational health and safety management system		Table 4.11 FY19 Data Pack
403-2	Hazard identification, risk assessment, and incident investigation		Table 4.12 FY19 Data Pack
403-3	Occupational health services		Table 4.13 FY19 Data Pack
403-4	Worker participation, consultation, and communication on occupational health and safety		Table 4.14 FY19 Data Pack
403-5	Worker training on occupational health and safety		Table 4.15 FY19 Data Pack
403-6	Promotion of worker health		Table 4.16 FY19 Data Pack
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships		Table 4.17 FY19 Data Pack
403-8	Workers covered by an occupational health and safety management system		Table 4.18 FY19 Data Pack
403-9	Work-related injuries		Table 4.19-4.21 FY19 Data Pack
403-10	Work-related ill health		Table 4.22-4.24 FY19 Data Pack
<b>GRI 404: TRAINING AND EDUCATION 2016</b>			
103	Management Approach		
103-1	Explanation of the material topic and its boundary		Table 7 FY19 Data Pack - Impacts Creating the leaders of tomorrow: encourage and mentor employees to become the future innovative leaders of our business by investing in continuous learning and growth. This will help us remain competitive and future focused.
103-2	The management approach and its components		Table 4.35 FY19 Data Pack pp. 28-36 FY19 Sustainability Report
103-3	Evaluation of the management approach		NA
404-1	Average hours of training per year per employee		Table 4.25 FY19 Data Pack
404-2	Programs for upgrading employee skills and transition assistance programs		Table 4.26 FY19 Data Pack
404-3	Percentage of employees receiving regular performance and career development reviews		Table 4.27 FY19 Data Pack

Disclosure	Core	Location or comment
<b>GRI 405: DIVERSITY AND EQUAL OPPORTUNITY 2016</b>		
103		Management Approach
103-1		Table 7 FY19 Data Pack - Impacts Create and embrace a diverse and inclusive workforce: committing to creating and embracing a diverse and inclusive workforce including ensuring business practices are designed in a way that include and leverage the diversity of talent, thoughts and ideas.
103-2		Table 4.35] FY19 Data Pack pp. 28-36 FY19 Sustainability Report
103-3		NA
405-1		Table 4.28-4.31 FY19 Data Pack
405-2		Table 4.32 FY19 Data Pack
<b>GRI 406: NON-DISCRIMINATION 2016</b>		
103		Management Approach
103-1		Table 7 FY19 Data Pack - Impacts Create and embrace a diverse and inclusive workforce: committing to creating and embracing a diverse and inclusive workforce including ensuring business practices are designed in a way that include and leverage the diversity of talent, thoughts and ideas.
103-2		Table 4.35 FY19 Data Pack pp. 28-36 FY19 Sustainability Report
103-3		NA
406-1		Table 4.33 FY19 Data Pack
<b>GRI 407: FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING 2016</b>		
103		Management Approach
103-1		Table 7 FY19 Data Pack - Impacts Create and embrace a diverse and inclusive workforce: committing to creating and embracing a diverse and inclusive workforce including ensuring business practices are designed in a way that include and leverage the diversity of talent, thoughts and ideas.
103-2		Table 4.35 FY19 Data Pack pp. 28-36 FY19 Sustainability Report
103-3		NA
407-1		Not applicable



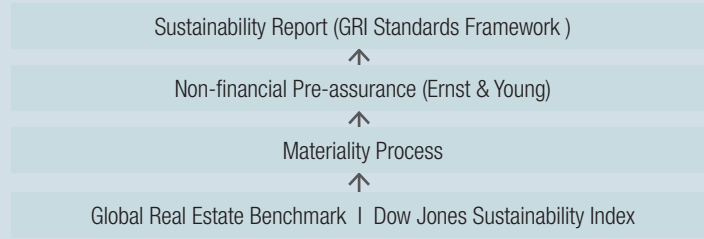
Disclosure	Core	Location or comment
<b>GRI 408: CHILD LABOR 2016</b>		
103	Management Approach	
103-1	Explanation of the material topic and its boundary	Table 7 FY19 Data Pack - Impacts Human Rights: Cromwell will need to consider modern slavery legislation in Australia and Europe and any potential ethical and human rights risks.
103-2	The management approach and its components	Table 2.9 FY19 Data Pack pp. 18-23 FY19 Sustainability Report
103-3	Evaluation of the management approach	NA
408-1	Operations and suppliers at significant risk for incidents of child labor	pp.23 FY19 Sustainability Report
<b>GRI 409: FORCED OR COMPULSORY LABOR 2016</b>		
103	Management Approach	
103-1	Explanation of the material topic and its boundary	Table 7 FY19 Data Pack - Impacts Human Rights: Cromwell will need to consider modern slavery legislation in Australia and Europe and any potential ethical and human rights risks.
103-2	The management approach and its components	Table 2.9 FY19 Data Pack pp. 18-23 FY19 Sustainability Report
103-3	Evaluation of the management approach	NA
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	[pp.23] FY19 Sustainability Report
<b>GRI 410: SECURITY PRACTICES 2016</b>		
103	Management Approach	
103-1	Explanation of the material topic and its boundary	Table 7 FY19 Data Pack - Impacts Human Rights: Cromwell will need to consider modern slavery legislation in Australia and Europe and any potential ethical and human rights risks.
103-2	The management approach and its components	Table 2.9 FY19 Data Pack pp. 18-23 FY19 Sustainability Report
103-3	Evaluation of the management approach	NA
410-1	Security personnel trained in human rights policies or procedures	Not applicable - organisation is not responsible for training of security personnel
<b>GRI 411: RIGHTS OF INDIGENOUS PEOPLES 2016</b>		
103	Management Approach	
103-1	Explanation of the material topic and its boundary	Table 7 FY19 Data Pack - Impacts Create and embrace a diverse and inclusive workforce: committing to creating and embracing a diverse and inclusive workforce including ensuring business practices are designed in a way that include and leverage the diversity of talent, thoughts and ideas.

Disclosure		Core	Location or comment
103-2	The management approach and its components		Table 4.35 FY19 Data Pack pp. 28-36 FY19 Sustainability Report
103-3	Evaluation of the management approach		NA
411-1	Incidents of violations involving rights of indigenous peoples		Not applicable - no incidents of violations involving rights of indigenous peoples
<b>GRI 412: HUMAN RIGHTS ASSESSMENT 2016</b>			
103	Management Approach		
103-1	Explanation of the material topic and its boundary		Table 7 FY19 Data Pack - Impacts Human Rights: Cromwell will need to consider modern slavery legislation in Australia and Europe and any potential ethical and human rights risks.
103-2	The management approach and its components		Table 2.9 FY19 Data Pack pp. 18-23 FY19 Sustainability Report
103-3	Evaluation of the management approach		NA
412-1	Operations that have been subject to human rights reviews or impact assessments		p.23 FY19 Sustainability Report
412-2	Employee training on human rights policies or procedures		Not reported
412-3	"Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening"		Not reported
<b>GRI 413: LOCAL COMMUNITIES 2016</b>			
103	Management Approach		
103-1	Explanation of the material topic and its boundary		Table 7 FY19 Data Pack - Impacts Community Contribution: developing a local philanthropic program that supports the business strategy and contributes to the communities where we operate. This includes shared value opportunities, sponsorships, partnerships and volunteering. Community programs are tailored to the needs of each community in which we operate.
103-2	The management approach and its components		Table 3.2 FY19 Data Pack [pp. 24-29] FY19 Sustainability Report
103-3	Evaluation of the management approach		NA
413-1	Operations with local community engagement, impact assessments, and development programs		Not reported
413-2	Operations with significant actual and potential negative impacts on local communities		Not reported

Disclosure	Core	Location or comment
<b>GRI 414: SUPPLIER SOCIAL ASSESSMENT 2016</b>		
103	Management Approach	
103-1	Explanation of the material topic and its boundary	Table 7 FY19 Data Pack - Impacts Human Rights: Cromwell will need to consider modern slavery legislation in Australia and Europe and any potential ethical and human rights risks.
103-2	The management approach and its components	Table 2.9 FY19 Data Pack pp.18-23 FY19 Sustainability Report
103-3	Evaluation of the management approach	NA
414-1	New suppliers that were screened using social criteria	p.23 FY19 Sustainability Report
414-2	Negative social impacts in the supply chain and actions taken	p.23 FY19 Sustainability Report
<b>GRI 415: PUBLIC POLICY 2016</b>		
103	Management Approach	
103-1	Explanation of the material topic and its boundary	Table 7 FY19 Data Pack - Impacts Trust and transparency: developing and maintaining a culture of continuous improvement, good governance and ethical conduct and making sure that this culture is supported by robust systems and processes.
103-2	The management approach and its components	Table 2.9 FY19 Data Pack pp. 18-23 FY19 Sustainability Report
103-3	Evaluation of the management approach	NA
415-1	Political contributions	[Table 2.2] FY19 Data Pack
<b>GRI 416: CUSTOMER HEALTH AND SAFETY 2016</b>		
103	Management Approach	
103-1	Explanation of the material topic and its boundary	Table 7 FY19 Data Pack - Impacts Trust and transparency: developing and maintaining a culture of continuous improvement, good governance and ethical conduct and making sure that this culture is supported by robust systems and processes.
103-2	The management approach and its components	Table 2.9 FY19 Data Pack pp.18-23 FY19 Sustainability Report
103-3	Evaluation of the management approach	NA
416-1	Assessment of the health and safety impacts of product and service categories	Not reported
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	Table 2.1 FY19 Data Pack

Disclosure	Core	Location or comment
<b>GRI 417: MARKETING AND LABELING 2016</b>		
103		Management Approach
103-1		Table 7 FY19 Data Pack - Impacts Trust and transparency: developing and maintaining a culture of continuous improvement, good governance and ethical conduct and making sure that this culture is supported by robust systems and processes.
103-2		Table 2.9] FY19 Data Pack pp.18-23] FY19 Sustainability Report
103-3		NA
417-1		Not reported
417-2		[Table 2.1] FY19 Data Pack
417-3		Not reported
<b>GRI 418: CUSTOMER PRIVACY 2016</b>		
103		Management Approach
103-1		Table 7 FY19 Data Pack - Impacts Trust and transparency: developing and maintaining a culture of continuous improvement, good governance and ethical conduct and making sure that this culture is supported by robust systems and processes.
103-2		Table 2.9 FY19 Data Pack pp.18-23 FY19 Sustainability Report
103-3		NA
418-1		Table 2.1 FY19 Data Pack
<b>GRI 419: SOCIOECONOMIC COMPLIANCE 2016</b>		
103		Management Approach
103-1		Table 7 FY19 Data Pack - Impacts Trust and transparency: developing and maintaining a culture of continuous improvement, good governance and ethical conduct and making sure that this culture is supported by robust systems and processes.
103-2		Table 2.9 FY19 Data Pack pp. 18-23 FY19 Sustainability Report
103-3		NA
419-1		Table 2.1 FY19 Data Pack

## Sustainability Framework Management Approach



Environment Pillar Head of Property/ Real Estate	Economic Pillar Chief Financial Officer	Governance Pillar Company Secretary	Stakeholders Pillar Chief Investment Officer	People Pillar Chief Operations Officer
<ul style="list-style-type: none"> <li>Head of Asset Services</li> <li>Head of Facilities Services</li> <li>Head of Project Services</li> <li>Property Legal Counsel</li> <li>Leasing Managers</li> </ul>	<ul style="list-style-type: none"> <li>Head of Tax</li> <li>Head of Treasury</li> <li>Financial Controllers</li> </ul>	<ul style="list-style-type: none"> <li>Head of Risk</li> <li>Compliance Manager</li> <li>Corporate Legal Counsel</li> <li>External Legal Counsel</li> </ul>	<ul style="list-style-type: none"> <li>Head of Investor Relations</li> <li>Head of Retail Funds Management</li> <li>Transaction Legal Counsel</li> <li>Transaction Managers</li> </ul>	<ul style="list-style-type: none"> <li>Heads of People</li> <li>Head of Marketing &amp; Communications</li> <li>Chief Technology Officer</li> </ul>
Protectch Corporate Risk Management   Compliance Testing				
Nimbus process mapping and management system   250 processes   2,000 individual process maps   reviewed and updated annually				

### Material Topics

Climate change - direct impacts	Economic Performance	Trust and Transparency	Community Contribution	Attract and retain the right people
<ul style="list-style-type: none"> <li>Climate Change Position Policy</li> <li>TCFD Statement</li> <li>Asset Acquisition Due Diligence Process</li> <li>Strategic Asset Plans</li> </ul>	<ul style="list-style-type: none"> <li>Invest to Manage Strategy</li> <li>Yardi</li> <li>Accessing sustainable finance</li> <li>Green Investment Strategy</li> <li>Rapidly evolving marketplace</li> <li>Group Sustainability Policy</li> </ul>	<ul style="list-style-type: none"> <li>Code of Conduct</li> <li>Corporate Governance Statement</li> <li>Statement Securities Trading Policy</li> <li>Market Disclosure Protocol</li> <li>Enterprise Risk Management Policy</li> <li>Breach Reporting Policy</li> <li>Whistle-blower Policy</li> <li>Delegation of Authority Policy</li> <li>Protectch Risk Database</li> </ul>	<ul style="list-style-type: none"> <li>Group Philanthropic Strategy</li> <li>Enhancing occupant experience</li> <li>Tenant Engagement Strategy</li> <li>Stakeholder engagement</li> <li>Investor Relations Policy</li> <li>Stakeholder Strategy</li> </ul>	<ul style="list-style-type: none"> <li>AU - Recruitment and Selection Policy</li> <li>AU - Real Time Recognition Policy</li> <li>Recruitment/Employee Referral Scheme</li> <li>Global People Strategy</li> <li>AU - Leave Entitlements Policy</li> <li>AU - Performance Improvement Policy</li> <li>AU - Performance Management Policy</li> <li>Create &amp; embrace a diverse &amp; inclusive workforce</li> <li>AU - Diversity Policy</li> <li>AU - Gender Diversity Objectives</li> <li>AU/EU - Equal Opportunity Policy</li> <li>UK - Flexible Working Policy</li> <li>AU - Sexual Harassment Policy</li> <li>AU - Workers Rehabilitation</li> <li>Creating Leaders of tomorrow</li> <li>AU - Training and Development Policy</li> <li>Learning &amp; Development Platform</li> <li>Digital Innovation</li> <li>IT Steering Group</li> <li>Keeping our people and communities safe</li> <li>AU - Employee Assistance Programme</li> <li>AU - Workplace Health and Safety Policy</li> </ul>
Climate change - Transitioning to a zero-carbon future		Human Rights		
<ul style="list-style-type: none"> <li>GHG Emissions Management Policy</li> </ul>		<ul style="list-style-type: none"> <li>Supplier Code of Conduct</li> <li>Human Rights Policy</li> </ul>		
Resourceful buildings and operations		Cyber-readiness		
<ul style="list-style-type: none"> <li>Group Procurement Policy</li> <li>Energy Procurement Policy</li> <li>Biodiversity Policy</li> <li>NABERS/ Green Star / BREEAM</li> <li>Envizi Data Management System</li> <li>ISO 14001 EMS</li> </ul>		<ul style="list-style-type: none"> <li>Global IT Code of Practice</li> <li>IT Operating Policy</li> <li>ISO 27001 Information Security Management</li> <li>Cyber-security Incident Response Plan</li> </ul>		
		Improving Health and Wellbeing		
		<ul style="list-style-type: none"> <li>Wellbeing contribution Policy</li> <li>AU - Living well Platform</li> </ul>		
		Unified global approach		
		<ul style="list-style-type: none"> <li>NIL</li> </ul>		

KEY

- Operational Policy or Strategy
- Internal System, Review or Verification
- Under Review







**CROMWELL**  
PROPERTY GROUP

