



FY23 ESG Report

Sognevej 25, Brøndby, Copenhagen, Denmark



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Cromwell Property Group acknowledges and pays respects to past and present Traditional Custodians and Elders of Australia. We respect the cultural, spiritual, and educational practices of Aboriginal and Torres Strait Islander peoples.

About this report

This report covers Cromwell Property Group's environmental, social, and governance (ESG) performance for the year ending 30 June 2023 (FY23). It has been prepared in accordance with the GRI Standards framework, further details about which are available at www.globalreporting.org

Details of the boundaries and definitions Cromwell abides by can be found in the accompanying [data pack](#).

The GRI and SASB content indexes, as well as all associated data can be found in the accompanying data pack, all ESG disclosures, policies, and previous reports are also available for download from the [Group website](#).

11-13 Robinson Street, Dandenong, Australia



As we set our sights on FY24, we are eager to deepen our dedication to ESG

Executive update

In FY23, Cromwell Property Group made significant strides in our ESG journey.

We developed and commenced implementation of our updated ESG Strategy; we prepared our globally-aligned approach to decarbonising the business to meet our targets of net zero scope 1 and 2 emissions by 2035; and scope 1, 2, and 3 emissions by 2045. For the first time, we have reported a comprehensive scope 1, 2, and 3 emissions inventory that covers emissions that arise from our upstream and downstream activities, including tenant activities; funds under management; joint ventures; and embodied carbon sources. This activity is supported by emissions abatement cost modelling for our Australian and European portfolios to facilitate emissions reductions and associated decarbonisation costs.

The initiation of an electrification upgrade at our McKell building in Sydney's CBD marked an exciting milestone in Cromwell's journey towards decarbonisation. Simultaneously, our property team demonstrated leadership in ESG considerations within refurbishment projects – this involved striving for innovation in ESG practices and implementing subcontractor diversity, equity and inclusion targets. Our Italian team's collaboration with AGC Glass Europe, a low-carbon glass manufacturer, further demonstrates our commitment to sustainable partnerships and reducing our embodied carbon.

Our release of the Group Sustainable Finance Framework and initiation of green loans will help ensure we deliver on our targets and support in advancing ESG within the commercial property sector. This commitment culminated in our endorsement of the UN Principles for Responsible Investing (UN PRI), which aligns our business success with global sustainability. In FY23, we elevated our alignment with the Task Force on Climate-related Financial Disclosure

(TCFD) recommendations, including committing to conducting a comprehensive gap analysis and charting a TCFD roadmap to ensure full alignment by 2025.

In committing to creating a more inclusive workplace, we launched the Respect@Cromwell framework in Australia, which prioritises the prevention and early intervention of sexual harassment. Our global diversity, equity and inclusion (DEI) targets have yielded notable achievements, with four out of five levels within the Australian team achieving the 40:40:20 gender diversity goal. Progress was also made in Europe, increasing the representation of women in leadership positions to 36% by the end of FY23. Our membership in the Diversity Council of Australia and the introduction of new and inclusive leave benefits further support our DEI commitments.

Throughout the year, we dedicated our efforts to supporting more than 20 community organisations worldwide through volunteering and donations, further emphasising our commitment to giving back to the communities we serve.

As we set our sights on FY24, we are eager to deepen our dedication to ESG; to build on the foundation that we have established in FY23. We understand that progress often involves challenges and requires ongoing dedication, and we are committed to transparency and responsibility as we move forward.

Jonathan Callaghan
Chief Executive Officer

About Cromwell Property Group

Cromwell Property Group is a real estate investor and fund manager with operations on three continents and a global investor base. Cromwell's total assets under management across Australia, New Zealand and Europe is valued at A\$11.5 billion.

As at 30 June 2023

Fund and Asset Management

Third-Party AUM

AUSTRALIA/NEW ZEALAND

\$2.5 billion

EUROPE

\$5.5 billion

TOTAL

\$8.0 billion

AUSTRALIAN INVESTMENT PORTFOLIO

\$2.6 billion

TENANT-CUSTOMERS

2,100+

ASSETS UNDER MANAGEMENT

217



Nove Mesto ONE Industrial Park, Nove Mesto, Czech Republic



Members of our Brisbane team participating in the Eat Up initiative



Kildean Business Park, Stirling, UK



Third Space, 400 George Street, Brisbane, Australia



Qantas HQ, Mascot, New South Wales



Third Space, 400 George Street, Brisbane, Australia

ESG strategy

Elevating real estate investment. Empowering our people. Delivering a resilient future for our investors, tenant-customers, communities, and planet.

01 ENVIRONMENT

Deliver resilient, revitalised, and sustainable asset portfolios that generate value and meet investor and other stakeholder expectations.

02 PEOPLE

Create a culture of authenticity and creativity. Build capability and diversity. Nurture wellbeing.

03 PLACES & COMMUNITIES

Connect meaningfully to build authentic relationships. Generate value by meeting our tenant customers' evolving needs. Contribute positively to the communities we operate in.

04 GOVERNANCE

Embed ESG across our business. Manage opportunity and risk by integrating environmental and social value in our decisions. Demonstrate accountability and transparency.

01 ENVIRONMENT



Net Zero

TARGET

New developments by **2030**
Operational control by **2035**
Entire portfolio for scope 1, 2, and 3, including tenant emissions and embodied carbon by **2045**

FY23 PROGRESS¹

ABSOLUTE EMISSIONS

Group **215,006**tCO₂e

Australia **73,535**tCO₂e

Europe **141,472**tCO₂e

EMISSIONS INTENSITY

Group **65kg** CO₂e/m²

Australia **176kg** CO₂e/m²

Europe **49kg** CO₂e/m²



Net Zero

TARGET

Validate our net zero targets using the Science Based targets initiative (SBTi) Net Zero Standard

FY23 PROGRESS

Set a SBTi-aligned target of

42%

Scope 1, 2, and 3 emissions reduction by 2030



Renewable Electricity

TARGET

80% renewable electricity procurement by **2025** and 100% by **2030** for operationally controlled assets and spaces

FY23 PROGRESS

Australia

28%

renewable electricity



Climate Risk

TARGET

Achieve full alignment with the TCFD recommendations by **2025**

FY23 PROGRESS

TCFD roadmap set for alignment by

2025



Water

TARGET

Reduce water intensity in line with relevant geography benchmarks

FY23 PROGRESS

Australia

0.45 kL/m²

Europe

0.27 kL/m²



Waste

TARGET

Waste diverted from landfill:
75% by **2030**
100% by **2040**
60% recycling rate by **2040**

FY23 PROGRESS

Australia

28% recycling rate

Europe

66% recycling rate



NABERS Sustainable Portfolio Index Energy Performance

FY23 PROGRESS

Cromwell Direct Property Fund

EQUAL THIRD in Australia

Cromwell Diversified Property Trust

EQUAL FOURTH in Australia

1. Refer to CEREIT 2022 Sustainability Report for CEREIT targets and progress.

02 PEOPLE



Diversity, equity and inclusion

TARGET

1. We will significantly reduce our gender pay gap year on year.
2. We will maintain pay parity.
3. We will achieve 40:40:20 gender diversity at all levels.
4. We will measure our cultural diversity.
5. We will commence our Reconciliation journey and develop a Reconciliation Action Plan (RAP).

FY23 PROGRESS

1. We further reduced our gender pay gap in 2023.
2. We maintained pay parity across all equal roles.
3. AU - We achieved 40:40:20 at all levels except the Employee level, where women were overrepresented. EU - 36% of leadership positions in Europe were occupied by women.
4. We did not measure cultural diversity in 2023 but plan to do so in 2024.
5. We have drafted our Reflect RAP and expect to submit to Reconciliation Australia for endorsement in FY24.



Employee engagement

TARGET

Achieve and maintain an employee engagement score of 80% or higher across the business by 2030.

FY23 PROGRESS

Global
63%



Gender pay gap

FY23 PROGRESS: AUSTRALIA

Significantly reduced over the last 2 years.

Including CEO: **24%** Not including CEO: **11%**

03 PLACES & COMMUNITIES



Tenant-customer satisfaction

TARGET

Improve tenant-customer satisfaction to a minimum score of 80 and placement in the second quartile industry performance for all regions.

FY23 PROGRESS

Cromwell Australian Portfolio
Tenant Survey Index (TSI)
87%

CEREIT tenant-customer
engagement NPS 2022

+9.9

Australian and European portfolios use different indicators for tenant-customer satisfaction. These are not comparable indicators.

04 GOVERNANCE



ESG integration and screening

TARGET

Integration of ESG into risk register and business strategy, including OKRs. ESG screening of all tenant-customers and strategic / material suppliers.

FY23 PROGRESS

Commenced ESG integration processes. Developed Group Sustainable Finance Framework.



UN PRI

TARGET

Become and maintain signatory membership to the UN PRI. Achieve a five-star rating from UN PRI.

FY23 PROGRESS

Became a UN PRI signatory in January 2023.



GRESB

TARGET

Achieve and maintain a GRESB public disclosure rating of A.

FY23 PROGRESS

GRESB Scores

Cromwell Polish Retail Fund
90/100

Cromwell European REIT
85/100

Cromwell Diversified Property Trust
87/100

Public Disclosure Rating:

A

What matters most

Independent review of materiality

Our Annual Materiality Review is a valuable tool for ensuring Cromwell responds appropriately to stakeholder concerns. Our approach to materiality is guided by the Global Reporting Initiative Standards.

In FY23, we used an independent third party to review both internal and external stakeholder feedback; industry thought leadership and discussion in the media; benchmarking against peers and leading external ESG assessments; and consideration of NGO priorities. The assessment included the application of the principle of double materiality, where impact and financial materiality are considered both for Cromwell and the environment and society in general. Our materiality results were reviewed and approved by both our Board ESG and Risk Committee and our executive team. Our methodology consisted of a desktop review; stakeholder interviews and survey; consolidation and prioritisation of topics; and validation. The matrix to the right visually represents the topics most material to our long-term value.

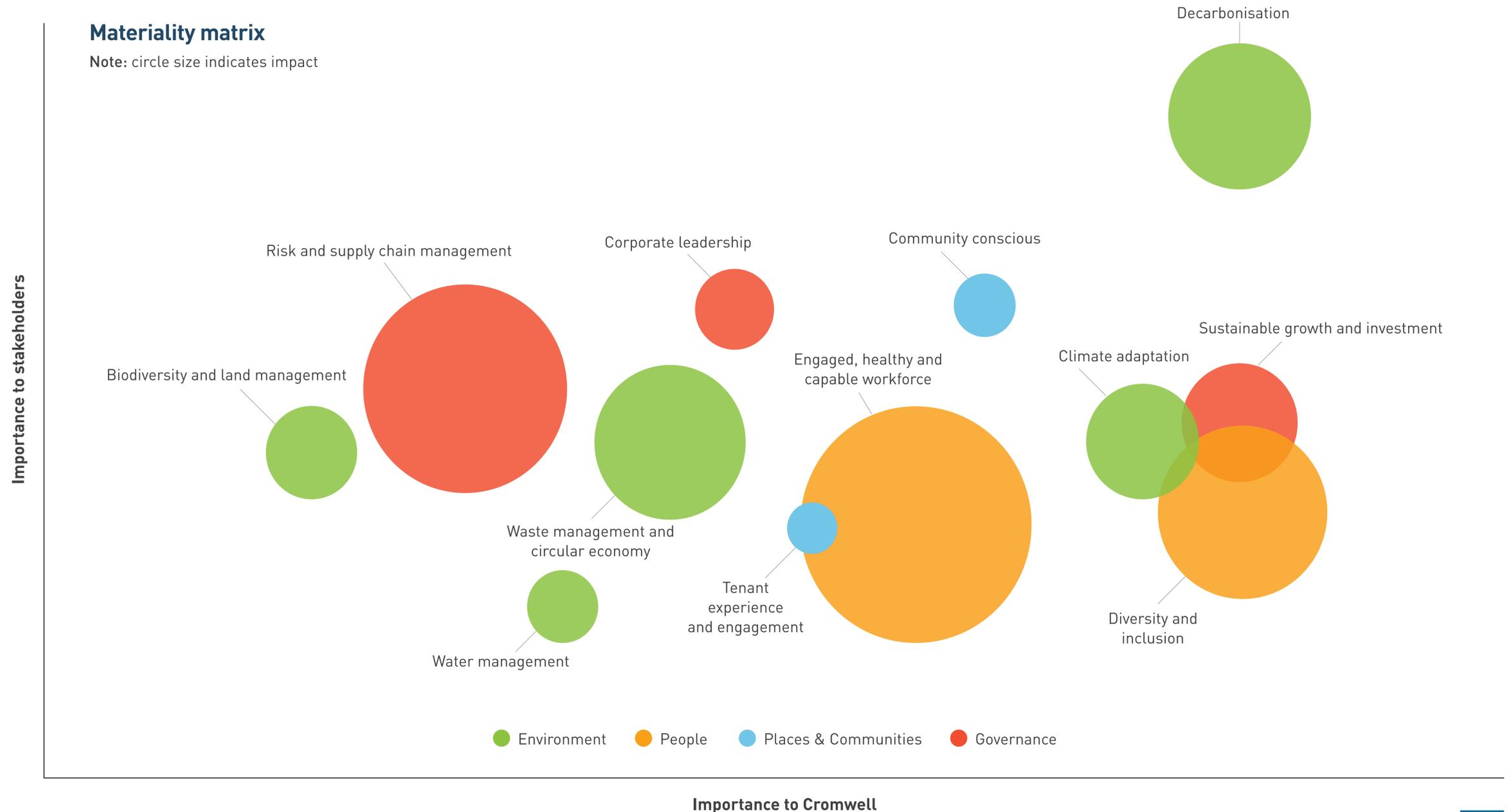
The impact of these topics was assessed against the UN Sustainable Development Goals.

There are correlations between some topics. For example, sustainable growth and investment and corporate leadership may be referenced in conjunction, or as alternates, as for tenant engagement and experience with community conscious. Some topics may be enablers for driving action on others.

Decarbonisation is closely correlated with future-fit buildings, risk, and supply chain management and sustainable growth and investment. The interconnection between these topics demonstrates the importance of a unified approach, and strategy, that considers the linkages and flow-on effects of action between areas.

Materiality matrix

Note: circle size indicates impact



Material issues

Environmental

- Decarbonisation**
 Cromwell faces reputational risks and opportunities associated with climate change and moves to decarbonise, which can impact Cromwell's long-term value proposition, profitability, and access to capital. We also need to demonstrate our ability to meet increasingly stringent regulation and resultant financial consequences, including increased operating costs. There is a clear expectation from stakeholders for us to reach a net zero target.
- Climate adaptation**
 Physical risks of climate change may impact revenue, due to changes in demand influenced by the management of our portfolio and fund and asset management. Mitigating and adapting to the physical impacts of climate change and maintaining a resilient portfolio present an opportunity to demonstrate our value to stakeholders.
- Waste management and circular economy**
 Ensuring the sustainable and efficient use and protection of resources – and minimising the negative impact of our buildings. Cromwell embraces opportunities to positively impact the environment, where upgrading properties by retrofitting can reduce waste and embedded emissions (also linking this to decarbonisation). This makes our properties more attractive to investors, which impacts our financial capital and returns. Waste management is also of concern to our tenant-customers and engaging with them helps with stakeholder satisfaction and retention, which has a positive impact on our revenue and profitability.
- Biodiversity and land management**
 Responsible environmental management through the protection of resources and the land on which our properties are located. Minimising the negative impact of our buildings and embracing new opportunities to positively impact the environment is critical to maintaining Cromwell's social licence to operate.
- Water management**
 The sustainable and efficient use and protection of water minimises the negative impact of our buildings. Water management is also of concern to our tenant-customers and, by demonstrating our positive actions, helps with engagement and retention, which improves our revenue and profitability.

People, Places & Communities

- Tenant experience and engagement**
 Proactive engagement with tenant-customers is critical for Cromwell to understand evolving needs and maintain Cromwell's long-term value proposition. Revenue and profitability are linked to metrics such as weighted average lease expiry, a measure of tenant retention. We are proud of our strong reputation with tenant-customers and particularly note, and work to address, their ESG concerns and expectations, where feasible. Engaging our tenant-customers is crucial to meeting our own decarbonisation goals, since their use of our buildings is a key factor in overall emissions.
- Community conscious**
 Engaging and supporting the local communities in which we operate, or own property, is critical to providing Cromwell with a "social licence." This includes contributing to the reconciliation process with Indigenous Owners and communities in Australia. We also have an opportunity for corporate leadership in our community engagement.
- Diversity, equity, and inclusion**
 The benefits of diversity include an increase in unique viewpoints; new and better innovations; creative problem-solving; improvement in employee engagement and talent attraction; and challenging tradition. Creating a diverse workforce with equal access to training and career opportunities can help Cromwell address both talent attraction and retention, as well as corporate social responsibilities. Attracting and retaining diverse talent can limit turnover and reduce operating costs.
- Engaged, capable, and healthy workforce**
 Cultivating a strong, healthy workplace culture which attracts, engages, and develops high-performing teams is a key enabler to progress action on other topics and achieve our business strategy and goals. High turnover, which can result from poor engagement, impacts operating costs.

Governance

- Corporate leadership**
 Building strong, responsible corporate leadership and governance frameworks that promote trust and transparency positively impacts our ability to achieve sustainable growth and meet our business goals. Embedding ESG across all business functions in decision-making processes and moving beyond compliance in multiple areas, such as setting supplier code of conducts and proactively mitigating modern slavery risks in our supply chain, would improve our reputation as a leader. A strong reputation may impact Cromwell's long term value proposition, profitability, and access to capital.
- Sustainable growth and development**
 We have a strong focus on delivering sustainable profit to shareholders and this is addressed in strategy and reporting. We manage this through controls, such as strong corporate governance, leveraging knowledge and capabilities, and other sustainability objectives. Engaging investors in our ESG process to ensure retention is crucial to our success and profitability.
- Risk and supply chain management**
 Having strong risk and supply chain management is key to supporting our success, as it serves as a foundation for all activities. It is also critical to achieving ESG goals, particularly when addressing climate and environmental impacts. We have an opportunity to strengthen our approach and provide a competitive advantage with robust systems, anticipating and mitigating risks. This shall improve confidence and trust with stakeholders and strengthen our value proposition and reputation.



ENVIRONMENT

ENVIRONMENT

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- 19 Climate change adaptation
- 20 Environmental management
 - 20 Waste management and circular economy
 - 22 Water management
 - 23 Biodiversity and land management

PEOPLE

PLACES & COMMUNITIES

GOVERNANCE

Decarbonisation

Renewable energy use

TARGET

80% by 2025 **100%** by 2030

FY23 PROGRESS

28% (only includes where data is available in Europe)

Net Zero

TARGET

Net Zero Scope 1,2 by 2035
Scope 1,2,3 by 2045

FY23 PROGRESS

Scope 1,2 44% reduction from FY22 **Scope 1,2,3** 19% reduction from FY22

Cromwell supports the goals of the Paris Agreement to limit global warming to 1.5°C, curbing the most severe impacts of climate change. As described by the International Energy Agency, the operations of buildings account for 30% of global final energy consumption and 26% of global energy-related emissions. We recognise that our sector has a significant role to play in decarbonisation and have set ambitious net zero targets and a robust strategy to support the rapid decarbonisation of our sector.

During the year, we set an emissions reduction target aligned to the Science Based Targets initiative:

Achieve 42% scope 1, 2 and 3 emissions reduction by 2030 against a 2022 baseline.

The Science Based Targets initiative recently released draft guidance for the buildings sector. We will validate our target against these criteria.

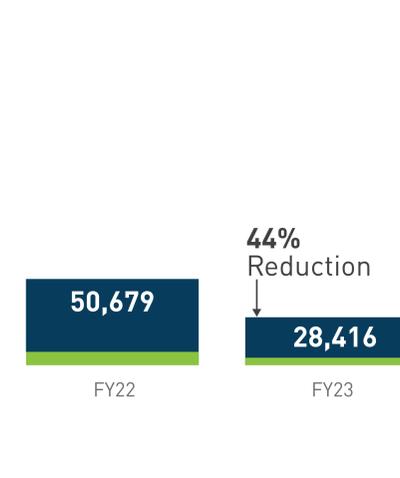
Marginal abatement cost curves (MACC) were developed for our Australian and European portfolios to identify emissions reductions

and cost associated with decarbonisation initiatives that we could undertake. We conducted net zero prioritisation workshops with our funds and property teams to validate the findings from the MACCs, categorised the chosen initiatives into easily accomplished tasks and major projects, and plotted them onto a net zero roadmap.

For our property investment portfolio, we conduct technical building assessments every three years, to ensure we maintain our assets at a high efficiency. Strategic asset plans include the analysis of climate change scenarios, sustainability objectives, and the physical and transition risks and opportunities. Cromwell's focus on the acquisition and uplift of existing buildings lightens our carbon footprint. Our embodied carbon is largely attributed to maintenance and refurbishment. During our property lifecycles, we aim to serve as responsible stewards of our buildings; to improve the environmental efficiency and performance of these buildings before divestment.

We commission energy and water audits of our property investment portfolio to identify opportunities for efficiencies. Within Australia, Cromwell uses the National Australian Built Environment Rating Scheme (NABERS) to assess the efficiency and environmental performance of our office buildings. NABERS compares our buildings against others. NABERS' energy ratings measure the efficiency of an office building. An energy rating works by comparing the energy consumption of a building against a set of benchmarks that has been developed using actual data and identifies opportunities to save energy.

Scope 1 and 2 reduction

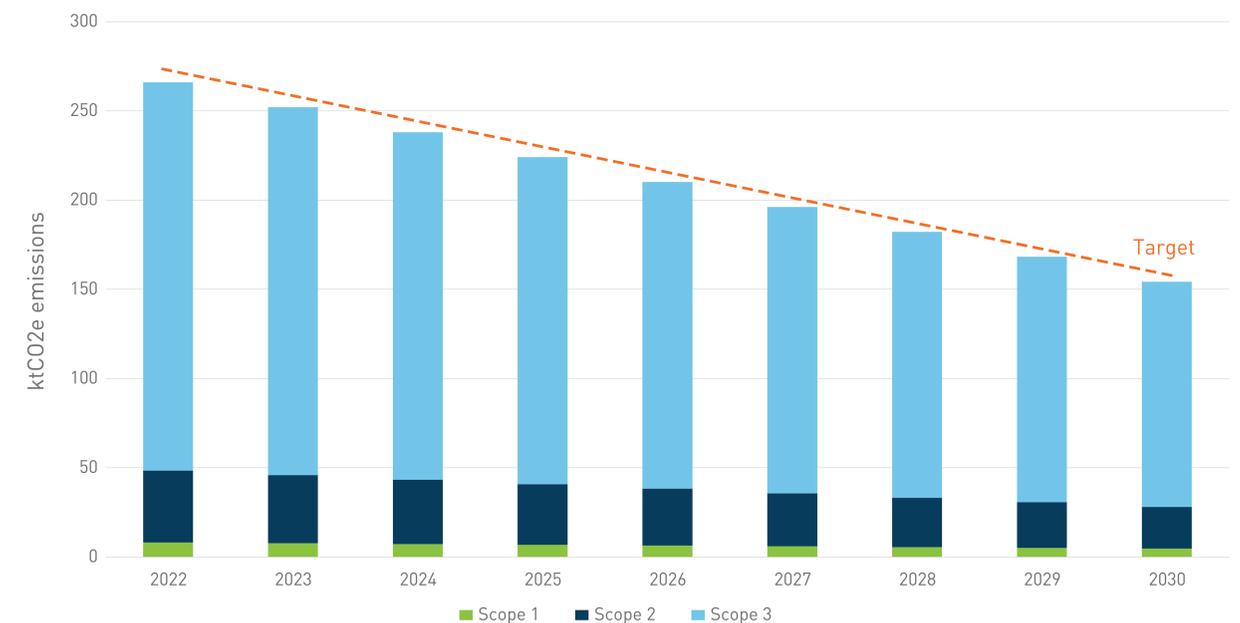


Scope 1, 2, and 3 reduction



Emissions reduction due in part to improved data quality and methodologies

Science Based Target reduction goals



Decarbonisation

FY23 NABERS Energy Rating: 5.3 Stars

for properties under operational control in Australia



TCFD alignment

TARGET

Achieve full alignment with TCFD recommendations by 2025

FY23 PROGRESS

Published in the 2023 Annual Report

Target validation

TARGET

Validation of targets by Science-Based Target Institute

FY23 PROGRESS

Science-Based Targets now developed

Following the development of our net zero strategy, we have shifted our focus to asset-level decarbonisation. In FY24, we will undertake assessments at specific sites to identify emissions sources and create bespoke emissions reduction plans to reduce these emissions, while working in partnership with our service providers. The initiatives will also support the increase of the energy efficiency of our properties.

In addition to decarbonisation, we are reviewing standard leasing terms and conditions to introduce a schedule of sustainability initiatives. This will allow us to collaborate with tenant-customers to agree and achieve ESG targets. Cromwell currently has leases with “green” clauses in Australia for several government-tenanted buildings. These leases require Cromwell to uphold NABERS energy and water ratings targets, reduce base building energy, and water use and provide suitable metering and waste management for tenant-customers.

In Europe, green leases allow us to collaborate more closely with tenant-customers to obtain environmental data and collaborate on joint sustainability initiatives, such as jointly funding energy efficiency upgrades, or installing and purchasing renewably sourced energy. 26 percent of leases for Cromwell European Real Estate Investment Trust (CEREIT) meet this classification and more will be rolled out in FY24.

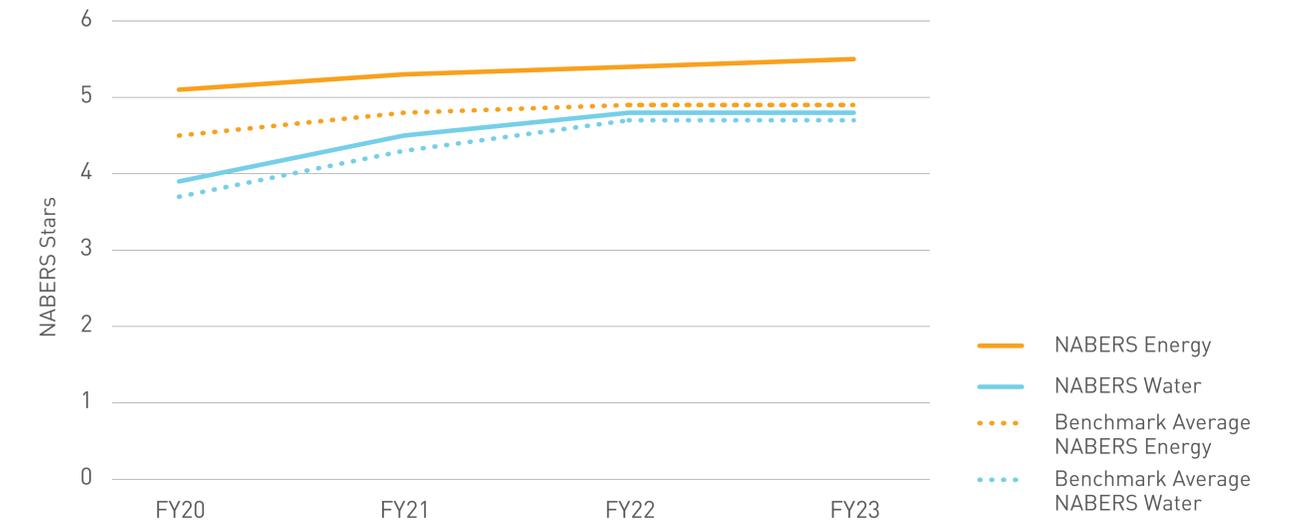
Working with our tenant-customers in this way encourages sustainability and accountability. Our goal is to incorporate governance measures to influence our tenant-customers to introduce sustainability practices that reduce their scope 3 emissions, helping to meet our net zero scope 1, 2, and 3 targets by 2045.

Every owned or managed property in our portfolio has a capex plan that is updated annually to address plant, equipment, building fabric, refurbishments and waste, and energy and water efficiency improvements.

Range of NABERS star ratings available

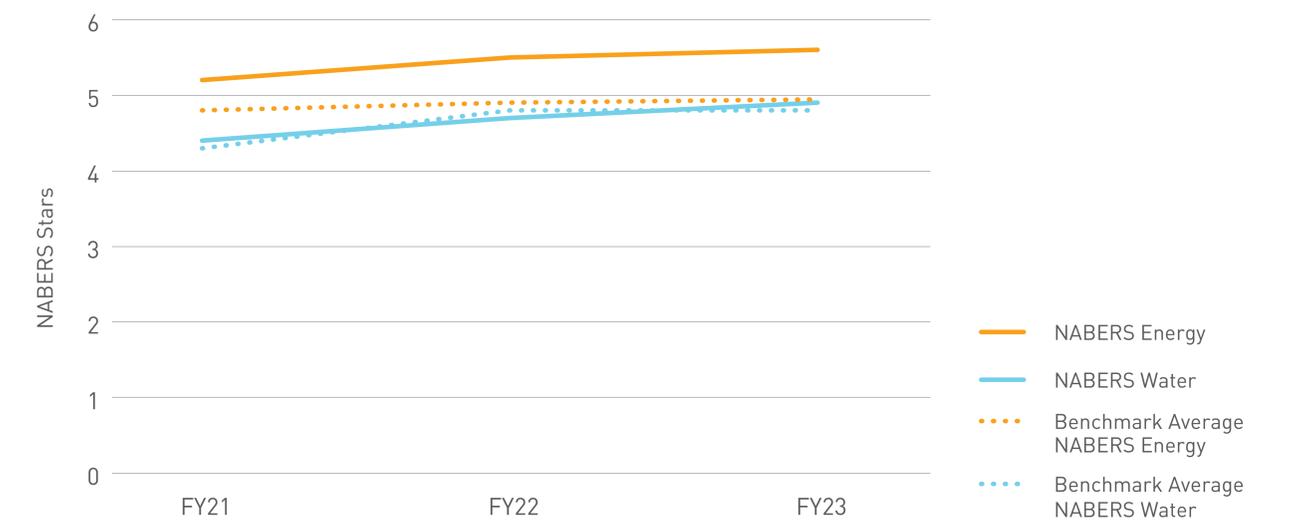


Cromwell Diversified Property Trust NABERS summary



Benchmark data available at <https://nabers.info/annual-report/2022-2023/>

Cromwell Direct Property Fund NABERS summary



Benchmark data available at <https://nabers.info/annual-report/2022-2023/>

FY23 Emissions inventory

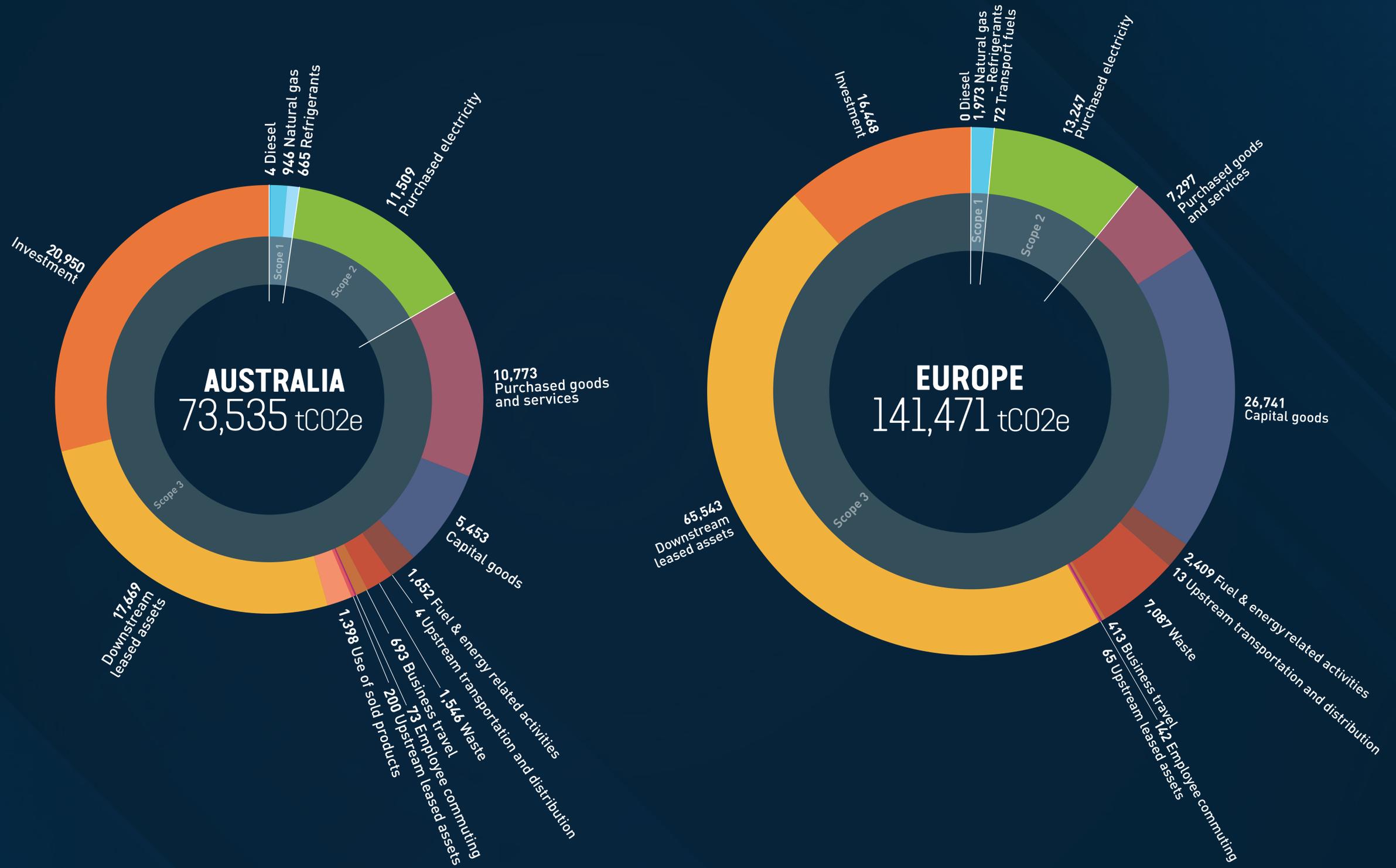
We further developed our net zero strategy in FY23 to better understand and leverage our progress to date, to identify gaps and to develop a baseline emissions inventory. For the first time in FY23, we are reporting against a comprehensive scope 1, 2 and 3 emissions inventory that includes estimates and methodologies for calculating emissions across all 15 categories of scope 3 emissions in line with the Greenhouse Gas Protocol. (see our ESG Data Pack).

Improving the calculations of our emissions data means this year's results are not comparable to those in previous years, or to similar organisations that are not reporting the full value chain. For example, our inventory is representative of emissions throughout our upstream and downstream activities, including tenant-customers, funds under management, joint ventures, and all sources of embodied carbon.

NEED MORE INFO?



For more detailed information on the emissions inventory, please see the associated FY23 ESG Data Pack.





McKell Building, Sydney, Australia

CASE STUDY

Electrification of property assets

In Australia, where a large proportion of commercial buildings and the local energy grid is reliant on natural gas, electrification is a key step in decarbonisation. During the year, we commenced an electrification upgrade at our McKell building, a first of its size for the Sydney CBD.

The multi-million-dollar project will convert the 24-storey building's existing commercial gas-fired heating system to an electric heat-recovery reverse cycle heating, ventilation, and air conditioning (HVAC) system.

As NABERS moves to favour buildings that are fully electric – and as the electricity grid shifts to increasingly rely on renewable sources – building upgrades like the McKell project will not only improve our energy ratings, but also reduce emissions in the longer term.

We estimate that future-proofing the building through this electrification project will achieve a 5% energy reduction of the total base building electricity consumption.

Cromwell also completed the decommissioning of gas-fired power cogeneration at our HQ North property in Fortitude Valley, Queensland, Australia which reduces the building's carbon intensity.

Continued progress with our solar programme

Current existing solar installation in Australia

502 kW

Solar energy generated in FY23 in Australia

737 MWh

Annual emissions avoided from solar installations in Australia

538 tCO₂e
(5-52% at each site)

Energy savings at each site

5-49%

Number of solar projects planned for FY24

5 Australia **3** Europe

Total FY24 planned solar installation size in Australia

516 kW Once complete: **1** MW

Anticipated FY24 emissions avoided

610 tCO₂e

Estimated cost savings per annum

\$165,000
with an average ROI of 3 years



HQ North Tower, Brisbane, Australia



CASE STUDY

Low-carbon glass at Nervesa 21 Milan, Italy

Considering environmental factors when selecting suppliers is key to helping reduce emissions from our business activities, particularly our scope 3 footprint. For CERET's Nervesa 21 refurbishment, our Italian team partnered with AGC Glass Europe, a low-carbon glass manufacturer. According to AGC's most recent studies, glass can account for between 5% to 15% of the embodied emissions in a building. As such, by opting for this innovative, low-carbon glass for 50% of façade of the renovation project, instead of standard glass, we have ensured a significant reduction in the building's embodied emissions.

Low-carbon glass is manufactured through an optimised process of traditional glass, using recycled glass and low carbon supplies in highly efficient melting furnace.

CERET aims for WELL Platinum and LEED Gold certifications for Nervesa 21 at completion. These industry leading levels are achieved by the circular practices implemented to reduce the building's whole lifecycle. By maintaining the existing structure instead of demolishing and rebuilding, we have estimated a potential embodied carbon savings of approximately 1,288 kgCO₂e/m².



CASE STUDY

EV charging

With the growing adoption of electric vehicles, and an increasing interest from tenant-customers to occupy more sustainable buildings, we are proactively collaborating with tenant-customers to install electric vehicle (EV) charging points across our properties. To date, charging points for electric vehicles have been installed in properties across the Netherlands and Finland.

In Australia, we have assisted tenant-customers to install EV charging points at four properties. We are working with at least two others to install EV chargers in the near future and anticipate demand increasing across our broader network.

CASE STUDY

Redefining ESG in development

True Swain, Head of Development – alongside Brendan Sim, Development Manager – from our Australian property team has been doing leading work on ESG in refurbishment projects. The team’s aim is to drive innovation and embed best practice ESG principles in all redevelopments. Contractor and supplier diversity requirement trials have been successful, and while they have focused on addressing whole life cycle emissions, there has been a particular focus on driving down embodied carbon emissions. We seek to achieve this goal through initiatives, such as the use of low carbon steel and concrete, lifecycle considerations and assessments, promoting recycling and reusing materials, efficient designs and avoiding waste.

ESG considerations are being formally included as a pilot for the lobby redevelopment at 400 George Street, Brisbane. While a simple lobby refurbishment has limitations, the team have included social factors such as gender diversity weightings as part of the tendering process for subcontractors for the first time. A procurement target for purchasing from organisations run by First Nations’ Peoples of 5% was also set. The team have ensured that no fossil-fuel or gas-powered tools, plant, and equipment will be used, and Cromwell will find opportunities to work with external parties to estimate and reduce embodied carbon. The learnings from this small initial pilot have been incorporated into upcoming projects.



400 George Street, Brisbane, Australia

Climate change adaptation

Note, for our FY23 TCFD Statement and roadmap, please refer to the section in the [Directors' Report of the 2023 Annual Report](#).

Climate change represents one of the most significant challenges facing the property industry today. Cromwell recognises the impacts of climate change on our upstream and downstream value chain, as well as the effects it has on the environment, business, and society more broadly.

Our climate change adaptation measures ensure that we are ready for the impacts of climate change, both now and into the future. From ensuring the safety and wellbeing of our tenant-customers, to preserving the value of our property assets and reducing the impact of extreme weather events, Cromwell is focused on minimising the risk to our business and provides assurance to investors that we are prepared, resilient, and stable in the long-term.

We consider the direct impacts of climate change across all levels of our business and throughout the stages of portfolio management. For example, due diligence for all property acquisitions includes evaluations of long-term forecasts for temperature, tide, inundation/flooding, rainfall, and weather events.

In FY23, we elevated our alignment to the recommendations of the Task Force on Climate-related Financial Disclosure (TCFD) by undertaking the following activities:

- A comprehensive gap analysis against the TCFD recommendations and several related guidance and legislation, including:
 - Australian Council for Superannuation Investors (ACSI) recommendations
 - Australian Sustainable Finance Initiative (ASFI) recommendations
 - Australian Securities Investment Commission (ASIC) recommendations
 - Australian Securities Exchange (ASX) guidance notes
 - EU Sustainable Finance Disclosure Recommendation (SFDR)
 - EU Taxonomy
 - Climate Disclosures Standards Board (CDSB) Framework
 - Corporate Sustainability Reporting Directive (CSRD)
 - Non-Financial Reporting Directive (NFRD)
 - European Central Bank (ECB) guide on climate-related and environmental risks
 - Enhanced climate reporting requirements introduced by SGX-ST in December 2021
- Preparation of a TCFD roadmap to meet all gaps in alignment by 2025.
- TCFD training for risk, legal and compliance teams to support implementation and integration of the TCFD recommendations throughout the business.

Further training will be provided to other relevant internal stakeholders in FY24, alongside activities in the first year of our TCFD roadmap, available on [P30 in the Directors' Report of the 2023 Annual Report](#).

Environmental Management

Waste management and circular economy

Waste diverted from landfill



Recycling rate



The circular economy – circularity – is an economic model that aims to extend the lifespan of products through repair and maintenance, reusing, remanufacturing, or upcycling. Circularity is about maintaining value and not creating waste.

Historically, urban regeneration projects have been one-off developments, tailored to a specific large-scale building or neglected neighbourhood — and the primary aim of the project was usually to revitalise the local economy.

Sustainable environmental design now needs to be an integral part of real estate for the industry to grow, while simultaneously building resilience to brace for future challenges. Cromwell works with architects and designers to include sustainable design principles that prioritise waste reduction and other efficiencies, including designing spaces for longevity by ensuring an extended lifespan on design elements and deconstruction, specifying materials with high recycled content, and minimising packaging waste.

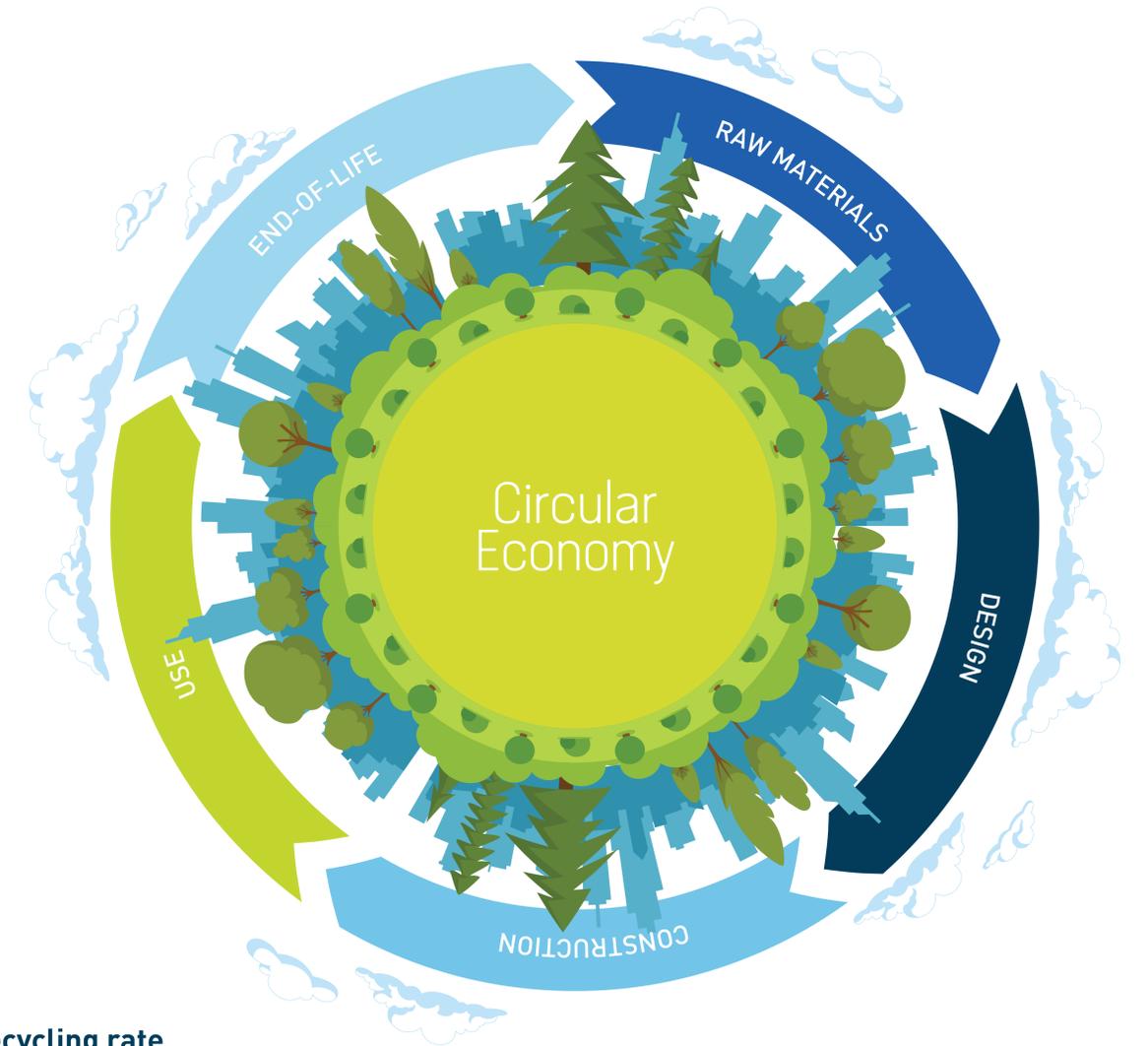
Cromwell’s procurement framework aligns with the ISO20400 principles of Sustainable Procurement. We develop and maintain strong partnerships with suppliers to manage environmental impact in the supply chain. We also undertake waste audits and introduce alternative waste streams and then divert waste from landfill.

Responsibly managing our impact on the environment throughout our value chain is critical to the success of our business and the

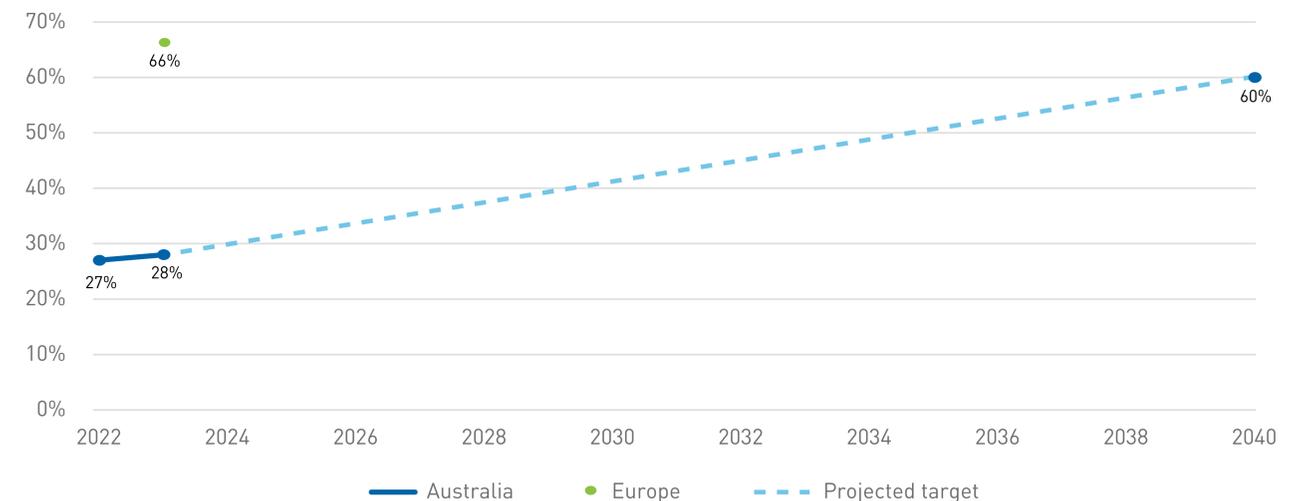
communities in which we operate. Nature loss poses a major risk to businesses, and Cromwell is moving to nature-positive investments that offer opportunities for our tenant-customers, investors, and other stakeholders. We integrate the responsible management of the environment and nature into our decision-making; for example, environmental due diligence is considered for all acquisitions.

One example of considering our environmental impact is in tenant fitouts in our properties. We collaborate and maintain strong partnerships closely with our contractors and wider supply chain to explore the feasibility of reusing or recycling existing fitout elements, thereby contributing to responsible waste management, and minimising the use of new resources. Our proactive approach to end-of-life material handling ensures that waste management is considered before materials arrive on site. We educate our supply chain on the importance of responsible waste management and actively engage them in landfill reduction efforts by undertaking waste audits, introducing alternative waste streams and diverting waste from landfill. Supply chain partners provide data on construction waste sent for recycling, reuse, and landfill. In Australia, we have recently implemented a new waste data collection system that now captures both operational and construction waste to support our benchmarking and tracking of progress against our targets.

Waste management extends beyond fitouts to encompass all aspects of capex, including end-of-trip facilities, life cycle upgrades and building refurbishments.



Recycling rate



SMARTVATTEN DATA

April 2021 to April 2022

With a remote monitoring service and leak detection system, this type of leak can be quickly detected and resolved



CASE STUDY

Partnership with Smartvatten across Europe

33 of our managed assets across Finland, Germany, Italy, Czech Republic, Slovakia and the Netherlands are equipped with a Smartvatten device that facilitates the remote monitoring of water consumption with smart software.

This tool helps track water consumption and leak detection. This allows property managers to take corrective actions to stop further leakages and reinvoice water fairly to tenant-customers, as well as improving the certification ratings of buildings (BREEAM, LEED).

CASE STUDY

Landfill diversion during refurbishment

Our Australian property team worked to reach total waste diversion from landfill for a recent refurbishment of 100 Creek Street, Brisbane. The original diversion target was 90%, with a stretch target of 100%. By working closely with contractors and suppliers, 96% of waste was recycled or reused at the site.

Although the team looked for solutions for all waste, a portion was unavoidable, such as the packaging on supplied goods. Refurbishments at Sydney and Newstead achieved 58% and 56% recycling rates, respectively. Reused items included carpet tiles, ceiling grid, lighting, and other fitout materials.



Environmental Management

Water management

FY23 NABERS Water Rating: 4.7 Stars

for properties under operational control in Australia



Water intensity

TARGET

Reduce water intensity
in line with relevant
geography benchmarks

Water risks are an urgent global challenge that we are particularly conscious of in the property sector. Climate change is worsening water issues, with intensifying floods, shifting precipitation patterns, altered water supplies, and accelerated glacial melt and associated sea level rise. Clean water supplies are vital for our communities. Cromwell's risk management systems proactively identify and respond to water risks at an asset level.

One way to assess the level of risk for properties is to assess the level of risk at each of our properties, using geographical ratings. For example, the World Resources' Institute Corporate Water Stewardship provides Aqeduct, a publicly available tool where data is used to identify and evaluate water risks – including floods, droughts, and water stress around the world. Using the tool, six of our European properties were identified as being in areas of high or extremely high water risk. Smartvatten smart water equipment is being installed across European properties to maintain high levels of water efficiency.

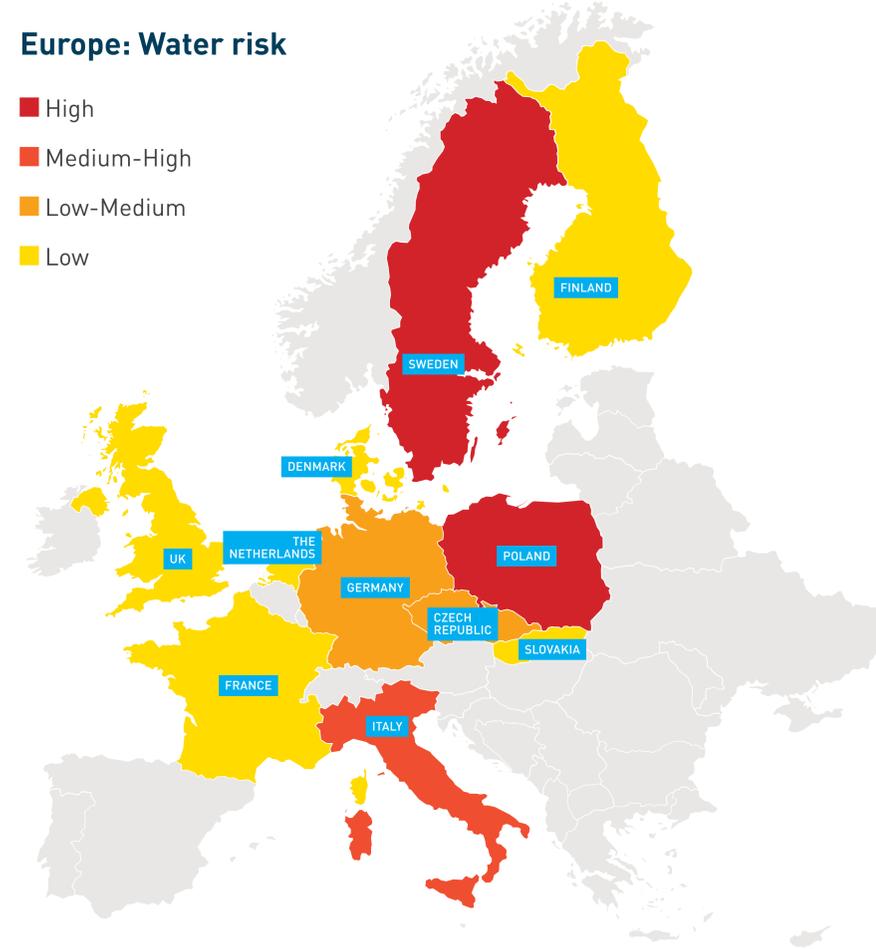
We measure water intensity across all our regions and aim to reduce it in line with relevant regional benchmarks. In Europe, we will determine appropriate benchmarking and consider setting targets in future. In Australia, we use NABERS to assess the water efficiency and water performance of our Australian office buildings. A NABERS water rating looks at the amount of water used and recycled within a building and identifies opportunities to save water. Ratings are based on operational data and reviewed annually.

We promote responsible water management at all stages of design, refurbishment, and ongoing maintenance of a property. We do this by considering water conservation, water efficiency measures, sustainable site design and development and sustainable site selection. We also engage with contractors to ensure they minimise water consumption during major works. We consider upgrades to existing plant and equipment to reduce water consumption on site.

Due to several significant leaks – unfortunately – identified late, as well as water loss from corrosion and end-of-life management of cooling towers, one Australian property's NABERS water rating dropped significantly during the year. The affected building was not in an area of 'high' water stress. These issues have now been resolved by Cromwell, and the property was subsequently upgraded. This incident has highlighted to us the importance of ongoing utility monitoring and management of end-of-life for building infrastructure – it has further reinforced that ongoing engagement with our real-time energy and water consumption alert system is required to prevent similar issues from happening again.

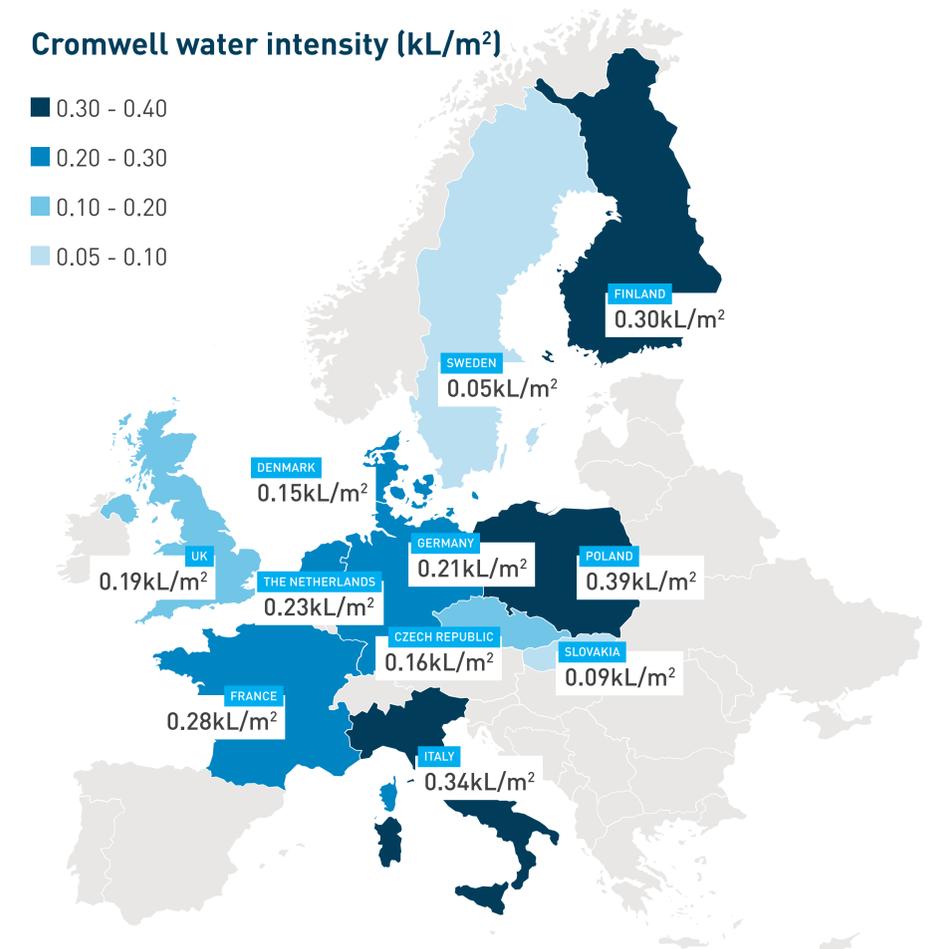
Europe: Water risk

- High
- Medium-High
- Low-Medium
- Low



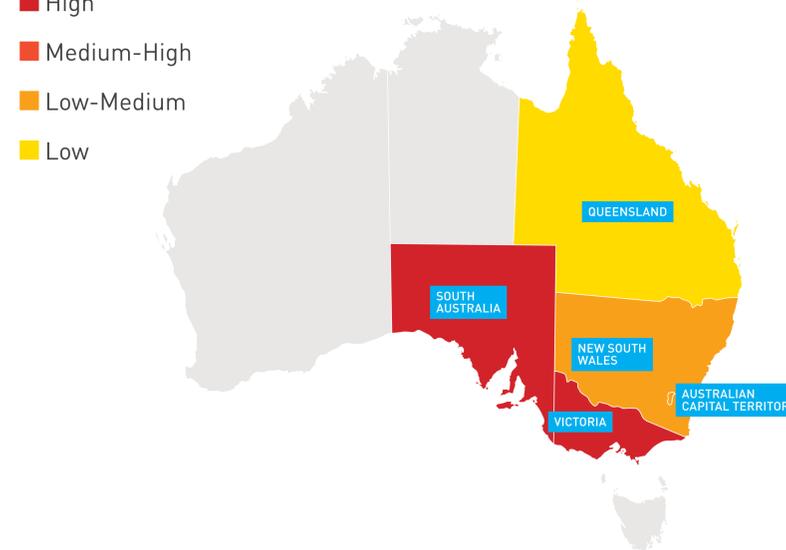
Cromwell water intensity (kL/m²)

- 0.30 - 0.40
- 0.20 - 0.30
- 0.10 - 0.20
- 0.05 - 0.10



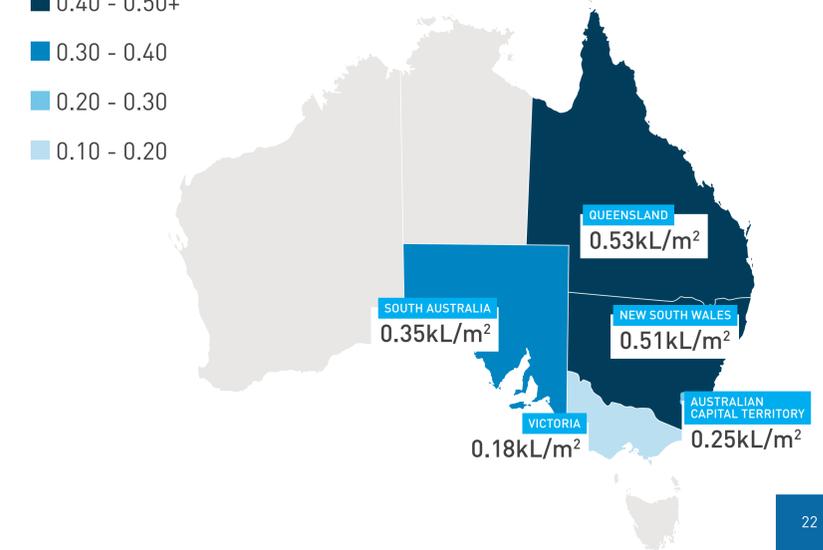
Australia: Water risk

- High
- Medium-High
- Low-Medium
- Low



Cromwell water intensity (kL/m²)

- 0.40 - 0.50+
- 0.30 - 0.40
- 0.20 - 0.30
- 0.10 - 0.20



Environmental Management

Biodiversity and land management

Nature and biodiversity are intrinsically linked to global economies. At Cromwell, we recognise the dependency we have on nature and the risks and opportunities posed by nature loss on our business. While we have not yet formalised our approach to managing nature and biodiversity-related risks, opportunities, impacts and dependencies, we intend to align with the recommendations of the Taskforce on Nature-related Financial Disclosures (TNFD) framework.

The TNFD was launched in June 2021 – it seeks to develop and deliver a risk management and disclosure framework for organisations to report and act on evolving nature-related risks. The aim is to support a shift in global financial flows away from nature-negative outcomes, toward nature-positive outcomes.

In FY23, we focused on building our readiness and capability to respond to the TNFD recommendations. We joined the Australian Government Department of Climate Change, Energy, the Environment and Water pilot for the TNFD framework. As a participant of the property development and construction for residential real estate pilot, we partnered with other organisations throughout this value chain in deepening our understanding of, and engaging with, the locate, evaluate, assess, prepare (LEAP) approach recommended by the TNFD. In FY24, we will develop our first TNFD Statement.

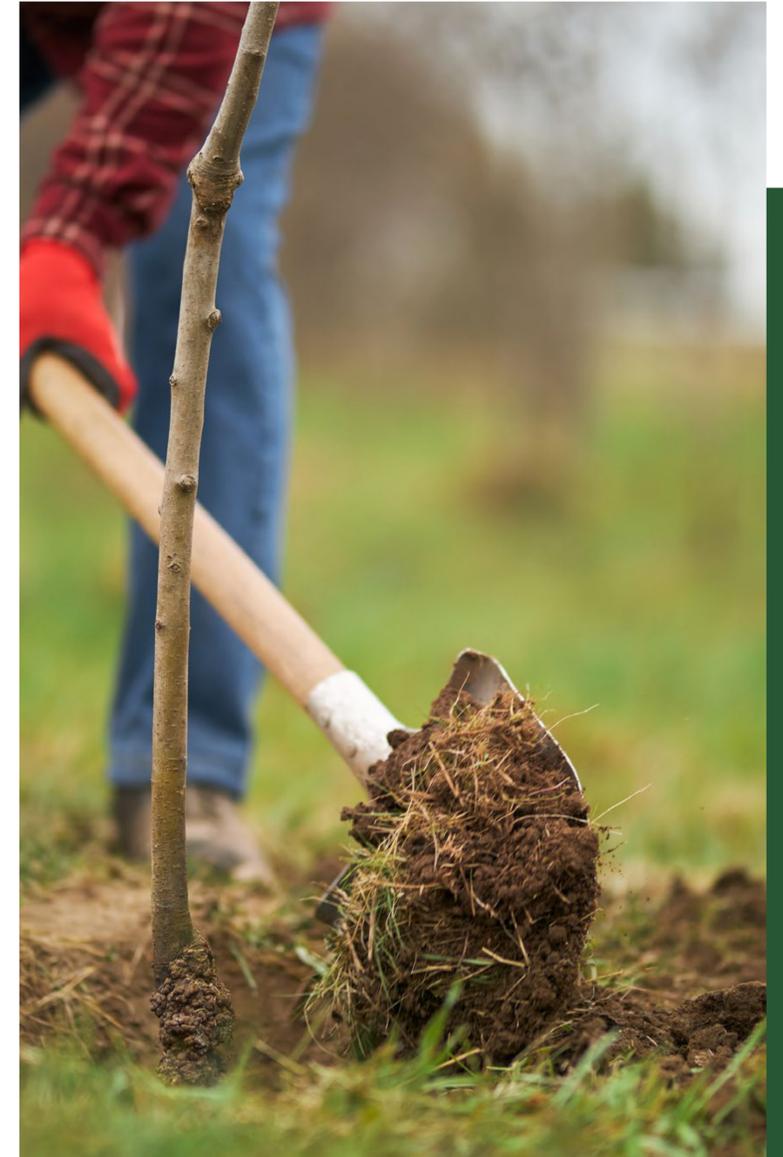
We consider activities to improve biodiversity at our properties, as well as the local communities in which we operate. For example, we supported one of our tenant-customers in Penrith, Australia, to install a rooftop garden to make the area more receptive for native birds and bees. At another property in Mascot, Australia, we adopted a nature-based solution to replace a retaining wall – instead of concrete. A species of ivy was incorporated into a design using repurposed timber railway sleepers, which reduced the cost, and improved aesthetics and ground cover.

When considering any major projects, our project services teams work to minimise any negative effect on biodiversity and habitat and actively promote enhancement. We consider impacts and opportunities to improve biodiversity and habitat during design, construction, and ongoing maintenance and management of our assets. This includes protecting, restoring, and conserving existing habitat and educating stakeholders with appropriate training. We locate projects within existing developed areas and our focus on redeveloping brownfield sites limits any potential impact.

CASE STUDY

Tree planting to improve biodiversity; 'We plant our future'

As part of BREEAM improvement works at our property in Nove Mesto, Slovakia, Cromwell, our tenant-customers, and the community planted trees, bushes, and built insect holes and birdhouses. The activity was coordinated alongside the Kočovce and Beckov communities and included tenant-customers and families from the area. It was coordinated, based on an ecological report to help improve biodiversity. Local children and their families created groups with tenant-customers to plant the 50 trees provided and build birdhouses.



Our Brisbane office celebrating Pride Month



ENVIRONMENT

PEOPLE

- 25 Diversity, equity and inclusion
- 26 Diversity, equity and inclusion targets
- 30 Engaged, healthy and capable workforce

PLACES & COMMUNITIES

GOVERNANCE

Diversity, equity and inclusion

One of our global DEI targets is to achieve 40:40:20 gender diversity at all levels.

At Cromwell, we believe that organisational diversity, where the composition of the workforce reflects that of the local population, brings diversity of thought for innovation, effective decision making, great customer service and outstanding performance. To harness that diversity, we need inclusion – where all employees can be themselves at work; and equity, where everyone is treated fairly.

Cromwell’s diversity, equity and inclusion (DEI) strategy outlines our group-level goals and regional targets.

One of our global DEI targets is to achieve 40:40:20 gender diversity at all levels. This has been achieved in 4 out of 5 levels of the Australian team and progress has been made in Europe, with an increase to 36% women in leadership positions at the end of FY23. Additionally, in Australia we have further reduced our gender pay gap to 24% at the end of FY23 from 43% in FY21.

We proactively engage with local communities to better understand our sphere of influence and build internal cultural awareness through ongoing employee training.

In FY22, Cromwell lodged its application with Reconciliation Australia to create our First Reconciliation Action Plan (RAP). In FY23, our RAP Committee deepened its understanding of the RAP Framework, our sphere of influence and impact. The committee participated in several external events with Reconciliation Queensland; Reconciliation Australia; the Property Council of Australia; and the Diversity Council of Australia. We commemorated National Reconciliation Week in Australia at our offices and properties, with internal events, signposting, and digital resources. The committee consulted on the use of Acknowledgement of Country plaques, which have been installed in our major properties in Australia. In FY24, we will further engage internally on the importance of First Nations partnerships and continue to commemorate Reconciliation and NAIDOC weeks.

Online DEI training was rolled-out in FY23 in Europe, with 98% of employees completing this during the year. In FY24, a face-to-face DEI training programme will be launched in Europe, with a series of workshops. The Europe and Singapore DEI Committee is also undertaking an in-depth review of policies, processes, and frameworks.

In FY23, Cromwell became a member of the Diversity Council of Australia. Collaborating in this way will ensure Cromwell is well informed and championing the principles of diversity, equity, and inclusion in the workplace.

Cromwell has embraced a range of new and inclusive leave benefits, starting in Australia. These include paid parental leave; grandparents leave; domestic and family violence leave; gender affirmation leave; lifestyle leave; compassionate leave; birthday leave; guardianship/foster leave; loss of pregnancy leave; career break leave; community service leave; and study leave, among others. Additionally, with our public holiday swap initiative in Australia, team members are now able to swap scheduled public holidays for a day of religious or cultural significance to them. This initiative is also being extended to employees in the UK, as well as other European jurisdictions where appropriate.

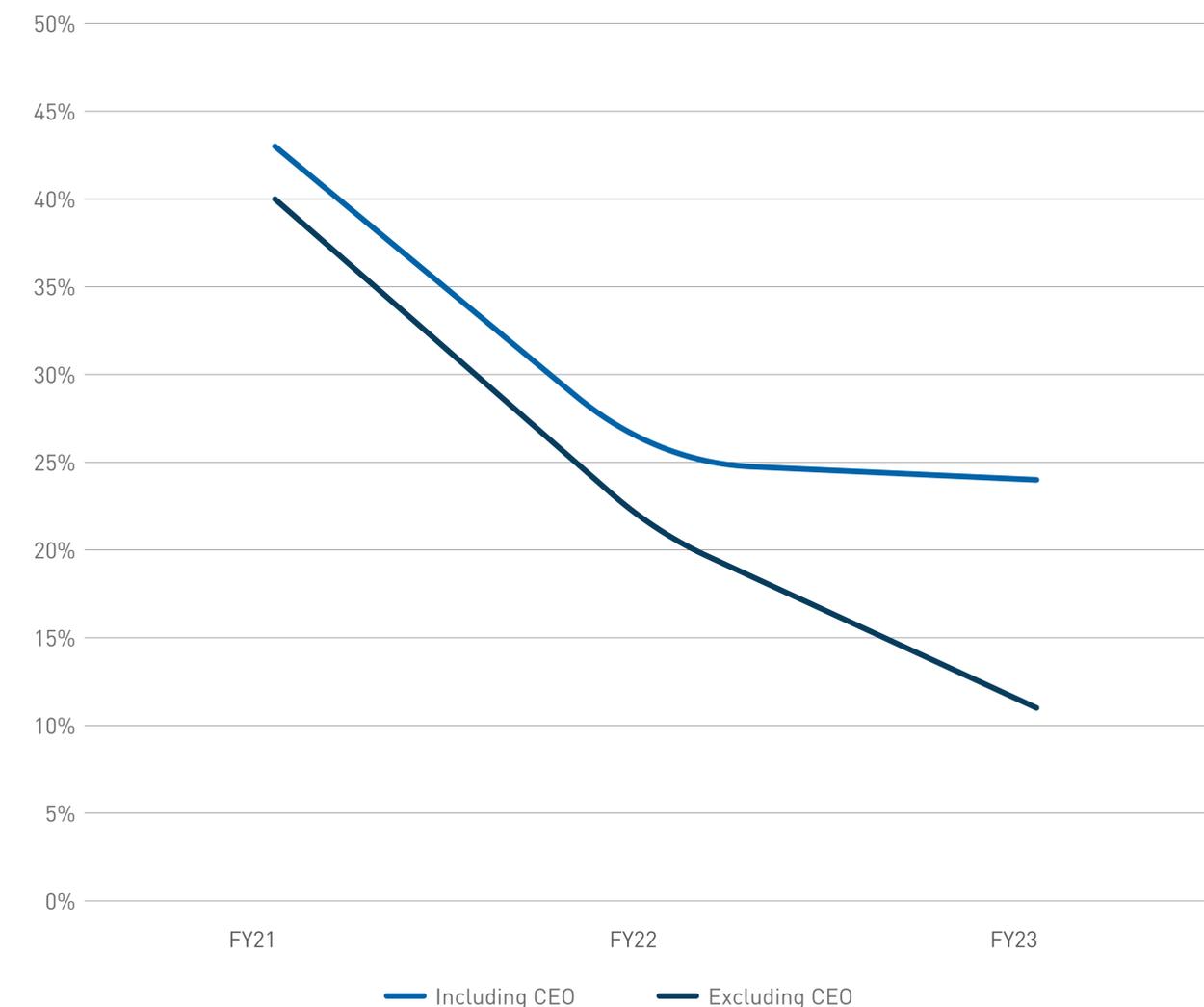
A DEI calendar is available on Cromwell’s intranet, listing cultural events which are being marked or celebrated during the year by the Europe and Singapore teams. Some of the events we commemorated internally in FY23 included Pride Month, Black History Month, Deepavali, Holocaust Memorial Day, International Women’s Day, and Ramadan.

Cromwell is committed to taking an active role in advocating against violence against women. In Australia, we have created, and started implementation of, our action plan for helping to address gender-based violence – including domestic violence and sexual harassment. We will work to extend this advocacy into the communities in which we operate and have influence. In December, we launched our Respect@Cromwell framework in Australia – part of our on-going strategic commitment to make the prevention, and early intervention, of sexual harassment a leadership priority. Our diversity, equity and inclusion specialist and members of Cromwell’s executive team, joined a panel to discuss the new framework and outline how Cromwell is committed to a culture of safety, respect, and inclusion. Cromwell also hosted Challenge DV to facilitate face-to-face DV first responder training to 25 employees in Australia.

As part of our DEI Strategy, we continue to identify opportunities to create an inclusive workplace, where all our employees feel a sense of belonging. In FY24, we will continue our commitment to gender diversity and equity, reconciliation, and education and awareness.

Gender Pay Gap

Displaying gender pay gap by employee level including CEO, and excluding CEO.



Diversity, equity and inclusion targets



Gender pay gap

TARGET

We will significantly reduce our gender pay gap year on year.

FY23 PROGRESS

We further reduced our gender pay gap in 2023.



Pay parity

TARGET

We will maintain pay parity.

FY23 PROGRESS

We maintained pay parity across all equal roles.



Gender diversity

TARGET

We will achieve 40:40:20 gender diversity at all levels.

FY23 PROGRESS

AU - We achieved 40:40:20 at all levels except the Employee level, where women were overrepresented.

EU - 36% of leadership positions in Europe were occupied by women.



Cultural diversity

TARGET

We will measure our cultural diversity.

FY23 PROGRESS

We did not measure our cultural diversity as targeted for 2023 but plan to do so in 2024.



Indigenous Reconciliation

TARGET

We will commence our Reconciliation journey and develop a Reconciliation Action Plan (RAP).

FY23 PROGRESS

We have drafted our Reflect RAP and expect to submit to Reconciliation Australia for endorsement in FY24.

Employee engagement

TARGET

Achieve and maintain an employee engagement score of

80%

or higher across the business by 2030

FY23 PROGRESS

63%

up 3% from FY22

Gender pay gap

Significantly reduced over the last 2 years to

24% including CEO

down 19% from FY21

11% excluding CEO

down 29% from FY21

CASE STUDY

Promoting a career in real estate

On 6 June, several members of our London team went to a local secondary school to introduce students to careers in real estate. The school has a large percentage of students from diverse backgrounds. The team explained the variety of career opportunities in real estate.

The feedback from the school and the students was very positive, and the team has been asked to come back next year.



CASE STUDY

Cultural diversity week celebrated in Australia

Cromwell is committed to creating an environment where our people can be their true and authentic selves. We recognise that cultural background is an important reflection of the identities of our people and therefore key to them feeling a sense of belonging in the workplace. Each year in September, we celebrate Harmony Day in Australia, embrace Australia's multicultural society, and promote cultural diversity and inclusivity at Cromwell.

Harmony Day serves as a reminder of the importance of respect, tolerance and understanding among individuals of different ethnicities, religions, and cultural backgrounds.



CASE STUDY

World Pride and Pride Month

As attendees celebrated Sydney's WorldPride 2023 festival, Cromwell's Head Office staff similarly gathered to celebrate our LGBTQIA+ colleagues – and learn more about inclusivity in the workplace. On Thursday, 2 March, our Brisbane team gathered to listen to stories of LGBTQIA+ experiences and allyship; and took part in a friendly, but competitive, game of "Bingay". Cromwell gathered to celebrate our LGBTQIA+ colleagues during the week's celebrations and to learn more about inclusivity in the workplace.

Cromwell marked Pride Month in Europe on 29 June with celebrations across the various European offices. Good conversations over equally good cakes gave the teams an opportunity to come together to highlight the importance of diversity, tolerance and inclusion within Cromwell.



CASE STUDY

International Women's Day

In recognition of the significant contribution women make to our business, Cromwell held a panel-style conversation for employees. Several of our people, at different stages of their careers, were invited to give their unique perspective of working at Cromwell.



Engaged, healthy and capable workforce

360
employees

14%
voluntary turnover

6,469
hours of employee training conducted in FY23

18
hours of training per employee in FY23

33
internal hires in FY23

0
lost time injuries in FY23

By keeping our employees engaged, we foster a more productive and motivated workforce – one where our people experience higher job satisfaction, deliver better performance, and have a stronger commitment to our vision and values. In this way, we increase our retention and reduce our turnover rates.

At Cromwell, we conduct an annual employee engagement survey run by Culture Amp, an external employee experience platform. Our overall employee engagement score and the feedback we receive from our employees is invaluable to us, enabling us to further support our employees in building the culture we operate best in.

Our employee engagement score improved to 63% in the FY23 survey. Key areas of improvement included employees’ perception of Cromwell’s progress on enabling work/life balance, equality, feedback and recognition and rewards. These improvements are encouraging indicators of the success of the roll-out of our people strategy and values during the year.

Employees appreciate the upgraded flexible leave, wellbeing, and support programmes that we have delivered in Australia, as well as our diversity, equity and inclusion efforts at global level. Our new Australian head office is opening in FY24, and has been designed around a “future of work” concept, with a focus on space for collaboration, social interaction and connection, while recognising that our employees want the flexibility to also work from home.

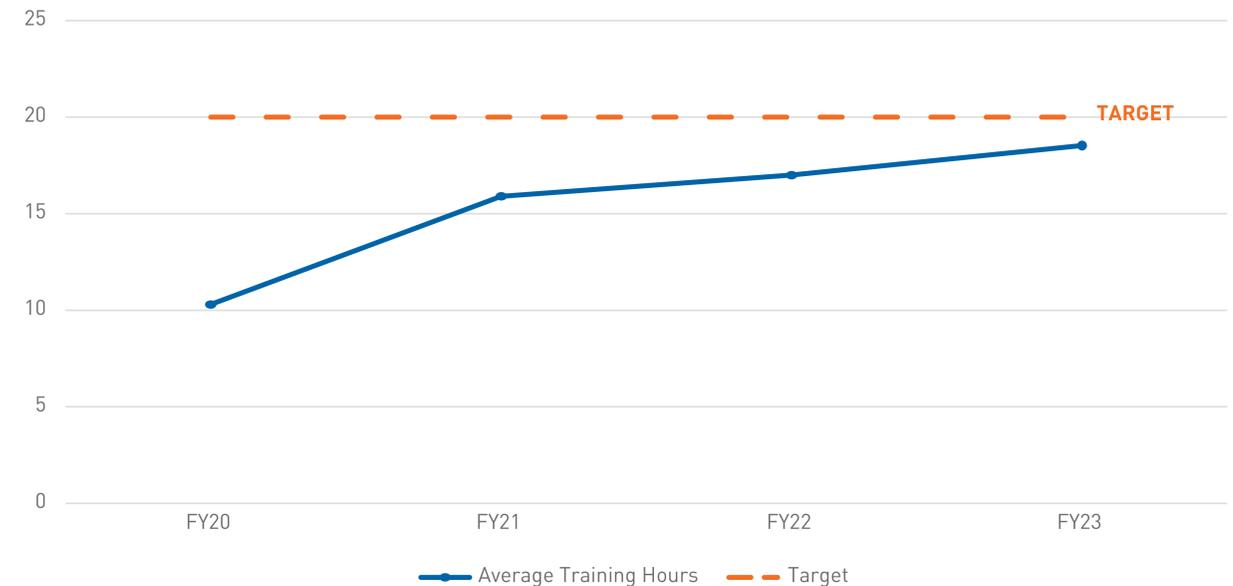
Areas of opportunity identified in the survey included access to learning and development; collaboration; resourcing for achievement of goals; and responding to underperformance.

To address the feedback our people gave us, we have created a new talent framework to identify career and development opportunities for each employee. With a dedicated individual development plan process that enables improved development conversations, leaders and employees can better identify the development items that will help them reach their career goals. Conversations about development are kept separate to performance and pay processes, allowing more honest, open conversations about development needs.

We are committed to providing opportunities for our people to stretch and grow in their existing role or to move into new roles. For example, in FY23, we promoted or expanded the responsibilities of 23 people in our Australian business, 16% of employees in Australia. In Europe, we expanded the responsibilities of 10 people, representing 5% of employees in Europe.

Cromwell is committed to creating a culture of strong leadership. Our annual Australian leadership summit focused on providing our leaders with the tools to foster talent and promote individual growth. Leaders from all levels convened to develop their skills in leading their teams in an evolving work environment.

Average hours of training per year per employee



FY23 Cromwell award winners

Above & Beyond

Antonia Clanchy (EU)

One who consistently performs to the very best of their abilities/goes above and beyond.

Most Valuable Asset

Anne McKinnon (Australia)

A true all-rounder; someone who embodies our values and vision and is a consistently high performer.

Champion of Change

Francesca Nolli (EU)
Jenni Ford (Australia)

This award is for the individual or team who have continually challenged themselves and others to change, adapt and improve.

Culture Champion

Céline Lombard (EU)
Kristina Zalac (Australia)

A collaborator who spreads enthusiasm, appreciates diversity and seeks out different perspectives, is inclusive, empathetic and genuinely interested in others.

Leadership Award

Michael Bohde (EU)
Sian Sheppard (Australia)

This award is for someone who exemplifies strong leadership and embodies our leadership behaviours.

Dream Team

French Asset Management Team (EU)
People & Culture Team (Australia)

These teams do what they say they will do, act with courage and integrity, respect their partners and collaborate with stakeholders, looks for creative solutions and think outside the box.

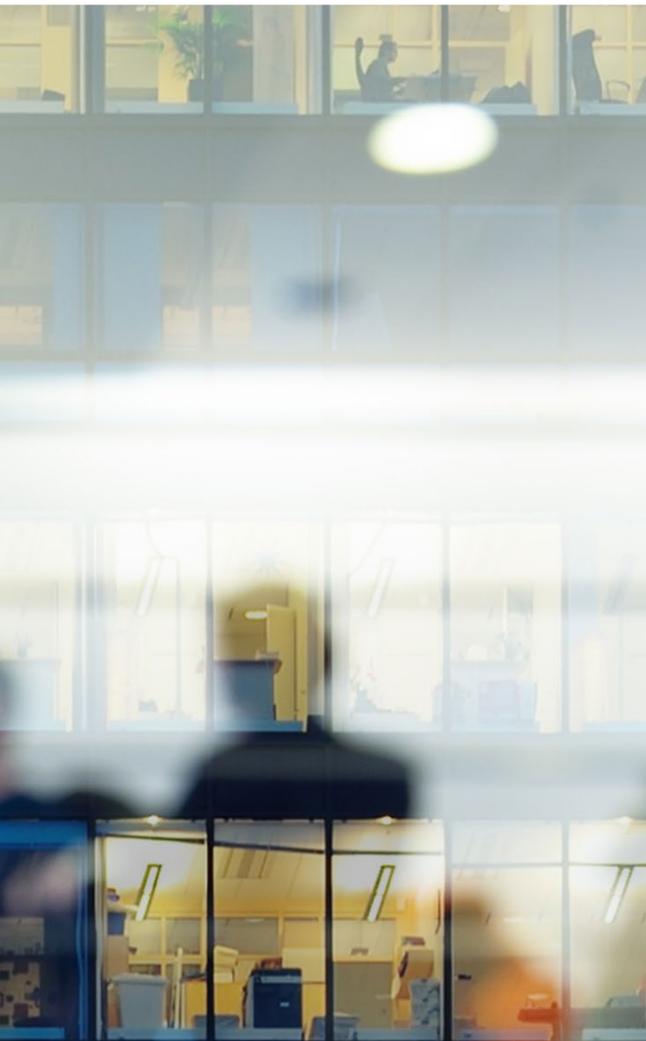
Health, safety and wellbeing

During FY23, Cromwell achieved ISO 45001 certification, an international standard for health and safety at work developed by national and international standards. While Cromwell is a 'low risk' working environment, this also supports our property team who spend considerable time on-site.

Our focus on health, safety, and wellbeing (HSW) is ensuring that our processes, policies, and systems are well-designed, fit for purpose, and set our people up for success. In FY24, our HSW forum – comprised of managers from our people and culture, risk and compliance, property and health and safety teams – will continue to track relevant legislation, performance against targets and progress of new systems and projects.

We have created an online risk hub to make it easier for our people to find information on HSW, as well as risk and compliance and policy matters. The hub also makes it easier to report incidents and hazards. Our property team can report property incidents through a parallel system.

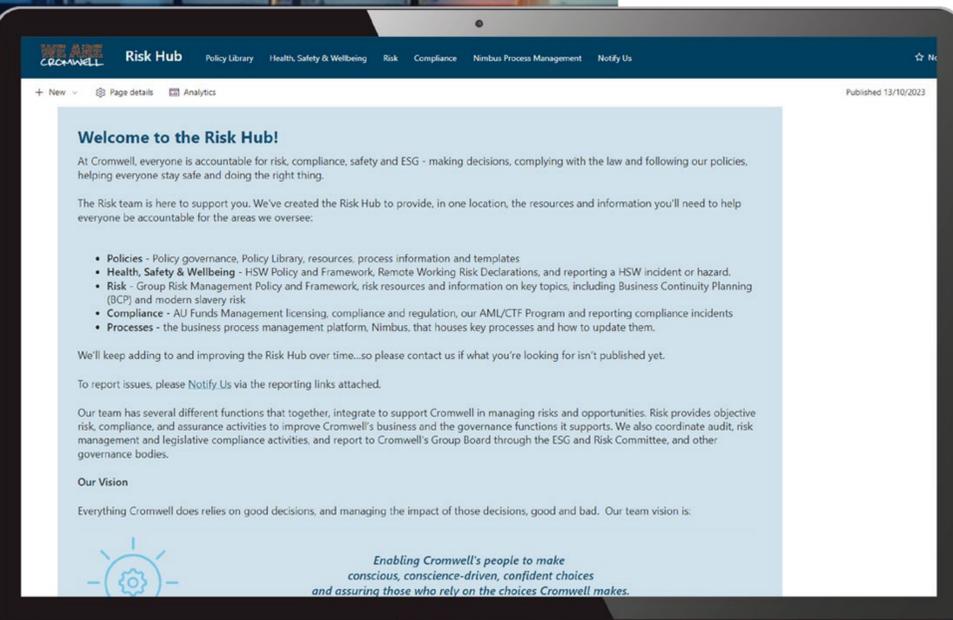
In FY24, we will work to streamline our systems and are focused on consultation and communication to improve reporting and data management. Upgrading our hazard reporting and categorisation will allow us to better identify potential incidents. We will also be reviewing our employee assistance programme to ensure it meets the needs of our people.



CASE STUDY

Walktober

Cromwell employees participated in the challenge to walk (virtually!) from Melbourne to Milan via each of our offices. We travelled a combined distance of 26,233 kilometres – exceeding our target by more than 3,000 kilometres.





03 PLACES AND COMMUNITIES

ENVIRONMENT

PEOPLE

PLACES & COMMUNITIES

34 Tenant engagement and experience

36 Community conscious

GOVERNANCE

Tenant engagement and experience

TARGET

Improve tenant-customer satisfaction in Australia to a minimum score of 80 and placement in the second quartile industry performance for all regions.

Target performance:

Australia

88% Constant annual improvement from **87%** in 2022, **85%** in 2021, **75%** in 2019. FY23 benchmark average is **81%**
(survey not conducted in 2020)

CEREIT tenant-customer engagement NPS 2022
+9.9 NPS

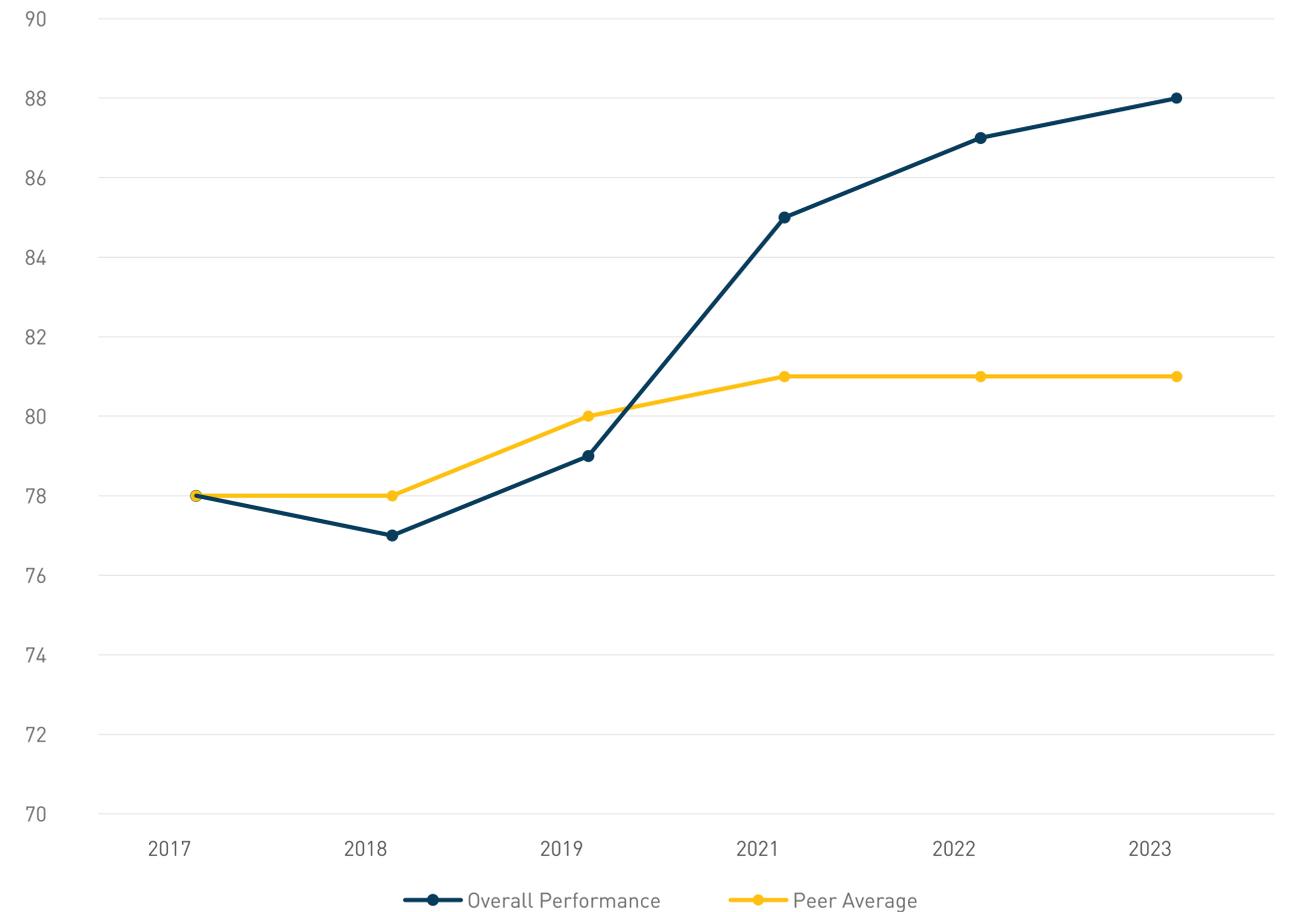
The success of our business strategy depends on how well we understand and respond to tenant-customers' needs. We know that creating modern and attractive spaces that support productivity and lifestyle improvements is key to improving satisfaction –satisfied tenant-customers are more likely to stay. High occupancy rates, long leases and rental income are all critical measures of the economic success of our business. Retaining tenant-customers and renewing leases is directly measured through our weighted average lease expiry, with this currently at 5.3 years for our investment portfolio as at 30 June 2023.

Cromwell has tenant engagement action plans for each of the properties we manage, and we conduct quarterly tenant meetings on site. Each year, we survey tenant-customers in Australia and Europe – we listen to their feedback and consider how we can meet their needs. Cromwell provides tenant-customers with the ability to measure and manage their energy and water footprint through meter data auditing and systems to track and report on their own sustainability initiatives.

This year, 56% of our tenant-customers in Australia indicated they were net zero, becoming net zero or considering net zero. 66% of our tenant-customers rate sustainability as important or very important to their organisation's decision to lease. This is in step with the majority who responded that the sustainability commitments and performance of the building and Cromwell were important. Cromwell engages with its tenant-customers to support the capture and sharing of sustainability data to enhance reporting.

75% of respondents felt satisfied with their building's recycling programme, and 71% of tenant-customers indicated that Cromwell's sustainability communication was above average or very good. Regarding the extent to which our tenant-customers would support ESG practices, 37% of tenant-customers indicated their support for GreenPower purchase no matter the impact to operating costs, 47% supported ethical procurement and 45% supported Indigenous reconciliation activities, both also regardless of cost. 65% of tenant-customers also indicated that employees working from home is definitely, or likely, to be an integral part of their longer-term operations. Casual meeting and workspaces within the building are important and appreciated by most tenant-customers.

Tenant engagement score



As provided by tenant engagement consultant.

CASE STUDY

Kildean new development

Kildean Business Park in Stirling, UK, has obtained a National Property Award for the M&G Building developed by the Cromwell team. Recognised by the Office Agents Society last June, Kildean won the 2023 award for the Best New Office Development Outside London.

Built on a six-acre riverside site at Scotland's newest business park, the bespoke office building provides 77,380 sq ft of Grade A sustainable office space. More information can be found in our previous ESG report and [here](#).



Kildean Business Park, Stirling, UK

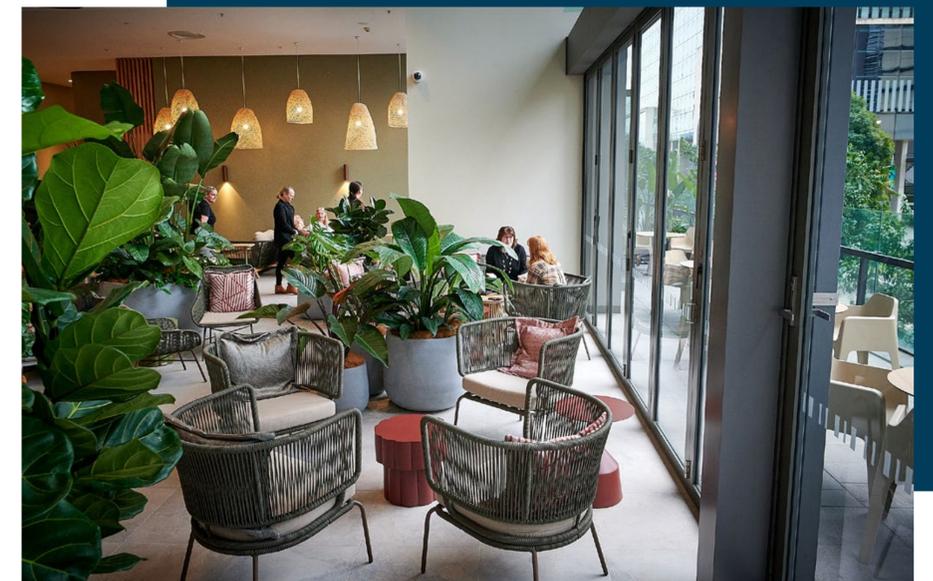
CASE STUDY

Creating a community at 400 George Street

Our property management team at 400 George Street, Brisbane, Australia work hard to build networks that support and empower the people within the building. Their goal is to ensure occupants feel comfortable in an inclusive environment that promotes a sustainable lifestyle. Cromwell's George Street team partner with tenant representatives to identify the best way to engage their people. Site-specific activities include regular networking, learning and recycling activities and the creation of a tenant sustainability committee.

Wellbeing activities are also conducted on a regular basis including yoga and pilates classes, and providing massage and wellness therapy. An environment where people are excited to come to the workplace assists tenant-customers with engagement of their people. For Cromwell, this may lead to higher occupancy and tenant retention.

Third Space at 400 George Street, Brisbane, Australia

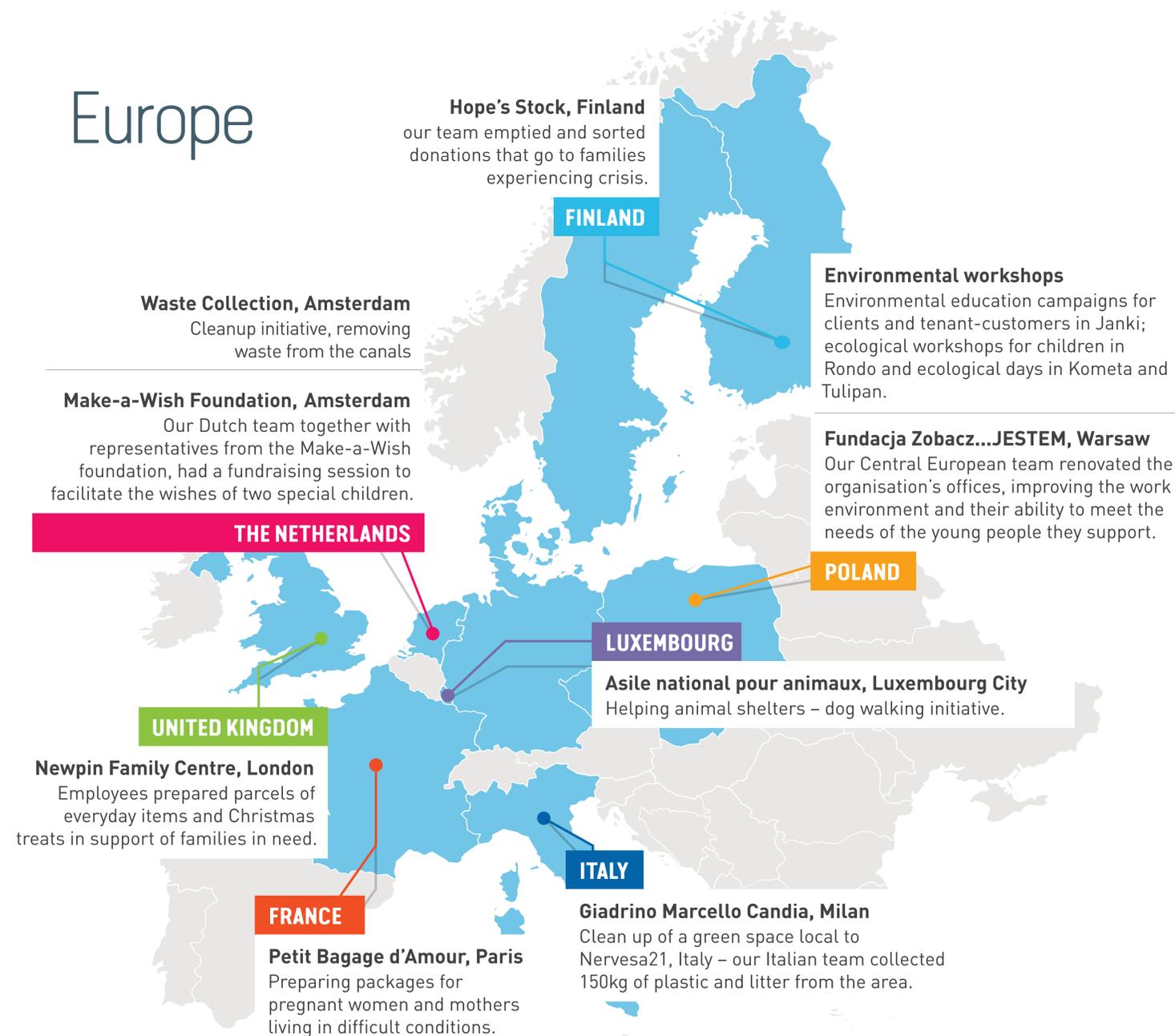


Community conscious

Connected communities are better places to live, work, and play. It is important to Cromwell that we engage and enrich the local communities where our properties are located. Developing mature relationships within our communities gives us the opportunity to play a proactive role in growing and investing in local partnerships, including those with Indigenous landowners in Australia.

Positive local relationships help us to meet the needs of the community, as well as during construction and major refurbishment works – and for the tenant-customers who occupy our buildings.

Europe



Australia

- Eat Up, Brisbane**
Our Brisbane team wrapped over 1,200 sandwiches to go to children's school lunches, targeting low food security.
- Stationery Aid, Brisbane**
Two employees helped sort, clean and renew used educational resources to fill booklists for vulnerable students.
- Cromwell registered with **Lifblood Teams** – the group blood donation programme from Australian Red Cross Lifblood – in October to donate blood to help boost Australia's blood supplies.



Singapore

- SINGAPORE**
- Child at Street 11 and WWF**
During CEREIT's 5th anniversary in November 2022 the team raised S\$28,000 for two community partners, Child at Street 11 and WWF in Singapore.
- Tree planting event**
In April 2023 Chair of the Board and CEO participated in a tree-planting event with Community Chest and contributed S\$10,000.



CASE STUDY

ReLove

ReLove's #1000 Homes Project ran alongside the 16 Days of Activism campaign, aiming to raise enough funds to support #1000 families into housing. Cromwell donated \$5,000 which will furnish five homes for families in need.

Our CEO, Jonathan Callaghan, and members of the executive team attended the launch event to show our ongoing support of this great initiative.

CASE STUDY

The Daniela Dwyer Foundation

After losing their daughter Daniela to Glioblastoma (GBM) brain tumours in 2021, Kevin Dwyer, Cromwell Senior Property Manager, and his family started a foundation. The foundation's goal is to change the current approach to diagnoses and fund early intervention through routine blood testing without the need for invasive biopsies. Cromwell supported this positive legacy through a donation of \$5,700 in FY23.

The funding goes towards the QIMR Rao research lab which is working closely with oncologists to accelerate the progress of new blood tests and drug screening platforms. This will enable them to become a routine part of clinical practice for brain cancer patients.

Read more about the Daniela Dwyer foundation [here](#).





CASE STUDY

Ubrania mają moc! Clothes to donate!

In April 2023, a joint social action was organised at Janki Shopping Centre in Poland. By donating clothes, customers were able to support the Ukrainian foundation Ubrania Do Oddania and receive gift cards for every ten kilograms donated.

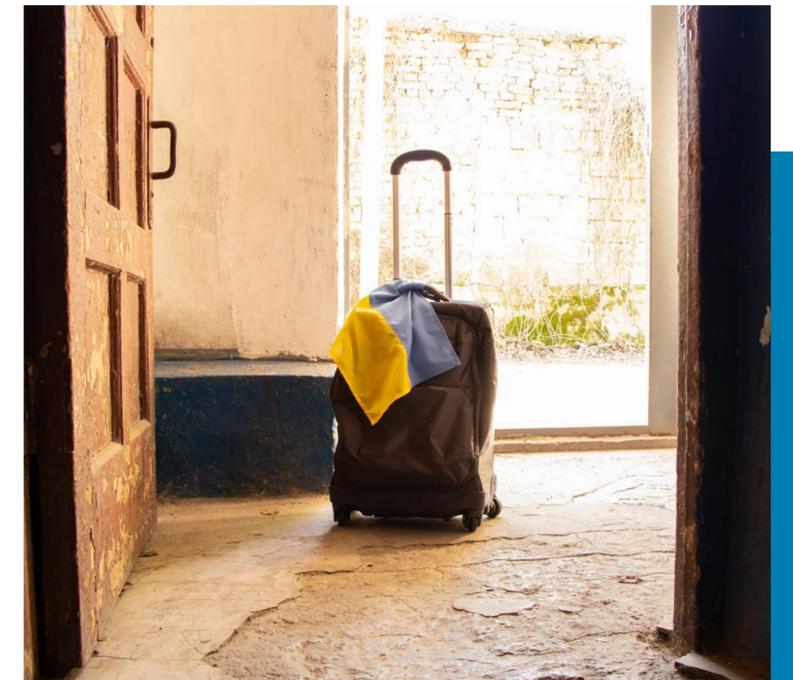
The centre also donated to the Rescue Foundation. Workshops were held, where children upcycled old denim trousers or jackets into fashion gems. Two tonnes of clothes were collected and donated.

CASE STUDY

Ongoing Ukraine support

Following the Russian government's invasion of Ukraine, the real estate community across the Central and Eastern European region scrambled to provide logistics and accommodation space to support the international humanitarian response.

Cromwell's staff coordinated support and donated supplies for families that had fled, housing families in their homes. Read more about Cromwell's support during the crisis in [this article in PropertyEU](#).





04 GOVERNANCE

ENVIRONMENT

PEOPLE

PLACES & COMMUNITIES

GOVERNANCE

- 39** Risk and supply chain management
- 40** Corporate leadership
- 41** Sustainable growth and investment

Risk and supply chain management

Every day, we make decisions about who we do business with, and how we manage those relationships in an ongoing manner. To satisfy our financial license regulations, we conduct annual reviews of all material service providers. This has informed our risk profiling of third-party providers, tenant-customers, and contractors.

Maintaining robust risk management processes and championing sustainable and ethical supply chains is critical across our business operations. We seek to pro-actively anticipate and mitigate risks, including those within our supply chain, in order to strengthen our value proposition to investors and other stakeholders. We conduct probity screening of several categories of counterparties. We have insourced disaster and business planning to strengthen our processes in these areas. We have engaged an independent third party to assist us with our modern slavery plans and progress.

Within our supply chain, we are working to integrate our procurement processes and focus on material issues to achieve high quality oversight on suppliers. This will cover supplier selection that incorporates ESG elements for all teams, including property, finance, risk, and legal.

ESG and Risk Committee

In FY23, Board oversight of risk management, ESG performance, and safety governance was strengthened with the establishment of the ESG and Risk Committee. The committee oversaw the integration of ESG as a material category of risk and the restructuring of our risk register to consolidate categories that allow for the more active management of risks and better decision making.

We are extending and adding further ESG processes to our risk profiling activity in FY24, including more clearly defining the impact of ESG risks across the business.



Maintaining robust risk management processes and championing sustainable and ethical supply chains is critical

Corporate leadership

GRESB Disclosure Rating

TARGET

FY23 PROGRESS

A Achieve and maintain an 'A' GRESB public disclosure rating

Achieved

Building strong, responsible corporate leadership is vital to sustainable business growth. Our values and ethics, alongside our ongoing financial and non-financial disclosures, demonstrate our strong governance frameworks that promote trust and transparency.

Cromwell's Investment Committee considers ESG principles for maximum impact in investment strategy. Successful real estate is about people – customers, workers, inhabitants – and requires land and material resources, which means it has a direct and tangible impact on achieving ESG objectives. ESG is a high priority for real estate investors, and ESG-based strategies deliver superior long-term capital protection, creation, and growth. It is clear that ESG and financial performance are inseparable.

ESG is considered in every facet of our investment strategy, from macro-sector allocations through asset selection and management to occupier profile. This is in accordance with the guidance in the UN Principles for Responsible Investment (UN PRI), which encourages ESG consideration alongside other investment metrics.

ESG integration in corporate governance and leadership: ESG has been integrated into all executive and Board level OKRs and scorecards. Lara Young, Global Head of ESG advises the Australian and European Executive Committees.

Cromwell and the property industry have an important role in encouraging sustainable change throughout our communities and value chains. Mutually beneficial relationships can increase access to knowledge, expertise and resources and improve our communities.

Cromwell maintains a leadership position on industry committees and events. For example, in early 2023, Robin Macpherson – Head of Risk Europe – was selected to represent Cromwell on the Real

Estate Balance policy and campaigns committee in Europe. This collaboration aims at helping increase diversity and inclusiveness in the real estate sector.

Listed below are our memberships on committees and roundtables of the Property Council of Australia (PCA):

National

- National Sustainability Roundtable
- National Cyber Security Roundtable
- National Chief Risk Officer Roundtable
- National Corporate Affairs Roundtable

State

- NSW Capital Markets Committee
- QLD Future Directions Committee
- QLD Diversity, Equity & Inclusion Committee
- ACT Social Sustainability Committee

Capital Markets

- Accounting Committee
- CFO Roundtable
- Corporate Governance and Regulation Committee
- Debt Markets Committee
- Fund Managers Roundtable
- Income Tax Committee
- Treasurers' Roundtable
- PCA Academy
- People and Culture Committee.



CASE STUDY

Central Services: Sustainable procurement

Cromwell is proud to support its local and Indigenous communities. In our Australian procurement activities, we actively seek new Indigenous vendors, where possible. During FY23, our Australian Central Services team has procured office supplies from several Indigenous-owned businesses. These include:

- Waddi – coffee beans
- FigJam & Co – catering
- Muru Group – office supplies
- DreamTime Tuka – snacks

In Europe, we have members on the ULI Europe Technology and Real Estate Product Council and Society of Property Researchers. CEREIF is a member of the European Public Real Estate Association (EPRA) with representatives in the PropTech and the Reg & Tax committees. In Singapore, the CEO of CEREIF is the vice-president of the executive committee, Chair of the promotions sub-committee and Co-Chair of the sustainability taskforce of the REIT Association of Singapore (REITAS).

The Manager of CEREIF is a corporate member of the Asia Pacific Real Assets Association (APREA), the Singapore Business Federation and the Singapore Institute of Directors, as well as one of the founding members of SGListCos (the association of listed companies in Singapore).

NEED MORE INFO?



Further details on our industry, lobbying and interest group representations are available in our FY23 ESG Data Pack.

Stephanie Finemore

Head of Treasury

“Cromwell’s Sustainable Finance Framework will optimise our borrowing practices through the use of sustainable debt instruments,” said Stephanie.

“I’m personally delighted to see this support a move to low-carbon buildings as we consider the best way to meet our ESG targets.

“The next phase is to refine the Framework in line with the evolving sustainable finance market and incoming legislation, standards and best practice.”



Sustainable growth and investment

UN PRI

TARGET

Become and maintain signatory membership to the UN PRI. Achieve a five-star rating from UN PRI

FY23 PROGRESS

Cromwell became a signatory to the UN PRI in January 2023. Cromwell’s first year of reporting will be FY24

Responsibly delivering sustainable economic returns for our shareholders is one of the most important measures of success for Cromwell. As a trusted global real estate fund manager, we can provide confidence of strong financial and non-financial management for clients.

In early FY23, Cromwell announced the transition to its first ever green loan as part of our Sustainable Finance Framework. Cromwell refinanced an existing bilateral loan with the Commonwealth Bank of Australia on the Cromwell Riverpark Trust to a green loan, certified by the Climate Bonds Initiative. An additional green loan for an asset in Poland was also secured during the year.

We monitor investor sentiment to ensure that our vision and strategy is delivering value to our securityholders through ongoing engagement.



CASE STUDY

Second green loan: refinancing of Janki shopping centre in Poland

In late FY23, Cromwell’s ESG, Treasury and local Central European teams collaborated to secure a second green loan under the Group’s Sustainable Finance Framework.

The loan was provided by HSBC Continental. Under the terms of the agreement, Cromwell will need to report on renewable energy usage, annual greenhouse gas emissions and ensure that at least 50% of new leases include green clauses that cover scope 3 emissions. This aligns the financing of this portfolio with the sustainability goals of our financial partners.

Meet the team



Lara Young
Group Head of ESG

Lara Young joined Cromwell Property Group as Group Head of ESG in January 2023 after working in the construction and engineering industry for more than 10 years. As Group Head of ESG, she works on further developing the existing ESG framework and bringing to life the Group's ESG strategy.

Prior to joining Cromwell Property Group, Lara was the driving force behind establishing and implementing one of the UK's leading tier-one engineering contractors, Climate Change Action Plan, which set out a detailed 15-year plan to transition to a net-zero organisation by 2035.

She was most recently shortlisted as 2023 Net zero and Energy leader of the year at the edie sustainability awards and was named 2022 Young Person of the Year by the Construction Leadership Council (CLC) and Energy and Carbon Leader of the Year at the 2021 edie Awards. Lara has been the Chair of the Institution of Civil Engineer's (ICE) Carbon Champion Review Panel since May 2021, a chartered Environmentalist since 2020, a Fellow of both the Institute of Environmental Management and Assessment (IEMA) and Institution of Civil Engineers (ICE) since 2023. She was also recently appointed a Board Member of the Society for the Environment.



Sandrine Fauconnet
ESG Manager, Europe

Sandrine Fauconnet was appointed ESG Manager for Europe at Cromwell Property Group in September 2021.

Her responsibilities include delivering the sustainability framework across the European operations and ensuring compliance with relevant legislation, best practices, and the group's pathway to net zero carbon emissions. She has been working with Cromwell Property Group for the last five years, starting in the Asset Management team.

Earlier in her career, Sandrine spent 17 years working internationally on investment and asset management roles with investment companies, including Unibail Rodamco in France and Stockland in Australia. She also worked as project manager for an office refurbishment for Rawson Homes in Australia and a portfolio manager with retail development projects across Central and Eastern Europe.

Sandrine studied business management at ISG Business School in France.



Julian Loh
ESG Manager, Australia

Julian Loh joined Cromwell as the ESG Manager for Australia in August 2022 to coordinate the Australian delivery of the organisation's ESG Strategy, initiatives, and reporting.

Prior to joining, Julian was a mechanical engineer before working as a Senior Consultant in EY's Climate Change and Sustainability Services team, supporting clients to achieve their sustainability goals through innovative approaches to sustainability strategy, climate risk, modern slavery, outcomes measurement, sustainability reporting and assurance. Julian is a committee member of the Property Council of Australia National Sustainability Roundtable.



Kimberly Gillmore
ESG Analyst, Australia

Kimberly Gillmore is an ESG Analyst who joined Cromwell Property Group in March 2023 after graduating with a Bachelor of Science. While at university, she focused on geography and mathematics, and completed several nature-focused internships.

In her current role, she assists with a number of ESG initiatives, including reporting, internal engagement, and improving sustainability process.



Gunta Kazinovska
ESG Analyst, Europe

Gunta Kazinovska is an ESG Analyst based in Luxembourg. She holds a master's degree in environmental science, with a focus on the energy sector.

Gunta has over 10 years of experience in business management processes and ISO standards, is a qualified auditor in Quality, Environmental, and Energy management systems and has audited over 150 companies.



Sander Willemze
ESG Analyst, Europe

Sander Willemze is an ESG Analyst, Europe at Cromwell Property Group based in Amsterdam. He has held this position since January 2022, after joining Cromwell Property Group in December 2020. In his current role, he works on a variety of ESG matters.

This includes ensuring compliance with relevant legislations, contributing to the Group's pathway to net-zero carbon emissions, and reporting on all relevant benchmarks. In addition, Sander is responsible for the roll-out and data collection of the ESG data monitoring tool across Europe.

Further reading

[Greenwashing: Transparency is Everything](#) - Cromwell Property Group Global

[ESG and Investment Strategy: a virtuous relationship](#) - Cromwell Property Group Global

Enquiries

All enquiries and correspondence regarding this report or ESG disclosures should be directed to the team at sustainability@cromwell.com.au.

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the responsible entity of which is

Cromwell Property Securities Limited

AFSL 238052 ABN 11 079 147 809

Level 19, 200 Mary Street, Brisbane QLD 4000

Phone +61 7 3225 7777

Web www.cromwellpropertygroup.com

