

**Brookfield**  
Properties

# 2019

---

# Sustainability Report





## Resilience has never been more important

At the time of writing this report, the world was waking to a new reality; entire country shutdowns, rising unemployment and a falling stock market during a global health crisis – the Covid-19 Pandemic. Never in our lifetimes have we been presented with such a clear call for businesses and individuals to build resilience.

Brookfield Properties has for many years taken its role in operational, asset and individual resilience very seriously. We build resilience by embedding sustainability into all that we do, and in doing so we have made consistent and determined steps to:

- reduce our environmental footprint and the impact we have on natural resources
- conduct our business to the highest ethical and legal standards
- contribute positively to the communities in which we operate
- provide a safe and prosperous workplace, and
- deliver better experiences for our tenants and customers.

In return, we maintain a portfolio of in-demand assets which deliver sustained value for our investors.

Brookfield Properties is one of the world's largest managers and developers of real estate, built on a platform of excellence and industry best practice. Across the globe we manage around \$200 billion in real estate and in Australia, around US\$9.7 billion.

Across Australia, we are delivering \$4.8 billion in new developments, which are all significantly de-risked prior to construction. At 31 December 2019, 68.27% of lettable space in our development projects underway had been pre-committed.

In this, our 2019 Sustainability Report, we are pleased to share with you our achievements across our Australian portfolio. Key amongst these were our number 1 ranking for tenant satisfaction, further improvements in our environmental performance, the maintenance of a strong and prosperous business culture, top tier rankings for our environmental performance, and stewardship for the communities in which we operate.

With a ~150 strong team nationwide, we continue to look forward to building on our achievements and to pursuing further ESG initiatives that reflect the values of our business and employees. We also look forward to a return to more normalised trading conditions in a post-Pandemic climate.

As always, we welcome your feedback and ideas.

Carl Schibrowski

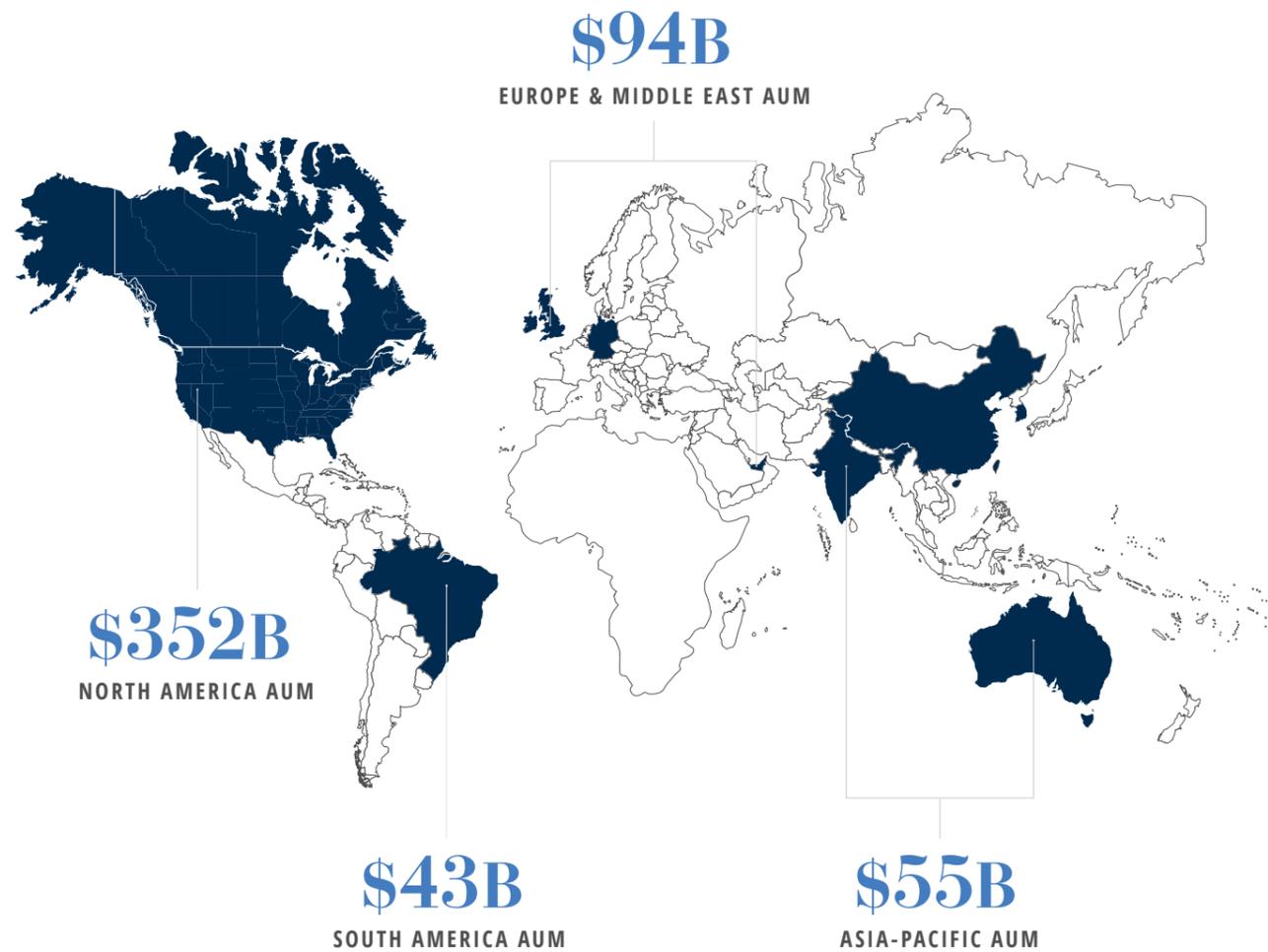
Danny Poljak

*Executive Vice Presidents and Co-Heads, Brookfield Properties*

# Who we are

Brookfield Properties is a fully-integrated, global real estate services company providing industry-leading development and portfolio management capabilities across the real estate investment strategies of Brookfield Asset Management – a global alternative asset manager with over \$500 billion in Assets Under Management (AUM).

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



**~\$202B**  
TOTAL REAL ESTATE AUM

**30+**  
COUNTRIES

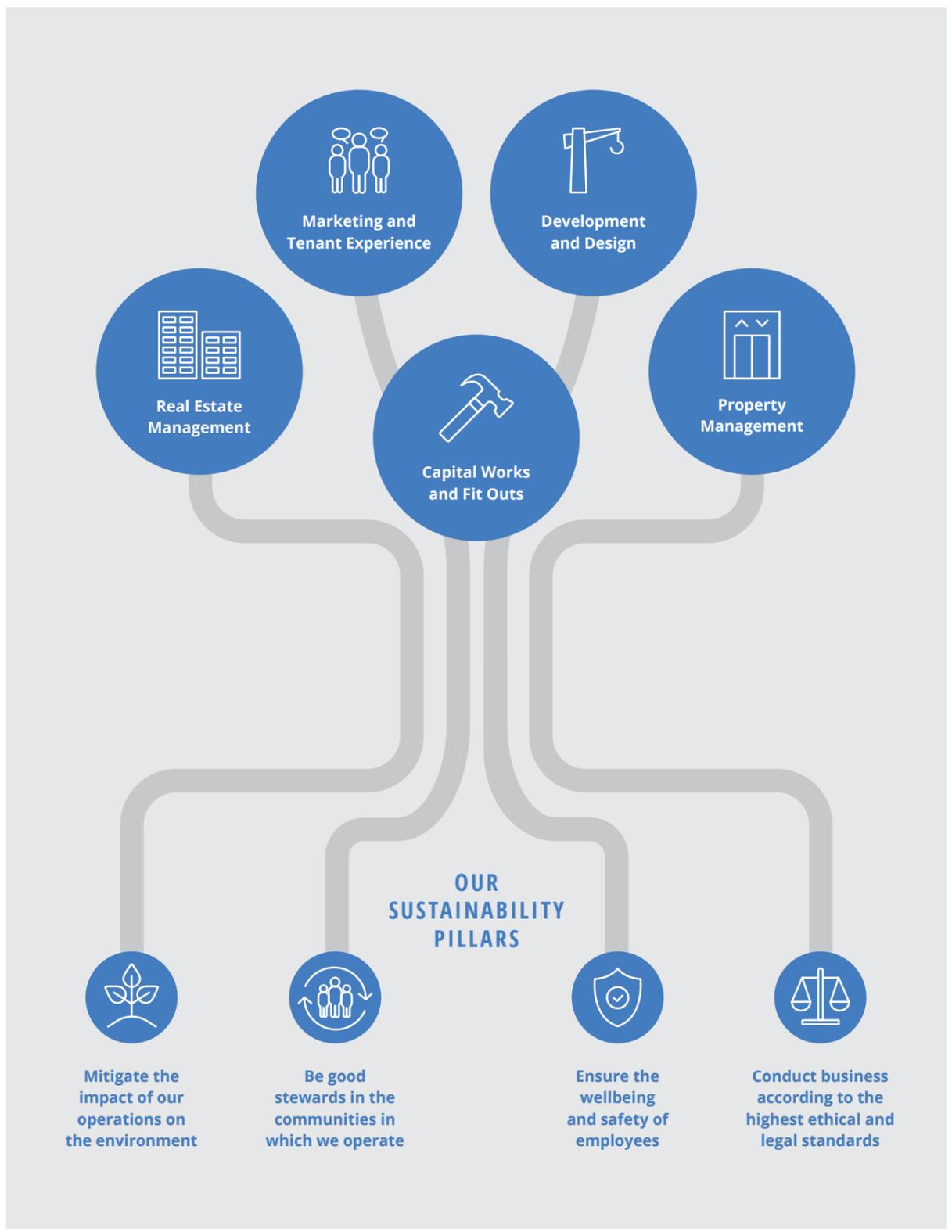
**~150,000**  
OPERATING EMPLOYEES

We are invested in businesses that form the backbone of the global economy, supporting the endeavours of individuals, corporations and governments worldwide.





# Sustainability is embedded into every part of our operating model



# We measure because it matters

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

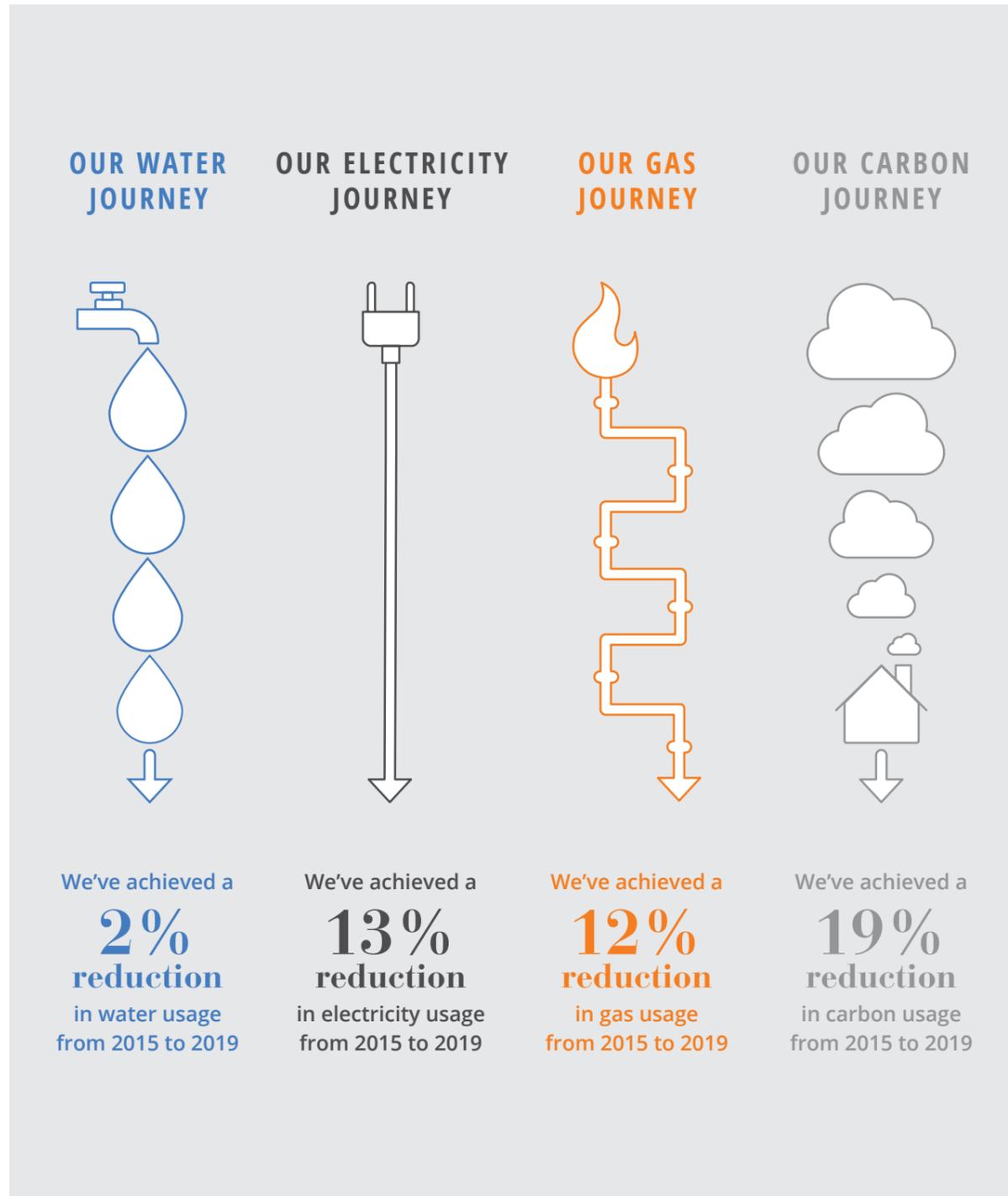
Our baseline is a rolling five-year methodology which is well accepted in the industry.

As the Brookfield Properties baseline keeps improving, we continually achieve reductions in resources used and waste generated.

**Measuring what we do allows us to identify roadblocks to overcome and opportunities to improve.**

In 2019,  
111 Bourke Street,  
Melbourne received  
a 6 Star Indoor  
Environment Quality  
NABERS Rating  
- 10 years after it  
was first built.

# We're focused on the long term



In 2019, 235 St Georges Terrace achieved a 5.5 Star NABERS Energy rating.

# Our office portfolio has one of Australia's highest rated NABERS Energy ratings

 **4.7**  
NABERS ENERGY AVERAGE

 **3.9**  
NABERS WATER AVERAGE

 **5.1**  
NABERS INDOOR ENVIRONMENT



## PERTH, WA

5 Assets  
212,000 sqm total area

 **4.8**  
NABERS ENERGY AVERAGE

 **4.0**  
NABERS WATER AVERAGE

 **5.1**  
NABERS INDOOR ENVIRONMENT



## MELBOURNE, VIC

3 Assets  
192,000 sqm total area

 **4.7**  
NABERS ENERGY AVERAGE

 **3.7**  
NABERS WATER AVERAGE

 **6.0**  
NABERS INDOOR ENVIRONMENT



## SYDNEY, NSW

9 Assets  
237,000 sqm total area

 **5.1**  
NABERS ENERGY AVERAGE

 **4.1**  
NABERS WATER AVERAGE

 **5.2**  
NABERS INDOOR ENVIRONMENT



## BRISBANE, QLD

2 Assets  
45,000 sqm total area

 **3.5**  
NABERS ENERGY AVERAGE

 **4.0**  
NABERS WATER AVERAGE

 **4.5**  
NABERS INDOOR ENVIRONMENT

\*The ratings above only include rated properties.

## Shooting for the stars

Across Australia, Brookfield Properties is delivering over \$4 billion in property development projects. With sustainability deeply etched into our development psyche, our new build projects are designed to perform.

By way of example, at Wynyard Place in Sydney we have achieved a world-leading 6 Star Green Star Office Design rating, and will accompany this with targeted 5 Star and 4 Star NABERS Energy and Water ratings respectively.

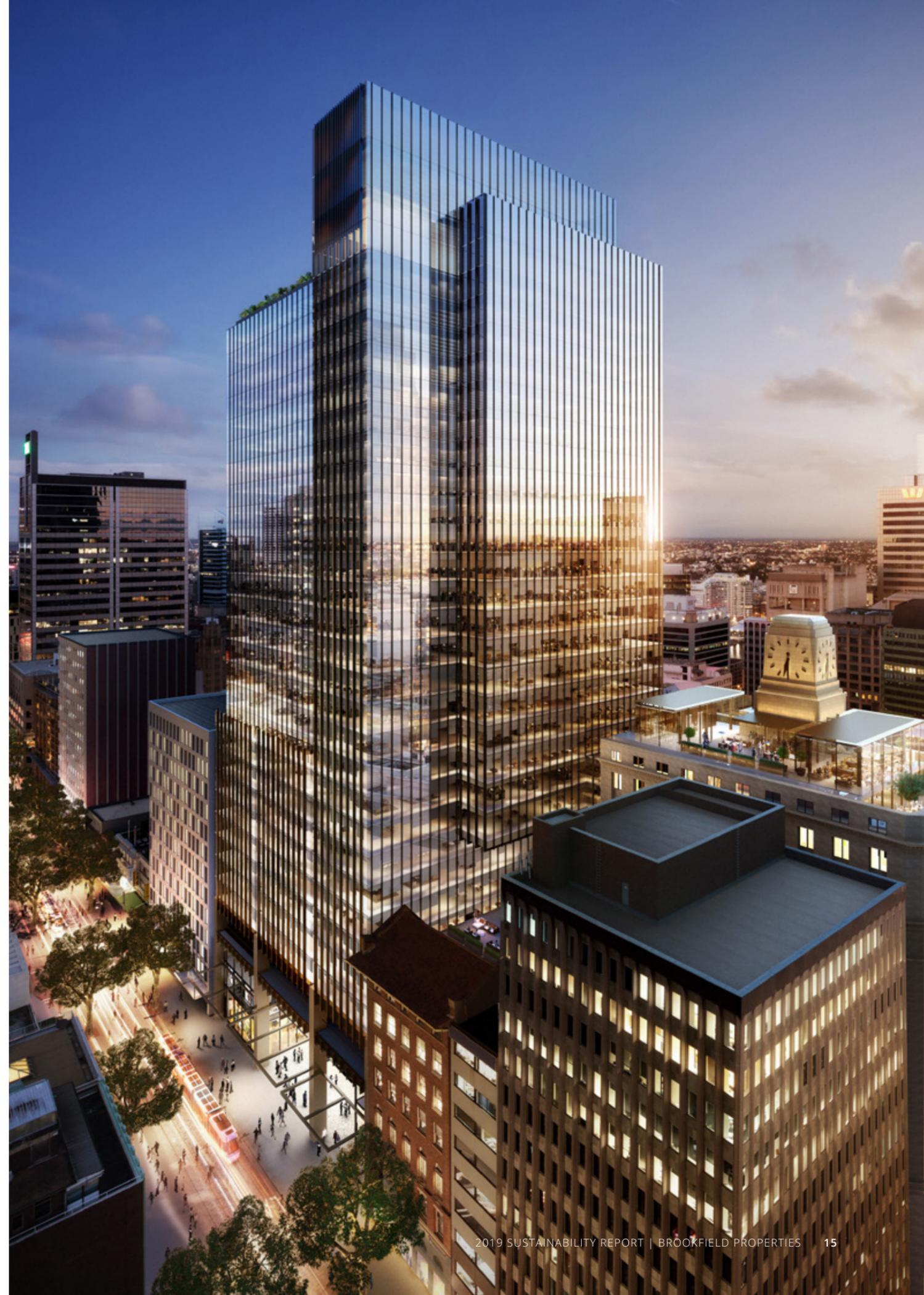
In Melbourne, our office development project at 405 Bourke Street has achieved an Australian excellence rating of 5 Star Green Star Office Design, and we are currently exploring pathways to extend this to achieve the world-leading 6 Star rating. Like Wynyard Place, this is also accompanied by respective target 5 Star and 4 Star ratings for NABERS Energy and Water.

Green Star projects have ongoing performance considerations for the following elements:

- Management
- Indoor Environment Quality
- Energy
- Transport
- Water
- Materials
- Land use and ecology
- Emissions
- Innovation

Green Star 5 stars represents Australian Excellence whilst 6 Stars represents World Leadership.

Within our capital works projects – such as the redevelopment and refurbishment of the 388 George Street office tower in Sydney – we set in place strict criteria to ensure a minimum of 60% of materials are recycled. Currently, we are on track to achieve a recycling rate of 80% from the prior fit-out.





## Our GRESB performance

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

### SCORING MODEL

The GRESB survey is structured around seven aspects, plus a separate aspect for new construction and major renovations. The weighted scores for each of the seven aspects combined, generate the overall GRESB score.

86  
100

In the 2019 GRESB survey, we achieved a score of 86 and maintained Green Star status for the fifth consecutive year.

We outscored the global average for all seven aspects of the survey.

Top quartile GRESB performance achieved – we outscored our peers in 5 of 7 categories.

### QUADRANT MODEL

The overall GRESB score is divided into two dimensions:

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

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

### Green Starters

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

### Green Talk

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

### Green Walk

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

### Green Stars

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

*Brookfield obtained Green Star status in 2014.*

## Persistence is key

We have made a number of important upgrades at 108 St Georges Terrace, Perth since 2012, including replacing the chiller plant, upgrading the building control system, and installing gas heating and energy efficiency lighting. The results are incredibly pleasing. While occupancy in the tower has increased over time, the works we have undertaken have led to an impressive 42% energy reduction when measured against the building's energy usage in 2010.

42%

ENERGY REDUCTION FROM  
2010 TO 2019



# Our Australian Portfolio Environmental Ratings

AS AT 31 DECEMBER 2019

## PERTH



**BROOKFIELD PLACE TOWER 1**  
 NABERS Energy Rating ★★★★★  
 NABERS Water Rating ★★★★★  
 NABERS Indoor Environment ★★★★★  
 Green Star Rating ★★★★★



**BROOKFIELD PLACE TOWER 2**  
 NABERS Energy Rating ★★★★★  
 NABERS Water Rating ★★★★★  
 NABERS Indoor Environment ★★★★★  
 Green Star Rating ★★★★★



**EY BUILDING**  
 NABERS Energy Rating ★★★★★  
 NABERS Water Rating ★★★★★  
 NABERS Indoor Environment ★★★★★



**108 ST GEORGES TERRACE**  
 NABERS Energy Rating ★★★★★  
 NABERS Water Rating ★★★★★  
 NABERS Indoor Environment ★★★★★



**235 ST GEORGES TERRACE**  
 NABERS Energy Rating ★★★★★  
 NABERS Water Rating ★★★★★  
 NABERS Indoor Environment ★★★★★  
 Green Star Rating ★★★★★

## MELBOURNE



**SOUTHERN CROSS EAST TOWER**  
 NABERS Energy Rating ★★★★★  
 NABERS Water Rating ★★★★★  
 NABERS Indoor Environment ★★★★★

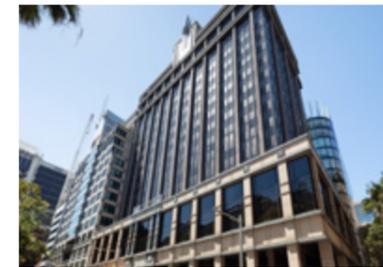


**SOUTHERN CROSS WEST TOWER**  
 NABERS Energy Rating ★★★★★  
 NABERS Water Rating ★★★★★  
 Green Star Rating ★★★★★

## SYDNEY



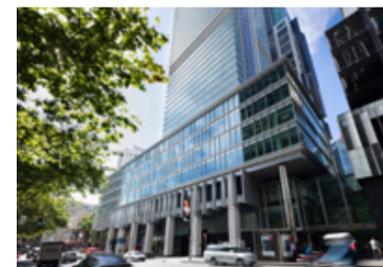
**50 CARRINGTON STREET**  
 NABERS Energy Rating ★★★★★  
 NABERS Water Rating ★★★★★



**60 CARRINGTON STREET**  
 NABERS Energy Rating ★★★★★  
 NABERS Water Rating ★★★★★



**388 GEORGE STREET**  
 Green Star Design Rating ★★★★★  
 Green Star As-built Rating ★★★★★

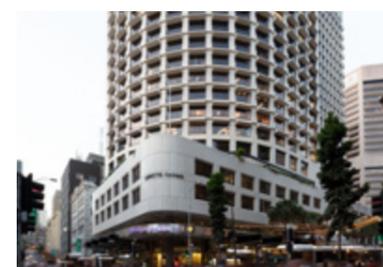


**680 GEORGE STREET AND 50 GOULBURN STREET**  
 NABERS Energy Rating ★★★★★  
 NABERS Water Rating ★★★★★  
 NABERS Indoor Environment ★★★★★



**52 GOULBURN STREET**  
 NABERS Energy Rating ★★★★★  
 NABERS Water Rating ★★★★★  
 NABERS Indoor Environment ★★★★★

## BRISBANE



**240 QUEEN STREET**  
 NABERS Energy Rating ★★★★★  
 NABERS Water Rating ★★★★★  
 NABERS Indoor Environment ★★★★★

Ratings exclude GreenPower

32 Carrington Street and 36 Carrington Street are not disclosure affected buildings for NABERS  
 Ratings exclude GreenPower



## We deliver environments where people love to work

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

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



## We're number one!

In 2019, our tenants rated us **Number One in the industry<sup>^</sup> for performance, management team and building services** across our 14 properties surveyed in the annual Campbell Scholtens tenant satisfaction survey.

All our assets achieved **equal to or higher** than the Campbell Scholtens survey index average.

We also achieved a **top quarter** Net Promoter Score in what was a **'highest ever' result** for a property company.

### HOW OUR TENANTS RATED OUR PERFORMANCE ACROSS THE COUNTRY

**84**

VICTORIA

**84**

NEW SOUTH WALES

**84**

QUEENSLAND

**89**

WESTERN AUSTRALIA



<sup>^</sup> October 2019. Peer group includes AMP Capital, Challenger, Charter Hall, Cromwell, GPT, Invesco, Investa, Lendlease, LG Super, Mirvac and REST

# We make special places happen

Brookfield Properties is committed to creating vibrant and engaged communities through asset, tenant and retail experiences.

Our placemaking activations bring to life our pillars of engagement which maximise the cultural and economic value of every project we undertake.

By presenting a calendar of events which support wellbeing, arts and culture, diversity, sustainability and the communities which we operate, our placemaking activities enliven our spaces and support our people.

**We pride ourselves on making special places happen.**

In Australia, events have included the Winter Lights Festival, Melbourne International Jazz Festival and art, culture and musical activations.

WINTER LIGHTS 2019, PERTH





WINTER LIGHTS 2019, WA



MELBOURNE CUP, WA



NAIL BARS, NSW



MUSIC PERFORMANCES, NSW

## Placemaking in Western Australia

### TYPES OF TENANT ENGAGEMENT ACTIVITIES

- Art installations
- Car displays and exhibitions
- Style Sessions
- Fitness classes
- Movies in the Park
- Valentine's Day chocolates
- Easter eggs and hot cross buns
- Lunar New Year fortune cookies
- Charity initiatives such as Easter and Christmas appeals

### TYPES OF PLACEMAKING ACTIVITIES

- Flagship Winter Lights festival
- Comedy festival
- Melbourne Cup
- Lunar New Year activation
- Street Pianos
- Oversize Games
- Charity initiatives such as Homeless Health Care Soup Kitchen, Wheelchair Basketball, 65 Rose Day and Daffodil Day

101

TENANT ENGAGEMENT ACTIVITIES

37

PLACEMAKING ACTIVITIES

5

ASSETS

## Placemaking in New South Wales

### TYPES OF TENANT ENGAGEMENT ACTIVITIES

- Fitness classes
- Charity events like Biggest Morning Tea and Daffodil Day
- End of financial year parties
- Nail bars
- Shoe shines

### TYPES OF PLACEMAKING ACTIVITIES

- Lunar New Year
- Music performances
- Charity stalls including Daffodil Day

284

TENANT ENGAGEMENT ACTIVITIES

3

PLACEMAKING ACTIVITIES

6

ASSETS



HOMELESS HEALTHCARE SOUP KITCHEN, WA



PROGRESSIVE DINNER, WA



CHRISTMAS PHOTO BOOTH, NSW



SHOE SHINES, NSW



LETTERETTES CARD MAKING, VIC



LUNAR NEW YEAR, VIC



CHEESE & CHAMPAGNE POP UP, QLD



STREET PIANO, QLD

## Placemaking in Victoria

### TYPES OF TENANT ENGAGEMENT ACTIVITIES

- Lunches
- Christmas, Easter and Lunar New Year giveaways

### TYPES OF PLACEMAKING ACTIVITIES

- Melbourne International Jazz Festival
- Letterettes card making
- Lunar new year
- Live music performances

3

TENANT ENGAGEMENT ACTIVITIES

7

PLACEMAKING ACTIVITIES

2

ASSETS

## Placemaking in Queensland

### TYPES OF TENANT ENGAGEMENT ACTIVITIES

- Fitness classes
- Mindfulness workshop
- Melbourne Cup shoe shine and Flower Crown making workshop
- Ride 2 Work day protein ball handout
- Christmas and Easter handouts

### TYPES OF PLACEMAKING ACTIVITIES

- Cheese and Champagne pop-up
- ChocFest
- School holiday Dumbo pop up
- New Year's Eve fireworks
- Lunar New Year
- Street pianos

34

TENANT ENGAGEMENT ACTIVITIES

8

PLACEMAKING ACTIVITIES

2

ASSETS



LIVE PERFORMANCE, VIC



MUSIC PERFORMANCE, VIC



FLOWER CROWN WORKSHOP, QLD



FITNESS CLASS, QLD

# Your arrival experience at work has never been better

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



	BIKE RACKS	LOCKERS	SHOWERS	EV CHARGING	TYRE PRESSURE	CAR WINDOW WASHING	CAR SHARE	WALKING DISTANCE TO PUBLIC TRANSPORT (m)
--	------------	---------	---------	-------------	---------------	--------------------	-----------	--

## PERTH

Brookfield Place Tower 1	1,212	1,144	61	✓	✓	✓	×	33
Brookfield Place Tower 2	350	389	36	✓	✓	✓	×	65
EY Building	102	134	9	×	×	×	×	65
108 St Georges Terrace	182	317	25	✓	✓	✓	×	55
235 St Georges Terrace	138	228	21	✓	✓	✓	×	55

## MELBOURNE

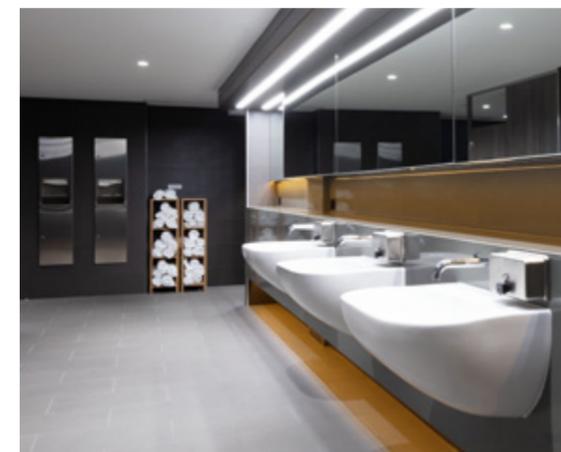
Southern Cross East	293	100	30	✓	✓	✓	✓	200
Southern Cross West	252	418	30	✓	✓	✓	×	63

## SYDNEY

32 Carrington Street	0	0	0	×	×	×	×	12
36 Carrington Street	29	76	5	×	×	×	×	12
50 Carrington Street	10	28	6	×	×	×	×	12
60 Carrington Street	13	102	4	×	×	×	×	51
388 George Street	366	262	21	✓	✓	×	×	500
680 George Street and 50 Goulburn Street	276	453	29	×	×	×	×	400
52 Goulburn Street	0	0	0	×	×	×	×	300

## BRISBANE

240 Queen Street	126	112	11	✓	✓	✓	✓	51
------------------	-----	-----	----	---	---	---	---	----



## Our people

Working at Brookfield Properties means becoming part of a collaborative, results-oriented team.

We put as much time and care into our hiring decisions as into our investment decisions, and we take a long-term approach to both.

We offer opportunities for growth through on-the-job learning and roles that provide exposure to different businesses, geographies and teams. We have a “grow from within” approach to the development of our people, with a focus on internal mobility across business groups, functions and regions, and within our portfolio companies.



**7%**

ANNUAL EMPLOYEE  
TURNOVER RATE



**5 years**

AVERAGE EMPLOYEE  
TENURE



**22 years**

AGE OF YOUNGEST EMPLOYEE



**72 years**

AGE OF ELDEST EMPLOYEE



**3.29%**

2019 EMPLOYMENT GROWTH





BROOKFIELD WOMEN'S NETWORK, NSW



CLEANSING CEREMONY AT ONE THE ESPLANADE, WA

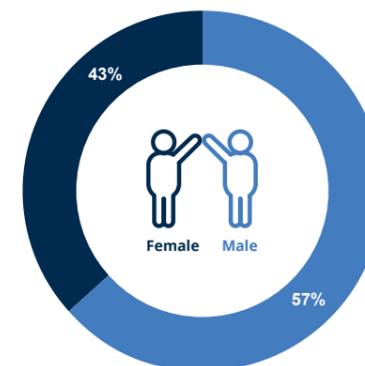
## We place a high value on diversity

We are dedicated to supporting diversity within the workplace and are committed to ensuring our employees are gaining the best experiences possible. A workplace that values diversity and is free of discrimination is more productive and leads to greater employee satisfaction and staff retention. Through retaining employees and by harnessing employee skills and perspectives, creativity and innovation is also increased within the workplace. We believe a reputation for respect and diversity also enhances an employer's business with new markets and opportunities often resulting.

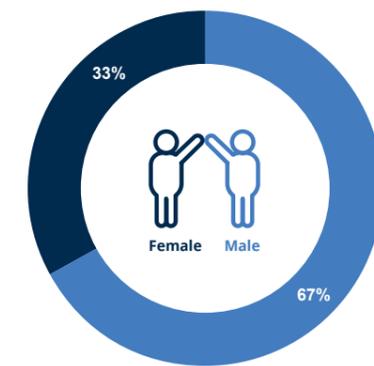
### AGE DIVERSITY OF BROOKFIELD PROPERTIES AUSTRALIA

AGE BRACKET OF EMPLOYEES	22-32 years	33-42 years	43-52 years	53-62 years	63-71 years
NUMBER OF EMPLOYEES	36	55	31	20	5

### GENDER DIVERSITY OF TOTAL WORKFORCE



### GENDER DIVERSITY OF LEADERSHIP TEAM



## Brookfield Culture

We build our business and all our relationships based on integrity, and seek to attract and retain high calibre individuals who will grow with us over the long term. We ask our people to think and act like owners in all their decisions, and to hold themselves accountable by accepting responsibility for their success and overcoming challenges.

As a result, we have a diverse, passionate workforce with a high performing culture. People are Brookfield Properties' great assets, and we work hard to maintain a culture that inspires trust, fosters teamwork and builds meaningful careers. We celebrate diversity in all its forms, and we are strong advocates for the advancement and empowerment of women in the workforce.

**Tushna Moddie**

*Director | Human Resources, Brookfield Properties*



## Industry Leadership and Engagement

---

Brookfield Properties recognises the importance of supporting our employees in industry professional development. Our Australian employees are engaged in local and national committees, roundtables, workshops and mentoring programs with the Property Council, Urban Land Institute, Green Building Council, Facilities Management Association and Better Buildings Partnership.

### **Committees and Roundtables that our employees participate in include:**

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





# Brookfield Women's Network

The Brookfield Women's Network aims to foster a learning and networking community of women in all business groups and at all levels of seniority in the company.

The network provides a forum for support, learning and networking and aims to increase the confidence, engagement, retention and progression of women.



Professional development



Mentorship



Networking



Business and industry education



Philanthropy

### IN 2019, BROOKFIELD WOMEN'S NETWORK:

- Launched in July.
- Set up a formal committee.
- Held three events - a mix of group collaboration, discussion and documentary viewing.
- Connected over 30 women across the business as part of its Lunch Roulette program.

### IN 2020, BROOKFIELD WOMEN'S NETWORK:

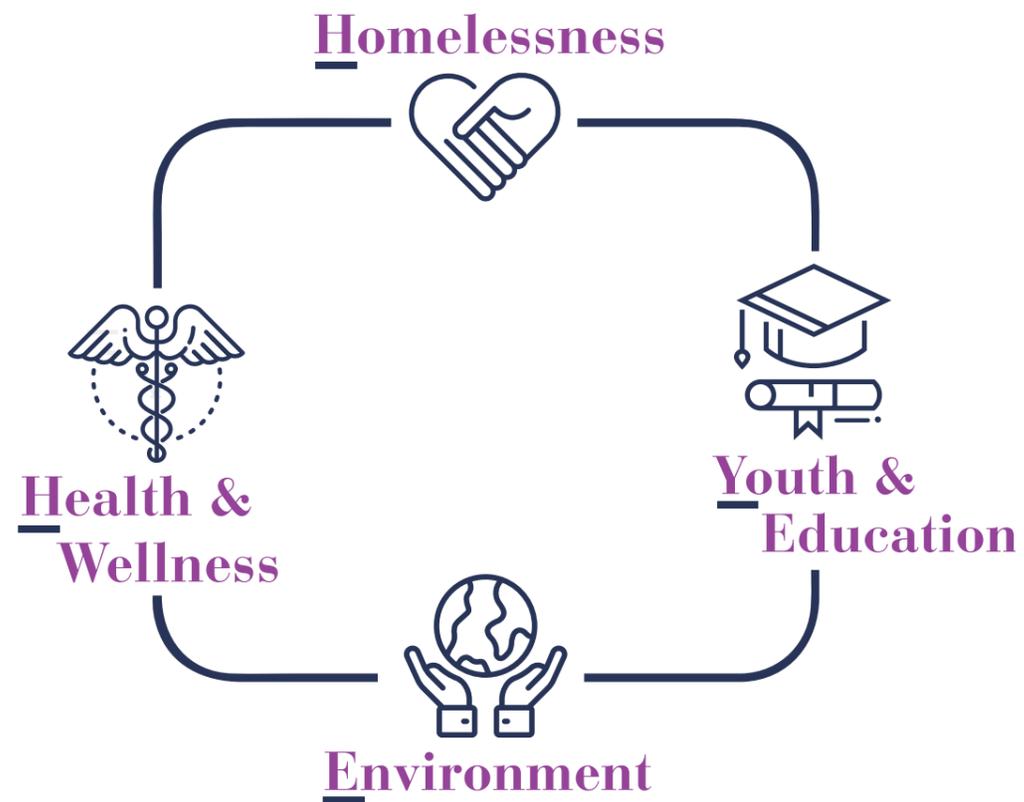
- Will expand across Asia Pacific.
- Provide new initiatives and events focusing on career development, Brookfield skills, health and nutrition and family.
- Launch the Ambassador program to welcome new employees.





## Brookfield Cares

We believe that making a positive contribution to our local communities is a fundamental responsibility and we continually work to instil a culture of charitable giving and volunteerism among our employees. Through our charitable giving and volunteering program, Brookfield Cares supports a number of charities covering the arts, environment, diversity, community and health and wellbeing sectors.



## Our Impact in Australia in 2019



**137**

unique volunteers



**400**

meals served to the homeless



**566**

hours of community service



**41**

charities supported



**30 lives**

saved through blood and plasma donations



**40**

fundraising runners in the City2Surf



**1**

day of bush regeneration



**2**

dogs patted



**3**

boxes of toys donated to Barnados

**1,764 kg**

of food rescued by OzHarvest



**6**

boxes of toiletries donated to homeless charities





## We put wellness front and centre

Wellness is as much at the core of our placemaking ethos as it is in the way we deliver better working environments for our tenants.

Each year, we run dozens of free classes for many of our major office assets across Australia, providing spaces for pilates, yoga, fitness training and other wellbeing exercise. We also support charitable and community causes, from R U OK Day and Breast Cancer Awareness to Wheelchair Basketball.

From an operational perspective, we care about the role our buildings play in the adding to the wellness of our tenants. Across the country we provide quality end of trip facilities that include lockers, showers and bicycle repair stations. These are free for use by occupants and promote active lifestyles and alternative transport solutions.

We utilise the NABERS Indoor Environment Quality tool to assess the indoor environment quality of our buildings across a range of measures including thermal and acoustic comfort, and air quality.

We have several ratings of 5 stars and above, demonstrating that we can deliver energy efficient buildings that provide high performing environments.

## Consistency is key for minimising waste

Measuring waste outputs from operational assets has presented us and our peers with many challenges; unlike gas, electricity or water, waste cannot be easily measured through a simple metering system.

To achieve waste savings, it was important to us that we were able to refine both our measurement and reporting structures. We have achieved this by implementing measures in accordance with the Better Buildings Partnership (BBP) Waste Management Guidelines.

This has provided us with a means of creating consistency across our assets and has led to the installation of scales at various sites to support weighing of all waste on site and developing more accurate reporting data.

The data we collected from these weighing stations is shared with our tenants to highlight opportunities where they can improve their own business practices and assist us to improve recycling and minimise waste generation.

## **IMPORTANT NOTICE**

This document has been prepared by Brookfield Properties Australia Pty Ltd, a member of the Brookfield Group of companies which includes Brookfield Asset Management Inc., Brookfield Property Partners and each of their respective related bodies corporate, associated entities and their respective directors (Brookfield). Brookfield and its respective officers, directors, employees or advisors does not guarantee or make any representations or warranties, express or implied, as to the accuracy, currency or completeness of any information contained in this document. To the maximum extent permitted by law, Brookfield and its respective officers, directors, employees and advisors expressly disclaims all liability which may arise due to the document being inaccurate or due to any information being omitted from the document, whether by way of negligence or otherwise, or out of the provision to, or use by any person of, the information in this document.

This document is intended as a guide only and does not constitute an offer of any kind. Interested parties must make and rely on their own investigations and enquiries and obtain their own independent advice. This document is confidential and should not be disclosed to any other persons without Brookfield's prior written consent. Images may be conceptual and for illustrative purposes only and may include artistic impressions or potential proposals. Past performance is not a reliable indicator of future performance. This document is governed by the laws of Australia.

© Brookfield. May 2020.