



2024 ESG REPORT



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An aerial photograph of a building's rooftop. In the foreground, there is a complex array of solar panels mounted on a metal frame. To the left, a blue HVAC unit with four fans is visible. The rooftop has a white surface with red markings around the solar panel areas. In the background, a cityscape with various buildings and a green sports field is visible under a clear sky.

Electrification Project, McKell Building
Rawson Place, Sydney

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.

2. ABOUT THIS REPORT

This report covers Cromwell Property Group's (Cromwell) environmental, social and governance (ESG) performance for the year ending 30 June 2024 (FY24). 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](#). Our Assurance Statement, including specific subject matter covered, and our Basis of Preparation can be found at the end of this report.

The GRI, UN SDGs 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](#).

3. EXECUTIVE UPDATE

In FY24, Cromwell Property Group continued to make significant headway in our ESG journey.

To meet our ambitious net zero target for scope 1, 2, and 3 by 2045, we created asset decarbonisation plans to complement our existing technical building assessments and strategic asset plans. This led to substantial emissions reductions in FY24:

- **Scope 1 emissions** in Australia decreased by 24%, primarily due to electrification projects and continual improvement of building management practices.
- **Scope 2 emissions** in Australia decreased by 58% through the purchase of GreenPower, a government-accredited renewable energy product, along with energy efficiency measures and the installation of additional on-site solar panels.
- **Scope 3 emissions** in the Australian value chain decreased by 14% which represents all upstream and downstream activities. A portion of this decrease is linked to downstream leased assets as tenants benefitted from the shift to GreenPower.

Engaging our tenants is crucial to achieving our decarbonisation goals, as their use of our buildings significantly impacts overall emissions. We take pride in our strong reputation with tenants and actively address their ESG concerns and expectations where feasible. This approach has helped to bolster tenant retention. At HQ North Tower in Fortitude Valley, Brisbane, major tenants AECOM and TechnologyOne renewed leases for more than 16,000 sqm for seven years. As at 30 June 2024, our investment portfolio's weighted average lease expiry increased to 5.4 years, up from 5.3 years in FY23. Tenant satisfaction also improved by 1.4% in FY24 to 89%, placing Cromwell 8.9% above the peer average used by our survey partner.

Cromwell recognises the importance of climate scenario analysis for effective decision-making and managing climate-related risks. In FY24, we conducted a qualitative scenario analysis aligned with the Task Force on Climate-related Financial Disclosures (TCFD) to identify risks and opportunities across three time horizons: short-term (2024-2030), medium-term (2030-2040), and long-term (2040-2050). This analysis used scenarios from the IPCC's Sixth Assessment Report to examine transition and physical risks.

In FY25, we plan to shift from qualitative to quantitative scenario analysis to better understand climate-related financial impacts. Our strategy focuses on proactive risk management, efficient resource utilisation, and seizing opportunities in the transition to a low-carbon economy, aiming to drive sustainable value creation and enhance resilience against climate risks. Cromwell's full TCFD Statement, including our strategy roadmap and key climate risks, is available on pages 31-40 of the Directors' Report section in the FY24 Annual Report.

Building upon our FY23 commitment to reduce scope 3 emissions, we successfully converted a multi-bank, \$1.2 billion lending facility into a sustainability linked loan with ambitious targets. Central to this new loan is:

- **Greenhouse gas reductions:** Aligned with Cromwell's target for net zero scope 3 emissions by 2045, reinforcing our position as an industry leader in reducing scope 3 emissions.
- **Additional GHG targets:** Linked to Cromwell's goal of achieving net zero scope 1 and 2 emissions by 2035.
- **Gender pay gap reduction:** Aimed at reducing Cromwell's gender pay gap to a maximum of 12% by 2028.

We also completed our first report as part of our obligations as a signatory to the United Nations Principles of Responsible Investment (UN PRI). While this initial report will be private, our target to achieve a five-star rating remains.

In May 2024, Cromwell announced the sale of the European platform, which includes co-investment stakes in the Cromwell Italy Urban Logistics Fund and the Cromwell European REIT. The sale signifies the successful culmination of our non-core asset sale program and represents a key turning point for Cromwell. While our ESG Strategy and Vision guide our ESG decision making, we acknowledge that the sale of Europe will require a review of our ESG materiality and strategy to ensure it continues to represent Cromwell and our commitment to ESG.

Cromwell remains steadfast in our commitment to sustainability and responsible investment. Our ongoing efforts to add value via management of ESG risks and opportunities underscore our dedication to providing financial security for our investors, improving the communities in which we operate, and leading the way in sustainable business practices globally.



Solar Installation, 19 George Street Dandenong

4. ABOUT CROMWELL PROPERTY GROUP

Cromwell Property Group (ASX:CMW) is a real estate investor and funds manager with \$11.0 billion of assets under management in Australia, New Zealand and Europe, with a market capitalisation of approximately \$1.0 billion at 30 June 2024.

Cromwell is included in the S&P/ASX and the FTSE EPRA/NAREIT Global Real Estate Index.



Lobby Refurbishment, 207 Kent Street, Sydney

5. ESG STRATEGY

Cromwell's ESG Strategy underpins our corporate values and defines our approach to ESG-related risks and opportunities. Our corporate vision to be a trusted global Real Estate Fund Manager known for our transparency, authenticity and creativity.

Our focus areas arise out of our engagement with key internal and external stakeholders and reflect the most material issues for Cromwell.

ESG VISION

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

ENVIRONMENT

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

PEOPLE

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

PLACES AND COMMUNITIES

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

GOVERNANCE

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

6. ESG TARGETS AND PROGRESS

6.1 ENVIRONMENT



Net zero

Target

New developments (operational control) by **2030**

Operational control by **2035**

Entire portfolio for scope 1, 2, and 3, including tenant emissions and embodied carbon by **2045**

FY24 progress

ABSOLUTE EMISSIONS

Group	240,977 tCO ₂ e
Australia	82,517 tCO ₂ e
Europe	158,460 tCO ₂ e

EMISSIONS INTENSITY SCOPE 1, 2 AND 3

Group	71.1 kg CO ₂ e/m ²
Australia	208.9 kg CO ₂ e/m ²
Europe	52.9 kg CO ₂ e/m ²



SBTi Alignment

Target

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

FY24 progress

SBTi-aligned target of 42% Scope 1, 2 and 3 emissions reduction by 2030 with formal process for approval of SBTi targets to commence in FY25

42% target

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

FY24 progress

Australia

63% renewable electricity



Climate risk

Target

Achieve full alignment with the TCFD recommendations by 2025

FY24 progress

TCFD roadmap set for alignment by

2025



Water

Target

Reduce water intensity in line with relevant geography benchmarks

FY24 progress

WATER INTENSITY

Group	0.30 kL/m ²
Australia	0.43 kL/m ²
Europe	0.28 kL/m ²

TOTAL WATER CONSUMPTION

Group	1,003,167 kL
Australia	170,091 kL
Europe	833,076 kL



Waste management

Target

Waste diverted from landfill:
75% by **2030**; 100% by **2040**

Recycling rate: 60% by **2040**

Progress

Australia FY24

41% waste diverted
from landfill
(up from 28% in FY23)

41% recycling rate
(up from 28% in FY23)

Europe CY23

80% waste diverted
from landfill
(down from 81% in CY22)

57% recycling rate
(down from 66% in CY22)



NABERS Sustainable Portfolio Index (SPI) Australia

FY24 energy portfolio index results

Cromwell Direct Property Fund

EQUAL FIFTH

out of 46 office portfolios

Cromwell Diversified Property Trust

EQUAL FOURTH

out of 46 office portfolios

6.2 PEOPLE



Diversity, equity, and inclusion¹

FY24 AU targets

1. We will reduce our gender pay gap
2. We will maintain pay parity
3. We will achieve 40:40:20 gender diversity at all leadership levels
4. We will continue our reconciliation journey and develop a Reconciliation Action Plan (RAP)

FY24 AU progress

1. We further reduced our gender pay gap to 19% in FY24 (from 24% in FY23)
2. We maintained pay parity across all equal roles
3. We achieved 40:40:20 at five of six leadership levels
4. We continued our RAP journey through continued engagement with community and initiatives across the business



Employee engagement

Target

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

FY24 progress

Global
60%

(as at Nov 2023)

Australia
74%

(as at May 2024)

Europe
55%

(as at Nov 2023)



Engaged and capable workforce

FY24 global results

Headcount	326
Voluntary turnover	10.77%
Hours of training per employee	24
Lost time injuries	0

1. Diversity, equity and inclusion targets are renewed annually

6. ESG TARGETS AND PROGRESS

6.3 PLACES AND COMMUNITIES



Tenant satisfaction

Target

Improve tenant satisfaction and maintain minimum score of **80%** and place in the second quartile of our industry peers' performance for all regions

FY24 progress

Cromwell Australian managed assets tenant satisfaction score **89%** and moved into the first quartile when compared to our industry peers' performance for all regions

Cromwell European Real Estate Investment Trust tenant engagement net promoter score **(NPS) +15**

6.4 GOVERNANCE



ESG integration and screening

Target

ESG integration into risk register and business strategy, including OKRs; ESG screening of all tenants and strategic/material suppliers

FY24 progress

Undertook climate change scenario analysis and developed Cromwell's Climate Change Risks and Opportunities Register

Introduction of ESG procurement targets and screening for major developments

Cromwell has implemented ESG reporting requirements for all major projects which will impact the material contractors, consultants and suppliers

GRESB



Target

Maintain a GRESB public disclosure rating of 'A'

FY24 progress

Public disclosure rating: pending publication²

Cromwell Diversified Property Trust
(Australia)

78/100
3 stars

Cromwell European Real Estate Investment Trust

83/100
4 stars

Cromwell Polish Retail Fund
(Sold in May 2024)

91/100
5 stars

Sustainalytics

FY24 progress

Current ESG risk rating is 9.4, this is in the 'negligible' risk bracket (as at 24 May 2024)

Low carbon transition rating of 2.1°C (as at 24 May 2024)

UN PRI



Target

Maintain signatory membership; achieve a five-star rating

FY24 progress

Initial UN PRI submission completed in July 2024

MSCI

FY24 progress

ESG Rating of

BBB

(as at January 2024)

DJSI

FY24 progress

Inclusion in **DJSI Australia Index**

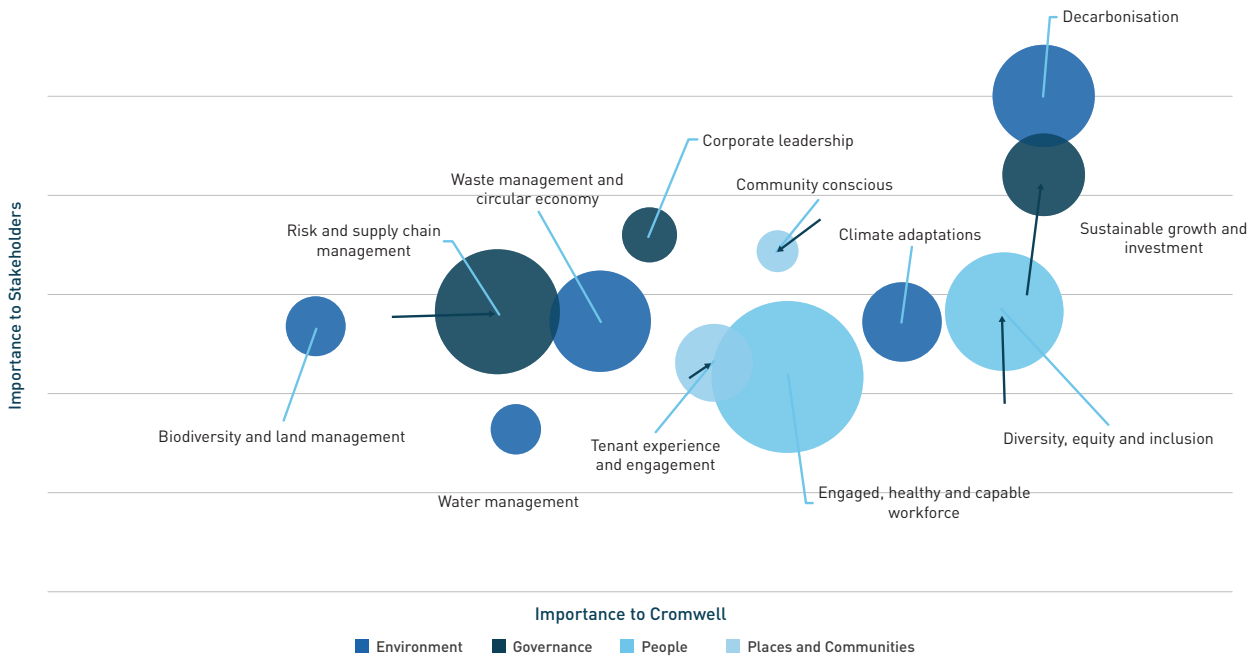
Included in **2024 Sustainability Yearbook**

2. At the time of this report's publication, our FY24 public disclosure rating had not been published by GRESB

7. MATERIALITY

Figure 1: FY24 Materiality matrix

(circle sizes indicate impact, and arrows represent movement from FY23 to FY24 following the internal review)



Our annual materiality review ensures that Cromwell is responding appropriately to stakeholder concerns. Our materiality approach is guided by Global Reporting Initiative (GRI) Standards.

In FY24, we conducted an internal review of our material topics. The material topics reported in FY23 were the result of independent third-party review that comprised of internal and external stakeholder feedback; industry thought leadership and media discussion; peer benchmarking; external ESG assessments; and consideration of NGO priorities. In FY25, we will conduct an independent materiality process, following the completed sale of the European fund management platform.

Our 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 FY23 materiality results were reviewed and approved by our ESG and Risk Committee (ERC), as well as our executive team. Our methodology consisted of a desktop review; stakeholder interviews and survey; consolidation and prioritisation of topics; and validation. The impact of these topics was assessed against the UN Sustainable Development Goals.

Effective 1 July 2022, the Board tasked ERC with oversight of ESG and climate related matters. This measure was to ensure that, while Cromwell formalised its ESG strategy and objectives, the requisite level of review of ESG business-wide practices was appropriately overseen and monitored. Recently, the Board has revised its committee structures and, from 1 July 2024, the Board's newly constituted Audit, Risk and ESG Committee (AREC) is the committee responsible for oversight of ESG.

Since 1 July 2024, the AREC has been responsible for monitoring the implementation and effectiveness of the Group's ESG strategy, advising on relevant disclosures, and reviewing the overall approach to ESG. This includes evaluating current sustainability objectives; ensuring compliance with relevant regulations; and overseeing the integration of ESG principles into business operations. Both the Board and the AREC, (and its predecessor, the ERC) meet quarterly to review risks and sustainability measures across the business, including those related to climate change.

The published FY24 materiality matrix (see Figure 1) visually represents the topics most material to our long-term value.

There are correlations between some topics. Some topics may be enablers for driving action on others.

7.1 STAKEHOLDER ENGAGEMENT

Cromwell considers its key stakeholder groups when assessing material impacts. This includes retail investors, institutional investors, key corporate and industry partners, tenants (for Cromwell owned or managed buildings), employees, and the local communities in which they live, work and operate in. While these stakeholders have been considered or engaged in many different formats in the past, in FY24 it was determined a desktop assessment, inclusive of available tenant and investor feedback and consideration of changing micro and macro trends, was appropriate to validate the relevance of material impacts. Feedback from tenants and investors via surveys and online forms is communicated to internal stakeholders to inform activities such as the materiality assessment.

8. MATERIAL ISSUES

8.1 ENVIRONMENTAL



Decarbonisation

The risks and opportunities associated with mitigating climate change and transitioning to a low-carbon economy. There may be impacts to the business's long-term value proposition, profitability, and access to capital. These impacts can be managed by demonstrating our ability to meet stringent regulation and the resulting financial consequences, including increased operating costs. This remains a key material topic, as there is a clear expectation from stakeholders for us to reach our net zero target.



Climate adaptation

The adaptation of our assets and business to reduce the impact of climate related physical risks (both acute and chronic). This may have repercussions on our revenue as extreme weather events become more intense and frequent (i.e. storms, extreme heat, drought). The impacts of these events could lead to damaged property; reduced asset life; asset downtime; increased expenses (i.e. electricity, maintenance); or human health impacts. Adapting to the physical impacts of climate change and maintaining a resilient portfolio is key to demonstrating our long-term value to stakeholders.



Waste management and circular economy

Ensuring sustainable, efficient use and protection of resources – and minimising the negative impact of our buildings. Upgrading existing properties, when possible, can reduce waste and operational emissions. In the event of a new build, construction and demolition waste will be diverted to recycling facilities to reduce overall project impacts. This makes our properties more attractive to investors and tenants, which impacts our financial capital and returns.



Water management

The sustainable and efficient use and protection of water minimises the negative impact of our buildings on local communities and the surrounding environment and is often seen as a fundamental part of asset management. Cromwell actively manages water consumption through data monitoring and asset retrofitting. Effective water management can reduce the risk of unexpected fees, and improve our tenant engagement and retention, thereby strengthening our revenue and reputation.



Biodiversity and land management

Responsible environmental management through the protection of natural 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.

8.2 PEOPLE, PLACES AND COMMUNITIES



Tenant experience and engagement

Proactive engagement with tenants is critical for Cromwell to understand evolving needs and maintain our long-term value proposition. Revenue and profitability are linked to metrics, such as weighted average lease expiry – a measure of tenant retention. Engaging our tenants is especially 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”. Additionally, we recognise the importance of communities indirectly affected by our supply chain, to ensure our practises positively impact all stakeholders involved.



Diversity, equity, and inclusion

The benefits of diversity, equity and inclusion include an increase in unique viewpoints; new and better innovations; creative problem-solving; improvement in employee engagement and talent attraction; and challenging the status quo. Creating a diverse workforce and ensuring an equitable employment experience will support both talent attraction and retention, as well as corporate social responsibilities.



Engaged, capable, and healthy workforce

A strong, positive, high performing culture enables sustainable business success by attracting and engaging the talent that aligns with our values and is essential to the execution of strategy. A culture that values wellbeing and employee engagement fosters diversity, equity and inclusion and enables the achievement of our ESG goals. Investing in our people and culture strengthens our business resilience and contributes to long-term value creation for all stakeholders.

8.3 GOVERNANCE



Corporate leadership

Building strong, responsible corporate leadership and governance frameworks that promote trust and transparency positively impacts our ability to achieve long-term 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 a supplier code of conduct and proactively mitigating modern slavery risks in our supply chain, can improve our reputation as a leader. Cromwell’s reputation may impact the business 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. Effective management of risks can streamline business processes, improve transparency and compliance, and minimise unexpected costs. This will improve confidence and trust with stakeholders, strengthening our value proposition and reputation.



ENVIRONMENT



9. DECARBONISATION

Cromwell is committed to reducing our climate change impacts by eliminating carbon dioxide and other greenhouse gas (GHG) emissions from our operations and value chain. We recognise that the property 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.

In FY25, we will be working towards having our emissions reduction target approved by the Science Based Targets initiative (SBTi), following the completion of the sale of the European fund management platform and the release of target-setting criteria for companies in the building sector by SBTi. Our targets and pathway to achieve this will be aligned to limit global warming to 1.5°C above pre-industrial levels.

To ensure we can meet our ambitious net zero target by 2045, our funds and property teams conducted net zero prioritisation workshops in FY23. As a result, in FY24, decarbonisation plans were developed for 90% of Australian managed assets, with the final remaining asset plans due for completion in FY25. These plans are in addition to, and complement, our technical building assessments and strategic asset plans. Technical building

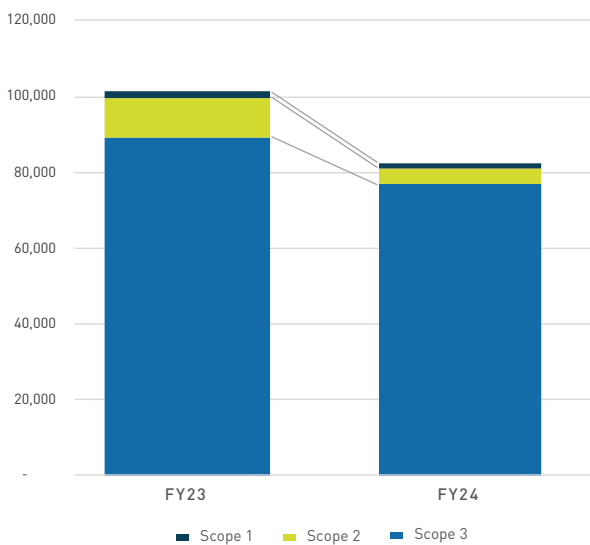
We aim to serve as responsible stewards of our buildings throughout a property's lifecycle, improving environmental efficiency and performance.

assessments ensure we maintain our assets at a high efficiency. Strategic asset plans address risks, such as those identified from the qualitative scenario analysis conducted in FY24 – one of the recommendations from the Taskforce on Climate-related Financial Disclosure (TCFD). Cromwell's full TCFD Statement, including our strategy roadmap and key climate risks, is available on pages 31-40 of the Directors' Report section in the FY24 Annual Report.

During FY24, our emissions footprint decreased across scopes 1, 2, and 3, on our pathway to net zero. In Australia, scope 1 emissions decreased by 24%, due predominantly to electrification projects and improved building management. Scope 2 market-based emissions decreased by 58% in Australia, as we moved to purchasing GreenPower, a government accredited renewable energy product that supports Australian renewables. Energy efficiency measures and the installation of on-site solar photovoltaic technology (solar PV) also helped to reduce scope 2 emissions. Scope 3 emissions in the Australian value chain decreased by 14% which represents all upstream and downstream activities. A portion of this is linked to downstream leased assets as tenants benefitted from the shift to GreenPower. Waste emissions also decreased as we improved management and tenant awareness across our assets.

Cromwell's focus on the uplift of existing buildings reduces our carbon footprint. The embodied carbon for our portfolio is largely attributed to the maintenance and refurbishment of assets. We aim to serve as responsible stewards of our buildings throughout a property's lifecycle, improving environmental efficiency and performance. One example of this is through the electrification of buildings in our Australian portfolio.

Australian Scope 1, 2 and 3 Reduction



In Australia, a large proportion of commercial buildings are reliant on natural gas, which has a significant scope 1 emissions footprint. The electricity grid is shifting to increasingly rely on renewable sources, and the commercial property industry views electrification as a key step to decarbonisation. As Cromwell looks to future opportunities, including in property construction, we are considering how we apply decarbonisation initiatives all the way from design through to end of life. In recent refurbishments, we have used low carbon materials, considered lifecycle assessments, and promoted recycling, reusing materials and minimised waste. The design and delivery of Cromwell's new head office is a flagship example of putting this into practice (for the full case study refer to section 12.1).



Every owned or managed property in our portfolio has a capital expenditure plan that is reviewed and updated annually. This plan addresses plant and equipment; building fabric; refurbishments and improvements in waste; as well as energy and water efficiency. We measure progress of energy and water improvements through annual National Australian Built Environment Rating Scheme (NABERS) audits on all Australian properties in our portfolio. Energy efficiency measures have been implemented in all of our assets and help to improve NABERS energy ratings. These measures include automation system upgrades; management system upgrades; installation of high efficiency equipment; and systems recommissioning.

Figure 2: Cromwell Direct Property Fund NABERS results^{3,4}

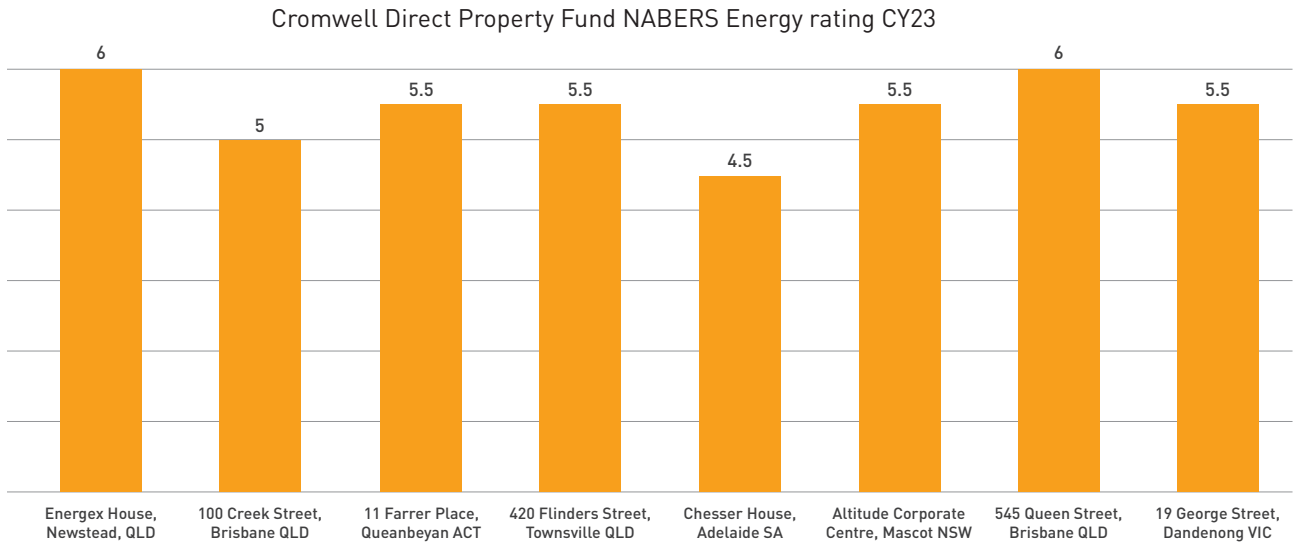


Figure 3: Cromwell Diversified Property Trust NABERS results⁵

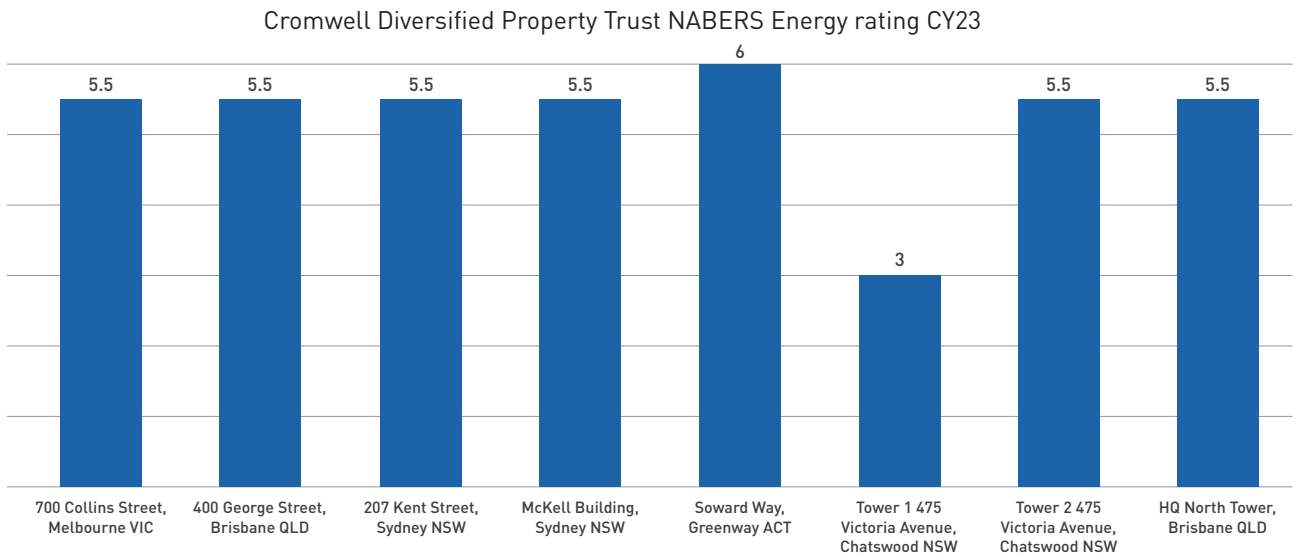
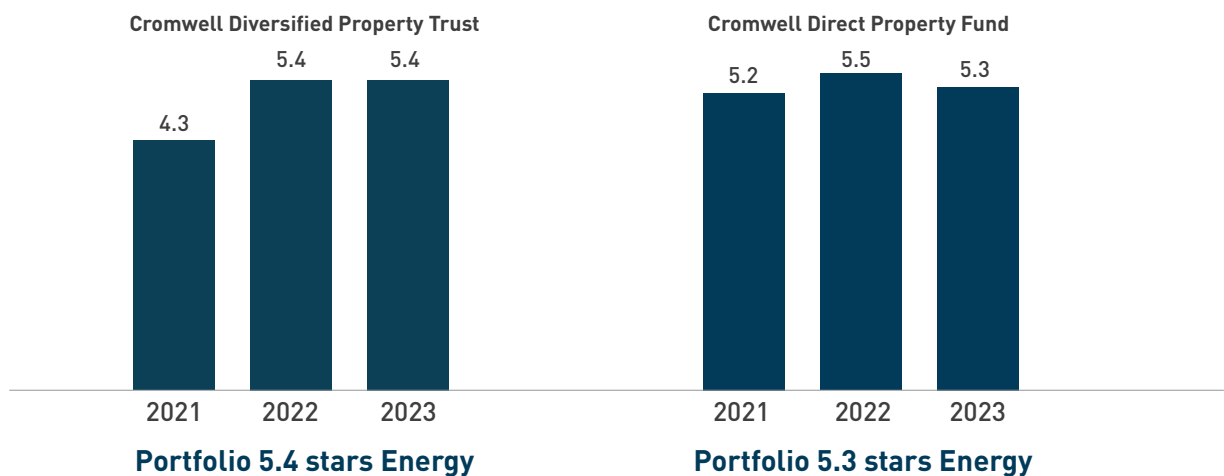


Figure 4: NABERS Sustainable Portfolios Index 2024



3. 433 Boundary Street is an education & training facility and is exempt from a NABERS energy rating
 4. Energex and 19 George Street are indirect investments "The Fund holds an indirect interest in the property via an investment in the underlying managed investment scheme, of which Cromwell Funds Management is the responsible entity
 5. NABERS rating for 203 Coward Street, Sydney, NSW is not listed as the rating is private at the request of the tenant



9.1 RENEWABLE ENERGY UPDATE

SOLAR PV IN AUSTRALIA FY24 UPDATE

Solar PV installation
in Australia in FY24

551 kW

Total solar PV capacity
for the Australian portfolio

1,030 kW

Total solar PV energy
generated on-site

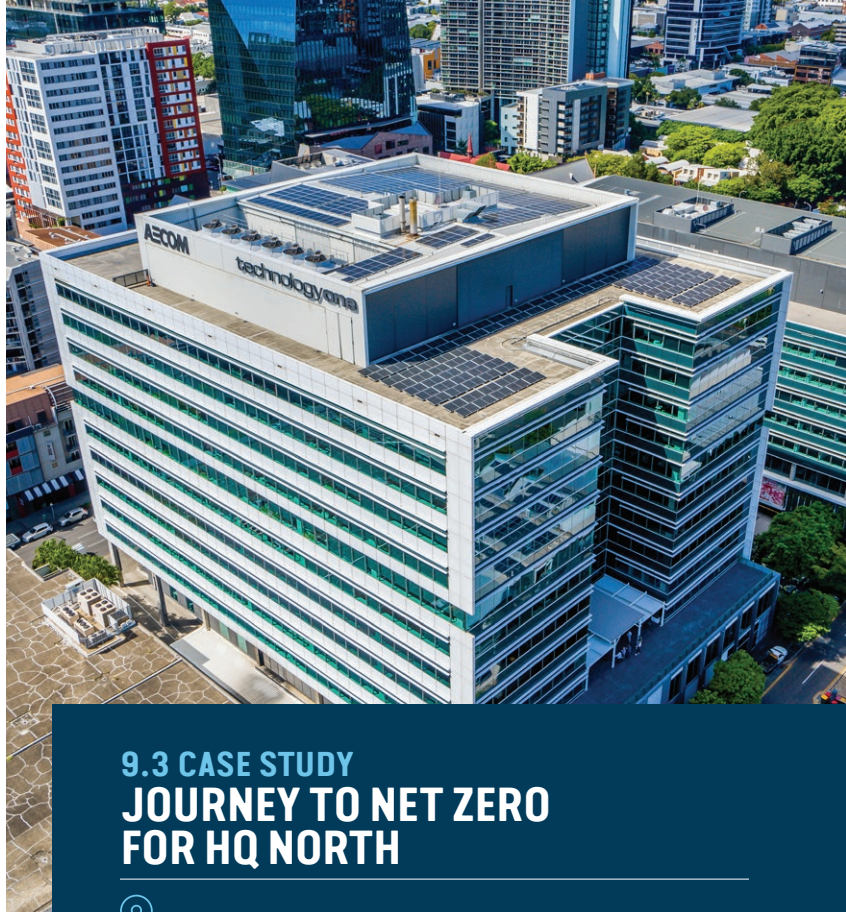
748 MWh

Actual emissions avoided
in FY24 from new installations

84.4 tCO₂e

Annual emissions
avoided for all solar PV

469 tCO₂e



9.2 GREENPOWER

In January 2024, Cromwell transitioned to procurement of renewable electricity for base building usage Australia-wide through GreenPower. GreenPower is a government accredited renewable energy program that supports Australian renewable generators who meet the programs stringent environmental standards. As at 30 June 2024, solar and wind made up the majority of this product.

GreenPower

97% GreenPower coverage for Cromwell managed electricity contracts.

The renewable energy program will greatly accelerate Cromwell's transition to net zero. It is estimated that annually this will avoid 9,800 tCO₂e, or 84% of our total FY23 Australian scope 2 emissions, equivalent to taking over 2,100 cars off the road every year⁶. Thanks to the timing of negotiations, Cromwell was able to implement this change with no impact on operating costs.

In Queensland, this program extends to our tenants through the embedded network system, where the landlord manages the electricity contract for the entire building including tenant areas. As a result, tenants will benefit from the use of renewable energy in their operations unless they elect to leave the embedded network. In other Australian states, the GreenPower program will only apply to the base building as tenants manage their own purchased electricity. Throughout our transition to GreenPower, we communicated with our tenants regarding the change, what it meant for them and we reinforced our commitment to net zero. Prospective tenants in Australia will also be encouraged to include renewable energy in their own electricity contracts.

6. United States Environmental Protection Agency, [Greenhouse Gas Emissions from a Typical Passenger Vehicle, 2024](#)

9.3 CASE STUDY JOURNEY TO NET ZERO FOR HQ NORTH

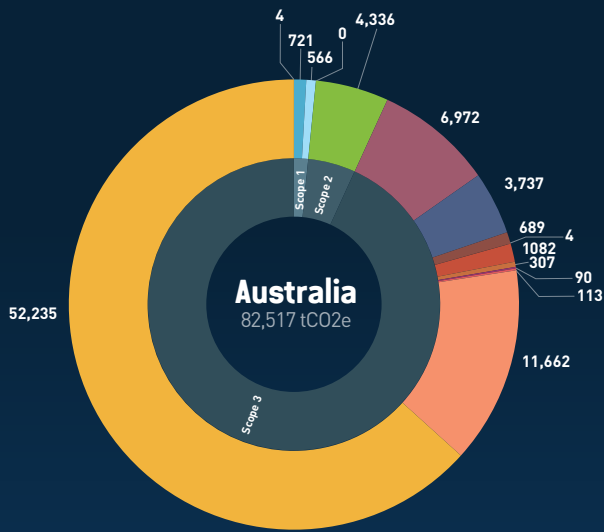
540 Wickham Street, Fortitude Valley

Decarbonisation plans for HQ North, 540 Wickham Street, Fortitude Valley, Queensland were developed in FY24, following the successful decommissioning of the gas-fired power cogeneration plant in FY23.

Installation of 158kW capacity solar PV was completed in November 2023. This is expected to meet approximately 15% of the building's electricity demand per year. To further enhance energy efficiency, the internal building management system was optimised to fine-tune HVAC start/stop times and lighting was upgraded to LED in common areas. These upgrades, along with the switch to GreenPower in January 2024, resulted in a 66% reduction in scope 2 emissions for the building compared to FY23. Additionally, scope 3 emissions from tenant electricity use also decreased.

Waste reduction workshops were held with tenants and retailers to promote a variety of initiatives. These workshops included topics such as encouraging tenants to reduce plastic waste, building specific information about the recycling streams available, avoiding contamination in recycling and encouraging retailers to reduce packaging. In conjunction with the workshops tenant waste stations were standardised to streamline collection, disposal and data monitoring. The combination of initiatives has improved the waste recycling rate from 40% to 60% in one year, with a corresponding reduction in scope 3 emissions.

As a result of the decommissioning of the cogeneration plant, installing solar and energy efficiency projects, 540 Wickham Street retained its 5.5-star NABERS energy ratings in 2024. This forward planning of an early electrification project, solar installation, 100% GreenPower and 5.5 NABERS energy rating outcome has contributed to the re-signing of two core tenants with these aligned ESG objectives.



Scope 1

- Diesel
- Natural Gas
- Refrigerants
- Transport Fuels

Scope 2

- Purchased Electricity (market-based)
- Purchased Electricity (location-based¹)

Scope 3

- Cat 1: Purchased goods & services
- Cat 2: Capital goods
- Cat 3: Fuel & energy related activities
- Cat 4: Upstream transportation and distribution
- Cat 5: Waste
- Cat 6: Business Travel
- Cat 7: Employee commuting
- Cat 8: Upstream leased assets
- Cat 13: Downstream leased assets
- Cat 15: Investment

1. Refer to FY24 ESG Data Pack for Australian data.

10. EMISSIONS INVENTORY

Cromwell is committed to actively measuring and monitoring emissions across the entire business value chain. In FY23, we developed a comprehensive emissions inventory for scope 1, 2, and 3, where all 15 categories were considered. Measuring our impact is the first step to managing and reducing our carbon emissions.

The reporting boundary for our inventory is defined by the level of operational control and ownership measuring all emissions for the latest financial year (1 July 2023 to 30 June 2024). Operational control is considered where Cromwell has the ability to set operational standards for property services and performance, as well as to implement capital works and investment strategies to improve asset performance. This includes all of Cromwell corporate operations and properties under operational control. Properties and investments that are not under our operational control are captured within scope 3. Our emissions inventory is comprehensively measured and

representative of emissions throughout our upstream and downstream activities, including tenants, funds under management, joint ventures and corporate operations.

In FY24, we worked to streamline the data collection process, improving scalability. During this process, we updated the methodology to better reflect our management responsibility for our investments with the Phoenix Portfolios and joint partnerships. Emissions data for scope 3 category 15 has been updated in this year's ` for FY24 and FY23. In addition, emissions in category 11 have been reallocated to scope 1, 2 and scope 3 category 13 to represent our operational control.

NEED MORE INFO?



For a more detailed emissions breakdown and methodology, see our [FY24 ESG Data Pack](#).

11. CLIMATE CHANGE ADAPTATION

The environmental, societal and economic impacts of climate change are of major global concern, to which the real estate sector is not immune. Cromwell acknowledges the direct and indirect impacts of climate change on our business's operations and the broader value chain we depend on, both now and into the future.

We have implemented resilience monitoring in our acquisition due diligence process and asset lifecycle management. The due diligence process across all asset acquisitions includes the evaluation of long-term climate risks, such as exposure to flooding and extreme temperatures. Contextualising and responding to these long-term risks increases portfolio resilience by minimising asset exposure and reducing the likelihood of unexpected costs.

Across our investment portfolio, as part of technical building assessment, climate risks and natural hazards are considered, helping to shape our plan for asset resilience and lifecycle management. By prioritising the safety and wellbeing of our tenants, preserving asset value, and adapting to climate risks, we assure investors of our long-term preparedness, resilience, and stability.

Australia endured one of the hottest and wettest summers on record in FY24. However, our buildings were able to sustain thermal comfort for tenants, without negative electricity demand consequences. Despite the volatile season of heat, storms, humidity, and flooding, none of our properties in Australia were physically impacted by weather events.

In FY24, Cromwell continued to expand the profile for climate related risks and opportunities for the business. Initiatives undertaken improved our alignment with TCFD including:

- Conducting qualitative climate scenario analysis
- A qualitative climate change risks and opportunities register following the TCFD recommendations, including considerations for:
 - Chronic physical risks
 - Acute physical risks
 - Policy and legal transitions
 - Market and technology shifts
 - Reputation
- Nominating and documenting risk owners, controls and actions
- Setting an internal audit procedure for climate-related information and processes
- Introducing decarbonisation plans for all assets (88% of AU assets completed as at 30 June 2024)

Further TCFD training for our risk, legal and compliance teams was held, and workshops were conducted for executive and management teams during FY24. These covered updates arising from newly conducted climate scenario analysis, current climate risks and opportunities, prioritisation of these risks and opportunities, controls and future mitigation activities.

Cromwell's full TCFD Statement, including strategy roadmap and key climate risks, is available on pages 31-40 in the Directors' Report of the [FY24 Annual Report](#).



12. WASTE MANAGEMENT AND CIRCULAR ECONOMY

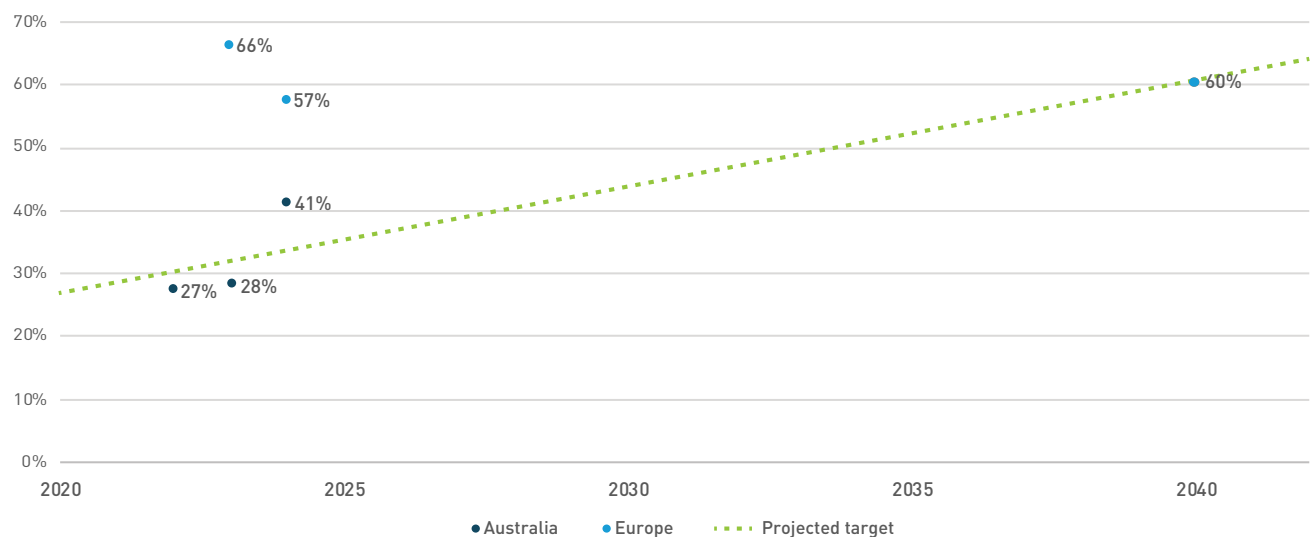
Responsibly managing our impact on the environment across our value chain means considering our activities from the extraction of raw materials in refurbishment and construction, to the management of end-of-life with deconstruction and waste management. This is critical to the success of our business and the communities in which we operate. 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.

In FY24, Cromwell engaged Gurru to implement their software solution called Bintracker to improve the management and monitoring of waste data. The software will allow tenants to track the amount of waste, the recycling rate and learn about waste management. Some of the initiatives include standardising waste streams, tenant workshops or activities and improved data tracking. The software is now in use for base building and tenant waste in all Australian assets where Cromwell has operational control. Since implementation of Bintracker in FY24, the recycling rate for Cromwell’s Australian assets improved from 28% (in FY23) to 41%. In FY25, Cromwell will begin rolling out waste audits to complete NABERS waste rating assessment for several of our Australian assets for the first time. This will drive further improvements in our waste-to-landfill reduction initiatives, for both common areas and for our tenants. NABERS waste efficiency assesses measures such as composting landscape and food waste, waste performance monitoring, recycling and waste stream audits.



Waste management extends from fitouts to all aspects of capex, including end-of-trip facilities, life cycle upgrades and building refurbishments. As we look to future opportunities, including in property construction, we are considering how we apply circularity initiatives. Because we work with the entire lifecycle of a building, Cromwell considers sustainable design principles that prioritise waste reduction and other efficiencies. For instance, we can consider extending the lifespan of design elements, specify materials with high recycled content in refurbishments and minimise packaging waste.

Recycling rate






12.1 CASE STUDY

CROMWELL HEAD OFFICE

DESIGN AND DELIVERY

 100 Creek Street, Brisbane



During FY24, in partnership with Gray Puksand and Fore Group, Cromwell delivered a new head office in our Brisbane-based asset, 100 Creek Street. The office was designed by and for our Brisbane-based team and had a strong ESG focus. The design objectives were to create an inclusive place where our people felt a sense of wellbeing, belonging and productivity. In addition, the team had ESG targets for the project and we carefully selected designers and builders who could help us meet those targets. The ESG targets and achievements are listed below.

Targets:

1. 90% waste diverted from landfill
2. No fossil fuel used on site
3. 80% of works completed within 7am – 5pm Monday to Friday
4. Pay parity at all levels
5. 4% procurement from First Nations suppliers
6. 40:40:20 gender diverse project team
7. High efficiency water fixtures

Achievements:

1. 97% waste diverted from landfill, amounting to 150t
2. No fossil fuel or gas-powered tools used on site
3. 84% works completed within 7am – 5pm Monday to Friday
4. Pay parity confirmed at all levels
5. 3.9% first nations procurement
6. 50:50 gender diverse project team
7. All water fixtures were a minimum of 4.5 star WELS



Cromwell collaborated with the architects to produce design strategies that considered the life-cycle of the fit-out, focusing on quality, longevity and performance. Cromwell prioritised reuse and refurbishment wherever possible to reduce fit out costs, waste and embodied carbon. For instance, all workstations, desk chairs and personal cabinets from the previous office space were refurbished and second-hand desks used in the single/dual use virtual meeting rooms.

The office design was focused on creating a space that was functional, comfortable, and adapts to new ways of working. Cromwell used this opportunity to create collaborative spaces throughout the office and optimised meeting room technology to support virtual meetings. To enhance employee wellbeing, biophilic design principals and natural lighting were optimised providing connectivity to the natural environment. Likewise, the design included a range of different spaces to suit various needs, including a library and single/dual use virtual meeting rooms as quiet spaces to work, a sunroom and large kitchen area for socialising, a wellbeing room for respite and a multi-faith room for contemplation and prayer.

Accessibility was considered throughout the project, by including features such as installation of Hearing Loop technology in meeting rooms and key gathering spaces, sliding doors for easy access, and optimised lighting and acoustics for comfort and functionality. Feedback from our people has been very positive, with 100% reporting they are enjoying working in the new space and that the change process was managed well.

Our people were surveyed following the refurbishment:

- 100% felt the change was well-managed
- 100% enjoy working from the new office
- 99% feel that the change is good
- 99% feel that the office has the collaboration space we need to be successful

13. WATER MANAGEMENT

Water risks pose an urgent global challenge and are being exacerbated by climate change causing intensification of rainfall, flooding, drought, bushfire, temperatures and sea level rise. Many of these risks have direct and indirect impacts on the real estate sector. In response, the Australian property team implemented several strategies to monitor and improve water consumption. This includes benchmarking our assets against NABERS water ratings, regular monitoring, implementation of early alert systems and property management initiatives.

We assess and monitor the level of water risk at our assets through Aqueduct, a tool from the World Resources Institute's Corporate Water Stewardship. In Australia, we hold assets in two states that have a "high" water risk rating (South Australia and Victoria). However, our assets in those states are in well-developed regions, where the water risk profile is much lower. As such, there are no active assets in an area under "high/extremely high" water risk.

The portfolio wide implementation of NABERS water ratings is used to regularly benchmark the performance of our assets and identify areas for improvement. The 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 have portfolio-wide NABERS targets to drive reductions in water consumption, as well as individual building strategies and targets to uplift those that show the most room for improvement.

We promote responsible water management throughout the asset lifecycle, including design, refurbishment, and ongoing maintenance. During FY24, water initiatives were incorporated in decarbonisation plans that were completed for almost all Australian assets. Initiatives will be implemented throughout the asset lifecycle and strategy planning to optimise emissions, cost, and water savings. This may include regular maintenance assessments, the installation of or upgrade to high efficiency equipment, excess consumption alerts to detect and resolve issues and engagement with external stakeholders such as contractors and tenants to reinforce good water management practises.

Fluctuations in water consumption often occur in relation to changes in occupancy from tenants and maintenance works, such as equipment replacement and cleaning. Water consumption fluctuations can also be caused by water leaks. In response, Cromwell continues to improve data monitoring with connected sub-metering and alert systems to quickly detect and resolve excess water usage. These systems aim to reduce water wastage from incidences of human error or equipment malfunction. Preventing and reducing excessive water consumption minimises the risk of needless expenses, while also reducing impacts on local infrastructure and vulnerable communities that rely on the same water source.



14. BIODIVERSITY AND LAND MANAGEMENT

Biodiversity refers to all life found in a physical area, which work together in an ecosystem to maintain balance and support life. Ecosystems are crucial as half of global GDP, or \$44 trillion of economic value, is dependent on the services they provide.⁷ This is known as natural capital.

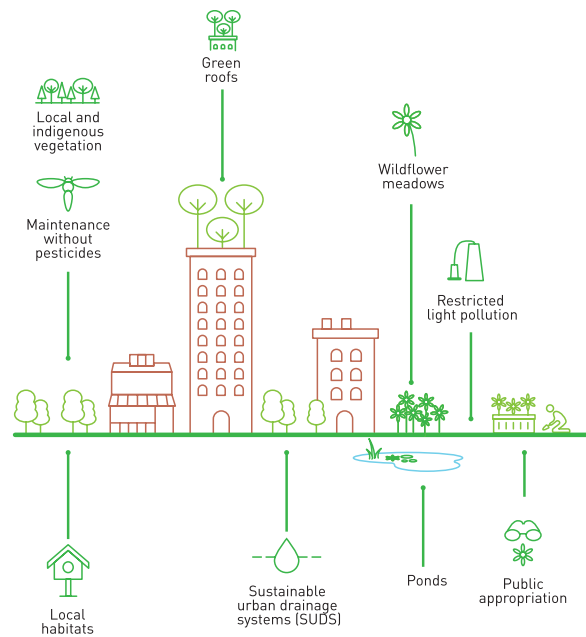
Consideration of the environmental impact of real estate is usually focused on GHG emissions during construction and operations; however, another critical aspect is the impact of the built environment on biodiversity. Biodiversity is declining at an unprecedented rate and real estate is responsible for 30% of this loss.⁸ Real estate can cause biodiversity loss through land use changes, land artificialisation, unsustainable building materials sourcing, and construction-related climate change impacts.

Nature loss poses a major risk to businesses. Cromwell is moving to nature-positive investments that offer opportunities for our tenants, investors, and other stakeholders. Biodiversity is closely intertwined with climate change and offers substantial benefits to the real estate industry when protected and enhanced (i.e. cooling effect, ground filtering). Increasing and preserving biodiversity also provides a better working environment for users of our buildings. We integrate the responsible management of the environment and nature into our decision-making.

Nature must be recognised as an intrinsic part of the building lifecycle, from the creation and circular management of materials for construction, to creating a long-term sense of place for occupiers and the community. In developments and major projects, our teams work to minimise any negative impacts 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 on brownfield sites, avoiding the environmental impacts associated with developing on greenfield sites. A brownfield site is previously developed land that is not currently in use. A greenfield site describes undeveloped land that has not been previously built on and tends to have higher biodiversity value. In any future construction projects, we will consider the use of recycled products over the procurement of raw materials. Further, enhancing biodiversity often requires partnerships, or collaboration with other stakeholders like local communities, occupiers, or other nearby landowners.

Figure 6: On site biodiversity solutions⁹



As reported previously, in FY23, we joined the Australian Government Department of Climate Change, Energy, the Environment and Water pilot for the Taskforce on Nature-related Financial Disclosures (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 to deepen our understanding of, and engage with, the 'locate, evaluate, assess, prepare' (LEAP) approach recommended by the TNFD. We intended to publish our first TNFD Statement in FY24; however, this has been delayed due to the sale of the European fund platform. More information can be found on pages 31-40 of the Directors' Report section in the FY24 Annual Report.



For more information on the connection between biodiversity and real estate, refer to our recent research report: [Biodiversity: a fundamental part of our natural capital](#)

7. World Economic Forum, 2021 as referred to in [Biodiversity: a fundamental part of our natural capital](#)
 8. GRESB, 2021, as referred to in [Biodiversity: a fundamental part of our natural capital](#)
 9. Altarea & Cromwell Property Group, [Biodiversity: a fundamental part of our natural capital](#), 2024



PEOPLE

15. DIVERSITY, EQUITY, AND INCLUSION

At Cromwell, we are dedicated to fostering an equitable workplace where diversity is not only appreciated, but actively promoted. Our goal is to cultivate a culture of respect and inclusivity, where every individual feels valued and empowered.

Diversity, equity, and inclusion are at the core of our values:

- **We are accountable:** We hold ourselves accountable for our achievements by being transparent about our progress. We continuously measure our progress and report back to our people, our Board, and external stakeholders.
- **We are progressive:** We challenge ourselves to embrace new perspectives. We listen to our people and our communities. We learn from their lived experiences, value their unique perspectives, and remain agile in our approach to our Diversity, Equity, and Inclusion Strategy.
- **We are collaborative:** We include our people on the journey. We have many passionate supporters of diversity, equity, and inclusion across Cromwell, many of whom play pivotal roles in our DEI Committee and Employee Resource Groups. We respect the diverse and unique perspectives of our employees and create opportunity for them to contribute to shaping our strategy as it evolves.

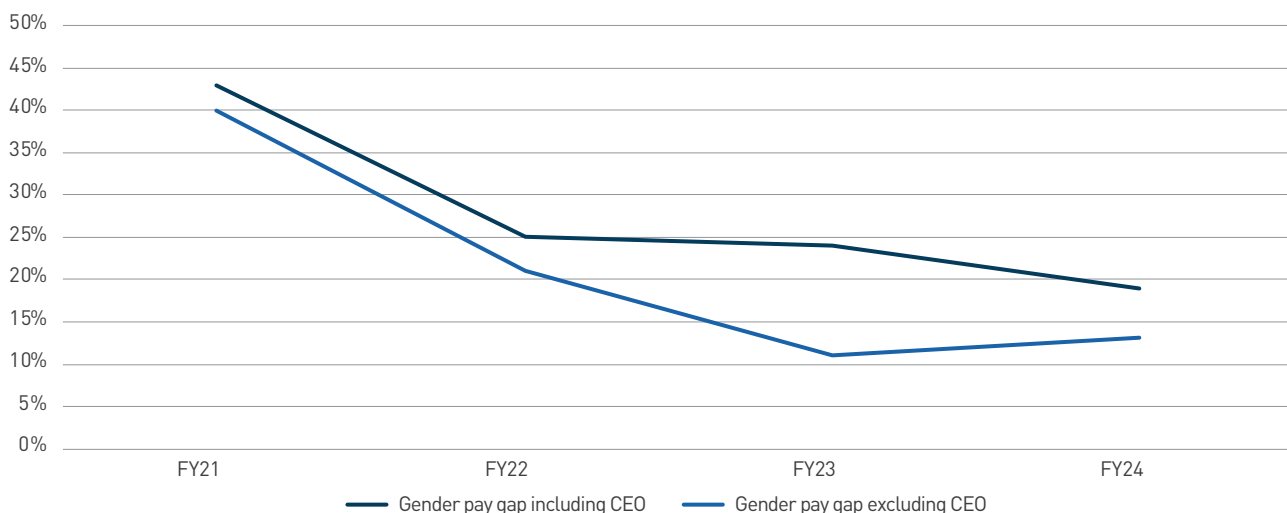
In 2024, we continued to execute our Diversity, Equity, and Inclusion (DEI) Strategy, focusing on gender, LGBTQIA+ issues, and cultural diversity, as well as continuing our reconciliation journey.

15.1 GENDER DIVERSITY

We maintained pay parity for the year across all roles. Pay parity refers to two people receiving equal pay for performing the same work of equal or comparable value, regardless of gender, race, age, or any other identity. Cromwell determines pay parity by applying the same rate of remuneration to like-for-like roles, based on levels of skill, experience and responsibility. We monitor pay parity throughout the year through the recruitment process and by conducting a business wide benchmarking review each year.

Our employee representation is constantly changing, and we track progress against our targets monthly. For FY24, we achieved 40:40:20 in four of six employee levels globally, as at 30 June 2024. Female representation at the Executive level, and male representation at the employee level, fell just short of the target at 30 June 2024. In Australia, Cromwell achieved 40:40:20 at all employee levels for seven months in FY24 (July 2023; October 2023 to March 2024), before settling at target achievement in five out of six leadership levels as at 30 June 2024. At this time, males were overrepresented at the executive level in Australia. The detailed breakdown of our targets and statistics can be found in the [FY24 ESG Data Pack](#). Cromwell will continue to work towards achieving gender targets at all employee levels in 2025 through our recruitment, employee development, succession planning and promotional processes.

Gender pay gap (AU)



15.2 ADVANCING GENDER EQUALITY - CHAMPIONS OF CHANGE COALITION

Throughout the year, Cromwell remained committed to achieving progress on gender equality through the CEO's membership to the Property Champions of Change Coalition.

In partnership with the Property Coalition, Cromwell participated in a coalition-wide reflection and consultation initiative. Based on the Champions of Change principles of *listening*, *learning*, and *leading*, the objective of this initiative was to enable reflections on diversity leadership capability, and to inform improvement actions. This included facilitating two separate but complementary consultation activities.

A series of listening and learning focus groups were conducted to gain insights on the policies and culture around gender diversity of Cromwell. These focus groups were designed to prompt informal conversations about gender equality at both Cromwell and in the property industry generally. We responded to feedback with some positive adjustments in the way we work.

Further, Cromwell's Australian Executive Leadership Team participated in the Champions of Change Leadership Shadow exercise, where a diverse range of female employees were asked to provide anonymous feedback on each of our executive leaders and their diversity leadership capability. Each executive was debriefed on their results and a personal leadership action plan for advancing gender equality was then developed.



15.3 RECONCILIATION

In 2024, Cromwell's Reconciliation Action Plan (RAP) Committee continued to lead the business on our reconciliation journey, delivering initiatives that enhanced employee education and engagement, while strengthening the cultural capability of the RAP committee. Focusing on two pillars of a Reflect RAP; Relationships and Opportunities, the RAP working group actively sought to collaborate with First Nations businesses to promote supplier diversity and improve procurement and engagement practices. Additionally, we acknowledge the opportunity to leverage our platform to extend advocacy into our local communities and actively engaged with our tenant community through various building activations and communications, to further our commitment to reconciliation.

15.4 EMPLOYEES LEADING INCLUSION IN THE WORKPLACE

Cromwell has a Diversity, Equity and Inclusion Committee supported by several Employee Resource Groups, which represent various areas of employee diversity such as LGBTQIA+, cultural diversity and gender diversity. The mission of the Committee and resource groups is to support the execution of the Diversity, Equity, and Inclusion Strategy and advocate for, and champion, cultural change that promotes greater diversity and an inclusive organisational culture. The Committee is a link between the Leadership Team and the business, as well as a forum for consultation, discussion, and leveraging of resources. Throughout 2024, the committee and resource groups promoted inclusion through the delivery of various employee celebrations, education, and engagement initiatives, which form part of our annual DEI event calendar.



15.5 CASE STUDY INCLUSIVE AND FLEXIBLE PARENTAL LEAVE BENEFITS

In 2023, we implemented a range of improved time-off benefits and committed to continually reviewing these to ensure they are best practice. After consultation with our people through various reflection and consultation initiatives, we recognised that, in some circumstances, these improvements had the unintended effect of reinforcing gender-norms, particularly around care and parenting.

In response to this feedback, we revised and improved our Paid Parental Leave Policy in 2024 by removing any gender reference and the delineation between primary and secondary carers. The improvements ensured any parent welcoming a child to their family via birth, surrogacy, or adoption is eligible for 16 weeks Cromwell paid parental leave, regardless of gender or carer status. There has been a significant increase in the number of men accessing our paid parental leave benefit and an increase in the duration of leave taken because of this initiative.

15.6 CASE STUDY CROMWELL PARTNERS WITH MORIARTY FOUNDATION

Early in FY24, Cromwell was named the principal sponsor of the Moriarty Foundation's 'Indigenous footballers call time on inequality' campaign. To coincide with the kick-off of the FIFA Women's World Cup 2023 in Australia and New Zealand, Cromwell made a \$20,000 donation to the Indigenous not-for-profit's fundraising drive for their John Moriarty Football (JMF) program. JMF is Australia's longest running, and most successful, Indigenous football initiative, with more than 2,000 Indigenous girls and boys across 23 public schools in 19 remote and regional communities in New South Wales, the Northern Territory, and Queensland participating in the program.

Executive Management Team member Michelle Dance attended the campaign launch event and joined Socceroos legend and human rights activist Craig Foster AM and others to watch young Indigenous footballers run through a series of training drills.

"To see where our donation is going, and the impact it can have on young lives, is truly inspiring," Michelle said.

"As a business, Cromwell is on our own reconciliation journey and is seeking to make tangible steps to help improve the lives of Indigenous Australians and communities. We are thrilled to have been able to partner with an organisation that has improved the lives of Indigenous kids in remote and regional communities for more than 10 years."



16. ENGAGED AND CAPABLE WORKFORCE

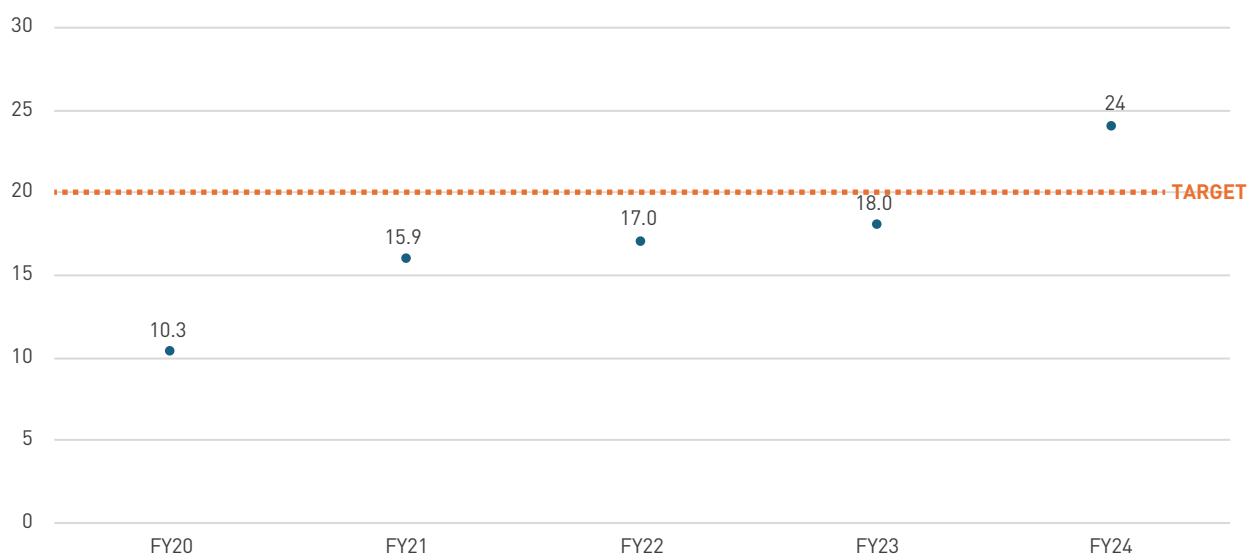
At Cromwell, we consider employee engagement not simply a priority but a fundamental aspect of our organisational culture. By ensuring our employees are engaged, we cultivate a motivated and productive workforce, resulting in greater job satisfaction, enhanced performance, and a deeper alignment with our vision and values. This approach contributes to higher retention rates and lower turnover, crucial for our ongoing success and growth.

Cromwell's engagement strategy is centred around actively listening to and addressing employee feedback. The employee engagement survey, which is run at least once per year, is used for measuring employee satisfaction, identifying areas for improvement, and understanding overall sentiment. Collecting and responding to feedback is essential for fostering a positive and productive work culture, as it provides a space for employees to be heard and show that their feedback is valued. In response to last year's survey results, Cromwell implemented several initiatives aimed at enhancing employee well-being and engagement.

One key initiative is the introduction and continued education around Individual Development Plans (IDPs). These plans are designed to support employees' career development by exploring development opportunities tailored to the individual's skill level and their career aspirations. During the implementation of IDPs and the performance review process, the People and Culture team facilitated small group workshops with employees and leaders to build understanding of what makes supportive and effective performance and development goal setting. IDPs are isolated from performance and pay processes, allowing more honest, open conversations about development needs. Both the performance reviews and IDPs are renewed and updated annually.

In response to feedback from surveys, IDPs and performance reviews, Cromwell has improved access to on-demand learning opportunities through the integration of popular online learning resources into the internal development library. Throughout FY24, there were workshops arranged for staff to tackle recurring development goals. These featured both external service providers and in-house experts, some of the topics included improving communication, technology training or learning new software.

Average hours of training per year per employee





16.1 CASE STUDY

CROMWELL LEADERSHIP SUMMIT AND EMPLOYEE CONFERENCE

In FY24, Cromwell held its third leadership summit. The summit brings together all people leaders in Australia, equipping them with the knowledge and strategies to lead the business through the next 12 months. In FY24, in addition to the summit, Cromwell held an Australia-wide employee conference. Employees from all over Australia came together in Brisbane to align on Cromwell's future strategy. The conference saw participation from 140 attendees, including members of the Board of Directors, the executive leadership team and employees, as well as external keynote speakers.

The theme for this year's summit and conference was *"Together we see opportunity in challenge"*. Attendees had the opportunity to hear from internal and external speakers, engage in panel discussions and participate in hands-on exercises. The key messages of both events emphasized the importance of collaboration and working together to realise the opportunities present in new challenges. Notably, 85% of attendees reported that the sessions on organisational resilience and the panel on market insights were highly beneficial.

Both events provided a platform for meaningful dialogue, knowledge sharing, and the reinforcement of Cromwell's core values. By fostering a sense of community and support among attendees, Cromwell demonstrated its dedication to building a strong and cohesive organisation.

Additionally, Cromwell has placed a strong emphasis on recognising and rewarding employees' efforts. Real-time recognition awards are published in regular internal communications, and employees are nominated and recognised for their contributions. The annual Cromwell Awards also celebrate the achievements of individuals and teams, encouraging a supportive and collaborative workplace for employees to thrive in their roles. This culture of recognition has been instrumental in fostering a positive work environment.

These efforts have been well received by employees as represented in the employee engagement survey, where score improvements were seen for collaboration, communication, teamwork, leadership, and work-life balance. By continuously seeking and acting on employee feedback, Cromwell can continue to create a supportive and engaging workplace.

Cromwell's new head office was designed with and for the employees of Cromwell, with the goal to create a comfortable and collaborative space that will support our new way of working. For the full case study refer to [section 12.1](#).

17. HEALTH, SAFETY AND WELLBEING

Cromwell’s commitment to health, safety and wellbeing (HSW) is reflected in the comprehensive policies and initiatives that are implemented to create a safe and supportive work environment. By adhering to international standards, providing necessary resources and continuously seeking improvement, we aim to promote the health and wellbeing of our team and deliver safe, secure and healthy environments.

Cromwell adopts a proactive, risk-based approach to safety, conducting risk assessments internally and through independent third parties. To support this approach, Cromwell prioritises the management of both existing and emerging risks and continually validates the effectiveness of key hazard controls. For instance, preparing for and responding to emergency situations are covered by our risk assessment and business continuity management processes. In addition, we ensure a consistent approach across the Group, always finding opportunities to improve risk management tools.

Cromwell’s HSW Policy outlines our commitment to keeping our people safe, maintaining a positive safety culture, and providing the necessary resources to achieve a safe and secure work environment. In 2024, Cromwell maintained ISO 45001 certification for its health and safety management systems. To achieve this, we must employ robust incident management systems to investigate any work-related incidents and injuries, and satisfy an independent assessor that our overall framework is comprehensive and fit for purpose.



Cromwell is committed to meeting its duty of care to all those undertaking activities associated with the organisation, including our contractors, tenants and visitors. We incorporate governance and safety criteria into our procurement processes, especially regarding contractor management. We now request that all key contractors who work on major development and construction projects hold an ISO 45001 certification. We also capture contractor incidents at our assets through our incident management system.

In the event of a work-related injury, including minor injuries and near misses, employees are instructed to escalate the issue to their leader. Additionally, employees are encouraged to report hazards using our internal Risk Hub, implemented in FY23 as a proactive approach to safety. To mitigate the risk to our team and ensure an adequate work-station environment for those of our team who work from home, we ask employees to complete a customised Risk Declaration – Remote Working. This then prompts employees to complete relevant safety training, if required. Cromwell provides comprehensive workplace health, safety, and behaviour training to all employees, including training on agile working and business continuity.

Cromwell places significant emphasis on the wellbeing of its people by providing comprehensive support systems for its employees. Cromwell’s Employee Assistance Program (EAP) provides a digital wellbeing platform called ‘wellbeing gateway’ designed to help our team better manage their health and wellbeing. The platform is rich with engaging activities, expert resources, interesting discussions and access to professional support services for all employees and those important to them.





17.1 CASE STUDY NATIONAL SAFE WORK MONTH

In FY24, Cromwell participated in the National Safe Work Month campaign, an initiative by Safe Work Australia aimed at promoting health and safety in workplaces. Cromwell leveraged this opportunity to reinforce its commitment to creating a safe, secure, and healthy work environment for employees.

Employees were required to complete training, with two important modules on working safely outside the office and a refresher on workplace health, safety and behaviour. These modules improved employees' understanding of their roles and expectations in ensuring a respectful and safe work environment. To engage employees in a fun way, Cromwell held several competitions focused on crucial health and safety areas. Activities included health, safety and wellbeing bingo, word search, safety awareness dress up competition, creating a wellbeing playlist, safety selfies and check-in chats to encourage wellbeing.

World Mental Health Day in October was also highlighted with mental health awareness activities for the week. We will continue to embed Safe Work Month in FY25, focusing on the themes of psychosocial hazards and risk management fundamentals. The themes are chosen with consideration of business materiality and those published by Safe Work Australia.

To further support the mental well-being of our employees, Cromwell promotes various events throughout the year including Movember and R U OK? Day. This year during Wellness Week, we encouraged our team to Reflect, Revive and Recharge through a variety of initiatives including mental health training, ergonomic assessments, and rejuvenating on-site massages. Throughout the year, we also provide information and organise workshops on a variety of topics such as mindset, healthy eating, lifestyle, physical wellbeing, and work-life balance. In FY24, one of the workshops included a home loan education sessions conducted by an external financial advisor and a company-wide session on a growth mindset with an industry leading speaker.

In Australia, we partner with a fitness and wellbeing program to provide exclusive corporate discounts for gym memberships, activewear, healthy eating, self-care, and fitness accessories. Additionally, Cromwell offers flu vaccinations to all employees who choose to participate.

These initiatives demonstrate our commitment to fostering a safe and supportive work environment, ensuring that health and safety positively contributes to our employees' experience through enhanced and targeted health support.

In FY25, we will continue to promote and cultivate a positive culture around health, safety and wellbeing. This includes the continuation of initiatives such as R U OK? Day, National Safe Work Month and enhancing our suite of risk management tools.



PLACES AND COMMUNITIES

18. TENANT ENGAGEMENT AND EXPERIENCE

At Cromwell, the success of our business strategy is dependent on the ability to understand and meet the needs of our tenants. Creating appealing and adaptable spaces can ensure we address the evolving requirements of our tenants. When tenants are satisfied, they are more likely to remain with us, leading to high occupancy rates, extended leases, and consistent rental income — all vital indicators of our economic success.

Cromwell measures tenant retention through the weighted average lease expiry and tenant satisfaction through an annual engagement survey. This year we have seen improvements in both areas. Tenant retention has improved with a weighted average lease expiry of 5.4 years in FY24, up from 5.3 years in FY23 for our investment portfolio (as at 30 June). Tenant satisfaction has improved another 1.4% in FY24 to 89%. This places Cromwell 8.9% above the peer average as determined by our survey partner.

Cromwell’s tenant engagement strategy is underpinned by action plans tailored for each property we manage. These plans are organised annually to identify and implement activations at each asset, ensuring they meet the specific needs of our tenants. Cromwell has several core activations that all managed assets participate in, such as ANZAC Day, R U OK? Day, Earth Hour and NAIDOC week. Additional activations are chosen in partnership with tenants based on their interests and needs.

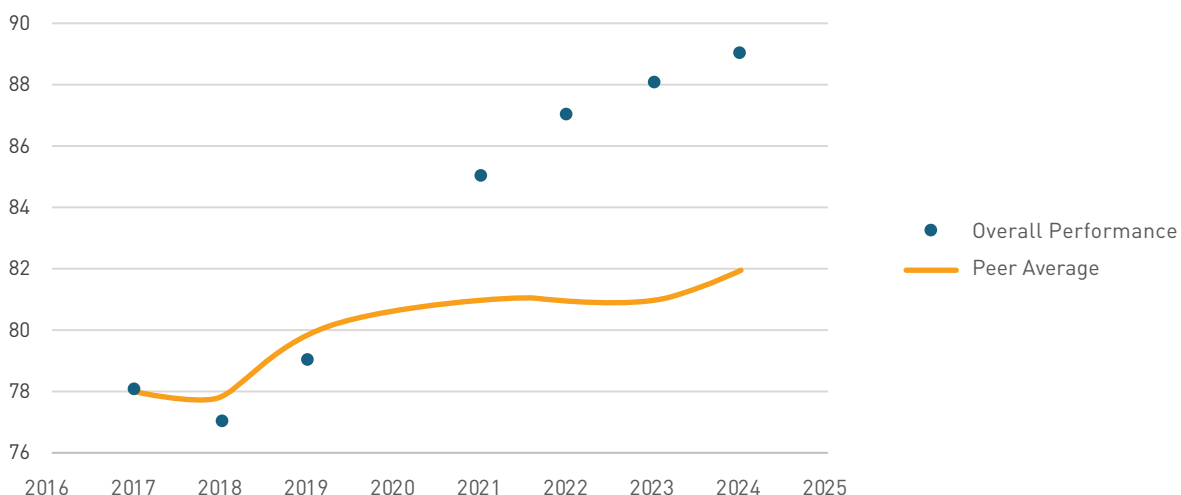
Cromwell continues to evolve with our tenants, finding opportunities to progress and improve the services and workplace experience we offer. This proactive approach is exemplified by our recent initiatives to upgrade facilities

and communications across our properties. For example, we collaborated with a tenant when they requested to install an all gender bathroom and will continue to adapt as tenant needs change.

In this year’s tenant survey 60% of our tenants rated sustainability as important or very important in their organisation’s decision to lease.

In addition to retrofitting upgrades to enhance energy, water, and waste efficiency, Cromwell integrates tenant feedback into its upgrades and refurbishments, ensuring both social and environmental benefits. For instance, the recent refurbishment of Chesser House in Adelaide included comprehensive updates such as full-floor lighting, ceiling finishes, floor finishes, and service upgrades. This project also introduced a high-quality end-of-trip facility with a dedicated bike storeroom, equipped with ample bike racks to accommodate the growing number of tenants cycling to work.

Tenant engagement score





Waves of Hope by Samantha Webster, artwork in end of trip at Chesser House, Adelaide

A striking Indigenous artwork called “Waves of Hope” by Samantha Webster was also commissioned and installed in the building lobby.

In FY24, Cromwell completed its first WiredScore certification for our 700 Collins Street, Melbourne, Victoria asset and achieved a Platinum rating (for the full case study refer to section 20.2). WiredScore certification is a building certification system that assesses buildings for their digital connectivity and technological infrastructure. Cromwell appreciates the importance of ensuring the digital capabilities of our properties meet the expectations and experiences required by our tenants.

Recent survey results indicate that over 40% of tenants intend to incorporate ESG or sustainability commitments into their next leases. In our Australian portfolio, Cromwell manages several government leases with Green Lease Schedules (GLS), which require us to meet NABERS energy and water rating targets, reduce energy and water consumption, and implement effective metering and waste management for our tenants. In FY25, we will enhance our data-sharing capabilities and further develop our approach to “ESG schedules” for non-government tenants, ensuring we better support their ESG and sustainability goals.

18.1 CASE STUDY INTERNATIONAL WOMEN’S DAY

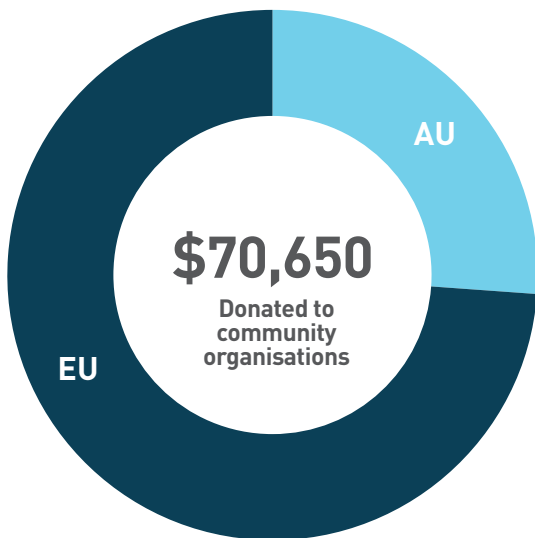
Cromwell conducted a tenant engagement campaign across 12 assets in the portfolio to celebrate International Women’s Day. This included tenant giveaways in the lobbies and tenant wellbeing services such as complimentary massage, yoga and relaxation classes. Our major IWD competition to win a \$300 Endota Spa Voucher received high engagement with 667 entries submitted. Each activity was developed in conjunction with building tenants and achieved a high participation rate along with very positive feedback.



19. COMMUNITY CONSCIOUS

At Cromwell, we recognise the importance of engaging and supporting the local communities in which we operate, or own and manage assets. Ensuring our practices positively impact all stakeholders, throughout our value chain, means we have developed policies to support strong engagement. During FY24, we focused our efforts on promoting community awareness of the issues that affect Cromwell, its employees, tenants and the communities where we operate, or own and manage assets.

Globally, Cromwell donated a total of \$70,650 AUD to various community organisations in FY24. Cromwell donations supported organisations that work to improve social inclusion, the mental and physical health and wellbeing of children and young people, community space access, and so on, in various communities in Australia, the UK and throughout Europe.



We reported 347 hours of employee volunteer leave in FY24. All employees have access to 15 hours volunteer leave per annum, which they are encouraged to access to support registered charities of personal importance. During FY25, following completion of the sale of the European business, we will be conducting a review of our volunteer leave program to align with the revised strategy and optimise impact.



19.1 CASE STUDY 16 DAYS OF ACTIVISM AGAINST GENDER-BASED VIOLENCE

Cromwell partnered with the Queensland Government Department of Environment and Science to host a Christmas fundraiser at our 400 George Street, Brisbane, Queensland asset, in support of the Brisbane-based Maybanke Accommodation and Crisis Support Service. As well as promoting the organisations' services, providing crisis short-term accommodation and support for women and children experiencing domestic and family violence, Cromwell conducted fundraising.

The initiative was part of our support for the UN-led 16 Days of Activism against Gender-Based Violence, an annual campaign that runs from 25 November until 10 December. Cromwell is proud to support this worthy cause and will continue to advocate against domestic and family violence.



GOVERNANCE

20. RISK AND RESILIENCE

Robust risk management practices for organisational resilience, including ensuring regulatory compliance and a reliable supply chain, are crucial for Cromwell's success. ESG considerations are now integrated into our risk register for material risk categories. In line with the Board's desire to continue building risk capability and ensure good oversight, throughout the year, the ESG and Risk Committee focused on the progress of our risk management framework and practices. This was done in tandem with the development of Cromwell's environmental targets and plans. Having the Committee focus on both risk and ESG related matters provides active oversight of maturity, and assists in ensuring good integration between ESG practices, risk management, operations and overall strategy. Directors on the Committee received third-party advice on climate-related risk disclosures in financial statements, supporting the incoming regulation in Australia. Cromwell expects to report in line with the regulation ahead of the FY27 mandate for our group.

Reflecting the increased maturity in risk management practices, and the successful development of net zero pathways for all assets, from 1 July 2024, the ESG and Risk Committee was merged with the Board's Audit Committee to become the Audit, Risk and ESG Committee.

Compliance requirements traverse all our activities, and our obligations reflect the complex regulatory nature of our business. Non-compliance with obligations can range from small mistakes (i.e. simple human error) to more serious breaches of policies or laws (i.e. personal data privacy breach). We have robust processes to capture compliance incidents, and all staff are encouraged to escalate any issues or concerns to Cromwell Leadership, or to the Risk and Compliance Team. This enables the team to identify and address actual or potential risks and initiate improvements to processes. This helps us to prevent future incidents, continue to strengthen our practices as well as meeting reporting obligations. Throughout the year, Cromwell continued to improve its processes to meet increased regulatory requirements and respond to areas of attention. Our processes identified minor incidents of non-compliance and were dealt with accordingly, which had minimal impact on our stakeholders.

From a regulatory compliance perspective, Cromwell had no material incidents of non-compliance in FY24. We also focused on uplifting our approach to engaging and managing material suppliers and identifying critical business processes to ensure continuity where there is a risk to service delivery. We deepened our due diligence review processes for existing material suppliers to capture broader areas of risk. Following a risk-based approach,

we identified and engaged with key suppliers on a deeper level. This included enquiries regarding their practices to mitigate modern slavery risk and ESG position, as well as more traditional third-party risk factors. In FY25, we will establish risk-based criteria and requirements for the selection of high risk and material suppliers, with regular ongoing performance reviews and a requirement for contingency plans. We will continue to improve oversight of material supplier contracts and performance, which will enable us to better engage with our most important third-party supplier partners.

20.1 CYBERSECURITY

In FY24, Cromwell IT conducted a thorough assessment of our cybersecurity position and practices, identifying opportunities to simplify and future proof our internal systems. Notably, we achieved zero cybersecurity breaches for the year and maintained our ISO27001 certification.

We maintain regular communications and training to ensure cybersecurity vigilance. Employees are educated on the reporting procedures for any suspicious content, aiding in tracking potential patterns of malicious intent. In addition, we actively discourage the use of non-Cromwell platforms for business-related matters and do not permit the sharing of sensitive information.

Cromwell recognises the risks associated with conducting business in the current digital climate and ensuring the security of data managed by Cromwell is a priority to protect our stakeholders and business operations.





20.2 CASE STUDY WiredScore 700 COLLINS STREET IS WIREScore PLATINUM!

In 2024, 700 Collins Street achieved an impressive score of 99/100 on the first WiredScore submission, earning a WiredScore Platinum certification. WiredScore's certification process encourages Cromwell to implement improvements to each building's digital infrastructure to ensure a positive tenant experience. Platinum is WiredScore's highest rating, reflecting the exceptional standard of wired infrastructure quality, resilience and wireless network capabilities in an asset.

The certification shows Cromwell's commitment to providing tenants with great digital connectivity and ensuring that 700 Collins Street is future proofed for changes in technology or physical risks. The regular audits required for a WiredScore certification confirm the building's resilience to events such as flooding, its flexibility and capacity to adapt to new technology and the comprehensive connectivity across the entire property.

21. CORPORATE LEADERSHIP

At Cromwell, corporate leadership is about promoting trust and transparency and moving beyond compliance. We apply this throughout our value chain and business activities. For example, during the year, Cromwell implemented ESG targets, guidelines and requirements as a condition of practical completion of major refurbishment and construction projects (for the full case study refer to section 21.1).

Engaging in external reviews of our ESG performance provides a consistent and transparent way for investors and other stakeholders to benchmark our performance and enables Cromwell to build trust. We participate in a variety of external reporting frameworks on a regular basis and report the results of each.

For the last three years, Cromwell has been recognised in S&P Global's Sustainability Yearbook, which features companies within their industries that demonstrate strength in corporate sustainability. Cromwell is also included in the Dow Jones Sustainability Index Australia.

GRESB (formerly the Global Real Estate Sustainability Benchmark) is a framework that measures the ESG impact and performance of the property and infrastructure industries. This provides investors with a standardised way of evaluating the sustainability performance of assets around the world. In FY24, the Cromwell Diversified Property Trust scored 78/100.¹⁰ This result was received later than expected and our analysis is ongoing. This result is our first under the new standards used by GRESB, which were introduced in October 2023. As a result, our FY24 and future scores will not be directly comparable to FY23 or earlier.¹¹ Public disclosure ratings were not available at time of publication. In FY23, we achieved a public disclosure rating of 'A', meeting our target.

10. In FY24, we did not lodge submissions for the entire Australian portfolio

11. GRESB, [Information Regarding 2024 Real Estate Score Changes](#), 2024



21.1 CASE STUDY ESG REQUIREMENTS FOR MAJOR PROJECTS

Cromwell has implemented ESG targets and requirements for all major projects (defined as projects with a value over \$1 million AUD). A comprehensive set of guidelines aids contractors, consultants and suppliers to align with our ESG targets.

One of the requirements is that contractors maintain an ESG risk register, with reporting on performance targets and status.

Targets include:

- Decarbonisation commitments
- Lifecycle embodied carbon assessment
- Zero use of internal combustion or gas-powered tools
- 70% of project waste recycled
- Gender pay parity
- 40:40:20 gender diversity
- 5% of all procurement from first nation suppliers or subcontractors (certified through Supply Nation)
- 5% procurement from suppliers or subcontractors categorised as social enterprises, women-owned businesses, or carbon-neutral
- ISO 45001 accreditation for head contractor

We continue to utilise the Global Reporting Initiative (GRI) Index, UN Sustainable Development Goals and the Sustainability Accounting Standards Board (SASB) Index in preparing our annual ESG report. These reference frameworks are provided in our [data pack](#) and enable stakeholders to review our performance against standardised methods.

Cromwell is certified carbon neutral under the Climate Active certification scheme. We are part of a network of businesses working to drive genuine change and take part in the carbon neutral supply chain. Climate Active is a government-backed carbon neutral certification scheme, one of the most rigorous in the world, and submissions may be subject to independent verification.

We believe it is important to engage with our industry partners to share and promote best practice in property and property investment. Cromwell has representatives on committees including the Property Council of Australia, Property Funds Association, the Queensland Fund Managers' Association, the Australian Compliance Institute, Financial Planning Association of Australia, and Facility Management Association of Australia. Representatives participate in committees and roundtables to consider current issues, such as property and risk, human rights, modern slavery, diversity and inclusion, regulation and cybersecurity. These engagements also provide members of our team the opportunity to attend networking and educational events.

22. SUSTAINABLE GROWTH AND INVESTMENT

Cromwell is committed to acting responsibly and proactively to continuously improve our ESG performance and support a responsible and balanced pathway to sustained business success. Our aim is to provide continued financial security for our investors, improve the communities in which we operate and be at the forefront of sustainable business practice globally. Cromwell's ESG Strategy underpins our corporate values and defines our approach to ESG risks and opportunities.

Cromwell can move significantly closer to meeting current and future ESG responsibilities by leveraging sustainability-linked debt. In FY23, Cromwell developed a Sustainable Finance Framework, which governs the green or sustainability-linked loans and bonds for the Group. The Framework supports and provides transparency to our commitment to fund low carbon, efficient, and resilient buildings that meet the ESG ambitions of the company and its suppliers and customers through the use of sustainable debt instruments.

In June, Cromwell completed the conversion of a multi-bank, \$1.2 billion lending facility to a sustainability linked loan that includes ambitious targets to reduce emissions and its gender pay gap.

Central to this new loan is:

- **Greenhouse gas reductions:** Aligned with Cromwell's target for net zero scope 3 emissions by 2045, reinforcing our position as an industry leader in reducing scope 3 emissions.
- **Additional GHG targets:** Linked to Cromwell's goal of achieving net zero scope 1 and 2 emissions by 2035.
- **Gender pay gap reduction:** Aimed at reducing Cromwell's gender pay gap to a maximum of 12% by 2028.

The facility was converted to a Green and Sustainably Linked Loan which is uniquely aligned with both the Asia Pacific Loan Market Association (APLMA) Green Loan Principles and Sustainability Linked Loan Principles. The Green Loan Principles support the financing of projects that foster a net-zero emissions (carbon-neutral) economy, while sustainability-linked loans facilitate both environmentally and socially sustainable economic activity and growth.



Under Cromwell's Sustainable Finance Agreement, which applies to the current loans obtained under our Sustainable Finance Framework, our property team have developed KPIs that are core material and relevant to Cromwell's ESG Strategy. These KPIs are of high significance to Cromwell's current and future operations. The teams closely monitor our progress against targets and the completeness and accuracy of reporting.

ESG factors are incorporated into our investment decisions. ESG is considered in every facet of our investment strategy, from macro-sector allocations through to asset selection, management and occupier profile. All Cromwell assets, including joint ventures, were managed in accordance with our ESG principles during the year.

As a signatory to the UN Principles for Responsible Investment, Cromwell reports on responsible investment activities on an annual basis. In 2024, Cromwell completed its first submission using the UN PRI Investor Reporting Framework. As this is the first year of reporting, Cromwell's rating will not be made public, however, we have a target to achieve a five-star rating.

FURTHER READING

[FY24 ESG Data Pack](#) – Cromwell Property Group Global

[Cromwell Property Group ESG Policy](#) – Cromwell Property Group Global

[Cromwell Annual Report 2024](#) – Cromwell Property Group Global

[Biodiversity: a fundamental part of our natural capital](#) - Cromwell Property Group Global

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

[Cromwell European Real Estate Investment Trust \(CEREIT\) sustainability commitments](#) – Cromwell European REIT

ENQUIRIES

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

This document is issued by:

Cromwell Property Group

consisting of

Cromwell Corporation Limited ABN 44 001 056 980 and

Cromwell Diversified Property Trust
ARSN 102 982 598 ABN 30 074 537 980

the responsible entity of which is

Cromwell Property Securities Limited

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Assurance conclusion

Based on the procedures performed and evidence obtained, nothing has come to our attention that causes us to believe that the performance against selected performance disclosures (listed under the Subject Matter section below) in Cromwell Property Group's ESG Report for the year ended 30 June 2024 has not been prepared and presented fairly, in all material respects, in accordance with the Criteria defined below.

Scope

We, ERM Australia Consultants Pty Ltd ('ERM'), performed a limited assurance engagement for the Board and Management of Cromwell Operations Pty Limited ('Cromwell') over its performance against selected performance disclosures within Cromwell Property Group's ESG Report for the reporting period ended 30 June 2024 ('FY24').

Subject Matter

The Subject Matter covered as part of this assurance engagement consists of the following selected performance disclosures for FY24:

- Total Scope 1 and market-based Scope 2 emissions 5,627 tCO₂e
- Total Scope 1 and location-based Scope 2 emissions: 13,434 tCO₂e
- Total Scope 3 emissions: 76,890 tCO₂e
- Scope 1 and market-based Scope 2 emissions intensity based on net lettable area under operational control: 16 kgCO₂e/m²
- Scope 1, market-based Scope 2 and Scope 3 (category 5 and 13 only) emissions intensity based on net lettable area: 46 kgCO₂e/m²
- Total water consumption: 170,091 kL
- Recycling rate (% by mass): 41%
- Gender diversity (40:40:20): Partially achieved, 5 out of 6 leadership levels
- Gender pay gap (including CEO): 19%

Our assurance covered the following Cromwell Australian entities:

- Cromwell Operations Pty Ltd
- Cromwell Diversified Property Trust (CDPT)
- Cromwell Direct Property Fund (CDPF)
- Cromwell Property Trust 12 (C12)
- Cromwell Riverpark Trust (CRT)

Criteria used as the basis for reporting

The Subject Matter was prepared in accordance with:

- The NGER Act and subordinate legislation
- Corporate Value Chain (Scope 3) Accounting and Reporting Standard
- Cromwell's internal sustainability reporting procedures and methodologies (Basis of Preparation)

Respective responsibilities

Cromwell's management is responsible for the selection of the Criteria and the preparation and fair presentation of the selected performance disclosures in accordance with the Criteria, and related information within the FY24 ESG Report. This responsibility includes the design, implementation, and maintenance of internal controls relevant to the preparation of the Subject Matter, keeping adequate records and making assumptions that are reasonable in the circumstances.

ERM's responsibility, in accordance with the terms of our engagement letter with Cromwell dated 22 January 2024, is to express a limited assurance conclusion about whether the Subject Matter has been prepared in accordance with the Criteria, based on the procedures we have performed and the evidence we have obtained. Our assurance engagement has been planned and performed in accordance with the Australian Standard on Assurance Engagements ASAE 3000 *Assurance Engagements Other than Audits or Reviews of Historical Financial Information* (ASAE 3000) and ASAE 3410 *Assurance Engagements on Greenhouse Gas Statements* (ASAE 3410).

The procedures selected depend on the audit team leader's judgement, including the assessment of the risks of material misstatement or material non-compliance of the matter being audited, whether due to fraud or error. We believe that the assurance evidence obtained is sufficient and appropriate to provide a basis for our assurance conclusion.

Our methodology

The assurance procedures we performed were based on our professional judgement and included:

- Obtaining an understanding of Cromwell's business activities and procedures to assist our assessment of the Subject Matter
- Making enquiries of personnel responsible for preparing the selected performance disclosures and related information in Cromwell's FY24 ESG Report
- Developing a plan to design assurance procedures that address the risk of material misstatement
- Interviewing selected internal and external stakeholders and assessing relevant documentation to understand the processes for collecting, collating, reviewing and reporting the selected performance disclosures
- Performing analytical and substantive tests on a sample basis to validate the selected metrics and related qualitative information
- Checking the accuracy of calculations on a sample basis and the reasonableness of assumptions used in the development of the selected metrics
- Reviewing the presentation of the selected metrics in the FY24 ESG Report to check they are accurately reported

Inherent limitations

There are inherent limitations in performing assurance—for example, assurance engagements are based on selective testing of the information being examined—and because of this, it is possible that fraud, error or non-compliance with the Criteria may occur and not be detected. An assurance engagement is not designed to detect all misstatements, as an assurance engagement is not performed continuously throughout the period that is the subject of the engagement and the procedures are performed on a test basis. The conclusion expressed in this report has been formed on the above basis.

Additionally, non-financial data may be subject to more inherent limitations than financial data, given both its nature and the methods used for determining, calculating and sampling or estimating such data. We specifically note that for certain selected performance disclosures Cromwell has used estimates or extrapolated underlying information to calculate certain amounts.

The procedures performed in a limited assurance engagement vary in nature from, and are narrower in scope than for, a reasonable assurance engagement. As a result, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Use of our assurance statement

This report has been prepared for the Board and Management of Cromwell for the sole purpose of providing an assurance conclusion on the Subject Matter and may not be suitable for another purpose. Accordingly, we expressly disclaim any assumption of responsibility or liability to any party other than Cromwell for any consequences of reliance on this report for any other purpose than for which it was prepared.

Our independence and quality control

We have complied with the independence and other relevant ethical requirements relating to assurance engagements founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Furthermore, we have complied with the Australian Standards on *Quality Management for Firms that Perform Audits and Reviews of Financial Reports and Other Financial Information, and Other Assurance Engagements* ('ASQM 1') and *Engagement quality reviews* ('ASQM 2'). ERM maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.



Chris Bray
Partner, ERM
Sydney, Australia

22 October 2024

Procedure

Title: **FY24 CMW Basis of Preparation (AU)**

Supporting document to the Cromwell Property Group FY24 ESG Report

Responsibility: **ESG Team (AU)**

1. MANAGEMENT APPROACH

1.1. Introduction

Cromwell's Basis of Preparation outlines the methodology employed for measuring, calculating, and reporting ESG data. This approach aligns with recognised standards, including the Global Reporting Initiative (GRI) Standards, Sustainability Accounting Standards Board (SASB), the Greenhouse Gas Protocol and the Corporate Value Chain (Scope 3) Standard. Select ESG performance indicators, as detailed in this framework, undergo limited assurance procedures adhering to applicable standards for non-financial reporting. Cromwell maintains advanced data governance, capture, management, storage, and regular review practices by using platforms such as Workday, Envizi, and Yardi, as well as independent third parties with subject matter expertise.

1.2. Approach to risk management

Cromwell employs an approach to managing ESG risks and opportunities aligned with its ISO 14001:2015 certified Environmental Management System (EMS). This framework is used to ensure we take proactive measures to minimise our environmental footprint, comply with relevant legal requirements, and achieve our environmental objectives. The system of continuous improvement encompasses various aspects, from resource usage and waste management, to monitoring environmental performance and involving stakeholders in environmental commitments.

2. REPORTING BOUNDARY

The reporting year is the latest financial year (1 July to 30 June) to which report content and data relates. Different facility management and leasing conditions further restricts the capacity to collect and uniformly disclose operational data. The boundary for this report is therefore defined around the level of ownership and operational control through which Cromwell can implement its ESG Strategy or influence ESG outcomes. A list of all current and sold properties can be found on the Cromwell Property Group website.

Cromwell uses the following definitions:

Exclusion category	Definitions
Fund and asset management	<p>Operational control: Where Cromwell is responsible for setting operational standards for the property services and performance as well as for setting and delivering capital works and investment strategies to reduce energy and improve the asset, Cromwell maintains operational control. Where an Australian asset is under tenant control but Cromwell manages and maintains environmental data for the whole building, Cromwell maintains operational control.</p> <p>All assets are considered under operational control for the following Cromwell Australian entities:</p> <p>The Cromwell corporate employer entity for Australia:</p> <ul style="list-style-type: none"> - Cromwell Operations Pty Ltd (4 corporate office tenancies under operational control) <p>Cromwell Australian investment portfolio:</p> <ul style="list-style-type: none"> - Cromwell Diversified Property Trust (CDPT) (with the exception of 203 Coward St, Mascot) <p>Cromwell Australian funds under management:</p> <ul style="list-style-type: none"> - Cromwell Direct Property Fund (CDPF) - Cromwell Property Trust 12 (C12) - Cromwell Riverpark Trust (CRT) <p>Non-operational control: Property assets and spaces where the tenant-customer holds a lease with full management control over the space or premises that they occupy, the tenant manages and maintains data for the space or premises, and Cromwell is unable to directly set policy or implement change. This can include tenancies or entire tenant-controlled buildings, including 203 Coward St, Mascot. In all cases, these spaces are under non-operational control and classified under scope 3 category 13 downstream leased assets.</p>

	<p>Other operational businesses where Cromwell does not have a majority ownership of >51% and/or does not have management control are included within scope 3 category 15 investments (e.g. Phoenix Portfolios, Oyster Property Group), or scope 3 category 11 use of sold products.</p>
	<p>Transitioning: Assets under development or held for development are excluded from reporting. This currently only applies to 19 National Circuit, Barton.</p>
<p>Other exclusions</p>	<p>Cromwell's European operations and fund and asset management are excluded from the Australian Basis of Preparation and the assurance procedures undertaken over Australian data.</p>
<p>Corporate operations</p>	<p>Cromwell's workforce, corporate policies, training, Cromwell corporate office emissions and other impacts associated with managing business operations. All corporate emissions related to Cromwell Operations Pty Ltd are calculated by a third party as part of the Climate Active carbon neutral certification scheme. Data used in these calculations covered the period from 1/7/2023-31/3/2024, and then extrapolated to capture the entire reporting period from 1/7/2023-30/6/2024.</p>

3. METHODOLOGY AND DEFINITIONS

For details, refer to the methodology outlined in the ESG Data Pack for definitions used, calculation methodology undertaken, inclusions and exclusions.

3.1. Methodology for environment metrics

All emissions are reported in tCO₂e.

3.1.1 Scope 1 and 2 emissions (location-based)

Cromwell reports its scope 1 and 2 emissions with the operational control approach. Energy consumption data, covering electricity, natural gas and diesel is captured using Cromwell's Australian environmental data management system, Envizi. Associated emissions are calculated using the Australian Government National Greenhouse Accounts (NGA) scope 1 and 2 emissions factors. Refrigerant emissions are calculated using the estimated leakage rate methodology outlined in the NGA. Details of stored refrigerants and all refrigerant equipment is requested directly from facility managers.

Electricity related emissions are reported using both location-based and market-based methodologies and emissions factors. Where consumption data is not separately metered for base building, 50% of the whole building consumption is allocated to based building as per the National Australia Built Environment Rating System (NABERS). This 50% base building to 50% tenancy split is corroborated when comparing data for Cromwell sites where both base building and tenancy consumption is known. Sites where a 50% split is used includes 433 Boundary St, Spring Hill and 2-24 Rawson Place, Sydney.

3.1.2 Scope 2 emissions (market-based)

The market-based methodology that is applied in Australia follows the Climate Active Electricity Accounting Guidance, which is aligned to the Property Council of Australia's interpretation of the GHG Protocol. Under this methodology, the following activities are recognised as renewable energy with zero emissions: Large Generation Certificates (LGCs) surrendered as part of the mandatory Australian Renewable Energy Target scheme; accredited LGCs purchased and surrendered under offsite voluntary grid renewable electricity schemes such as GreenPower; LGCs surrendered through a Power Purchase Agreement; or electricity generated and consumed on-site from renewable sources. Emissions are calculated by applying a Residual Mix Factor (RMF) to the electricity purchased from the grid with no associated LGCs. The RMF removes the benefit of claimable renewable electricity generation from the emissions factor used in the location-based methodology, to avoid double counting of the zero emissions attribute of renewable energy generation.

3.1.3 Emissions intensity

Measured in kgCO₂e / m², where the denominator is the net lettable area (NLA) measured and defined by the Property Council of Australia Method of Measurement. The emissions intensity denominator for scope 1 and 2 is the NLA where Cromwell has operational control. The

denominator in the scope 1, 2, 3.5 and 3.13 calculation and scope 1, 2 and 3 calculation sums the NLA for all active property assets including those where Cromwell does not have operational control.

3.1.4 Scope 3 category 1 purchased goods and services and category 2 capital goods

All scope 3 emissions are reported using the categories and methodology of the GHG Protocol Corporate Value Chain (Scope 3) Standard.

Expense distributions (AUD spend) and the US Environmental Protection Agency (US EPA) supply chain environmentally-extended input-output emissions factor database (tCO₂e / USD) are used to calculate category 1 and 2 emissions. The US EPA database is used to standardise our methodology across all Cromwell locations internationally. Spend data for the financial year is separated into corporate or fund related expenses and categorised by expenditure type (capital or operational).

Corporate related expenses are provided to a third party to calculate category 1 and 2 emissions. Where possible Cromwell includes the supplier or actual product information such as weight of paper purchased. Emissions are calculated using the Climate Active methodology and emissions factors.

Fund related expenses are categorised based on activity and categories are matched to North American Industry Classification System (NAICS). The total spend for each category is converted from local currency to USD and uplifted using inflation rates. In future, Cromwell will seek to prioritise sourcing supplier primary data, and supplier-specific emissions factors over the existing methodology where possible, or may change to location-specific supply chain emissions factor databases where available.

3.1.5 Scope 3 category 3 fuel and energy-related emissions

Category 3 emissions are calculated and reported both by location-based and market-based electricity and fuel scope 3 factors in the NGA. Apportioning of electricity consumption (kWh) is done according to the Climate Active Electricity Accounting Guidance, as mentioned in 3.1.2 Scope 1 and 2 emissions (market-based). Emissions relating to our corporate operations are calculated by a third party with the same methodology.

3.1.6 Scope 3 category 4 upstream transportation and distribution

Expense distributions are collected for Cromwell Operations Pty Ltd (AUD spend) and Climate Active emissions factors are applied to calculate category 4 emissions.

3.1.7 Scope 3 category 5 waste generated in operations

Waste data is collected in kilograms. Cromwell weighs all waste generated at its properties and categorises waste by destination (landfill, recycling) and recycling stream (organics, paper and cardboard, secure paper and mixed recycling). NGA emissions factor for landfill waste is applied to convert tonnage to emissions.

Waste from our corporate offices is not separated from other tenants in the buildings Cromwell leases, so whole building waste data is requested and apportioned by Cromwell's tenancy area to the whole building's NLA. Data is provided to a third party and Climate Active emissions factor for landfill waste is applied to convert tonnage to emissions.

Construction waste landfill and recycling data is collected from waste dockets. For the purposes of reporting, construction waste is recorded at project completion, rather than at time of collection and disposal.

3.1.8 Scope 3 category 6 business travel

Business travel data and emissions methodologies are sourced from Cromwell's corporate travel provider. Cromwell uses a third-party provider to calculate all business travel emissions as part of the Climate Active carbon neutral certification for Cromwell Operations Pty Ltd. The air travel emissions with the methodology prescribed by Climate Active. Flights are reported by distance category. These are Very Short (under 400km), Short (between 400 and 3,700km), and Long (longer than 3,700km). An 8% uplift factor is incorporated into the emission factors to take into account non-direct routes (i.e. not along the straight-line great circle distances between destinations) and delays/circling.

For taxis, rideshares, trains and public transport (not used for commuting to and from home as captured in category 7), Climate Active emissions factors are applied to expense data in AUD.

Hotel accommodation data is classified by class (3, 4 or 5 star), location and number of nights. The Climate active emissions factors are then used to calculate emissions associated with hotel stays.

Car hire data is quantified by the type of vehicle, the number of hire days and when available the distance travelled. Following the Climate Active methodology, the distance travelled (km) is averaged to kilometres travelled per day and extrapolated to determine the total kilometres travelled over the total number of hire days.

3.1.9 Scope 3 category 7 employee commuting

Emissions for category 7 are calculated by a third party as part of the Climate Active certification scheme. An annual survey is used to collect employee commuting information, including modes of transport, distance travelled, frequency of commute, frequency of working from home and home electricity supply. While a significant majority of Australian employees respond to the survey, assumptions and extrapolations are applied to extend the data across the entire Cromwell employee population. Emissions are calculated using the Climate Active work from home, and local travel emissions factors.

3.1.10 Scope 3 category 8 upstream leased assets

Base building electricity, gas, diesel and refrigerant data is provided by Cromwell's landlords and apportioned by our tenanted floor space against the total building's net lettable area (NLA). Emissions are calculated by a third party using the Climate Active methodology and emissions factors. Electricity related emissions are reported using the market-based methodology.

3.1.11 Scope 3 category 11 use of sold products

As per the GHG Protocol Corporate Value Chain (Scope 3) Standard and the UK Green Building Council Guide to Scope 3 Reporting in Commercial Real Estate, whole life impacts for existing buildings are not accounted for by the building seller or purchaser at the point of transfer. However, where a speculative developer constructs a new building to sell to the market, the building is treated as a product and the scope 1 and 2 emissions of future building occupants is modelled for the 60-year lifetime of the building and must be included in the developer's scope 3 reporting the year in which the building is sold.

From FY22 to FY24, Cromwell did not develop and sell any new buildings. Therefore, no emissions are associated with the operational lifecycle emissions of any sold developments, but Cromwell will do so in future if the situation arises.

While providing the service of facility management for 100 Miller St, North Sydney (until December 2022), the emissions associated with the management of the base building is calculated by applying NGA factors to electricity and gas base building energy consumption.

3.1.12 Scope 3 category 13 downstream leased assets

Category 13 captures emissions from tenant-controlled spaces including those from electricity and natural gas consumption and tenant managed refrigerants. Emissions from electricity consumption are calculated using the same market-based methodology as in section 3.1.2 Scope 2 emissions (market-based). For assets within the Reporting Boundary the following assumptions apply. Tenant managed refrigerant equipment data is requested directly from the facility managers; if no data is available, it is assumed there are no tenant managed refrigerants on site. Natural gas consumption is captured in Envizi (Cromwell's Australian environmental data management system), where there is no data captured it is assumed there is no tenant managed gas consumption. In the case of electricity emissions, an emissions calculation hierarchy is applied depending on the data quality:

- 1) For all Australian properties, except 433 Boundary St, Spring Hill and 2-24 Rawson Place, Sydney, Cromwell has sub-metered tenant data.
- 2) Where metered tenant data is unavailable due to a lack of submetering or in minimal cases, a tenant unwilling to share their energy data, whole building metered data for Australian properties is apportioned as 50% base building and 50% total tenancy, as prescribed by the National Australian Built Environment Rating System (NABERS).
- 3) Where neither metered tenant data nor whole building data is directly available to us, it is requested from the tenants. This is applicable only to non-operationally controlled properties with a single tenant (203 Coward St, Mascot).

3.1.13 Scope 3 category 15 investments

This includes emissions from investment in Oyster Property Group and Phoenix Portfolios, where Cromwell does not have operational control of the real estate assets. Two approaches are taken:

- 1) Where we have equity in companies with physical real estate, such as Oyster Property Group, scope 1 and 2 emissions data is requested from the entity with operational control and

apportioned based on our equity share in the entity. This includes emissions from refrigerants, diesel, natural gas and electricity (location-based). Where data for refrigerants, diesel or natural gas is not available it is assumed as zero emissions under the assumption that the relevant equipment is not managed by Oyster Property Group. For relevant asset emissions data is apportioned based on equity share, this excludes tenant managed assets that are not considered scope 1 or 2 for Oyster Property Group.

All Oyster Property Group assets are based in New Zealand as at 30 June 2024. Therefore, New Zealand location-based factors are used based on *Measuring emissions: A guide for organisations* from the New Zealand Ministry for the Environment. Electricity consumption is captured via metering or invoices, and primary energy data (kWh) is prioritised. Some energy data is not available for the entire year, the available months are extrapolated to cover the entire year.

2) Cromwell has a 45% equity share in Phoenix Portfolios and manages three of their funds, which are reported at 100%. Phoenix Portfolios and the managed funds invest in shares for real estate companies. An emissions factor for commercial real estate has been estimated using the following approach: first, the total emissions in Australia are obtained and 10% of these emissions are apportioned to commercial real estate. This is then divided by the total financial value of commercial real estate in the Australian economy. This provides the emissions factor that is then applied to the Assets Under Management (AUM) value of the Phoenix Portfolios as at 30 June.

3.1.14 Water

Water consumption is measured as total volume (kL) of water consumed within the Reporting Boundary and not returned to the environment. Total volume is captured using Cromwell's Australian environmental data management system, Envizi. Where data is not available in Envizi, consumption is captured through invoices. Water consumption data is captured and reported at a whole building level for property assets. Water consumption for corporate operations is captured through whole of building data, requested from the landlord/s and apportioned based on NLA of our tenancy compared to the whole of building.

3.1.15 Recycling rate

Refer to section 3.1.7 for the waste data collection process. Recycling rate is the percentage of total operational waste recycled (including organics) to total waste generated (recycled and landfill) within the Reporting Boundary. This performance indicator does not include construction waste, estimated waste (applicable to Soward Way, Greenway) or waste relating to upstream leased assets. The recycling rate does capture waste generated by all tenants at all sites, including tenants in assets not under operational control.

3.2. Methodology for social metrics

All employees are listed under the entity Cromwell Operations Pty Ltd.

3.2.1 Gender pay gap

Measured in a percentage, the gender pay gap is the difference between the average earnings for men and women, expressed as a percentage of men's average earnings, as defined by the Australian Government Workplace Gender Equality Agency. Data is annualised to total compensation excluding bonuses as at 30 June. Includes CEO, excludes directors, contractors and casual employees.

3.2.2 40:40:20 gender representation

The target ratio of minimum 40% men, 40% women, and 20% any gender across all leadership levels including casual employees. All Australia employees are asked their gender upon employment and may choose to reassign their gender. This information is stored on employee profiles and extracted from Workday, the human capital management software administered by Cromwell.

