Module: Introduction

Page: Introduction

0.1

Introduction
Please give a general description and introduction to your organization

This is the seventh submission made by CFS Retail Property Trust (CFX or the "Trust") to the Carbon Disclosure Project and covers the period 1 January 2011 until 31 December 2011. CFX is a retail sector-specific Australian Real Estate Investment Trust (A-REIT) which invests in quality regional and sub-regional shopping centres across Australia. The Responsible Entity of CFX is Commonwealth Managed Investments Limited (CMIL or the "RE"). CMIL has appointed Colonial First State Property Retail Pty Limited (CFSPRPL) or the "Manager", as the Manager of CFX. CFSPRPL is the management entity utilised by the Property division of Colonial First State Global Asset Management (CFSGAM). (In this document the Manager refers to both CFSPRPL and CFSGAM). Subject to certain limitations, the Manager has a duty to carry out or cause to be carried out all the functions, duties, responsibilities and obligations of the Responsible Entity. However, CMIL remains fully responsible for the actions of the Manager. The property assets owned by CFX are operated and maintained by the asset management division of Colonial First State Global Asset Management (CFSGAM-AM). CFSGAM-AM and CFSPRPL are both divisions of Colonial First State Global Asset Management the consolidated asset management arm of the Commonwealth Bank of Australia (the Bank). For the purposes of this survey and simplicity, all references to these bodies will fall under the definition of CFX, unless otherwise stated. CFX has been included in the Dow Jones Sustainability Index (DJSI) since September 2004 and the FTSE4Good Index since its inception in 2001. On 1 March 2007, Colonial First State Global Asset Management became Australia's largest fund manager to become a signatory to the United Nations Principles for Responsible Investment (UNPRI). Our latest business Responsible Investment report is attached at the base of this page as further information.

Colonial First State Global Asset Management's Climate Change position paper is also attached.

Colonial First State Global Asset Management is also an active member of the Investor Group on Climate Change (IGCC) and is represented on the Management committee with the position of Deputy Chair. CFSGAM also chairs the Property Working Group of the IGCC. CFX also reports on its sustainability achievements on an annual basis through the sustainability section of the Trust's annual report.

0.2

Reporting Year
Please state the start and end date of the year for which you are reporting data.
The current reporting year is the latest/most recent 12-month period for which data is reported. Enter the dates of this year first.
We request data for more than one reporting period for some emission accounting questions. Please provide data for the three years prior to the current reporting year if you have not provided this information before, or if this is the first time you have answered a CDP information request. (This does not apply if you have been offered and selected the option of answering the shorter questionnaire). If you are going to provide additional years of data, please give the dates of those reporting periods here. Work backwards from the most recent reporting year.
Please enter dates in following format: day(DD)/month(MM)/year(YYYY) (i.e. 31/01/2001).

Enter Periods that will be disclosed
Sat 01 Jan 2011 - Sat 31 Dec 2011

0.3

Country list configuration

Please select the countries for which you will be supplying data. This selection will be carried forward to assist you in completing your response

Select country
Australia

0.4

Currency selection

Please select the currency in which you would like to submit your response. All financial information contained in the response should be in this currency.

AUD ($)

0.5

Please select if you wish to complete a shorter information request

0.6

Modules

As part of the Investor CDP information request, electric utilities, companies with electric utility activities or assets, companies in the automobile or auto component manufacture sectors and companies in the oil and gas industry should complete supplementary questions in addition to the main questionnaire.

If you are in these sectors (according to the Global Industry Classification Standard (GICS)), the corresponding sector modules will be marked as default options to your information request. If you want to query your classification, please email respond@cdproject.net.

If you have not been presented with a sector module that you consider would be appropriate for your company to answer, please select the module below. If you wish to view the questions first, please see https://www.cdproject.net/en-US/Programmes/Pages/More-questionnaires.aspx.

Further Information

The 2011 CFSGAM Responsible Investment Report is attached for information along with the CFSGAM Climate Change Position Statement.

Attachments

https://www.cdproject.net/Sites/2012/91/3091/Investor CDP 2012/Shared Documents/Attachments/InvestorCDP2012/Introduction/Climate Change Policy Statement - rebranded.pdf

https://www.cdproject.net/Sites/2012/91/3091/Investor CDP 2012/Shared Documents/Attachments/InvestorCDP2012/Introduction/GAM-RI-Report_FINAL_2011[1].pdf

Module: Management [Investor]

Page: 1. Governance

1.1

Where is the highest level of direct responsibility for climate change within your company?

Individual/Sub-set of the Board or other committee appointed by the Board

1.1a

Please identify the position of the individual or name of the committee with this responsibility

Name of Committee:
Board appointed Management Company, Colonial First State Property Retail Pty Limited (manager of CFX). This company is vested with the full power to implement climate change and more broadly sustainability policies and programmes.

1.2

Do you provide incentives for the management of climate change issues, including the attainment of targets?

Yes

1.2a

Please complete the table

Who is entitled to benefit from these incentives?	The type of incentives	Incentivised performance indicator
Business unit managers	Monetary reward	Climate change, carbon reduction and building energy efficiency performance is a recognised aspect of the broader risk management processes of the business. The adoption and implementation of the risk management framework, including mitigation and management of those identified risks, forms part of the overall KPI requirements of all staff. Furthermore, CFX has publically disclosed short term energy reduction performance targets and the achievement of these at both individual building and portfolio Trust level is a consideration of the relevant remuneration package. (These energy reduction targets are effectively emission reduction targets).Hence, it is a monetary incentive within the performance management process and a consideration in the overall remuneration arrangements of the Corporate Executive Team.

Who is entitled to benefit from these incentives?	The type of incentives	Incentivised performance indicator
Environment/sustainability managers	Monetary reward	Climate change, carbon reduction and building energy efficiency performance is a recognised aspect of the broader risk management processes of the business. The adoption and implementation of the risk management framework, including mitigation and management of those identified risks, forms part of the overall KPI requirements of all staff. Furthermore, CFX has publically disclosed short term energy reduction performance targets and the achievement of these at both individual building and portfolio Trust level is a consideration of the relevant remuneration package. (These energy reduction targets are effectively emission reduction targets).Hence, it is a monetary incentive within the performance management process and a consideration in the overall remuneration arrangements of the Sustainability and Responsible Investment team.
Facility managers	Monetary reward	Climate change, carbon reduction and building energy efficiency performance is a recognised aspect of the broader risk management processes of the business. The adoption and implementation of the risk management framework, including mitigation and management of those identified risks, forms part of the overall KPI requirements of all staff. Furthermore, CFX has publically disclosed short term energy reduction performance targets and the achievement of these at both individual building and portfolio Trust level is a consideration of the relevant remuneration package. (These energy reduction targets are effectively emission reduction targets). Hence, it is a monetary incentive within the performance management process and a consideration in the overall remuneration arrangements of the Property Management Team.

Page: 2. Strategy

2.1

Please select the option that best describes your risk management procedures with regard to climate change risks and opportunities

Integrated into multi-disciplinary company wide risk management processes

2.1a

Please provide further details (see guidance)

At the strategic level, CFX utilises an enterprise-wide risk management framework that takes into account as part of its formal practices the consideration of and planning for strategic, regulatory, operational, liquidity, financial, market and report risk (in accordance with ISO 9100:2008 and AS/NZS 4360:2004).Thereafter, specific planning for risks are dealt with through the business strategy, which enables the detailed procedural controls, planning and implementation of risk management.

Each risk is assessed at the asset(property) level with every CFX asset having a Strategic Asset Plan (SAP) which assesses the strengths, weaknesses, risks and opportunities of each asset (including those pertaining to climate change). The SAP is created annually, reviewed quarterly and also when required if asset conditions change, and informally if the need requires. Each risk in the SAP is assessed in terms of the impact on the Trust financially with each risk frequency and impact assessed, to provide an overall materiality and severity of opportunity or loss.
The process is undertaken by the property/facilities managers in the first instance, and is reviewed by the asset regional portfolio managers, who present findings to the fund management team. The initial audience for the process is the Fund Manager and ultimately any material issues will be reported to the Board of the Responsible Entity.

2.2

Is climate change integrated into your business strategy?

Yes

2.2a

Please describe the process and outcomes (see guidance)

The Process by which the strategy is influenced: The manager of CFX, CFSGAM, has a Climate Change Position Statement, and a Risk Management framework for the management of its assets and the CFX Trust as a whole. Risk and Opportunities relating to climate change are assessed on an asset by asset basis as part of the Strategic Asset Plan process, on a quarterly basis. This is then rolled up to give an organisation wide view. The scope of the Strategic Asset Plan Process is to review all strengths, weaknesses, threats and opportunities, with climate change risk and opportunity slotting into this process (an informal climate change adaptation, and resilience framework). The Strategic Asset Plan process occurs annually, reviewed quarterly and also when required if asset conditions change, and additionally also informally when issues are identified. The internal communication process that exists within the business enables climate change to be integrated through the strategy development. Weekly meetings are held with the Property Management Teams to discuss sustainability and climate change specific programs and initiatives. Fortnightly meetings are also held with the Regional Operational Managers to discuss asset specific sustainability items. Monthly meetings are held with issue specific consultants and key internal stakeholders to address issues including energy efficiency, waste and recycling (scope 3) programs and data management and through reporting. Monthly Executive Committee Meetings are held and include a regular Sustainability Report. Responsible Property Investment (RPI) Meetings are held monthly with Senior Management to discuss high level Sustainability issues across the Funds and assets, along with six monthly Board Mtgs.
Aspects of climate change that have influenced the strategy: The manager of CFX recognises the potential severity of climate change on our industry and our assets. Climate change is (and will increasingly) impact on the scarcity and pricing of resources such as energy, water, building materials and waste. As a responsible manager of investor’s capital over the longer term, it is essential to address these impacts of climate change, in the strategy of the Trust, and it does so by taking these into account in the business strategy.
Strategy for the short-term and long-term: The overall business strategy incorporating a focus on Risk Management practices ensures the Trust is consistent with its vision of being the leading manager of Australian retail property, delivering above benchmark returns through active management. Underpinning this are our business objectives, which are designed to achieve the strategy over the short, medium and long-term horizon. We consider the short-term strategy time horizon to be 1-3 years, medium-term strategy time horizon to be 3-5 years and the long-term strategy time horizon to be 5 years and beyond. There has been no change to

both the long-term and short-term strategies since the last reporting period. How has climate change information been filtered through to the Strategy of the Trust? It is via a number of channels: 1 Through the operations and the responsible investment team (via rising costs of electricity and insurance and also rising environmental risks) which translates into a financial risk. 2 Through risk management and compliance where risk mapping is identifying that this is an issue of increasing importance and risk so it has become a focus for the business.
The business strategy is guided by and incorporates:
• Group-level strategic determinants
• Integrated risk management to identify, assess and manage the business
• Recognition of the different streams of our business and their unique requirements for development over time
• The impact of UN PRI commitment on the business delivery model

Strategic advantage. Addressing climate change provides the Fund with a strategic advantage. Tenants are anticipated to follow the trend established in the Australian Commercial Office sector by increasing demand for more efficient and lower carbon buildings. With increasing costs for energy, water, building materials and waste, it is also economically more viable to have a more efficient building. Highly efficient buildings encourage greater demand from tenants, with lower operating costs, lower occupancy costs and lower vacancy rates (as well as less down time between tenants) and stronger rental growth. All of this results in assets with a lower risk profile and ultimately higher valuations. This strategy also provides investors with more confidence, putting upward pressure on CFX's share price.
Substantial business decisions. Accordingly the Trust has set short term Energy and Water targets across the portfolio to encourage the continual improvement in the efficiency of CFX's portfolio of assets, reducing the GHG emissions from the Trust's assets. (Energy targets are effectively the emission reduction targets at individual assets, and overall for the portfolio of properties in the Trust). The engagement with PRI, and our Climate Change Position Statement form an integral aspect of the design of the 1 to 3 year business objectives planning and the long-term strategy of CFSGAM's positioning, and that of CFX. The management of these commitments, and those of the Direct Property Sustainability Policy, are incorporated into the business model, strategic planning for each asset class, the management of specific assets individually, and the overall performance expectations of the products and services we deliver. Additionally, these plans are supported through a dedicated advocacy program, with a team of sustainability and responsible investment professionals providing critical advice to the business and supporting it through representation to key government and industry bodies for the development of regulation, trading markets and enhanced performance over time. Collectively, these elements have been utilised to create targets for CFX assets as identified in questions 3 through 8, which are to be actioned through the Sustainability Implementation Plans we have in place for each asset within CFX.
The attachments include: our Direct Property Sustainability Policy, which enumerates the actions we are committed to in terms of improving assets through the adoption of sustainable property management practice, and our expectation as to how those actions will achieve overall improvement to both the quality and lifespan of the asset, and maximise investor return. Similarly, the Annual Report includes a dedicated Sustainability Section under Responsible Property Investment.

2.2b

Please explain why not

2.3

Do you engage with policy makers to encourage further action on mitigation and/or adaptation?

Yes

2.3a

Please explain (i) the engagement process and (ii) actions you are advocating

(i) The Engagement Process:
(a) Method of engagement: Generally the property business subscribes to and supplies information to the industry associations such as the "Property Council of Australia", (PCA) and the Green Building Council of Australia" (GBCA). Seldom have we engaged directly with policy-makers; however we have supplied access to properties to the policy makers and their consultants to explore the practical implications of proposed legislation.
(b) Topics of engagement: The topics generally have related to the proposed legislation in regard to the Australian Governments "Clean Energy Future", package of legislation relating to the carbon pricing mechanism and its related implications in regard to policy to our property assets, and the implication to investors.
(c) Nature of Engagement: This involves responding via the industry bodies to draft policy, legislation and other action on mitigation or adaptation, through research and by providing practical examples and results of the proposed policies, by example to the assets we manage. Sometimes the engagement is in support of climate adaptation proposals, and other times against proposed policies where these have not been thought through and result in impractical results for operators and investors.
(ii) Actions Advocating:
Our actions have encouraged endorsement of practical, low cost carbon mitigation actions and disclosure in regard to our assets and funds.
Specific actions advocated have included showing support at the federal government level for the introduction of a carbon pricing mechanism, assisting in the development of both performance and design based green building rating tools, advocating the National Energy Savings Initiative white paper, and assisting the PCA and GBCA for the real estate Industry that helps to improve energy and GHG reporting.

Further Information

Documents supporting our answers to this section include:
1. Direct Property Sustainability Policy
2. CFX 2011 RPI section of the annual report
3. Responsible Investment Policy Statement for whole of business

Attachments

https://www.cdproject.net/Sites/2012/91/3091/Investor CDP 2012/Shared Documents/Attachments/InvestorCDP2012/2.Strategy/Direct Property Sustainability Policy - 2010
https://www.cdproject.net/Sites/2012/91/3091/Investor CDP 2012/Shared Documents/Attachments/InvestorCDP2012/2.Strategy/CFX 2011 RPI section_Final[1].pdf
https://www.cdproject.net/Sites/2012/91/3091/Investor CDP 2012/Shared Documents/Attachments/InvestorCDP2012/2.Strategy/Responsible Investment Policy Statement - 2010

Page: 3. Targets and Initiatives

3.1

Did you have an emissions reduction target that was active (ongoing or reached completion) in the reporting year?

Absolute and intensity targets

3.1a

Please provide details of your absolute target

ID	Scope	% of emissions in scope	% reduction from base year	Base year	Base year emissions (metric tonnes CO2e)	Target year	Comment
3.1a1	Scope 1+2+3	100%	4.3%	2011	112730	2012	This target is internal and has been set for the benefit of having a KPI to track the operational performance of the assets. This is a hybrid target set from a combination of historical trends and project based "bottom up" forecasts. The Operational Performance Strategy is 2 years into a 4 year rollout across the retail properties, which will enable the more detailed "bottom up" forecasts to be performed over the entire portfolio once it is fully deployed.

3.1b

Please provide details of your intensity target

ID	Scope	% of emissions in scope	% reduction from base year	Metric	Base year	Normalized base year emissions	Target year	Comment
3.1b1	Scope 1+2+3	100%	4.3%	metric tonnes CO2e per square meter	2011	106.6	2012	This target is internal and has been set for the benefit of having a KPI to track the operational performance of the assets. This is a hybrid target set from a combination of historical trends and project based "bottom up" forecasts. The Operational Performance Strategy is 2 years into a 4 year rollout across the retail properties, which will enable the more detailed "bottom up" forecasts to be performed over the entire portfolio once it is fully deployed. The normalisation in this case takes into consideration the percentage ownership of each asset.

3.1c

Please also indicate what change in absolute emissions this intensity target reflects

ID	Direction of change anticipated in absolute Scope 1+2 emissions at target completion?	% change anticipated in absolute Scope 1+2 emissions	Direction of change anticipated in absolute Scope 3 emissions at target completion?	% change anticipated in absolute Scope 3 emissions	Comments
3.1b1	Decrease	4.38	Decrease	3.89	This reduction in total portfolio emissions is being achieved 2 years into a 4 year rollout of the CFX Operational Performance Strategy (OPS) to the managed retail assets. Effectively only 5 of the sites will have completed their projects (and be realising their savings) for the full 12 months of the target year. The remainder of sites (10 off) will commence implementation of their projects during the 2012-13 financial year and thus won't be contributing the results of their projects to the outcome of this target. This means that the emissions savings are, at this stage, coming from a very significant reduction at a small number of sites. The magnitude of portfolio reductions will increase significantly over the coming years as the OPS rollout continues.

3.1d

Please provide details on your progress against this target made in the reporting year

ID	% complete (time)	% complete (emissions)	Comment
3.1a1	50	17	This target was established as an intermediary to the full deployment of the Operational Performance Strategy across all of the retail assets. After the rollout finishes (FY13/14) and site level improvement schedules are developed across the whole portfolio, detailed (bottom up) and long term targets will be used as part of the operational process. So far the program has yielded NABERS ratings (performance benchmarking) and improvement plans across 15 of the assets under management (approximately 50%). By the end of next financial year, all sites will have had accredited NABERS ratings, and 75% of the assets will be operating towards their NABERS improvement plans. At 5 sites so far, we have been successful in securing federal government co-contributions to significant energy efficiency upgrades of the centres, and wholly owner funded projects are underway at the remaining properties.
3.1b1	50	17	This target was established as an intermediary to the full deployment of the Operational Performance Strategy across all of the retail assets. After the rollout finishes (FY13/14) and site level improvement schedules are developed across the whole portfolio, detailed (bottom up) and long term targets will be used as part of the operational process. So far the program has yielded NABERS ratings (performance benchmarking) and improvement plans across 15 of the assets under management (approximately 50%). By the end of next financial year, all sites will have had accredited NABERS ratings, and 75% of the assets will be operating towards their NABERS improvement plans. At 5 sites so far, we have been successful in securing federal government co-contributions to significant energy efficiency upgrades of the centres, and wholly owner funded projects are underway at the remaining properties.

3.1e

Please explain (i) why not; and (ii) forecast how your emissions will change over the next five years

3.2

Does the use of your goods and/or services directly enable GHG emissions to be avoided by a third party?

Yes

3.2a

Please provide details (see guidance)

How and Why:

The efficiency of our properties directly enables GHG emissions to be avoided by a third party. This includes the retail tenants in our buildings. The implementation of energy efficiency initiatives can deliver significant GHG reductions across whole building performance. CFX has implemented numerous technological projects that include the selection of energy-efficient HVAC, the use of low energy lighting, the optimisation of building management systems, and advanced integration and planning of energy efficiency / GHG avoidance opportunities for major building upgrades and developments.

Example:

An example of the GHG emission impact of a project can be demonstrated through a case study on Grand Plaza Shopping Centre Chiller upgrade which has provided a GHG emission impact (reduction) of approximately 220 tonnes per annum since it was commissioned in 2009. There is a natural flow-on to third parties. These emissions factors were calculated from the National Greenhouse Accounts Factors 2008 (NGA Factors) with the calculation based on the Full fuel cycle EF (EF for scope 2 + EF for scope 3) multiplier of 1.02 kg CO_2- e/kWh.

CFSGAM has developed a Green Lease Strategy and Program, which is being implemented during 2011/12. This will allow both CFX and its tenants to improve the carbon performance of its assets while removing the barriers to energy efficiency. CFX will develop a methodology to quantify the GHG emissions avoided by its tenants due to the installation and on-going management of energy efficiency initiatives this can be achieved partly through the current rollout of additional metering and monitoring as part of the CFSGAM Asset Efficiency Program.

These emissions factors were calculated from the National Greenhouse Accounts Factors 2008 (NGA Factors) with the calculation based on the Full fuel cycle EF (EF for scope 2 + EF for scope 3) multiplier of 1.02 kg CO_2- e/kWh.

CFX does not currently intend to originate any credits from the Clean Development Mechanism (CDM) or Joint Implementation (JI).

3.3

Did you have emissions reduction initiatives that were active within the reporting year (this can include those in the planning and/or implementation phases)

Yes

3.3a

Please identify the total number of projects at each stage of development, and for those in the implementation stages, estimated CO2e savings

Stage of development	Number of projects	Total estimated annual CO2e savings (only for rows marked *)
Under investigation	9	
To be implemented*	9	1889
Implementation commenced*	4	2992
Implemented*	4	7869
Not to be implemented	4	

3.3b

For those initiatives implemented in the reporting year, please provide details in the table below

Activity type	Description of activity	Estimated annual CO2e savings	Annual monetary savings (unit currency)	Investment required (unit currency)	Payback period
Energy efficiency: building services	Clifford Gardens Green Building Fund upgrade project. A package of upgrade works was submitted for and received funding from the Federal Government's Green Building Fund program. The upgrade works are focused on HVAC and building control optimisations. The savings are for Scope 1&2&3 emissions. This is a voluntary project with an expected lifetime in line with the remaining end of capital lifecycle of the equipment in the building (10-15 years). These actions are being implemented.	467	67200	111000	1-3 years
Energy efficiency: building	Grand Plaza Green Building Fund upgrade project. A package of upgrade works was submitted for and received funding from the Federal Government's Green Building Fund program. The upgrade works are focused on HVAC and building control	306	66700	115000	1-3 years

Activity type	Description of activity	Estimated annual CO2e savings	Annual monetary savings (unit currency)	Investment required (unit currency)	Payback period
services	optimisations. The savings are for Scope 1&2&3 emissions. This is a voluntary project with an expected lifetime in line with the remaining end of capital lifecycle of the equipment in the building (10-15 years). These actions are being implemented.				
Energy efficiency: building services	Queens Plaza Green Building Fund upgrade project. A package of upgrade works was submitted for and received funding from the Federal Government's Green Building Fund program. The upgrade works are focused on HVAC and building control optimisations. The savings are for Scope 1&2&3 emissions. This is a voluntary project with an expected lifetime in line with the remaining end of capital lifecycle of the equipment in the building (10-15 years). These actions are being implemented.	772	101400	81000	1-3 years
Energy efficiency: building services	Myer Centre Brisbane Green Building Fund upgrade project. A package of upgrade works was submitted for and received funding from the Federal Government's Green Building Fund program. The upgrade works are focused on HVAC and building control optimisations. The savings are for Scope 1&2&3 emissions. This is a voluntary project with an expected lifetime in line with the remaining end of capital lifecycle of the equipment in the building (10-15 years). These actions are being implemented.	1446	238900	312000	1-3 years

3.3c

What methods do you use to drive investment in emissions reduction activities?

Method	Comment
Employee engagement	Energy reduction targets. Each year an indicative energy reduction performance target is set for each site in collaboration with the site operations teams. Gradually we are also introducing NABERS Energy reduction targets, and these targets will eventually cover all assets.
Compliance with regulatory requirements/standards	Energy Efficiency Opportunities Act (EEO). CFX has implemented a program to comply with the Australian Government’s EEO legislation. This requires assessment and public reporting of energy efficiency opportunities available within the portfolio. The implementation of the Operational Performance Strategy satisfies all EEO obligations.
Internal incentives/recognition programs	Energy reduction targets (and where in place, NABERS Targets). As part of the Operational Performance Strategy, each year a bottom up analysis of the portfolio is conducted to forecast the improvement in energy reduction performance at each asset.

Method	Comment
	From this baseline a portfolio wide target is calculated and multi-site programs are developed to further drive improvement in the targets. The absolute portfolio target is calculated and publicly committed to in the annual report. The site teams are assessed against these targets as part of their performance reviews.
Financial optimization calculations	Sustainability Improvement Plans (SAP). As part of the Operational Performance Strategy, every 3 years action plans for improving the operational efficiency performance of each asset are developed by an external consultant. These plans provide a suite of potential projects (with completed cost benefit analysis) that are assessed for inclusion in the forward budgets in the following year. The consultant progressively reviews the implementation of each project to ensure that it meets the requirements to deliver the maximum potential savings.

3.3d

If you do not have any emissions reduction initiatives, please explain why not

Page: 4. Communication

4.1

Have you published information about your company's response to climate change and GHG emissions performance for this reporting year in other places than in your CDP response? If so, please attach the publication(s)

Publication	Page/Section Reference	Identify the attachment
In annual reports (complete)	Sustainability section (pp24-33)	CFX June 2011 Annual report
In voluntary communications (complete)	Slide 20, page 11	CFX June 2011 Annual results investor presentation
In voluntary communications (complete)	Slide 21, page 11	CFX December 2011 Half-year results investor presentation
In voluntary communications (complete)	Website information	CFX 2011 RPI Section website link
In voluntary communications (complete)	Slide 18, page 9	Citi 2012 Global Property CEO Conference and US road-show presentation

Further Information

Supporting files for question 4.1 attached here.

Attachments

https://www.cdproject.net/Sites/2012/91/3091/Investor CDP 2012/Shared Documents/Attachments/InvestorCDP2012/4.Communication/120221 CFX HY results December 2011 presentation, Final[1].pdf
https://www.cdproject.net/Sites/2012/91/3091/Investor CDP 2012/Shared Documents/Attachments/InvestorCDP2012/4.Communication/110825 CFX Annual report June 2011, Final(1)[1].pdf
https://www.cdproject.net/Sites/2012/91/3091/Investor CDP 2012/Shared Documents/Attachments/InvestorCDP2012/4.Communication/120306 CFX US investor roadshow Final.pdf
https://www.cdproject.net/Sites/2012/91/3091/Investor CDP 2012/Shared Documents/Attachments/InvestorCDP2012/4.Communication/110816 CFX Annual results as at 30 June 2011, Final_for website[1].pdf
https://www.cdproject.net/Sites/2012/91/3091/Investor CDP 2012/Shared Documents/Attachments/InvestorCDP2012/4.Communication/CFX 2011 RPI section_Final[1].pdf

Module: Risks and Opportunities [Investor]

Page: 2012-Investor-Risks&Opps-ClimateChangeRisks

5.1

Have you identified any climate change risks (current or future) that have potential to generate a substantive change in your business operations, revenue or expenditure? Tick all that apply

Risks driven by changes in regulation
Risks driven by changes in physical climate parameters
Risks driven by changes in other climate-related developments

5.1a

Please describe your risks driven by changes in regulation

ID	Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact
5.1a1	Uncertainty surrounding new regulation	Uncertainty relates to the potential impact of the proposed retail mandatory disclosure on CFX shopping centre assets, which the Federal Government has indicated it intends to introduce post 2014(delay from 2012). It is proposed to be based on NABERS ratings for retail centres.	Increased operational cost	1-5 years	Direct	Virtually certain	Medium
5.1a2	Emission reporting obligations	Emission reporting obligations which CFX is currently required to participate include: •National Greenhouse and Energy Reporting Act (2007); •The Energy Efficiency Opportunities Act (2006); •Environment and Resource Efficiency Plans (EREP), Victoria, Australia under Environment Protection Act 1970; •Other state based Environmental schemes.	Increased operational cost	Current	Direct	Virtually certain	Low-medium
5.1a3	Cap and trade schemes	The Australian government is currently implementing a carbon pricing mechanism, which is effectively a cap and trade scheme (although it is sometimes referred to as a carbon tax). This legislation is in place and will be in effect from 1 July 2012 and is anticipated to have minimal direct impact on CFX, however will have an indirect, the extent of which is still to be determined.	Increased operational cost	1-5 years	Indirect (Supply chain)	Virtually certain	Low-medium
5.1a4	General environmental regulations, including planning	Changes to general environmental regulations will have a direct impact on CFX. There is a potential for increased environmental regulation as a result of the "Clean Energy Future" suite of regulation by the Federal government which will result in increased costs for development DA's as well as a potential requirement to review adaptation and land use as well as resilience. This will be in the form of more stringent Environmental Management Plans as well as the proposed updates in legislation from the current review of the "environmental Protection and Biodiversity Conservation Act"' and the proposed National Wildlife Corridors plans. Additionally the productivity commission is currently looking into ways to reduce emissions and increase efficiency, and one potential outcome is a more stringent Building Code of Australia (BCA).	Increased capital cost	1-5 years	Direct	Likely	Low-medium

5.1b

Please describe (i) the potential financial implications of the risk before taking action; (ii) the methods you are using to manage this risk; and (iii) the costs associated with these actions

5.1a1 – (i) Uncertainty relates to the potential impact of NABERS mandatory disclosure on CFX shopping centre assets, which the Federal Government has indicated it intends to introduce July 2012. This could have the following impacts: 1. Increased cost for assessment and management 2. Increased cost in upgrading existing properties to NABERS benchmark 3. Potential impacts on retailer lease negotiations. At the moment, however, the financial impacts on the Trust are not clearly known, as details have not been released, other than what we mention in (iii) below.
(ii) The methods used to manage this risk include improving the monitoring of energy use in our portfolio and undertaking NABERS ratings of our assets. During the year the Trust undertook a self-assessment of 24 Shopping Centres in the portfolio and is currently undertaking accredited assessments (NABERS Energy and Water ratings) on 12 assets, these include; - Grand Plaza, Brimbank, Altona, Chadstone, Chatswood, Rosebud Plaza, Queens Plaza, Myer Centre Brisbane, Elizabeth, Runaway Bay, Bowes St, Clifford Gardens. All Ratings will align with the 2012 Financial year.
(iii)CFX has implemented a programmed performance rating (NABERS) process with costs estimated at around $353K annually for management for all CFX properties, and once fully implemented (by the end of FY2013) in-line with the proposed future introduction of Mandatory Disclosure.
5.2a2 – (i) Emission reporting obligations which CFX is currently required to participate include: •National Greenhouse and Energy Reporting Act (2007); •The Energy Efficiency Opportunities Act (2006); •Environment and Resource Efficiency Plans (EREP), Victoria, Australia under Environment Protection Act 1970; •Other state based Environmental schemes. All of these add complexity and cost to the business, with the following identified as specific risks:
1. Failure to report or accurately report data
2. Failure to undertake mandatory projects
3. Increased costs of data management and reporting. Failure to comply with the identified risks listed in the table above could result in substantial financial, reputational and in some cases criminal penalties being applied to CFX. Examples of these are listed below; EEO - maximum penalty of AUD$110,000 and potential criminal proceedings, NGERS - maximum penalty of AUD$220,000 and potential criminal proceedings, EREP - maximum penalty of AUD$220,000
(ii) To manage this risk, it is important to collect and report the information under the relevant regulations. CFX has been collecting energy and water data from its assets for over 5 years and in more recent years data on waste. We also have a dedicated team of sustainability professionals to assist in the collation and reporting of the data. CFX provides regular updates on its performance not only to the relevant authorities but also through its annual report.
(iii) CFX utilises a data management system established through a third party contract to ensure accuracy of data for legislative reporting with the establishment cost of approximately AUD$54,000 (3 years ago) with on-going costs of approximately $104,000 p.a.
5.1a3 – (i) A carbon price is likely to drive up the cost of electricity, water and waste (disposal) over the short term. Some of this will be borne by owners, and some by tenants. A carbon price is likely to have far reaching impacts across the Australian economy, many of which are uncertain at this stage. Our initial modelling shows that the short-term downward impact on property values is likely to be minor (less than 1% of value for a $23/tonne carbon price).
(ii) Our method to manage this risk is by making our assets more efficient. Across the CFX portfolio we introduced level 3 energy management plans at all centres with the FY2012 NABERS assessed centres also being evaluated under our NABERS Improvement plan process which has identified and driven initiatives across the portfolio. We have also set energy consumption targets since FY2011 financial years. Examples of initiatives we have undertaken include: painting the roof of Altona Gate with solar reflective paint, and testing Building Envelope leakage at Corio, Variable speed drives (VSD) installations on car park fans at Chatswood Chase and Broadmeadows, lighting optimisation at Myer Centre Brisbane (copies os case studies for Corio and Chatswood attached)
(iii) These cost of these initiatives are: $45K Altona Gate, $10K Corio, $24.5 Broadmeadows, $158K Chatswood, $70K Myer Centre Brisbane. Other, more general initiatives that have introduced across the portfolio have not been a material addition to standard capex for the centres or have been introduced and undertaken where they have a relatively short return on investment period.

5.1a4(i) - The future financial impacts on the Trust have not been clearly established as the full effects of the recent Clean Energy Future Legislation have not been completely introduced. It is expected that financial impacts will vary depending on the scale of the development and its physical location.
(ii) The Trust currently manages this risk through its (re)development due diligence and feasibility process
(iii) The cost to undertake due diligence as part of the (re)development of these assets was not considered material relative to overall developments costs.

5.1c

Please describe your risks that are driven by change in physical climate parameters

ID	Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact
5.1c1	Other physical climate drivers	The frequency of extreme weather events such as droughts, flooding, dust storms, heat waves, extreme cold and tropical cyclones is predicted to increase due to climate change, and therefore affect the operating conditions for shopping centres.	Other: Several impacts including: increased insurance costs, potential disruption to business, reduction in productive capacity	6-10 years	Direct	Likely	Medium
5.1c2	Change in precipitation pattern	Predicted changes in regional precipitation patterns due to climate change can lead to increased levels of water restrictions and higher associated energy and water supply costs. These increased operating costs unless able to be passed onto tenants, affect the profitability of the centres and value.	Increased operational cost	1-5 years	Direct	Likely	Low-medium
5.1c3	Change in temperature extremes	Changes to extremes in temperatures is likely to put excess demand on the HVAC requirements of our assets	Increased operational cost	6-10 years	Direct	Likely	Medium

5.1d

Please describe (i) the potential financial implications of the risk before taking action; (ii) the methods you are using to manage this risk; and (iii) the costs associated with these actions

5.1c1 – (i)1. Possible damage to building fabric requiring costly repairs or replacement; 2. Increase in insurance premiums; 3. Disruption to property operations and customer traffic; 4.Increased energy and water consumption if not mitigated. Recent extreme weather events such as the 2011 Brisbane Floods, inflicted general property damage and disruption to the operations of CFX centres across affected areas in QLD. Financial impact can be difficult to forecast as it depends on the nature and intensity of the event, however the 2011 events in QLD alone have resulted in over AUD$2 million in repairs and rectification costs. For example recent damage to property at Brimbank, Broadmeadows, and DFO Essendon in the Hail storms of 25 December 2011 resulted in flood damage to tenancies, impact damage to glass panels and air-conditioning units. Currently this damage is assessed to be over $1.3million.
(ii) This risk can be addressed by strictly monitoring and improving our insurance cover, to ensure cover for increased physical risks due to climate change. To address these risks we have quarterly risk management meetings between the operational teams, risk and compliance personnel. External risk management advisers address our approach to risks at our assets (including physical risks) and the appropriateness of our risk programme and insurance coverage. For new developments we comply with environmental planning laws regarding the location and design of our assets appropriate to the environmental risks prevalent. For newly acquired assets we undertake a review of the sustainability credentials of the new assets (refer to the attached Sustainability Due Diligence (DD) for the acquisition of Homebush DFO). An example of how we monitor the appropriateness of our insurance was to undertake a review after the Queensland floods in January 2011 of all of our insurance policies to ensure that our level of cover is appropriate (and it is).
(iii) During 2011, while there were a number of extreme weather events globally we experienced no material increase in insurance costs, however there is the expectation that insurers will want to recuperate their losses through increased premiums. In 2011, insurance premiums for retail properties increased by 15% in part due to the increase in severe weather conditions that were experienced in 2011. Over the office and retail portfolios (which we tender together), the change in insurance premium has been up $450,000 this year, plus an additional $300,000 in government charges. This reflects not only the increase in premiums, but also the new impact of portfolio changes over this period. While it is difficult to say that this increase in severe weather activity is due to climate change, it is generally accepted that this type of activity (increased incidents and severity of weather phenomena) will be the result of climate change going forward. As a conservative measure we have a budget of a 15% increase in insurance premiums for next year. For the development of new assets we target a 5 star Green star rating in order to mitigate the potential physical risks.

5.1c2 - (i) Prior to taking action this risk could result in greater water scarcity and as a result higher costs of water use.
(ii) Increasing water scarcity can be addressed by minimising our water consumption. We continue to reduce water consumption of our assets to prepare for times of water scarcity (and offset the impact of rising water costs). As part of our recently completed developments (at Rockingham, Chadstone, Chatswood Chase and Northland) we have introduced water efficiency measures such as water harvesting and introducing water efficient fixtures and fittings (including waterless urinals). Myer Melbourne department store, completed in December 2010, was built to a high standard of environmental performance (refer attached), including built to a 4 star WELs rating and is estimated to have a 15% saving per annum in water usage compared to prior to the development. More examples of water efficiency include the introduction of a waterless wok system at a retailer at Corio (this has also been trialled at a number of sites), As part of our extensive FY2012 amenities upgrade programs we have replaced all fixtures such as toilets with efficient Dual Flush systems and low water and waterless urinals, tap-ware is also a minimum specification WELS 4 star (refer attached DFO Moorabbin Specification).
(iii) The cost to undertake water efficiency sustainability initiatives as part of the (re)development of these assets was not considered material relative to overall developments costs. The cost to install a similar waterless wok system (at 385 Bourke Street) was $20,280, at Post Office Square, the cost of recent upgraded dual flush toilets was $25,000 and the urinals was $8,000.

5.1c3 – (i) If plant is unable to operate as designed due to temperature extremes, CFX may not be able to maintain adequate levels of tenant comfort leading to loss of rent. Electricity availability - Higher temperatures and prolonged periods of high temperatures will place pressure on energy demand which may cause electricity retailers to either have power failures or outages. Potential financial impacts as a result of this identified risk, for example a 10% increase in energy cost at a CFX property such as Forest Hill Chase would equate to an estimated increase of AUD$83,000
(ii) To mitigate this risk, the Trust needs to improve the overall energy efficiency of its assets as well reduce its overall consumption. CFX has implemented an Operational Performance Strategy along with other physical efficiency monitoring, management and educational tools to improve the overall efficiency of its portfolio. Building Management Software (Plantpro) has also been utilised to provide monitoring functionality at CFX assets which has notably has assisted in identifying Chiller plant issues at Corio which resolved is estimated to have avoided in excess of $60K in additional energy costs (refer attached). CFX has also targeted

reduction in energy use since 2010-11, while also undertaking a number of initiatives to reduce overall portfolio consumption. Key projects currently underway involve major works through the Green Building Fund (GBF) Grants at Myer Centre Brisbane, Queens Plaza, Grand Plaza and Clifford Gardens. These works include the installation of better Building Management System controls, VSDs on pumps and fans and the upgrade of chillers. The installation of Balltech Chiller Condenser cleaning technology and VSDs on car park fans at Chatswood Chase.
(iii) The cost of the GBF projects total $845K contribution from CFX. Chatswood Chase Balltech project totalled $52K and the VSD installation $158K.

5.1e

Please describe your risks that are driven by changes in other climate-related developments

ID	Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact
5.1e1	Induced changes in human and cultural environment	Changes to demographics, need to be studied and factored into long term planning for properties	Other: Could be a broad range of impacts which are difficult to quantify, but could include reduced market penetration for our centres and visa versa.	>10 years	Direct	More likely than not	Medium
5.1e2	Other drivers	Unpredictability of climate change induced risks. From broader economic impacts, socio-demographic trends, physical impacts, how this will impact on investment markets and the compounding of these risks which are unlikely to impact in isolation	Other: Could be a broad range of impacts as described, which would be monitored over a long term	>10 years	Direct	More likely than not	Medium
5.1e3	Reputation	Management of reputational risks is becoming increasingly critical as increased focus on climate change issues occurs. In addition, several large European pension funds are using sustainability as a key criterion when selecting property trust investments; a trend which is becoming increasingly pertinent to investment funds (particularly pension funds that have a particular interest/ responsibility in long-term investment) across the world.	Reduced stock price (market valuation)	Current	Direct	Likely	Medium-high

5.1f

Please describe (i) the potential financial implications of the risk before taking action; (ii) the methods you are using to manage this risk; (iii) the costs associated with these actions

5.1e1: (i) The potential financial implications could be the loss of your target market, or alternately an increase, both effects could have major implications if not managed, in firstly, a reduced service offering to a reduced client base served by the shopping centres tenant trade issues, or alternatively overcrowding and inability to cope with the increased demand.
(ii) The on-going monitoring of the catchment area for our centres in terms of demand and trends changing, via surveys to the community, the tenants turnover and trade will also be monitored.
(iii) The costs in monitoring will not be large, as this active management and monitoring is business as usual in shopping centres and their catchments, so effectively at $0 in year one.
5.1e2; (i) These other drivers are all encompassing, and result from various aspects of climate change, and effectively could have a variety of financial implications depending on each impact.
(ii) The other risks need to be addressed under a “Climate Adaptation and Resilience Strategy”. CFX will this year start a structured approach to climate adaptation, doing a high level assessment, and then drilling down to the highest risk property and undertaking a formal review.
(iii) Adaptation can be costly over the total portfolio that is why we will be addressing the overview, and detailed examination of one asset. We believe this investigation will cost in the region of $20,000 in FY2013.
5.1e3; (i) The implications for not addressing climate change from a reputational perspective are considerable and could impact financially through a decrease in the Trust’s share price or through increases in the cost of debt. At this point in time, only a small minority of investors are focused on our approach to sustainability, but there are a few large investors who are now showing signs of becoming more active in their investigations into these risks. A poor reputation can lead to a lack of investor confidence, put downward pressure on the share price, and make it difficult (and costly) to raise debt and equity which is a normal part of managing a listed property trust. This would mean that we would lose a competitive edge and would have reduced number of opportunities for investment (which is material but difficult to quantify in terms of the impact on the growth of the fund) as well as some indirect impacts such as rising cost of debt (through low investor confidence), the inability to keep good staff damaging the Trusts potential performance going forward and the loss of performance fees.
(ii) We address this risk, by improving the efficiency of our assets, by reporting on our achievements that are recognised in international surveys and then reporting this information regularly to our investors. To manage our reputation risk in addition to undertaking to improve the efficiency of our portfolio, we continue to report (to our debt and equity investors) on our achievements through reporting to FTSE4Good (since 2001), DJSI (since 2004), Australian SAM Index (since 2005), EREI (now GRESB since 2009) and CDP since 2006. We also do voluntary investor surveys through researchers such as Innovest, Sustainalytics and investors and broker PRI questionnaires. We report on sustainability every six months as part of our statutory reporting including a full review of our sustainability achievements (and review of commitments) in our annual report. In addition we also hold regular one on one meetings with sell side analysts and buy-side institutional investors (both domestic and international). Attached is a copy of a PRI survey from an investor that we responded to this year.
(iii) The cost of mitigating our reputation risk is in the form of three professional sustainability personnel across the entire CFSGAM suite of property funds, but also additional working hours of other staff in the business to report on our sustainability achievements as well as a number of consultancy firms used for advisory and consulting. The additional human capital the cost is estimated at around $650,000 per year across the CFSGAM suite of funds. In terms of our debt costs, if our reputation was spoiled by our poor sustainability credentials to the extent of downgrade in our debt ratings (which could potentially happen in future years as debt rating agencies start to introduce sustainability as a meaningful risk to companies debt covenants) the impact of a downgrade in CFX’s debt rating by one notch could cost the company in the order of 15 to 20 basis points of additional debt cost.

5.1g

Please explain why you do not consider your company to be exposed to risks driven by changes in regulation that have the potential to generate a substantive change in your business operations, revenue or expenditure

5.1h

Please explain why you do not consider your company to be exposed to risks driven by physical climate parameters that have the potential to generate a substantive change in your business operations, revenue or expenditure

5.1i

Please explain why you do not consider your company to be exposed to risks driven by changes in other climate-related developments that have the potential to generate a substantive change in your business operations, revenue or expenditure

Attachments

https://www.cdproject.net/Sites/2012/91/3091/Investor CDP 2012/Shared Documents/Attachments/InvestorCDP2012/5.ClimateChangeRisks/Emporium_Design_Brief_-_v6_100614_132310[1].pdf
https://www.cdproject.net/Sites/2012/91/3091/Investor CDP 2012/Shared Documents/Attachments/InvestorCDP2012/5.ClimateChangeRisks/Chatswood Case - Case Study - Carpark Ventilation - 2012.pdf
https://www.cdproject.net/Sites/2012/91/3091/Investor CDP 2012/Shared Documents/Attachments/InvestorCDP2012/5.ClimateChangeRisks/Sustainability DD Homebush.pdf
https://www.cdproject.net/Sites/2012/91/3091/Investor CDP 2012/Shared Documents/Attachments/InvestorCDP2012/5.ClimateChangeRisks/JLLIM PRI survey responses CFX and CPA.docx
https://www.cdproject.net/Sites/2012/91/3091/Investor CDP 2012/Shared Documents/Attachments/InvestorCDP2012/5.ClimateChangeRisks/10034_Fixtures and Finishes schedule.pdf
https://www.cdproject.net/Sites/2012/91/3091/Investor CDP 2012/Shared Documents/Attachments/InvestorCDP2012/5.ClimateChangeRisks/Case Study Corio PlantPro1.pdf - Adobe Acrobat Pro.pdf
https://www.cdproject.net/Sites/2012/91/3091/Investor CDP 2012/Shared Documents/Attachments/InvestorCDP2012/5.ClimateChangeRisks/JLLIM PRI Survey

Aug11.pdf

Page: 2012-Investor-Risks&Opps-ClimateChangeOpp

6.1

Have you identified any climate change opportunities (current or future) that have the potential to generate a substantive change in your business operations, revenue or expenditure? Tick all that apply

Opportunities driven by changes in regulation
Opportunities driven by changes in physical climate parameters
Opportunities driven by changes in other climate-related developments

6.1a

Please describe your opportunities that are driven by changes in regulation

ID	Opportunity driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact
6.1a1	Carbon taxes	The Australian government is implementing carbon pricing from July 2012. The introduction of the pricing and associated legislation will remove the uncertainty around this legislation and allow businesses to adapt and move forward with more certainty.	Other: Reduced operational costs. Potential to maintain valuations through having efficient buildings.	Current	Direct	Very likely	Low-medium
6.1a2	Emission reporting obligations	Reporting obligations provide additional internal pressure to make improvements in the business in terms of analysis of data.	Reduced operational costs	Current	Direct	Likely	Low-medium
6.1a3	Product efficiency regulations and standards	Focus of energy and water efficiency and improved waste reduction causes changes in management approach and therefore translates into reduced operating costs	Reduced operational costs	Current	Direct	Very likely	Medium
6.1a4	Voluntary agreements	By voluntarily improving performance in utilities and waste we may become eligible for funding under government incentive programmes such	Reduced capital costs	Current	Direct	Likely	Medium

ID	Opportunity driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact
		as Low Carbon Australia and Energy Upgrade Agreements.					

6.1b

Please describe (i) the potential financial implications of the opportunity; (ii) the methods you are using to manage this opportunity; (iii) the costs associated with these actions

6.1a1 – (i) Development of streamlined management practices for managing regulatory change. These changes can ensure that CFX maintains the ability to adapt to and manage regulatory change without significant changes to financial and staff resource requirements. To manage the opportunities around carbon pricing we continue to improve the overall sustainability of our portfolio and reduce emissions.
(ii) Management of this opportunity is about making the CFX assets as efficient as possible. CFX has in place Sustainability Implementation Plans (SIP) for individual properties. These SIP's are designed to assist in identifying and managing property initiatives in preparation of any form of carbon pricing. Across all assets in the CFX portfolio we have level 3 energy management plans in place and a target to reduce overall energy consumption during 2011-12. Properties that are undertaking accredited NABERS assessments during FY2012 are also developing fully detailed NABERS Improvement Plans that will target the full range of effective Operational and Capital efficiency improvements. Generally across the board where a sustainability initiative has a short to medium term payback or less we are undertaking them. An example of which is installation of voltage optimisation units in the Myer Centre Brisbane car park (case study attached) which had a simple payback of less than 2 years. Bigger picture however more energy efficient assets could translate into lower outgoings which from a valuation perspective, could translate into higher valuations (then would otherwise be the case had no action been taken).
(iii) indicatively the costs associated with undertaking projects like the installation of voltage optimisation units (at Myer Centre Brisbane) are circa $70,000 with savings of around $44,000 per annum.
6.1a2 (i) As above, the development of streamlined reporting practices for managing emission reporting obligations ensures that CFX maintains the ability to capture and manage data in an accurate and timely manner with the least number of staff or amount of financial burden.
(ii) CFX currently utilises a utility data management system to streamline this process.
(iii) The cost of upgrading to an automated data management system was approximately AUD$54,000 initially 3 years ago, with ongoing management approximately $104,000.
6.1a3 (i) Potential opportunities as identified above for CFX would include: 1. Seeking to engage and develop highly efficient and alternative technologies with stakeholders. Development of these technologies has the potential to create additional income streams and savings at CFX properties.
(ii) For example, changes to CFX's regulatory reporting requirements have been the catalyst for the adoption of Just-In-Time monitoring on several CFX waste compactors ensuring that efficient waste management practices could be adopted, reducing transport costs and ensuring waste data collection of compactor weights. Being proactive about climate change is one way CFX identifies to retain or enhance the value of the portfolio. In addition, reduction of outgoings through more efficient water, energy and waste management techniques can potentially flow through to CFX’s returns. To the extent that outgoings can potentially fall, tenants are able to pay a higher net rent and be no worse off as occupancy cost remains the same.
(iii) CFX may incur cost associated with the planning and Implementation of opportunities it identifies in the short term, however it anticipates that recovery of cost would be derived over time from asset efficiencies.

6.1a4 (i) Availability of Federal, State and Local Government grants. These grants can assist in providing a better cost benefit assessment to projects, and improve achievement of emission reduction targets as well as improve CFX's relationship with Government. Some financial implications may require operational or capital funding; others may just need management and process change. The financial benefits however could be: • Reduced operating costs, therefore higher income and value creation • Availability for eligibility for government funding and subsidies, therefore reducing capital requirements.
(ii) Sustainability Funds (incorporating water, waste and energy) exist nationally at State and local government level, these funds can be utilised to subsidise significant capital investment by CFX. To date funding has been limited for shopping centre assets, although with current government focus on energy efficiency, we are managing this by working with various local, state and federal government departments and funding vehicles. For example we are had discussions with Low Carbon Australia to work on innovative funding methods to ensure further implementation of energy efficiency initiatives across CFX properties. CFX is also investigating the NSW state government's Environmental Upgrade Agreements as another potential capital funding method for energy efficiency projects. Another example of opportunities in this area relates to successful submissions placed with the Green Building Fund Round 7 which have assisted in co-fund over $1.4 million in energy efficiency projects at several CFX properties.
(iii) Typical costs associated with the preparation of funding applications can be approximately $4,000 per application.

6.1c

Please describe the opportunities that are driven by changes in physical climate parameters

ID	Opportunity driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact
6.1c1	Change in precipitation pattern	Predicted changes in regional precipitation patterns due to climate change can lead to increased levels of water restrictions and higher associated energy and water supply costs. Having a lower dependency on natural resources leaves the Trust less vulnerable to periods of scarcity.	Reduced operational costs	>10 years	Direct	Likely	Medium
6.1c2	Other physical climate opportunities	The frequency of extreme weather events such as droughts, flooding, dust storms, heat waves and tropical cyclones is predicted to increase due to climate change, and therefore affect the operating conditions for shopping centres. The opportunity is to have efficient assets which attract lower insurance premiums.	Reduced operational costs	>10 years	Direct	Likely	Medium
6.1c3	Change in temperature extremes	Changes to extremes in temperatures are likely to put excess demand on the HVAC requirements of our assets. There is an advantage to having more efficient buildings.	Reduced operational costs	>10 years	Direct	Likely	Medium

6.1d

Please describe (i) the potential financial implications of the opportunity; (ii) the methods you are using to manage this opportunity; (iii) the costs associated with these actions

6.1c1 –
(i) The financial implications involve the installation of equipment to ensure water efficiency and security to reduce overall consumption and the effects from potential resource efficiency (in this case- water restriction). To manage this opportunity, we have water management plans at each of our assets which outline a number of initiatives that can be undertaken to reduce water use most notably in 201/12 major amenities upgrade projects at several CFX assets. More broadly, the potential implication of being able to secure water at our shopping centres could result in a significant impact on the visitation of customers (especially if there are other centres in our catchment area that cannot secure water all year round). It is difficult to estimate how significant this financial opportunity could be, but it is potentially substantial.
(ii) This opportunity is managed at an asset level through the introduction of Sustainability Implementation Plans. These plans pull together initiatives derived from the assets various management plans (water, energy and waste) in order to identify, evaluate and monitor site specific efficiency opportunities. For example Grand Plaza is harvesting water for reuse in public amenities (refer uploaded attachment) this has led to cost savings $2,000 p.a. Other initiatives include the upgrade of 15 amenities blocks across CFX centres which include the installation of high water efficient fixtures such as timed tap-ware, dual flush toilets and waterless urinals.
(iii) The cost to upgrade amenities is approximately $5 million with water saving impacts expected to be significant.
6.1c2 –
(i) The financial implications include the opportunity to improve property building fabric to minimise damage from extreme weather events, in new developments and in retrofits and refurbishments. Installation of efficiency equipment to reduce overall resource consumption at CFX properties.
(ii) The following actions have been undertaken or planned by CFX to manage potential opportunities; 1. CFX has established individual property Sustainability Implementation Plans to capture, manage and monitor all potential opportunities. 2. Addressing climate change currently provides opportunities on new developments and on existing centres. CFX has already recognised this as an opportunity as it targets a 5-star green star rating (Green Building Council of Australia) on new projects. CFX is currently using the NABERS shopping centre tool, and has recently undertaken self-assessments of all existing properties and will have 11 properties rated by June 2012. In addition to this CFX development projects are also subject to a design brief and lifecycle cost analysis that considers environmentally sustainable design (refer to attached Myer Emporium Design Brief report) elements and equipment selection to maximise financial outcomes and address foreseeable climate change risks.
(iii) Costs associated with undertaking accredited NABERS ratings have been approximately $32,500, while incorporating sustainability measures into our redevelopments is not a material addition to cost or difficult to segregate.
6.1c3 –
(i) The financial implication of this opportunity here is to replace aging HVAC and associated plant and equipment with newer more efficient models, while at the same time making our assets more efficient and competitive. The financial opportunity is that we may extend the life of our HVAC systems while also reducing energy bills.
(ii) To manage this opportunity we are replacing old HVAC and associated plant and equipment. This process is managed by CFX through an ongoing Capital replacement program (Capex). This Capex program utilises engineering consultants and lifecycle cost analysis tools to ensure that energy efficiency and future requirements are met. Full 10 year HVAC lifecycle master-plans have been developed during FY2012 for each CFX retail asset. At the same time we are looking to make our assets more efficient. We have installed solar reflective paint at Altona Gate Shopping Centre on over 3,000 sqm of the centre roof space contributing to a measured January comparable (2010 compared to 2011) consumption reduction of an estimated 28%. CFX also undertook a Building Envelope trial at Corio Shopping Centre as an opportunity to influence HVAC load through other methods of management. A review has also been undertaken on the feasibility of medium scale Solar PV installations on CFX's Queensland assets.
(iii) The cost of these opportunities to CFX (HVAC Capex) is estimated to be in excess of $8.9 million for 2011. The Solar Reflective paint at Altona Gate Shopping Centre contributed to a measured January comparable (2010 compared to 2011) consumption reduction of an estimated 28%. CFX also undertook a Building Envelope trial at Corio Shopping Centre as an opportunity to influence HVAC load through other methods of management. Total cost of the Altona trial was

approximately $45,000. Cost of Corio trial was approximately $10,000.

6.1e

Please describe the opportunities that are driven by changes in other climate-related developments

ID	Opportunity driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact
6.1e1	Induced changes in human and cultural environment	Changes to demographics as a result of climate related developments can have direct impacts on CFX.	Increased demand for existing products/services	Unknown	Direct	Likely	Medium
6.1e2	Reputation	Management of reputational opportunities for CFX is becoming increasingly critical as increased focus on climate change issues. In addition, several large European pension funds are using sustainability as a key criterion when selecting property trust investments; a trend which is becoming increasingly pertinent to investment funds (particularly pension funds that have a particular interest/ responsibility in long-term investment) across the world.	Increased stock price (market valuation)	1-5 years	Direct	Likely	Medium-high

6.1f

Please describe (i) the potential financial implications of the opportunity; (ii) the methods you are using to manage this opportunity; (iii) the costs associated with these actions

6.1e1 - Induced changes in human and cultural environment-
(i) Potential increase in trade catchment areas, meaning more visitors and more spend. This in turn would relate to more income for CFX as the increase in shoppers will ensure tenant demand for space and ability to pay the rents. The financial implication therefore is one of increase value.
(ii) People could be attracted more to mall shopping, rather than strip shopping, due to the controlled environment. Opportunities such as this relating to climate change are assessed on business level risk identification and on an asset by asset basis as part of the Strategic Asset Plan process. This is then rolled up to give an organisation wide view. The scope of the Strategic Asset Plan Process is to review all strengths, weaknesses, threats and opportunities, with climate change risk and opportunity slotting into this process. The materiality of the opportunities are measured in financial terms as the cost to remedy the risk, the impact on income or

ongoing cost, and the resultant value created (opportunity) or lost (risk). The process is undertaken by the property managers in the first instance, and is reviewed by the Regional Managers, who present findings to the fund management team.
(iii) Due to the uncertainty of the impact it is difficult to place a financial cost associated with this opportunity, however it is integrated into the strategic process and becomes a business as usual cost.
6.1e2
(i) The financial implications for addressing climate change from a reputational perspective are considerable. At this point in time, only a small majority of investors are focused on our approach to sustainability, but there are a few large investors who are now showing signs of becoming more active in their investigations into these risks. A strong reputation can lead to greater investor confidence, put upward pressure on the share price, and make it easier (and cheaper) to raise equity which is a normal part of managing a listed property trust. This would mean that we would gain a competitive edge and would have an increased number of opportunities for investment as well as some indirect impacts such as lower cost of debt (through higher confidence), a greater ability to keep good staff improving the Funds potential performance going forward. While many of these opportunities are difficult to quantify a couple of opportunities are quantifiable. An impeccable record on sustainability could translate into an improvement in debt rating CFX could be entitled to a 15 to 20 basis points improvement in debt costs. Similarly, a higher share price would results in the cost of equity becoming cheaper too, but the potential change to share price is difficult to quantify.
(ii) We continue to report on our achievements through reporting to FTSE4Good (since 2001), DJSI (since 2004), Australian SAM Index (since 2005), GRESB since 2009 and CDP since 2006. We also do voluntary investor surveys through researchers such as Innovest, Sustainalytics and investors and broker PRI questionnaires. We report (including to our debt and equity investors) on sustainability every six months as part of our statutory reporting, including a full review of our sustainability achievements (and review of commitments) in our annual report. In addition we also hold regular one-on-one meetings with sell-side analysts and buy-side institutional investors (both domestic and international). Attached is a copy of a PRI survey from an investor that we responded to this year.
(iii) The cost of this opportunity is in the form of human capital, comprising: a team of professional sustainability personnel across the entire CFSGAM suite of property funds, the additional working hours of other staff in the business to report on our sustainability achievements as well as a number of consultancy firms used for advisory and consulting. The human capital cost equivalent could be estimated circa $650,000 per year across the CFSGAM suite of funds.

6.1g

Please explain why you do not consider your company to be exposed to opportunities driven by changes in regulation that have the potential to generate a substantive change in your business operations, revenue or expenditure

6.1h

Please explain why you do not consider your company to be exposed to opportunities driven by physical climate parameters that have the potential to generate a substantive change in your business operations, revenue or expenditure

6.1i

Please explain why you do not consider your company to be exposed to opportunities driven by changes in other climate-related developments that have the potential to generate a substantive change in your business operations, revenue or expenditure

Attachments

https://www.cdproject.net/Sites/2012/91/3091/Investor CDP 2012/Shared Documents/Attachments/InvestorCDP2012/6.ClimateChangeOpportunities/JLLIM PRI survey responses CFX and CPA.docx
https://www.cdproject.net/Sites/2012/91/3091/Investor CDP 2012/Shared Documents/Attachments/InvestorCDP2012/6.ClimateChangeOpportunities/CFSGAM Sustainability Case Study - MCB Carpark Lighting.pdf
https://www.cdproject.net/Sites/2012/91/3091/Investor CDP 2012/Shared Documents/Attachments/InvestorCDP2012/6.ClimateChangeOpportunities/Emporium_Design_Brief_-_v6_100614_132310[1].pdf
https://www.cdproject.net/Sites/2012/91/3091/Investor CDP 2012/Shared Documents/Attachments/InvestorCDP2012/6.ClimateChangeOpportunities/Runaway Bay Energy 2011.pdf
https://www.cdproject.net/Sites/2012/91/3091/Investor CDP 2012/Shared Documents/Attachments/InvestorCDP2012/6.ClimateChangeOpportunities/Clifford Gardens Energy 2011.pdf
https://www.cdproject.net/Sites/2012/91/3091/Investor CDP 2012/Shared Documents/Attachments/InvestorCDP2012/6.ClimateChangeOpportunities/JLLIM PRI Survey Aug11.pdf
https://www.cdproject.net/Sites/2012/91/3091/Investor CDP 2012/Shared Documents/Attachments/InvestorCDP2012/6.ClimateChangeOpportunities/Queens Plaza Energy 2011.pdf
https://www.cdproject.net/Sites/2012/91/3091/Investor CDP 2012/Shared Documents/Attachments/InvestorCDP2012/6.ClimateChangeOpportunities/Grand Plaza Energy 2010.pdf

Module: GHG Emissions Accounting, Energy and Fuel Use, and Trading [Investor]

Page: 7. Emissions Methodology

7.1

Please provide your base year and base year emissions (Scopes 1 and 2)

Base year	Scope 1 Base year emissions (metric tonnes CO2e)	Scope 2 Base year emissions (metric tonnes CO2e)
Sun 01 Jan 2006 - Sun 31 Dec 2006	3744	92966

7.2

Please give the name of the standard, protocol or methodology you have used to collect activity data and calculate Scope 1 and Scope 2 emissions

Please select the published methodologies that you use
Australia - National Greenhouse and Energy Reporting Act
ISO 14064-1
The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition)
Other

7.2a

If you have selected "Other", please provide details below

Australia: National Greenhouse Accounts – June 2009
Australia: National Greenhouse Accounts – June 2010
Australia: National Greenhouse Accounts – July 2011
National Greenhouse and Energy (Measurement) Determination 2008 (the Determination)

7.3

Please give the source for the global warming potentials you have used

Gas	Reference
CO2	IPCC Second Assessment Report (SAR - 100 year)
CH4	IPCC Second Assessment Report (SAR - 100 year)
Other: N20	IPCC Second Assessment Report (SAR - 100 year)
HFCs	IPCC Second Assessment Report (SAR - 100 year)

7.4

Please give the emissions factors you have applied and their origin; alternatively, please attach an Excel spreadsheet with this data

Fuel/Material/Energy	Emission Factor	Unit	Reference
			see further information below for spreadsheet

Further Information

Spreadsheet attached as requested under 7.4

Attachments

https://www.cdproject.net/Sites/2012/91/3091/Investor CDP 2012/Shared Documents/Attachments/InvestorCDP2012/7.EmissionsMethodology/Emissions Factors Used.XLSX

Page: 8. Emissions Data - (1 Jan 2011 - 31 Dec 2011)

8.1

Please select the boundary you are using for your Scope 1 and 2 greenhouse gas inventory

Equity share

8.2a

Please provide your gross global Scope 1 emissions figure in metric tonnes CO2e

5094

8.2b

Please provide your gross global Scope 1 emissions figures in metric tonnes CO2e - Part 1 breakdown

Boundary	Gross global Scope 1 emissions (metric tonnes CO2e)	Comment

8.2c

Please provide your gross global Scope 1 emissions figures in metric tonnes CO2e - Part 1 Total

Gross global Scope 1 emissions (metric tonnes CO2e) – Part 1 Total	Comment

8.2d

Please provide your gross global Scope 1 emissions figures in metric tonnes CO2e - Part 2

Boundary	Gross global Scope 1 emissions (metric tonnes CO2e)	Comment

8.3a

Please provide your gross global Scope 2 emissions figure in metric tonnes CO2e

97166

8.3b

Please provide your gross global Scope 2 emissions figures in metric tonnes CO2e - Part 1 breakdown

Boundary	Gross global Scope 2 emissions (metric tonnes CO2e)	Comment

8.3c

Please provide your gross global Scope 2 emissions figures in metric tonnes CO2e - Part 1 Total

Gross global Scope 2 emissions (metric tonnes CO2e) - Total Part 1	Comment

8.3d

Please provide your gross global Scope 2 emissions figures in metric tonnes CO2e - Part 2

Boundary	Gross global Scope 2 emissions (metric tonnes CO2e) - Other operationally controlled entities, activities or facilities	Comment

8.4

Are there are any sources (e.g. facilities, specific GHGs, activities, geographies, etc.) of Scope 1 and Scope 2 emissions which are not included in your disclosure?

8.4a

Please complete the table

Reporting Entity	Source	Scope	Explain why the source is excluded

8.4

Are there are any sources (e.g. facilities, specific GHGs, activities, geographies, etc.) of Scope 1 and Scope 2 emissions which are not included in your disclosure?

Yes

8.4a

Please complete the table

Source	Scope	Explain why the source is excluded
Head office tenancy consumption	Scope 2	The CFX national management team head office emissions have been excluded. The operations of this part of the business are not subject to the same local legislated emissions disclosure requirements (EEO act) as the rest of the operations of the business.

8.5

Please estimate the level of uncertainty of the total gross global Scope 1 and Scope 2 figures that you have supplied and specify the sources of uncertainty in your data gathering, handling, and calculations

Scope 1 emissions: Uncertainty range	Scope 1 emissions: Main sources of uncertainty	Scope 1 emissions: Please expand on the uncertainty in your data	Scope 2 emissions: Uncertainty range	Scope 2 emissions: Main sources of uncertainty	Scope 2 emissions: Please expand on the uncertainty in your data
More than 2% but less than or equal to 5%	Data Gaps Assumptions Extrapolation Metering/ Measurement Constraints Other: Published emission factors	CFSGAM uses the uncertainty methodology provided in the National Greenhouse and Energy Reporting (Measurement) Determination 2008 as amended (the Determination) to achieve 95% confidence in emissions data. CFSGAM has data collection processes for all sources of emissions; therefore, the uncertainty from the sources identified is minimal. The methodology uses default uncertainty factors for published emissions factors (in the Determination) and additional factors for activity data, how the data is derived and energy content factors. CFSGAM primarily acquires invoice based data and metering. Both methods are reliable data sources, with risks of uncertainty minimised by meter maintenance and effective data management software, CarbonScopeTM. Invoice based consumption data is uploaded into CarbonScopeTM .CarbonScopeTM uses costs, tariffs and consumption periods to allow multiple data verification parameters. Data gaps in both systems are easily identified and rectified, either with actual data or by extrapolating existing data based on historic data and estimations. Data is captured for invoiced energy sources and therefore extrapolation is only ever conducted to fill data gaps, not to estimate complete emission sources. Invoice data for refrigeration is supplemented with data for	Less than or equal to 2%	Extrapolation Metering/ Measurement Constraints Data Management	Scope 2 emissions are due entirely to purchased electricity and is captured from invoices. CFSGAM has only minimal risks of uncertainty in its data, relating to data management, including the uploading of invoice based data into CarbonScopeTM and management of data gaps. These sources provide minimal risk of uncertainty as CarbonScopeTM has mechanisms to validate data and identify and manage data gaps. Where data gaps are identified in either system, these are rectified based on actual data or use of historic data and estimates. Data gaps are never left unrectified. Although the NGER Scheme does not provide uncertainty factors for scope 2 emissions, the NGER uncertainty methodology was used to calculate scope 2 uncertainty for electricity data. Nearly all the CFSGAM electricity data is sourced from invoices. Minor uncertainties are inherent in the metered consumption invoiced by electricity retailers. The National Electricity Market (NEM) Rules relating to metering require meters to have an overall error of not more than ± 1.5% (NEM Rules, Version 34, Schedule 7.2.2), therefore, this figure was applied to the percentage of data sourced from invoices. In addition, a 2% uncertainty was applied to the usage figures, to encapsulate uncertainties relating to extrapolation and data management.

Scope 1 emissions: Uncertainty range	Scope 1 emissions: Main sources of uncertainty	Scope 1 emissions: Please expand on the uncertainty in your data	Scope 2 emissions: Uncertainty range	Scope 2 emissions: Main sources of uncertainty	Scope 2 emissions: Please expand on the uncertainty in your data
		refrigerants derived from air conditioning charge estimates. This is the largest source of uncertainty, and CFSGAM is considering options for improving data collection methods to reduce uncertainty. Metering and measurement constraints under the responsibility of third parties (e.g. suppliers who provide invoice based data) and published emission factors are outside of CFSGAM's control. These sources of uncertainty are minimal as they represent the best available information and are constantly being monitored and updated.			

8.6

Please indicate the verification/assurance status that applies to your Scope 1 emissions

Verification or assurance complete

8.6a

Please indicate the proportion of your Scope 1 emissions that are verified/assured

More than 90% but less than or equal to 100%

8.6b

Please provide further details of the verification/assurance undertaken, and attach the relevant statements

Level of verification or assurance	Relevant verification standard	Relevant statement attached
Limited assurance	ASAE3000	Verification statement and template is attached below

8.7

Please indicate the verification/assurance status that applies to your Scope 2 emissions

Verification or assurance complete

8.7a

Please indicate the proportion of your Scope 2 emissions that are verified/assured

More than 90% but less than or equal to 100%

8.7b

Please provide further details of the verification/assurance undertaken, and attach the relevant statements

Level of verification or assurance	Relevant verification standard	Relevant statement attached
Limited assurance	ASAE3000	Verification statement and template is attached below

8.8

Are carbon dioxide emissions from the combustion of biologically sequestered carbon (i.e. carbon dioxide emissions from burning biomass/biofuels) relevant to your company?

No

8.8a

Please provide the emissions in metric tonnes CO2e

Further Information

Verification statement and template is attached here.

Attachments

https://www.cdproject.net/Sites/2012/91/3091/Investor CDP 2012/Shared Documents/Attachments/InvestorCDP2012/8.EmissionsData(1Jan2011-31Dec2011)/CFX ASAE3000 Verification 2011.pdf
https://www.cdproject.net/Sites/2012/91/3091/Investor CDP 2012/Shared Documents/Attachments/InvestorCDP2012/8.EmissionsData(1Jan2011-31Dec2011)/CDP Verification_CFX.pdf

Page: 9. Scope 1 Emissions Breakdown - (1 Jan 2011 - 31 Dec 2011)

9.1

Do you have Scope 1 emissions sources in more than one country or region (if covered by emissions regulation at a regional level)?

Yes

9.1a

Please complete the table below

Country	Scope 1 metric tonnes CO2e
Other: Australia - Australian Capital Territory	93
Other: Australia - New South Wales	353
Other: Australia - South Australia	69
Other: Australia - Tasmania	15
Other: Australia - Victoria	4549
Other: Australia - Western Australia	14

9.2

Please indicate which other Scope 1 emissions breakdowns you are able to provide (tick all that apply)

By facility
By GHG type
By activity

9.2a

Please break down your total gross global Scope 1 emissions by business division

Business Division	Scope 1 metric tonnes CO2e

9.2b

Please break down your total gross global Scope 1 emissions by facility

Facility	Scope 1 metric tonnes CO2e
The Entertainment Quarter NSW	21
Grand Plaza Browns Plains QLD	0
Rockingham City Shopping Centre WA	14
Runaway Bay Village Shopping Centre QLD	0
15 Bowes St Woden ACT	93
Altona Gate Shopping Centre Altona North	48
Bayside Shopping Centre Frankston	345
Brimbank Plaza	190
Broadmeadows Shopping Centre	330
Castle Plaza Shopping Centre SA	0
Chadstone Shopping Centre VIC	1146
Chatswood Chase Shopping Centre	289
Clifford Gardens Shopping Centre QLD	0
Corio Village Shopping Centre VIC	108
Eastlands Shopping Centre Rosny Park	0
Elizabeth City Centre Elizabeth	69
Forest Hill Chase Forest Hill VIC	997
Lake Haven Shopping Centre Lake Haven	43
Northland Shopping Centre Preston	682
Post Office Square Brisbane QLD	0
Queens Plaza Queen Street Brisbane QLD	0
Rosebud Plaza VIC	0
Roxburgh Park Shopping Centre Roxburgh Park	134
Northgate Shopping Centre	15
DFO Moorabbin	485
DFO Homebush	0
DFO Essendon	62
DFO South Wharf	22
Myer Centre Elizabeth St Brisbane	0

9.2c

Please break down your total gross global Scope 1 emissions by GHG type

GHG type	Scope 1 metric tonnes CO2e
CO2	4645
CH4	9
N2O	3
HFCs	437

9.2d

Please break down your total gross global Scope 1 emissions by activity

Activity	Scope 1 metric tonnes CO2e
Heating	4641
Cooling	437
Back-up Generators	15

Page: 10. Scope 2 Emissions Breakdown - (1 Jan 2011 - 31 Dec 2011)

10.1

Do you have Scope 2 emissions sources in more than one country or region (if covered by emissions regulation at a regional level)?

Yes

10.1a

Please complete the table below

Country	Scope 2 metric tonnes CO2e
Other: Australia - Australian Capital Territory	641
Other: Australia - New South Wales	15109
Other: Australia - Queensland	15320
Other: Australia - South Australia	4532
Other: Australia - Tasmania	1064
Other: Australia - Victoria	58795
Other: Australia - Western Australia	1705

10.2

Please indicate which other Scope 2 emissions breakdowns you are able to provide (tick all that apply)

By facility
By activity

10.2a

Please break down your total gross global Scope 2 emissions by business division

Business division	Scope 2 metric tonnes CO2e

10.2b

Please break down your total gross global Scope 2 emissions by facility

Facility	Scope 2 metric tonnes CO2e
Entertainment Quarter	2946

Facility	Scope 2 metric tonnes CO2e
Grand Plaza	1862
Rockingham	1705
Runaway Bay	1405
Bowes St	641
Altona Gate	2982
Bayside	9523
Brimbank Central	3428
Broadmeadows	5240
Castle Plaza	817
Chadstone	10864
Chatswood Chase	6864
Clifford Gardens	2070
Corio Village	3209
Eastlands	629
Elizabeth	3715
Forest Hill Chase	8154
Lake Haven	2742
Myer Centre Brisbane	6114
Northland	6267
Post Office Square	692
Queens Plaza	3177
Rosebud Plaza	445
Roxburgh Park	444
Northgate	435
DFO Moorabbin	1531
DFO Homebush	2557
DFO Essendon	3136
DFO South Wharf	3573

10.2c

Please break down your total gross global Scope 2 emissions by activity

Activity	Scope 2 metric tonnes CO2e
Lighting and Common Area Power	97166

Page: 11. Emissions Scope 2 Contractual

11.1

Do you consider that the grid average factors used to report Scope 2 emissions in Question 8.3 reflect the contractual arrangements you have with electricity suppliers?

Yes

11.1a

You may report a total contractual Scope 2 figure in response to this question. Please provide your total global contractual Scope 2 GHG emissions figure in metric tonnes CO2e

11.1b

Explain the basis of the alternative figure (see guidance)

11.2

Has your organization retired any certificates, e.g. Renewable Energy Certificates, associated with zero or low carbon electricity within the reporting year or has this been done on your behalf?

No

11.2a

Please provide details including the number and type of certificates

Type of certificate	Number of certificates	Comments

Page: 12. Energy

12.1

What percentage of your total operational spend in the reporting year was on energy?

More than 10% but less than or equal to 15%

12.2

Please state how much fuel, electricity, heat, steam, and cooling in MWh your organization has consumed during the reporting year

Energy type	MWh
Fuel	25188
Electricity	95083
Heat	0
Steam	0
Cooling	0

12.3

Please complete the table by breaking down the total "Fuel" figure entered above by fuel type

Fuels	MWh
Natural gas	25116
Liquefied petroleum gas (LPG)	72

Page: 13. Emissions Performance

13.1

How do your absolute emissions (Scope 1 and 2 combined) for the reporting year compare to the previous year?

Increased

13.1a

Please complete the table

Reason	Emissions value (percentage)	Direction of change	Comment
Emissions reduction activities	4.7	Decrease	Through numerous emission reduction activities, primarily through energy efficiency upgrade projects at many of our facilities, the absolute emissions for CFX have decreased by 4.7%. This is on a like for like basis for those properties that have remained in the Fund for a 24 month period (covering 2 reporting periods).
Change in output	5.6	Increase	The 5.6% increase in emissions for the CFX portfolio is attributable to the acquisition of the four DFO sites in the final quarter of calendar year 2010. These sites contribute 10.3% of the total emissions for the fund.

13.2

Please describe your gross combined Scope 1 and 2 emissions for the reporting year in metric tonnes CO2e per unit currency total revenue

Intensity figure	Metric numerator	Metric denominator	% change from previous year	Direction of change from previous year	Reason for Change
0.186	metric tonnes CO2e	unit total revenue	5.2	Decrease	The decrease in intensity per unit currency total revenue is due to the revenue increasing by 11% compared to 2010, whereas emissions have only increased by 5.6% due a change in output (the acquisition of assets). (see 13.1a row 2). Through numerous emission reduction activities, primarily driven by energy efficiency upgrade projects, the absolute emissions for CFX have decreased by 4.7% (see 13.1a row 1).

13.3

Please describe your gross combined Scope 1 and 2 emissions for the reporting year in metric tonnes CO2e per full time equivalent (FTE) employee

Intensity figure	Metric numerator	Metric denominator	% change from previous year	Direction of change from previous year	Reason for Change
0	metric tonnes CO2e	FTE Employee	0	No change	We cannot report on this metric as CFX technically does not have any FTEs (full time equivalent employees). All staff who manage this trust are employed by the parent company CBA (see explanation of structure in the introduction to the survey).

13.4

Please provide an additional intensity (normalized) metric that is appropriate to your business operations

Intensity figure	Metric numerator	Metric denominator	% change from previous year	Direction of change from previous year	Reason for Change
0.092	metric tonnes CO2e	square meter	4.4	Decrease	The reduction in emissions intensity of 4.4% has been driven by the identification and implementation of energy efficiency upgrades through the deployment of the CFX Operational Performance Strategy.

Page: 14. Emissions Trading

14.1

Do you participate in any emission trading schemes?

Yes

14.1a

Please complete the following table for each of the emission trading schemes in which you participate

Scheme name	Period for which data is supplied	Allowances allocated	Allowances purchased	Verified emissions in metric tonnes CO2e	Details of ownership
Regional Greenhouse Gas Initiative	Sat 01 Jan 2011 - Sat 31 Dec 2011	0	0	0	Facilities we own and operate

14.1b

What is your strategy for complying with the schemes in which you participate or anticipate participating?

CFX is a voluntary participant to the Energy Savings Scheme and is an approved Accredited Certificate Provider (ACP) through the Manager (CFSGAM) .

The Energy Savings Scheme (ESS) is a NSW State Govt initiative that aims to reduce electricity consumption by creating financial incentives for energy saving activities. CFX is currently investigating all energy efficiency projects undertaken since 1 July 2008 at its NSW assets to determine the amount of certificates these activities may be qualified to generate.

Similar to the above ESS in New South Wales, CFX is currently reviewing the introduction of the Victorian Energy Efficiency Target VEET Scheme in Victoria. As this scheme is closely related to the NSW scheme it is the Funds intent to also claim these certificates from implemented energy efficiency projects within its Victorian portfolio of assets.

14.2

Has your company originated any project-based carbon credits or purchased any within the reporting period?

No

14.2a

Please complete the following table

Credit origination or credit purchase	Project type	Project identification	Verified to which standard	Number of credits (metric tonnes of CO2e)	Number of credits (metric tonnes CO2e): Risk adjusted volume	Credits retired	Purpose e.g. compliance

Page: 2012-Investor-Scope 3 Emissions

15.1

Please provide data on sources of Scope 3 emissions that are relevant to your organization

Sources of Scope 3 emissions	metric tonnes CO2e	Methodology	If you cannot provide a figure for emissions, please describe them
Fuel- and energy-related activities (not included in Scopes 1 or 2)	13698	These emissions relate to indirect emissions of CFX's scope 1 and 2 emissions, being those attributable to the extraction, production and transportation of fuels and for electricity, the electricity lost in the transmission and distribution network. For each fuel type, emissions have been calculated by multiplying the total quantity of fuel/electricity consumed by the relevant emissions factor from the Australian National Greenhouse Accounts (NGA) Factors. A list of the relevant emissions factors are supplied in the Excel document provided in question 7.4.	
Waste generated in operations	10589	These emissions relate to the indirect emissions associated with the collection of solid waste for disposal in landfill. CFX has established processes for the ongoing collection of Waste to Landfill and Recycling throughout the CFX portfolio aided by the transition to a National Waste transport provider (Veolia Environmental Solutions). As a result only actual data has been included as captured by Veolia as they accepted services from previous waste transport incumbents.	

15.2

Please indicate the verification/assurance status that applies to your Scope 3 emissions

Verification or assurance complete

15.2a

Please indicate the proportion of your Scope 3 emissions that are verified/assured

More than 90% but less than or equal to 100%

15.2b

Please provide further details of the verification/assurance undertaken, and attach the relevant statements

Level of verification or assurance	Relevant verification standard	Relevant statement attached
Limited assurance	ASAE3000	Verification statement and template attached.

15.3

Are you able to compare your Scope 3 emissions for the reporting year with those for the previous year for any sources?

Yes

15.3a

Please complete the table

Sources of Scope 3 emissions	Reason for change	Emissions value (percentage)	Direction of change	Comment
Waste generated in operations	Change in methodology	96.3	Increase	Scope 3 emissions from waste to landfill were not captured for 2010, hence the increase this year. CFS has implemented data collection process in 2011 where emission output and other metrics associated with waste are now collected and reported.

Further Information

Verification statement and template attached

Attachments

https://www.cdproject.net/Sites/2012/91/3091/Investor CDP 2012/Shared Documents/Attachments/InvestorCDP2012/15.Scope3Emissions/CDP Verification_CFX.pdf
https://www.cdproject.net/Sites/2012/91/3091/Investor CDP 2012/Shared Documents/Attachments/InvestorCDP2012/15.Scope3Emissions/CFX ASAE3000 Verification 2011.pdf

Module: Sign Off

Page: Sign Off

Please enter the name of the individual that has signed off (approved) the response and their job title

Michael Gorman - Fund Manager of CFS Retail Property Trust.