

Module: Introduction

Page: Introduction

0.1

Introduction

Please give a general description and introduction to your organization

This is the sixth submission made by CFS Retail Property Trust (CFX or the "Trust") to the Carbon Disclosure Project and covers the period 1 January 2010 until 31 December 2010. 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). The business Responsible Investment Report is available at http://www.cfsgam.com.au/uploadedFiles/CFSGAM/About_Us/Responsible_Investment/GAM_RI_Report2009.pdf

Colonial First State Global Asset Management's Climate Change position paper is located here:

http://www.cfsgam.com.au/uploadedFiles/CFSGAM/About_Us/Responsible_Investment/CC-position-statement%20May%202010.pdf

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. CFX also reports on its sustainability achievements on an annual basis with 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

01/01/ 2010 – 31/12/2010

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

CFX only holds Australian retail property assets in its portfolio, therefore supplies data limited to the jurisdiction in which the assets are held.

Attachments

[https://www.cdproject.net/Sites/2011/91/3091/Investor CDP 2011/Shared Documents/Attachments/InvestorCDP2011/Introduction/CC-position-statement May 2010\[1\].pdf](https://www.cdproject.net/Sites/2011/91/3091/Investor%20CDP%202011/Shared%20Documents/Attachments/InvestorCDP2011/Introduction/CC-position-statement%20May%202010[1].pdf)

[https://www.cdproject.net/Sites/2011/91/3091/Investor CDP 2011/Shared Documents/Attachments/InvestorCDP2011/Introduction/GAM_RI_Report2009\[1\].pdf](https://www.cdproject.net/Sites/2011/91/3091/Investor%20CDP%202011/Shared%20Documents/Attachments/InvestorCDP2011/Introduction/GAM_RI_Report2009[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

Board appointed Management Company, Colonial First State Property Retail Pty Limited (manager of CFX)

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.
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

Who is entitled to benefit from these incentives?	The type of incentives	Incentivised performance indicator
		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	Recognition (non-monetary)	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.

Further Information

The remuneration arrangements of fund management personnel are not specific to this extent - however, climate change is a recognised aspect of the broader risk management processes of the business. The adoption and implementation of risk management framework, including mitigation and management of those identified risks, does form part of the overall KPI requirements of staff. Hence, it is an indirect incentive within the performance management process.

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 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 managers in the first instance, and is reviewed by the 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)

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. 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.

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 fund, 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 is to be "recognised as the leading Australian-based global fund manager, and part of the global leadership group on sustainability and responsible investment. Underpinning this are our business objectives, which are designed to achieve the strategy over the short, medium and long-term horizon.

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. Office tenants are increasingly demanding more efficient office buildings and with the increasing costs of 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 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, lowering CFX's cost of debt and equity providing another strategic advantage.

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 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 that outlines the specific issues dealt with during the financial year that were undertaken for assets of the portfolio, and how those have contributed to the strategic objectives of CFX. The CFSGAM website for sustainability and responsible investment provides the overarching linkage between the collective strategic perspective and how each part of the business contributed to those outcomes (see: <http://www.cfsgam.com.au/RI.aspx>).

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. Method of Engagement

CFX, through CFSGAM the Manager, engages with policy makers directly and through its industry associations.

CFSGAM has made direct responses to last year's Senate enquiry to the Carbon Reduction Pollution Scheme and to the current Federal Government platform.

CFSGAM predominantly engages with policy makers through industry associations such as the Investor Group on Climate Change (IGCC), the Property Council (PCA), and the Green Building Council of Australia (GBCA). Most policy voice is done through industry bodies as it is a more effective voice of industry.

In addition to Member representation on these bodies, the CFSGAM Head of Sustainability and Responsible Investment is the Deputy Chair of the IGCC, the CFSGAM Head of Sustainability - Property is Director of the GBCA and is on the PCA National Sustainability Roundtable, and the CFSGAM Sustainability Manager is on the PCA Sustainable Development NSW Committee, and the CFSGAM Retail Sustainability Manager is on the PCA Sustainable Development Victoria Committee.

ii. Topics of Engagement

These topics include coverage of current and anticipated legislation on carbon pricing mechanism, energy and GHG measurement and reporting protocols and schemes, green building and energy efficiency funding opportunities, mandatory and voluntary GHG emission reduction programs, and green building rating schemes.

iii. Nature of Engagement

The nature of our engagement in the policy arena includes submissions to inquiries into emissions trading schemes (including attending hearings), numerous submissions to both federal and state legislative development processed and the support of advocacy positions of industry associations including IGCC, GBCA and the PCA.

(ii) Action Advocated

Broadly the objective of CFSGAM has been to recognise and encourage government and industry action on reducing climate change.

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 Efficiency White Paper, assisting in the consultation process the development of the Green Building Fund, and assisting the PCA to collaborate with government to produce a guide on the NGERs Reporting for the real estate Industry that helps to improve energy and GHG reporting.

Attachments

[https://www.cdproject.net/Sites/2011/91/3091/Investor CDP 2011/Shared Documents/Attachments/InvestorCDP2011/2.Strategy/Direct Property Sustainability Policy_May2010.pdf](https://www.cdproject.net/Sites/2011/91/3091/Investor%20CDP%202011/Shared%20Documents/Attachments/InvestorCDP2011/2.Strategy/Direct%20Property%20Sustainability%20Policy_May2010.pdf)

[https://www.cdproject.net/Sites/2011/91/3091/Investor CDP 2011/Shared Documents/Attachments/InvestorCDP2011/2.Strategy/Climate Change Position Statement_May2010.pdf](https://www.cdproject.net/Sites/2011/91/3091/Investor%20CDP%202011/Shared%20Documents/Attachments/InvestorCDP2011/2.Strategy/Climate%20Change%20Position%20Statement_May2010.pdf)

[https://www.cdproject.net/Sites/2011/91/3091/Investor CDP 2011/Shared Documents/Attachments/InvestorCDP2011/2.Strategy/Responsible Investment Policy Statement May2010.pdf](https://www.cdproject.net/Sites/2011/91/3091/Investor%20CDP%202011/Shared%20Documents/Attachments/InvestorCDP2011/2.Strategy/Responsible%20Investment%20Policy%20Statement%20May2010.pdf)

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

Absolute target

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%	2.5%	2009	104320	2010	This is a public external commitment for the reduction of the absolute emissions for the portfolio. (Financial year not calendar year)
3.1a2	Scope 1+2+3	100%	5%	2009	104320	2010	This is an internal commitment for the reduction of the absolute emissions for the portfolio. It has been set to be more aggressive than the external target to encourage further reductions in emissions. (Financial year not calendar year)
3.1a3	Scope 1+2+3	100%	2.5%	2010	107405	2011	This is a public external commitment for the reduction of the absolute emissions for the portfolio. (Financial year not calendar year)
3.1a4	Scope 1+2+3	100%	5%	2010	107405	2011	This is an internal commitment for the reduction of the absolute emissions for the portfolio. It has been set to be more aggressive than the external target to encourage further reductions in emissions. (Financial year not calendar year)

3.1b

Please provide details of your intensity target

ID	Scope	% of emissions in scope	% reduction from base year	Metric	Base year	Base year emissions (metric tonnes CO2e)	Target year	Comment
----	-------	-------------------------	----------------------------	--------	-----------	--	-------------	---------

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
----	---	--	---	--	----------

3.1d

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

ID	% complete (time)	% complete (emissions)	Comment
3.1a1	100%	98.8%	This target was not achieved due to the acquisition of several new assets into the portfolio. On a like for like basis excluding the new assets, the reduction achieved was -1.2%. This exercise has highlighted the importance of utilising an intensity target for future years. Intensity targets will be implemented from 2011 onwards.
3.1a2	100%	96.2%	This target was not achieved due to the acquisition of several new assets into the portfolio. On a like for like basis excluding the new assets, the reduction achieved was -1.2%. This exercise has highlighted the importance of utilising an intensity target for future years. Intensity targets will be implemented from 2011 onwards.
3.1a3	100%	0%	This target is currently underway as it is for financial year.
3.1a4	100%	0%	This target is currently underway as it is for financial year.

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.

CFSGAM has developed a Green Lease Strategy and Program, which will be implemented during 2011. 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 ongoing 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

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 provide details in the table below**

Activity type	Description of activity	Annual monetary savings (unit currency)	Investment required (unit currency)	Payback period
Energy efficiency: building services	Asset: Forest Hill Chase Nature of Activity: Installation of reduced voltage lighting system in carpark. Voluntary/Mandatory: The project was undertaken as a voluntary energy efficiency upgrade measure. Development Stage: Completed and in operation. Expected Lifetime: Full operational lifecycle is approximately 10 -15 years. Measurement is through metering and monitoring via the BMCS system at properties, our Vykon Energy Suite.	4383	11690	1-3 years
Energy efficiency: building services	Asset: Eastlands Nature of Activity: Upgrade of Building Management system. Voluntary/Mandatory: The project was undertaken as a voluntary energy efficiency measure. Development Stage: Completed and in operation. Expected Lifetime: Full operational expected lifecycle is approximately 10 -15 years. Measurement is through metering and monitoring via the BMCS system at properties, our Vykon Energy Suite.	6100	71000	>3 years
Energy efficiency: building services	Asset: Forest Hill Chase Nature of Activity: Installation of Variable Speed Drive on selected escalators and travelators Voluntary/Mandatory: The project was undertaken as a voluntary energy efficiency upgrade measure. Development Stage: Completed and in operation. Expected Lifetime: Full operational expected lifecycle is approximately 5 -10 years. Measurement is through metering and monitoring via the BMCS system at properties, our Vykon Energy Suite.	2725	28657	>3 years
Behavioural change	Asset: All assets in portfolio Nature of Activity: Asset Efficiency Program. Detailed energy monitoring systems are being installed across all buildings in the CFX portfolio. This program takes a strategic view to the installation of meters splitting each building into its various sub-systems. A direct payback from this measure is not able to be calculated but there will be an improvement in the capability to monitor energy efficiency performance. Voluntary/Mandatory: The project was undertaken as a voluntary energy, water efficiency measure. Development Stage: Currently in the planning process for implementation over a 5 - 10 year period. Expected Lifetime: Full operational expected lifecycle is approximately 15 - 20 years.	0	6000000	>3 years
Energy efficiency: building services	Asset: Bowes St Nature of Activity: chiller plant upgrade Voluntary/Mandatory: The project was undertaken as a voluntary energy efficiency measure. Development Stage: Completed and in operation. Expected Lifetime: Full operational expected lifecycle is approximately 20 -25 years.	20000	289000	>3 years
Energy efficiency: building services	Project Name: Clifford Gardens Operational Efficiency Upgrade Nature of activity: HVAC controls and re-commissioning works to enable more efficient operation at low loads. Upgrade of refrigerant plant to high efficiency type. Scope: - Rebalance airflows - Install variable speed drives on AHU fans - Reprogram HVAC controls - Upgrade of Voluntary/Mandatory: Voluntary Development Stage: Planning Expected Lifetime: 10-15 years in line with remaining economic life of HVAC plant. Measurement will be through metering and monitoring via the BMCS system at properties, our Vykon Energy Suite.	108600	632642	>3 years
Energy efficiency:	Project Name: Myer Centre Brisbane Operational Efficiency Upgrade Nature of activity: HVAC controls and re-commissioning works to enable more efficient operation at low loads. Upgrade of	238900	648173	1-3 years

Activity type	Description of activity	Annual monetary savings (unit currency)	Investment required (unit currency)	Payback period
building services	chilled water plant. Scope: - Rebalance airflows - Install variable speed drives on AHU fans - Reprogram HVAC controls - Upgrade of chilled water plant to high efficiency, variable speed unit Voluntary/Mandatory: Voluntary Development Stage: Planning Expected Lifetime: 10-15 years in line with remaining economic life of HVAC plant. Measurement will be through metering and monitoring via the BMCS system at properties, our Vykon Energy Suite.			
Energy efficiency: building services	Project Name: Queens Plaza Operational Efficiency Upgrade Nature of activity: HVAC controls and re-commissioning works to enable more efficient operation at low loads. Scope: - Rebalance airflows - Install variable speed drives on AHU fans - Reprogram HVAC controls Voluntary/Mandatory: Voluntary Development Stage: Planning Expected Lifetime: 10-15 years in line with remaining economic life of HVAC plant. Measurement will be through metering and monitoring via the BMCS system at properties, our Vykon Energy Suite.	101400	128574	1-3 years
Energy efficiency: building services	Project Name: Runaway Bay Operational Efficiency Upgrade Nature of activity: HVAC controls and re-commissioning works to enable more efficient operation at low loads. Upgrade of chilled water plant. Scope: - Rebalance airflows - Install variable speed drives on AHU fans - Reprogram HVAC controls - Upgrade of chilled water plant to high efficiency, variable speed unit Voluntary/Mandatory: Voluntary Development Stage: Planning Expected Lifetime: 10-15 years in line with remaining economic life of HVAC plant. Measurement will be through metering and monitoring via the BMCS system at properties, our Vykon Energy Suite.	47800	314410	>3 years

3.3b

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	EEO. CFX has implemented a program to comply with the Australian Government's Energy Efficiency Opportunities (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.

3.3c

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

Attachments

[https://www.cdproject.net/Sites/2011/91/3091/Investor CDP 2011/Shared Documents/Attachments/InvestorCDP2011/3.TargetsandInitiatives/CFSGAM Sustainability Case Study- Eastlands BMS.docx](https://www.cdproject.net/Sites/2011/91/3091/Investor%20CDP%202011/Shared%20Documents/Attachments/InvestorCDP2011/3.TargetsandInitiatives/CFSGAM%20Sustainability%20Case%20Study-%20Eastlands%20BMS.docx)
[https://www.cdproject.net/Sites/2011/91/3091/Investor CDP 2011/Shared Documents/Attachments/InvestorCDP2011/3.TargetsandInitiatives/CFSGAM Case study Forest Hill - VSD Monitoring- Airmaster.pdf](https://www.cdproject.net/Sites/2011/91/3091/Investor%20CDP%202011/Shared%20Documents/Attachments/InvestorCDP2011/3.TargetsandInitiatives/CFSGAM%20Case%20study%20Forest%20Hill%20-%20VSD%20Monitoring-%20Airmaster.pdf)
[https://www.cdproject.net/Sites/2011/91/3091/Investor CDP 2011/Shared Documents/Attachments/InvestorCDP2011/3.TargetsandInitiatives/CFSGAM Sustainability Case Study - FHC RVLS.pdf](https://www.cdproject.net/Sites/2011/91/3091/Investor%20CDP%202011/Shared%20Documents/Attachments/InvestorCDP2011/3.TargetsandInitiatives/CFSGAM%20Sustainability%20Case%20Study%20-%20FHC%20RVLS.pdf)
[https://www.cdproject.net/Sites/2011/91/3091/Investor CDP 2011/Shared Documents/Attachments/InvestorCDP2011/3.TargetsandInitiatives/CFSGAM Sustainability Case Study - Bowes St Chiller.doc](https://www.cdproject.net/Sites/2011/91/3091/Investor%20CDP%202011/Shared%20Documents/Attachments/InvestorCDP2011/3.TargetsandInitiatives/CFSGAM%20Sustainability%20Case%20Study%20-%20Bowes%20St%20Chiller.doc)

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 (pp22-30)	CFX June 2010 Annual report
In voluntary communications (complete)	Slide 20	CFX June 2010 Annual results investor presentation
In voluntary communications (complete)	Slide 20	CFX December 2010 Half-year results investor presentation

Further Information

I was unable to upload the entire June 2010 Annual Report, so I have attached the web link here:
<http://colonial.ice4.interactiveinvestor.com.au/colonial1002/index.html>
 However I have managed to upload the front section of the annual report without the financials.

Attachments

[https://www.cdproject.net/Sites/2011/91/3091/Investor CDP 2011/Shared Documents/Attachments/InvestorCDP2011/4.Communication/110215 CFX Half-year results as at 31 December 2010, Final_for ASX.pdf](https://www.cdproject.net/Sites/2011/91/3091/Investor%20CDP%202011/Shared%20Documents/Attachments/InvestorCDP2011/4.Communication/110215%20CFX%20Half-year%20results%20as%20at%2031%20December%202010,%20Final_for%20ASX.pdf)
[https://www.cdproject.net/Sites/2011/91/3091/Investor CDP 2011/Shared Documents/Attachments/InvestorCDP2011/4.Communication/100817 CFX Annual results presentation 30 June 2010, Final\[1\].pdf](https://www.cdproject.net/Sites/2011/91/3091/Investor%20CDP%202011/Shared%20Documents/Attachments/InvestorCDP2011/4.Communication/100817%20CFX%20Annual%20results%20presentation%2030%20June%202010,%20Final[1].pdf)
[https://www.cdproject.net/Sites/2011/91/3091/Investor CDP 2011/Shared Documents/Attachments/InvestorCDP2011/4.Communication/CFX June 2010 Annual Report_Front.pdf](https://www.cdproject.net/Sites/2011/91/3091/Investor%20CDP%202011/Shared%20Documents/Attachments/InvestorCDP2011/4.Communication/CFX%20June%202010%20Annual%20Report_Front.pdf)

Module: Risks and Opportunities [Investor]

Page: 5. Climate Change Risks

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 2012. It is proposed to be based on NABERS ratings for retail centres.	Increased operational cost	1-5 years	Direct	Virtually certain	Low-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	Medium
5.1a3	Carbon taxes	The Australian government is currently proposing to implement a carbon tax	Other: Increased Operational cost, affects on property valuation	1-5 years	Direct	Very likely	Low

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 post 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 is (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 had Grand Plaza Shopping Centre officially rated, which achieved 3 star NABERS Energy and Water ratings.

(iii) CFX has implemented a programmed NABERS process with cost estimated at around \$400K annually for management estimated at for all CFX properties once fully implemented in-line with the 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 with ongoing costs of approximately \$91,000

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 \$25/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 which have driven initiatives across the portfolio. We have also set a target of 2.5% reduction in energy use between 2010 and 2011 financial years. Examples of initiatives we have undertaken include: painting the roof of Altona Gate with reflective paint, and testing HVAC load and potential leakage at Corio through a building envelope vacuum test.

(iii) These cost of these initiatives are: \$45,000 at Altona Gate and \$10,000 at Corio. 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 payback period.

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	>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	Virtually certain	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	>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 recent events in QLD have resulted in over AUD\$2 million in repairs and rectification costs. For example damage to property at Brimbank as a result of the March10 extreme storm event in Melbourne has been assessed to be over AUD\$15,000.

(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 to address our approach to risks at our assets (including physical risks) and the appropriateness of our 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 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 2010, 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. As a conservative measure we have a budget of a 25% increase in

insurance premiums for next year (given that Australia has experienced severe flooding during early 2011). 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), At Post Office square (along with other centres) we have replaced all toilets with efficient Dual Flush systems and low water urinals.

(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 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. CFX has also targeted a 2.5% reduction in energy use in 2010-11, while also undertaking a number of initiatives to reduce overall consumption. At Post office square we are looking to replace T8 fluorescent fittings with T5 Lamps.

(iii) The cost of the proposed initiative at Post office to replace the lighting is \$5,300.

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	>10 years	Direct	Likely	Medium-high
5.1e2	Other drivers	Unpredictability of climate change induced risks. From broader economic impacts, socio-demographic trends,	Other: Could be a broad range of	>10 years	Direct	Likely	Medium-high

ID	Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact
		physical impacts, how this will impact on investment markets and the compounding of these risks which are unlikely to impact in isolation	impacts which are difficult to quantify				
5.1e3	Reputation	Management of reputational risks 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.	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

(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 additional 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 \$450,000 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/2011/91/3091/Investor CDP 2011/Shared Documents/Attachments/InvestorCDP2011/5.ClimateChangeRisks/110117 Investor response PRI survey CFX.pdf](https://www.cdproject.net/Sites/2011/91/3091/Investor%20CDP%202011/Shared%20Documents/Attachments/InvestorCDP2011/5.ClimateChangeRisks/110117%20Investor%20response%20PRI%20survey%20CFX.pdf)

[https://www.cdproject.net/Sites/2011/91/3091/Investor CDP 2011/Shared Documents/Attachments/InvestorCDP2011/5.ClimateChangeRisks/Myer endorsed ESD statement.pdf](https://www.cdproject.net/Sites/2011/91/3091/Investor%20CDP%202011/Shared%20Documents/Attachments/InvestorCDP2011/5.ClimateChangeRisks/Myer%20endorsed%20ESD%20statement.pdf)

[https://www.cdproject.net/Sites/2011/91/3091/Investor CDP 2011/Shared Documents/Attachments/InvestorCDP2011/5.ClimateChangeRisks/TDD_DFO Homebush_Aug 2010_Sustainability appendix.pdf](https://www.cdproject.net/Sites/2011/91/3091/Investor%20CDP%202011/Shared%20Documents/Attachments/InvestorCDP2011/5.ClimateChangeRisks/TDD_DFO%20Homebush_Aug%202010_Sustainability%20appendix.pdf)

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 currently proposing to implement carbon pricing. 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.	1-5 years	Direct	Likely	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 as Low Carbon Australia and Energy Upgrade Agreements.	Reduced capital costs	Current	Direct	Likely	Medium

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 its own 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 by 2.5% over 2010-11. Generally across the board where a sustainability initiative has a 4 year payback or less we are undertaking them. An example of which is replacing fluorescent fittings at Post office square.

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 small projects like replacement of fluorescent lighting (at Post Office Square) are circa \$5,300 with savings of around \$1,350 per annum.

6.1a2 - 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 amount of staff or financial burden.

CFX currently utilises the Energetics CarbonScope data management system to streamline this process.

The cost of upgrading to an automated data management system was approximately AUD\$54,000 with ongoing management approximately \$90,000

6.1a3 - 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.

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.

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 - Availability of Federal, State and Local Government grants. These grants can improve CFX's relationship with Government and assist in providing a better cost benefit assessment to projects, and improve achievement of emission reduction targets.

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

Federal, State and Local Government grants - 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 managing this by working with various local, state and federal government departments and funding vehicles.

For example we are currently in 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 governments Environmental Upgrade Agreements as another potential capital funding

method for energy efficiency projects.

Another example of opportunities in this area relates to current submissions placed with the Green Building Fund Round 7 which have the potential to co-fund over \$2 million in energy efficiency projects at several CFX properties.

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 drivers	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) Installation of equipment to ensure water efficiency, security and reduce overall consumption and effects from potential water restrictions. 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. 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 opportunity 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 replacement of toilets and urinals at Post Office Square.

(iii) The cost to replace toilets and urinals at Post Office Square were \$33,000 and is expected to result in savings of around 11,700 per annum.

6.1c2 –(i) 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 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 already targets this opportunity as CFSGAM target a 5-star green star rating (Green Building Council of Australia) on new projects. CFX is currently reviewing the NABERS shopping centre tool, and has recently undertaken self assessments of all existing properties as well as completing 5 accredited ratings at the following centres;

Myer Centre Brisbane, QueensPlaza, Grand Plaza, Clifford Gardens, Runaway Bay (refer attached)

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 ESD 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 \$15,000, while incorporating sustainability measures into our redevelopments is not a material addition to cost or difficult to segregate.

6.1c3 – (i) The 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. 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.

At the same time we are looking to make our assets more efficient. We have trialled solar reflective paint at Altona Gate Shopping Centre on over 3,000 sqm of the centre roof space contributing to a measured January comparable (2010-11) 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.

(iii) The cost of these opportunities is CFX HVAC Capex was budgeted at in excess of \$5.8 million for 2010. The Solar Reflective paint at Altona Gate Shopping Centre on over 3,000 sqm of the centre roof space contributing to a measured January comparable (2010-11) 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. Current cost of Corio trial is 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	Changes to demographics as a result of climate related	Increased demand	Unknown	Direct	Likely	Medium

ID	Opportunity driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact
	in human and cultural environment	developments.	for existing products/services				
6.1e2	Reputation	Management of reputational opportunities 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 resources- 1.Potential increase in trade catchment areas, meaning more visitors and more spend. 2. 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.

Due to the uncertainty of the impact it is difficult to place a financial cost associated with this risk.

6.1e2

(i) the 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 this 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), 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 (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 reporting 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: three additional 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 additional human capital the cost is estimated at around \$450,000 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/2011/91/3091/Investor CDP 2011/Shared Documents/Attachments/InvestorCDP2011/6.ClimateChangeOpportunities/Myer endorsed ESD statement.pdf](https://www.cdproject.net/Sites/2011/91/3091/Investor%20CDP%202011/Shared%20Documents/Attachments/InvestorCDP2011/6.ClimateChangeOpportunities/Myer%20endorsed%20ESD%20statement.pdf)
[https://www.cdproject.net/Sites/2011/91/3091/Investor CDP 2011/Shared Documents/Attachments/InvestorCDP2011/6.ClimateChangeOpportunities/110117 Investor response PRI survey CFX.pdf](https://www.cdproject.net/Sites/2011/91/3091/Investor%20CDP%202011/Shared%20Documents/Attachments/InvestorCDP2011/6.ClimateChangeOpportunities/110117%20Investor%20response%20PRI%20survey%20CFX.pdf)

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 - Tue 31 Jan 2006	3744	88937

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

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)
N2O	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
Other: refer attached spreadsheet			

Further Information

Spreadsheet attached as requested under 7.4

Attachments

[https://www.cdproject.net/Sites/2011/91/3091/Investor CDP 2011/Shared Documents/Attachments/InvestorCDP2011/7.EmissionsMethodology/Copy of CDP Q7.4 Emissions Factors.xlsx](https://www.cdproject.net/Sites/2011/91/3091/Investor%20CDP%202011/Shared%20Documents/Attachments/InvestorCDP2011/7.EmissionsMethodology/Copy%20of%20CDP%20Q7.4%20Emissions%20Factors.xlsx)

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

4971

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) - Total Part 1	Comment
--	---------

8.2d

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

Gross global Scope 1 emissions (metric tonnes CO2e) - Other operationally controlled entities, activities or facilities	Comment
---	---------

8.3a

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

91856

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

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

8.4

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

No

8.4a

Please complete the table

Source	Scope	Explain why the source is excluded
--------	-------	------------------------------------

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	Uncertainty Range	Main sources of uncertainty	Please expand on the uncertainty in your data
Scope 1	More than 2% but less than or equal to 5%	Assumptions Extrapolation Metering/ Measurement Constraints Published	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

Scope	Uncertainty Range	Main sources of uncertainty	Please expand on the uncertainty in your data
		Emissions Factors	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 major sources is supplemented with data for 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.
Scope 2	More than 2% but less than or equal to 5%	Extrapolation Metering/ Measurement Constraints Data Management	Scope 2 emissions are due entirely to purchased electricity and are 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 always rectified. 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 $\pm 1.5\%$ (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.

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

Type of verification or assurance	Relevant standard	Relevant statement attached
Limited assurance	ISAE 3000	Yes

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

Type of verification or assurance	Relevant standard	Relevant statement attached
Limited assurance	ISAE 3000	Yes

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

Referring to the response to question 8.2a above, please note that our data collection process has significantly improved over the course of this reporting period. We now include refrigerants in Scope 1, where in previous years this was not part of the data collection process.

Attachments

[https://www.cdproject.net/Sites/2011/91/3091/Investor CDP 2011/Shared Documents/Attachments/InvestorCDP2011/8.EmissionsData\(1Jan2010-31Dec2010\)/CFS_NBMGM_110527_S_Statement_V0.pdf](https://www.cdproject.net/Sites/2011/91/3091/Investor%20CDP%202011/Shared%20Documents/Attachments/InvestorCDP2011/8.EmissionsData(1Jan2010-31Dec2010)/CFS_NBMGM_110527_S_Statement_V0.pdf)

Page: 9. Scope 1 Emissions Breakdown - (1 Jan 2010 - 31 Dec 2010)

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	95
Other: Australia - New South Wales	133
Other: Australia - Northern Territory	0
Other: Australia - Queensland	284
Other: Australia - South Australia	107
Other: Australia - Tasmania	13
Other: Australia - Victoria	4340
Other: Australia - Western Australia	0

9.2

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

By facility

By GHG type

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
----------	----------------------------

Facility	Scope 1 metric tonnes CO2e
Entertainment Quarter	20
Grand Plaza	32
Rockingham	0
Runaway Bay	0
Bowes St	95
Altona Gate	67
Bayside	431
Brimbank Central	186
Broadmeadows	354
Castle Plaza	0
Chadstone	1138
Chatswood Chase	113
Clifford Gardens	0
Corio Village	153
Eastlands	0
Elizabeth	107
Forest Hill	1080
Lake Haven	0
Myer Centre Brisbane	153
Northland	790
Post Office Square	27
Queens Plaza	72
Rosebud Plaza	0
Roxburgh Park	132
Northgate	13
DFO Moorabbin	10
DFO Homebush	0
DFO Essendon	0
DFO South Wharf	0

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

GHG type	Scope 1 metric tonnes CO2e
CO2	4201
CH4	8
N2O	2
HFCs	759

9.2d

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

Activity	Scope 1 metric tonnes CO2e
----------	----------------------------

Page: 10. Scope 2 Emissions Breakdown - (1 Jan 2010 - 31 Dec 2010)

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	698
Other: Australia - New South Wales	13842
Other: Australia - Northern Territory	0
Other: Australia - Queensland	16597

Country	Scope 2 metric tonnes CO2e
Other: Australia - South Australia	5137
Other: Australia - Tasmania	949
Other: Australia - Victoria	52948
Other: Australia - Western Australia	1685

10.2

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

By facility

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	3122
Grand Plaza	1911
Rockingham	1685
Runaway Bay	1479
Bowes St	698
Altona Gate	3249
Bayside	9517

Facility	Scope 2 metric tonnes CO2e
Brimbank Central	3379
Broadmeadows	6001
Castle Plaza	889
Chadstone	10629
Chatswood Chase	7432
Clifford Gardens	2452
Corio Village	3434
Eastlands	586
Elizabeth	4248
Forest Hill	8160
Lake Haven	2821
Myer Centre Brisbane	6590
Northland	6692
Post Office Square	735
Queens Plaza	3430
Rosebud Plaza	529
Roxburgh Park	452
Northgate	363
DFO Moorabbin	907
DFO Homebush	477
DFO Essendon	0
DFO South Wharf	0

10.2c

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

Activity	Scope 2 metric tonnes CO2e
----------	----------------------------

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
---------------------	------------------------	----------

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	22783
Electricity	90490
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	22725
Liquefied petroleum gas (LPG)	58

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?

Decreased

13.1a

Please complete the table

Reason	Emissions value (percentage)	Direction of change	Comment
Emissions reduction activities	0.1	Decrease	A number of factors have combined to produce a largely unchanged result. A 4% increase in gross lettable area within the portfolio and the inclusion of emissions associated with stationary fuel use and refrigerants has been offset by improved energy efficiency, and minor changes to the ratio of energy usage between electricity and natural gas. Impact of construction and development activities – CFSGAM to comment

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	Explanation
0.197	metric tonnes CO2e	unit total revenue	12	Decrease	Most relevant financial intensity measure for a property company such as CFX is greenhouse gas (co2-e) per dollars of Net Property Income. Our reporting is based on a portfolio of buildings; the Net Property Income contributes to the profit of our company and is more closely linked to the number of our assets in terms of profitability, and as such is used. The decrease in intensity is a combination of a decrease in Scope 1 and 2 emissions compared to previous year but also due to an increase in NPI when compared to previous year.

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	Explanation
3.538277512	metric tonnes CO2e	FTE Employee	0	N/A	This is the first year that we have assessed this intensity hence why no change on previous year has been applied. This metric is not evaluated as being relevant to the nature of CFX's business activities. The use of FTE is an inappropriate indicator to use to determine the emissions performance of CPX. The most appropriate is square metre of net lettable area.

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	Explanation
95	metric tonnes CO2e	Other: square meter of Gross Lettable Area	6.2	Decrease	Most relevant measure for a property company such as CFX is greenhouse gas in kg/co2-e per square meter of Gross Lettable Area

Page: 14. Emissions Trading

14.1

Do you participate in any emission trading schemes?

No, but we anticipate doing so in the next two years

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
-------------	-----------------------------------	----------------------	----------------------	--	----------------------

14.1b

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

As the extent of the impact is difficult to quantify at this stage as the details of the carbon pricing mechanism and any assistance programs are not clear strategy continues to be quite fluid. However, construction costs and outgoings are likely to increase with flow on impacts to supply, tenant demand, rental income as well as property and portfolio values.

CFX's strategy however follows in line with the CFSGAM Climate Change Statement;

In keeping with our Responsible Investment Policy our approach is not to negatively screen out assets operating in specific sectors, but to integrate environmental, social and governance considerations, including climate change, into our investment processes. In doing this we will:

- Develop approaches for assessing sector perspectives and company-level risks, opportunities and operational preparedness across our investment portfolios
- Assess and identify the potential upside to be derived from climate change
- Identify, encourage and promote where appropriate business strategies to reduce greenhouse emissions intensity of the assets which we invest
- Promote corporate disclosure on greenhouse gas emissions and climate change preparedness through engaging the companies in which we invest
- Include climate change disclosure in our corporate governance, engagement and voting principles and guidelines
- Raise awareness of the potential impacts, both positive and negative, resulting from climate change to the investment industry, the companies we invest in, government and non government sectors
- Encourage the investment industry to adopt best practice approaches for the inclusion of the impacts of climate change into investment analysis
- Participate in industry forums and collaborative initiatives by sharing knowledge and our experience of incorporating climate change considerations into investment analysis
- Contribute to emerging public policy on climate change through our participation in industry forums and through our own analysis and representations.

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: 15. 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 Scope 1 or 2)	12375	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, June 2009 and July 2010. A list of the relevant emissions factors are supplied in the Excel document provided in question 7.4.	
Waste generated in operations			These emissions relate to the indirect emissions associated with the collection of solid waste for disposal in landfill. CFSGAM is establishing processes for the ongoing collection of Waste to Landfill and Recycling throughout the CFX portfolio, and intends to report this

Sources of Scope 3 emissions	metric tonnes CO2e	Methodology	If you cannot provide a figure for emissions, please describe them
			emission source in the future, once reliable data can be obtained.

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

Type of verification or assurance	Relevant standard	Relevant statement attached
Limited assurance	ISAE 3000	Yes

15.3

How do your absolute Scope 3 emissions for the reporting year compare to the previous year?

Increased

15.3a

Please complete the table

Reason	Emissions value (percentage)	Direction of Change	Comment
Acquisitions	10.1	Increase	The changes seen in scope 3 emissions is due to additional electricity usage due to the increased size of the portfolio, as well as increases to the default scope 3 electricity greenhouse gas coefficients for Queensland and Victoria, where the majority of CFX's assets are located.

Further Information

Waste emission data has not been included this year as we have experienced problems in verification of data in the past (Note that for 2010 response, we had extrapolated 2009 data). Under a new waste contract across all assets, we will have verifiable data to add in next year's response. Furthermore, as CFX does not have any direct employees, FTE data has been excluded in this year's response to ensure duplication between CFX and its parent body CBA (commonwealth Bank of Australia) is not occurring.

Attachments

[https://www.cdproject.net/Sites/2011/91/3091/Investor CDP 2011/Shared Documents/Attachments/InvestorCDP2011/15.Scope3Emissions/CFS_NBMGM_110527_S_Statement_V0.pdf](https://www.cdproject.net/Sites/2011/91/3091/Investor%20CDP%202011/Shared%20Documents/Attachments/InvestorCDP2011/15.Scope3Emissions/CFS_NBMGM_110527_S_Statement_V0.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.
Rowan Griffin: Head of Sustainability - Property.

CDP 2011 Investor CDP 2011 Information Request