



ANNUAL REPORT 2023

EG

Table of Contents

01

MESSAGE
FROM
THE CEO

03

ABOUT EG

04

ESG
APPROACH

05

ENVIRONMENTAL
OPTIMISATION

11

RESPONSIBLE
INVESTMENT

14

PEOPLE AND
CULTURE

21

COMMUNITY
ENRICHMENT



A Message from the CEO

“

We're a weird bunch, but we're a weird bunch committed to a better future for everyone who touches our business.

ADAM GEHA
CHIEF EXECUTIVE OFFICER

2023 was a year of incremental change for EG as the business expanded and improved existing programs, seeking to scale impact across various environmental and social outcomes.

Specifically, we are tremendously proud of the progress our Little BIG Foundation has made and the steps taken towards our ambitious, industry-leading goal of Real Zero carbon.

In 2023, we introduced a unique initiative called 'Good Work'. Unlike any other, this program tackles workplace loneliness, enhances well-being, and fosters connections and communities within our office buildings.

Even before the pandemic, over a third of Australian workers admitted to feeling lonely at work, with the lockdowns and restrictions further exacerbating this sense of isolation.

As workers have begun to return to the office in larger numbers, we've worked with our tenants, suppliers, and local communities to understand the individual expectations, needs, and interests of each community that occupies our assets. This work has uncovered workers' struggles with loneliness and their appetite for building a community at work.

By building a program of connection-forming events ranging from cooking classes to mental health seminars, networking drinks, and massages, we aim to improve tenants' mental health outcomes in our assets, creating happier, healthier, kinder workplaces.

We've accelerated the progress of EG's Real Zero carbon target, partnering with Avani on this groundbreaking journey. By leveraging Avani's expertise in understanding and responding to the live carbon intensity of our buildings' energy consumption, we've unlocked significant emissions reduction opportunities, resulting in a 8.7% decrease in true carbon across our portfolio. This is a testament to our unwavering commitment to sustainability and a future we can all be proud of.

We've also directed our efforts towards industry collaboration, engaging with various influential organisations, including the IGCC, GBCA, UNPRI, ANREV and RACEfor2030. This collaboration aims to highlight the role buildings can play in Australia's broader decarbonisation journey. We recognise that substantial impact necessitates collective action, and through partnerships with like-minded organisations – both in Australia and internationally – we aspire to achieve just that.

Lastly, we continue to focus on the development of our staff, running another year of our hobby program and investing in a second nature hub – this one in the gorgeous Blue Mountains – enabling our staff to reconnect with nature.

This report includes more stories about EG's "willingness to go the extra mile" and how we made 2023 another year to remember.

About **EG**

EG is one of Australia's largest independent real estate investment platforms, managing real estate on behalf institutional investors and wholesale clients. We are focused on creating alignment in our relationships with our partners because we believe that this is fundamental to long-term success. We value long-term relationships and the authenticity of these connections.

ESG **Approach**

EG recognises the importance of incorporating ESG factors throughout the lifecycle of our investments, conducting our business for the benefit of all stakeholders.

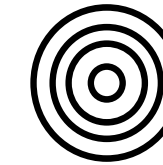
We work hard to consistently and transparently communicate our ESG efforts with investors, tenants, staff, community and the industry more broadly, seeking to leave a positive legacy and a more equitable world.

Our ESG approach focuses on the following four pillars;



Environmental Optimisation

To optimise the environmental performance of our assets under management and development.



Responsible Investment

To be known as a highly trustworthy and responsible investment manager through best practice Environmental, Social and Governance (ESG) management and transparency of performance.



People and Culture

To develop a team of well balanced employees who are healthy, engaged and always learning.



Community Enrichment

To create urban regeneration projects that enhance existing communities and provide significantly more connected, engaged and well resourced neighbourhoods.

The stories that follow these pillars and represent a fraction of the work conducted in 2023.

Environmental Optimisation

Real Zero Carbon

Having set a 'Real Zero' target in 2022, 2023 represented EG's first year working towards this industry-leading target.

The Real Zero target allows EG to live its value of being inspired, and inspiring industry, spreading the message and encouraging others to follow suit. This year, EG engaged with a vast array of industry groups, including the Green Building Council of Australia, NABERS, the Investor Group on Climate Change, the UN's Principles of Responsible Investment, and the Asian Association for Investors in Non-Listed Real Estate Vehicles, sharing the ideas upon which the Real Zero Strategy is founded.

This more granular approach to carbon accounting allows us to understand when our buildings are using energy as well as understanding how much of this energy is from highly carbon intensive sources, and what we can do to limit energy use during these periods.

In 2023, we have begun to identify the times during the day when there is limited renewable energy in the grid, focusing our energy efficiency activities on these moments.

We have coupled this with our own on-site solar, aiming to maximise the amount of energy our assets use that can be generated on site.

Lastly, we have authored individual decarbonisation pathways for assets in our Delta and ACE Funds, understanding which emissions reductions initiatives are available across which assets, and what is the best timeline to access these reductions. These are all available on our website.

Read more about the Delta Framework [here](#).



Real Zero Carbon: 2023 Performance

2023 represented the second full year of EG’s reporting on the Real Carbon of our assets.

The below figures are consistent with EG’s [Real Zero White Paper](#), an industry leading attempt to bring a degree of sophistication and transparency to EG’s carbon reporting.

The difference between the Real Carbon and the Government derived carbon is due to the live carbon intensity applied to the Real Carbon calculations that acknowledges the shifting carbon intensity of the energy our buildings are using. 35,000 data points rather than one results in a more accurate assessment.

	Scope 1 (t.CO2-e)		Scope 2 (t.CO2-e)			
	2022	2023	REAL CARBON		GOVERNMENT DERIVED CARBON	
			2022	2023	2022	2023
National Archives, ACT	183.99	189.02	419.59	268.51	456.15	383.43
95 North Quay, QLD	-	-	621.97	590.87	646.38	614.06
965 Botany Rd, NSW	-	-	324.42	197.88	350.89	270.95
42 Macquarie St, ACT	24.97	29.64	63.77	39.14	71.28	53.22
2 Mill St, WA	-	-	619.02	405.91	558.93	622.10
32 Walker St, NSW	-	-	272.61	176.37	303.17	279.32
50 Carrington St, NSW	17.94	19.78	313.58	302.08	345.65	376.60
60 Carrington St, NSW	65.31	72.00	732.47	491.74	802.29	831.18
Grand Plaza, QLD	-	-	4,788.19	4,548.78	5,047.33	4,974.96
Anzac Park West, ACT	-	-	-	422.95	-	463.38
Total	292.21	304.52	8,155.62	7,444.23	8,582.07	8,689.20
Change	4.9%		-8.7%		1.2%	

EG’s Scope 1 and 2 emissions, CY22.

Pleasingly, our carbon figures are dropping, with a 33% real carbon reduction compared to the 2022 baseline we set last year.

This has been achieved through the rollout of on-site solar panels across assets in our Delta Fund, ongoing energy efficiency programs, as well as new load shifting strategies, seeking to use more energy when there is a greater concentration of renewable energy sources in the grid.

EG intends to build on this, further seeking out energy efficiencies and expanding our load shifting strategies in 2024. This will be accelerated by contracts for renewable energy, with EG investigating time matched arrangements for off-site renewable energy, matching supply of renewable energy to asset demand on thirty-minute intervals.

This intends to adopt EG’s time-specific, sophisticated approach to energy supply, as well as demand. We look forward to providing updates in next year’s ESG Report.



Avani Onboard across EG Assets

In July 2023, Avani released its next-generation platform, marking a significant milestone for the business and its ability to impact real and lasting change for our people, our clients, and ultimately, the planet.

The new platform provides complete visibility, insights, and advanced features which can rapidly decarbonise assets by changing the way they behave. This is predicated on a sophisticated approach to energy management which understands that not every MWh of electricity used has the same carbon content.

This technology allows Avani to work with EG, furthering EG's Real Zero carbon goal and presenting new ways to reduce emissions including demand management and load shifting. The new platform also provides a single screen login, affording all managers a holistic view of how EG's entire portfolio is tracking.

Working together at the intersection of property, technology and carbon allows EG to fulfil its vision to be a light on the hill and inspire others, while being inspired by the creativity and hard work of peers, like the team at Avani.

The Avani Way



Access Data

Data from any building sensor in any building at any time



Change Behaviour

Turn your sustainability ambition into real actions



Track Improvements

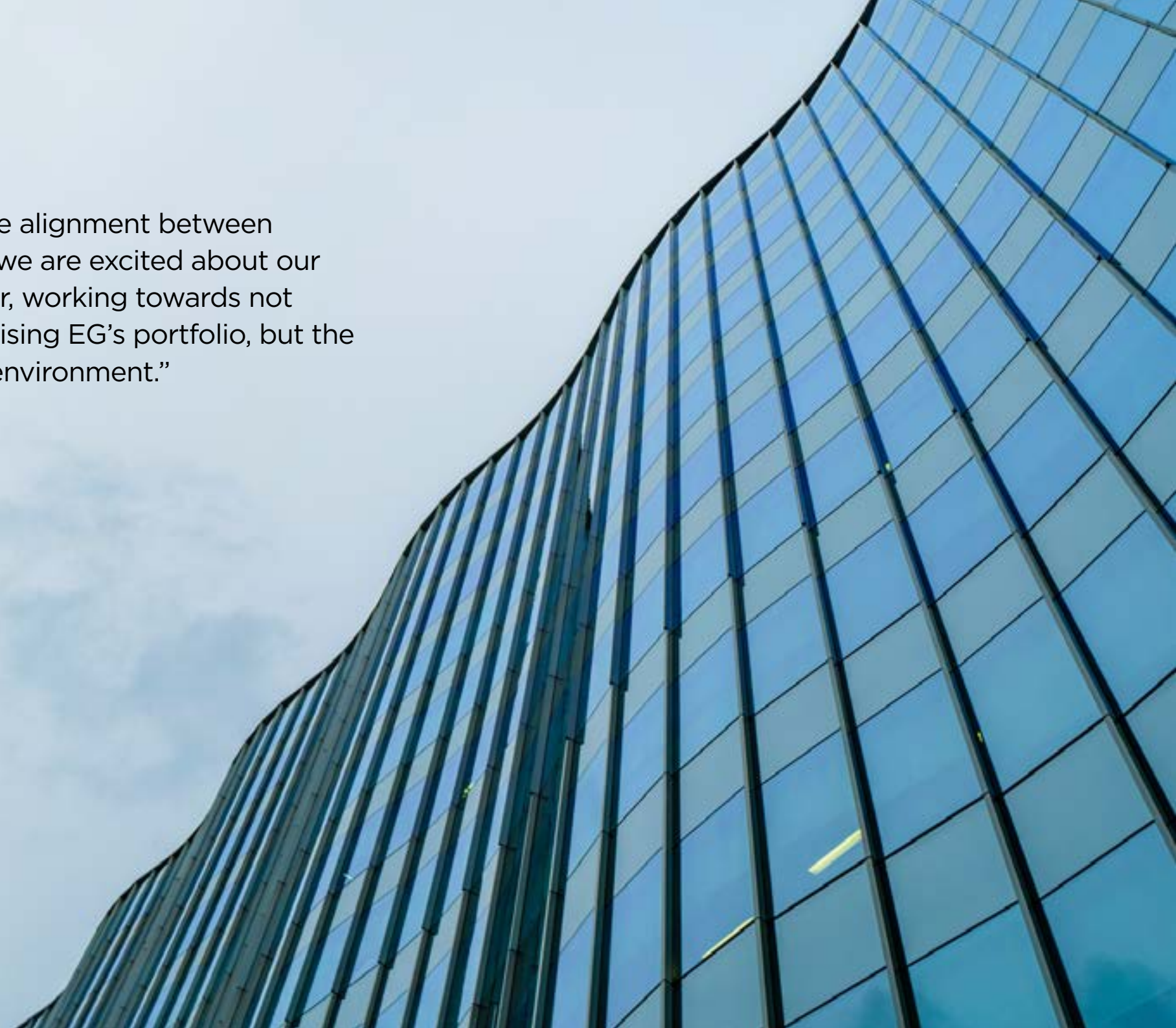
Demonstrate you're hitting your sustainability and financial goals

If you'd like to learn more about the wonderful work Avani does, please visit avanisolutions.com



Given the value alignment between Avani and EG we are excited about our future together, working towards not only decarbonising EG's portfolio, but the broader built environment."

Nicolette Maury
CEO, Avani



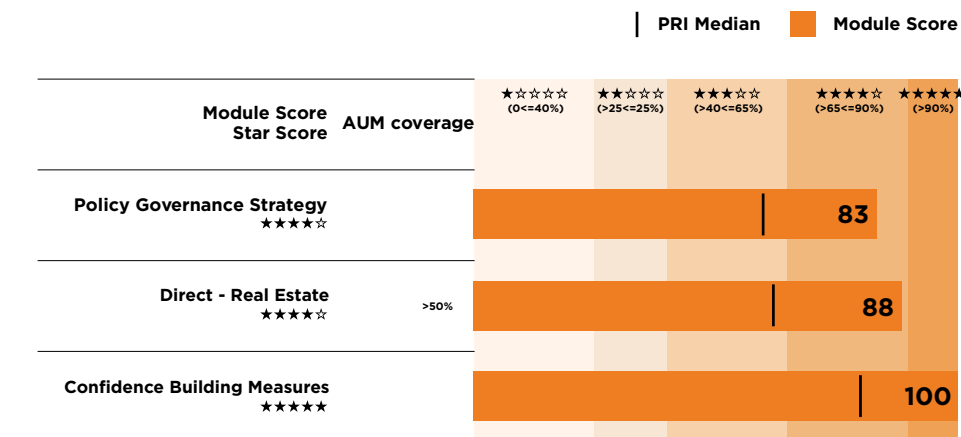
Responsible Investment

EG strives to be renowned as a highly trusted responsible investment manager, working with peers, locally and internationally to adopt best-practice approaches to ESG issues, promote ambition and drive collaborative action.

Committee membership driving collaborative action

EG has been a member of the UN's Principles for Responsible Investment (UNPRI) since 2008, supporting an international investor network incorporating ESG factors into their investment and ownership decisions. EG continues to report to the PRI, exceeding the PRI median score in all categories, with a minimum score of 4 Stars and a perfect, 100% score for the Confidence Building Measures EG invests in.

Summary Scorecard

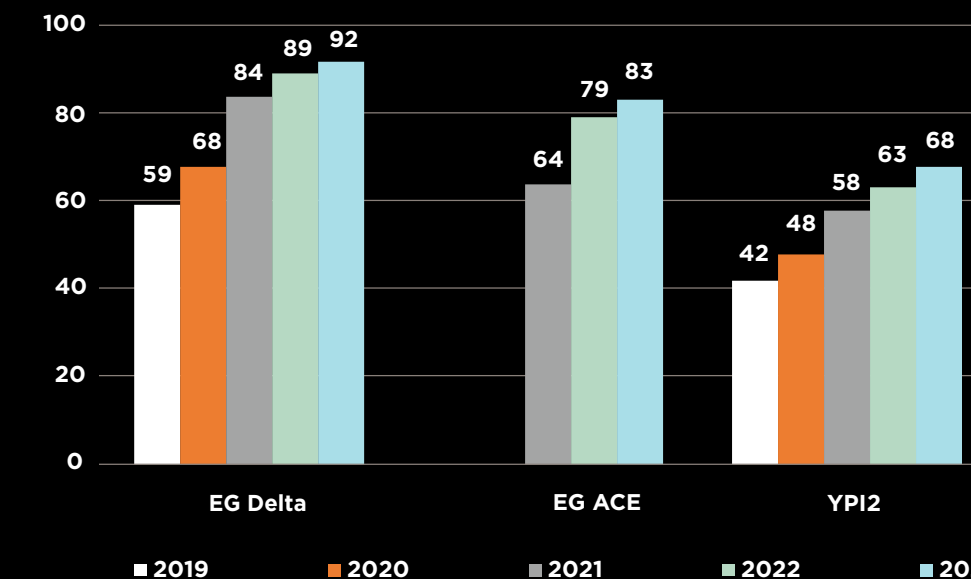


EG continues to report to GRESB, the Global Real Estate Sustainability Benchmark, with all reporting funds realising an uplift in scores in the 2023 survey.

Whilst EG's funds don't lead their categories, their scores speak to the level of performance funds comprising older, non-premium grade assets can achieve. Approximately 80% of the buildings that will comprise 2050's 'net zero' cities are already standing today, so achieving high levels of environmental performance with existing stock – while avoiding the embodied carbon associated with building brand new, high performing assets – is crucial to tomorrow's net zero economy.

EG is similarly excited to see all funds, irrespective of asset portfolio and investment mandate, improve their year-on-year scores, showcasing the holistic approach to ESG performance.

Annual GRESB Scores (/100)





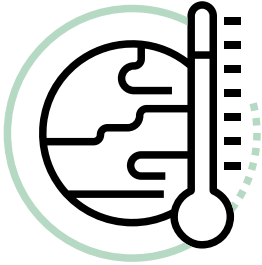
EG continues to work with the United Nations Carbon Free Energy Compact, furthering the goals of 24/7 carbon free energy as underscored by EG’s renewable energy procurement strategy.

EG’s Head of ESG, Ian Lieblich continues to sit on the United Nation’s Principles for Responsible Investment’s Global Real Estate Advisory Board, representing the Asia-Pacific region. This work ensures EG has a seat at the table amongst a panel of international ESG experts, contributing to a wide range of workstreams including physical climate risk, climate disclosure, renewable energy standards and benchmarking.

Closer to home, EG also has representation on the ANREV Sustainability Committee, working with peers to launch ANREV’s first Annual ESG Summit which was held in Singapore this year. Ian Lieblich also delivered a keynote at the Summit, presenting EG’s Real Zero carbon strategy before chairing a panel of industry experts on the topic of decarbonising the built environment.



ENVIRONMENTAL



Climate Change

Energy Efficiency
Renewable Energy
Tenant Renewable Energy
Real Zero



Land and Water

Waste Efficiency
Water Efficiency
Protecting Land
Protecting Water

SOCIAL



Health and Wellness

Tenant Satisfaction
Supporting Physical Health
Supporting Mental Health
Indoor Environmental Quality



Empowerment and Inclusiveness

Supporting Communities
Reconciliation
Promoting Diversity
Promoting Inclusion

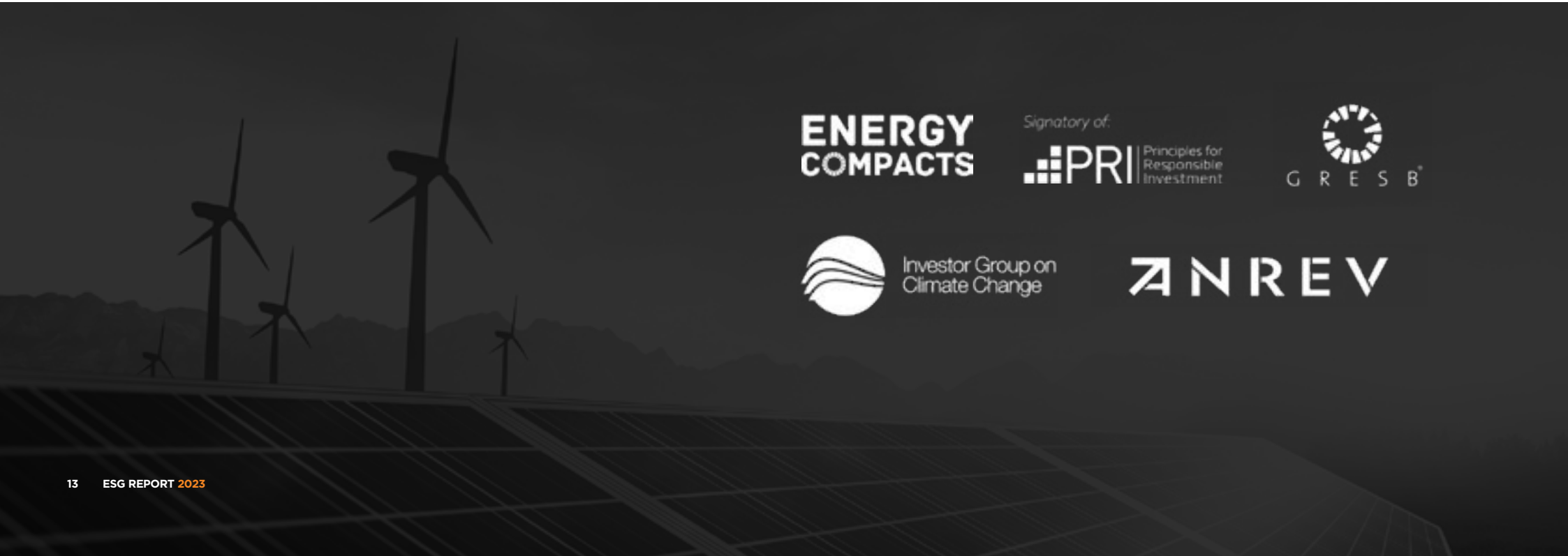
The Delta Framework

EG continues to report against its own Delta Framework to investors in EG’s Delta Fund.

The Delta Fund is EG’s Impact Vehicle, seeking to quantify the environmental and social impact of our investments.

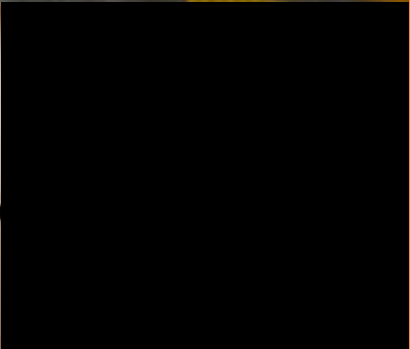
The Delta Framework quantifies environmental and social performance, ensuring the metrics can be applied to ensure growth and progress. The Delta Framework is a bespoke collection of indicators compiled collaboratively with investors, with 16 weighted criteria assessed annually to transparently measure performance.

Each assessed criteria has asset specific metrics which guide EG’s approach to the asset’s management, ensuring each criteria is prioritised, measured, and improved. Setting these ambitious benchmarks enable us to measure and track our progress, ensuring continuous improvement that enhances environmental and social outcomes for investors and tenants.



End of trip facilities at 95 North Quay

EG recently upgraded the end-of-trip facilities at Queensland office asset 95 North Quay. The new facilities encourage sustainable forms of transport including cycling and running, as well as physical health activities when tenants' time permits. Greater uptake of the facilities is monitored in accordance with the Delta Framework, with EG striving to improve the physical and mental health of tenants, as well as reducing the emissions associated with tenants' commutes.





People & Culture

EG is tremendously proud of its culture which fosters rich connection between employees, tenants, investors, the wider community and nature more broadly. By developing a team of well-balanced employees who are healthy, engaged and always learning, EG is not only delivering superior returns, but creating a fun, exciting place for people to come to work every day.

EG'S BLUE MOUNTAINS NATURE HUB

Following the rich success of EG's Bundeena Nature Hub, we have invested in a second destination for staff to escape the concrete CBD and reconnect with nature. The secluded outpost sits on picturesque cliffs with impeccable views and wonderous walking trails.

The mental and physical health benefits afforded to the team members ensures productivity is bolstered by the creativity and innovation unlocked by nature.



EG'S HOBBY PROGRAM

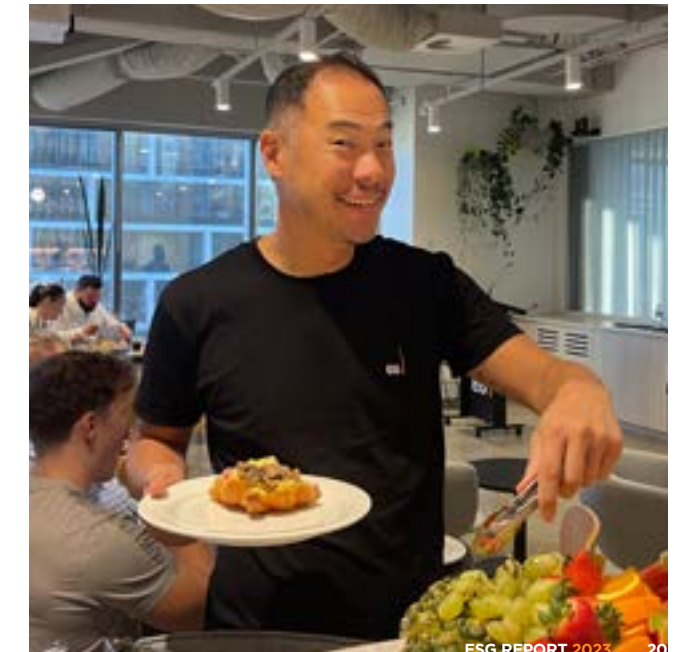
EG's Hobby Program soared to new heights in 2023 as team members undertook a range of sporting hobbies including tennis, canoeing, Pilates, rock climbing, and even scuba diving. EG funds the program, contributing all the costs of the lessons and providing staff with an additional week's leave every year.

EG staff undertake these hobbies together, learning and playing with colleagues to strengthen bonds, build friendship and foster a greater sense of connection at EG.



EG'S GROW BREAKFASTS

EG's monthly 'EG Grow' breakfasts feature team members and special guests presenting on topics of interest to the group. This year topics have included; leadership, negotiation, working backwards, the daily stoic, vulnerability, purpose, relationships, and climate change.



Community Enrichment

Good Work by the Little BIG Foundation

Approximately 37% of Australian workers felt lonely in the office pre-pandemic and almost a quarter either do not have or do not engage in any activities to better connect them with their colleagues.

Across the country, workers are faced with a choice between workplace flexibility which eases the ‘mental load’ at work and their individual ‘mental health’, proactively prioritising their social connection needs by attending office workplaces. Despite an overwhelming majority of workplaces offering hybrid work, 70% of employees acknowledge they are more likely to experience more meaningful and regular social connections when they return to the workplace.

In response, EG and the Little BIG Foundation devised and launched ‘Good Work’. A program to address workplace loneliness improve wellbeing, increase office occupancy and create cross-tenant connections in office buildings.

Good Work launched in 2023 in six EG office buildings across Australia and engages landlords, asset owners and investors in a strategy to develop stronger communities within their buildings and reduce the loneliness of tenants using a positive psychology.

Good Work’s approach has included extensive consultation with tenants and suppliers to understand the individual expectations, needs and interests for each community. Qualitative and quantitative interactions have uncovered tenants’ experiences with loneliness, their appetite for building community and insights into their areas of interest.

Key findings at a national level were as follows:



That Sydney’s business districts have higher levels of loneliness than national averages.

26-34
years old

Those aged 26-34, those in their first year of employment at a new organisation, and those identifying as female experienced the greatest levels of loneliness.



That tenants seek communal spaces in which to meet, ‘third spaces’ which allow them to come together.



More than one third of respondents felt other people in their building did not contribute to the sense of community, despite this, they sought greater connection from others and would participate in events and building-wide community building activities.



The importance of addressing building maintenance concerns and service issues to ensure authenticity and tenant satisfaction of the Good Work program.

Following this report, the Little BIG Foundation began a program of connection forming events from cooking classes to mental health seminars and networking drinks. The success of the program is both benchmarked against national averages and compared year-on-year. By investing in programs that improve social connection, landlords, asset owners, and investors can support their tenants’ mental wellbeing while differentiating their office experience and enabling the office sector to achieve social sustainability targets.



“

I definitely feel like the events have brought about a more inviting environment in the building – there are now exciting and positive things to look forward to in the office.

Whitney Duan

(Tenant who has since doubled her time in the office.)



The Little BIG House in Summer Hill

In the last year, we have seen disclosure of loneliness increase across the country, particularly in the middle-life¹ cohort who we initially thought were better protected from social disconnection. There is no denying that everyone experiences loneliness and the opportunity for developers and assets owners to play a role in social facilitation is critical.

In calendar year 2023, community hosts and volunteers at the Summer Hill Little BIG House have ensured that ample opportunities for connection have been made available.

58 volunteers, hosts and partners have delivered 48 different programs and almost 2,000 individual events. This year, we focused on reoccurring events and program series over on-off events and emphasised the volunteer community training and support. This has led to improved social participation, a society where kindness is experienced frequently, and reduced loneliness compared to national averages and last year's results.

KEY SUCCESSES IN 2023



22% increase in respondents who reported that they were **somewhat happy or extremely happy** with their level of community interaction (wider community) and **27% increase for the Flour Mill.**



In 12 months, **loneliness has decreased 7%** in the wider community and **10% in the Flour Mill Apartments** built by EG.



66% of people know their neighbours' names. This is an 18% increase from last year in the wider community and **24% increase for the Flour Mill.**



73% of event attendees reported **meeting someone new** through a small group event at the Little BIG House.



88% of volunteers strongly agreed that volunteering has **increased their sense of community.**

Key events that have brought people together include The Flour Mill markets, Charity Christmas Tree Sale, Yoga classes, Life Drawing, Organic Fruit and Vegetable Buyers Group, Coffee Appreciation Session, and Group Vocal Classes.



**Charity
Christmas
Tree Sale**



“
More than anything, I appreciate the vibe that having a shared community space such as the Little BIG House sets for the wider connected community.
Survey Respondent
2023

**Life
Drawing**



**The Flour
Mill Markets**



**Coffee
Appreciation
Session**



**Group
Vocal
Classes**



**Yoga
Classes**

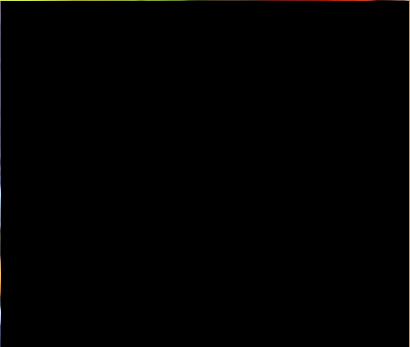


“
There is definitely a change. From what I’ve seen, there is definitely a community around the Little BIG House. People are a lot more comfortable in the environment and open to meeting other people.
Survey Respondent
2023

EVENT SPOTLIGHT:
Organic Buyers Group

The Organic Buyers Group is a collective effort that brings together like-minded individuals who value seasonal organic food and wish to support local farmers.

With 25 current members, the group is managed by its members, allowing everyone to actively participate in decision-making via online polls and discussion groups, as well as the physical fruit and veg “divvy” ensure each participant receives a mix of produce. A WhatsApp group also allows member to communicate with each other between weekly ‘divvys’ to share recipes and photos of their creations.



B.I.G Thinking

EG’s B.I.G. Thinking is our unique approach to generating both outstanding returns and lasting positive impact.

Returning good to all extends to philanthropic ventures, with EG donating to a wide range of charities during 2023, aiming to touch and support communities across Australia and the world. The below list includes some of these organisations, and EG’s continued commitment to enriching these communities.

We are here to do more than just create value. We have the opportunity to leave a legacy, to purposefully Build In Good (B.I.G.) and return good to all.



The Australian Remembrance Foundation

As a Founding Partner of The Australian Remembrance Foundation, EG continues to support efforts made to honour Australia’s fallen, returned and current servicemen and women.

The Australian Remembrance Foundation hosted their second annual Anzac Day commemoration event at a packed Sydney Town Hall, televised on Channel 7 and featuring a range of beautiful tributes from veterans, Army, Navy & Air Force representatives and more than 100 musicians.

While Anzac Day starts at dawn this special tribute at Town Hall was a chance to reflect and remember at the other end of the day and marks the going down of the sun, while organising funds for the RSL and Legacy charities.

Perspective is a crucial pillar when connecting and providing for communities, with EG’s Build In Good philosophy underpinning this commitment to honour our shared history.

For those who missed it, Channel 7’s one hour broadcast of the event can be viewed [here](#). Alternatively, a shorter, behind the scenes look can be accessed [here](#).



SYDNEY

Governor Phillip Tower
Level 21, 1 Farrer Place
Sydney NSW 2000
Australia

JAPAN

Level 20, Marunouchi Trust
Tower Main
1-8-3 Marunouchi, Chiyoda-ku,
Tokyo, Japan 100-0005

MANILA

Level 10, North Tower,
Rockwell Business Center Sheridan, Sheridan
corner United Street, Mandaluyong City, 1550
Philippines

T. +61 2 9220 7000
E. contact@eg.com.au
www.eg.com.au