

EDITION 1 · DECEMBER 2023



Aliro Group Sustainability Report



Enriching people's lives through
positive property outcomes.



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Our Approach

Aliro is committed to reporting transparently on sustainability-related information. This report was prepared by Aliro’s ESG Team and reviewed by Aliro’s Senior Leadership team. We intend to engage third-party assurance providers for future reports to verify material ESG data sets and disclosures.

Scope & Boundary

The information in this report outlines Aliro’s ESG Strategy and sustainability performance for the financial year ending 30 June 2023. It relates to Aliro Group’s activities and managed funds, including its development projects and stabilised assets, as well as any activities relating to our strategic partnership with ISPT.

Reporting Frameworks

Our alignment with the Taskforce on Climate-related Financial Disclosures (“TCFD”) Recommendations is detailed on [page 19](#) of this Report. We intend to align future reports with the Australian Sustainability Reporting Standards (“ASRS”) for periods beginning after 1 July 2024 to ensure our stakeholders can access high-quality and comparable sustainability information relating to Aliro’s business activities.

Letter from the Chairman and CEO

We are proud to present Aliro Group's first Sustainability Report.

Aliro's vision is to enrich people's lives through positive property outcomes. Sustainability has been a cornerstone of this vision since the company was founded in 2017. We are proud of the progress we have made and remain focused on continually striving to deliver real change for our stakeholders.

This report outlines the commitments we've made and the actions we're taking to achieve positive sustainability outcomes.

In 2022, we released our first ESG Strategy. This was shaped by global sustainability trends, the UN Sustainable Development Goals, and our first materiality assessment, which was an opportunity for us to listen to our stakeholders and better understand their needs and priorities.

Following the launch of our Strategy, all Aliro staff completed mandatory ESG training. That is a major point of difference. We educate and empower our people to understand the Strategy, embed its objectives into their workstreams, and work collaboratively to convert our goals into meaningful action.

Our target to achieve Net Zero Emissions by 2025 for assets within our operational control (i.e. Scope 1 and 2 emissions) reflects our commitment to accelerated action on climate change. Aliro is an emerging business, whose agile and collaborative approach makes us well positioned to respond to complex

emissions reduction opportunities across our active assets and development pipeline. Our hope is that our work contributes to the growing momentum towards a low-carbon economy.

As a leading developer and fund manager in the industrial sector, we're also focused on using alternative materials, new technologies, and innovative construction methods to improve the quality of our built form and create places where people can connect and thrive. We target green building ratings across all new developments, which we pursue through pragmatic and economically sustainable pathways that deliver maximum value for our tenants, investors, and communities.

Our people are our greatest asset. We recognise the importance of building a strong corporate culture and an inclusive workplace, as well as attracting and retaining high calibre people to help drive greater individual, team, and business performance. Maintaining positive relationships and regular engagement with our tenants is also critical to our success, as it allows us to identify innovative ways to unlock shared value and enhance their experience with Aliro.

As a landlord, developer, fund manager and corporate citizen, we're also focused on how we can generate positive impacts on the wider community through our stabilised assets, development projects, and philanthropic activities. Our first Reconciliation Action Plan, due for release in 2024, will outline our

approach to building lasting and respectful relationships with Aboriginal and Torres Strait Islander people.

Robust governance structures, policies, and practices guide our approach to risk management and operating the business responsibly. Our Board of Directors is ultimately responsible for managing ESG risks and opportunities and ensuring they are integrated in all operations across the business.

We believe that sustainability excellence is not only a licence to operate, but also a means of delivering exceptional property outcomes for our tenant customers and stakeholders. Looking ahead, we remain committed to integrating ESG into everything we do.

Thank you for taking the time to read this report.

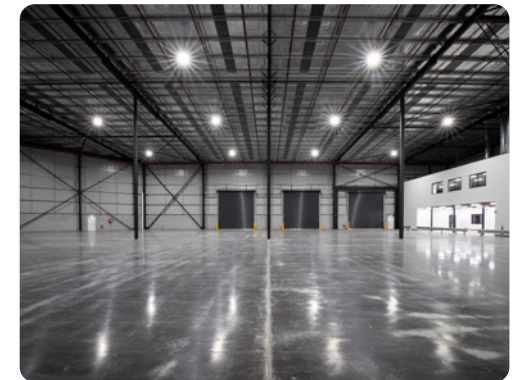
Yours sincerely,



DAVID SOUTHON
Executive Chairman
Aliro Group



DANIEL WISE
Managing Director & CEO
Aliro Group



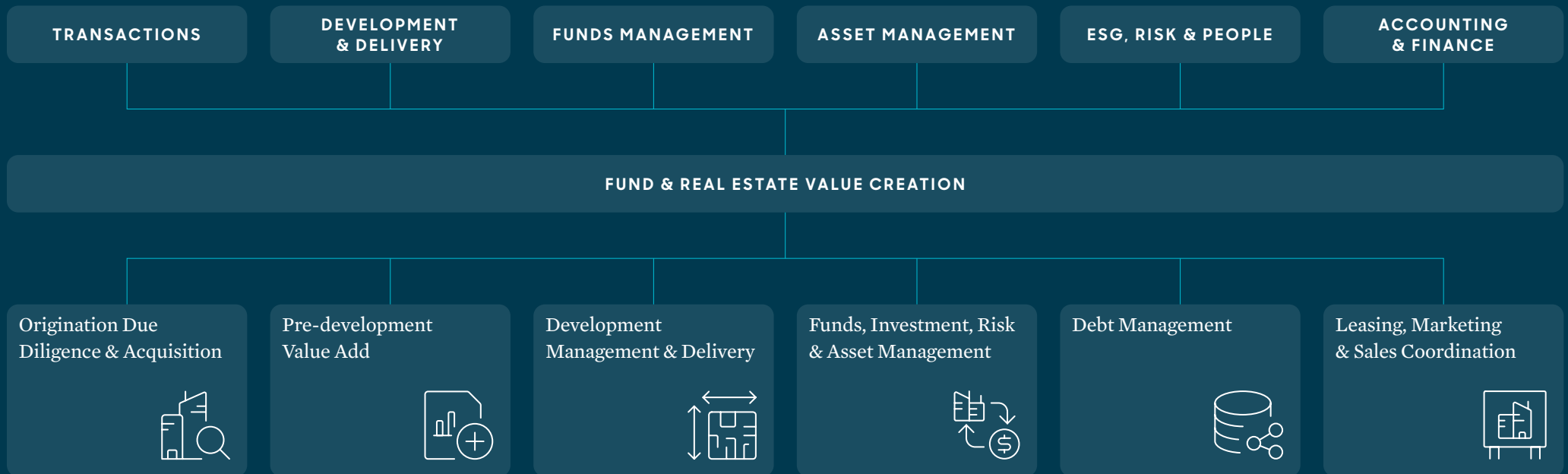
Our Business

What We Do

Founded in August 2017, Aliro is a *property development, investment and funds management* business.

We work with a diverse range of wholesale capital partners to establish, grow, and actively manage sector-specific property funds to deliver enduring value for our customers and partners.

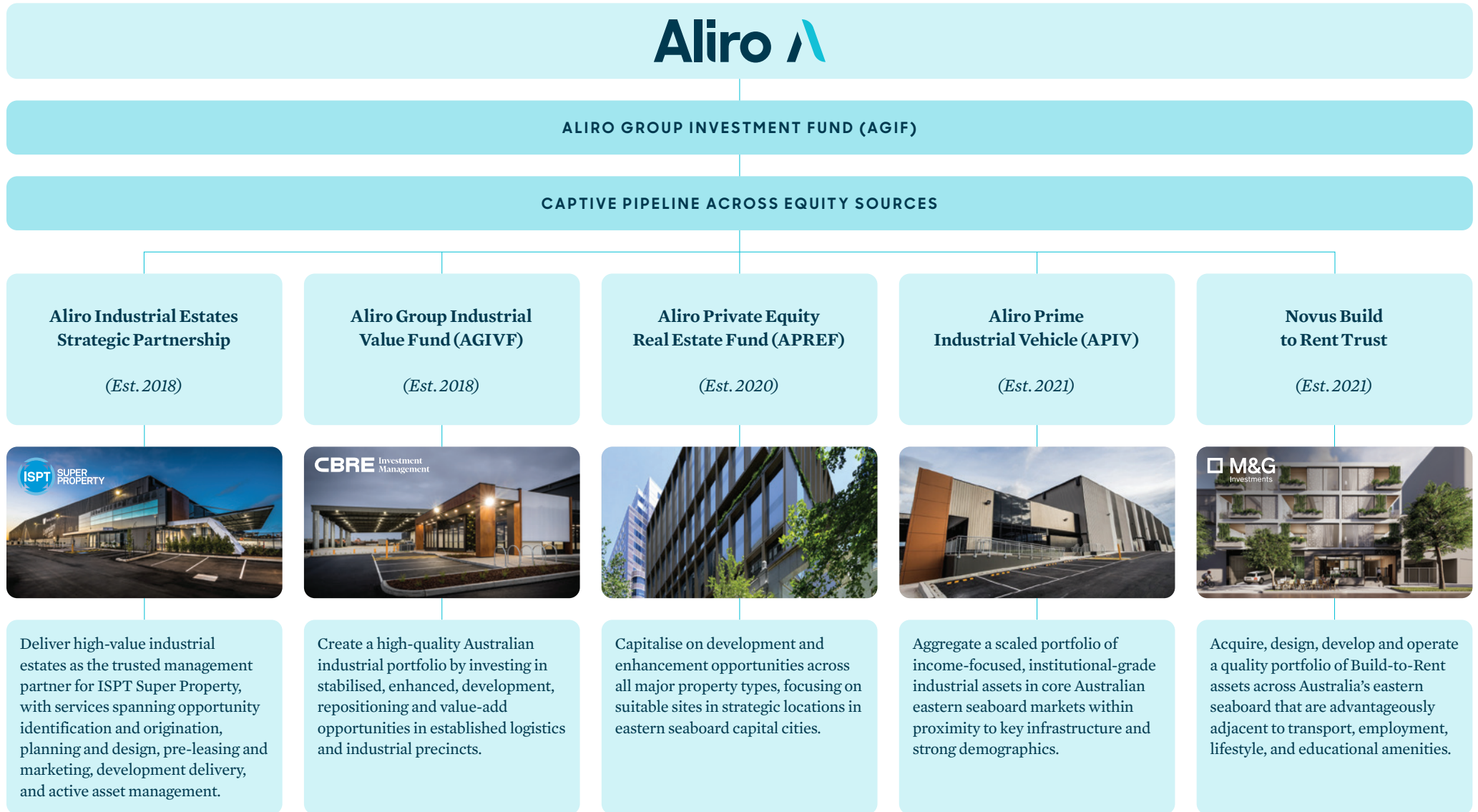
What sets Aliro apart is our fully integrated capability to source, manage, and finance our funds management platform. Our connected, collaborative, and outcomes-focused teams have a proven track record in developing and delivering prime real estate across the eastern seaboard.



Our Business

Active Funds & Partnerships

Aliro Group Funds & Partnerships Structure Diagram



Our Business Footprint

Brisbane

Queensland

- Seven staff in Brisbane CBD office
- Managing two ISPT industrial estates & one Aliro-owned asset
- 50ha of developable industrial landholdings

Sydney

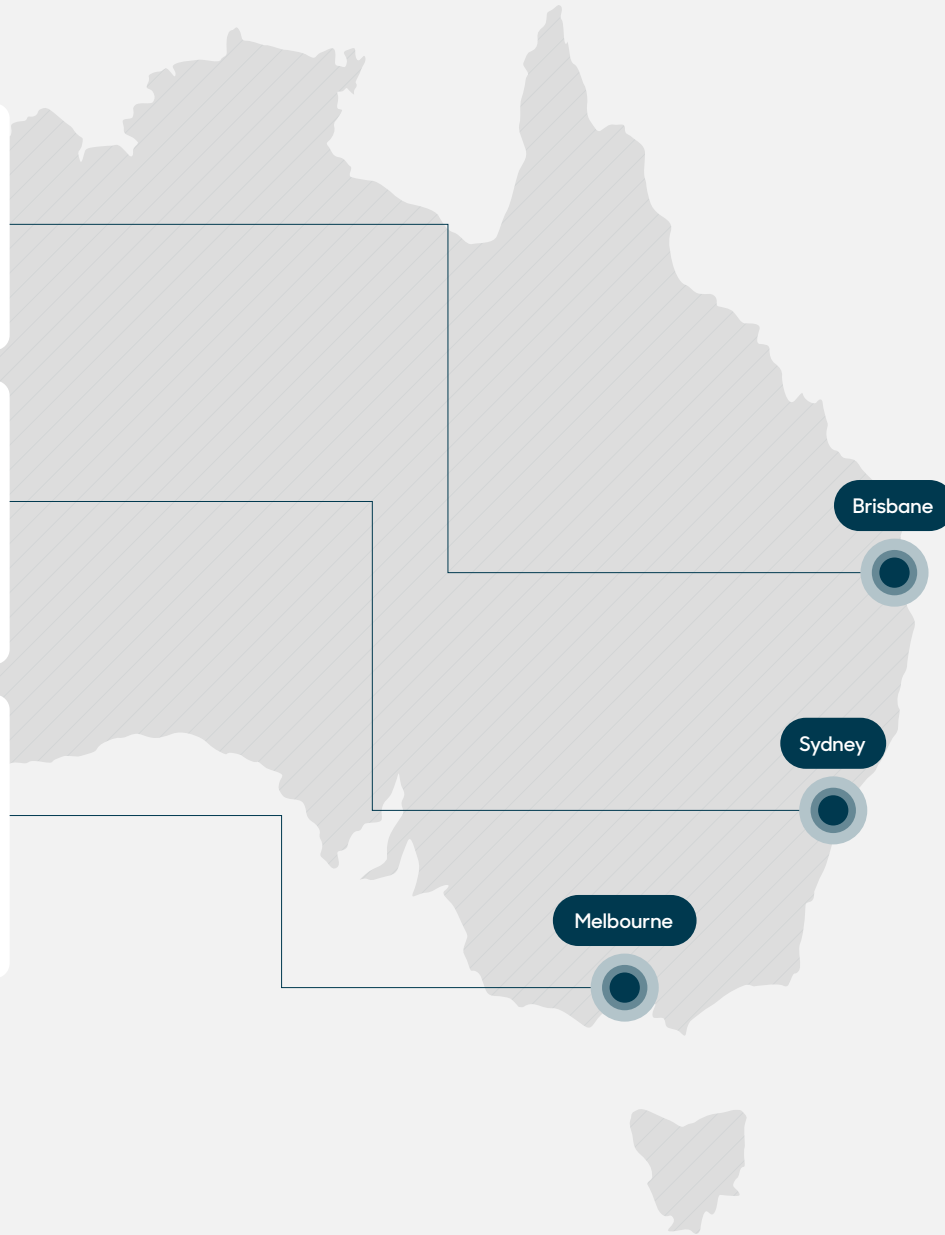
New South Wales

- 45 staff in Sydney CBD office
- Managing four ISPT industrial estates & four Aliro-owned assets
- 105,000 sqm of existing industrial product
- 385,000 sqm of industrial product in pipeline

Melbourne

Victoria

- 12 staff in Melbourne CBD office
- Managing 11 ISPT industrial estates & 13 Aliro-owned assets
- 420,000 sqm of existing industrial product
- 730,000 sqm of industrial product in pipeline



FUNDS UNDER MANAGEMENT (CURRENT GAV)

\$3.1b

GAV (UPON COMPLETION)

\$7.5b

ASSETS UNDER MANAGEMENT (AREA)

1.8m sqm

LAND (AREA)

390 ha

TENANCIES

225

Our Approach

Group Strategy

Aliro's Strategy is to work with a diverse range of wholesale capital partners to establish, grow and actively manage a multi-sector property funds management platform, with a focus on value creation for our customers and partners.

This Strategy is delivered across five pillars:

Product

Creating better places for people to connect and thrive.

1



Performance

Accessing and creating enduring value for our customers and partners.

2



Customer

Continually exceeding customer expectations in every way.

3



Partner

Aligning with like-minded partners to build and nurture enduring relationships.

4



People

Attracting and retaining high calibre people who are passionate about property.

5



Our Approach

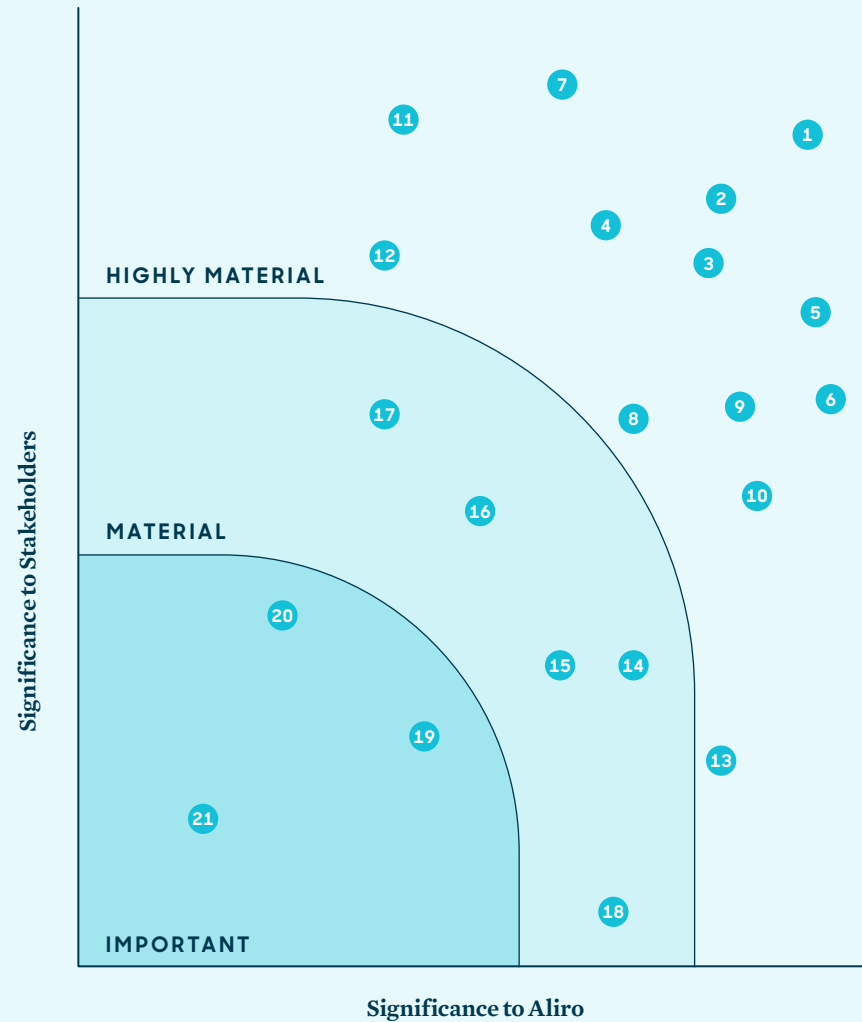
Materiality

In 2022, we completed our first materiality assessment to determine the most significant environmental, social and governance risks and opportunities facing our business. Our methodology captures insights from both internal and external stakeholders to ensure our material issues reflect the needs and priorities of our customers and partners.

Our materiality assessment process involves four key steps:

- 1/ **Initial analysis:** strategic review of megatrends, media and investor publications, publicly available peer reporting, and internal strategy, policy, and risk documentation to generate a broad list of material matters.
- 2/ **Engagement with stakeholders:** interviews and surveys with external stakeholders to understand what is important to their businesses and find alignment with our initial analysis.
- 3/ **Evaluate and prioritise:** review results with Aliro's Senior Leadership team to allocate risk scores and generate 'topics universe'.
- 4/ **Review and disclose:**
 - a. Assess key ESG themes arising from the materiality process
 - b. Agree strategic positioning on themes
 - c. Determine ESG information to be communicated internally and externally

Aliro Materiality Matrix



Topics universe

- 1 Risk Management
- 2 Cybersecurity
- 3 Tenant engagement / satisfaction
- 4 Asset resilience
- 5 Safe and quality environments
- 6 Ethical conduct, good culture
- 7 Modern slavery and ethical procurement
- 8 Energy management
- 9 Responsible investment
- 10 Employee health and safety
- 11 Transparent reporting and disclosure
- 12 Net zero and emissions targets
- 13 Staff training
- 14 Sustainable procurement
- 15 Impacts on local communities
- 16 Greenwashing
- 17 Building ratings and certifications
- 18 Flexible work practices
- 19 Diversity, equality and inclusion
- 20 Indigenous engagement
- 21 Social and community investment

Our Approach

Materiality

Our first materiality assessment resulted in eight material issues, which are outlined below. Materiality results are reviewed regularly by Aliro's ESG Team. We re-assess our list of material issues every two years, or when the business or market changes. This helps us capture new and emerging risks and opportunities to evolve our priorities over time.

Building resilience to the impacts of climate change

Climate change presents both risks and opportunities for our business. We are committed to supporting the transition to a low-carbon economy through emissions reductions initiatives, while also preparing our assets, customers, and communities for the disruption and damage that may be caused by the impacts of climate change.

STAKEHOLDERS

- Tenants
- Communities

SDG ALIGNMENT



Delivering high-quality and sustainable assets for our customers

Real estate occupiers are becoming more sophisticated with their approach to sustainability. We strive to use our development expertise to create high-performing, future-proofed assets that support our customers' sustainability goals and aspirations.

STAKEHOLDERS

- Tenant
- Investors

SDG ALIGNMENT



Maintaining high standards of ethics, integrity, and transparency

Doing the right thing and reporting transparently on our activities underpins our social licence to operate.

STAKEHOLDERS

- Tenant
- Investors

SDG ALIGNMENT



Maintaining a strong corporate culture and supporting our people

Maintaining an open, collaborative, passionate and outcome-focused culture enables us to attract and retain top talent and achieve high rates of employee engagement.

STAKEHOLDERS

- Employees

SDG ALIGNMENT



Leaving a positive impact on our communities

Aliro has opportunities to deliver long-term shared value for the broader community. We engage with local community groups (including traditional landowners) to help us create better places where people can connect and thrive. We also promote a range of giving and volunteering initiatives with our partner organisations to support the broader community.

STAKEHOLDERS

- Communities

SDG ALIGNMENT



Providing safe, inclusive, & productive workplaces for our employees, tenants, & contractors

The safety and wellbeing of our employees, customers and contractors is our highest priority. We are committed to maintaining a culture of risk awareness and continuous improvement to allow our people to be safe in their workplaces.

STAKEHOLDERS

- Employees
- Tenants
- Contractors

SDG ALIGNMENT



Maintaining high standards of corporate governance, risk management, and information security

We recognise that effective corporate governance, risk management, and information security are critical for Aliro to operate responsibly and ethically. By ensuring our systems, processes, and procedures reflect high standards of risk management, we will be better placed to preserve business continuity and the safety of our people and partners.

STAKEHOLDERS

- Employees
- Investors
- Tenants

SDG ALIGNMENT



Managing our exposure to human rights risks and supply chain disruptions

The real estate sector faces elevated risks of modern slavery and other forms of supply chain disruption. We understand our responsibility to improve the visibility of our value chain, engage with our supplier base, and actively mitigate and remediate our human rights risks.

STAKEHOLDERS

- Employees
- Tenants
- Contractors
- Suppliers

SDG ALIGNMENT



Our Approach

Stakeholder Engagement

We're committed to building and nurturing positive, long-term relationships with our stakeholders.



STAKEHOLDERS	WHY WE ENGAGE	HOW WE ENGAGE
Tenants	Engaging with our tenants and listening to their feedback helps us deliver customer-centric solutions that make their businesses easier to operate.	We communicate with tenants at all stages of their journey to understand typical pain points and identify opportunities to enhance their experience. Our tenant satisfaction surveys use a Net Promoter Score (NPS) to measure customer satisfaction. These results allow us to benchmark our performance to our peers and drive continuous improvement.
Investors	Delivering long-term value creation for our investors depends on regular, transparent engagement with an aligned and personalised approach.	We use periodic meetings and a range of reporting platforms to facilitate regular two-way communication on strategy, implementation, performance tracking, and house views on industry and economic trends. Peer benchmarking through ESG surveys and questionnaires, engagement with industry leaders on best practice and new initiatives, and specific investor requests allows us to share progress on our sustainability performance.
Government & Industry	Understanding the regulatory environment in which we operate helps us maintain business continuity and achieve positive project outcomes.	<p>We communicate with all levels of government across the eastern seaboard to address project risks and advocate for regulatory change on behalf of our stakeholders. We also enjoy collaborative relationships with our peers through industry groups, events, and conferences. This provides Aliro with a platform to support innovative solutions to issues facing the real estate sector.</p> <p>Several Aliro employees were appointed to the Property Council of Australia's 2023 Committees, including the National Sustainability, Social Sustainability, and Chief Risk Officer Roundtables. Our membership with the Green Building Council of Australia also allows us to consult with our peers on setting new standards for a sustainable built environment.</p>
Communities	Creating a positive community legacy is a key priority for our business.	Early engagement with local community groups allows us to understand their needs and priorities and explore opportunities to embed local history and culture in our projects. We also strive to continually improve how we work with local First Nations peoples to protect, respect, and celebrate cultural heritage. Work has begun on our first Reconciliation Action Plan, which will be released in 2024.
Employees	A highly engaged and aligned workforce is the foundation of a strong culture and high performance.	We use various methods of engagement with our people to attract and retain talent and create a more inclusive and productive workplace. These include bi-annual employee engagement surveys, monthly town hall meetings, annual strategic reviews, and quarterly performance reviews.

Our ESG Strategy is the blueprint we use to build resilient assets, create places where people can connect and thrive, and operate the business in a responsible and ethical manner.



Enriching people’s lives through positive property outcomes.

We are committed to building resilient assets and creating places where people can connect and thrive through our work as a property development, investment, and funds management group.

Our four key pillars support a systematic approach to executing our ESG strategy across our active assets, development pipeline, and funds management platform.



RESILIENT ASSETS 

Building resilience to future environmental, social and economic disruptions.

- Climate risk management
- Net Zero
- Operational efficiency
- Asset ratings

SDG ALIGNMENT

11 SUSTAINABLE CITIES AND COMMUNITIES



13 CLIMATE ACTION



PEOPLE & PARTNERSHIPS 

We support our team, suppliers, partners and customers to thrive.

- People and culture
- Health and wellbeing
- Customer satisfaction
- Reconciliation

SDG ALIGNMENT

8 DECENT WORK AND ECONOMIC GROWTH



17 PARTNERSHIPS FOR THE GOALS



RESPONSIBLE BUSINESS 

Sustainability and best practice governance is embedded in our business.

- Governance and risk management
- Transparent reporting and disclosure
- Health and safety
- Investment due diligence

SDG ALIGNMENT

8 DECENT WORK AND ECONOMIC GROWTH



16 PEACE, JUSTICE AND STRONG INSTITUTIONS



SUSTAINABLE DESIGN 

Using innovative design principles to deliver high quality, sustainable built form.

- Renewable energy solutions
- Sustainable materials
- Innovation
- Green building ratings

SDG ALIGNMENT

8 DECENT WORK AND ECONOMIC GROWTH



11 SUSTAINABLE CITIES AND COMMUNITIES



13 CLIMATE ACTION



ESG Strategy

In 2022, we released a new ESG Strategy shaped by global sustainability trends and the views of our people, partners, and customers. These views were captured by our first materiality assessment, which identified the most important issues facing Aliro and its stakeholders. These are summarised on [page 10](#).

Our ESG Strategy was also shaped by the United Nations Sustainable Development Goals (SDGs); 17 global objectives that serve as a shared blueprint for the prosperity of people and the planet. We use the SDGs primarily as a framework for monitoring and measuring our contribution to the five Goals of greatest relevance to our business. This provides our capital partners with an indication of how their investment in Aliro also supports global sustainability challenges such as climate change mitigation and adaptation, community resilience, and fair work practices in the real estate sector.

The four key pillars of our ESG Strategy – Resilient Assets, Sustainable Design, Responsible Business, and People & Partnerships – support a systemic approach to executing our Strategy across our active assets, development pipeline, and funds management platform.



ESG Framework

Our approach to delivering our ESG Strategy is practical and outcomes oriented. Empowering our people to understand the Strategy and deliver on its goals is a critical part of our approach. We achieve this through tailored training and our ESG Framework, which provides tools, templates, and guidelines to help us convert goals and targets into meaningful action. The Framework was completed in 2023 and is reviewed quarterly. Supplementary tools are designed to support our Delivery team with implementation.

Examples include:

- Green Star credit pathways;
- Design specifications;
- Climate risk assessment and mitigation guidelines;
- Embedded network feasibility models; and
- Sustainability reporting templates.

The Framework sets high sustainability standards for all projects through our Development Brief, which relate to metering and monitoring, solar PV and embedded networks, energy efficiency, climate risk mitigation, electric vehicle charging infrastructure, embodied carbon, and ethical procurement. We also complete sustainable design reviews prior to DA submissions to identify innovative solutions and other pathways that can help us achieve best practice.



ESG Framework Sustainability Targets

Each year, we set new targets through our ESG Framework to keep track of our progress and ensure our teams are striving to deliver increasingly ambitious sustainability outcomes.

TARGET	ACTIONS	SDG ALIGNMENT
Resilient Assets	Launch Fund-level physical climate risk platforms with asset-level residual risk scores.	
	Implement Community Resilience Plan at our TripleTwoNine project in Caringbah, NSW.	
	Abate Scope 2 emissions by transitioning to 100% renewable electricity.	
	Finalise Scope 1 emissions footprint, equipment register, and offsets strategy.	
	Obtain Green Star Performance ratings for our assets at Somerville Road, Vic and Quality Drive, Vic.	
Sustainable Design	Continue identifying and delivering tailored ESD capex initiatives to improve environmental performance and mitigate climate risk.	 
	Complete an embodied carbon benchmarking assessment and decarbonisation strategy at our Assembly Drive, Vic re-development.	 
	Install 1 MW of new rooftop solar PV capacity across our AGIVF fund.	
Responsible Business	Develop future proofing EVs strategy, including launch of online management platform to optimise load management and support tenant energy needs.	
	Complete Scope 3 emissions Basis of Preparation and decarbonisation plan, and set medium- and long-term emissions reductions targets across all emissions scopes.	
	Implement strategies to improve on our 2023 GRESB score, including improved data completeness, greater asset rating coverages, and lower tenant energy and water use.	
People & Partnerships	Publish Reflect Reconciliation Action Plan (RAP).	 
	Identify all certified First Nations-owned businesses and Social Enterprises in our existing supplier base.	
	Conduct tenant satisfaction survey capturing tenant ESG needs and priorities.	
	Explore opportunities to design for occupant health and wellbeing at our development projects.	 

Our Pillars






Our four key pillars support a systematic approach to executing our ESG Strategy across our active assets, development pipeline, and funds management platform.



01 Our Pillars Resilient Assets

Building resilience to future environmental, social, and economic disruptions helps us mitigate risk across our business and create lasting benefits for our customers.

CY24 Sustainability Targets: Resilient Assets

FOCUS AREA	TARGET	SDG ALIGNMENT
Climate Risk	Launch Fund-level physical climate risk platforms with asset-level residual risk scores.	
Community Resilience	Implement Community Resilience Plan at our TripleTwoNine project in Caringbah, NSW.	
Net Zero	Abate Scope 2 emissions by transitioning to 100% renewable electricity.	
Net Zero	Finalise Scope 1 emissions footprint, equipment register, and offsets strategy.	
Asset Ratings	Obtain Green Star Performance ratings for Somerville Road, Vic and Quality Drive, Vic.	
ESD Capex	Continue identifying and delivering tailored ESD capex initiatives to improve environmental performance and mitigate climate risk.	 

Resilient Assets

Climate Action (TCFD Response)

Aliro is committed to transparently disclosing climate-related financial information with reference to the Task Force on Climate-related Financial Disclosures (TCFD) Recommendations.

We have implemented a phased approach to aligning with the TCFD. This report represents our first year of disclosure and focuses on the processes and practices we use across the TCFD's four core elements: Governance, Strategy, Risk Management, and Metrics and Targets.

Governance

In 2022, we established a dedicated ESG Committee comprised of members of Aliro's ESG team, Senior Leadership team and business unit leads to oversee climate-related risks and opportunities. The Committee also monitors how our Delivery teams are building customer and community resilience, mitigating our impact on climate change, and delivering environmental performance targets.

The ESG Committee reports to the Board each quarter to help them maintain regular oversight over our risk management approach and emerging climate-related considerations.

Strategy

Aliro recognises that climate-related impacts are likely to persist in the foreseeable future. An IPCC Special Report on the impacts of climate change indicates that in the next three decades global warming is estimated to reach 1.5°C if it continues to increase at the current

rate. This makes it critical for us to understand the impact of different climate scenarios on our business, while also taking proactive measures to accelerate our transition to a low carbon economy.

Our ESG Strategy outlines the climate-related risks and opportunities that are relevant to Aliro and guides our approach to building resilience across our portfolio. Our approach considers both transition risks, relating to the potential impacts of the low-carbon transition, and physical climate risks, which can lead to negative financial impacts on our business, including increased design and maintenance costs or disrupted construction programmes and operations.

To help manage transition risks, we have set a target to achieve Net Zero Emissions by December 2025 for all Scope 1 and 2 emissions under our operational control. The action plan on [page 21](#) describes the emissions reduction initiatives we are pursuing to achieve this target. We also recognise there are significant decarbonisation opportunities in the upstream and downstream segments of our value chain, which we're currently exploring with our customers and partners. These plans are detailed on [page 23](#) of this report.

To prepare our assets for physical climate risks, we assess and rate each asset's exposure to specific climate hazards through Moody's FourTwentySeven platform. This enables our teams to identify and implement tailored adaptive capacity solutions across all stages of the property lifecycle.

Aliro's ESG Strategy sets out clear and measurable targets to monitor our progress in identifying and mitigating climate-related risks. Our strategic priorities are regularly reviewed in response to major changes in climate science or Aliro's operating environment.

Risk Management

Climate-related risks and opportunities form an important part of our risk management approach, which underpins our ability to support our customers and achieve Aliro's objectives.

With over \$1.4 billion of Aliro-owned assets under management, it is imperative for us to understand the nature and extent of physical climate risks across our portfolio. We do this by assessing and rating Aliro-owned assets through Moody's FourTwentySeven platform. This generates risk profiles for our properties based on specific climate hazards, including water stress, heat stress, sea level rise, floods, and bushfires. The results of these assessments assist the Transactions team with investment decisions and guide the Delivery team through building design and active capex programmes.

The geographical locations of our major markets means that most assets across Aliro owned portfolios are exposed to a high degree of water stress. Once we understand the risk profile at each asset, we work with our tenants to implement mutually beneficial solutions that reduce overall water usage.

This typically involves a range of actions, including sub-metering and monitoring systems to improve leak identification, rainwater harvesting and reticulation systems to increase non-potable water supply, and drought-resistant landscaping to reduce site consumption.

Next year, we intend to complete scenario analysis so we can apply our risk management approach to a broader range of future possible temperature increases.

Metrics & Targets

Our target to achieve Net Zero Emissions by December 2025 for Scope 1 and 2 emissions under our operational control demonstrates our commitment to climate-related risk management. The next phase of our emissions reduction journey is to define our Scope 3 emissions boundary and baseline. This will inform our medium- and long-term targets as we strive to achieve Net Zero across all emissions scopes.



Resilient Assets

Climate Action (TCFD Response)

The table below communicates how we are building on our disclosure for each of the TCFD's core elements from 2024 onwards.

PILLAR	RECOMMENDATIONS	STATUS	ACTIONS	CY24	CY25	CY26
Governance	Disclose the organisation's governance around climate-related risks and opportunities.	Partially aligned	G(b): integrate climate-related considerations into Aliro's enterprise risk register			●
Strategy	Disclose the actual and potential impacts of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning where such information is material.	In progress	S(a), S(c): complete scenario analysis to identify the short-, medium, and long-term climate-related risks facing Aliro		●	
			(b): assess the impacts of climate-related risks and opportunities on Aliro's operations, strategy, and financial planning		●	
Risk Management	Disclose how the organisation identifies, assesses, and manages climate-related risks.	Partially aligned	R(c): embed physical climate risk assessment process in Acquisitions Checklist	●		
Metrics & Targets	Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.	Partially aligned	M(a): establish Scope 1 and 2 emissions intensity targets	●		
			M(a): establish Scope 3 emissions intensity target		●	
			M(b): disclose Scope 1 emissions	●		
			M(b): disclose Scope 2 emissions	●		
			M(b): disclose Scope 3 emissions		●	
			M(c): assess ways in which we can measure the impact of risk mitigation strategies on our portfolios		●	

Resilient Assets

Net Zero Emissions

Aliro is committed to pursuing the goals of the Paris Agreement with increased levels of urgency and industry collaboration to limit the impacts of climate change.

Our target to achieve Net Zero by December 2025 encompasses all Scope 1 and 2 emissions generated by our corporate head offices and landlord-controlled areas across Aliro-owned sites. Our greenhouse gas emissions are calculated using the GHG Protocol with a baseline year ending 31 December 2022. The business is on track to achieving this target through our action plan, which comprises of a range of initiatives described below. We intend to seek third-party certification through the Climate Active Carbon Neutral Standard.

In 2024, we will begin to define our Scope 3 organisational boundary, emissions footprint, and target setting across all emissions scopes. In advance of this process, we have begun engaging with our value chain to identify suitable emissions reductions opportunities. To address our downstream emissions, we are completing sub-metering upgrades and site audits to measure and monitor tenant energy consumption, and delivering rooftop solar PV systems, embedded networks, and EV charging infrastructure. To address upstream emissions, we are working with contractors, consultants, and peers to trial low-carbon materials, technologies, and construction methods. More detail on these initiatives is provided in the [Sustainable Design](#) chapter.

Operational Efficiency

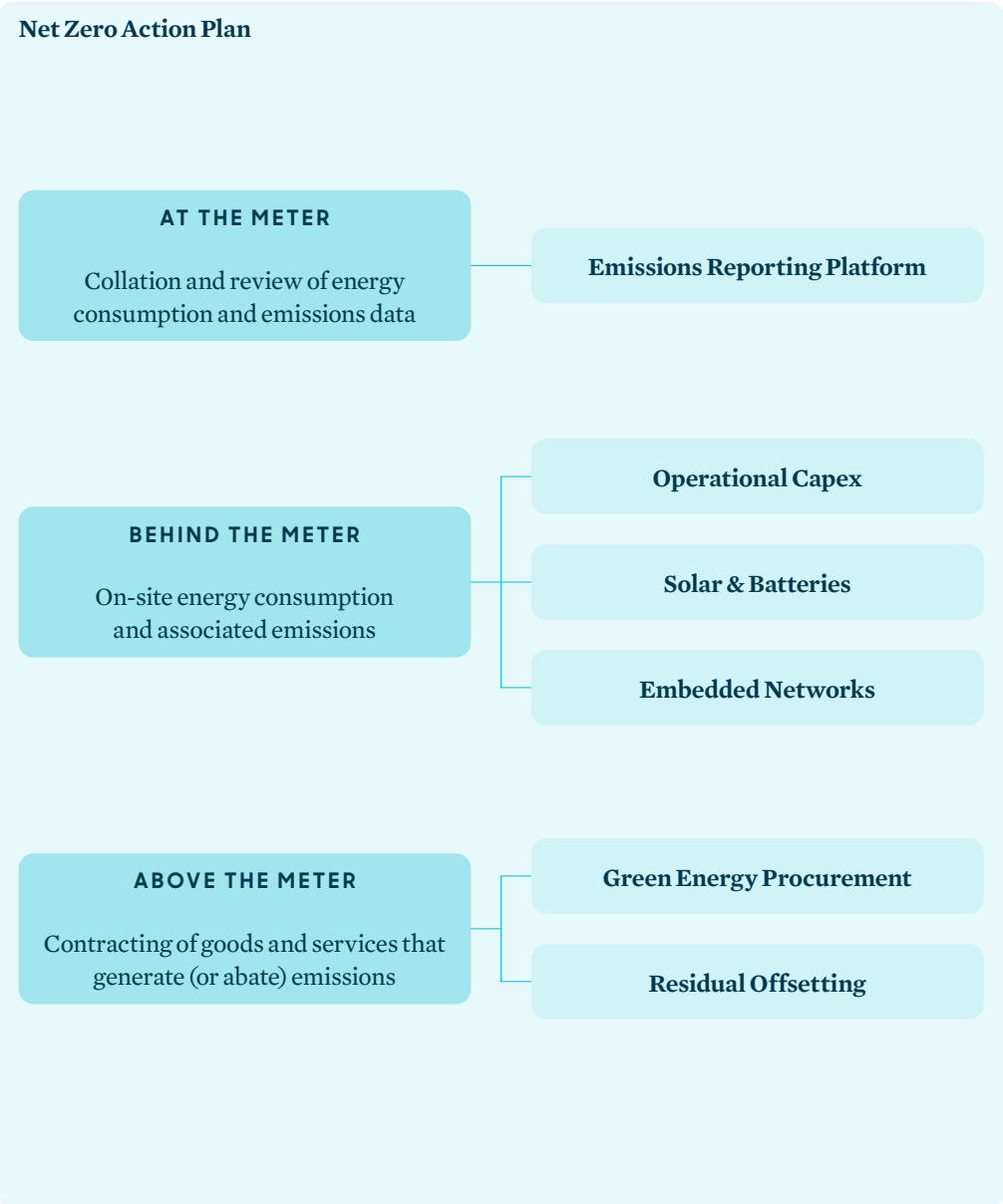
A key element of our active management strategy is implementing sustainability initiatives that improve the environmental performance of our assets and in turn, deliver commercial benefits for both Aliro and our customers.

We use the Green Star Performance rating tool to benchmark the success of these initiatives and reveal further opportunities for improving operational efficiency. Our first AGIVF portfolio rating of 3 Stars was awarded in 2022, comprising of three stabilised assets.

To improve our ratings, our Asset Management team delivers tailored solutions at the asset level. This year, we completed LED upgrades at our Mt Waverley estate in Victoria to reduce overall energy use at the site. Our contractors estimate this will deliver an 86% reduction in annual electricity consumption and over \$70,000 in savings over the next 10 years. We also completed lighting upgrades at our Bilsen Road asset in Queensland, which is estimated to deliver over \$2,000 of annual electricity savings for the tenant.

Looking ahead, we remain focused on identifying further opportunities to reduce energy and water intensity across all active funds. Next year, we'll submit our second Green Star Performance portfolio rating to increase our AGIVF portfolio coverage to over 50%.





Net Zero Action Plan



02 Our Pillars Sustainable Design

We challenge ourselves to create world-leading buildings using innovative design principles and sustainable construction methods. We also focus on design and development processes that generate positive social and economic impacts for our stakeholders.

CY24 Sustainability Targets: Sustainable Design

FOCUS AREA	TARGET	SDG ALIGNMENT
Embodied Carbon	Complete an embodied carbon benchmarking assessment and decarbonisation strategy at our Assembly Drive, Vic re-development.	 
Renewable Energy	Install 1 MW of new rooftop solar PV capacity across our AGIVF fund.	
Electric Vehicles	Develop future proofing EVs strategy, including launch of online management platform to optimise load management and support tenant energy needs.	

Sustainable Design

Renewable Energy

As a developer, we have an opportunity to provide our customers with access to affordable and clean energy and advance the achievement of the Sustainable Development Goals.

Rooftop solar PV arrays are installed at all new development projects to help our tenants reduce their energy bills and emissions. Our team delivers tailored solutions to meet individual tenant needs, while also ensuring that roofs are provisioned for system expansions. This helps future-proof our assets from increasing grid volatility and the energy needs of new technologies such as EV charging infrastructure. Over 1MW of solar capacity has been installed across our AGIVF and APIV portfolios to date, with a further 2MW in planning and development. Over 1.4MW of solar has been installed through our strategic partnership with ISPT, with a further 2MW in planning across our development pipeline.

Our Development team also seeks opportunities to install embedded networks to maximise the benefits of on-site renewable energy. We are finalising plans to install an embedded network at our TripleTwoNine project in Sydney. This will be coupled with 500kW of solar to provide cheaper and cleaner electricity to over 60 new tenants. The use of battery energy storage systems can also help our tenants accelerate their Net Zero ambitions. At ISPT's Kookaburra Logistics Estate, we installed a 160kWh battery to

optimise demand management and maximise the value of the tenant's 300kW solar PV system.

Aliro's Asset Management team actively monitors the performance of operational solar PV systems to ensure they meet occupier expectations. We also engage with tenants on demand management solutions and system expansions to meet their changing energy needs.

Innovation

To meet the goals of the Paris Agreement, we believe the real estate sector needs to unlock new opportunities to use low-emission materials, technologies, and construction methods. This requires deep engagement between landlords, architects, engineers, builders, and occupiers on a range of technical and financial issues relating to innovative design and development.

Our commitment to decarbonisation makes sustainable materials a high priority for our business. The Development team is responsible for identifying opportunities to use these materials, while also managing the operational risks associated with certain low carbon products. For example, the surface 'dusting' that can occur when using green concrete makes it challenging to deliver at scale across industrial warehouses. We have begun delivering this product in lower-risk areas, while continuing our work with concrete suppliers and technologists on scaling this solution. Holcim's ECOPACT green concrete product has been specified

for use in the freezer base slabs at ISPT's Elevation at Greystanes development. This product is capable of delivering up to a 70% reduction in embodied carbon without impacting the operability of the asset.

Aliro has supported Woolworths Group in their goal of transitioning to an entirely electric-powered delivery truck network by 2030. In order to accommodate these vehicles, our Development team worked with our builder partners, FDC Construction & Fitout to modify existing infrastructure and facilitate the installation of new charging units.

As EV charging units can lead to higher rates of energy consumption, we're also investigating the role of additional rooftop solar PV, batteries, and demand management software to reduce the carbon impact of these technologies.

As part of the second stage of development at TripleTwoNine, Caringbah, we are investigating how innovative construction methods and design features can minimise the risk of climate hazards. For example, the use of 'rain gardens' can help safeguard our tenants against the risk of water shortages, while also building community resilience through improved stormwater management.

We are also prioritising the use of light coloured pavement in lieu of darker asphalt across the estate to reduce the urban heat island effect, and in turn, create a safer workplace for our customers.

Green Building Ratings





All new development projects in our AGIVF portfolio are required to achieve a minimum 4- star Green Star Design & As Built v1.3 rating. As we transition to the new Buildings v1.0 rating tool, we are focused on working with our builder partners and expert consultants on identifying new ways to demonstrate sustainability excellence as the GBCA sets more ambitious standards for our industry.



03 Our Pillars
Responsible Business

Aliro has implemented robust governance structures, policies, and practices to help us operate the business in a responsible and ethical manner.

CY24 Sustainability Targets: Responsible Business

FOCUS AREA	TARGET	SDG ALIGNMENT
Scope 3 Emissions	Complete Scope 3 emissions Basis of Preparation and decarbonisation plan, and set medium and long-term emissions reductions targets across all emissions scopes.	
GRESB	Implement strategies to improve on our 2023 GRESB score, including improved data completeness, greater asset rating coverages, and lower tenant energy and water use.	
Reconciliation	Publish Reflect Reconciliation Action Plan (RAP).	 

Responsible Business

Governance & Risk Management

Governance

Robust governance structures, policies, and practices underpin our commitment to responsible business and help us create sustainable, long-term value for our customers and partners.

Corporate Governance

Aliro's Board of Directors plays a pivotal role in overseeing the delivery of our ESG Strategy and risk management approach. An ESG Committee was established in 2022 to regularly review and guide our strategic objectives, performance, and reporting. The Committee reports to the Board quarterly and is comprised of representatives from Aliro's ESG and Senior Leadership teams, as well as business unit leads.

Aliro's Senior Leadership team is responsible for setting the tone for ESG throughout the organisation. The Chief Delivery Officer (CDO) leads our efforts and works with business unit leads to embed ESG considerations in strategic plans and decision-making across the business. Aliro's ESG team supports the CDO through regular engagement with our Development, Asset Management, Capital Transactions, HSE & Risk, and Funds Management teams. These forums are designed to empower the teams to deliver our targets and achieve ESG-related KPIs, which are shared across the Group to ensure all employees are incentivised to achieve sustainability excellence.



Responsible Business

Governance & Risk Management

Policies & Standards

We have established a comprehensive suite of company policies and standards to guide our business activities and decision-making, including but not limited to:

- **Code of Conduct:** outlines our commitment to ethical standards, Aliro’s core values, and the expectations we have of all company directors and employees.
- **ESG Policy:** explains how Aliro applies environmental, social and governance considerations across the business’s property investment, delivery, management, and investment processes and procedures. It also outlines how Aliro engages with its key stakeholders including employees, customers, suppliers, service providers, local communities, shareholders, investors, and local government.
- **HSE Policy:** outlines Aliro’s risk management system and how it is implemented to ensure all health, safety, and environmental risks across the business are appropriately minimised and managed. This system is developed to align with ISO 45001 (health and safety management) and ISO 14001 (environmental management) requirements.

– Risk Management Strategy

& Framework: details Aliro’s Risk Management Program and how it is used at all levels to identify, understand, and manage enterprise risks.

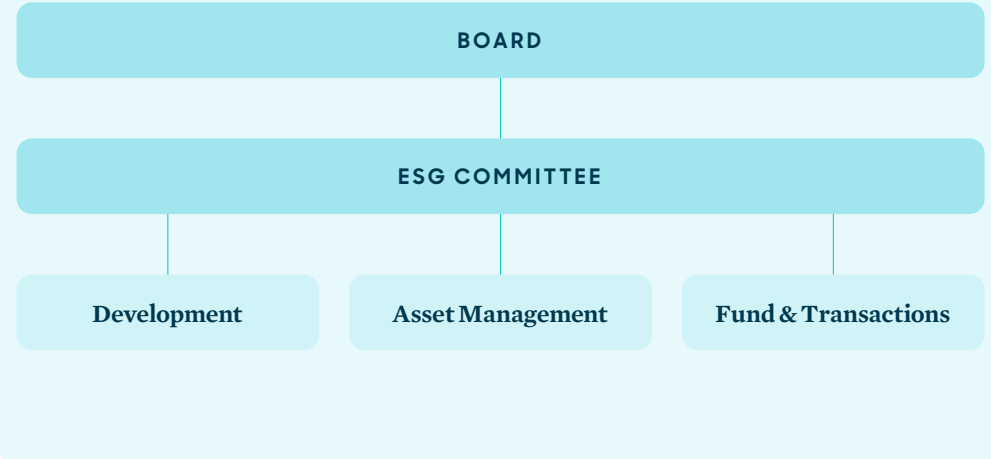
These policies are available on our website.

Risk Management & Compliance

Risk management and compliance forms an important part of Aliro’s corporate governance program. Our Risk Management Strategy and Framework helps the business identify, understand, and manage any risks related to our daily business activities and the achievement of Aliro’s objectives.

Our Compliance Program ensures we meet various legal and regulatory, organisational policy, and contractual obligations. Aliro Management and Risk Managers are responsible for implementing these policies and procedures, maintaining Aliro’s risk register, and promoting a risk management culture within Aliro. The Aliro Board continuously reviews the risks and ratings outlined on the risk register and reports from the Risk Committee.

ESG Governance Structure



Responsible Business

Health and Safety

The health and safety of our people is of critical importance to our business. We acknowledge that we have a duty of care to our investors, tenants, employees, and the wider community to ensure all health and safety risks are appropriately managed. Equally, we value the importance of protecting the physical environment in which our employees and assets operate.

To achieve this, we have implemented a robust Health, Safety, and Environment Management System (HSEMS). This is designed to identify, assess and mitigate potential hazards, comply with relevant regulations, and foster a culture of continuous improvement. It provides transparent monitoring and reporting tools, helps enhance employee knowledge through training programs, and actively promotes initiatives, objectives, and targets that will improve our health, safety and environmental performance.

This year we completed a review of our HSEMS, comprising standardised system changes to ensure our HSE reporting approach is consistent across each fund and business unit, as well as staff training programs on incident reporting and audit monitoring.

The review was designed to improve the quality and consistency of our HSE data, which will enable our teams to monitor trends more effectively and implement new processes to improve our performance.

We are committed to maintaining our culture of risk awareness and continuous improvement to allow our people to be safe in their workplaces.

Sustainable Supply Chain Management

Aliro is committed to understanding our exposure to modern slavery risk and working with our people, peers, and industry groups on how we can most effectively address these risks. As a landlord, developer, and fund manager, Aliro can be directly exposed to modern slavery risk through our operating practices and indirectly exposed through our procurement of materials and services.

We voluntarily comply with the Modern Slavery Act through a Modern Slavery Statement. This demonstrates our commitment to combating modern slavery in Australia and internationally and outlines the actions and processes we implement to address these risks. All Aliro employees are required to undertake training and our contractors and service providers are required to comply with the UN Guiding Principles on Business and Human Rights.

Investment Due Diligence

The integration of ESG considerations into our investment decisions helps us better prepare our assets and funds for long-term, sustainable value creation and risk mitigation.

The key mechanism used by Aliro's Transactions team to assess new opportunities is our Acquisitions Checklist. This comprises a range of ESG requirements,

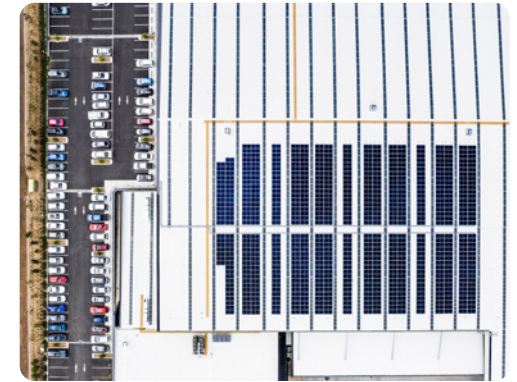
including physical climate risk assessments, sustainable design or ESD capex allowances, and asset rating and certification plans. This process sets the foundation to deliver on our strategic objectives.

Benchmarking Our Performance

Aliro uses a range of rating tools and benchmarks to assess our performance relative to our peers.

AGIVF has completed annual Global Real Estate Sustainability Benchmark (GRESB) assessments since 2020. This helps us identify new ways to improve our ESG management practices and operational performance.





Aliro uses Green Star, a globally recognised rating and certification system, to help our customers and partners better understand the sustainability credentials of our assets. Our teams aspire to achieve industry-leading ratings at all eligible assets for a range of Green Star tools, including Design & As Built v1.3, Buildings v1.0, Performance v1.2, and Communities v1.1. This enables our teams to deliver outcomes aligned with investor needs, while also benchmarking asset performance to guide long-term improvement strategies.



04 Our Pillars People & Partnerships

Aliro recognises that our people are our most important asset. Building a strong culture and a highly engaged team helps us attract and retain top talent and empowers the business to achieve its goals. We are also committed to creating positive and lasting relationships with our customers through regular engagement and support.

CY24 Sustainability Targets: People & Partnerships

FOCUS AREA	TARGET	SDG ALIGNMENT
Scope 3 Emissions	Identify all certified First Nations-owned businesses and Social Enterprises in our existing supplier base.	
GRESB	Conduct tenant satisfaction survey capturing tenant ESG needs and priorities.	
Reconciliation	Explore opportunities to design for occupant health and wellbeing at our development projects.	 

People & Partnerships

People & Culture

As a growing business, we are dedicated to attracting and retaining high-calibre people who are passionate about property. To achieve this, we focus on forging a strong culture and inclusive workplace where our people feel safe to express themselves and have open conversations, culminating in greater individual, team, and group success.



We measure the success of our approach through bi-annual employee engagement surveys, which are designed to provide Aliro’s Senior Leadership team with critical data and insights that help shape the future of our workplace and culture. The results of our first survey indicated very high employee satisfaction, with 94% of respondents noting “I am proud to work at Aliro”, as well as strong results relating to health and safety, office environment, overall leadership, and belonging and inclusion. Key opportunities for improvement include environmental sustainability and employee health and wellbeing, despite both indicators returning results above national averages.

As an employer, we are focused on creating inclusive workplaces that support the health, wellbeing, and productivity of our people. Aliro has adopted a hybrid work model, where employees are supported to work flexibly. This allows the business to retain valued employees, attract quality talent, increase productivity, improve morale, support a positive work-life balance, and optimise the use of current office space. Our hybrid work model emphasises the importance of health and safety and information security at home, as well as engaging with the team to deliver outcomes and maintain Aliro’s culture.

Aliro participates in the Property Council of Australia’s annual 500 Women in Property initiative, which empowers women to advance in the workforce. Through our internal sponsors, we provide high-potential

candidates with professional development and networking opportunities, which aims to accelerate their progression into leadership positions. This demonstrates Aliro’s commitment to fostering a diverse and inclusive workplace for our people.

We are also committed to investing in initiatives that create a healthier and more supportive workplace for our people.

In 2021, we established an Employee Assistance Program through Veretis, a dedicated mental health service provider. Veretis offers our people a range of easily accessible avenues to seek support for personal, relationship, and work-related challenges. This year, several Aliro team members received training facilitated by the Black Dog Institute and WorkSafe NSW. This training aimed to equip our people managers with essential skills and knowledge regarding the detection of early warning signs and how to provide support to those in need.

Aliro also engages with Performance by Design, an external consultant who assists the leadership and management teams on establishing best practices communication for our team, understanding behaviours, setting goals, and building an inclusive team environment.

People & Partnerships

Customer Satisfaction

Building and maintaining positive relationships with our tenants is a key priority for our business. We have a diverse range of customers across our industrial portfolios. By engaging with them regularly, we can better understand their needs, identify new ways to unlock shared value, and deliver a market-leading experience.

In 2022, we completed our first tenant satisfaction survey. This revealed high rates of tenant satisfaction, with 90% of respondents confirming they are either “likely” or “highly likely” to use Aliro for future space requirements and 100% of respondents agreeing that Aliro understands their business. The survey also revealed that environmental sustainability and the quality of property remain key priorities for our customers, which continues to guide our asset management strategies.

Looking ahead, we intend to complete our second tenant satisfaction survey to collect new insights, while also investigating new ways to advance tenant health, wellbeing, and inclusion through site-specific strategies.



“Your organisation and its representatives are the exemplar for fostering truly meaningful relationships with tenants.”

GM Real Estate, Rodd & Gunn

People & Partnerships

Giving & Volunteering

Aliro employees are encouraged to participate in a range of giving and volunteering initiatives. During FY23, our teams volunteered for several different organisations, including the PCA's Property Industry Foundation (PIF), the Big Umbrella Foundation, and Coastrek. More recently, our Sydney team enjoyed two days volunteering with ReLove, a registered charity that rescues furniture and whitegoods from its corporate partners and delivers them directly to people moving out of crisis and into long-term housing. The organisation works with women and children escaping domestic violence or experiencing homelessness, people seeking asylum, and vulnerable men and women coming out of incarceration.

In FY23, Aliro donated over \$175,000 to our partner charities, with a further \$227,000 raised through Aliro's participation in the 2023 Chain Reaction Challenge and Sydney's Tour De PIF. These funds were donated to So They Can, a not-for-profit organisation that works with local communities and governments to provide quality education to children living in poverty in communities in Africa.

Reconciliation

As a fund manager, developer and asset manager that works in many different locations, Aliro has a responsibility to listen, learn, and respect First Nations peoples. Our first Reconciliation Action Plan, due for release in 2024, will set the foundation for how we build lasting and respectful relationships with Aboriginal and Torres Strait Islander peoples. We strive to ensure our operations support and celebrate their ongoing connection to their lands and cultures.



ORGANISATION	ALIRO DONATIONS	FUNDS RAISED ¹	TOTAL
So They Can	\$61,431	\$227,570	\$289,001
PIF	\$74,485	—	\$74,485
Buildcorp Foundation	\$10,000	—	\$10,000
Smith Family	\$10,000	—	\$10,000
Big Umbrella Foundation	\$6,500	—	\$6,500
Coastrek	\$5,376	—	\$5,376
Backtrack Youth Works	\$5,020	—	\$5,020
Wheels in Motion	\$4,000	—	\$4,000
FY23 Total	\$176,811	\$227,570	\$404,381

PIF	\$34,346	\$22,027	\$56,373
ReLove	\$1,650	—	\$1,650
Chris O'Brien Lifehouse	\$1,000	—	\$1,000
Western Sydney University	\$1,000	—	\$1,000
FY24² Total	\$37,996	\$22,027	\$60,023

¹Funds Raised relates to the funds raised by "Team Aliro" in both the 2023 Chain Reaction Challenge and 2023 Sydney Tour de PIF. This excludes any donations made by Aliro to these fundraising efforts, as these are captured in the Aliro Donations column.

²FY24 relates to the period of 1 July 2023 to 6 October 2024.

Access to Value





SYDNEY

Level 38, Gateway Tower
1 Macquarie Place
Sydney NSW 2000

MELBOURNE

Level 34, North Tower
80 Collins Street
Melbourne VIC 3000

BRISBANE

Level 32, Gold Tower
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Brisbane QLD 4000