

HESPERIA

FY23 Sustainability
Performance Report

July 2022 – June 2023



Acknowledgement of Country

Hesperia acknowledges and pays respect to the past, present and future Traditional Custodians and Elders of the Noongar nation and the continuation of cultural, spiritual, and educational practices of Aboriginal and Torres Strait Islander peoples.

About this Report

Hesperia's Sustainability Performance Report provides details on our annual Environmental, Social and Governance (ESG) activities spanning from July 1, 2022, to June 30, 2023. The report specifically pertains to Hesperia Property Pty Ltd and all data presented herein is accurate as of 30 June 2023 in relation to the company's corporate business in Western Australia.

This is our second report, encompassing our ESG targets and progress made toward advancing these objectives. As we integrate sustainability into our operations, we are also improving our data capture capabilities to expand and deepen our disclosures. In our future reports we intend to provide more comprehensive insights into our project portfolio.

The report is comparable to last year's edition, although the design and overall presentation has evolved, it covers the same Focus Area material topics, albeit with some revised names. New disclosures have been added, along with continuing to report on those that were established in the previous report.

This report was prepared by Mark Taylor, Sustainability Manager and Jo Wilson, Corporate Social Responsibility Lead.

Special Thanks

A feature of this year's report is the incorporation of quotes, case studies, and specialist sections provided by Hesperia employees and due credit has been given to these contributors throughout the document. In addition to these contributors, there are a number of other people that have been pivotal in the delivery of this document, including Penny Grant, Song Goh, and Olivia Birkhead.



Mark Taylor
Sustainability Manager



Jo Wilson
Corporate Social Responsibility Lead



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Message from the Managing Director

Welcome to Hesperia's Sustainability Performance Report for the FY23. This year, our focus shifted from securing new opportunities and expanding our team to developing a common way of working supported by systems and processes that ensure our sustainability objectives are embedded in all facets of our business and projects.

In response to valuable feedback from stakeholders and the continuous evolution of our sustainability processes and frameworks, this report differs in appearance from the previous year. Notwithstanding the change in format, the report contains the same elements and metrics to enable comparison to the prior year and to track our progress against our sustainability objectives.



Ben Lisle – Founder & Managing Director

Key Highlights from FY23

Corporate Accreditations

At a corporate level, Hesperia has maintained a range of accreditations, including certifying as a Carbon Neutral Organisation by Climate Active. We are proud to be a certified B Corp, confirming that our business meets the highest standards in social and environmental performance.

Systems and Processes

There has been a major focus on developing standardised systems and processes and a shared way of working across the business. This included the launch of the Hesperia Business Manual, outlining our end-to-end project lifecycle and governance. Additionally, we developed the Project Sustainability Process, detailing how our sustainability principles and objectives are integrated throughout the project lifecycle.

We have also made significant investments in our Human Resources policies and systems and in the development of digital solutions to support collaboration and enable our teams to deliver projects in a safe and efficient manner.

Governance

We established two additional executive-level committees, the Hesperia Investment Committee (HIC) and the Hesperia Australian Financial Service Licence Compliance Committee (HACC), to support good corporate governance.

We have refreshed the internal environmental committee, now known as The Green Team, which runs events, training, and excursions to develop sustainability champions across the company. The Green Team is coordinated by our Corporate Social Responsibility Lead and includes representatives from each of our internal business units to ensure that staff are engaged in and take ownership of Hesperia's sustainability objectives and outcomes.

Reconciliation Action Plan (RAP)

The Hesperia Reflect RAP, endorsed by Reconciliation Australia, provides a framework for action on reconciliation with and empowerment of Aboriginal people. Hesperia is focused on supporting First Nations training and education, access to housing and economic empowerment, and we are continuing to progress opportunities to involve Aboriginal people in our projects, our business, and our success.

Targeted Philanthropy

Through philanthropy at both the corporate and project levels, we seek to deliver outcomes across a range of focus areas including the environment, health and mental health, Aboriginal empowerment, social disadvantage, and community engagement. Of particular note is our pro bono management of the development of the new Perth Children's Hospice, a project which is now moving into delivery and is an initiative we are particularly proud to be involved with.

Projects

The Project Sustainability Process has brought consistency in the way sustainability principles are applied, targets are set, and outcomes are reported on. Hesperia's active projects are all targeting sustainability certification, will be net-zero for greenhouse gas emissions, and are delivering a range of more detailed sustainability outcomes.

Hesperia also delivers projects for other investors, and we have been able to add these sustainability outcomes to these projects as part of our service.

The delivery of Victoria House, our first residential project at Hesperia, was a commercial success delivering a great building and making a positive contribution to the Montario Quarter precinct. This project illustrates Hesperia's capacity to achieve strong sustainability results, even on projects that were already under development before the initiation of the Project Sustainability Process.

Sustainability-Based Investment

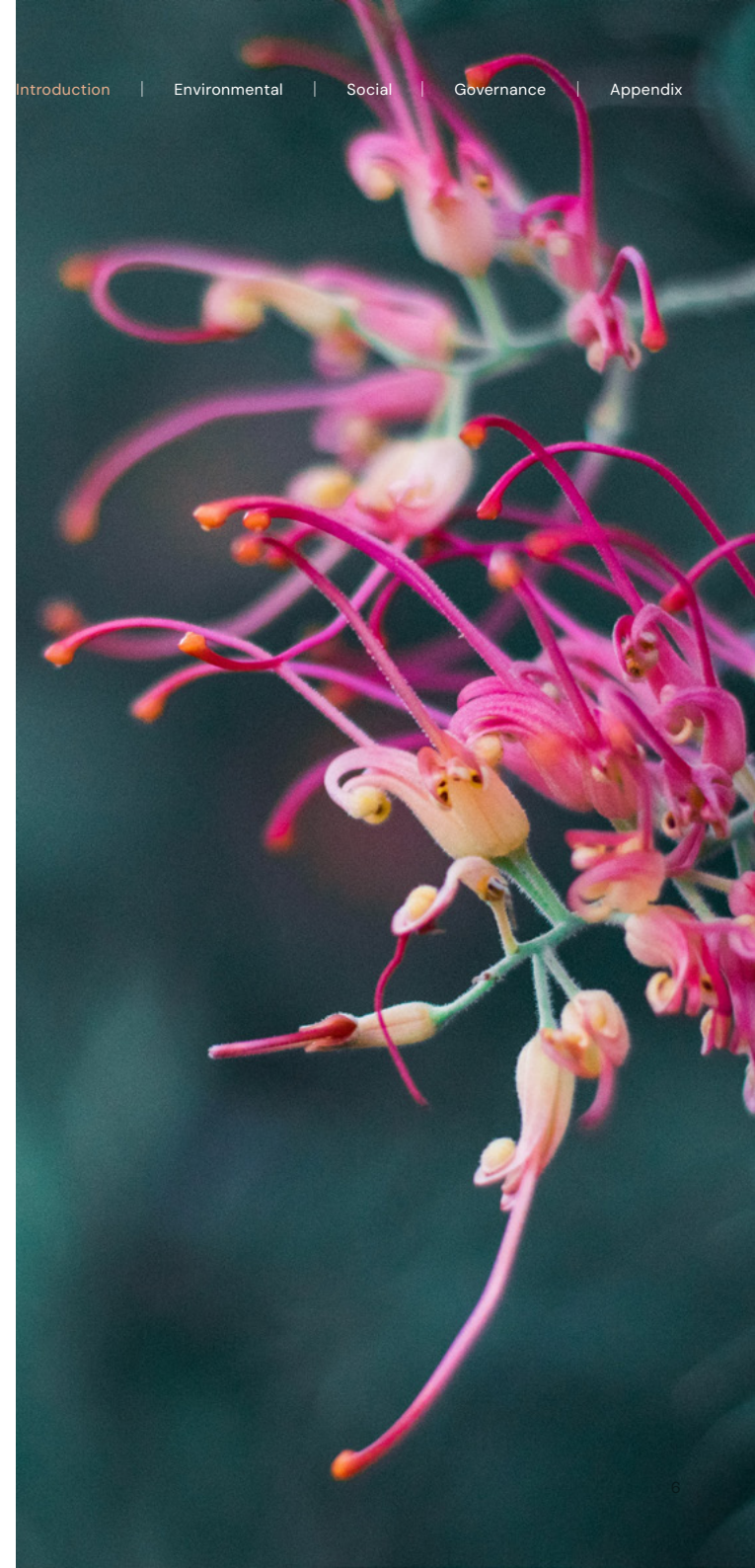
Our renewable energy business, Empowered, was launched at the start of the reporting year following significant investment in building our capability to deliver and manage renewable energy services to residential and commercial customers. The year saw the delivery of the group's first commercial project being the embedded network at Victoria House, along with the progression of a number of future renewable energy projects. Empowered's first steps have been incredibly encouraging, and we see a strong future in renewable energy at Hesperia.

Looking Ahead

Hesperia remains committed to addressing a range of social and environmental challenges, including transitioning to renewable energy, accommodating the rise of electric vehicles and requisite charging infrastructure, promoting biodiversity-based carbon offsets, enhancing health infrastructure to support an ageing populations, and advancing towards a circular economy.

We will continue to implement the Project Sustainability Process throughout our project portfolio, which includes enhancing data gathering and reporting. Further training will support staff in taking ownership of sustainability within their work. Over time, we anticipate that project teams will increasingly lead the sustainability process, allowing the Sustainability Group to focus on finding effective solutions that add value to our projects and align with evolving sustainability objectives.

The concept of 'Sustainability Maturity' captures the extent to which sustainability becomes integrated into the core operations and culture of an organisation. Over the past four years, we have achieved noteworthy advancements in this aspect, and we remain dedicated to further enhancing and building upon these foundations in the years to come.



1 | Key Sustainability Outcomes for FY23

Accreditations

B Corp certified since 2021

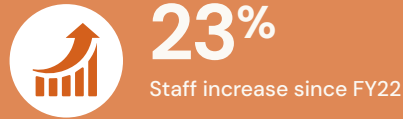
Carbon Neutral Organisation certified since 2020

Project Certification achieved – Murdoch Green Star Design Review certification

Reflect Reconciliation Action Plan (RAP) endorsed by Reconciliation Australia (RA)

About Hesperia

GROWING HESPERIA



STAFF TRAINING



PROJECT COUNT



CORPORATE PHILANTHROPY

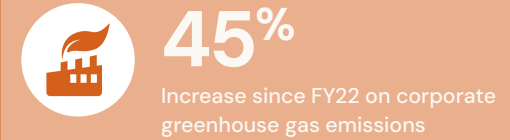


PRO BONO SERVICES



Carbon Footprint

CORPORATE GREENHOUSE GAS EMISSIONS



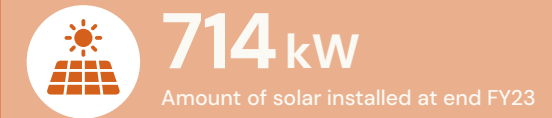
CORPORATE CARBON INTENSITY



RENEWABLE ENERGY PROCURED



SOLAR INSTALLED



CARBON OFFSETS



2 | Hesperia's Sustainability Approach

Hesperia is building Western Australia for the future.

We are specialists in creating and managing sustainable projects and systems that solve pressing environmental, social, and economic problems.

There is no 'typical' Hesperia project, though each venture is ambitious in aspiration, intelligent in design, and value-adding in outcome.

We use our resources – our business, investments, expertise, and imagination – to transform landscapes for the better, maximising positive impact for an enduring and meaningful legacy we can all be proud of.

Meaning 'western land', our name reflects our Western Australian heritage and commitment to moving our state forward.

2.1 | Our Values

Our Values set the foundations that guide how we operate, both internally and with clients, the community and stakeholders.



Good Citizenship

We are genuine and proactive in our pursuit to improve our environment and communities. Every decision we make keeps this in mind.



Pursue Excellence

We hold ourselves to the standards of future generations and never accept 'good enough.' We learn from our mistakes and meet our commitments.



Take Ownership and Be Accountable

We step forward when we see a problem and are accountable for our actions.



Resilience and Courage

We remain resilient in the face of adversity. We have courage.



Respect and Integrity

We are honest and dependable. We do the right thing even when it's inconvenient.



Collaborate and Empower

We foster a culture of collaboration inside and outside of our business. A win-win solution is always preferred.

2.2 | Our Market Sectors and Projects

Hesperia is working within and targeting the following key market sectors:



Industrial and Logistics

Supporting the State’s need for modern employment generating industrial and logistics land and facilities and the need for ongoing improvements in freight efficiency.



Master Planned Communities

Supporting supply of low and medium to high density housing by unlocking constrained or fragmented land that is well located with respect to the Central Business District (CBD) and key strategic centres.



Healthcare

Supporting the State and private sector in the provision of high-quality health and mental health facilities and precincts.



Commercial / BTR / BTS

Delivery of Build-To-Sell Apartments, Build-To-Rent Apartments and Office/ Mixed-Use Built Form development within Strategic Activity Centres that supports infill development and creation of vibrant communities.



Social and Affordable / BTR

Seeking to address significant unmet need for social and affordable housing due to historic underinvestment in social housing and ongoing growth in wealth inequality.



Special Projects

Opportunistic projects outside the above property sectors that align with Hesperia’s strategy and values, addressing economic, social or environmental needs.



Sustainability and Renewables

Adopting international best practice across our projects and in our operations. We have a strong commitment and focus to climate change, transitioning to 100% renewable energy and a circular economy approach to materials.

2.3 | Hesperia Project and Property Map

Hesperia is focused on addressing critical economic, community, and environmental challenges within various prominent market sectors. This map showcases key locations and a diverse range of projects currently in our development portfolio.

Healthcare

- 1 **Murdoch Square (In Progress)**
5 Star Green Star, net zero upfront carbon
- 2 **Orthonova (Planned)**
5 Star Green Star
- 3 **WA Childrens Hospice (Planned)**
No certification

Master Planned Communities

- 4 **Rivermark (In Progress)**
6-leaf EnviroDevelopment, Waterwise Gold
- 5 **East Wanneroo (Planned)**
6-leaf EnviroDevelopment, net zero upfront carbon
- 6 **Wattle Grove (Planned)**
6-leaf EnviroDevelopment, net zero upfront carbon

Built Form Residential

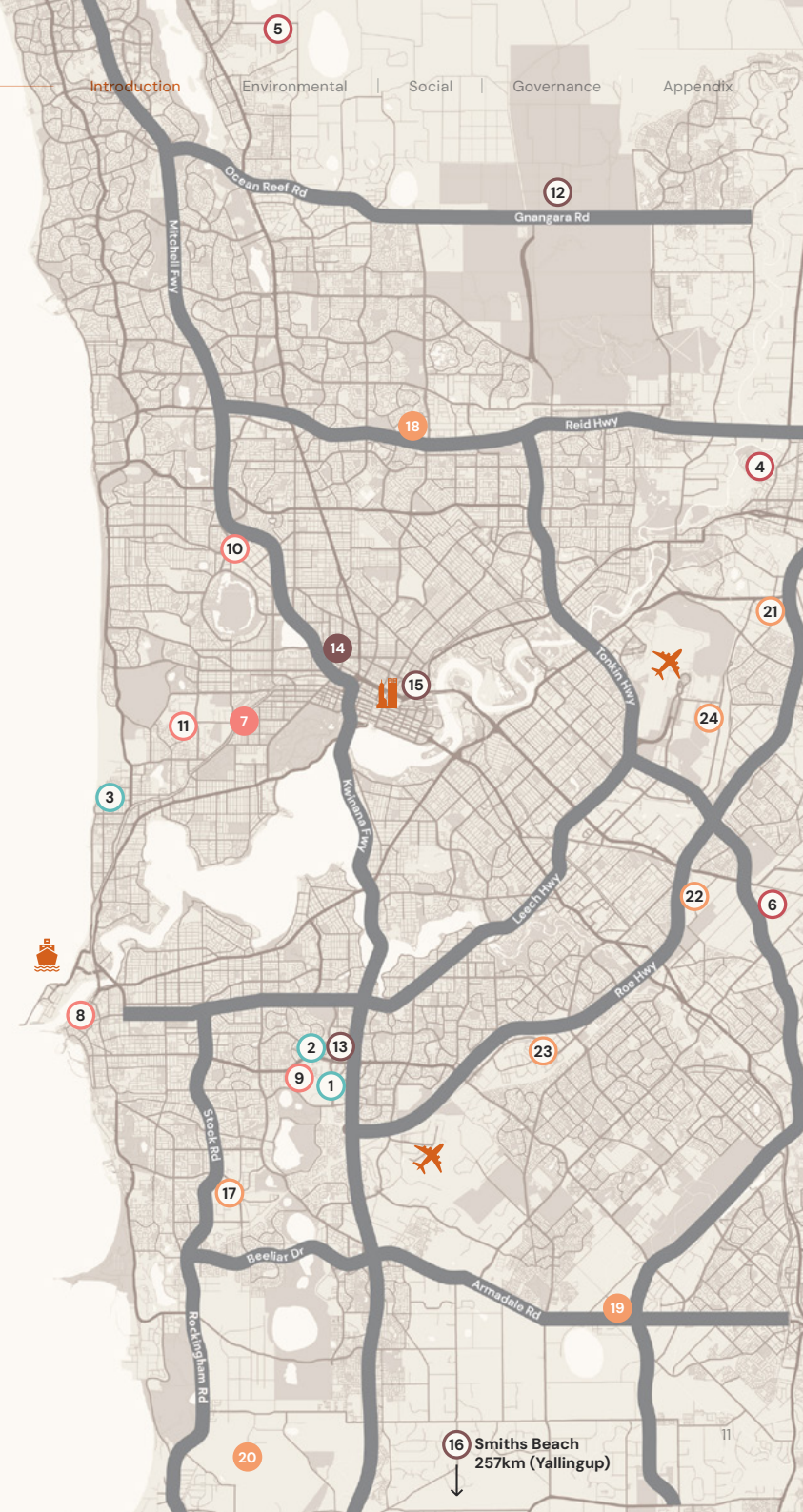
- 7 **Victoria House (Complete)**
Net zero upfront carbon
- 8 **Wool Stores (Planned)**
5 Star Green Star (commercial), net zero upfront carbon
- 9 **Murdoch Lot 118, 120, 121 (Planned)**
5 Star Green Star, net zero upfront carbon
- 10 **Stirling Cross Apartments (Planned)**
5 Star Green Star, net zero upfront carbon
- 11 **Nedlands Reserve (Planned)**
6-leaf EnviroDevelopment, Waterwise Gold

Commercial

- 12 **Home Fire Film Studios (Planned)**
Targeting for 4 Star Green Star
- 13 **Lot 118, 120, 121 (Planned)**
5 Star Green Star, net zero upfront carbon
- 14 **ABN Head Office (Complete)**
5 Star Green Star
- 15 **52 Lord Street (Stabilised Asset)**
No certification
- 16 **Smiths Beach (Planned)**
Targeting 6 Leaf Enviro Development

Industrial and Logistics

- 17 **Trident Industrial Estate (Planned)**
Targeting 6 Leaf Enviro Development
- 18 **Malaga Business Park (Complete)**
Net zero upfront carbon
- 19 **Tonkin West Industrial Estate (Complete)**
Legacy project not covered by ESD* strategy
- 20 **Rockingham Industrial Estate (Complete)**
Legacy project not covered by ESD strategy
- 21 **Hazelmere Interchange (In Progress)**
EnviroDevelopment (land), 5 Star Green Star (warehouses), net zero upfront carbon
- 22 **Roe Highway Logistics Park (In Progress)**
5 and 6 Star Green Star warehouses, net zero upfront carbon
- 23 **Canning Vale Fund (Stabilised Asset)**
Performance being monitored
- 24 **53 Harrison Road, Forresterfield (Stabilised Asset)**
Performance being monitored



*Environmentally Sustainable Development (ESD)

FEATURED PROJECT: Victoria House

This year, Hesperia proudly completed the construction of Victoria House, situated in the heart of the Montario Quarter Precinct in Shenton Park. The project showcases our dedication to rejuvenating historical sites with the respectful adaptive refurbishment of a State Heritage-listed building, resulting in a vibrant, mixed-use development. The project comprises 81 residential apartments across three newly constructed buildings, complemented by a mix of commercial, health, and hospitality businesses located within the heritage building.

The key objective of this project was to preserve and celebrate the heritage of the existing hospital building. The new residential portion of the development has been designed with three wings, serving as a tribute to the pre-existing three-wing structure. Public art installations acknowledge the precinct’s history. This sense of heritage also pays homage to the Aboriginal history of the site, and a smoking ceremony was held onsite at the project’s opening, paying respects to the local Aboriginal group.



Notable sustainability outcomes include:

- **Orientation** - The buildings are orientated to take advantage of the warm winter sun while blocking summertime heat and careful design of windows, layouts, and use of breezeblocks have been designed to capture cool breezes.
- **High Thermal Comfort Performance** - Achieved a 7.8 NatHERS rating.
- **Net Zero Upfront Carbon** - Upfront greenhouse gas emissions – those due to construction and the materials supply chain – will be measured in a Life Cycle Assessment (LCA) in accordance with EN 15978. All residual upfront emissions will be offset using verified offsets including at least 50% from nature-based carbon projects such as wheatbelt revegetation.
- **Renewable Energy** - All electricity is 100% renewably sourced through a combination of a 75 kW rooftop solar PV system and renewable energy from the grid, delivered through an embedded network.
- **Landscaping and Biodiversity** - A generous public open space was included within the precinct. Mature trees were retained, and new trees were planted to create an extensive tree canopy. Diverse native and drought resilient plant species were favored.
- **Glazing** - High-performance glazing is installed across all buildings.

- **Materials** - Adaptive reuse of the original Victoria House building not only brings character to the development, it also significantly reduces material consumption.
- **Fresh Food Access** - A community garden allows residents to grow their own healthy produce.

Home owner - Stephanie Johnson, a first home buyer, was attracted to the Victoria House development given the location and the younger demographic of purchasers.

“I was very attracted to Victoria House given Hesperia’s strong and trusted reputation as property developers and experts in heritage restoration, so I was confident I was in safe hands. I’m at the very beginning of my homeowner journey, so it’s great for me to be part of a community that includes people my own age.”

Stephanie Johnson - First home buyer

2.4 | Project Sustainability Principles

Our Project Sustainability Principles were established in 2021 and are the lens through which we look at all project opportunities. The intention of these principles is to establish a framework that can be applied to any stage of any project type to guide the expert review process. These principles have evolved in the last year to also become an ordering principle for Hesperia's sustainability process more broadly.



Public Good

Delivery of public good through placemaking and activation, public open space, community facilities, philanthropic donations and community programs, research, generation of economic activity, jobs and delivery of public infrastructure.



Ecology and Landscape-Led

Protecting and enhancing our environment through retention and enhancement of biodiversity, planting, and offsets, enhancing connections to local and regional ecology, emission minimisation and groundwater management.



Identity and Sense of Place

Protection and celebration of First Nations and other cultural heritage through engagement and consultation in project design and delivery.



Healthy, Safe, and Inclusive

Delivery of healthy places that are culturally and physically safe with high air quality, open space, natural light, biophilia, affordability and accessibility.



Optimal Use of Resources

Efficient and sustainable use of resources through efficient design, low carbon and sustainable construction materials and methodology, use of renewable energy, energy efficient design and EV infrastructure, efficient use of water and recycling and resource recovery.

The five principles are presented in a very deliberate hierarchy, with Public Good being the highest order and Optimal Use of Resources the lowest but no less important. The intention is to recalibrate the traditional 'energy and water' approach to sustainability in order to emphasise that considerations, like water efficiency and renewable energy, should support higher order outcomes such as restoring biodiversity on a site or delivering some much-needed public amenity, rather than driving the project as ends in themselves.

2.5 | Our Sustainability Journey to Date

At Hesperia we are seeking to adopt international best practice in sustainability across our projects and in our operations. The Sustainability Strategy recognises the importance of all aspects of sustainable development, acknowledging the United Nations Sustainable Development Goals (UNSDG's) and the guidance they give at a national level.

The journey so far has included the creation of a comprehensive 5-year Sustainability Strategy, establishment of an internal Sustainability Group, and allocation of resources for strategy implementation.

The Strategy identified three supporting pillars:

- Corporate social responsibility (how we operate);
- Project sustainability (the benchmarks we set for projects); and
- Establishing businesses to deliver sustainable outcomes.

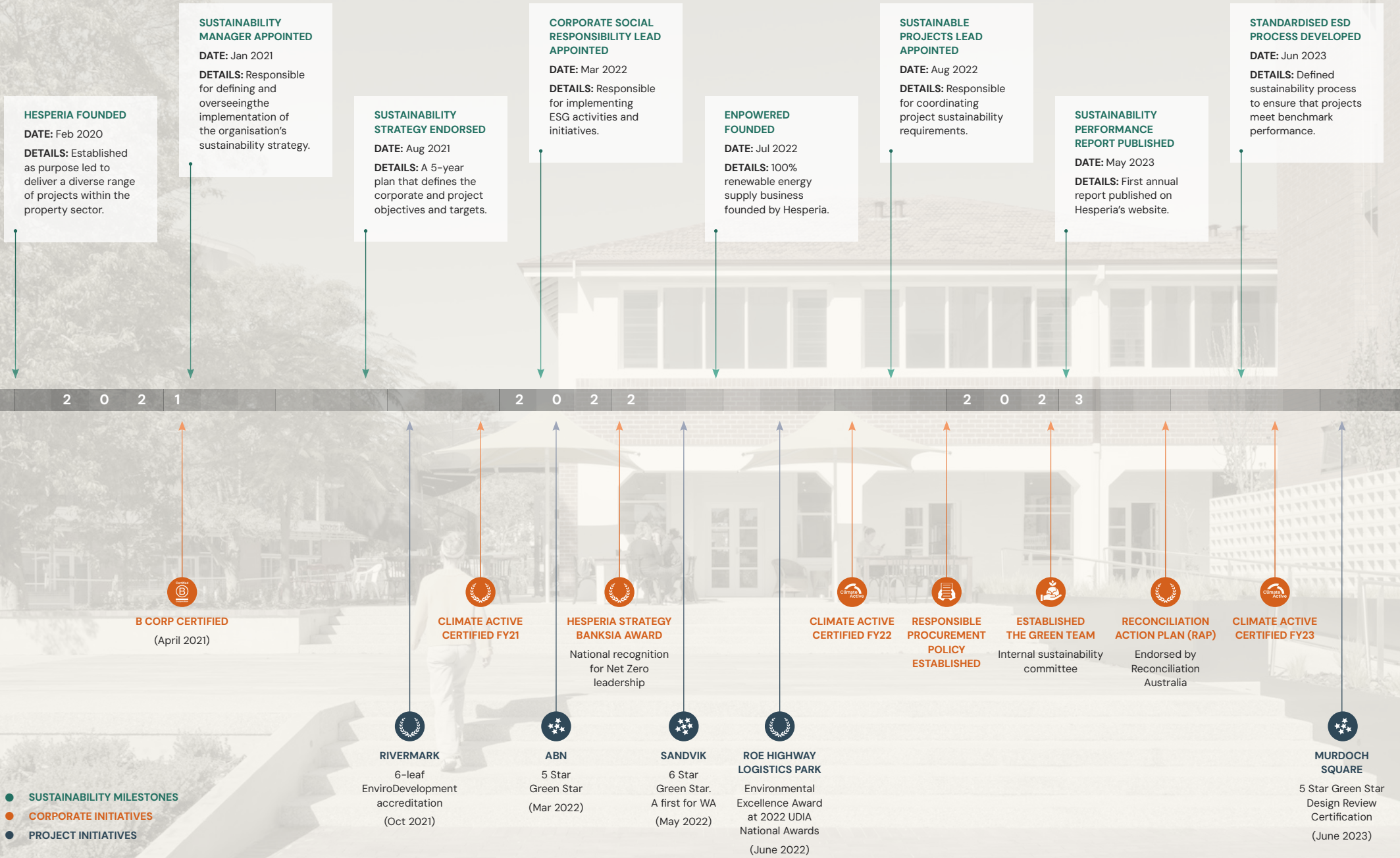
Operationally, our focus has been on obtaining reputable accreditations, including being Western Australia's first property group to be certified as Carbon Neutral by Climate Active. We are proud to also hold a B Corp Certification confirming that our business is meeting the highest standards around social and environmental performance. Securing these certifications has required extensive data gathering and the development of internal policies and procedures.

In our projects, our reputation for successfully delivering some of Western Australia's most iconic projects has empowered us to pursue high benchmarks in sustainability. We have gained both local and national recognition for our accomplishments.

The launch of our renewable energy business, Enpowered, has supported our concept of taking the sustainability capabilities that we develop and creating new business units to consistently deliver outcomes in a commercially sustainable way.

Our sustainability efforts have gained momentum, and as a recently established company, we take pride in the milestones and significant accomplishments achieved since the inception in 2020. The key milestones, corporate, and project initiatives are defined in Hesperia's Sustainability Journey.





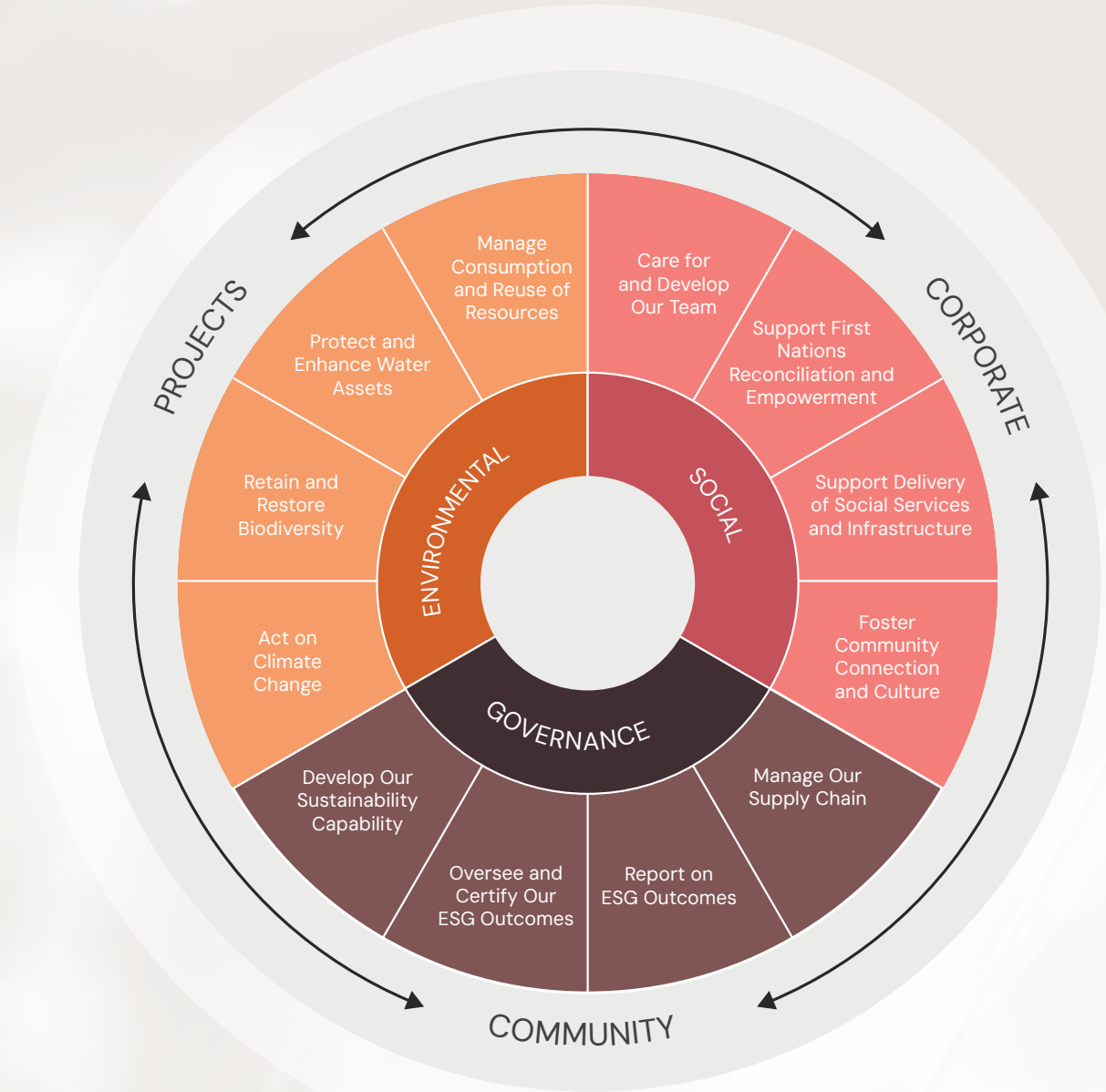
- SUSTAINABILITY MILESTONES
- CORPORATE INITIATIVES
- PROJECT INITIATIVES

2.6 | Materiality and Focus Areas

Hesperia's ESG material issues are referred to as Focus Areas in this report. While these Focus Areas may evolve over time, this year, they predominantly align with the twelve areas established in the FY22 report, with some title updates for clarity.

The assignment of Focus Areas to the three ESG categories is based on the best fit, recognising the interconnected nature of these aspects that seldom neatly align with a single category. Our efforts span three spheres of influence: Corporate, Projects, and Community.

During this reporting period, there have been few project completions, resulting in limited availability of project data. Definitive data is typically only available once the construction process concludes. Data on community impacts is largely indirect. In future reports we hope to bring the results of community and stakeholder surveys and demonstrate how these will guide our work.



3 | Environmental Outcomes

Our Response

Act on Climate Change

Measure, reduce, and offset emissions.

Use robust, recognised methods and certifications to report emissions and reductions transparently.

Reduce through every opportunity including: reducing waste and efficient design, choosing low carbon materials, use of renewable materials and energy, supporting low carbon transport, selecting low carbon suppliers.

Offset remaining emissions through offset programs that deliver social and biodiversity co-benefits.

Provide support for climate change focused research and not-for-profits (NFPs).

Retain and Restore Biodiversity

Support a resilient natural environment by ensuring all projects maximise retention of flora and fauna and contribute to the regeneration of biodiversity.

Seek opportunities to support restorative projects and programs.

Provide support for biodiversity focused research and NFPs.

Protect and Enhance Water Assets

Protect hydrological systems and conserve scarce water resources through optimising water use, use where appropriate of rainwater, greywater and sustainably managed groundwater, reducing stormwater runoff and optimising high quality aquifer recharge.

Manage Consumption and Reuse of Resources

Minimise waste through efficient design and maximise resource recovery and reuse. Move to a renewable resource basis, including targeting 100% renewable for all electricity sourced by Hesperia.

Consider economic and resource circularity in all activities.



3.1 | Our Approach to Delivering Environmental Outcomes

Over the past year, human impacts on the environment have gained increased attention, particularly as the reality of climate change has become undeniable and the impacts begin to hit. While human impacts typically gain the most attention, the impacts on coral reefs, Arctic and Antarctic wildlife, and the cost to the natural world are increasingly widespread.

Hesperia is proactively addressing our emissions profile through targeted initiatives on multiple fronts. Our commitment extends beyond the immediate challenges of climate change to the broader, albeit slower, narrative of human impacts on the environment. This year, our primary focus has been empowering our employees to take ownership of environmental stewardship. Our goal is to make it second nature for them to actively seek opportunities to maximise their contributions to sustainability, both in their work and personal lives.

This section details our dedication to achieving the Environmental targets we've set and highlights the progress we've made in advancing our goals.



3.2 | Environmental Focus Areas and Progress Against Objectives

The table offers an overview of our Environmental progress in FY23 and outlines the subsequent next steps we intend to take to further our targets.

Focus Area	Initiatives	Disclosure	Metrics	FY23	FY22	FY21	Focus for FY24
Corporate							
Act on Climate Change	Reduce emissions per capita ongoing.	Total GHG emissions (scope 1 + 2 + 3).	t CO ₂ /FTE average for year	558	384	214	Create a detailed plan to decrease the carbon footprint of major emission sources based on the Climate Active FY23 Report.
	Offset Remnant emissions.	Nature based offsets with positive biodiversity outcomes in addition to the sequestered/avoided carbon.	t CO ₂ abated	279	192	113	
		Offsets from international renewable energy projects.	t CO ₂ abated	279	192	101	
	Certified Carbon Neutral.	Carbon Neutral Organisation Status.	Yes/No	Yes	Yes	No	
	Support staff lifestyle carbon reduction.	Participation in ClimateClever program (started FY23).	% staff participating	25	N/A	N/A	
	Support staff low carbon commuting.	Transport carbon intensity of staff commuting.	t CO ₂ e / person / year	0.95	1.18	0.8	
		Staff EV commuting.	% staff commuting in EV	6	Not recorded	Not recorded	
	100% renewable energy for Hesperia office.	Total electricity consumed.	kWh	104,967	58,348	58,347	
		Renewable energy proportion of electricity consumption.	% renewables	111	100	50	
	Targeted philanthropy and research funding.	Recipient and amount donated (money, time or other value as appropriate).	Recipients text list	World Renewable Energy Congress (WREC) – Silver Level Sponsorship	Not recorded	Not recorded	
\$ donated			10,000	0	0		

Environmental Focus Areas and Progress Against Objectives (Cont.)

Focus Area	Initiatives	Disclosure	Metrics	FY23	FY22	FY21	Focus for FY24
Retain and Restore Biodiversity	Support revegetation projects through offsetting spend.	Area revegetated (based on carbon offset purchase).	ha revegetated	2.5	1.7	1.0	Continue with policy. Invest directly in offset projects, collaborating with Aboriginal groups.
		Number of trees and shrubs planted (estimated based on revegetated area).	#trees & shrubs	4,185	2,880	1,695	
	Targeted philanthropy and research funding.	Recipient and amount donated (money, time or other value as appropriate).	Recipients	Kaarakin – Black Cockatoo Sanctuary donation and Planting Day volunteering. Bird Life – Sponsorship supporting conservation for endemic birdlife.	Bee Research Funding - Kit Prendergast Sponsorship of Research paper Birdlife - Nest Rehabilitation - Adopt a Cocky Nest (WA).	Bird Life - Nest Program Donations Clean Up Australia The Nature Conservancy Aus - Swan River project Marget River - Line in the Sand Sea Rescue Fremantle.	
			\$ donated	20,574	28,450	69,591	
Protect and Enhance Water Assets	Currently no relevant corporate initiatives.	N/A	N/A	N/A	N/A	N/A	Seek opportunities to support and advocate for sustainable water management in WA.
	Targeted philanthropy and research funding.	Recipient and amount donated (money, time or other value as appropriate).	Recipients	UWA - Oceans Institute (coastal research)	UWA - Oceans Institute (coastal research)	Not recorded	
			\$ donated	20,000	10,000	\$0	
Manage Consumption and Reuse of Resources	Minimise electricity consumption (Hesperia does not use gas).	Energy intensity.	kWh/m ²	207	115	165	Conduct quarterly review of waste data and coordinate waste reduction activities across the organisation.
	Minimise mains water consumption.	Water consumption intensity.	kL/m ²	0.86	0.92	0.5	
	Minimise printing paper consumption.	Paper use per capita.	Reams/FTE/year	5.4	5.8	6.2	
	Reduce waste by 10% per capita each year to 2025.	Total waste generated.	Tonnes waste per FTE	0.09	0.07	0.1	
	Improve resource recovery.	Proportion of waste diverted from landfill to resource recovery.	% diversion from landfill	24	28	Not recorded	
	Targeted philanthropy and research funding.	Recipient and amount donated (money, time or other value as appropriate).	Recipients	Materials and Embodied Carbon Leaders (MECLA)	Not recorded	Not recorded	
\$ donated			10,000	0	0		

Environmental Focus Areas and Progress Against Objectives (Cont.)

Focus Area	Initiatives	Disclosure	Metrics	FY23	FY22	FY21	Focus for FY24
Projects and Assets							
Act on Climate Change	Net zero upfront carbon projects from 2021.	Total GHG emissions (Modules A1-A5).	t CO ₂ emitted	Reporting to commence in FY24.	None completed	None completed	Publish Net Zero reports for completed projects. Renew trials of low carbon concrete for industrial applications. The operationalisation of 100% renewable energy services for tenants and residents.
		Total GHG emissions offset.	t CO ₂ abated	Reporting to commence in FY24.	None completed	None completed	
	All electric buildings - no reticulated gas.	Proportion of all electric buildings.	% of buildings	Reporting to commence in FY24.	None completed	None completed	
	All projects are to be serviced by a 100% renewable energy supply by 2025.	Proportion of 100% renewable energy powered buildings.	% of buildings	Reporting to commence in FY24.	None completed	None completed	
	Support EV with charging infrastructure.	Number of charge points (Type 2 or greater).	#charge points	Reporting to commence in FY24.	None completed	None completed	
	Climate Change Risk Assessments and Adaptation Plans.	Proportion of projects with risk assessments and CCAP.	% of projects	Reporting to commence in FY24.	None completed	None completed	

Environmental Focus Areas and Progress Against Objectives (Cont.)

Focus Area	Initiatives	Disclosure	Metrics	FY23	FY22	FY21	Focus for FY24
Retain and Restore Biodiversity	Maximise tree and vegetation retention.	Area of 'high' and above quality rated vegetation retained, as per Environmental Assessment Report.	ha	Reporting to commence in FY25.	None completed	None completed	Pilot a project that examines proactive methods for incorporating both carbon offsetting and biodiversity conservation. Industrial business unit is developing a landscape guide that will include biodiversity outcomes. Sustainability Group is developing a nature-positive methodology for projects.
		Number of trees retained.	# trees & shrubs	Reporting to commence in FY25.	None completed	None completed	
	Replace any vegetation cleared with onsite planting, nearby planting, or biodiversity offsets if necessary to achieve at least 100% replacement.	Area of 'high' and above quality rated vegetation cleared, as per Environmental Assessment Report.	ha cleared	Reporting to commence in FY25.	None completed	None completed	
		Proportion of clearing offset through certified/independently approved scheme.	% biodiversity offset	Reporting to commence in FY25.	None completed	None completed	
	Establish and apply a measurement methodology and processes to ensure that the overall effect of our portfolio is 'nature-positive'.	Implementation of nature-positive methodology on projects.	Yes/No	Reporting to commence in FY25.	None completed	None completed	
	Support revegetation projects through offsetting spend.	Area revegetated (based on carbon offset purchase).	ha revegetated to date (cumulative)	808	806	0	
		Number of trees and shrubs planted (estimated based on revegetated area).	# trees & shrubs to date (cumulative)	1,357,800	1,353,615	0	
	Carbon offsetting procurement to include at least 50% 'nature based' projects.	Proportion Offsetting from 'nature based' (see GBICA definition) projects purchased this period.	% nature-based offsets	53	53	N/A	

Environmental Focus Areas and Progress Against Objectives (Cont.)

Focus Area	Initiatives	Disclosure	Metrics	FY23	FY22	FY21	Focus for FY24
Protect and Enhance Water Assets	Protect and enhance surface water assets.	Sites with surface water bodies protected and enhanced.	# sites	1	0	0	Focus on water in the environment and treatment of ground water.
		Sites with water sensitive urban design in place.	% sites	Reporting to commence in FY24.	None completed	None completed	
	Reduce construction mains water consumption intensity by 50% by 2030, from a 2023 baseline.	Construction mains water intensity	kL/m ² mains water in construction	Not recorded. Reporting to commence in FY24.	None completed	None completed	
	Use alternative, fit for purpose water sources where feasible.	Number of buildings with rainwater harvesting or grey water reuse systems installed.	# sites	Not recorded. Reporting to commence in FY24.	None completed	None completed	
Manage Consumption and Reuse of Resources	Projects to produce 50% less waste per m ² , by 2030 from a 2023 baseline.	C&D Waste intensity	kg/m ² GFA C&D waste	Reporting to commence in FY24.	None completed	None completed	Collate waste data on projects to create an FY24 baseline to measure reductions against.
	Improve resource recovery from C&D waste streams.	C&D diversion from landfill	% resource recovered	Reporting to commence in FY24.	None completed	None completed	
	Reduce construction mains water consumption intensity by 50% by 2030, from a 2023 baseline.	Water consumption intensity of construction.	kL/m ² mains water in construction	Reporting to commence in FY24.	None completed	None completed	
	Demolition Plans to maximise resource recovery	Proportion of projects with Demolition Plan in place.	% projects	Reporting to commence in FY24.	None completed	None completed	
	Circularity reviews to ensure end of life resource recovery.	Proportion of projects with Circularity Plan in place.	% assets	Reporting to commence in FY24.	None completed	None completed	
	Reduce operational waste intensity for Hesperia controlled assets by 20% by 2030.	Total waste generated in Hesperia controlled assets or parts of assets (e.g., base buildings controlled by Hesperia).	kg/m ² GFA operational waste	Unknown data for period	Unknown data for period	Unknown data for period	
	Improve operational resource recovery for Hesperia controlled assets.	Operational waste diversion from landfill.	% resource recovered	Unknown data for period	Unknown data for period	Unknown data for period	

Environmental Focus Areas and Progress Against Objectives (Cont.)

Focus Area	Initiatives	Disclosure	Metrics	FY23	FY22	FY21	Focus for FY24
Sustainability Businesses							
Act on Climate Change	Empowered renewable energy business. NOTE: Empowered renewable energy installations and stand-alone projects will be captured in the Projects and Assets section.	Total cumulative capacity of renewable energy generation systems installed.	Kilowatts-peak (kWp)	1,231	516	420	Continue to develop Empowered, and diversify projects and assets. Seek to add large scale renewable generation to the energy portfolio.
		Total cumulative capacity of battery energy storage systems installed.	Kilowatt-hours (units of storage)	97	0	0	
		Total annual renewable energy generated. This figure is the implied electricity production for systems installed by Hesperia based on annual production deemed by the Clean Energy Regulator for PV systems in the Perth area.	Megawatt-hours/year renewable energy	1,699	712	580	
		Carbon emissions avoided assuming that the renewable energy generated replaces grid electricity that would otherwise have been generated with the average carbon intensity for the year on the connected grid, in this case the Southwest Interconnected System (SWIS). Intensity factors taken from the NGAF for the year, Scope 2 only.	Tonnes CO ₂ e	985	441	394	
Retain and Restore Biodiversity	Revegetation, carbon farming and biodiversity offsetting business in development.	Area of degraded land revegetated. Excludes revegetation resulting from carbon offset purchases by Hesperia (reported separately).	ha	0	0	0	Develop revegetation oriented business unit.
Protect and Enhance Water Assets	Revegetation business will treat natural water assets as a priority for conservation and restoration.	To be developed.	TBC	No data for period	No data for period	No data for period	Prioritise water catchments and other assets in the revegetation business unit.
Manage Consumption and Reuse of Resources	A resource recovery business is being considered.	Quantity of material recycled and reused through business unit.	Tonnes/year	No data for period	No data for period	No data for period	Develop resource recovery business unit.

3.3 | Acting on Climate Change – Delivering Carbon Neutral and Net Zero

Hesperia is committed to being a Carbon Neutral Organisation and to developing net zero projects where we have the operational control to do so. These outcomes currently require some level of carbon offsetting.

Hesperia is seeking to reduce reliance on offsetting through reducing carbon intensity in our operations and projects. We are also taking steps to ensure that our offsetting purchases support excellent outcomes beyond the carbon sequestered.

In the context of delivering a construction project, ‘upfront embodied carbon’ pertains to the carbon emissions generated through the supply chain, from mining and manufacturing, to the transportation of materials to the site, as well as site works and construction waste. Hesperia proactively addresses these emission sources in all of our projects.

The comprehensive examination of a buildings carbon footprint is calculated through the Life Cycle Assessment (LCA) encompassing operational phase emissions which result from energy and resource consumption, maintenance, and end-of-life carbon emissions. Hesperia addresses additional aspects of the carbon impact through the Project Sustainability Strategy.

With the goal of achieving zero carbon projects by 2040, Hesperia has implemented a Decarbonisation Strategy.

As of the end of FY23, the first Hesperia projects were still working through the complete decarbonisation process. Several are now completing the process and we expect to report the outcome of these at the end of FY24.

Key components of this strategy include:

1. Identify (major carbon emission sources)

The design team provides information on estimated materials quantities to a carbon modelling specialist who identifies the major emissions sources. LCA tools may be used for this estimation.

2. Measure

Once a project is completed, the final as-constructed data on materials and resource consumption is used to develop an updated LCA model and a final carbon assessment for the project.

3. Reduce

The carbon modelling specialist facilitates workshops to identify opportunities for reduction. These reduction opportunities are generally materials choices and design strategies. Once reviewed by the project team and approved by the Development Manager, they are incorporated into the project documentation by the design team.

4. Offset

Hesperia purchases and retires offsets equal to the ‘upfront carbon’ of the project, as these are the emissions sources most in control of Hesperia in delivering a construction project.

5. Disclose

As projects complete their net zero process, Hesperia will publish a Net Zero Project report detailing the methodology and quantities involved, along with the LCA report or other relevant calculation report.

3.3.1 | Emissions and Offsetting Approach

Achieving minimal or zero greenhouse gas emissions in construction projects by 2050 is crucial to reach the global net zero target. However, the journey along this trajectory is currently challenging.

At Hesperia, our corporate emissions are minimal through the implementation of renewable energy and waste reduction measures. However, our construction projects will need to achieve substantial reductions in carbon-intensive materials and fuel use in both transport and construction processes.

Despite these challenges, Hesperia still aims for zero carbon projects by 2040. In the interim, buying and retiring offsets is an essential strategy to counteract our climate impact.

For the 2022 plantings, Carbon Neutral provides the following estimates:

- Sequestering 1,000 tonnes of carbon requires planting around 16,000 trees and shrubs, covering approximately 6.58 hectares.
- Average yield: 151.94 tonnes CO₂e per hectare. Estimated tree density 11 - 16 trees per tonne CO₂e.

Can offsetting stop climate change?

The literature lacks clarity on the full potential of offsetting, but there's a consensus that it alone isn't the solution to climate change. According to Science Based Targets¹, reliance on offsets should be limited to 10% after achieving 90% reduction. While offsetting offers a swift response, it must be supported by real change.

1. <https://sciencebasedtargets.org/net-zero>

1. Nature Based Offset Projects

Projects aimed at offsetting carbon through nature-based approaches encompasses activities such as revegetating and restoring natural ecosystems or contributing to biodiversity conservation to protect habitats and prevent the loss of plant and animal species. We have established a policy that a minimum of 50% of offset purchases must be allocated to support nature-based projects. The remaining portion may be sourced from initiatives with additional co-benefits, such as renewable energy projects in developing countries.

2. Carbon and Biodiversity Outcomes in Revegetation Projects

Each project exhibits different characteristics, including species mix and growth patterns. Carbon biomass growth over a planted site evolves over time, being influenced by climate, rainfall, and soil quality. Initially, carbon biomass starts low during establishment, then experiences a rapid growth period until approximately age 20, it then gradually slows and stabilises until reaching maturity typically after 50 years.



3.3.2 | Emissions and Offsetting Approach

The Yarra Yarra Biodiversity Corridor

Hesperia has developed a relationship with the Yarra Yarra Biodiversity Corridor (YYBC) project. This project, led by Carbon Neutral Pty Ltd in Perth, encompasses a portfolio of revegetation initiatives in the Western Australia's Wheatbelt, focusing on low-value agricultural land, often at the fringes where climatic and soil conditions are compromised.

In late 2021, Hesperia acquired a substantial number of credits from this project, offsetting 85,185 tonnes CO₂e as a strategic move in response to market dynamics. These details were disclosed in the FY22 reporting period.

Yarra Yarra Recent Plantings

The 2022 season was favourable for establishment, and initial monitoring indicating good germination and healthy seedlings across the properties. Additionally, subsequent rainfall occurred post-planting, resulting in a total of 1,954 hectares of new planting in the northern area of the YYBC.

Kooyong Property – 818 hectares

A total of 818.8 hectares of new woodlands were established in the Shire of Chapman Valley and City of Greater Geraldton. This involved sowing or planting 73 tree and shrub taxa as seeds or seedlings. Direct seedling activities were carried out in May and June, with additional seedlings planted in June and July 2022. In total, a comprehensive range of 62 species or sub-species was sown or planted, encompassing 14 genera: Acacia, Allocasuarina, Atriplex, Bursaria, Calothamnus, Codonocarpus, Eremaea, Eremophila, Eucalyptus, Grevillea, Hakea, and Melaleuca.

Yimba South – 1,136.2 hectares

A total of 1,136.2 hectares of new woodlands were established in the Shire of Chapman Valley. This involved sowing or planting 71 tree and shrub taxa as seeds or seedlings. Direct seedling activities took place in June 2022, with 326,395 seedlings planted, including 32 locally endemic species, achieving a stocking rate of 292 stems per hectare. In total, 71 taxa were sown or planted between direct seeding or seedling planting activities, encompassing 15 genera: Acacia, Allocasuarina, Atriplex, Bursaria, Calothamnus, Codonocarpus, Eremaea, Eremophila, Eucalyptus, Grevillea, Hakea, Melaleuca, Pittosporum and Senna.



3.4 | Environmental Corporate Initiatives

This year, our emphasis has been on developing the culture of sustainability at Hesperia, as well as on enhancing data gathering processes to establish a comprehensive and consistent dataset.

As our organisation has expanded there has been an increase in carbon emissions, including on a per capita basis. This increase will keep action on climate change at the forefront of our strategies and see a range of responses moving into the next reporting period. Hesperia is determined to reduce impacts. Moving forward, our focus will be on establishing new targets and planning specific initiatives. We aim to actively engage all employees in participating proactively to reduce our carbon footprint.

This section provides an overview of Hesperia's response to the Environmental Focus Areas for our organisation. It includes Promoting a Sustainable Culture, Corporate Carbon Footprint, Drivers of Corporate Carbon Emissions and two case studies highlighting how employees have been engaged in climate change and sustainability topics.





3.4.1 | Promoting a Sustainable Culture

During FY23, to continue to develop the organisation’s sustainability maturity, The Green Team, Hesperia’s environmental committee, was relaunched. This committee is comprised of representatives from each business unit and is dedicated to raising employees awareness and knowledge on climate change and sustainability topics.

The initiatives facilitated by this committee included quarterly lunch and learn sessions, personalised support to assist employees in calculating their household’s carbon footprint using the Climate Clever platform, and coordination of an annual calendar of events aligned with national and international sustainability campaigns, such as Earth Hour and Plastic Free July.

“Making small changes during Plastic Free July helped me to develop new habits, paving the way for a more sustainable lifestyle. With every small step, together we can make a big difference.”

Claudia Kam – Investment Manager and member of The Green Team

FY23 Employees Engagement Initiatives included:

Activities	Details
Lunch & Learn Session	Renewable energy – Why is energy getting so much media attention. Climate Clever – Understanding your personal carbon footprint.
Intranet Post	Nine topics covered through the year including sustainable habits, Plastic Free July, food waste and Earth Hour.
Site Visits	Witchcliffe Ecovillage near Margaret River.
Reviews and Audits	Conducted a yearly waste audit with a report outlining recommendations to minimise contamination and reduce waste. Implementing updates to kitchen and bathroom signage to assist employees in adopting these changes.
Sustainability Volunteering	Cooking for Cause with Oz Harvest – educational cooking class on how to reduce food waste with all meals cooked provided to local communities in need.

3.4.2 | Corporate Carbon Footprint

In our response to climate change, Hesperia has separated our emissions that are due to corporate operations, primarily employee activities, from the emissions related to our projects.

At the corporate level, Hesperia has maintained focus on achieving certification as a Carbon Neutral Organisation through Climate Active, the Australian Government’s entity for carbon disclosure. This certification is renewed annually by making a disclosure published on the Climate Active website.

Proactively reducing our carbon footprint is a persistent priority. As our projects and workforce expand, improving organisation-wide sustainability understanding is vital. We set and review targets based on emission changes, like aiming to reduce waste by 10% per person from our FY23 baseline, aligning with the Australian Government’s National Waste Policy Action Plan. The table below shows how Hesperia’s greenhouse gas (GHG) emission profile has changed over the last three years, based on the top sources, with the quantities adjusted for the average number of employees each year.

Hesperia Corporate GHG Emissions (tCO ₂ e)	FY23	FY22	FY21
Scope 1 – Direct emissions that happen at our office	1.87	0	0
Scope 2 – Indirect emissions at the energy utilities to supply our electricity	0	0	23.9
Scope 3 – Indirect emissions in the supply chain and services	555.5	365.4	173.0
Non-quantified emissions (5% uplift applied)	0*	18.3	16.7
Total GHG emissions offset	558	384	214
Per capita	7.5	6.4	6.7
Hesperia Corporate net GHG emissions**	0	0	0

* All emissions sources quantified in FY23.

** Net emissions are zero because the calculated total each year is offset by retirement of a matched quantity of verified carbon credits.

Hesperia’s GHG emission disclosures are available here [Hesperia | Climate Active](#)

The table shows the totals from our FY23 disclosure.

3.4.3 | Drivers of Corporate Carbon Emissions

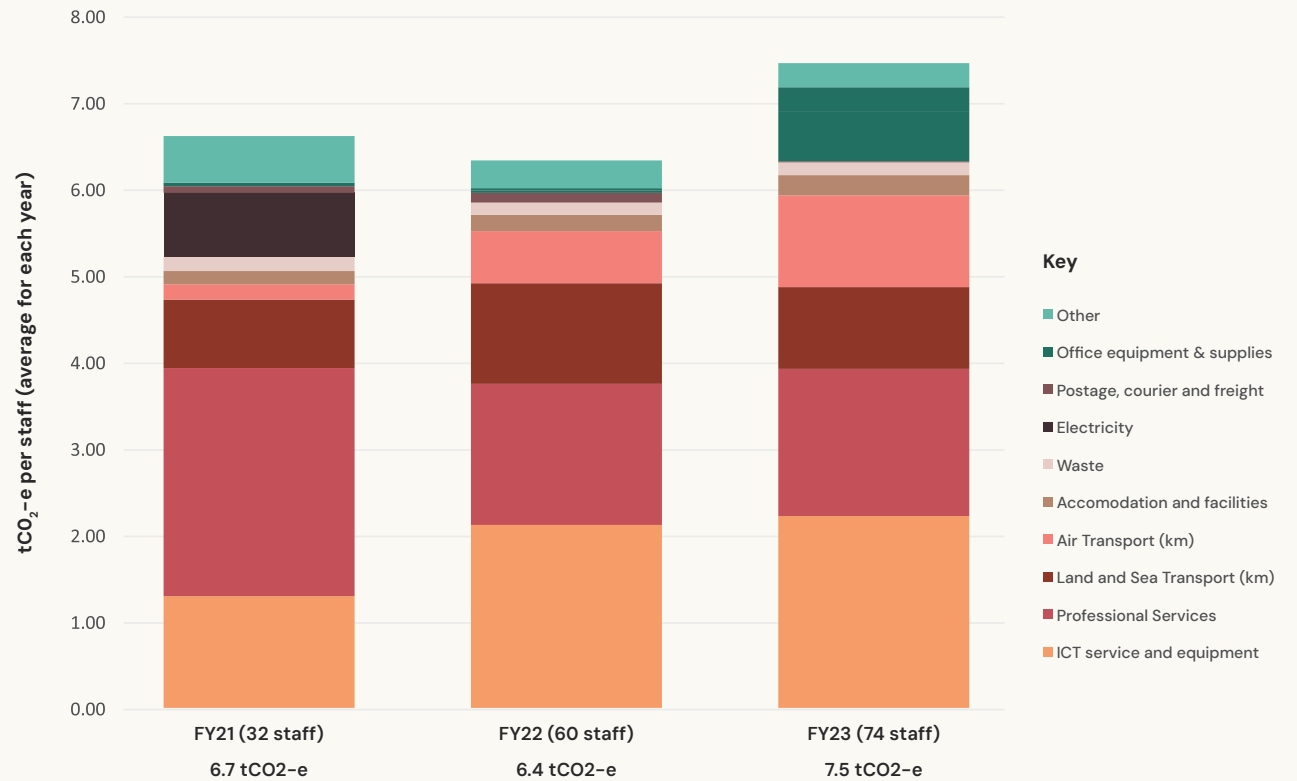
This year, Hesperia reported an increase in per capita corporate carbon emissions of 24%. The increase in per capita emissions merits some analysis.

Air travel emissions saw a post-covid increase during this period with employees attending interstate and international conferences and business meetings after several years of this activity being constrained. There was also a large additional contribution from the Office Equipment and Supplies and Food categories, which can be attributed to improved data gathering methods.

This graph provides a view of how our carbon emissions are changing as the organisations matures. It is worth noting the 100% reduction in electricity emissions from FY21 due to the installation of solar PV systems of 20kW behind the tenancy meter, plus 20kW behind the base build meter and the purchase of 100% Natural Power (Greenpower from retailer Synergy) for the tenancy.

As our workforce expands and 90% of employees return to a five-day workweek in the office, an area we closely monitor and actively seek to reduce is our organisation’s waste streams. Ongoing efforts involve engaging employees in the significance of waste reduction & optimal use of resources.

Hesperia’s GHG Emissions Profile Per Capita



CASE STUDY: Employee Carbon Neutral Scheme – Climate Clever



CONTRIBUTOR

Jordan Ennis

*Senior Development Manager
and member of The Green Team*

In our commitment to sustainability, we have been measuring, reducing, and offsetting corporate carbon emissions since the company's inception, leading to formal Carbon Neutral certification.

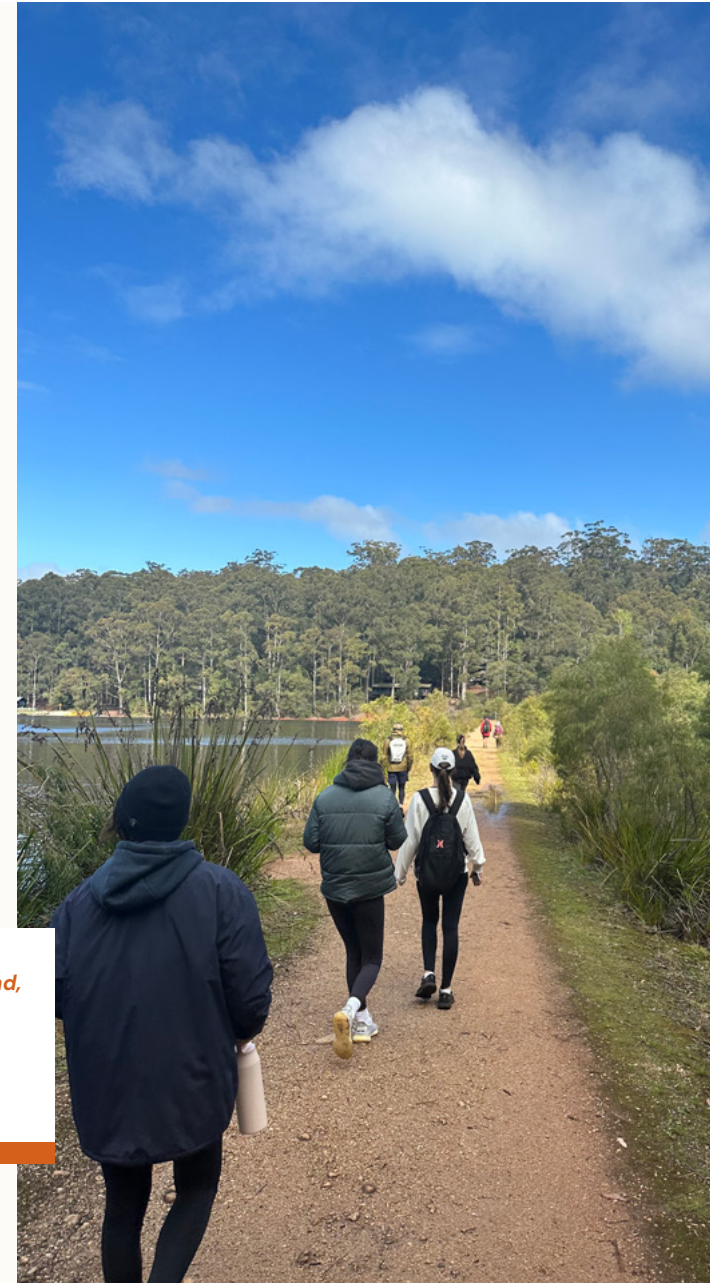
Hesperia is actively supporting employees in reducing emissions at home, recognising that employees household carbon emissions fall outside the scope of our organisational footprint. However, engaging our team in the sustainability journey is crucial. To facilitate this, we have implemented the Employees Carbon Neutral Scheme, enabling our employees to assess and offset their personal carbon footprint using the ClimateClever application. This tool not only provides ways to reduce emissions but also a selection of offset projects. Employees have access to ClimateClever and are encouraged to complete the assessment of their household carbon footprint.

As part of this initiative, Hesperia offers a 50% rebate on the cost of offsetting household emissions. Approximately one-third of employees have already completed their profiles, and we remain committed to supporting and expanding this program.

Dr. Vanessa Rauland, Founder and CEO of ClimateClever, was invited to host a Lunch and Learn session for employees coordinated by The Green Team. Vanessa demonstrated the use of the ClimateClever app and ways to reduce our personal carbon emissions. With more than a third of our employees engaging in this initiative, we will evaluate its results and extend the availability of the Employees Carbon Neutral Scheme into FY24.

ClimateClever

"ClimateClever offers a simple way to measure, understand, and offset my family's carbon footprint. I feel more positive that I am reducing our impact for future generations."



CASE STUDY: Sustainability Site Tour to Witchcliffe Ecovillage



CONTRIBUTOR

Lucy Bothwell

Development Manager and member of The Green Team

On May 5, 2023, a team of 10 Hesperia staff, hosted by The Green Team, visited the Witchcliffe Ecovillage developed by Sustainable Settlements, an outstanding sustainable development located south of Margaret River in the South West region of Western Australia.

The intention was to give employees a first-hand experience of the implementation of a broad range of initiatives including energy systems, sustainable food production, community building, and to deepen their awareness of sustainable practices.

The team, representing various Hesperia business units, travelled in Tesla Model Y electric cars from Mojo Car Share as part of a commitment to a low carbon emissions experience.

The tour was hosted by Mike Hulme and Michelle Sheridan, founders of the Ecovillage project and experts in sustainable development, who provided a comprehensive understanding of their project through a guided tour. The Witchcliffe Ecovillage serves as a testament to sustainable development principles and leadership in industry.

Following the tour, the teams held workshops to consider how the principles and ideas observed during the tour could find expression into Hesperia’s projects. While the Ecovillage model may not be a typology that Hesperia would pursue at this point in time, there was consensus that the commitment to purpose and genuine achievement of outcomes was inspiring. The initiatives observed have the potential to inspire new possibilities for our work.



“The Witchcliffe Ecovillage visit was enriching and provided a first-hand look at a remarkable sustainable development. The project’s strong commitment to sustainability and community offered valuable insights, revitalising our team’s perspective on our own projects.”

3.5 | Environmental Project Initiatives

This section provides an overview of Hesperia's response to the Environmental Focus Areas for our projects. It outlines relevant progress and achievements towards the targets that Hesperia is determined to achieve.

Part of the initiation process for all new Hesperia projects is to conduct a basic risk assessment based on the location, site specifics and expected building type. Any risks identified in these assessments are raised by project teams and included in the broader project risk assessment, prior to acquisition or any other level of commitment. Once a response or management plan has been established, this is locked into the project documentation.

As standard practice, designers are asked to consider future climates into the building design process. This includes the use of 'Future Weather Files,' which contain inputs for design modeling platforms including temperatures, humidity levels and other historical climate data. Future weather files establish future scenarios that incorporate certain trajectories of climate change. These have been established by the climate modelling community and are now available in Australia through the CSIRO [Greenhouse gas scenarios (climatechangeinaustralia.gov.au)].

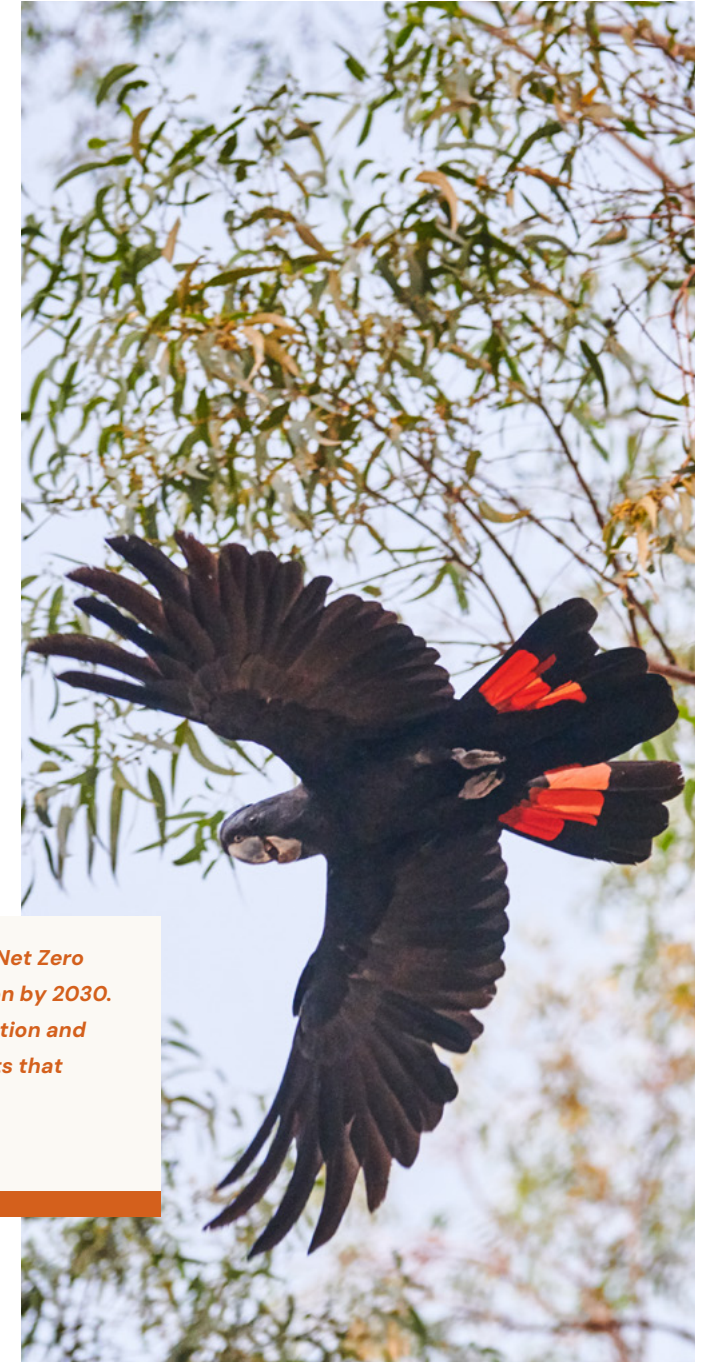
Hesperia acknowledges that ongoing development projects contribute substantially to carbon emissions, with buildings accounting for a significant portion of the emissions, reinforcing climate change. In response, Hesperia has committed to delivering Net Zero projects in the short term and aims for absolute Zero Carbon projects, by 2040. The challenge lies in the fact that essential aspects of constructing buildings and developing cities currently involve unavoidable carbon emissions, posing a complex hurdle to delivering these crucial human needs effectively.

In 2021, as part of COP26 in Glasgow, Hesperia became a signatory to the World Green Building Council (WGBC) Net Zero Buildings Commitment.

Hesperia's Commitment to Net Zero

"Commit to operate all buildings under Hesperia's control as Net Zero and to design all buildings to be capable of Net Zero operation by 2030. Maximise embodied carbon reductions throughout construction and offset residual emissions by 2030 with preference to projects that have positive co-benefits."

[HESPERIA - World Green Building Council (worldgbc.org)]



CASE STUDY: Hazelmere Interchange – Driving Sustainable Industrial Development



CONTRIBUTOR

Daniel Gorjy

Development Manager

Hazelmere Interchange is an industrial estate currently under development, situated in close proximity to Midland, east of Perth.

The project will deliver on the pressing demand for high quality industrial land and buildings to stimulate economic growth and employment opportunities in Western Australia.

Hazelmere Interchange aspires to attain EnviroDevelopment certification as part of its commitment to sustainable development practices. This certification will comprehensively assess and guide the project's sustainability performance, encompassing key aspects such as mitigating biodiversity impacts, implementing effective stormwater and erosion management, promoting the use of recycled materials, and fostering seamless integration with the surrounding environment and local community.

Furthermore, the built structures within Hazelmere Interchange, spearheaded by Hesperia, are designed with sustainability at the forefront. These warehouses will target 5 Star Green Star certifications, driving the commitment to environmental responsibility and resource efficiency. The synchronisation of certifications at both the estate and building levels underscores the project's holistic approach to sustainability.

A notable environmental achievement of Hazelmere Interchange is the rehabilitation of an interface between a development site and an adjacent wetland. This interface had previously been degraded and unmanaged, however, is now being rehabilitated by establishing a buffer zone to future buildings on the lot, whilst also revegetating this area with wetland specific species to improve the hydrological function of the wetland.

Glenn Coffey emphasises the significance of these certifications:

"Our Green Star buildings ensure that our tenants are well-cared for, the environment is safeguarded, and our structures remain adaptable to evolving industry trends."

Glenn Coffey - Development Director



Indicative image only

3.6 | Environmental Sustainable Business Initiatives

One of the key pillars of Hesperia's Sustainability Strategy is the establishment of self-sufficient sustainability business initiatives.

The concept is that, as Hesperia develops the capability to deliver sustainability outcomes, we capture that capability in commercially self-sustaining business units. This approach aims to integrate environmental, social, and economic considerations into the company's operations, to foster long-term viability and positive impact.

To date, Hesperia has identified three activities that have the strongest potential to be built into new business units: carbon farming, resource recovery, and renewable energy. The initial emphasis has been placed on implementing a business unit dedicated to renewable energy.

Hesperia has established Empowered, to help expedite Western Australia's transition to renewable energy. Empowered integrates the design and implementation of renewable solutions into the property development life cycle. The business unit is structured to operate profitably and actively encourages the widespread adoption of renewable energy services by both property developers and tenants. Their integrated renewable energy solutions are presently operational within Hesperia's property portfolio, with plans to extend services to other developers and asset owners.



CASE STUDY: Empowered



CONTRIBUTOR

Jeremy Huynh

Senior Associate
Renewable Energy

As a component of Hesperia’s commitment to advancing the clean energy transition in Western Australia, Hesperia founded Empowered.

Empowered will work to deliver 100% renewable energy to our projects while building a portfolio of energy assets as an independent business.

Empowered has brought together a team of energy specialists with comprehensive expertise and knowledge covering every facet of the renewable energy value chain. To offer a variety of energy services, Empowered has created three distinct business segments.

“Empowered is helping Western Australia transition to clean energy by supplying 100% renewable energy to Hesperia’s developments. I feel privileged to contribute to this effort, supporting carbon emission reduction and addressing climate change to make a positive impact on our environment.”



Renewable Energy Networks

Empowered is delivering 100% renewable networks to precincts and buildings through embedded networks and microgrids. Electricity is supplied from on-site solar and batteries, supplemented with renewable energy from off-site wind and solar imported through the grid.

Delivered FY23

Victoria House (75kW PV, 85 tenancies) and Murdoch Square (213kW PV, 50 tenancies).



Distributed Energy Resources

For owners and tenants who are not part of an embedded network or microgrid, Empowered is helping consumers maximise on-site renewable generation by funding, installing and owning batteries and rooftop solar ‘as a service’. These energy assets can be aggregated into a Virtual Power Plant (VPP) to provide grid stability services.

Under Development

Solar Maximiser service at offering households access to solar and home batteries, with no upfront costs.



Large-Scale Renewable Projects

Empowered is also developing utility-scale renewable generation and storage projects to help Western Australia in its energy transition. Generated power can be supplied into Empowered’s portfolio or sold to other offtakers via a Power Purchase Agreement. Empowered is delivering 100% renewable networks to precincts and buildings through embedded networks and microgrids. Electricity is supplied from on-site solar and batteries, supplemented with renewable energy from off-site wind and solar imported through the grid.

Under Development

Utility scale solar and storage project with access to the transmission network.

3.7 | Areas of Emphasis in our Projects for the Upcoming Period

Aspects of our projects where we'd like to show progress in the next report:

- **Reconciliation** – Building partnerships with First Nations communities and businesses, particularly in delivering our projects.
- **Electric Vehicles (EV)** – A challenge and an opportunity for the grid. Hesperia projects should have excellent EV infrastructure but also be innovating around EVs as an energy storage option.
- **Health, Ageing and Social Housing** – Urgent demand for new models. Hesperia will continue to commit resources addressing the housing crisis.
- **Industrial Developments as Human Spaces** – Hesperia industrial projects will increasingly provide for and consider the human occupants as well as provide for the industrial and logistical processes that take place.
- **Creating Our Own Carbon Sinks** – Moving from purchasing carbon offset credits in the market to supplying our own through projects that enable revegetation and other positive biodiversity outcomes.
- **Circular Supply Chains** – Understand waste as a resource and break down barriers to use of recycled materials. Hesperia will seek out suppliers that can offer product and packaging stewardship.



4 | Social Outcomes

Social Focus Areas and Our Response

Care For and Develop Our Team

Staff are supported in a work environment that enables them to thrive, feel safe, included, and rewarded for their efforts. Our staff are actively included in our sustainability transition at Hesperia.

Engage with contractors and suppliers to ensure good practice throughout our supply chain.

Support First Nations Reconciliation and Empowerment

Promote cultural understanding and awareness within the organisation and through Aboriginal engagement in projects, support for Aboriginal training and education and access to social and affordable housing.

Support Aboriginal economic participation through i) procurement from Aboriginal-owned businesses and ii) formation of business partnerships with the Aboriginal community.

Support Delivery of Social Services and Infrastructure

Support delivery of health and wellness facilities and services that provide better health and wellness outcomes for the community. Support determinants of community health such as affordable housing and education.

Foster Community Connection and Culture

Create places that respond to their physical, historical and cultural context; that support cultural and artistic expression, community interaction; and deliver programs and benefits for the community. Provide opportunities for staff to interact with community through volunteering or pro bono work.



4.1 | Our Approach to Delivering Social Outcomes

At the heart of Hesperia our people play a crucial role in our company's success.

Diverse perspectives, backgrounds, and experiences contribute to exceptional outcomes for our employees, partners, clients, and the communities we serve. In this past year, we've concentrated on improving and advancing our Human Resources services to meet the increasing demands of our expanding workforce.

This section provides detail of our key activities and achievements and is divided into two parts: one emphasising the corporate efforts and the other focusing on project activities.



4.2 | Social Focus Areas and Progress Against Objectives

The table offers an overview of our Social progress in FY23 and outlines the subsequent next steps we intend to take to further our targets.

Focus Area	Initiatives	Disclosure	Metrics	FY23	FY22	FY21	Focus for FY24
Corporate							
Care For and Develop Our Team	Staff are supported to be part of the sustainability transition at Hesperia.	Frequency of The Green Team events.	Frequency	Monthly	Not recorded	Not recorded	The Green Team committee's accomplishments are reported annually to ExCom and in the Sustainability Performance Report. Calendar of activities planned for FY24.
	Wellbeing sessions are made available to all staff on a bi-monthly basis.	Frequency of Health & Wellness events.	Frequency	Quarterly	Not recorded	Not recorded	
	Formalise training & development programs, individual Annual Performance Plans for all.	Participation in professional development programs.	Hrs training / FTE	Not recorded. Data gathering to enable reporting from FY25	Not recorded	Not recorded	
	Maintain regular interaction with staff via annual surveys, quarterly checks, and monthly updates.	Engagement Score / Participation in employee survey.	% favourable / % completed survey	94% / 98%	Not recorded	Not recorded	
	Employee Investment Scheme (EIS) available to all permanent staff.	Number of staff with private investments in Hesperia projects and assets.	#staff	50	47	17	
		Number of new Hesperia projects and assets opened to staff to invest in.	#projects	2	3	2	
	HR Policies are up-to-date.	HR policy set reviewed against regulations and best practice during the period.	Yes/No	Yes	Yes	Yes	
	Proactive support for Diversity Equality and Inclusion (DEI) in staff.	Internal DEI committee is active and includes director-level membership.	Yes/No	Yes	Yes	No	
Implement a Diversity, Equality and Inclusion Strategy determined by the Committee.	Develop a bespoke strategy to support diversity at Hesperia.	Yes/No	In development	No	No		

Social Focus Areas and Progress Against Objectives (Cont.)

Focus Area	Initiatives	Disclosure	Metrics	FY23	FY22	FY21	Focus for FY24
Support First Nations Reconciliation and Empowerment	Maintain a Reconciliation Action Plan (RAP).	RAP is in place (endorsed) and RAP committee is active and supported.	RAP type	Reflect RAP	None	None	Working through the actions outlined in Hesperia's Reflect RAP during FY24. Cultural Awareness Training to be provided to staff who haven't participated. Hesperia will continue the work of developing potential projects with Aboriginal partners.
	Cultural Awareness Training (CAT) and related RAP experiences provided to staff.	RAP participation (staff attendance at CAT).	%participation	76%	37%	Not recorded	
	Involve First Nations People in Hesperia's work.	Number of First Nations employees.	#employees	Not recorded	Not recorded	Not recorded	
		Aboriginal suppliers for corporate services.	Key new suppliers in reporting period	<ul style="list-style-type: none"> Noongar Chamber of Commerce and Industry (NCCI) – membership and supply chain procurement and objectives Supply Nation – Australia's largest directory of Aboriginal business through membership and supply chain procurement and objectives Reconciliation Australia - Reconciliation Action Plan Nani (Annual Report), Kambarrang (CAT) 	Gordon Cole Consulting (strategy)	Not recorded	
			\$ spent with Aboriginal owned suppliers	\$19,500	Not recorded	Not recorded	
	Targeted philanthropy and research funding.	Recipient and amount donated (money, time or other value as appropriate).	Recipients	<ul style="list-style-type: none"> Motivation Foundation Civil Project Scholarships Partner (ROE) Indigenous Emerging Business Forum 	Motivation Foundation - Two Academy Scholarships for 2022	Yalari	
			\$ donated	\$25,700	\$20,000	\$1,000	

Social Focus Areas and Progress Against Objectives (Cont.)

Focus Area	Initiatives	Disclosure	Metrics	FY23	FY22	FY21	Focus for FY24
Support Delivery of Social Services and Infrastructure	Advocate for social infrastructure.	Pro-bono work undertaken during reporting period.	Text List	Advocacy with State Govt. for social housing solutions.	Not recorded	Not recorded	Hesperia to continue contributing through philanthropy and pro bono contributions to social service organisations, and through working with all levels of government to respond to social challenges and the determinants of community well-being.
	Targeted philanthropy and research funding.	Recipient and amount donated (money, time or other value as appropriate).	Recipients	<ul style="list-style-type: none"> ▪ R U OK? Day Fundraising ▪ Rottnest Channel Swim ▪ Youth Focus – Youth and Mental Health partnership ▪ Ride for Youth Sponsorship ▪ Edmund Rice Camp for Kids – Matched donation for fundraiser to help young people overcome adversity and trauma. ▪ On My Feet – Supporting up to 10 participants in the 6-month program to create self-sufficiency for those at risk or dealing with homelessness. ▪ Starick Refuge – Mother’s Day High Tea Fundraiser to support women and children escaping domestic violence. ▪ Harry Perkins Institute ▪ RUAH Mother's Day Staff Fundraiser ▪ Foodbank ▪ Snowdome Foundation 	<ul style="list-style-type: none"> ▪ Youth Focus - Midland ▪ HeadSpace IPS Program ▪ Youth Focus - Ride for Youth Team Sponsorship ▪ Canteen Newtown - 4Logic ride sponsorship ▪ Victor Change Cardiac Research Institute - Donation for Ben Beale ▪ Beyond Blue Motivation Foundation - Two Academy Scholarships for 2022 ▪ Ability WA Donations R U OK? Day - Hesperia Matching ▪ Foodbank Warehouse Volunteering ▪ RUAH Christmas Drive and Mother’s Day event ▪ Sea View Charity Golf ▪ Ability WA 	<ul style="list-style-type: none"> ▪ Youth Focus - Bronze Team Sponsorship and Donation ▪ Ronald McDonald House Charities ▪ Australian Sport Foundation Zero 2 Hero ▪ Variety Burswood ▪ Sphinx Foundation ▪ Leukemia Foundation ▪ SnowDome Foundation ▪ Ear Science Institute ▪ Harry Perkins Institute ▪ Dry July ▪ COMO The Treasury - Night at the Treasury 	
			\$ donated	\$109,794	\$115,378	\$146,180	

Social Focus Areas and Progress Against Objectives (Cont.)

Focus Area	Initiatives	Disclosure	Metrics	FY23	FY22	FY21	Focus for FY24
Foster Community Connection and Culture	Advocate for culture & the arts.	Pro-bono work undertaken during reporting period.	Text List	<ul style="list-style-type: none"> Arts Board Director roles at PIAF and ArtRage. Provision of performance space for Fremantle Biennale. 	Not recorded	Not recorded	Hesperia to continue contributing through philanthropy and pro bono contributions to the cultural vibrancy of Perth and Western Australia.
	Targeted philanthropy and research funding.	Recipient and amount donated (money, time or other value as appropriate).	Recipients	<ul style="list-style-type: none"> Fremantle Theatre Company (FTC) – Program sponsorship for emerging theatre company based in Fremantle. ARTRAGE – Supporting local art and performance for one of Perth’s oldest Art Organisations (Supported by Directors as Members of the Organisation). WA Cricket – Girls and Cricket Program. Perth Institute of Contemporary Art (PICA) - Director as Board Member. RTR FM - Perth’s oldest and wide-reaching community radio station. Art Gallery of Western Australia (AGWA) - Public State art gallery. Perth Festival - Perth’s leading creative and cultural calendar event. Sheila Foundation 	<ul style="list-style-type: none"> The Chamber of Arts and Culture Fremantle Theatre Company Southern Districts Gaelic Football Club 	<ul style="list-style-type: none"> Perth Festival Perth Arts Festival Small Donations STRUT Dance Incorporated Foundation for the WA Museum - Donation Sculptures By the Sea Freeze Frame Opera Sheila Foundation 	
			\$ donated	\$212,216	\$166,220	\$136,350	

Social Focus Areas and Progress Against Objectives (Cont.)

Focus Area	Initiatives	Disclosure	Metrics	FY23	FY22	FY21	Focus for FY24
Projects							
Care for and Develop Our Team	Support delivery of training and support through Hesperia operations and through contractors on our projects.	Apprenticeships, traineeships and student placements on Hesperia projects. Includes people in the Hesperia office and those reported by contractors.	Number of FTE	Not recorded. Data gathering to enable reporting from FY24.	Not recorded	Not recorded	Continue to provide opportunities for staff to vary their work and experience projects outside their core work through site visits and briefings from project leads.
Support First Nations Reconciliation and Empowerment	Best practice Heritage Identification and Protection.	Number of sites and artefacts identified and responded to during reporting period.	#registry and otherwise identified items	Not recorded	Not recorded	Not recorded	Embed a standard project action to make opportunities available to Aboriginal suppliers and consultants.
	Best practice Aboriginal engagement for all projects.	Number of projects with Aboriginal engagement process resulting in design input.	#projects	1	1	1	
	Include Aboriginal suppliers and consultants in projects.	Key new engagements during the year.	Text list.	Soft Earth (CAT and Hospice).	Not recorded	Karrda (Rivermark)	
Aboriginal supplier spend.		\$	Not to be disclosed until sufficient suppliers are involved to ensure commercial privacy.	Not to be disclosed until sufficient suppliers are involved to ensure commercial privacy.	Not to be disclosed until sufficient suppliers are involved to ensure commercial privacy.		
Support Delivery of Social Services and Infrastructure	Support delivery of health and wellness facilities and services that provide better health and wellness outcomes for staff and the wider community.	Health facilities, including mental and allied health, delivered to date.	m ²	0	0	0	Hesperia's Healthcare business unit to continue expanding and delivering high quality facilities in response to health needs in Western Australia. Hesperia will continue to apply resources to the housing crisis and seek to be part of the solution.
	Support delivery of positive outcomes in challenged communities in WA by contributing to affordable and social housing, educational opportunities and economic activation.	Number of social and affordable dwellings delivered to date.	#dwellings	0	0	0	

Social Focus Areas and Progress Against Objectives (Cont.)

Focus Area	Initiatives	Disclosure	Metrics	FY23	FY22	FY21	Focus for FY24
Foster Community Connection and Culture	Create places that respond to their physical, historical and cultural context; that support cultural and artistic expression, community interaction; and deliver programs and benefits for the community.	Proportion of mixed use precincts delivered that included comprehensive, third party design review.	Delivered precincts	Small precinct around the mixed use part of Victoria House.	0	0	Hesperia’s Community Development Lead has begun establishing a consistent process to support projects to make connections to their communities and place.
	Deliver healthy internal spaces.	Average Green Star "Healthy" score for buildings versus total Credit Achievement score available (all certification scores normalised to the Green Star Buildings scale).	[score/total available points]%	Not recorded. Data gathering to enable reporting from FY25.	Not recorded	Not recorded	
	Deliver high quality public realm.	Public open space (POS) delivered.	m ² POS	Not recorded. Data gathering to enable reporting from FY25.	Not recorded	Not recorded	
		Proportion of delivered land that is public open space.	% POS average	Not recorded. Data gathering to enable reporting from FY25.	Not recorded	Not recorded	
	Deliver high quality public art.	Public art spend.	\$	Not recorded. Data gathering to enable reporting from FY25.	Not recorded	Not recorded	

4.3 | Social Corporate Initiatives

This section provides an overview of Hesperia’s response to the Corporate Social Focus Areas for our organisation.

We prioritise social responsibility, with a focus on initiatives that positively impact our employees. Our corporate social focus areas are designed to enhance employee well-being, promote diversity and inclusion, and support community engagement. Through these efforts, we aim to create a workplace culture that not only values our employees but also contributes to the broader community, fostering a sense of shared responsibility and positive impact.



4.3.1 | Enhancing Human Resources Services

After another year of expansion in both our project portfolio and employee count, Hesperia made the strategic decision to hire a Human Resources (HR) specialist and internalise our HR function. This strategic decision bolsters our capacity to meet our employees' needs, support the company's expanding growth and changing requirements.

Over this past year, the team has been proactively enhancing internal processes to address employee requirements more effectively.

The ongoing improvement initiatives the team have focused on include:

HR Process / Policy	Key Activities
Formalise Annual Corporate Training Program	Annual corporate training program has been finalised and rolled out to employees.
Training Option Register	Training option register of external courses employees can attend has been created and is waiting for ExCom sign off.
Training Register	Live document tracking attendance at corporate training initiatives.
HR Dashboards	The Data & Technology team is in the final stages of development and will be implement late 2023.
HR Policies & Procedures Review / Gap Analysis	Review of all policies that were current as of March 2023. Policies updated to reflect legislative and company updates and new policies introduced as a result of the gap analysis e.g. Parental Leave and Expense Reimbursement policies updated and Corporate Travel Policy rolled out.
Annual Survey Program	Historical surveys reviewed and decision to sign up to 'CultureAmp' - a platform where surveys can be built and benchmarked against industry leaders.
Performance KPI	Executive team KPI's have been drafted and to be finalised October 2023. Roll out of all other employee's KPI's November 2023.
Onboarding & Offboarding Process Review	Completed May 2023 but will continue to be reviewed and improved on an ongoing basis.
Recruiting Process Review	Changes ongoing since March 2023. A final process to be signed off in October 2023.
Position Descriptions Review	To be completed by December 2023 to align with the Business Manual.
Work Experience / Grad Program	Graduate shortlisting and selection process completed July 2023. Contracts issued and returned August 2023. Program commencement February 2024.
HR Systems	ELMO system review completed during FY23 resulting decision made to cease usage and replace with system to service the expanding workforce.
Reporting Line / Hierarchy Review	Review of reporting lines aligned to the updated organisation structure in the Business Manual completed during FY23.
Employee Value Proposition (EVP)	Developed to provide an overview of internal initiatives aimed at supporting for our employees.

4.3.2 | Employee Engagement



CONTRIBUTOR

Jade Collins

People and Culture Manager

Effective employee engagement is crucial for Hesperia's culture and performance. We achieve this through information sharing, learning, rewards, and regular internal communication. Hesperia employs the following methods to engage employees:

- **Monthly Team Meetings** – 1 hour briefings utilised to provide more detailed project developments, operational initiatives, and other updates to employees.
- **Quarterly Employees Update** – 3 hours offsite comprising comprehensive overviews of all active projects and operational updates.
- **WhatsApp Group Chats** – For socialising and keeping abreast of various events and calling out achievements.
- **Annual Offsite** – Multi-day offsite for all employees comprising strategy and training workshops and various team building activities.
- **Committee Calendar of Events** – Yearly calendar of events coordinated and hosted by each employees committee.
- **Intranet** – Regular employee updates on projects and operations.

During FY23, to further enhance the employee experience, Hesperia has dedicated substantial resources to upgrade the systems and tools used for assessing employee engagement and sentiment. They have introduced new software to implement the Annual Survey Program (annual engagement survey and quarterly pulse surveys) to capture comprehensive employee feedback into actionable insights in a continuous improvement cycle. These surveys encompass the identification of improvement opportunities, gauging employee satisfaction, and conduct benchmarking and comparative analysis.

During FY24, this software will be deployed along with a suite of HR dashboards. The dashboards offer a condensed overview of essential HR data for presentation during the Executive Committee's monthly meetings and a summary dataset for employees to access. The results, and the accompanying actions will be shared with the broader team during the regular quarterly updates.



CASE STUDY: Supporting Reconciliation with First Nations People



CONTRIBUTOR

Sarah Booth

Community Development Lead

There is a strong feeling in our organisation that, as people working directly on Country, we have a responsibility to both undertake and commit to reconciliation. This commitment is a central focus and a priority for us and we are fortunate to have a highly engaged group of employees who are actively guiding the reconciliation process.

Reconciliation Action Plan (RAP)

This year, we submitted 'Reflect' our RAP with Reconciliation Australia. Our endorsed plan is published on the Hesperia website, as well as the Reconciliation Australia website [here](#).

In addition, our First Nations Reconciliation Committee ensures a rolling program of activities including excursions to cultural events, cultural awareness training, educational opportunities and attendance at aligned summits and conferences.

Our company focus for the upcoming year is on exploring procurement and supply chain opportunities for Aboriginal-owned businesses and supporting pathways into education and employment for young First Nations people.

Employees Cultural Awareness

Since the end of the reporting period, Hesperia has begun a program of cultural awareness raising that includes access to culturally appropriate training, opportunities to volunteer and attend events, corporate philanthropy, and membership of First Nations organisations. To support staff, cultural awareness opportunities have included:

- Cultural awareness training for all staff started in October 2022 with Noongar leader, Danny Ford OAM, Director of Kamarang Services. It continues for all new staff members with Noongar leaders Barry McGuire and Carol Innes of Soft Earth.
- Experiencing First Nations Arts and Culture at events such as the Revealed Exhibition at Fremantle Arts Centre, Ever Now and Fremantle Biennale.
- Connections to First Nations businesses via memberships with Supply Nation and the Noongar Chamber of Commerce and Industry.

Hesperia employees volunteered to work in event support roles at the 2022 Danjoo Koorliny Festival and conference, hosted by the University of Western Australia, and will again at the upcoming 2023 event.



4.4 | Social Project Initiatives

Hesperia prioritises the principle of public good as the highest order in our projects. We ask ourselves; how can we support vulnerable people, address social issues and contribute to Western Australia in reaching its full potential as a sustainable human settlement. The opportunities for positive social outcomes from Hesperia projects include, but are not limited to:

- **Housing** – Social and affordable housing for vulnerable people.
- **Land for Jobs** – Unlocking economic opportunities that need a suitable place to grow from.
- **Community and Culture** – High quality spaces that enrich lives.
- **Aboriginal Reconciliation** – Understanding the First Nations context of our work and involving Aboriginal people in our journey.
- **Healthcare Infrastructure** – Buildings to support health and allied health service delivery.
- **Protecting and Enhancing Cultural Heritage** – Thorough context analysis can result in more sensitive responses.
- **Industrial Developments as Human Spaces** – Hesperia has recognised that people spend long hours in and around industrial facilities and has begun working on improving these environments for better human and environmental outcomes.

Three case studies illustrate some of the effort being made to optimise social and human outcomes across our projects.



CASE STUDY: Murdoch Square – Responding to the community need for healthcare infrastructure



CONTRIBUTOR

Christie Savage

Development Manager

Murdoch Square is an innovative mixed-use development strategically located adjacent to two of WA's largest tertiary hospitals and in proximity to major transport networks. This development delivers a diverse range of services including an aged care facility, medihotel, commercial offices, specialist medical suites, mental health facility, short stay hospital, childcare, residential apartments, Marriott Hotel, and retail space.

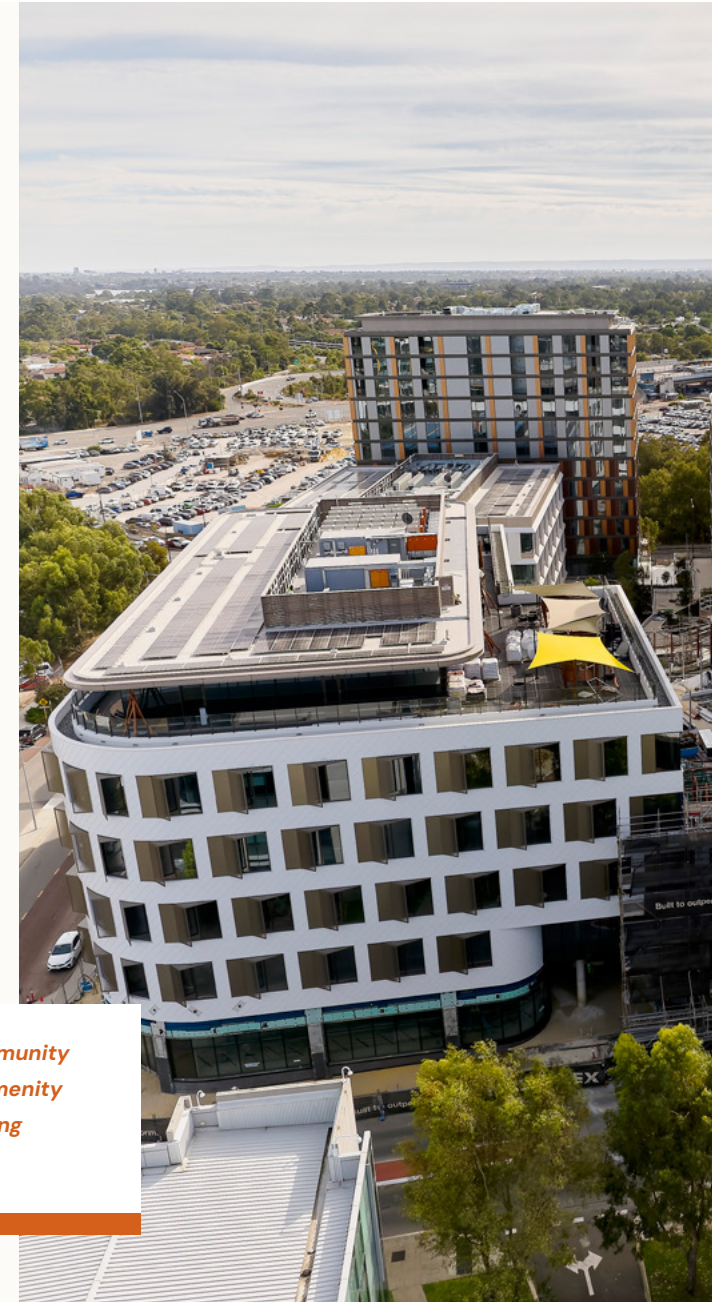
Murdoch Square comprises a fully integrated precinct covering 60,000m² of gross floor area. The development has been designed to achieve best practice sustainable outcomes, including:

- **Green Star** – 5 Star Design & As Built Green Star Certification. Design Review certification achieved in June 2023.
- **NABERS** – 5 Star NABERS Energy Rating (Commercial)
- **Renewable Energy** – Empowered supplying tenants with 100% renewable electricity through rooftop solar PV system and green grid supply.

Prioritising occupant amenities, a significant design feature includes the public plaza with mature landscaping, fostering a dynamic and user-centric environment for not only the tenants and their visitors, but the broader community including patients and staff. In line with our Net Zero strategy, low-emission construction materials, such as low-carbon concrete, were chosen, and construction emissions have been measured and will be offset.



“Murdoch Square is designed to serve the community both as a place – a building that brings new amenity to the precinct – and as infrastructure providing much needed support for health outcomes.”



CASE STUDY: Social and Affordable Housing



CONTRIBUTOR

Paul Abel

Development Director and member of The Green Team

Hesperia has partnered with the State Government and Community Housing Providers (Foundation Housing), National Housing Finance and Investment Corporation (NHFIC), other institutional investors and builders to design development proposals aimed at addressing Western Australia's current housing affordability and supply issues.

The demand for social and affordable housing in Western Australia has never been greater. This is causing severe strain for the most vulnerable members of our community and as acknowledged by the government, requires an urgent, large-scale solution.

Western Australia is experiencing a critical shortage in housing supply, with historically low vacancy rates and rapidly increasing cost of rent placing significant pressure on affordability. This reduction in housing affordability, combined with the continued pressures resulting from increasing costs of living, are being felt most deeply by those reliant on social and affordable housing.

Hesperia, along with its project partners, will provide a range of innovative housing options across multiple sites, aimed at rapidly addressing the shortage of social and affordable housing while also maintaining a high-quality design outcome and well-considered amenity for residents.

Our social and affordable projects will be developed with our renowned team of technical specialists, and be centered on the following key principles:

1. Certainty of Delivery

- Our Proposal brings together WA's largest Community Housing Provider - Foundation Housing (FH) and Hesperia.
- Our project partners include multiple experienced Design and Construct contractors, to ensure certainty of delivery and competitive pricing outcomes for the State of Western Australia.

2. Accelerated Program that Prioritises Delivery of Social Housing

- We will take a strategic approach to design and construction management to ensure the housing in greatest demand most needed housing supply will be delivered in the shortest timeframe possible.
- Our delivery program exemplifies a comprehensive approach to the entire development, ensuring the critical mass necessary from day one and fostering an engaged community right from the start.

3. Community Focused Design

- Hesperia will pursue a quality design aesthetic and strategic masterplan layout for each social and affordable project, promoting a harmonious integration across the social, affordable and market housing tenures.
- We have curated a world-class design team deeply committed to the importance of creating sustainable, affordable, and accessible housing.

Strong collaboration across government, the community housing sector and private sector partners will be required to deliver innovative development solutions that can be replicated across future social and affordable housing projects in Western Australia.

This strategy represents a generational opportunity to solve Western Australia's current housing affordability and supply issues, benefiting the entire community.

Hesperia has leveraged its significant industry experience, and relationships with other key stakeholders, to provide the State with coordinated advice in relation to utilising State policy to resolve the ongoing housing supply issue. Key areas of focus include analysis of demand, site opportunities, planning considerations, building methodologies, labour workforce shortages, and potential funding structures.

CASE STUDY: WA Children's Hospice



CONTRIBUTOR

Greg Jenkins

Development Manager

The WA Children's Hospice project, located in Swanbourne, is a pioneering initiative for the Perth Children's Hospital Foundation (PCHF). The seven-bed facility is meticulously designed to offer critical respite and care for WA's most vulnerable children and their families. Hesperia is acting as Project Principal, participating in the design, development, and delivery of the project on a 100% pro bono basis.

Hesperia is proud to support PCHF and Child and Adolescent Health Services to establish WA's first children's palliative care facility. The hospice design draws inspiration from other Australian and international hospices, aiming to combine hospital-quality care with the comfort of a home environment. This project aligns seamlessly with Hesperia's fundamental principles demonstrating good citizenship, supporting the community, and influencing health and mental health. The project site, situated near the beach, aligns with natural and sustainable principles, making use of ample natural light and promoting a profound connection to nature and outdoor spaces, including the incorporation of a community garden.

Greg Jenkins is a Development Manager at Hesperia and has generously committed 40% of his work allocation to the project from initiation in 2021 and will continue to do so until completion, anticipated for late 2025.



"It remains a privilege to be part of such a crucial project and I am continually inspired by the dedication of all parties."

5 | Governance Outcomes

Develop Our Sustainability Capability

Leadership position on sustainability to futureproof projects and operations. Outreach to support industry transition. Support for aligned research projects. Creation of commercially sustainable delivery mechanisms for ESG outcomes.

Oversee and Certify Our ESG Outcomes

Oversight of ESG issues by the Executive Committees.

Risk assessment built into acquisition and delivery of projects, focus on Climate Change risks and Aboriginal Cultural Heritage risks. Directors respond to ESG related KPIs.

Undertaking reviews and audits of processes and outcomes to ensure compliance within internal and external standards.

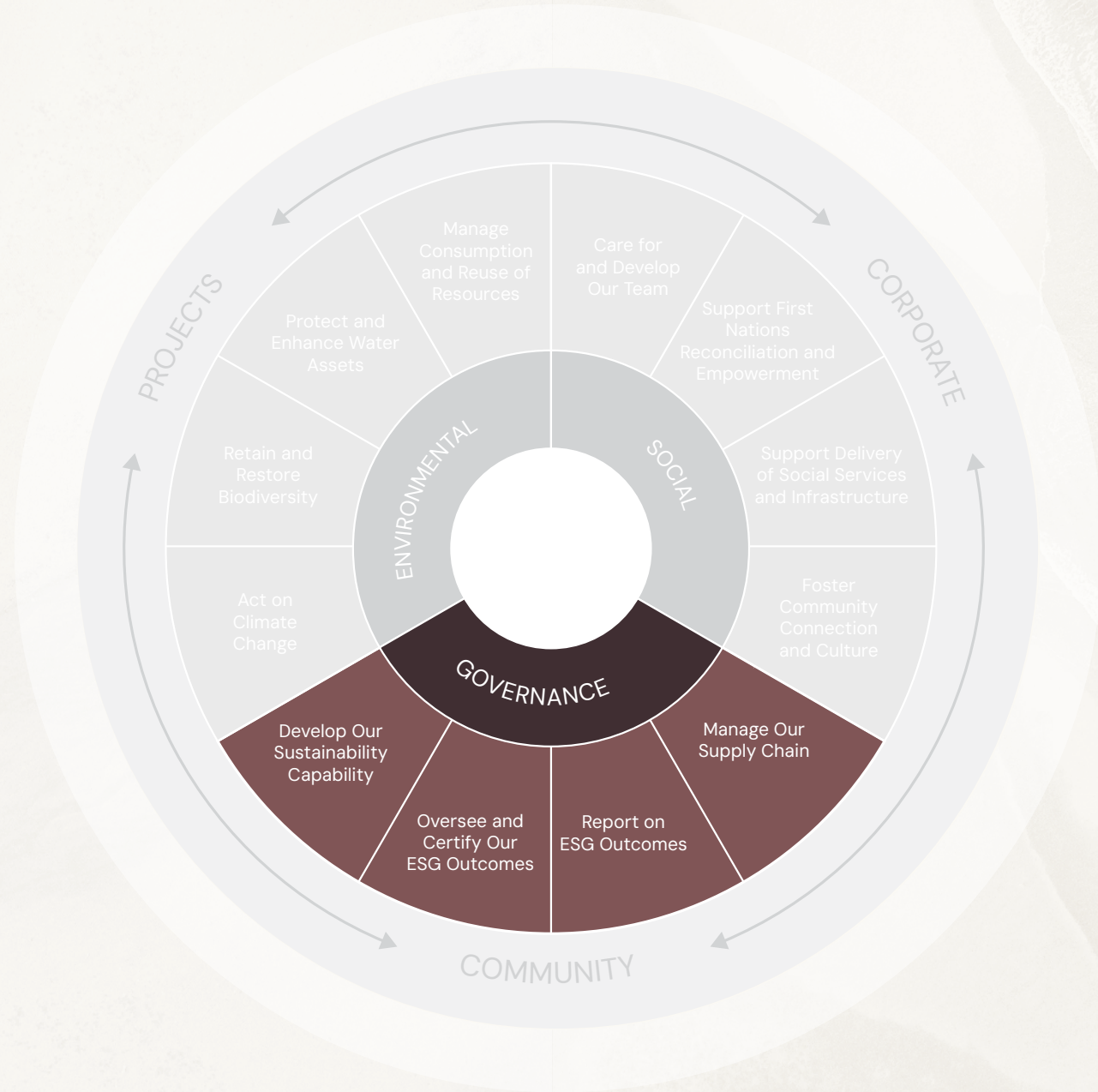
Report on ESG Outcomes

Developing sustainability systems and processes that embed sustainability objectives within projects and support accurate measurement and reporting of outcomes. Undertake reviews and audits of processes and outcomes and report on findings to ensure compliance and transparency. Report publicly on sustainability performance of both projects and corporate operations.

Manage Our Supply Chain

Managing procurement to optimise community and environmental outcomes.

Monitor and address sustainability risks in our supply chain to reduce our environmental impact and ensure better outcomes for vulnerable participants and communities.



5.1 | Our Approach to Delivering Governance Outcomes

Over the past year, we have placed a focus on Governance, aiming to assess Hesperia's internal controls to enhance transparency, predictability, accountability, and risk management.

Both the leadership team and employees have dedicated significant time and effort to further develop and strengthen our corporate and project governance frameworks. By establishing a more robust governance framework, the organisation has the necessary structure in place to achieve our shared objective of making positive contributions to ESG and building a sustainable future.

For a more detailed account of our key activities and achievements, this section is divided into two parts: one outlining changes to corporate governance and the other focusing on project governance.



Adrian Fini (Founder), Kyle Jeavons, Judd Dyer, Rowan Clarke and Ben Lisle (Founder and Managing Director)

5.2 | Governance Focus Areas and Progress Against Objectives

The table offers an overview of our Governance progress in FY23 and outlines the subsequent next steps we intend to take to further our targets.

Focus Area	Initiatives	Disclosure	Metrics	FY23	FY22	FY21	Focus for FY24
Corporate							
Develop Our Sustainability Capability	Maintain a whole of business strategy document defining the objectives and action plans on a five yearly cycle.	Sustainability Strategy in place, reviewed and reported on during period.	Yes/No	Yes	Yes	No	Continued growth across Hesperia projects. Addition of renewables projects outside of Hesperia's property portfolio. Contribute financially and in kind to RACE 2030 and seek to involve Hesperia Projects. Establish a research fund to allow projects to contribute to larger outcomes.
	Maintain a dedicated internal Sustainability Group, resourced and supported to delivery the Sustainability Strategy.	Dedicated sustainability staff.	#FTE	3.5 (TBC)	2.5	2	
	Track sustainability maturity at Hesperia against a consistent framework.	Maturity model level - internally developed.	Text description of agreed level	Commence reporting on this item in FY25	Not recorded	Not recorded	
	Maintain committees to support special topics internally.	List of committees.	Text List	<ul style="list-style-type: none"> Health and Wellness Committee Diversity Equity and Inclusion Committee Social Committee Knowledge and Learning Committee Environmental Committee (The Green Team) First Nations Reconciliation Committee Philanthropy Committee 	<ul style="list-style-type: none"> Health and Wellness Committee Diversity Equity and Inclusion Committee Social Committee Knowledge and Learning Committee Environmental Committee (The Green Team) First Nations Reconciliation Committee Philanthropy Committee 	Committee structure not established.	

Governance Focus Areas and Progress Against Objectives (Cont.)

Focus Area	Initiatives	Disclosure	Metrics	FY23	FY22	FY21	Focus for FY24
Oversee and Certify Our ESG Outcomes	Maintain Executive Committees with oversight of all activities and business decisions.	List of Committees.	Text List	Executive Committee (ExCom) Hesperia Investment Committee (HIC) Hesperia AFSL Compliance Committee (HACC)	Executive Committee (ExCom)	Executive Committee (ExCom)	Detailed training on new systems to be provided to staff and continuous improvement initiatives.
	Maintain certification of corporate operations against a recognised framework.	B Corp certified	Yes/No	Yes	Yes	Yes	Accountability measures such as KPIs being developed. Staff survey planned - feedback will be addressed. Exploring diverse ways to support staff.
Report on ESG Outcomes	Report annually on Sustainability Performance.	Annual ESG Report published.	Yes/No	Yes	Yes	No	BCorp recertification due in March 2024. Score should improve slightly due to activities implemented in our Sustainability Strategy.
	Corporate operations publicly reported against recognised sustainability benchmarks.	Certifications held in addition to B Corp.	Text list	Carbon Neutral Organisation (Climate Active certified)	Carbon Neutral Organisation (Climate Active certified)	Carbon Neutral Organisation (Climate Active certified)	Sustainability Group to develop digital data capture capabilities to improve disclosure process.
Managing Our Supply Chain	Sustainable office purchasing consistently applied.	A Sustainable Purchasing Policy is in place and regular reviews conducted.	Yes/No	Informal only	Informal only	Informal only	Policy to be formally adopted and procedures re-established.
		The Sustainable Purchasing Policy includes a financial weighting to support more sustainable choices.	Yes/No	No	No	No	

Governance Focus Areas and Progress Against Objectives (Cont.)

Focus Area	Initiatives	Disclosure	Metrics	FY23	FY22	FY21	Focus for FY24
Projects							
Develop Our Sustainability Capability	Establish an integrated project delivery process with mandatory sustainability and governance checkpoints, alongside standardised monthly reporting cycle.	Proportion of projects with a Sustainability Strategy endorsed at Managing Director level.	% projects	40%	10%	0%	<p>All new projects to be fully inducted into the Hesperia Sustainability Process.</p> <p>All projects, new and legacy, to feature consistent documentation.</p>
	Maintain a strong industry network to contribute to sustainability progress broadly.	Memberships relevant to our projects.	Text List	<ul style="list-style-type: none"> Green Building Council of Australia (GBCA) Materials and Embodies Carbon Leader' Alliance (MECLA) Bioregional Australia 	<ul style="list-style-type: none"> Green Building Council of Australia (GBCA) Materials and Embodies Carbon Leader' Alliance (MECLA) Bioregional Australia 	<ul style="list-style-type: none"> Green Building Council of Australia (GBCA) Materials and Embodies Carbon Leader' Alliance (MECLA) Bioregional Australia 	
		Endorsements relevant to our projects.	Text List	<ul style="list-style-type: none"> B Lab Australia & New Zealand (Hesperia is a certified B Corp) Advancing Net Zero World Green Building Council Net Zero carbon Building Commitment (signatory) 	<ul style="list-style-type: none"> B Lab Australia & New Zealand (Hesperia is a certified B Corp) Advancing Net Zero World Green Building Council Net Zero carbon Building Commitment (signatory) 	<ul style="list-style-type: none"> B Lab Australia & New Zealand (Hesperia is a certified B Corp) Advancing Net Zero World Green Building Council Net Zero carbon Building Commitment (signatory) 	
		Collaborations relevant to our projects.	Text List	<ul style="list-style-type: none"> Curtin University Murdoch University 	<ul style="list-style-type: none"> Curtin University Murdoch University 	<ul style="list-style-type: none"> Curtin University Murdoch University 	
Overseeing and Certifying Our Activities	All projects to achieve third party certification against national best practice sustainable development benchmarks.	Average Green Star rating of Hesperia owned, certified new build portfolio.	Stars (average)	5.25 Stars	5.25 Stars	5 Stars	<p>Continue to certify all projects using nationally recognised sustainability tools.</p> <p>Consider similar certification and benchmarking for Net Zero and 100% Renewable Energy outcomes.</p>
		Average EnviroDevelopment rating of Hesperia owned, certified new build portfolio.	Leaves (average)	6-leaf	6-leaf	None Certified	

Governance Focus Areas and Progress Against Objectives (Cont.)

Focus Area	Initiatives	Disclosure	Metrics	FY23	FY22	FY21	Focus for FY24
Reporting Transparently	Hesperia is a signatory to World Green Building Council's Net Zero Carbon by 2030 for all projects.	Maintain compliance and annual reporting against commitment.	Yes/No	Yes	Not required in year 1	No	Hesperia to commence formally reporting against WGBC Net-Zero commitment.
	Adopt an internationally recognised portfolio level framework and report against it.	No framework yet adopted - GESB under review.	Index score	No data for period	No data for period	No data for period	Commence portfolio reporting to establish a baseline data score.
Responsibly Managing Our Supply Chain	Adopt a Responsible Procurement Policy that requires a plan to be in place on each project.	Proportion of projects conducting a Responsible Procurement review and implementing a Plan.	%projects	Zero (policy introduced for new projects from FY24)	Zero	Zero	All projects to establish an ISO 20400 aligned Responsible Procurement Plan.

5.3 | Governance Corporate Initiatives

This section provides an overview of Hesperia’s response to the Corporate Governance Focus Areas. It outlines relevant actions, achievements and defines the targets that Hesperia is determined to achieve.



CONTRIBUTOR

Annie Hendriks

Agile Coach

Hesperia’s corporate governance framework enables proactive risk management, strategic decision-making and provides oversight of key compliance obligations, all of which form the foundation for Hesperia’s long-term success. Within the last 12 months, Hesperia has further refined its corporate committee mandates and worked to embed governance activities across operations and projects with the development and application of a corporate operating rhythm.

EXECUTIVE COMMITTEES

Hesperia’s corporate committees manage governance across the business and its projects. Business plans and budgets are set annually with quarterly detailed strategic reviews and monthly updates.

Executive Committee (ExCom)

Comprised of Founders, Directors, Operations Director, Investment Director

Responsible for: Acting as the primary governance body for Hesperia.

Hesperia Investment Committee (HIC)

Comprised of a Founding Director, Investment Director, independent external parties

Responsible for: Governing investment decision making and management of financial risk and compliance.

Hesperia AFSL Compliance Committee (HACC)

Comprised of Responsible Manager (external compliance consultant), two other Responsible Managers, the Group Financial Controller and General Counsel

Responsible for: Ensuring Hesperia Funds Management meets its compliance obligations under its Australian Financial Service License.



5.3.1 | Employees Committees

Hesperia has developed staff committees to encourage employees to contribute to the organisation's operations and governance. These committees have a key role in implementing policies, programs, and initiatives spanning various areas that support Hesperia in fulfilling its objectives. The Committees are:

Health and Wellness Committee

The Health and Wellness Committee is responsible for the development and implementation of strategies and initiatives that seek to optimise physical and mental health for employees both in and out of the workplace.

Diversity Equity and Inclusion Committee (DEI)

The DEI Committee is responsible for the development and implementation of the DEI Strategy, Action Plan and Policies that ensure Hesperia provides a safe and inclusive workspace in which all employees are given equal access to opportunity and where rewards and progression are merit based.

Social Committee

The Social Committee is responsible for arranging events and initiatives that support strong interpersonal relationships and culture across the broader organisation.

Knowledge and Learning Committee

The Knowledge and Learning Committee is responsible for developing training, knowledge sharing and business improvement programs that support the professional development of employees and the continuous improvement of systems and processes across the business.

Environmental Committee (The Green Team)

The Green Team is responsible for working with the Sustainability Group in developing and implementing initiatives that assist in educating employees on sustainability and support the implementation of corporate and project sustainability initiatives.

First Nations Reconciliation Committee

The First Nations Reconciliation Committee is responsible for developing policies and initiatives to support reconciliation, understanding and empowerment of First Nations people throughout our business and projects.

Philanthropy Committee

The Philanthropy Committee is responsible for developing and monitoring corporate, employee and project philanthropy initiatives that align with the broader social and environmental objectives of the business.



5.3.2 | Memberships and Affiliations

Hesperia seeks to be a proactive contributor to our industry, community, and state. One avenue for this is membership and/or financial and pro bono input to the following organisations.

Hesperia is a member of:

- Green Building Council of Australia (GBCA)
- Materials and Embodies Carbon Leader' Alliance (MECLA)
- Bioregional Australia

Hesperia has been acknowledged by the following bodies:

- B Lab Australia & New Zealand (Hesperia is a certified B Corp)
- Australian Government | Department of Industry, Science and Resources
- Advancing Net Zero | World Green Building Council | Net Zero Carbon Building Commitment

Hesperia has collaborated with and funded sustainability related projects and events through:

- Curtin University
- Murdoch University



CASE STUDY: Health and Wellness Committee



CONTRIBUTOR

Jamie Fini

Development Director

Hesperia’s Wellbeing Policy outlines a commitment to staff. It is the responsibility of the Executive Committee and the Health and Wellness Committee to actively support and contribute to its implementation.

The Committee has maintained a calendar of events during the reporting period to provide a diverse range of opportunities for employees to engage.

Physical Health

A range of activities has been planned for employees to provide them with opportunities to understand the importance of physical health. This year also included the introduction of an expert speaker who conducts quarterly sessions on healthy habits. Annual activities included:

- Hesperia Annual Fun Run – 3km run around Lake Monger.
- Rottnest Swim – two teams of four employees and one team of two employees.
- First aid course.
- Pilates session held at a local studio.

Mental Health

Recognising the importance of supporting employees at work and in their personal lives. This year Hesperia engaged PeopleSense to provide in-person or digital sessions with a registered psychologist for personal or work-related issues. This program has been widely promoted and is part of a wider program of mental health support that includes:

- Guided meditation sessions – regular mindfulness program that leads to a healthier team from the inside out.
- R U OK? Day lunch and discussion – joint effort with Philanthropy committee to raise funds for mental health.

Team Building

Recognising the value of teamwork and engaging employees in the values of the organisation, Hesperia coordinates an annual employee training retreat. This retreat spans over 3 days at an offsite location and features a program designed for team building activities, providing employees with the chance to appreciate each other’s backgrounds and enjoy collective experiences. In addition to the annual retreat, the Health and Wellness Committee organises two cross-pollination sessions each year, creating additional opportunities to ‘get to know your colleagues’.



CASE STUDY: Youth Focus Partnership – Ride for Youth



CONTRIBUTORS

Richard Stroud

Fund Reporting Manager



Tim Sondalini

Data Analytics Lead

“Helping others always feels great, especially when you can make a meaningful contribution to their lives.”

– Richard Stroud.

Hesperia is pleased to continue our partnership with Youth Focus into FY23. Youth Focus is a not-for-profit organisation providing vital mental health services for at-risk youth in Western Australia. This collaboration remains a central focus in our commitment to promoting health, mental health, education, and overall youth wellbeing in the state.

This year, five Hesperia employees participated in the demanding 700km ride from Albany to Perth. The event involves a six-month preparation period, with riders dedicating themselves to three training sessions per week led by a highly regarded, local professional cycling coach, Peter Trench.

During the northward journey, the riders visited several Southwest Primary Schools to encourage open conversations with students about mental health and offer guidance on where to seek support. This proved to be a life-changing experience for our riders, as they supported each other emotionally and shared many heartfelt stories during the journey.

This was not just a ride of physical endurance; this team was also committed to providing a significant fundraising contribution to the organisation. Through several personal and joint fundraising events, the team contributed \$52,975.

“Finishing the event and knowing the impact we made was a great feeling; the endorphin high carries on for days after.”

– Tim Sondalini.



5.4 | Governance Project Initiatives

Hesperia's project governance framework and delivery methodology provides a consistent approach to governing and running a project.

This allows for delivery at speed, early risk identification and mitigation, and the ability to continuously improve based on patterns of work.

In the past year, Hesperia has established and applied a standardised method for project delivery through the implementation of the Project Lifecycle – a set of phases, activities and tasks that detail the process of project delivery. This methodical approach has been implemented through the development and rollout of a comprehensive Business Manual, SharePoint-based project administration sites, the documentation and training of key standard processes, and the release of project document templates.

To mitigate risks, project capital investments are strategically allocated at three specified investment gates. This approach allows for gradual funding commitments, deferring major capital allocations until sufficient information is available to understand potential project outcomes and associated risks.

Project Governance Structure

The Project Control Group and / or External Investment Committees are responsible for the oversight, operation and delivery of projects.

Project Control Group (PCGs) and / or External Investment Committee

Comprised of representatives from each of the key investors

Responsible for: Monitoring the project and acting as the owners' representative in decision making as set out under the investment documentation.

ExCom & Hesperia Investment Committee

Comprised of Founders, Directors, Operations Director, and Investment Director

Responsible for: Review project performance against the programs and budgets agreed with investors to identify and manage project opportunities and risks.

Project Teams

Comprised of Project Lead and representatives from Commercial, Development, Asset / Property, Accounts and Project Support

Responsible for: Coordinating the delivery of project outcomes throughout the project lifecycle.

Moving forward, the emphasis will be on ensuring widespread understanding and application of these changes throughout the organisation. A variety of initiatives are planned, such as:

- **Training** – Skills learning to support improved knowledge and application of key concepts (governance, project delivery, financial processes).
- **Coaching** – Guiding teams on best practice through hands-on coaching on the use of processes and templates.
- **Reinforcement** – Sustaining new ways of working through recognition, accountability, and technology automation.
- **Continuous Improvement** – Identifying and implementing incremental improvements in systems, processes, and templates.

The Project Governance Structure also includes the project Sustainability Process, which brings a level of accountability to project teams and Directors for consistently delivering on agreed sustainability objectives.

5.4.1 | Project Sustainability Process

Genuinely addressing the environmental impacts of our projects requires a consistent approach. Hesperia will always seek to create exemplars, but we also intend to achieve better-than-minimum-standard outcomes in all aspects of all projects.

Hesperia projects are being aligned through the development of a Project Sustainability Process that is integrated with the broader project delivery framework that has been developed over the last year. The process will assist development teams to achieve consistent outcomes using a consistent approach, with the internal Sustainability team providing support and a range of resources to assist.

The Project Sustainability Process is intended to deliver the following:

- **Alignment** – Ensures projects are aligned to and deliver on Hesperia’s sustainability objectives.
- **Standardisation** – By providing standard templates to assist project teams in preparing consistent, comprehensive sustainability documentation.
- **Consistency** – All projects are to achieve an acceptable standard and key outcomes are to be achieved on all Hesperia projects.
- **Transparency** – Consistent reporting allows Hesperia to provide clarity of information to stakeholders such as investors, employees and the community.

- **Continuous Improvement** – Provides the opportunity to integrate insights and implement improvements from projects as Hesperia’s portfolio grows.

The Sustainability Process was formalised in this reporting period and will be integrated into the delivery of every Hesperia project going forward.

Hesperia projects are guided by detailed, project specific sustainability specifications outlined in a Project Sustainability Strategy. To summarise the Strategy, projects report against key objective items, which capture a focused ‘snapshot’ of the comprehensive Strategy, containing around seventy standard inclusions for our projects.

Principle	Project Elements	Benchmark
Certification	Third-party assessment against selected sustainability framework	5 Star Green Star or EnviroDevelopment or other suitable certification, including NABERS or Green Star Performance.
1. Public Good	1a. Placemaking, Activation and Public Infrastructure	Public Open Spaces, Facilities and Public Arts are established for community amenity.
	1b. Philanthropy	Contribution scaled to project size.
	1c. Research	Contribution scaled to project size.
		Complete economic impact assessment for construction.
	1d. Economy and Employment	Complete economic impact assessment for operations.
	1e. Ethical Supply Chain	Complete a Responsible Procurement Plan. Procurement includes bidders from Supply Nation if available.

Principle	Project Elements	Benchmark
2. Ecology and Landscape Led	2a. Acting on Climate Change	Complete net zero carbon strategy to measure, reduce by minimum 20% and offset upfront carbon.
		Complete Climate Change Risk & Adaptation Assessment.
		100% renewable energy in operations.
		Provide EV charging infrastructure and capacity.
	2b. Biodiversity / Ecosystems	Maximise retention of pre-development vegetation and maximise establishment of post-development vegetation.
	2c. Stormwater Management	Any stormwater outflows should be treated to protect surrounding water assets.
3. Identity and Sense of Place	3a. Aboriginal and European Heritage	Local Aboriginal and other cultural and community groups have been consulted.
		Local community groups have been consulted.
	3b. Appropriate to Local Context	Complete Independent Design Review programmed to review size, materiality, use appropriate to local context / adjoining users.
4. Healthy, Safe and Inclusive	4a. High quality / healthy spaces	Buildings must: <ul style="list-style-type: none"> Achieve 100% improvement in outdoor air required by AS 1668:2:2012. Acoustic comfort requirements to meet AS/NZS 2107:2016. Low VOC and formaldehyde materials. Best practice lighting design.
	4b. Accessibility	Disability Access Audit to AS1428.
5. Optimal Use of Resources	5a. Resource Recovery / Waste Management / Recycling / Recyclable	Achieve a 90% landfill diversion rate of construction and demolition waste.
	5b. Water Sourcing and Efficiency	Achieve a 45% reduction in mains water consumption. Install infrastructure to supply alternative water to mains.



Appendix A

Sustainability Data

Sustainability Data

This section provides Hesperia's Environmental, Social and Governance disclosures for the reporting period and where available the previous financial years.

Human Resources Data

Workforce

This table shows the annual change in the makeup of Hesperia staff in terms of age and stated ¹ gender. The totals include all employees, full or part time, but do not include people on placements or in work experience positions.

Disclosure	FY23	FY22	FY21 ²
Number of Employees (end of period)	82	66	53
Identify as Male ¹	46	40	-
Identify as Female	36	26	-
Identify as other than Male or Female ²	0	0	-
Under 30 years old	34	27	-
30-39 years old	33	29	-
40-49 years old	11	6	-
Over 50 years old	4	4	-
Average number of employees during the period (FTE average)	74	60	32
Year-on-year change in average employee count (%)	+24%	+86%	-

1. These stated gender figures are based on forms filled out by employees when they started with Hesperia. To date no change in stated gender has been requested by a staff member. Hesperia has not actively surveyed staff on this topic.

2. Some employment data unavailable for FY21.

Employees by Category and Diversity

This table shows the age and gender distribution against employment modes.

Disclosure	Gender ³		Age			
	Male	Female	Under 30	30-39	40-49	50+
Number of Employees						
Full time ⁴	45	30	31	31	9	4
Part time ⁵	1	5	2	2	2	0
Fixed term full time ⁶	0	1	1	0	0	0
Fixed term part time	0	0	0	0	0	0
Casual	0	0	0	0	0	0
Total ⁷	46	36	41%	40%	13%	6%

New Hires and Departures

The table below indicates the makeup of new hires and departures during the reporting period. The new hires row indicates the makeup of new employees that completed the probationary period and remained with the firm. Employee departures indicates the makeup of employees leaving Hesperia for other opportunities during the reporting period.

Disclosure ⁷	Gender		Age				FY23 Turnover Rate	FY22 Turnover Rate
	Male	Female	Under 30	30-39	40-49	50+		
Employee new hires	12	15	15	10	1	1		
Employee departures ⁸	5	6	4	6	1	0	18% ⁹	

3. Currently male and female are the only Stated Genders to which staff members have identified.

4. Employed on a full-time basis (38 hours per week).

5. Employed on a part-time basis (less than 38 hours per week).

6. Employed for a fixed term (their employment has an agreed end date).

7. These figures do not include those who started and finished within the FY due to not completing probation.

8. Departures represents the proportion of workforce that exited during the reporting period. It is calculated by dividing [total number of exits in the period] by [reporting period average headcount]. Turn over data includes those employed on a fixed term basis.

9. According to the ABS, Job Mobility in Australia as a whole to February 2023 was 9.5%. For professional roles the figure was 24%. Hesperia's rate is in line with the national figure for professional roles.

Gender Distribution and Salary Band

This table shows the age and gender distribution by salary band. The categories have changed from last year and are less descriptively titled, reflecting the broader range of roles that are captured in each band as Hesperia’s work diversifies.

Disclosure ¹⁰	Gender ¹¹		Age			
	Male	Female	Under 30	30-39	40-49	50+
Number of Employees						
Band 5 – Executive Level ¹²	10	2	0	7	4	1
Band 4 – Varying Roles	13	4	5	10	2	1
Band 3 – Varying Roles	15	12	13	9	3	2
Band 2 – Varying Roles	6	13	11	6	1	0
Band 1 – Entry Level	3	4	6	2	0	1

Gender Pay Equity Ratio

The table below shows the ‘gender pay gap’ in terms of Gender Pay Equity Ratio (GPER), a widely used measure. Because of the change to the salary band structure, the comparison year-to-year is less straightforward. The table presents an indicative match between bands for the purposes of this comparison but does not intend to establish any direct relationship between the bands.

Disclosure	FY23 ¹³ Gender Pay Equity Ratio	Previous year (FY22) equivalent band	FY21 Gender Pay Equity Ratio
Band	Female/Male	FY22 Bands	Female/Male
Band 5 – Executive Level	112%	Managers/Professional	82%
Band 4 – Varying Roles	103%	Professional	78%
Band 3 – Varying Roles	87% ¹⁴	Support	NA (all female)
Band 2 – Varying Roles	93%		
Band 1 – Entry Level	127%		

10. The band categories have changed from FY22 to FY23.

11. Reporting against only the Stated Genders for which we have staff members.

12. Company founders, Ben Lisle and Adrian Fini, are not included in this table.

13. The GPER is the ratio of average female to average male salaries in the subject group. GPER is 100% when average male and female salaries in the group are equal. GPER is less than 100% when average female salaries are less than average male salaries, and more than 100% in the inverse situation. According to the ABS, as of May 2023, Australia’s national gender pay gap is 13 per cent (GPER 87%). Western Australia had the widest gender pay gap at 21.4% (GPER 78.6%). Tasmania had the smallest gender pay gap at 5.2% (GPER 94.8%). For ‘Professional Services’ the gap nationally was 22.7% (GPER 77.3%).

14. The gender pay disparity in bands 3 and 4 has been reviewed and is thought to be largely because most female staff have joined both the firm and the industry more recently on average than males on average in those bands, so they are at the less senior end of the salary bands. In summary, this metric is an important flag for Hesperia but is one that we expect to be improving, as it appears to have from FY22 to FY23.

Parental Leave

The table below shows the number of staff commencing maternity leave and the number returning to work from maternity leave during the reporting period. The figures include all non-casual staff.

Disclosure	Unit of measure	FY23	FY22
Number of employees who took parental leave	Number of staff	2	0
Number of employees who returned to work from parental leave ¹⁵	Number of staff	1	0

Reconciliation

Hesperia's Reflect RAP was endorsed by Reconciliation Australia during the reporting period, although not formally launched until early FY24.

Disclosure	Unit of measure	FY23	FY22
Employee Reconciliation Training	%	76 ¹⁶	37

Corporate Data

Greenhouse Gas Emissions

These values are taken directly from Hesperia's Public Disclosure Statements, lodged with Climate Active that is publicly available on their portal.

Disclosure	Unit of measure	FY23	FY22	FY21
Total GHG emissions (scope 1 + 2 + 3)	tCO ² -e	558	384	214
Year-on-year change (carbon footprint)	%	45	80 ¹⁷	-
Carbon intensity	tCO ² -e / person	7.5	6.4	6.7
Year-on-year change (carbon intensity)	%	24 ¹⁸	-9	-
Scope 1	tCO ² -e	2	0	3
Scope 2	tCO ² -e	0	0	24
Scope 3	tCO ² -e	556	384	187
Total GHG emissions offset	tCO ² -e	558	384	214
Nature based offsets with positive biodiversity outcomes in addition to the sequestered/avoided carbon.	tCO ² -e	279	192	113
Offsets from international renewable energy projects.	tCO ² -e	279 ¹⁹	192	101

15. Employees returning to work may have commenced leave in this or a previous reporting period.

16. In FY23 Cultural Awareness Training was conducted across several sessions to ensure that all staff could attend. These sessions will be repeated regularly as new staff join Hesperia.

17. The carbon intensity increase will be investigated, along with an increase in energy consumption, and a response determined in FY24.

18. The carbon intensity increase will be investigated, along with an increase in energy consumption, and a response determined in FY24.

19. The FY23 increase in carbon intensity of Hesperia's operations on the FY22 is disappointing but can be explained because a large proportion of Hesperia's carbon footprint is based on the use of consultant services. These services are currently not carbon neutral, and so assumptions have been made that the emissions are arising from the provision of these services.

Energy Consumption

Electricity data (no gas connected) for Hesperia's office at 338 Barker Road Subiaco, WA.

Disclosure	Unit of measure	FY23	FY22	FY21
Total electricity consumed	kWh	104,967	58,348	58,347
Total electricity consumed from grid	kWh	5,946	21,861	36,203
Total electricity consumed from renewables - grid sourced	kWh	71,327	21,861	6,741
Total electricity consumed from renewables - onsite PV	kWh	33,640	32,487	22,145
Total electricity from renewables exported - onsite PV	kWh	11,158	6,030	491
Total corporate office energy consumption for reporting period	kWh	104,967	58,348	58,347
Year-on-year change (energy consumption)	%	+80	0	-
Energy Intensity	kWh/m ²	207	115	165
Year-on-year change (energy intensity)	%	+80 ²⁰	-30	-
Energy consumed per capita ²¹	kWh	1,418	981	1,823
Year on year change per capita	%	+45	-46	-
Total renewable energy (consumed plus exported)	kWh	116,125	60,378	29,377
Renewable energy proportion of electricity consumption	%	111 ²²	100	50

Water Consumption

Water consumed in Hesperia's office.

Disclosure	Unit of measure	FY23	FY22	FY21
Total water consumption	ML	0.43	0.47	0.18
Change year-on-year	%	-7	+161	-
Water consumption GHG emissions per capita	t CO ₂ e / person	0.009	0.014	0.010
Change year-on-year	%	-31	+41	-
Third party water	ML	0.43	0.47	0.18
Reduction using alternative water sources	%	0	0	0
Total water discharge	ML	0.41	0.44	0.17
Water consumption intensity	kL/m ²	0.86	0.92	0.50
Benchmark water consumption intensity	kL/m ²	0.68	0.68	0.68
Relative to benchmark ²³	%	126	136	74

20. The dramatic increase in energy consumption will be reviewed and a response determined for FY24.

21. 'Per Capita' figures are based on the average Full Time Equivalent (FTE) staff number for the period, unless otherwise stated.

22. Exports of renewable energy to the grid can mean a renewable energy proportion greater than 100%.

23. Water intensity improved in FY23 although it does remain above the benchmark. Hesperia will investigate this issue in FY24. Note: FY21 reporting may have been incomplete as data gathering is improved each year. The benchmark is taken from Water Efficiency Benchmarks Commercial Buildings - Perth & West Perth CBD Western Australia (Water Corp 2017).

Materials and Waste Streams

Waste generated in Hesperia's office.

Disclosure	Unit of measure	FY23	FY22	FY21
Total waste generated	kg	7,263	4,425	3,206
Change year-on-year ²⁴	%	64	38	-
General waste (to landfill)	kg	5,499	3,159	2,455
Cardboard	kg	255	302	No separate data
Comingled recycling	kg	499	241	No separate data
Organics	kg	1,010	724	No separate data
C&D (fit out works and repairs)	kg	0	634	No separate data
Total waste diverted from landfill	kg	1,764	1,266	No separate data
Waste GHG emissions per FTE average	t CO ₂ e / person	0.147	0.145	0.166
Change year-on-year	%	+2	-13	-

Staff Commuting

Employees participate in an annual survey to report the primary modes of transportation they utilise for commuting from their residences to the office.

Modal Split Hesperia Staff Commuting	Unit of measure	FY23	FY22	FY21
Car	%	71.8 ²⁵	87.2	83.9
Car - Fully Electric Vehicle	%	6.1	Not recorded	Not recorded
Motorbike / Scooter	%	0.9	0	0
Bus	%	1.8	2.1	6.5
Train	%	7.7	2.1	3.2
Bicycle / eBike	%	4.7	6.4	3.2
Walk / Run	%	0.3	2.1	3.2
Taxi / Share Ride	%	0.5	0	0

24. Proportionally large increases year-on-year are a concern, although less so when considered per capita. Waste has been a focus of programs in the office. Further attention to be given in FY24.

25. Hesperia commuting results compared to the national average - Census Day 2021 in Australia, 56.6% of people travelled to work in a private car, 4.5% took public transport and 3.2% rode a bike or walked.

Project Data

Renewables and Infrastructure

Photovoltaic systems installed on Hesperia's office and in Hesperia projects. Hesperia has not necessarily retained ownership of these systems, and many serve tenants directly.

Disclosure	Unit of measure	FY23	FY22	FY21
New photovoltaic (PV) systems (nameplate capacity added during reporting period)	kWp ²⁶	713.4	96	420
Total Hesperia fleet of photovoltaic (PV) systems (nameplate capacity - running total)	kWp	809.4	516	420
Battery energy storage systems (BESS). (total nameplate capacity)	kWh	67	0	0

Biodiversity and Urban Greening

Biodiversity and vegetation outcomes related to Hesperia projects.

Disclosure ²⁷	Unit of measure	FY23 ²⁸	FY22	FY21
Area revegetated	ha	0	808	1
Number of trees and shrubs planted	#	0	1,357,080	1,695

26. Kilowatts-peak (kWp) describes the nameplate rating of the system under Standard Testing Conditions (STC). Actual output varies throughout the day and with temperature, among other factors.

27. A lack of project data on this item means that the reporting is exclusively related to biodiverse planting on the nature-based carbon credits used to offset Hesperia's corporate carbon footprint and to achieve Net Zero in our projects. A focus on project biodiversity data is planned for the next period.

28. A major purchase of re-forestation-based carbon offsets was completed in FY22, resulting in a dramatic increase in these metrics. No further purchases were made in FY23.

Philanthropy Data

Tier 1: Company and Director Giving

These organisations benefit through monetary donations, contributing to the largest beneficiaries of our overall philanthropic commitments. Hesperia proudly maintained five corporate sponsorships and expanded its focus towards environmental initiatives, seeking opportunities to support organisations with sustainable practices and initiatives.

Disclosure	FY23	FY22	FY21
Environment	\$60,525	\$38,450	\$69,591
Health & mental health	\$56,532	\$115,607	\$117,884
Indigenous empowerment	\$15,700	\$20,000	\$1,000
Social disadvantage	\$20,500	\$19,800	\$27,592
Arts & culture / social vibrancy	\$212,216	\$153,720	\$136,350
Total giving (company and directors)	\$365,473	\$347,577	\$352,417
Change Year-on-year	+ 5.0%	-1%	-

Tier 2: Individual Giving (*Matched to Employees Donations*)

This category is targeted to smaller organisations of interest to employees and the company. These figures do not include private giving by employees.

Disclosure	FY23	FY22	FY21 ²⁹
Environment	\$574	-	-
Health & mental health	\$26,957	\$8,423	-
Social disadvantage	\$4,280	\$2,334	-
Arts & culture / social vibrancy	\$1000	-	-
Total giving (employees through Hesperia)	\$32,811	\$10,757	-
Year-on-year change	+205%	-	-

Tier 3: Project Giving

This category supports charities which Hesperia projects correlate to. In this reporting period it included the significant contribution of pro bono work for the WA Children's Hospice, committing a combined 45% of two employees time to the design, development and delivery of the project.

Disclosure	FY23	FY22	FY21
Health & mental health	\$550,000	-	-
Social disadvantage	\$10,000	\$12,500	-

29. Not Applicable: The staff matched giving program (Tier 2) was just being established in FY22 and is expected to continue to grow into the next reporting period.







Appendix B

Alignment to UN Sustainable
Development Goals

Alignment to UN Sustainable Development Goals

The private sector plays a significant role in resolving the world’s critical societal and environmental issues. There are big global challenges ahead, and by taking action and working towards the vision set out in the United Nations Sustainable Development Goals, we can deliver the outcomes in this “call to action” framework.

We have mapped our Sustainability Strategy 2021–2026 against the United Nations Sustainable Development Goals, of which six are most clearly aligned to our actions.

UN Sustainability Development Goal	Our Actions
 <p>Goal 7 Affordable and clean energy</p>	<ul style="list-style-type: none"> All projects targeting 100% renewable energy supply when Hesperia is managing the completed facility and therefore can control electricity purchasing. Business innovation: Empowered is Hesperia’s business unit to deliver 100% Renewable Energy to all Hesperia developments and to provide renewable energy services to the wider development industry.
 <p>Goal 9 Industry, innovation, and infrastructure</p>	<ul style="list-style-type: none"> Hesperia is working on creating industrial and logistics facilities that target high levels of sustainability performance including Net Zero carbon and ambitious sustainability ratings. Creation of new business streams to deliver sustainability outcomes will impact our industry broadly and long term. Collaborate on research work centered on our projects: partnership in the CRC for RACE2030. We are active in innovations around construction methods and materials. Hesperia fosters a test bed approach for innovation in themes such as housing, renewable energy, and materials.
 <p>Goal 11 Sustainable cities and communities</p>	<ul style="list-style-type: none"> Delivery of healthy and sustainable spaces that contribute to Perth’s growth and maturing as a vibrant, exciting city. Hesperia has been actively working with the State Government to guide development of housing solutions for the current housing crisis.
 <p>Goal 12 Responsible consumption and production</p>	<ul style="list-style-type: none"> Hesperia has a comprehensive procurement policy in place for operations. Projects are guided by Responsible Procurement Plans based on AS ISO 20400. Projects are considering recycled materials and renewable alternatives to traditional materials, including a research project to adapt low-carbon concrete (with high recycled content) for use in industrial floors with rigorous specification.
 <p>Goal 13 Climate action</p>	<ul style="list-style-type: none"> Hesperia is carbon neutral in our operations, with Climate Active certification in place continuously since 2021. Projects to be net-zero carbon - reducing carbon intensity through materials selection and innovation, and offsetting remaining emissions through projects that have positive co-benefits, particularly biodiversity outcomes. All projects serviced by 100% renewable energy. Hesperia is looking at developing high quality carbon farming projects, in collaboration with aboriginal groups that we have worked with before, to deliver high quality, biodiversity-based carbon offsets over the long term.
 <p>Goal 17 Partnership for the goals</p>	<ul style="list-style-type: none"> Hesperia taking an active, respected role in policy and debate on ecologically sustainable development. Hesperia is collaborating with academia and industry to create programs that set standards, change policy, and can involve the community directly in improving sustainability performance in WA. See the Memberships and Affiliations section.



Appendix C

Climate-Related
Disclosures

Climate-Related Disclosures

As a privately owned company, Hesperia is not currently obligated to formally disclose and report on climate-related risks and opportunities. Nevertheless, recognising the trend toward mandatory disclosure for publicly owned organisations, we aim to proactively prepare for any upcoming reporting requirements.

Anticipating the adoption in Australia of the International Sustainability Standards Board (ISSB) and the International Financial Reporting Standards (IFRS) S1 and S2, Hesperia has developed a three-year roadmap to ensure processes and reporting practices are aligned.

To effectively align to this new standard, we will employ the four core IFRS pillars to structure our reporting approach. The four pillars are:

Governance

Clearly defining the roles and reporting responsibilities of the Board, management, Executive Committee, and other management committees.

Strategy

Identifying climate-related risks and opportunities and assess their impact on Hesperia's strategy and decision-making processes.

Risk Management

Integrating climate-related risks and opportunities into the company's overarching risk management process.

Metrics & Targets

Considering the use of best practices in GHG accounting to establish measurable climate-related targets. This includes setting GHG reduction targets for both absolute and intensity measures across individual scopes.

By addressing these core pillars, Hesperia aims to enhance its readiness for mandatory reporting, aligning with the standards to meet our stakeholder expectations, increasing transparency on climate-related matters.

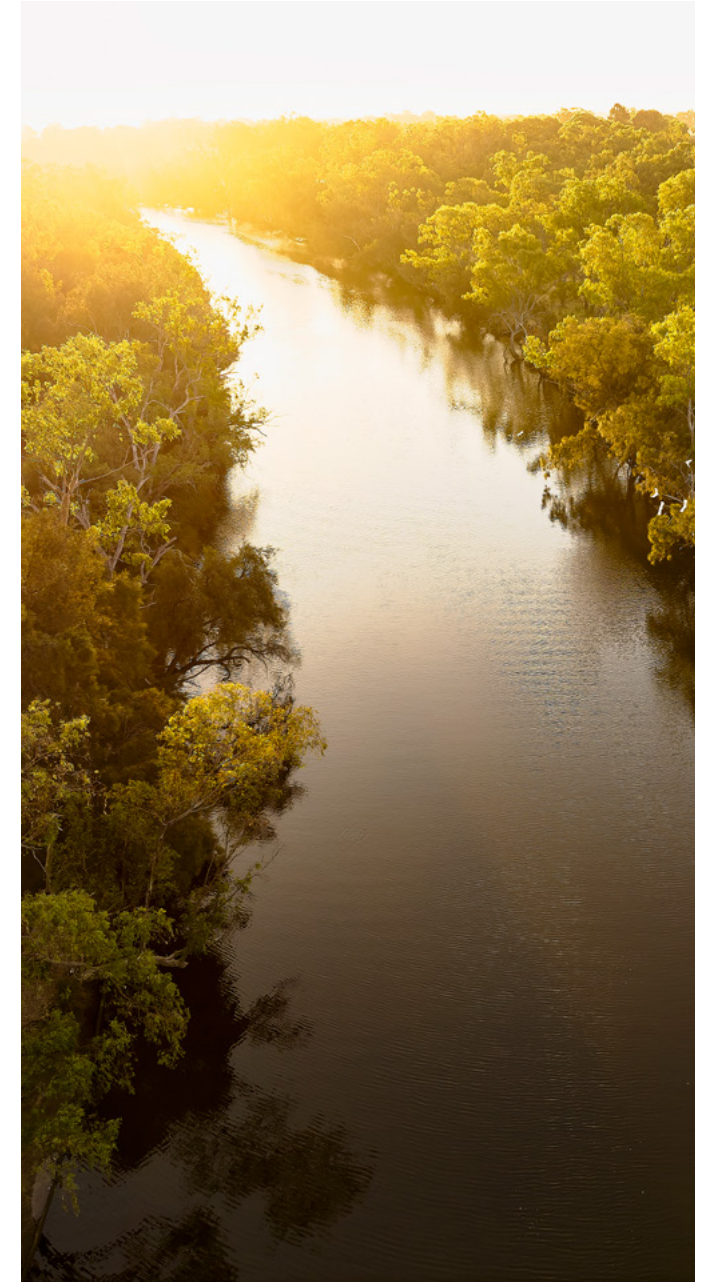


Table: Three-Year Reporting Roadmap

This year, we began implementing the roadmap with the ‘planning’ activities. The key outcome of this phase was the development of a preliminary risk management analysis.

	Year 1: Planning (FY23)	Year 2: Data Collecting and Analysis (FY24)	Year 3: Ready for Reporting (FY25)
Planned Activities	<ul style="list-style-type: none"> Research and review ISSB reporting standards. Conduct preliminary analysis to identify sustainability-related risks and opportunities. Establish indicators and data collection processes. Identify roles and responsibilities for tasks and decisions. 	<ul style="list-style-type: none"> Collect and analyse data on identified indicators. Establish key performance indicators to track progress. Develop internal systems for monitoring and managing risks and opportunities. Conduct initial internal reporting and assessments. 	<ul style="list-style-type: none"> Seek independent external support to perform in depth scenario analysis. Engage stakeholders and gather feedback on risks and opportunities. Assign responsibility for actions in response to risks and to maintain continuous improvement.
Key Outcomes	<ul style="list-style-type: none"> Preliminary analysis to identify significant sustainability-related risks and opportunities. Include aligned reporting in the annual Hesperia Sustainability Performance Report. 	<ul style="list-style-type: none"> Structure for risk assessment and data collection in place. Include aligned reporting in the annual Hesperia Sustainability Performance Report. 	<ul style="list-style-type: none"> Publish first formal ISSB report (pending detailed requirements being adopted and published in Australia). Develop continuous improvement processes and procedures.

Risk Management Analysis

The preliminary risk management analysis aims to identify significant sustainability-related physical risks, transition risks, and opportunities across the organisation.

In its simplest articulation, the reporting framework requires addressing relevant metrics, outlining the governance structure in place, and a review of climate change risks and opportunities. Hesperia’s annual Sustainability Performance Report details the metrics and governance aspects. The assessment of risks and opportunities follows.

Table: Physical Risks

Physical risks are defined as those arising from the direct impacts of climate-related events and changes in weather patterns. The key risks Hesperia is focused on addressing include:

Risk Identified	Likelihood	Impact	Response
Extreme weather events may damage Hesperia assets	Medium	Medium	Climate Adaptation Plan developed as a standard part of the Hesperia project lifecycle from 2023.
Performance of assets	High	Medium	From 2023 Hesperia design teams are to respond RCP 4.5, 6 and 8.5). ³⁰
Water management and supply	Medium	Low	From 2023 Hesperia projects are preferencing drought tolerant native species using alternative water sources if practical.

30. Representative Concentration Pathways (RCPs) (cawcr.gov.au)

Table: Transition Risks

Transition risks are associated with the process of transitioning to a low-carbon and more sustainable economy. The key risks Hesperia is focused on addressing include:

Risk Identified	Likelihood	Impact	Response
Regulation and greenhouse gas targets strand Hesperia assets that do not meet new requirements.	Medium	High	Project Sustainability Process to meet benchmarks and operational performance well above BAU.
Carbon and biodiversity offsetting becomes mandatory.	High	Medium	Hesperia is reviewing carbon and biodiversity planting programs to secure a stable supply of offsets that a genuinely restorative.
The cost of energy increases significantly due to punitive levies on carbon intensity.	Medium	Medium	Hesperia will seek to purchase and produce renewably sourced electricity in-house.
Circular economy regulation.	Low	Low	Hesperia has begun identifying opportunities to address resource recovery and waste responsibly.
Supply chain costs.	High	Medium	Hesperia will ensure that the supply options are diversified.

Table: Opportunities

These opportunities for Hesperia will emerge from climate change and the implementation of sustainable practices.

Opportunity Identified	Details	Response
Biodiversity restoration is urgently required.	Humans depend on a healthy ecosystem. Restoring healthy ecosystems requires resources but could be commercially sustainable.	Hesperia is investigating carbon and biodiversity planting projects as investment opportunities.
The community and authorities are demanding better buildings.	Performance of Australia's building stock is much lower than regulated minimums should dictate.	Hesperia can create a point of difference with future proofed, better buildings with sustainability certifications.
Renewable energy	The energy system must be decarbonised, with fossil fuels being replaced by renewables, requiring energy storage to support the grid.	Hesperia's new business stream, Empowered, delivers 100% renewable energy solutions.

A photograph of three people working in a field of green plants. One person in a blue long-sleeved shirt is standing and leaning over, another person in a dark jacket and cap is kneeling on the left, and a third person in a dark t-shirt and glasses is kneeling on the right. They appear to be engaged in a field activity, possibly planting or weeding. The image is overlaid with a semi-transparent dark green filter.

Appendix D

Hesperia's Sustainability
Strategy 2021 – 2026

Hesperia’s Sustainability Strategy 2021 – 2026

While this Report takes an ESG approach to analysing sustainability performance at Hesperia, the engine that drives progress needs to provide practical goals and guidance that can be implemented in our work.

In 2021 Hesperia adopted its first 5-year Sustainability Strategy, guiding our work and operations through to 2026. The Strategy identified three key pillars that are strongly related but which progress in different ways: our company, our projects, and our business units.

This table provides an overview of Hesperia’s Sustainability Strategy and the key focus areas of the next 5 years.

5-Year Strategy	Our Company	Our Projects	Our Business Units
<p>Summary of Intent</p>	<ul style="list-style-type: none"> Our operations are to show leadership performance in sustainability and achieve all of the objectives that we expect our projects to achieve. Employees are involved and become the drivers of the strategy. A network is to be built to stay informed and contribute to sustainability in our industry. We are to report transparently on our performance and progress. 	<ul style="list-style-type: none"> Projects are to exceed a minimum level of sustainable design. Benchmarks where suitable to the project type are: Net Zero Upfront Carbon, 100% Renewable Energy and formally certified to 5 Star Green Star or EnviroDevelopment. Design and process inclusions are to address aspects including Aboriginal Reconciliation and biodiversity. Risk assessment for climate impacts and supply chain risks as standard. Transparent portfolio reporting to allow stakeholders to understand the level of sustainability performance. 	<ul style="list-style-type: none"> Capabilities developed to deliver on sustainability outcomes in our projects can be grown into self-sustaining business units. Hesperia’s philosophy is that commercially sustainable approaches are the best way to lock sustainable outcomes into the economy and drive the required transition. Vertical integration is an important aspect of this strategy, growing into the supply chain where efficiencies exist. Opportunities identified for attention have included carbon farming, resource recovery and renewable energy, which is the first to be implemented as a business unit.
<p>Year 1 – FY22</p>	<ul style="list-style-type: none"> Sustainability Strategy established and shared with employees. Operations achieve and are certified to recognised standards: B-Corp Certification achieved. Memberships with GBCA, MECLA, Bioregional. Reconciliation and Diversity committees start work. Two urban research papers collaborating with Curtin University published. 	<ul style="list-style-type: none"> Sustainability team working with project teams to agree benchmarks. Hesperia Project Sustainability Principles established. Sustainability ratings achieved on several projects: ABN building (5 Star Green Star), Sandvik (6 Star Green Star) and Rivermark (EnviroDevelopment 6-leaf). Training for employees on a range of sustainability topics. 	<ul style="list-style-type: none"> Sustainability Manager appointed and teams begins to form. Hesperia Renewable Energy Group formed: Empowered. Assembly of capability and collaborators to enable carbon and biodiversity project development. Review of opportunities to build a construction material recycling business around one of Hesperia’s projects and expand from there.

Hesperia's Sustainability Strategy 2021 – 2026 (Cont.)

5-Year Strategy	Our Company	Our Projects	Our Business Units
Year 2 – FY23	<ul style="list-style-type: none"> Corporate Social Responsibility Lead appointed. Carbon Neutral Organisation certified retrospectively back to 2020. Green Team committee re-launched and very active. Reflect RAP endorsed. Diversity training for staff. 	<ul style="list-style-type: none"> Project Sustainability Lead appointed. Project sustainability process integrated with the Hesperia project process. Carbon assessments continue. All projects adopt net zero strategies. Data gathering on current and legacy projects to complete carbon assessments. 	<ul style="list-style-type: none"> Representatives of each asset class and business unit appointed to The Green Team committee. First Empowered operated embedded network established at Victoria House, delivering 100% renewable energy to residential apartments cheaper than the Synergy tariff. Secured option to lease over site to develop utility-scale solar and storage project, near key electricity transmission infrastructure.
Years 3–5 Planned	<ul style="list-style-type: none"> Partnership with Cooperative Research Centre RACE (Reliable Affordable Clean Energy) 2030 to commence late 2023. Hesperia employees take increasing ownership of the company's corporate social responsibility performance. Complete requirements of Reflect RAP and go further to support genuine reconciliation in our work and community. Implement formal ISSB reporting. Hesperia to become established a hotbed workplace, supporting vulnerable and marginalised people into rewarding, lifelong work. 	<ul style="list-style-type: none"> Begin Net Zero reporting for all projects. Begin portfolio reporting through a (to be selected) platform such as GRESB. Hesperia project teams take increasing ownership of sustainability process. Responsible Procurement Plans govern project decisions. Widespread, frequent engagement of Aboriginal suppliers. All projects meeting an established sustainability standard. Hesperia projects host demonstrations of innovative materials and processes. 	<ul style="list-style-type: none"> Second Empowered operated 100% renewable energy embedded network to launch at Murdoch Square in 2023. The Renewable Energy Network model will apply to all suitable Hesperia developments. Empowered to continue developing utility-scale energy infrastructure projects to assist the State in its transition to renewable energy. Empowered to deliver solar maximiser energy storage into first residences in Rivermark estate. Carbon & Biodiversity project to be established that will begin delivering verified carbon reductions and positive biodiversity outcomes by the end of the decade.



Appendix E

Addressing Stakeholder
Input and Feedback

Addressing Stakeholder Input and Feedback

To enhance our understanding of our annual sustainability performance it's crucial for us to gain insights from external sources. To achieve this, we have actively sought external stakeholder reviews and feedback on our Sustainability Performance Report.

Overall, stakeholders agreed Hesperia will be viewed as committing meaningful resources to delivering its Sustainability Strategy and is making good progress on several of its targets.

Upon reviewing the feedback and recommendations, we have identified the following feedback as important for us to address. We intend to implement the recommendations as outlined below:

Stakeholders found...	Hesperia will...
Materiality assessment and the lack of prioritisation of material issues and the absence of stakeholder input on the assessment outcomes.	Refresh our Materiality Assessment during FY24, incorporating input from diverse groups including employees, clients, and investors, including seeking to prioritise resulting actions.
Lack of details about Hesperia's corporate ESG Governance and oversight.	Continue to embed the refreshed governance model into the organisation including clarifying our approach to ESG oversight.
Greenhouse gas emissions accounting that is not disclosed as robust/best practice and is limited to the corporate entity, when the most material impacts and highest stakeholder expectation are at the project level.	To date no projects have been completed to the extent necessary to finalise their reporting data. In FY24 we expect to have data from several projects and have structures in place to report on their performance including carbon impacts and Net Zero position.
The customised nature of metric disclosure data with lack of alignment with recognised frameworks.	As a private company, Hesperia is not currently required to formally disclose our greenhouse gas emissions. However, anticipating the growing trend of disclosure, we are actively preparing annual reports using available and easily verifiable data. As our processes mature, we will aim to align to an internationally recognised framework by our FY25 report.
Lack of clarity on when targets are aimed to be achieved, including more clarity on Hesperia's decarbonisation plan.	More details on timeframes for our targets will be in the scope of the updated Materiality Assessment.

Alongside the stakeholder review, we sought an assessment from climate reporting experts, Climate Clever. They conducted a comparative review of our corporate carbon disclosure sources to identify any gaps or areas for improvement compared to our peers. The review results indicate that our current disclosures are comprehensive. For additional details, refer to our annual Public Disclosure Documents on the Climate Active website. [Climate Active Hesperia Certification](#).

Disclaimer

This FY23 Sustainability Report has been prepared by Hesperia Property Pty Ltd. (ACN 641 894 340)

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Provide your feedback

We value and welcome your feedback.
Please click below to share your thoughts with us.

[FY23 Feedback Form \(click here\)](#).

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