



PROPERTY GROUP

2013

SUSTAINABILITY REPORT
well versed well timed well considered





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This document is issued by
Cromwell Property Group (ASX:CMW)
consisting of
Cromwell Corporation Limited
ABN 44 001 056 980 and
Cromwell Property Securities Limited
AFS 238052 ABN 11 079 147 809
as responsible entity for
Cromwell Diversified Property Trust
ARSN 102 982 598 ABN 30 074 537 051





SCOPE OF THIS REPORT

Report Scope and Boundary

This report covers Cromwell Property Group's economic, social and environmental activities for the year ended 30 June 2013. Cromwell reports on an annual financial year cycle, with the previous report dated 30 June 2012.

The content of the report has been collected and prepared for Cromwell Property Group ("Cromwell") and its managed property assets unless stated otherwise. The report is limited to assets and entities wholly-owned or managed by Cromwell until such time that relevant disclosures from other related party entities can be integrated into future reports. The impact of other entities related to Cromwell, but not included in this report, is not considered to be material. All assets and companies are managed and operated solely in Australia.

Application Level

Cromwell has applied the Global Reporting Initiative (GRI) G3.1 guidelines to the preparation of this report. Cromwell self declares that this report complies with Application Level C based on the extent of coverage of the GRI Reporting Framework.

The GRI Secretariat has issued a formal statement confirming that this Report is a self-declared Application Level C. To view the Statement and the GRI Content Index visit www.cromwell.com.au/sustainability

Audiences

The key target audiences for this report are internal and external stakeholders including employees, tenants, investors and the broader community.

Measurement

Cromwell reports on its economic performance in accordance with ASX Listing Rules and the Corporations Act. The measurement of the Cromwell-managed properties' emissions from electricity and gas consumption are derived from NABERS audits undertaken by independent accredited assessors. All other reporting adheres to the GRI Indicator Protocol. Details of measurement techniques and the basis of calculation are being reviewed and documented in Cromwell's ESG (Environmental, Social, Governance) Policy.

CONTACT US

Securityholder Enquiries

All enquiries and correspondence regarding securityholdings should be directed to Cromwell's registry provider:

Link Market Services Limited

Level 15, 324 Queen Street

Brisbane QLD 4000 AUSTRALIA

Phone: 1300 550 841

Outside Australia: +61 2 8280 7124

Fax: +61 2 9287 0303

Web: www.linkmarketservices.com.au

Email: cmw@linkmarketservices.com.au

Sustainability Enquiries

Enquiries relating to this Report should be directed to:

Sustainability Committee

Cromwell Property Group

Level 19, 200 Mary Street

Brisbane QLD 4000 AUSTRALIA

Email: sustainability@cromwell.com.au



CHAIRMAN'S LETTER



Geoffrey H Levy, AO

“...Cromwell has succeeded in achieving 5.5 Star energy ratings at our Synergy and Energex buildings reflecting our process of continual improvement...”

Cromwell strives to be a responsible investment and property manager by actively pursuing excellence in sustainability for the benefit of all our stakeholders.

For us, sustainability means managing economic, environmental, social and corporate governance (ESG) issues as a foundation for 'best-practice' business operation within Australia.

To reinforce our resolve, we have committed to transparent reporting of our activities with the adoption of the Global Reporting Initiative (GRI) guideline as the framework for reporting on the Group's ESG performance.

In doing so, sustainability remains a constant and visible consideration for management and ensures our efforts are measurable, accountable and enduring.

The main way that we can reduce the impact of our operations upon

the environment is by making our properties more energy and water efficient.

This is principally measured through the National Australian Built Environment Rating System (NABERS), which was recently revised to increase the maximum star rating from 5 stars to 6, with 6 stars representing a further 40% emission reduction over the previous 5-star rating.

Subsequently, Cromwell has succeeded in achieving 5.5 Star energy ratings at our Synergy and Energex buildings reflecting our process of continual improvement which has seen our NABERS ratings across the portfolio steadily improve from 2008 through to 2013.

New targets for the coming financial year have been set for energy and water efficiency for our commercial office properties. These will be tracked and reported against by the property and facilities teams.



“This year’s Securityholder Engagement Survey identified significant improvement in the general perception of Cromwell and of the Board, with the 14 point jump the most significant since 2010.”

Symantec Building: Sydney, NSW



Qantas Headquarters, Mascot, NSW



Crown Street: Wollongong, NSW

Cromwell continues to support the communities in which we operate. This year we joined the ATO Box Hill building development team to sponsor Kids Under Cover; a not-for-profit organisation that works to prevent youth homelessness by building homes and providing scholarships and mentors for homeless and at-risk young people.

Of course, any discussion of our social responsibility cannot ignore the way that we treat our investors. This year’s Securityholder Engagement Survey identified significant improvement in the general perception of Cromwell and of the Board, with the 14 point jump the most significant since 2010.

On a financial level, in the 2013 financial year, we continued our strategy of working to improve our portfolio both through acquisition and refurbishment, while remaining consistent with the requirements of a disciplined approach to capital management.

Adherence to this strategy allowed us to more than double Cromwell’s market capitalisation this year, reaching \$1.67 billion at June 2013 and making Cromwell the 105th largest company listed on the ASX. This was partly achieved through \$444 million in capital raisings which brought many new institutional investors onto our register and greatly improved our liquidity.

The increased size and scale of the business, combined with a larger spread of institutional securityholders facilitated our inclusion into the S&P/ASX300 in March 2013. Subsequent to the end of the financial year we have also been included in the benchmark S&P/ASX 200 Index.

The security price increased from \$0.67 at June 2012 to \$0.975 at June 2013 as the market came to appreciate the value of a company with the potential to grow both earnings and distributions. Distributions paid for

the year were 7.25 cents up from 7.00 cents in 2012. This represents a growth in distributions per security of 3.6% in 2013.

The key acquisitions on our balance sheet were the portfolio of seven office assets purchased from the NSW Government for \$405 million, and two Brisbane CBD office towers acquired for \$65 million.

Our funds management business also hit new heights during the year, more than tripling our unlisted fund raisings from \$61 million in the 2012 financial year to \$258 million in 2013.

I hope you find this report useful and look forward to receiving your feedback.

Geoffrey H Levy, AO
Chairman

ABOUT US

BUSINESS OVERVIEW

We have a track record of delivering superior long-term performance through a disciplined and diligent approach to managing property and our investors' funds.

Cromwell Property Group is one of Australia's leading property investment and funds management groups. We are in the S&P/ASX 200¹ with a property investment portfolio valued at \$2.4 billion and a thriving funds management business.

Cromwell targets a three year annualised total return of 11% from a core investment portfolio leased predominately to Government and blue chip corporate tenants.

Our focus on Australia with its stable, well managed economy, has allowed us to continue growing our business and deliver strong returns while the rest of the world has struggled with volatility and stagnation.

Cromwell's concentration in Australia enables it to provide a full suite of property related services including deal sourcing, due diligence, property management, leasing and asset enhancement.

As a fund manager, Cromwell has acted as responsible entity for more than 20 managed investment products on behalf of thousands of Australian investors.

Cromwell employs over 100 staff throughout New South Wales, Victoria, Queensland, South Australia and the ACT and utilises the services of hundreds of contractors and suppliers throughout Australia in the delivery of its products and services.

Key Features

- Security price of \$0.98 at 28 June 2013 (last trading day of FY13)
- Represents approximately 7.6% pa yield on distribution guidance for FY14 of 7.50 cents per security²
- Market Capitalisation of \$1.688 billion
 - Equity \$795.9 million (47%)
 - Debt \$891.7 million (53%)
- Australian focus. No exposure to offshore markets
- Defensive portfolio with strong cash flow
- All debt facilities with major banks, with 94% of interest costs hedged for FY14
- Experienced and stable executive team
- Approximately 95% of earnings from property portfolio

Cromwell's internal property management model is one of the Group's key competitive advantages. The property team delivers the strategic management plan for each asset, ensuring that tenants are happy, space is leased, buildings are operating efficiently and projects are delivered on time and on budget.

By keeping these functions in-house, Cromwell ensures that assets are managed in accordance with the interests of investors and to the expectations of tenants.

Cromwell's experience and approach to commercial asset management places us at the forefront of the industry and the internalised model creates a seamless link between investors, properties and tenants.

Our focus is to constantly improve tenant satisfaction, property income returns and capital value.

1. Cromwell Property Group entered the S&P/ASX 300 in March 2013 and the S&P/ASX 200 in September 2013 (post-reporting period)

2. Based on security price of \$0.98 at 28 June 2013

FOCUS ON PERFORMANCE¹

Cromwell's focus is on delivering superior long term property and investment performance.

Returns to securityholders are measured by comparing Cromwell to the S&P/ASX A-REIT 300 Accumulation Index. This index is considered to be an appropriate benchmark as it broadly captures the total return performance of all major A-REITs, weighted by market capitalisation.

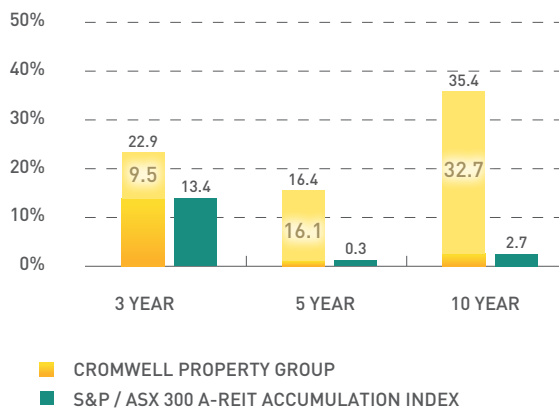
Cromwell aims to outperform this index over rolling 3 and 5 year periods reflecting Cromwell's focus on returns over the medium to long term.

Cromwell has significantly outperformed the index, with benchmarking returns of 9.5% pa over 3 years and 16.1% pa over 5 years.

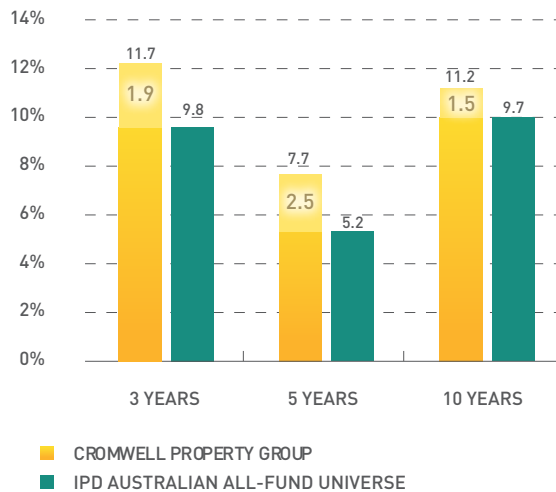
Cromwell's effectiveness as a property manager is measured by comparing total annual returns from all Cromwell managed properties against the IPD Australian All-Fund Universe. This benchmark is considered appropriate because it measures total returns from a \$217 billion portfolio of investment properties managed by over 74 managers including the majority of larger A-REITs and property fund managers.

Cromwell aims to outperform this index over rolling 3, 5 and 10 years and has successfully done so with excess annualised returns of 1.9%, 2.5% and 1.5% respectively.

TOTAL SECURITYHOLDER RETURNS to June 2013 (annualised)



DIRECT PROPERTY RETURNS to March 2013 (annualised)



1. Past performance is no indication of future performance

MILESTONES

Cromwell's flagship Cromwell Diversified Property Trust (DPT) expanded significantly, purchasing 12 properties

2004

Cromwell sold 5 properties for a combined \$260 million at the peak of the market

2007

1998

Cromwell Corporation Limited was recapitalised as a property funds management business

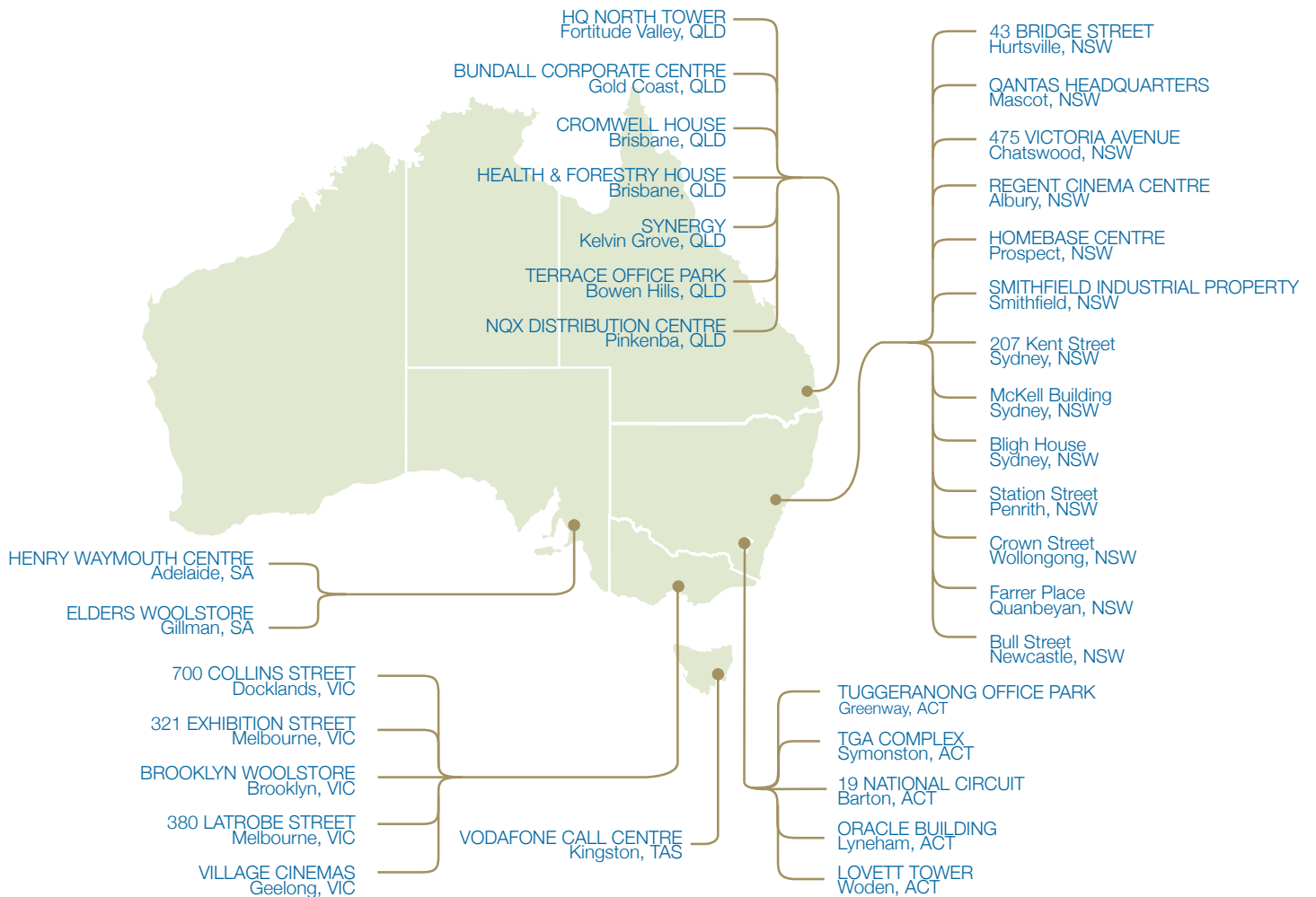
2006

The DPT was merged with 5 smaller unlisted property trusts and stapled to Cromwell Corporation Limited creating Cromwell Property Group

2008

Cromwell purchased Tuggeranong Office Park for \$166 million and launched a Property Securities Fund

OUR PROPERTIES



Cromwell completed a \$91 million raising for the unlisted Cromwell Riverpark Trust

2009

Acquired \$250 million additional assets, launched new unlisted fund and was awarded Fund Manager of the Year (Australian Property Securities) by Money Management / Lonsec

2011

Entered the S&P/ASX 200 Index¹, acquired \$470 million additional assets and raised in excess of \$258 million across three unlisted funds

2013

2010

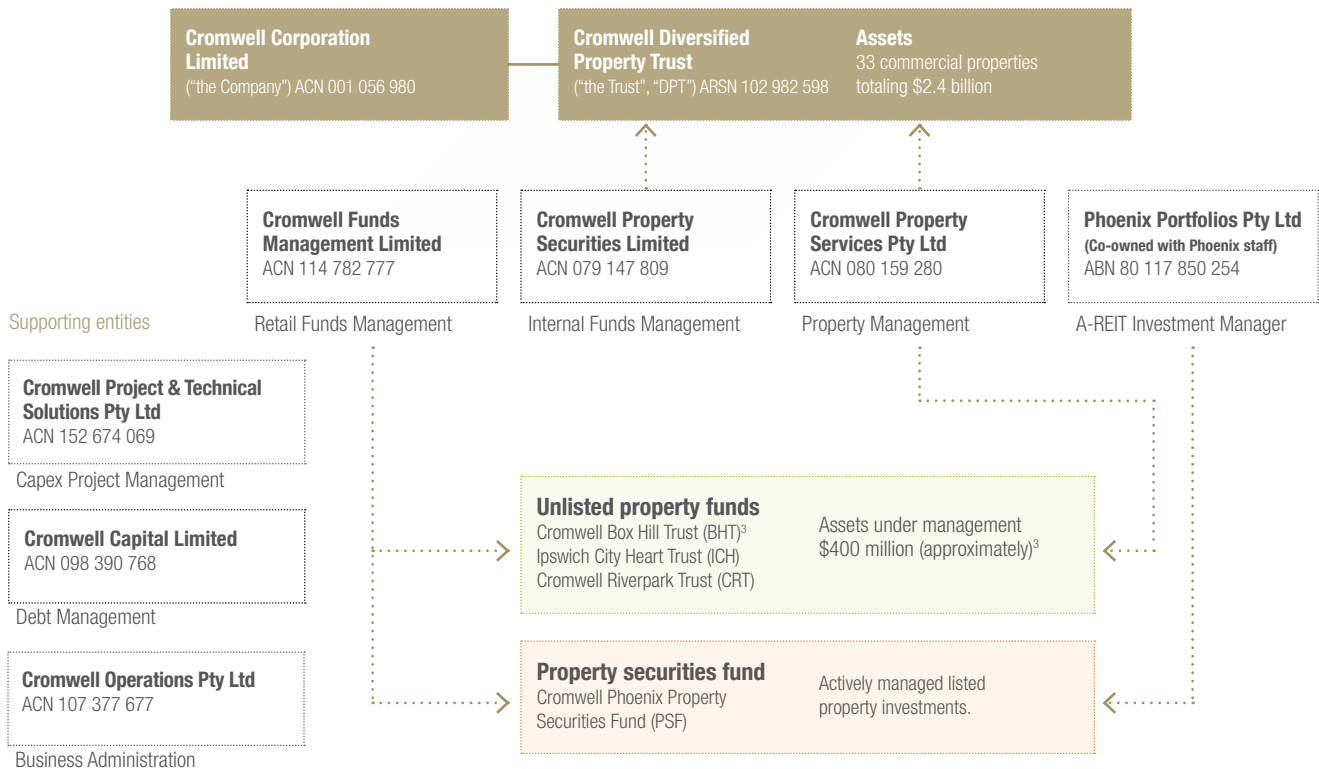
Cromwell completed a capital raising and acquired Qantas Headquarters for \$143 million

2012

Acquired close to \$250 million in new assets, completed a \$50 million unlisted fund raising and a \$163 million institutional equity raising

ORGANISATIONAL STRUCTURE²

Cromwell Property Group (ASX: CMW)



1. Cromwell Property Group entered the S&P/ASX 300 in March 2013 and the S&P/ASX 200 in September 2013 (post-reporting period).

2. Units in the DPT are issued by Cromwell Property Securities Limited AFS 238052, ABN 11 079 147 809 ("CPS"). Units in the BHT, ICH, CRT and PSF are issued by Cromwell Funds Management Limited AFS 333214, ABN 63 114 782 777 ("CFM"). DPT is part of the listed Cromwell Property Group (ASX: CMW). The BHT, ICH and CRT are closed to new investments. An investment in the PSF can only be made on an application form accompanying the Product Disclosure Statement ("PDS"). Investors should consider the PDS when making a decision about whether to acquire, or continue to hold, units in the PSF. The PDS is available from www.cromwell.com.au or by calling 1300 276 693.

This document has been prepared without taking into account your objectives, financial situation or needs. Therefore, in deciding whether to acquire or continue to hold an investment, you should consider the relevant offer document available from us and assess, with or without your financial adviser, whether the product fits your objectives, financial situation or needs. Past performance is not indicative of future performance. Certain statements in this document are also forward-looking and are not guarantees of future performance. Actual results could differ materially from those expressed. CFM does receive fees for the PSF, CRT and ICH as set out in their respective PDSs. CPS does not receive any fees in relation to this document or as responsible entity of the DPT.

3. BHT asset is under construction. Value is based on "as if complete" valuation.

OUR APPROACH



Geoffrey H Levy, AO
NON-EXECUTIVE CHAIRMAN

Solicitor of the Supreme Court of NSW
Fellow of the Financial Services Institute of Australasia
Fellow of the Australian Institute of Company Directors



Paul Weightman
MANAGING DIRECTOR / CEO

Solicitor of the Supreme Court of Qld



Daryl Wilson
DIRECTOR – FINANCE & FUNDS MANAGEMENT

Member of the Institute of Chartered Accountants
Member of the Australian Institute of Company Directors



Robert Pullar
NON-EXECUTIVE DIRECTOR

Member of the Institute of Chartered Accountants
Fellow of the Australian Institute of Company Directors



Michelle Mckellar
NON-EXECUTIVE DIRECTOR

Senior Member of the Property and Land Economy Institute
Member of the Australian Institute of Company Directors



Michael Watters
NON-EXECUTIVE DIRECTOR



Richard Foster
NON-EXECUTIVE DIRECTOR



Marc Wainer
NON-EXECUTIVE DIRECTOR



David Usasz
NON-EXECUTIVE DIRECTOR

Fellow of the Institute of Chartered Accountants



Nicole Riettmuller
COMPANY SECRETARY

Solicitor of the Supreme Court of Qld & NSW
Member of Company Secretaries Association

MANAGEMENT AND ITS APPROACH

With the majority of Cromwell's income derived from recurring commercial office property income, the Group is essentially a conservative A-REIT. Despite pursuing portfolio enhancement opportunities by actively managing its assets, and growth opportunities through its funds management activities, Cromwell's approach is risk averse in nature.

In relation to sustainability issues, the executive team takes a continual improvement approach, embedding social responsibility, sustainability and resource management best practice into our operations at all levels and reviewing policy and outcomes regularly.

Cromwell's Sustainability Committee steers our commitment to Environmental, Social and Corporate Governance (ESG) reporting and has representatives from each area of the business. The Committee meets regularly and has been given authority to set and review the Group's sustainability objectives, reporting to the Board.

Cromwell is committed to demonstrating leadership in sustainability.

We also seek to influence our stakeholders - especially tenants and suppliers - to adopt sustainable practices.

Cromwell regularly makes substantial investments in the sustainability of its property assets in the knowledge that this will help the assets meet market demand while enhancing their value.

To reinforce Cromwell's resolve, we have committed to transparent reporting of our activities, which will ensure sustainability remains a constant and visible consideration for management. It will also help us to objectively measure our progress.

Cromwell has had no legal actions brought against it for anti-competitive behaviour, anti-trust or monopoly practices. Cromwell prides itself on its integrity in the marketplace.

Cromwell is committed to demonstrating leadership in sustainability.

CORPORATE GOVERNANCE

The Board of Cromwell Property Group has embraced the ASX Corporate Governance Principles & Recommendations. As a result, best practice corporate governance practices have been introduced at all levels of the organisation which is in keeping with today's securityholder expectations.

To assist with adherence to the ASX Principles, the Board has formally established several Board Committees and written Charters for the Board and those Committees (for example, the Board Charter, Audit & Risk Committee Charter and Nomination & Remuneration Committee Charter).

The Board has also approved a number of policy statements (for example, a Code of Conduct, Market Disclosure Protocol and Conflict of Interest Policy).

As a financial services licensee and responsible entity, Cromwell Property Securities Limited has a robust compliance regime, including a Compliance Committee comprised of a majority of external members which is overseen by the Board. Day to day responsibility for compliance monitoring rests with the Compliance Manager, supervised by the General Counsel / Company Secretary.

Cromwell adopts the ASX Corporate Governance Principles & Recommendations when defining the term 'independent' in relation to directors. A 'non-executive' director is a director who is not involved in the day-to-day management of Cromwell Property Group.

PRODUCT RESPONSIBILITY

The products and services provided by Cromwell, being property investment products and property management services, are managed in accordance with the Group's risk management framework.

Cromwell does not provide products or services that are banned in the market it operates in, nor are its products and services subject to public debate.

OH&S is a key component of the property management services offered. Throughout the lifecycle of each building owned by Cromwell, OH&S is assessed. The property management team maintain OH&S and incident registers and complete a thorough risk analysis in accordance with the Board approved risk management framework. Compliance with these policies is monitored by senior managers in the property team.

Cromwell delivers its relationship management strategy through the property management team. Tenants benefit from having a direct line of communication with Cromwell's property management team and investors are serviced by the Group's investor/adviser service team.

All Cromwell investment products must adhere to strict disclosure and marketing protocols as required by the Corporations Act, the Australian Securities and Investments Commission and the Australian Securities Exchange Listing Rules. Cromwell has detailed procedures in place to ensure compliance with these requirements. In addition, all disclosure and marketing documents require legal sign-off prior to release. The Legal and Compliance team conducts quarterly reviews to ensure the procedures are followed.

It is thanks to this diligent approach to Cromwell's customer service responsibilities that there were no fines for non-compliance with laws and regulations concerning the provision of products and services in 2013.

FEEDBACK

The Board values feedback from its stakeholders. Staff are able to provide feedback via internal management channels and confidential employee surveys.

More formal mechanisms are in place for the Board to take feedback from securityholders including a complaints handling policy, statutory meetings (for example the Annual General Meeting) and an annual securityholder survey. The Board also receives monthly investor relations reports.

If you have feedback or comments for the Board, please write to:

Company Secretary

Cromwell Property Group
PO Box 1093
Brisbane QLD 4001

Feedback or comments relating to investments and funds management should be directed to:

Investor Relations

Phone: 1300 276 693
Email: invest@cromwell.com.au

Feedback or comments relating to tenancy, leasing and property management should be directed to:

Property Services

Phone: 1800 005 657
Email: property@cromwell.com.au

BENCHMARKING OUR PERFORMANCE

In addition to internally measuring our performance on a continuous basis we look to external benchmarks for an independent assessment of our performance against our competitors in the property industry.

In 2013 we used the following indices and rating systems:

Building Sustainability

- NABERS (the National Australian Built Environment Rating System) is a performance-based rating system for existing buildings. NABERS rates a commercial office, hotel or residential building on the basis of its measured operational impacts on the environment and provides a simple indication of how well we are managing these environmental impacts compared with our peers.
- Green Star is a comprehensive, national, voluntary environmental rating system that evaluates the environmental design and construction of buildings. Green Star is managed by the Green Building Council of Australia.
- Commercial Building Disclosure Act is a national program designed to improve the energy efficiency of Australia's largest office buildings.

Investment Performance

- Cromwell benchmarks its portfolio against the PCA/IPD All Fund Universe (excl. Super & Major Regional Shopping Centres). PCA/IPD direct property indices are the benchmark series for commercial property performance in Australia, based on the performance of over 1,600 commercial properties.
- The S&P/ASX 300 A-REIT Accumulation Index is a sharemarket index managed by international ratings agency Standard & Poor's. Cromwell uses this to benchmark its performance against a group of other listed real estate investment trusts.

Corporate Social Responsibility

- The Global Reporting Initiative (GRI) sets out the principles and indicators that organisations can use to measure and report their economic, environmental, and social performance. The cornerstone of the framework is the Sustainability Reporting Guidelines. Version 3.1 of the Guidelines was published in 2011 and has been adopted by Cromwell.

MEMBERSHIPS

Cromwell holds corporate membership in the following industry and governing bodies:

As the leading advocate for Australia's property industry, the **Property Council of Australia (PCA)** provides Cromwell with a range of high value member services including education and professional development, networking and market-making opportunities, gateways to international networks and markets, management and benchmarking tools, market intelligence and a showcase for industry excellence.



The **Facility Management Association of Australia (FMA)** is the professional membership body which represents facility managers in Australia. The efficient and professional management of Cromwell's portfolio by our Facilities Management team is essential to delivering long term value to investors. Through our membership of the FMA and our active engagement of the Association's services Cromwell is better able to manage assets in the interests of investors.



Cromwell is member of the **Responsible Investment Association Australasia (RIAA)** and has investment products certified under their Responsible Investment Certification Program. The RIAA is the peak industry body for professionals working in responsible investment in Australia and New Zealand and helps Cromwell learn more about making investment choices that take environmental, social, ethical and governance issues into account as well as financial objectives.



SUPPLY CHAIN

Cromwell is committed to supporting local businesses and residents by buying and hiring locally. In 2013, less than 1% of Cromwell's suppliers were overseas based. Cromwell aims to have local suppliers tender for greater than 95% of contracts.

All of Cromwell's building contractors are required to complete induction programmes and are regularly assessed to ensure our supply chain supports our social and environmental objectives, while adhering to OH&S expectations.

Cromwell recruits staff from the local labour market wherever possible and this is reflected in the fact that only one of our current employees has been sourced from outside the local labour market. All of our senior managers have been sourced from within Australia.

"Senior manager" includes the employment categories of "Executive" and "Manager" as shown on pages 30 and 31 of this Report.

RESPONSIBLE INVESTMENT SERIES

The environmental performance of our buildings is an important part of our property management strategy and so seeing this consideration flow through to the investment vehicles was a natural progression. Cromwell has demonstrated that sustainability can be a pathway to profitability at an asset level and we look forward to demonstrating that the same is true for investors in commercial property funds.



Cromwell has adopted a series of ESG based criteria against which potential direct property investments, and the investment vehicles through which that property will be held, can be judged.



CERTIFIED BY RIAA

If the criteria are met, and the investment vehicle acquires the relevant property, the investment vehicle will become part of the Cromwell Responsible Investment Series ("CRIS").

CRIS investment products are submitted to the Responsible Investment Australasian Association (RIAA) to be considered for classification as Certified Responsible Investments.

The following Cromwell-managed unlisted property trust's were registered by the RIAA in the 2013 financial year:

- Cromwell Ipswich City Heart Trust (September 2012)
- Cromwell Box Hill Trust (April 2013)

Both products provide investors with exposure to a single property asset. Each of the buildings are currently under construction and are targeting Five Star Green Star Office Design and As Built ratings under the Green Building Council of Australia Green Star – Office Version 3 rating tool. Under the rating tool, Five Stars signifies 'Australian Excellence' in environmentally sustainable design and construction.

AWARDS IN 2013

During the year, Cromwell and its staff were recognised by the industry with awards for excellence in both funds management and facilities management.

The Cromwell Phoenix Property Securities Fund won the Money Management/Lonsec Fund Manager of the Year Award for Australian property securities for the third year in a row and also won the Money magazine award for Best Property Securities Fund.



Finalists for the Money Management/Lonsec award are selected based on returns for the calendar year as well as a qualitative analysis 'momentum' score that took into consideration process enhancements, team stability, management of funds under management capacity and risk management.



The awards are just the latest for the Fund's achievements, having also been given the highest possible rating by two leading research firms in Australia: Zenith Investment Partners and Lonsec Research.

In the same period, Cromwell's National Facilities Manager Brad Collins was recognised for his contribution to the industry, taking the top prize at the Facilities Management Association of Australia (FMA) gala awards night.

The Facilities Management Industry Awards for Excellence highlight the achievements of those who have contributed to designing, creating and managing the offices and buildings of Australia.

Mr Collins was presented his Facilities Manager of the Year Award by FMA Chief Executive Officer Nicholas Burt, who praised his exemplary work, vision and passion.

LEFT TO RIGHT: Steve Taylor (previous FMA Chairman), Chris Hunt (current FMA Chairman), award recipient Brad Collins (Cromwell Property Group) and Nic Burt (FMA CEO).



MATERIALITY

KEY STAKEHOLDERS

Cromwell has determined the following stakeholders to be those most impacted by Cromwell's operation and performance. At several levels, Cromwell engages with these stakeholders throughout the year to garner their expectations of Cromwell economically, socially and environmentally.

Stakeholders	Engagement
<p>Cromwell Securityholders</p> <p>We run a profitable and financially prudent business with best practice corporate governance.</p>	<p>Cromwell conducts an annual Securityholder Engagement Survey to ensure the goals, objectives and conduct of the Group are in line with the expectations of securityholders. The survey is also used to gauge our performance relative to our peers.</p>
<p>Cromwell Investors</p> <p>We offer a range of property investment products to meet the needs of the Australian investment community.</p>	<p>Through a professional network of dealer groups, investment platforms, financial advisers and direct retail investors, Cromwell benefits from significant insights into the expectations of Australian investors. Investors in Cromwell-managed funds also receive quarterly reports to keep them up to date with the progress of their investments.</p>
<p>Tenants</p> <p>We manage safe, efficient and comfortable workplaces that meet the needs of a wide variety of businesses.</p>	<p>Cromwell is particularly accessible to tenants, with dedicated property and facility managers, to ensure issues are addressed quickly. In 2012 as part of the materiality assessment for this Report, focus groups were conducted to record the expectation of tenants.</p>
<p>Employees</p> <p>Employees are central to the success of our business, so we strive to foster a culture that enhances employee satisfaction, wellbeing and professional development.</p>	<p>Proactive engagement ranges from a Employee Engagement Survey, Sustainability Survey and formal management structures such as performance reviews, monthly all-group meetings and internal surveys, through to informal activities including fundraising, sporting events, health initiatives and social functions.</p>
<p>Community</p> <p>We are committed to contributing to the communities in which we operate.</p>	<p>Cromwell supports several charities and sporting groups, in the belief that these play a vital role in building stronger communities. To promote staff involvement in charity work, Cromwell has established a paid Employee Volunteer Program.</p>
<p>Service Providers</p> <p>To successfully deliver high quality products and service, we partner with various business to support our operations.</p>	<p>Contracts and service provisions are reviewed regularly. The relationship between Cromwell's accounts payable and the accounts departments of our service providers has benefited from recent improvements to the accounting systems used at Cromwell.</p>
<p>Regulators</p> <p>Cromwell operates in a highly regulated industry and prides itself on best practice corporate governance and compliance.</p>	<p>Relationship with the regulators is managed at the highest level; starting at a board level, compliance committee and flowing through to senior executives responsible for the operation of the business.</p>
<p>Environment</p> <p>The environment as a stakeholder benefits from initiatives undertaken to reduce the use of resources.</p>	<p>Cromwell has created several programs to help staff reduce the use of water, waste and electricity. However, a greater result is achieved through Cromwell's management of the environmental impact of its property portfolio and encouragement of suppliers and tenants to pursue environmental improvement.</p>

Securityholder Engagement Outcomes

This year's Securityholder Engagement Survey identified significant improvement in the general perception of Cromwell and of the Board compared to last year, with the 14 point jump the most significant since 2010. Furthermore, the increase in satisfaction with communications might have contributed to the sizeable lift in Cromwell being recognised as 'property experts'.

Confidence in senior management has declined slightly during 2012 in absolute percentage terms. This is due to Securityholders being less focused on management in 2013, although respondents' view of the performance of management this year (85%) remains well above the baseline of 78% in 2009.

Internal Sustainability Survey

In 2013 Cromwell conducted its second Internal Sustainability Survey. The survey showed substantial improvements, including a 20% increase in employees who felt that Cromwell was Very Effective at encouraging sustainable behaviour.

The survey highlighted the success of Cromwell's Sustainability Week initiative introduced in 2013. The goal of the week was to highlight the efforts that Cromwell makes to be a sustainable company.

Following the week, there was a 44% increase in the number of employees reporting that Cromwell had encouraged them to participate in sustainability initiatives, with 89% responding positively.

More than 90% of employees said that Cromwell had actively encouraged sustainable behaviour in waste and recycling and 60% in energy use, both representing a substantial increase on the previous year.

MATERIALITY ASSESSMENT

The following materiality assessment of Cromwell's key stakeholders was introduced in 2012 to identify if there were any inter-related GRI aspects considered material to several groups influenced by Cromwell's business.

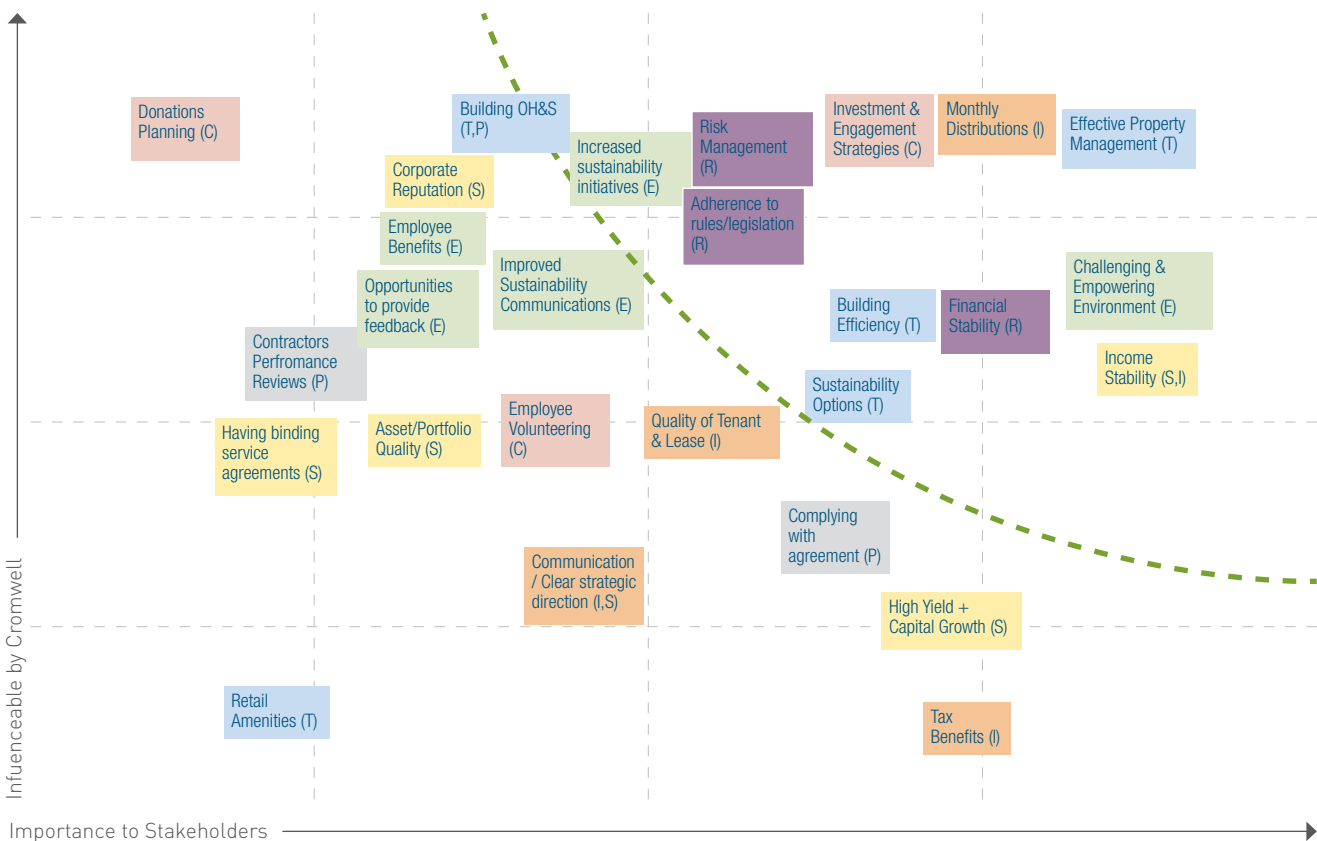
This exercise provides a holistic view of the company's context and helps to identify which issues are most frequently raised, assess their relative importance and elaborated on these issues in the report.

Below is a summary of the materiality map created from various consultations, interviews and surveys with stakeholders.

Core material issues to Cromwell stakeholders:

5 themes which were common to several Stakeholders when considering Cromwell's business included:

- Risk Management & Compliance
- Financial Performance
- Property Management & Performance
- Community Engagement
- Sustainability Initiatives



Materiality Assessments were conducted for the following Stakeholders:

- Securityholders (S)
- Investors (I)
- Tenants (T)
- Employees (E)
- Community (C)
- Service Providers (P)
- Regulators (R)

PERFORMANCE HIGHLIGHTS

FY13 HIGHLIGHTS

- Record operating profit of \$102.4 million or 7.6 cents per security (cps), up 28%
- Distributions up 3.6% to 7.25 cps
- Statutory profit of \$46.2 million, an increase of 100%
- Increase in like-for-like property income of 2.8%
- Funds management contribution increased to \$5.8 million
- External assets under management up 19% to \$749 million

Financial Results Summary

	FY09	FY10	FY11	FY12	FY13	Change
Statutory profit/(loss) (\$'000)	(113,511)	19,053	88,102	23,077	46,156	100%
Statutory profit/(loss) (cents per security)	(16.1)	2.5	9.6	2.16	3.44	59%
Property Investment	63,236	65,482	65,936	80,425	97,172	21%
Funds Management	3,183	2,920	180	223	5,754	2,480%
Development	(2,658)	(3,772)	(819)	(638)	(515)	19%
Operating profit (\$'000)¹	63,761	64,630	65,297	80,010	102,411	28%
Operating profit (cents per security)	9.1	8.5	7.1	7.48	7.63	2%
Distributions (\$'000)	63,277	60,618	64,988	75,019	97,448¹	30%
Distributions (cents per security)	9.0	8.0	7.0	7.0	7.25	4%
Payout Ratio (%)	99%	94%	99%	94%	95%	2%

1. Excludes \$4.2 million of distributions above pro rata entitlement attributable to equity raisings

FINANCIAL POSITION STRENGTHENED

- Net tangible assets (NTA) per security increased from \$0.67 to \$0.70
- Issued 544 million new securities at an average price of \$0.90
- Gearing reduced from 51% to 46%, within target range of 35-55%
- Largest debt facility extended to January 2016 at reduced cost
- No debt maturities until December 2014
- \$126 million cash available

FY14 GUIDANCE

- Operating earnings expected to be at least 8.3 cps in FY14, an increase of 9%
- Distributions expected to be 7.5 cps in FY14, an increase of 3%
- Targeting improvement in debt profile and growth in NTA per security
- Continued focus on acquiring long-leased office property assets

Financial Position

	FY09	FY10	FY11	FY12	FY13
Total assets (\$'000)	1,308,823	1,282,828	1,539,428	1,837,601	2,546,110
Net assets (\$'000)	539,593	571,407	705,160	788,989	1,200,852
Net tangible assets (\$'000) ¹	537,358	570,120	703,636	787,442	1,199,018
Net debt (\$'000) ²	656,195	568,117	737,037	905,024	1,106,787
Gearing ³	53%	48%	49%	51%	46%
Securities issued ('000)	702,943	807,835	964,737	1,169,689	1,713,721
NTA per security	\$0.76	\$0.71	\$0.73	\$0.67	\$0.70
NTA per security (excluding interest rate swaps)	\$0.76	\$0.71	\$0.73	\$0.71	\$0.72

1. Net assets less deferred tax asset and intangible assets.

2. Borrowings less cash and cash equivalents and restricted cash.

3. Net debt divided by total assets less cash and cash equivalents.

PROPERTIES AND THE ENVIRONMENT

KEY TRANSACTIONS

- Seven office assets purchased from the NSW State Government for \$405 million
- Two Brisbane CBD office towers acquired for \$65 million
- Raised \$444 million capital which brought many new institutional investors onto our register and greatly improved our liquidity.

CONTINUING PORTFOLIO IMPROVEMENT

- Property valuations for the \$2.3 billion portfolio fell a modest 1.8% during the year, as a result of softening market rentals
- Weighted average capitalisation rate, or property yield, was 8.51% compared with 8.28% at June 2012. This change was largely a function of the acquisitions we made during the year.

DEFENSIVE PORTFOLIO CHARACTERISTICS

- 6.1 year weighted average lease term remains one of the longest in the sector
- 83% of gross income from government or listed company tenants

ENERGY EFFICIENCY INITIATIVES¹

- Major building refurbishment at 321 Exhibition Street in Melbourne, resulted in an increase in the NABERS Energy rating to 5.5 stars. This is a significant improvement on the 4 star rating prior to commencement of the project.
- Building refurbishment completed at 100 Waymouth Street in Adelaide expected to similarly improve NABERS rating.
- Major refurbishment of Qantas Global Headquarters is underway delivering substantial sustainability and recycling initiatives as well as targeting a 5 star NABERS energy rating.
- Energy improvements at 700 Collins Street in Melbourne are delivering a NABERS energy efficiency increase to 4.5 stars.
- The recently commenced Box Hill ATO development is targeting NABERS 5 star energy efficiency and 5 star Greenstar environmental accreditations for design and construction.

\$2.4 billion

Portfolio value

96%

Occupancy

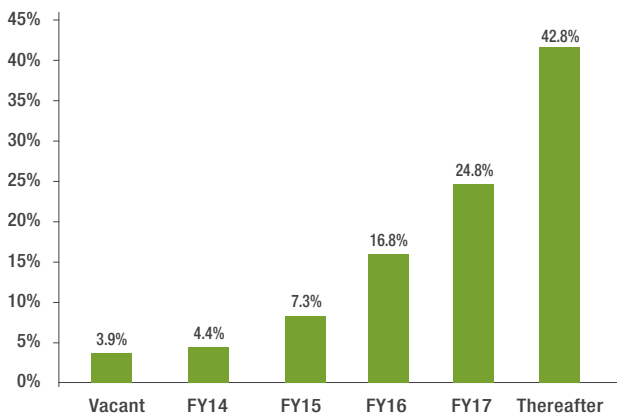
6.1 yrs

Weighted average lease expiry (WALE)

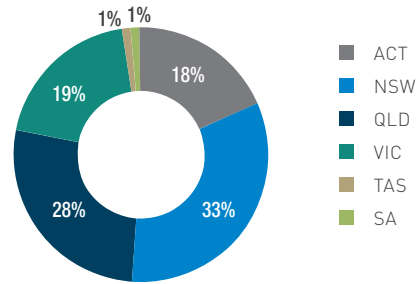
686,189

Square metres of net lettable area (NLA)

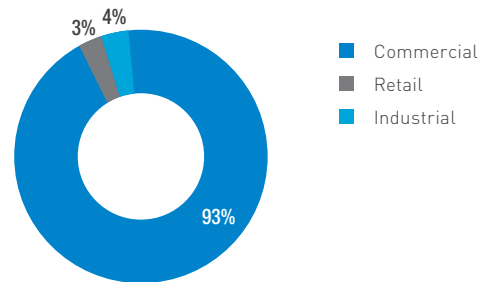
Lease Expiry Profile % Gross Income



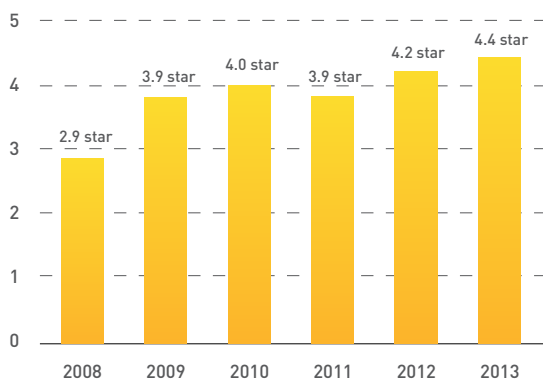
Geographic diversification



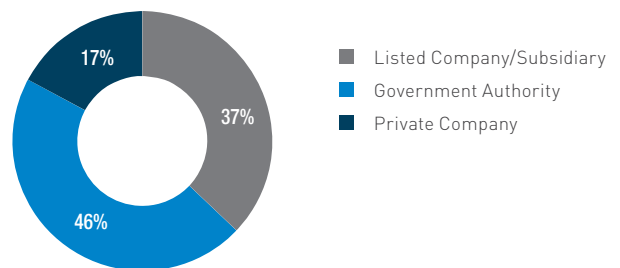
Sector diversification by gross income



Portfolio NABERS Rating¹



Tenant classification by gross income



¹ NABERS assessments are not undertaken for some assets where the tenant has full operational control and manages the total resource consumption.

ENVIRONMENTAL MANAGEMENT APPROACH

Impact on Climate Change

Cromwell acknowledges that commercial property activity can have an adverse impact upon the environment. However, by embracing innovation and striving to improve building efficiency, Cromwell hopes to make a real difference.

Climate change does pose risks and opportunities which could have potential financial implications for Cromwell, including:

- Risks due to physical changes associated with climate change (e.g., impacts of modified weather patterns);
- Regulatory risks (e.g., the cost of activities and systems to comply with new regulations);
- Innovation opportunities (e.g., provision of services to address challenges related to climate change); and
- Competitive advantage opportunities (e.g., by meeting market appetite for highly green credentialed property investments and ensuring our portfolio exceeds market expectations for sustainable asset management).

The Cromwell Sustainability Committee's decisions relating to climate change have influenced the operation of the business, including the management of assets and compliance with state and government regulations.

Emissions reduction

Cromwell's greatest impact on the environment arises from the emissions related to energy, waste and services used by the buildings we manage.

This is because Cromwell, as landlord, is responsible for managing the "base building" or "common area" which supports the tenants in their workplaces. In offices, these areas typically include a building's power plant, air-conditioning, hot water and waste disposal, but excludes the power consumed by tenants.

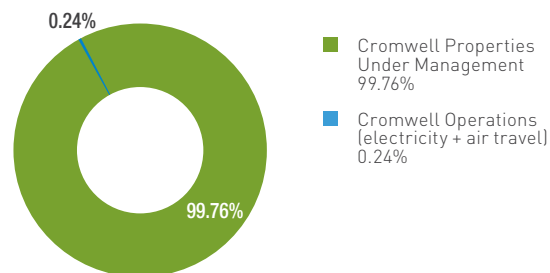
For the majority of our industrial assets, the tenant is responsible for the entire premises and the emissions generated. Therefore, as Cromwell has no effective control over resources used by the tenant, we have not included their emissions in our reporting.

With 99.76% of CO₂ emissions attributed to Cromwell commercial property operations, we believe that our greatest contribution to the reduction of emissions can be achieved by influencing the way our tenants use resources.

The remaining 0.24% of Cromwell's measured CO₂ emissions comes from our own offices and business operations.

Cromwell has also made the decision to supplement its efforts to reduce the business operations impact on the environment by acquiring carbon credits. A quantitative estimate on the financial implications of this has been completed in association with a carbon credit provider and Cromwell's approach is expected to be finalised in FY14.

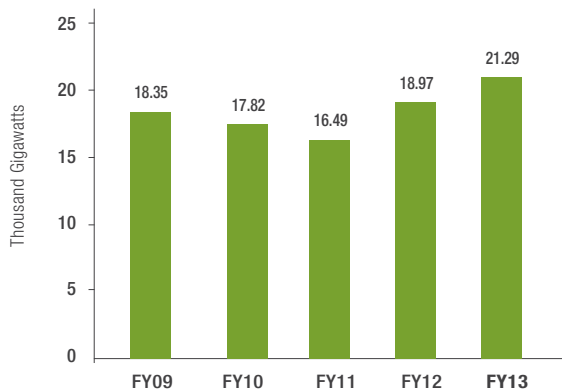
Source of CO₂ Emissions





Property/Environmental Measures

	FY09	FY10	FY11	FY12	FY13
NABERS Energy (Stars)	3.9	4.0	3.9	4.2	4.4
Essential Services Compliance	95%	91%	93%	93%	96%
Electricity Consumption (GWh)	18.35	17.82	16.49	18.97	21.29
Water Consumption (ML)	134.73	129.61	113.9	163.09	177.06
Net Lettable Area (m ²)	244,273	244,273	274,874	325,306	427,434

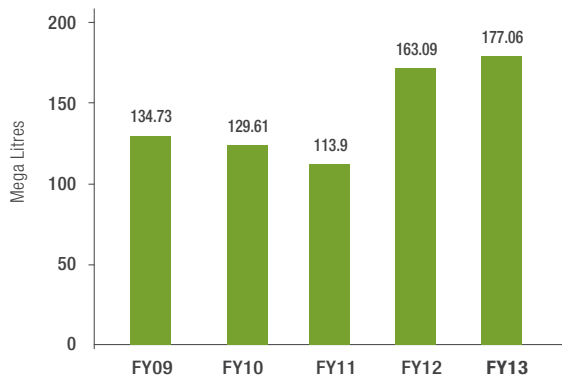


Electricity Consumption

Not to be confused with a complete NABERS Energy Rating, simple electrical consumption is a measure of an assets use of the specific resource.

Cromwell's facilities managers have made fine-tuning their buildings' energy consumption an important part of their contribution to the portfolio.

We have experienced an average increase in electricity consumption as a result of the increased size of the portfolio.



Water Consumption

Water reduction programs have been the focus for 2013, including rain and recycled water capture.

We have experienced an overall increase in water consumption as a result of the increased size of the portfolio.

ENVIRONMENTAL DISCLOSURES

Direct energy consumption by primary energy source (EN3)

Cromwell does not use direct renewable energy sources (Biofuels, Ethanol, Hydrogen). Below table details the direct non-renewable energy source usage.

Direct non-renewable energy sources:	a) Amount purchased	b) Amount acquired	c) Amount exported/sold	Total
Coal:	N/A	N/A	N/A	N/A
Natural Gas:	32,912 GJ	N/A	N/A	32,912 GJ
Fuel distilled from crude oil, including gasoline, diesel, liquefied petroleum gas (LPG), compressed natural gas (CNG), liquefied natural gas (LNG), butane, propane, ethane, etc:	N/A	N/A	N/A	N/A

Indirect energy consumption by primary energy source (EN4)

Non-renewable energy sources:	Q1. Purchased/consumed	Q2. Amount of primary fuels
Electricity	21,297,565 KWH	N/A
Heating and Cooling	N/A	N/A
Steam	N/A	N/A
Nuclear energy	N/A	N/A
Other forms	N/A	N/A
Renewable energy sources:		
Solar	18,602 kWh	N/A
Wind	N/A	N/A
Geothermal	N/A	N/A
Hydro energy	N/A	N/A
Biomass based intermediate energy	N/A	N/A
Hydrogen based intermediate energy	N/A	N/A

Initiatives to reduce indirect energy consumption and reductions achieved (EN7)

Upstream/downstream indirect energy use	
Use of energy-intensive materials	N/A
Subcontracted production	N/A
Business-related travel	985,685 air miles (673 tonnes of CO ₂)
Employee commuting	N/A

As the business grows, air travel is an increasing area for indirect energy consumption. In FY13 air miles increased by 77,878 miles (67 tonnes of CO₂*) on FY12. To assist with reducing the demand for air travel, Cromwell have promoted the use of video and telephone conferencing and installed a new video conferencing system.

* Travel data obtained from Cromwell's Corporate Travel Agent. Miles and tonnes of CO₂ sourced from www.nativeenergy.com. A emissions factor has also been included for take off / landing.

Water Usage (EN8, EN10)

Of the total volume of water withdrawn, the percentage recycled and reused during FY13 was 1% (2,239 KL).

Source	Withdrawn FY13
Surface water, including water from wetlands, rivers, lakes, and oceans	n/a
Ground water	n/a
Rainwater collected directly and stored by the reporting organization	2,239 KL
Waste water from another organization	n/a
Municipal water supplies or other water utilities	177,068 KL
Total	179,307 KL

Ecologically Sensitive Sites

A few of Cromwell's property assets are in close proximity to protected areas and areas of high biodiversity. These include:

- TGA Building (Site area 173,500m²), 136 Narrabundah Lane, Symonston, ACT
- Centenary House (Site area 6,657m²), 19 National Circuit, Barton, ACT
- Altona Land (Site area 15.22ha), 210-238 Maidstone Street, Altona, VIC

There has been no monetary value of significant fines or non-monetary sanctions for non-compliance with environmental laws and regulations in FY13.

Essential Services Compliance

Essential services compliance is monitored by independent consultants AESC Pty Ltd. AESC review contractors' service and certification reports against over 500 tests and inspections undertaken annually to the Cromwell portfolio.

ECONOMIC PERFORMANCE DISCLOSURE

Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments.

Information from the 30 June audited accounts presented on an accruals basis.

	FY09	FY10	FY11	FY12	FY13
Direct economic value generated (EVG)					
Revenues - net sales plus revenues from financial instruments and sales of assets	132,907,165	137,193,408	147,714,009	186,703,094	230,514,711
Economic value distributed (EVD)					
Operating costs	23,598,540	28,497,547	24,473,303	30,019,773	37,405,408
Employee wages and benefits	10,196,323	11,101,881	11,679,969	13,347,350	14,858,666
Payments to providers of capital	112,156,000	99,278,000	115,713,059	137,873,974	169,373,992
Gross Taxes	8,596,532	12,630,031	21,780,959	25,869,252	38,871,971
Community investments & donations	73,056	64,986	48,532	67,401	70,464
Economic value retained (EVG-EVD)	-21,713,286	-14,379,037	-25,981,813	-20,474,656	-30,065,790

STAFF & COMMUNITY

MANAGEMENT APPROACH

Corporate Citizenship

As a major property group in Australia we believe we have a responsibility to build stronger communities. Core to Cromwell's success as a business is its workforce and the tenants that occupy our buildings. However, we also recognise that broader community participation is a central part of sound corporate citizenship.

Cromwell has been involved in supporting the communities it operates in since its inception, donating to dozens of charitable organisations, sporting clubs, schools and hospitals on an ad hoc basis since 1998. Cromwell does not donate to political parties, or engage in public policy development or lobbying.

Corporate Charity

Although Cromwell continues to support several small charities via the Employee Volunteer Program, Adviser Charities and Staff Related Charities (detailed below), we also make several major donations each year.

In 2013, Cromwell continued its support of Parkinson's NSW increasing our contribution from a Platinum Sponsor of their annual Golf Classic in 2012 to that of naming rights sponsor in 2013.

Sporting Sponsorship

As part of the strategic commitment to involvement in the local community, Cromwell has an annually renewed agreement as naming rights sponsor of the Easts Tigers Rugby Union Club.

The significant investment of \$35,000 aligns Cromwell with a large junior program supporting an active lifestyle in a team environment.

Adviser Charities

From time to time financial advisers, who recommend Cromwell investment products, ask us to contribute to charities they have an association with.

Cromwell views these contributions as an opportunity to generate goodwill and strengthen our relationship with these business supporters while also contributing to the communities in which they operate.

Staff Related Charities

Each year, Cromwell allocates \$10,000 for charities nominated by our staff. As well as helping the recipient directly, this initiative has the added benefit of encouraging staff involvement in charitable causes.

Employee Volunteer Program

Cromwell grants two paid days to each staff member to participate in charitable works each year.

The program gives employees the opportunity to provide material support to organisations that are important to them. Employees who volunteer will benefit by having the opportunity for personal development through exposure to new experiences. It provides a forum for staff to share their professional knowledge, skills and experiences for the betterment of the community.



CORPORATE CULTURE

Cromwell approaches staff as individuals, tailoring jobs where possible so that they allow our employees to achieve their career and lifestyle goals and to ensure their continual development and growth. To this end we support the following employment policies.

Employee Engagement

Each year Cromwell conducts an Employee Engagement Survey to measure the engagement level of our employees and to gather valuable feedback. In 2013 we saw an overall increase from 2.69 to 2.75. We acknowledge that there are still areas we can improve.

Family Friendly

Cromwell believes there is a link between a secure and fulfilling home life and workplace performance. Employees are supported where possible with flexible working arrangements to accommodate family requirements and we meet all legislative requirements for parental leave.

Social Engagement

Cromwell has an Employee Volunteer Program where employees can take two days paid leave from work each year to donate their services to a charity. Cromwell also gives financial support to sporting clubs, community organisations and employee nominated charities.

Employee Retention

Cromwell continues to focus on its employee retention strategies. We strive to achieve less than 14% annual turnover.

Employee Development

Cromwell actively encourages all of its employees to grow and develop their skills and abilities. To aid this, Cromwell supports its people both financially and through flexible work arrangements to undertake tertiary study. Our employees also partake in Continuing Professional Development (CPD), leadership coaching, mentoring and task specific short courses.

Cromwell allocated approximately \$1,600 per employee for education related expenses in 2013.

Remuneration

Cromwell has always remunerated employees appropriately so that we attract, retain and motivate the highest calibre employees. Remuneration is reviewed and benchmarked annually.

High-Performance Culture

All permanent employees received at least one performance and remuneration review in 2013 (100%). Cromwell has implemented performance review software to streamline the process, empower managers and employees and reduce the use of paper.

Diversity & Equal Opportunity

We believe in selecting the best candidates possible, regardless of age, gender, ethnicity, culture or disability.

We have robust policies in place to ensure incidents of discrimination do not occur within the workplace. Cromwell has had no reports of discrimination and no incidents involving rights of indigenous labour and therefore no corrective action was required.

Cromwell has had no cases of harassment formally brought against it.

Cromwell encourages diversity in its recruitment, succession planning and leadership thinking. In accordance with the ASX Corporate Governance Guidelines, Cromwell has implemented a gender diversity policy to encourage female inclusion at all levels of the business hierarchy.

Occupational Health & Safety

Cromwell applies an integrated-systems approach to Occupational Health and Safety including when tendering our services contracts, auditing premises and managing our people and our suppliers. We strive to create and reinforce a culture of continuous workplace health and safety improvement.

Workplace initiatives, such as seasonal flu vaccinations, are offered to all staff free of charge to reduce absenteeism and protect our people and their families from infectious disease.

Support Services

To assist in supporting our staff's wellbeing, Cromwell uses an Employee Assistance Program (EAP). The EAP offering provided by Access Programs includes personal and family support services, education, critical incidents response and a manager support program.

The EAP is used for counselling in both professional and personal situations to fully support each individual employee at work and at home.



EASTS TIGERS RUGBY CLUB

In 2013, Cromwell continued its sponsorship of Easts Tigers Rugby Union Club in Brisbane, contributing over \$35,000 to junior development and administration costs.

Cromwell has supported Easts for almost a decade, and became naming rights sponsor in 2008.

Cromwell CEO Paul Weightman said the Group's support for the club was part of its broad program of social engagement.

"We believe that sporting clubs have a vital role to play in building stronger communities and we look forward to continuing our long-term backing for Easts' good work," Mr Weightman said.

The Cromwell Easts Tigers currently compete in the Queensland Premier Rugby competition.

They also have one of the largest junior rugby programs in the Southern Hemisphere.

In addition to financial support, Cromwell executives have donated their time to give strategic management input to strengthen club's administration - helping to establish a budget and a process to ensure its sustainable not-for-profit operation.

Several Cromwell employees have also donated their time by way of coaching, refereeing and fund raising.

The annual "Cromwell Cup" fixture between Easts Tigers and the GPS Stallions celebrated its sixth year in 2013 with over 1,000 spectators in attendance.

The game pits Brisbane's Eastern suburb working-class heroes against the old private school boys of GPS from the Western suburbs in a fixture affectionately known as the "Battle of the Bridge".

Since Cromwell became naming rights sponsor, Easts have gone from a struggling club to one with a healthy and sustainable financial base from which they can continue to grow.





Cromwell Cycling Team 2013



Phil Cowling accepting top fundraiser award

HEART FOUNDATION

A Cromwell team took part in the 2013 GLNG Brisbane to the Gold Coast Cycle Challenge, raising a remarkable \$43,000 for charity, making it the top fundraising team in the event for the second year running.

The Cromwell team for the 100 kilometre event comprised 32 riders while approximately 7,500 riders took part overall.

Seventeen members of the team were Cromwell staff, up from 10 last year, while the remaining 15 riders were representing Cromwell suppliers and business partners who made donations to the Cromwell team.

Cromwell's team manager, Stuart Deacon, said the event had been a valuable team building exercise and would help the Heart Foundation actively fight heart disease – Australia's number one killer.

The \$43,000 Cromwell raised was far in excess of the previous year's \$17,000 effort.

This won Cromwell the award for Highest Team Fundraiser, while Stuart Deacon took out the Highest Individual Fundraiser award.

Mr Deacon went on to be recognised by Cromwell internally as Employee of the Year 2013 partly due to his commitment to building the Cromwell cycle team and his fundraising efforts.

As well as organising the team, Cromwell paid the registration fees for all riders, bought their ride kits including a branded ride shirt, and arranged for marquees with food and beverages at the end of the ride. Cromwell also made a direct donation, bringing its total contribution to around \$12,000.

The event had flow-on benefits to the Cromwell team and their overall health, with many of the 10 participants going on to buy better bicycles and commence bicycle commuting to work.



Cromwell is proud to support the communities in which we operate. Here is just some of what's been achieved through sponsorships in 2013.



Ipswich Festival

IPSWICH FESTIVAL

With the acquisition of the City Heart Building in Ipswich which is owned by a Cromwell-managed unlisted trust, we were pleased to jointly sponsor the Ipswich Festival in 2012 and again in 2013.

The decision to back the festival, which is the premier cultural event in Ipswich, was in line with our long-standing commitment to support the communities in which we operate.

The City Heart Building celebrated a major milestone with the completion of the top level, or "topping out", in May 2013.

The achievement was publicly hailed by Ipswich City Mayor Paul Pisasale, "This iconic landmark is supporting local jobs – it will boost our local economy and drive further commercial interest in Ipswich – helping to grow our city and the surrounding region."

BONE HEALTH FOUNDATION

Cromwell supported the Bone Health Foundation through participation in the ISIS Charity Golf Day. ISIS Group, our construction partner at the 100 Waymouth Street office refurbishment in Adelaide.

The Bone Health Foundation was the beneficiary of all funds raised from the event in 2013.

The mission of the Bone Health Foundation is to fund research into musculoskeletal conditions that affect more than six million men, women and children in Australia.



ISIS Charity Golf Day



Parkinsons NSW Golf Day

PARKINSONS NSW

Cromwell was the major sponsor of the 2013 Parkinson's NSW Golf Classic at Monash Country Club in the Sydney suburb of Ingleside.

The Golf Classic has become one of the biggest charity golf events in the country with all proceeds going to the Parkinson's Counselling Service, a vital program that helps take away much of the initial anxiety and uncertainty that confronts people with the disease.

Money raised from this event over the years has enabled Parkinson's NSW to add an extra counsellor to run the service including during school holiday periods.

GODA FOUNDATION

In June 2013, Cromwell was a sponsor of the Goda Foundation Gala ball which raises money to help fund children of all ages in their quest for knowledge and character development.

Each year the Foundation provides two scholarships of 100% remission of tuition fees for outstanding academic students to complete their Year 11 and 12 studies at Saint Stephen's College.

It also funds a range of other scholarships including tertiary bursaries at selected Universities for outstanding academic achievement.



Goda Foundation Gala Ball



Backyard studio by Kids Under Cover

KIDS UNDER COVER

Cromwell is the manager of the Cromwell Box Hill Trust, which owns a building project in the east Melbourne suburb of Box Hill.

In partnership with the builder, Grocon, Cromwell made a donation to support the Kids Under Cover charity.

Kids Under Cover works to prevent youth homelessness by building homes and providing scholarships and mentors for homeless and at-risk young people.

The goal of the charity is to keep young people connected to home, to education and with their community.

The Kids Under Cover Studio Program is the charity's core program. One and two bedroom studios, with bathroom, are placed in the backyards of existing dwellings, assisting families at risk of breakdown or foster carers needing more room to accommodate young people in their care.

LABOUR PRACTICE DISCLOSURES

Workforce Statistics (gender)

As at 30 June 2013, Cromwell had 96 employees on either a permanent, casual or Director contract. Cromwell had 84 permanent employees of which 10 were part time and the remainder were full-time. Cromwell's business is purely domestic however we have 3 international directors.

	Male Employees		Female Employees	
	\$	% of total	\$	% of total
Executive Director	\$676,030	100%	N/A	0%
Non-executive Director	\$77,803	83%	\$77,803	17%
Executive	\$282,068	71%	\$239,275	29%
Manager	\$162,118	69%	\$133,911	31%
Professional/Technical	\$110,618	59%	\$91,815	41%
Clerical	\$55,126	5%	\$56,232	95%
Other	\$46,997	100%	N/A	0%

Employment Contract	Male	Female	Total
Full time	43	31	71
Part time	0	10	9
Casual/Contractor	2	2	4
Non-executive Directors	7	1	8
Total	52	44	96

Region	Male	Female	Total
Australia	50	43	93
International	2	1	3
Total	52	44	96

Staff Recruitment & Turnover (age, gender, region)

During 2013, Cromwell hired 17 new employees and all were sourced domestically. Of those hired during 2013, three left their employment during the same period.

NEW EMPLOYEES	Age Group			Total
	<30	30-50	>50	
Male	1	2	2	5
Female	3	3	2	8
Total	4	5	4	13

TURNOVER		Finished during FY13	Total during FY13	Turnover
Male	<-30	1	9	11%
	30-50	2	24	8%
	->50	2	18	11%
Female	<-30	5	21	24%
	30-50	2	25	8%
	->50	1	5	20%
Total		13	102*	13%

* Total number differs from total as at 30 June because it includes staff which have started and finished within the period.

Parental Leave (gender)

In 2013, 2 female and 1 male employees were entitled to and did receive parental leave. 2 parents returned to work after their parental leave ended. Cromwell had a 100% return to work and retention rate following parental leave for men and 50% for women.

Injury & Absenteeism

There were two injuries, including minor first-aid level injuries, and zero occupational diseases or fatalities in 2013 and the average number of days absent per employee was 3.3. Total absent hours was 1,915.

Performance Reviews (gender)

100% of permanent (non-director) employees outside of their probation period received a performance review in 2013. Temporary employees, directors and employees who are still within their probationary period do not receive a performance review.

	Reviewed		Not Reviewed		Total
Female	44	100%	0	100%	100%
Male	52	100%	0	100%	100%
Total	96	100%	0	100%	100%

Training (gender, category)

Average hours of training per year per employee, by gender, and by employee category.

	Male		Female		Total Staff	Total Training Hours	Average by Category
	Number	Training Hours	Number	Training Hours			
Director	9	35	1	0	10	35	4
Executive	5	91	2	18	7	109	16
Manager	9	369	5	69	14	438	31
Professional/Technical	27	1,075	16	1,399	43	2,474	58
Clerical	0	0	20	500	20	500	25
Other	2	0	0	0	2	0	0
Total	52	1,570	44	1,986	96	3,556	37




Remuneration (gender, category)

Ratio of basic salary and remuneration of women to men by employee category.












	M (Salary)	M (Remuneration)	F (Salary)	F (Remuneration)	RATIO M:F
Executive Director	\$676,030	\$860,000	NA	NA	N/A
Non-executive Director	\$77,803	\$95,486	\$77,803	\$102,000	0.92:1
Executive	\$282,068	\$378,538	\$239,275	\$255,745	1.17:1
Manager	\$162,118	\$187,790	\$133,911	\$149,713	1.56:1
Professional/Technical	\$110,618	\$126,533	\$91,815	\$101,745	1.18:1
Clerical	\$55,126	\$61,399	\$56,232	\$60,088	0.96:1
Other	\$46,997	\$51,227	N/A	N/A	N/A

GRI INDICATORS

Listed below are the GRI Standard Disclosures and Performance Indicators addressed in this Report. In applying the G3.1 Guidelines, Cromwell Property Group's 2013 Sustainability Report is a self-declared Application Level C.

KEY TO STATUS	
	Addressed
	Partially addressed
	Information provided in Cromwell Property Group's 2013 Annual Report

Profile Disclosure	Description	Status	Reference
STANDARD DISCLOSURES PART I: Profile Disclosures			
1. Strategy and Analysis			
1.1	Statement from the most senior decision-maker of the organisation.		4
2. Organisational Profile			
2.1	Name of the organisation.		2
2.2	Primary brands, products, and/or services.		6
2.3	Operational structure of the organisation, including main divisions, operating companies, subsidiaries, and joint ventures.		9
2.4	Location of organisation's headquarters.		2
2.5	Number of countries where the organisation operates, and names of countries with either major operations or that are specifically relevant to the sustainability issues covered in the report.		3
2.6	Nature of ownership and legal form.		8-9
2.7	Markets served (including geographic breakdown, sectors served, and types of customers/beneficiaries).		8
2.8	Scale of the reporting organisation.		6, 8, 23, 30
2.9	Significant changes during the reporting period regarding size, structure, or ownership.		N/A
2.10	Awards received in the reporting period.		13
3. Report Parameters			
3.1	Reporting period (e.g., fiscal/calendar year) for information provided.		3
3.2	Date of most recent previous report (if any).		3
3.3	Reporting cycle (annual, biennial, etc.)		3
3.4	Contact point for questions regarding the report or its contents.		3
3.5	Process for defining report content.		3, 14-15
3.6	Boundary of the report (e.g., countries, divisions, subsidiaries, leased facilities, joint ventures, suppliers). See GRI Boundary Protocol for further guidance.		3
3.7	State any specific limitations on the scope or boundary of the report (see completeness principle for explanation of scope).		3
3.8	Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations, and other entities that can significantly affect comparability from period to period and/or between organisations.		3

Profile Disclosure	Description	Status	Reference
3.9	Data measurement techniques and the bases of calculations, including assumptions and techniques underlying estimations applied to the compilation of the Indicators and other information in the report. Explain any decisions not to apply, or to substantially diverge from, the GRI Indicator Protocols.		3
3.10	Explanation of the effect of any re-statements of information provided in earlier reports, and the reasons for such re-statement (e.g., mergers/acquisitions, change of base years/periods, nature of business, measurement methods).		N/A
3.11	Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report.		N/A
3.12	Table identifying the location of the Standard Disclosures in the report.		32
3.13	Policy and current practice with regard to seeking external assurance for the report.		3
4. Governance, Commitments, and Engagement			
4.1	Governance structure of the organisation, including committees under the highest governance body responsible for specific tasks, such as setting strategy or organisational oversight.		10-11, 30
4.2	Indicate whether the Chair of the highest governance body is also an executive officer.		10
4.3	For organisations that have a unitary board structure, state the number and gender of members of the highest governance body that are independent and/or non-executive members.		10
4.4	Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body.		11, 14
4.14	List of stakeholder groups engaged by the organisation.		14
4.15	Basis for identification and selection of stakeholders with whom to engage.		14

STANDARD DISCLOSURES PART III: Performance Indicators





Economic

Economic performance



EC1	Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments.		23
EC2	Financial implications and other risks and opportunities for the organisation's activities due to climate change.		20
EC7	Procedures for local hiring and proportion of senior management hired from the local community at significant locations of operation.		12

Environmental


Energy

EN3	Direct energy consumption by primary energy source.		22
EN4	Indirect energy consumption by primary source.		22
EN6	Initiatives to provide energy-efficient or renewable energy based products and services, and reductions in energy requirements as a result of these initiatives.		18
EN7	Initiatives to reduce indirect energy consumption and reductions achieved.		22


Water













EN8	Total water withdrawal by source.		23
EN10	Percentage and total volume of water recycled and reused.		23

Compliance

EN28	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations.		23
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Transport

EN29	Significant environmental impacts of transporting products and other goods and materials used for the organisation's operations, and transporting members of the workforce.		22
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Profile Disclosure	Description	Status	Reference
Social: Labor Practices and Decent Work			
Employment			
LA1	Total workforce by employment type, employment contract, and region, broken down by gender.		30
LA2	Total number and rate of new employee hires and employee turnover by age group, gender, and region.		30
LA15	Return to work and retention rates after parental leave, by gender.		30
Occupational health and safety			
LA7	Rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities by region and by gender.		31
Training and education			
LA10	Average hours of training per year per employee by gender, and by employee category.		31
LA12	Percentage of employees receiving regular performance and career development reviews, by gender		31
Diversity and equal opportunity			
LA13	Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity.		10, 30
Equal remuneration for women and men			
LA14	Ratio of basic salary and remuneration of women to men by employee category, by significant locations of operation.		31
Social: Human Rights			
Non-discrimination			
HR4	Total number of incidents of discrimination and actions taken.		25
Social: Society			
Public policy			
S05	Public policy positions and participation in public policy development and lobbying.		24
Compliance			
S08	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations.		11
Social: Product Responsibility			
Customer health and safety			
PR1	Life cycle stages in which health and safety impacts of products and services are assessed for improvement, and percentage of significant products and services categories subject to such procedures.		11
Marketing communications			
PR6	Programs for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion, and sponsorship.		11
PR7	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship by type of outcomes.		11
Compliance			
PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services.		11



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