

# Environmental Management System Manual — Industrial & Logistics

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# Environmental Management System Manual — Industrial & Logistics

The purpose of an **Environmental Management System (EMS)** is to have a framework of procedures for managing the significant environmental impacts of a business. Charter Hall's EMS is in place to implement and maintain the **Environmental Management Plan**.

This **EMS Manual** for Industrial & Logistics, forms part of the Charter Hall Environmental Management System. The objectives, policies and procedures determined by Charter Hall leadership guide the environmental management goals of the Industrial & Logistics business unit. Key EMS activities for the Industrial & Logistics business unit include:

Contracted FM provider:

- Identifying and understanding the needs of stakeholders in the Industrial & Logistics EMS.
- Identifying and managing significant environmental aspects and risks relating to the day-to-day operation of Industrial & Logistics sites.
- Understanding the environmental compliance obligations that apply to Industrial & Logistics operations.
- Ensuring that processes and procedures are in place to facilitate the continual improvement of the EMS (through auditing and monitoring).
- Development of environmental considerations within emergency response plans.

This manual outlines the requirements of the Charter Hall EMS that are relevant to the Industrial & Logistics business unit. This manual consists of the following elements:

- Activities and stakeholders
- Roles and responsibilities
- Environmental aspects
- Compliance obligations
- Risk management
- Operations and reporting
- Documentation
- Support and training
- Evaluation and improvement process

The facilities management contractor (FM Contractor) for the Industrial & Logistics portfolio is responsible for the implementation of many of the activities described above. It is important that through the EMS, the roles and responsibilities regarding these activities between both Charter Hall and the FM Contractor are clearly delegated. The interface between the FM Contractor's operational role and the management interface of Charter Hall is important to maintain oversight and fulfilment of EMS requirements.

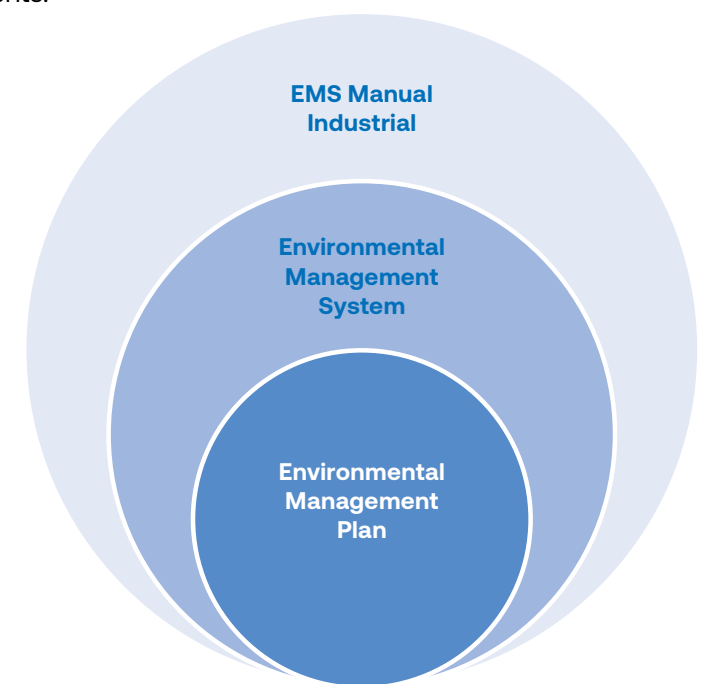


Figure 1 - Relationship between an EMS and an EMP



The organisational chart (Figure 2 below) summarises the key business units of Charter Hall and their broad EMS requirements, highlighting the Industrial & Logistics portfolio as a key operational team under the management of the FM Contractor. The FM Contractor is responsible for the implementation of the Charter Hall EMS to manage environmental risks across the Industrial & Logistics portfolio.

Leadership	Executive team					
	Environmental Objectives Environmental policy (commitment)					
Management & Support	Legal	Risk & Compliance	Training & HR	Marketing & communications	Sustainability & Environment	IT
	Compliance register	Environmental risk management framework  Environmental risk register  Emergency planning	EMS-related training program administration	External EMS communications	EMP management  Environmental issues  Boundaries (physical and institutional)  Auditing frameworks  Non-conformities register	EMS Platform development and management
Implementation	Operations teams					
	FM Contractor			Retail	Corporate offices & Concierge	
	Office	Industrial & Logistics				
	Aspects register	Aspects register		Stakeholders	Aspects register	
	Environmental risk management	Environmental risk management		Aspects register	Environmental risk management	
Monitoring – audit reports	FM Inspections and Monitoring		Environmental risk management	Monitoring – audit reports		
Improvement	FM Building Inspections		Monitoring	Improvement		
Emergency management plans	Improvement		Improvement	Emergency management plans		
			Emergency management plans			

Figure 2 – Organisational chart and key activities for the Charter Hall EMS.

# Key activities

The Charter Hall Industrial & Logistics business unit conducts the following activities that relate to the EMS:

- Capital works planning and procurement
- Managing and monitoring facilities management contracts. Key requirements of the FM Contractor scope of works as related to the Industrial & Logistics EMS include:
  - Day to day facilities management.
  - Management of maintenance such as mechanical, electrical, hydraulic, fire safety and landscaping where required as per the facilities management contract requirements.
  - Development and maintenance of detailed building registers (including equipment and assets, refrigerants and dangerous goods).
  - Monthly and annual Facilities Management reporting.
  - Implementation of the Charter Hall Sustainability Strategy including, aligning environmental management to ISO 14001:2015;
  - Risk audits every two years.
- Waste management is under tenants’ control, and therefore outside the scope of the EMS for Industrial & Logistics.



Dandenong Distribution Centre  
Dandenong South VIC

# Stakeholders

The Industrial & Logistics business unit has varying levels of control and influence over stakeholder groups, meaning each will have distinct roles and responsibilities related to the management of environmental impacts. Table 1 below outlines key stakeholders, their level of risk and the control or influence that Charter Hall has over the stakeholder.

Table 1: List of Industrial & Logistics stakeholders and their relationship to the Charter Hall EMS

Stakeholders	Environmental Risk	Charter Hall Influence & Control	Relationship to the Charter Hall EMS
Charter Hall Industrial & Logistics portfolio management staff	Low	High	Charter Hall Industrial & Logistics management staff require an awareness of the various environmental risks associated with the portfolio and must ensure that the FM Contractor and their contractors are fulfilling their duty to review, monitor and report on environmental risks.
FM Contractor staff	Medium	High	The FM contractor's staff must be aware of the environmental risks associated with day-to-day operational activities and ensure their careful management. Control opportunities currently exist through scheduled regular reporting requirements, operational audits and ensuring the FM contractor's property-specific risk registers align with the requirements of the Charter Hall EMS.
Triple net lease tenants	High	Low	Industrial & Logistics tenants and their activities may pose a high-level risk of environmental impact, depending on tenant type and their key activities. Charter Hall do not have direct control and have a low influence over Triple Net Lease tenants.
Single & Double net lease tenants	High	Medium	Industrial & Logistics tenants and their activities may pose a high-level risk of environmental impact, depending on tenant type and their key activities. Charter Hall have responsibility over base building and a medium influence over Single and Double Net Lease tenants.
Contractors via FM Contractor or the tenant	Medium	Low	Contractor activities may pose a medium risk of environmental impact, which are managed by FM contractors through prequalification checks, workplace inductions, audits and contract clauses and other management measures such as signage. Charter Hall monitors these through regular reporting as required by the Facilities Management Scope of Services.

# Environmental aspects

Activity	Aspect	Impact	Risk
Day-to-day tenant operations	Degreasers used to clean the car park	Stormwater runoff	Stormwater, soil and groundwater pollution
	Carpark and hard standings	Stormwater runoff	Stormwater, soil and groundwater pollution
	Carpark	Oil leaks from vehicles	Stormwater, soil and groundwater pollution
		Emissions from vehicles	Atmospheric pollution Impact on staff, public health and safety
	Emergency power - Dangerous good storage (Small scale fuel)	Potential for fuel to spill/leak into stormwater	Stormwater, soil and groundwater pollution
	Underground diesel storage tank	Potential leakage from tank into soil	Soil and groundwater contamination
	Aboveground storage tank	Spill or leak of diesel	Discharge to sewer or stormwater
	Filling of the diesel tank	Potential for fuel to spill/leak	Impact on surface runoff quality to local waterways via stormwater drains
	Surface runoff from the paved areas and roofs	Surface water runoff	Stormwater, soil and groundwater pollution
	Dangerous good storage (Cleaning chemicals)	Potential for the chemicals to spill/leak	Stormwater, soil and groundwater pollution
	Dangerous good storage (Paints and other chemicals)	Potential for the chemicals to spill/leak	Stormwater, soil and groundwater pollution
		Flammable goods storage	
	Dangerous good storage (Batteries)	Potential for the chemicals to spill/leak	Stormwater, soil and groundwater pollution
	Cleaning activities	Discharge from use	Impact on staff health and safety
			Impact on stormwater discharge quality
	HVAC/Air conditioning	Emission of ozone-depleting substances	Depletion of ozone layer
	Sprinkler room	Diesel storage	Impact on the stormwater discharge quality

Activity	Aspect	Impact	Risk
Day-to-day tenant operations	Building Materials	Materials containing asbestos and synthetic mineral fibres	Impact on health and safety of staff and public
	Electricity use (lighting, HVAC, appliances etc.)	Electricity use	Resource depletion, Increased atmospheric CO2
	Water use (cleaning, kitchens etc.)	Water use	Resource depletion
	Gas use (hot water, kitchens etc.)	Gas use	Resource depletion, Increased atmospheric CO2
	Kitchen facilities	Grease trap waste	Loss of grease to sewer
	Stock Delivery	Emission of fumes	Local air quality
		Leakage of oil/petrol	Soil and ground water pollution
	Forklifts	Exhaust emissions	Atmospheric pollution
		Solid Waste Production (Landfill)	Increased atmospheric CO2-e, soil and groundwater pollution, land use change, litter
		Solid Waste Production (Recyclable)	Resource depletion, litter
		Solid Waste Production (e-waste)	Resource depletion, litter, soil and groundwater pollution
		Solid Waste Production (Commercial & Development)	Soil and groundwater pollution, land use change, litter
		Solid Waste Production (Organics)	Increased atmospheric CO2-e, Soil and groundwater pollution, land use change, litter
		Solid Waste Production (Public Places)	Resource depletion, litter, soil and groundwater pollution
		Sewage discharge (Trade waste)	Offsite downstream pollution
		Solid Waste Production (Biohazard)	Soil and groundwater pollution, land use change, litter
	Cleaning and chemical usage	Leakage of chemicals to the environment	Increased atmospheric CO2-e, resource depletion, land use change

Activity	Aspect	Impact	Risk
Day-to-day tenant operations	Tenancy fit out and equipment	Raw material consumption, waste production, energy consumption	Increased atmospheric CO2-e, resource depletion, land use change
	Paper, printing, toner etc.	Raw material consumption, chemical pollution, solid waste production	Increased atmospheric CO2-e, resource Depletion
	Product packaging	Raw material consumption, solid waste production	Increased atmospheric CO2-e, resource Depletion
Maintenance and capital works	Solid disturbance & landscaping	Dust/emissions creation, solid waste and runoff	Stormwater, soil and groundwater pollution
	Painting and clean-up	Potential for the chemicals to spill/leak	Stormwater, soil and groundwater pollution
	Building materials	Manufacture of products	Increased atmospheric CO2-e, resource depletion, land use change
	Delivery of products	Emission of fumes	Local air quality
	Delivery of products	Leakage of oil/petrol	Soil and groundwater pollution
	C&D waste disposal	Raw material consumption	Increased atmospheric CO2-e, resource depletion, land use change



# Compliance obligations

Compliance obligations are legal or other requirements related to significant environmental aspects. A list of relevant legislation based on Charter Hall Industrial & Logistics operations has been provided in Appendix A. It is the responsibility of Charter Hall Industrial & Logistics staff to be aware of legal requirements and implement this EMS to ensure that Charter Hall act within all legal obligations. All compliance obligations relating to the EMS must be documented to comply with ISO 14001:2015 requirements.

# Risk management

Each significant environmental aspect may be associated with one or more environmental risks. All environmental risks are identified, documented, assessed and managed by the Facility Manager, as outlined in the HSEQ-01-08-01 AS Charter Hall HSEQ Playbook. Risks are assessed and managed by each site level Property Risk Register which addresses the environmental aspects relevant to that site as per the Charter Hall EMS. See the document register for the location of these documents.

Waste management is under tenants’ control, and therefore outside the scope of the EMS for Industrial & Logistics.

## Property Risk Register

Each site has a Property Risk Register that addresses the relevant environmental aspects as identified in the Charter Hall EMS. The Operational Manager is responsible for managing and updating the Property Risk Register for their site. All Risk Registers are available from Facilities Management.

## Risk identification

The identification and management of new environmental risks occurs through monthly audits. Risk registers are updated annually. Team members log Environmental incidents on Noggin, which initiates any corrective action required. Facilities Management incidents are logged in the FM Platform.

## Corrective Action

Incidents are reviewed at regular meetings and checks that any corrective action required has been initiated. Corrective action that is required in response to environmental incidents is managed and monitored using Yardi FM where a Work Order or Purchase Order is submitted into the system. Regular meetings and reporting are the mechanisms used to ensure that corrective action has been initiated and closed out via Yardi FM.

# Operations

The process for implementing the requirements of the EMS, particularly those associated with managing environmental risks, are integrated into existing operational plans with the FM Contractor. The FM Contractor manages environmental risks currently using the mechanisms outlined in their EMS, such as that outlines in the HSEQ-01-08-01 AS Charter Hall HSEQ Playbook.

Environmental risk management and reporting is integrated into the current operations of the Industrial & Logistics business unit and the FM Contractor. Table 3 below lists the operational elements which are used to manage environmental risks and to meet the requirements of the EMS, including the controls, responsibilities and frequency.

Table 3 - Operational elements and their controls for environmental risk management

Operational Element	Control	Responsibility	Method	Frequency
Incident reporting	Noggin and FM Platform (Resolve SFM, Knight Frank Response Centre)	Facility Managers (FM)	FM’s record environmental, health and safety incidents or near misses in Noggin and the FM Platform. Any incidents or near misses are recorded in regular FM reports (in the Incident tab) and tracked until rectification (where required). These are reviewed at regular meetings.	As required
Maintenance scheduling	Preventative Maintenance Plans (PMP)	Service contractor	Each site will have a PMP developed by the service contractor (mechanical, electrical, fire, hydraulic) in conjunction with the FM Contractor once tenders have been finalised and are in operation. This is in accordance with service agreements including rectification & corrective action. FM Contractors also have their own periodic planned preventative maintenance Program which reflects the above and is uploaded to the FM Platform.	As required
Service agreements	Contract clause	Procurement CH National Operations Manager Industrial	It is included and communicated in service agreements with the contractor that they must perform the services ‘in a manner which does not pollute, contaminate or otherwise damage the Environment and it will immediately make good any pollution, contamination or damage to the Environment arising out of or in connection with the Services’. It includes requirements for prompt reporting of environmental related incidents and that the contractor is required to identify environmental risks and adhere to the objectives of the Charter Hall EMP.	As required

Operational Element	Control	Responsibility	Method	Frequency
Lease agreements	Contract clause	Leasing Manager CH National Operations Manager Industrial & Logistics	It is included and communicated in lease agreements that the tenant has a responsibility for the environment and must not do anything that contaminates or pollutes the environment. Or which creates or leads to the creation of any substance in any form which may be harmful to the environment or any life form. Or which would constitute a violation or contravention of any law relating to the environment. It includes requirements for prompt reporting of environmental related incidents and that the tenant is required to identify environmental risks and adhere to the objectives of the Charter Hall EMP.	As required
Procurement	Scope of Works Annexure 5 Sustainability	Procurement CH National Operations Manager Industrial & Logistics	Procurement: Scope of Works and Annexure 5 Sustainability describes procurement process requirements in terms of environmental and sustainability performance	As required
FM Contractor Workplace Inspections	FM Contractor Workplace Inspection Checklist	Facility Managers	The regular workplace inspection checklist is intended for base building and common areas and checks for hazards, emergency management, maintenance logs and issues from previous inspections. The report is issued into the FM Platform. Any issues identified have corrective actions.	Regularly
Regular FM meetings	HSE - notifiable incidents HSE- performance report (overall review of the month)	HSE Manager (FM) Strategic Account Manager/ Director (FM) Industrial & Logistics Ops Manger (Charter Hall) National Facilities Manager (FM Contractor) Group WHS Manager (Charter Hall).	FM Meetings include a review of significant environmental incidents and hazards, compliance and sustainability. Two regular meetings are held 1. National FM with State FM Leads 2. WHS Meeting -This meeting reviews significant incidents	Regularly
Detailed Building Registers	Equipment/asset register including refrigerants & HAZMAT.	National Industrial & Logistics Facilities Manager (FM Contractor)	Currently certain buildings have asset registers. These are reviewed annually and updated by service providers. It will be part of the service contracts for all buildings to have asset registers. If there is a significant change then the asset register is updated.	Annually

Operational Element	Control	Responsibility	Method	Frequency
Performance reporting	Performance and audit report	National Industrial & Logistics Facilities Manager Facilities Managers	The FM Contractor provides HSE performance reports at agreed frequency. Key performance indicators are outlined in the CH National Facilities Management Agreement. The report includes a review of the closing out of incidents and HSE risks and the PRA risk register.	At Agreed Frequency
Utility monitoring & reporting	Envizi Platform Green Star Performance Global Real Estate Sustainability Benchmark (GRESB)	CH National Operations Manager Industrial & Logistics National Industrial & Logistics Facilities Manager (FM Contractor)	Water, gas and electricity utilities are captured in the Envizi reporting platform and reported annually via Green Star - Performance and Global Real Estate Sustainability Benchmark (GRESB). Water is also monitored through comms meter units that are installed on each water meter.	Annual
Property Risk Audits	Equipment/asset audit schedule	CH National Operations Manager Industrial & Logistics	There is a schedule for audits and inspections. Property Risk Audit inspections are every 2 years conducted by an external consultant and include incidents, emergency preparedness, hazardous materials and storage. This includes all sites including triple net. The outcomes of the PRA become a risk register and reported on in the annual Performance Reports.	Two-yearly
Climate Resilience Assessment	Adaptation measures	Charter Hall Sustainability	In line with our public resilience target, in FY19 Climate adaptation planning was completed for all assets. In FY20 these plans have been incorporated into the building improvements plans. Industrial & Logistics implements Climate Adaptation Plans for high risk properties.	Ongoing
Insurance Assessments	Insurance audit	Charter Hall	Charter Hall Insurance Team manage these insurance audits with AIG. They provide a COPE (Construction, Occupancy, Protection and Exposure) report and a Property Risk Improvement Report	Random annual selection
Property Risk Register	Property Risk Register	CH National Operations Manager Industrial & Logistics Group WHS Manager (Charter Hall).	The Industrial & Logistics business unit are working towards creating site-specific risk registers for all assets.	Ongoing

## Industrial Operations Map

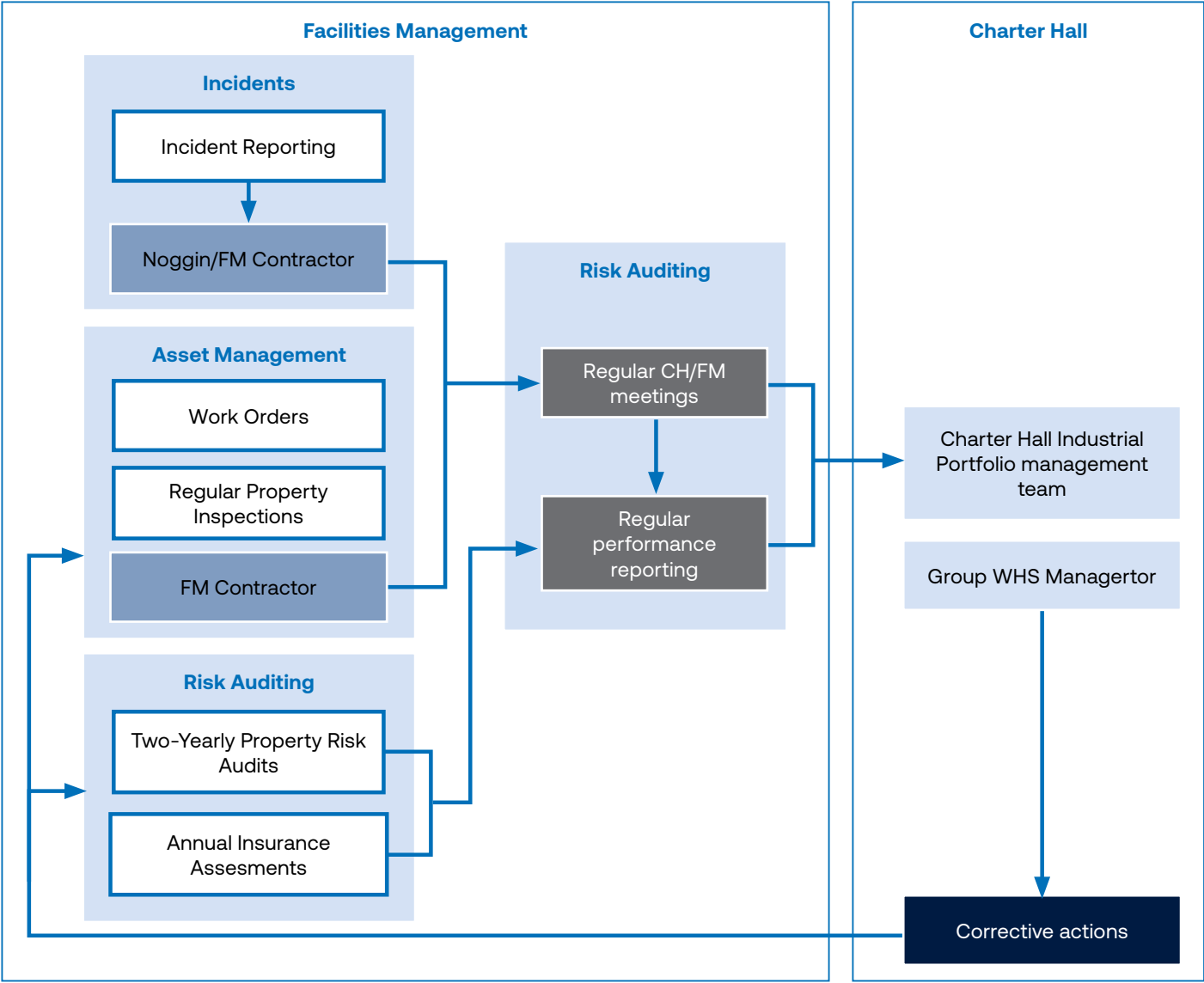


Figure 3- Industrial operations map

## Reporting

Figure 3 below illustrates the high-level processes and IT systems used for day-to-day incident reporting, asset management and scheduled monthly and annual auditing in the Industrial & Logistics business unit.

FM contractors communicate EMS-related reporting to the broader Charter Hall Industrial & Logistics Business Unit management team in the following ways:

- The FM Platform manages any facility management related activities – All the incidents are recorded in the FM Platform as Noggin is a Charter Hall system. The FM Platform shall capture incidents as well as manage work orders and purchase orders.
- Risk registers that assess, monitor and report environmental risks at each property.
- Regular FM meetings (National FM and State leads) and regular HSE meeting.
- Building audits, including a property checklist issued to the property manager. This audit identifies environmental issues or progress against risk areas, which are then actioned as appropriate. These are transmitted to Charter Hall from the FM contractor at agreed frequency.

## Emergency preparedness

Emergency preparedness and response is all tenant controlled. Emergency management manuals are present at all Industrial & Logistics sites and emergency procedures are included in the FM's relevant operational plans (such as the Knight Frank Environmental Hazard Management Policy, Resolve SFM emergency management plan and CBRE Playbook). The FM tenders and service contracts include a requirement to provide an annual risk management plan including environmental emergency procedures, including development and testing of emergency rescue plans.

There is a schedule for audits and inspections which includes auditing the facilities' emergency preparedness, every 2 years conducted by an external consultant. If areas are identified where further control measures are required, then these are included in the Property Risk Audit action plan register and corrective actions are evaluated in Performance Reports, produced at agreed frequency.



# Documentation

Corporate-level commitment to environmental performance can be found referenced within a suite of documents listed in Table 4.

Table 4: List of corporate-level documents with commitment to environmental performance

Document Name	Relevance to EMS	Document location
Charter Hall Group Risk Management Policy 2017	Describes the framework and decision-making criteria for risk management and continual improvement	
Charter Hall Group Sustainability Policy – June 2018	Sets out the commitment to sustainability and the environment and how the EMS will assist in delivering on the commitments made.	
Charter Hall Group Employee Code of Conduct - November 2017	This should outline an employee’s responsibility for environmental objectives.	

Table 5 below lists Industrial & Logistics-specific documentation that has been referenced throughout this Manual, relating to Charter Hall/FM Contractor commitment to environmental management and performance.

Table 5: List of Industrial & Logistics- specific documents outlining a commitment to the EMS

Document Name	Document location
Industrial & Logistics Scope of Services – Annexure J	
Industrial & Logistics Scope of Services – HSE and Sustainability	
Industrial & Logistics Lease Template	
Tender Documentation	
FM HSEQ-01-08-01 AS Charter Hall HSEQ Playbook	
FM Property Risk Register	
National Industrial & Logistics Ops Meeting Minutes	
FM Preventative Maintenance Plans	
FM Workplace Inspection Checklist	
Charter Hall Detailed Building Registers	
Charter Hall Property Risk Audits register	
Charter Hall Annual Performance Reports	
Charter Hall Property Risk Register	
Charter Hall Insurance Assessments	
Charter Hall Legal Compliance Register	

# Support and training

To ensure that the EMS is integrated and adopted successfully by Industrial & Logistics staff and stakeholders, Charter Hall and FM contractors provide support though training. Charter Hall staff are made aware of the EMS through communications via the Charter Hall intranet, Yammer and included in employee inductions. Training for competence in ability to implement the EMS is outlined below in Table 6.

Table 6 - EMS Training

Operational Element	Control	Responsibility	Method	Frequency
Internal training Charter Hall	Charter Hall Internal compliance training system	CH National Operations Manager Industrial & Logistics  Group Risk	Charter Hall have internal training programs. A program will be developed to communicate the Environmental Management Plan.	
Internal training FM Contractor	e-learning modules	FM National Industrial & Logistics Facilities Manager	FM contractors are provided training relevant to their roles and responsibilities to ensure they all have the necessary skills and qualifications to undertake their specific role. All FM’s have their own internal training for environmental risk. Such as e-learning modules via SINE and inductions and refresher inductions for facility managers responsible for implementing the EMS.	
Tenant Induction	Charter Hall Welcome Pack	Leasing Manager  CH National Operations Manager Industrial & Logistics	Tenant induction is aided by a Charter Hall Welcome Pack. This document includes lease responsibilities and key contacts. Driven by the PM in conjunction with Marketing.	

Operational Element	Control	Responsibility	Method	Frequency
Facilities Management Induction	FM Induction pack	FM National Industrial & Logistics Facilities Manager Facilities Mangers	FM contractors are provided training relevant to their roles and responsibilities to ensure they all have the necessary skills and qualifications to undertake their specific role. All FM's have their own internal training for environmental risk. Such as e-learning modules via SINE and inductions and refresher inductions for facility managers responsible for implementing the EMS.	
Onsite contractor/ visitor induction	FM induction FM Platform SINE	FM National Industrial & Logistics Facilities Manager Facilities Mangers	Onsite contractor induction is controlled by the tenant. Prior to going to site contractors must be inducted by the FM which they can do remotely. FM contractors have their own induction via their FM Platform which outlines FM contractor requirements to report HSE related incidents to the FMs of the site. Contractors use their phone to check in and check out and receive reminders. Visitors do another online induction through SINE (or other FM platform) in which they have a requirement to inform the FM contractor of any HSE incidents.	As required

# Evaluation and improvement process

To continually improve the environmental performance of the Industrial & Logistics business unit, there are a number of processes in place for evaluating when nonconformities occur and how they have been controlled and corrected. In addition, Industrial & Logistics use performance reporting to understand the environmental performance of sites and continuously improve.

- Environmental issues or risks identified in the regular building inspections are communicated to Charter Hall. The regular FM meetings act as a check point for assessing if actions have been rectified and closed out.
- The outcomes of the Property Risk Audits become a risk register which is reported on in the Performance Reports, produced at agreed frequency.
- Reports can be run in Noggin and FM Platform to review incidents and actions and identify any that have not been closed out with corrective action.
- Energy and water are monitored and reported on to facilitate continual improvement of environmental performance.

