

Sustainability Reporting Criteria

The Sustainability Reporting Criteria sets out the principles, scope and methodologies applied when reporting Vicinity's Sustainability performance data.

This data is reported in our external voluntary and mandatory disclosures, including sustainability surveys such as Dow Jones Sustainability Index (DJSI), Global Real Estate Sustainability Benchmark (GRESB), Carbon Disclosure Project (CDP), our National Greenhouse and Energy Reporting Act (NGER) submission, and public disclosures in our sustainability website, *Vicinity Unwrapped: Our Sustainability Story*.

1. Reporting principles

- 1.1. **Materiality** – we report data on all Sustainability matters deemed material to our organisation. Vicinity's materiality assessment identifies and prioritises matters that are important to our business and our stakeholders.
- 1.2. **Completeness, transparent, meaningful** – Sustainability metrics are presented in a complete, transparent, consistent and meaningful manner, and any variations to our standard approach are specified otherwise.
- 1.3. **Consistent** – boundaries and methodologies are maintained wherever possible to allow comparisons over time.
- 1.4. **Independent assurance** – of key data and metrics is undertaken each reporting period, and this is explicitly stated in each relevant disclosure where applicable.
- 1.5. **Reporting period** – the specific reporting period data is defined and disclosed in every report.

2. Reporting scope

- 2.1. **Asset list** – we will report on all assets associated with our core retail management business for which we have operational control (i.e. does not include offices). Please refer to section 5 for definitive reporting scope asset list.
- 2.2. **Reported data** – typically our Sustainability dataset includes are:
 - a) **Scope 1 emissions** – natural gas, liquefied petroleum gas (LPG), diesel (non-transport), fugitive emissions from use of refrigerants (as determined by NGER Measurement Determination)
 - b) **Scope 2 emissions** – electricity (supplied by the grid)
 - c) **Scope 3 emissions** – waste to landfill and scope 3 emissions from electricity, natural gas and LPG only
 - d) **Energy** – consumed from sources such as natural gas, electricity, renewable energy such as solar panels, LPG, and diesel.
 - e) **Renewable energy** – energy produced from onsite renewable energy sources such as solar
 - f) **Waste** – operational waste and disposal method, either recovered and recycled or sent to landfill. We do not include the ancillary diversion of general waste sent to energy recovery facilities in our recycling performance unless specified otherwise
 - g) **Water** – consumption of mains water by tenants and base building
 - h) **Workforce statistics** - our HR system manages our people data to generate statistics such as number of employees and supervised workers, new hires, turnover, return to work and retention rates after parental leave, diversity, remuneration and training and development
 - i) **Health and safety data** – our H&S system manages our H&S and reports statistics such as injury rates, absentee rates and fatalities
 - j) **Community investment** - Vicinity uses the London Benchmarking Group (LBG) as a framework for capturing and reporting our community investment data, including statistics such as cash, in-kind, time and management costs
 - k) **Supply chain** - new suppliers assessed against environmental, labour practice and human rights criteria
 - l) **Indicators** – gross lettable retail area (GLA), and financial indicators such as valuations, property income
- 2.3. **Exclusions** – some emission/energy sources are deemed immaterial to our reporting, or have been excluded due to inability to report. Sources are deemed not material where they meet the 'incidental' requirements set out in the National Greenhouse and Energy Reporting (Measurement) Determination 2008 (NGER (Measurement) Determination) (r 1.03 NGER Regulations). Some of the specific sources are minor operational transport fuels, construction and demolition waste, and operational waste managed directly by major tenants.
- 2.4. **Historical data** – includes historical periods for monitoring ongoing performance of each data source. We will report

historical data where available.

3. Methodology

3.1. Environmental data management system – our environmental data is primarily managed within our environmental data management system. The system is externally audited to ensure compliance. Processes are integrated into this data management system for analysing and validating our data.

3.2. Source data

- a) **Primary sources** – all primary environmental data sources for the report are primarily derived from supplier invoices and actual measurement
- b) **Estimations** – all efforts are made to capture a complete set of actual data, however some gaps are unavoidable. In the event where an estimate has been required to form a formulated, a clear and consistent methodology is employed using historical trends, and is validated through our assurance process. The level of estimates is disclosed and verified throughout the assurance process
- c) **Validation and verification** – invoice data undergoes varying levels of systematic checks and validations prior to being reported

3.3. Calculations

- a) **Coefficients and factors** – Any conversions and calculations are based on recognised standards either international or national based referenced sources, such as:
 - i) National Greenhouse and Energy Reporting (NGER) Measurement Determination,
 - ii) National Greenhouse Accounts (NGA) Factors, and
 - iii) Waste density factors – we report actual weights for the majority of our waste but if unavailable we use density factors based on our own data which is revised on an annual basis to ensure our reported data reflects the current waste composition. Industry standards are used where data isn't available.
- b) **Avoided costs** – The cumulative energy, water and waste savings are calculated on a centre by centre basis, and are conservatively calculated based on accumulated savings and current tariff rates.
- c) **Re-statement methodology** – all efforts are made to report on a complete and accurate dataset, however due to reporting timelines, unavailable or revised source data, we will make restatements of historical values from time to time to ensure the most accurate performance information for our organisation is reported.
- d) **Conversions** – the real life comparisons we use to demonstrate our performance is based are aligned to the GRESB real estate assessment 2016 report to ensure consistency with other publicly reported data. The conversion factors used are
 - i) Average house uses 11.3 megawatt hours (MWh) electricity per annum
 - ii) Average car emits 4.73 tonnes greenhouse gas emissions (CO₂-e) per annum
 - iii) Average waste transport truck capacity is 9 tonnes per truck

3.4. Key Performance Indicators

- a) **Gross lettable area (GLA)** – is our primary performance normalising denominator, which has been selected as the most relevant to measure the environmental efficiency of our core business and operations
 - i) The source of GLA data is managed and externally assured as part of our reporting process,
 - ii) GLA is measured using Property Council of Australia Methods of Measurement guidelines, and for the purpose of environmental performance reporting includes all retail stores and office tenancies contained within the boundary of the shopping centre. Exclusions are carpark areas, Casual Mall Lease areas and storage, and
 - iii) GLA is reported as an average throughout the year to capture the changes to centre over the reporting period.
- b) **Intensity metrics** – are calculated for Scope 1, 2 and 3 greenhouse gas emissions, energy, water and waste by normalising each metric type by the GLA of each asset to give a metric per square metre.
- c) **Like for like reporting** – is used to show an effective comparison of environmental intensity year-on-year which is based on the GRESB standard for like-for-like reporting. This includes considerations such as:
 - i) Development affected centres – if classified as undergoing new construction or major renovations are excluded from like-for-like reporting, if affected in the reporting and comparison period, and
 - ii) New / sold assets – are excluded within the reporting and comparison period

- d) **National Australian Built Environment Rating Scheme (NABERS)** – NABERS energy and water ratings for centres and our portfolio average rating, are reported in accordance with the NABERS publication guidelines. The portfolio average is calculated using a weighted average based on lettable area and equity share. When coverage is less than 95 per cent of total NABERS rateable lettable area, we disclose the level of coverage as proportion of total area.
- m) **Workforce statistics** – reported as employees and contractors by gender, contract type (permanent, casual, fixed term), employment type (full-time and part-time) and by region are prepared using the Global Reporting Initiative (GRI) Standards indicator GRI 102-8.
- n) **Diversity** – breakdown of governance bodies and employees by gender and employment category, using GRI Standards indicator 405-1.
- o) **Health and safety** – All health and safety data is reported using the GRI Standards indicator 403-2, and includes,
 - i) Lost time injury frequency rate – the number of lost time injuries (LTIs) for each million hours worked over a 12 month rolling period, where an LTI is defined as an occurrence that resulted in a fatality, permanent disability or time lost from work of one day/shift or more,
 - ii) Total recordable injury frequency rate – The number of LTIs and medical treatment injuries (MTIs) for each million hours worked over a 12 month rolling period, where an MTI is defined as a work related injury or illness requiring or receiving medical or hospital treatment,
 - iii) Absentee rate – Percentage of days lost as a result of absences by employees during the reporting period, and
 - iv) Fatalities – the number of occurrences.
- p) **New hires and turnover** – Total number and percentage of new hires and turnover are reported using GRI Standards indicator GRI 401-1.
- q) **Return to work rate** – Calculated based on the number of employees that took parental leave, and the number of employees who returned to work after parental leave ended, using GRI Standards indicator GRI 401-3.
- r) **Training and development** – average hours of training per employee and the percentage of employees receiving regular performance or career development reviews by employee category, using GRI Standards indicators 404-1 and 404-3, respectively.
- s) **Remuneration** – Ratio of basic salary and remuneration of women to men by employee category, using GRI Standards indicator 405-2.
- t) **Community investment spend** – reported as cash, time, in-kind and management costs across the Vicinity retail portfolio, using the LBG framework. As a part of an LBG social procurement pilot program in 2017, Vicinity has also captured 50% of our procurement spend with social enterprises in the total community investment spend.
- u) **Supply chain** – The number and percentage of new suppliers assessed against environmental and social impacts, using GRI Standards indicators 308-1 and 414-1, respectively.

4. Quality assurance and independent verification

- 4.1. The information, processes and methodologies for reported data are assured by a third party across all reporting periods to ensure independent verification and accuracy of data.
- 4.2. A selection of our most material environmental performance metrics has received Limited Assurance from Ernst & Young for the current reporting period. The selection of data included in the scope of Ernst & Young’s assurance is noted in their assurance statement.

5. Asset list & reporting scope

The following asset list defines the specific reporting scope for each sustainability reporting framework, and discloses where exclusions have been made.

Centre	State	VCX equity	Comments	Reporting Framework			
				Operational Control (NGER)	Sustainability website (GRI Standards)	DJSI & CDP	GRESB [#]
Albany Brooks Gardens	WA	100%	Sold December 2016	☑	☑	☑	VCX
Altona Gate	VIC	100%		☑	☑	☑	VCX
Armidale Central	NSW	100%		☑	☑	☑	VCX

Vicinity Centres | Sustainability Reporting Criteria 2016-2017

Centre	State	VCX equity	Comments	Reporting Framework			
				Operational Control (NGER)	Sustainability website (GRI Standards)	DJSI & CDP	GRESB [#]
Bankstown Central	NSW	50%		☑	☑	☑	VCX
Bathurst City	NSW	0%		☑	☑	☑	VERF
Bayside	VIC	100%		☑	☑	☑	VCX
Belmont Village	VIC	100%		☑	☑	☑	VCX
Bentons Square	VIC	100%		☑	☑	☑	VCX
Box Hill Central (North Precinct)	VIC	100%		☑	☑	☑	VCX
Box Hill Central (South Precinct)	VIC	100%		☑	☑	☑	VCX
Brandon Park	VIC	50%		☑	☑	☑	VCX
Broadmeadows	VIC	100%		☑	☑	☑	VCX
Buranda Village	QLD	100%		☑	☑	☑	VCX
Carlingford Court	NSW	50%		☑	☑	☑	VCX
Castle Plaza	SA	100%		☑	☑	☑	VCX
Chadstone	VIC	50%		☑	☑	☑	VCX
Chatswood Chase	NSW	100%		☑	☑	☑	VCX
Colonnades	SA	50%		☑	☑	☑	VCX
Corio Shopping Centre	VIC	100%		☑	☑	☑	VCX
Cranbourne Park	VIC	50%		☑	☑	☑	VCX
Currambine Central	WA	100%		☑	☑	☑	VCX
DFO Brisbane	QLD	100%	Acquired June 2016	☑	☑	☑	VCX
DFO Essendon	VIC	100%		☑	☑	☑	VCX
DFO Homebush	NSW	100%		☑	☑	☑	VCX
DFO Moorabbin	VIC	100%		☑	☑	☑	VCX
DFO South Wharf	VIC	100%		☑	☑	☑	VCX
Dianella Plaza	WA	100%		☑	☑	☑	VCX
Eastlands	TAS	100%		☑	☑	☑	VCX
Elizabeth	SA	100%		☑	☑	☑	VCX
Emporium Melbourne	VIC	50%		☑	☑	☑	VCX
Flinders Square	WA	100%		☑	☑	☑	VCX
Galleria	WA	50%		☑	☑	☑	VCX
Gateway Plaza	VIC	0%		☑	☑	☑	VERF
Goldfields Plaza	QLD	100%		☑	☑	☑	VCX
Grand Plaza	QLD	50%		☑	☑	☑	VCX / VRP
Gympie Central	QLD	100%		☑	☑	☑	VCX
Halls Head Central	WA	50%		☑	☑	☑	VCX
Hilton Plaza	SA	100%	Sold August 2016	☑	☑	☑	VCX
Kalamunda Central	WA	100%		☑	☑	☑	VCX
Karratha City	WA	50%		☑	☑	☑	VCX
Keilor	VIC	0%		☑	☑	☑	VERF
Kurralta Central	SA	100%		☑	☑	☑	VCX
Lake Haven	NSW	100%		☑	☑	☑	VCX
Lavington Square	NSW	100%		☑	☑	☑	VCX
Lennox Village	NSW	50%		☑	☑	☑	VCX
Lidcombe	NSW	0%	Acquired August 2015	☑	☑	☑	VERF
Livingston Marketplace	WA	100%	Acquired December 2015	☑	☑	☑	VCX
Maddington Central	WA	100%		☑	☑	☑	VCX
Maitland Hunter Mall	NSW	100%	Sold October 2016	☑	☑	☑	VCX
Mandurah Forum	WA	50%		☑	☑	☑	VCX
Midland Gate	WA	0%		☑	☑	☑	VRP
Mildura Central	VIC	0%		☑	☑	☑	VERF
Milton Village	QLD	100%		☑	☑	☑	VCX
Mornington Central	VIC	50%		☑	☑	☑	VCX
Mt Ommaney Centre	QLD	25%		☑	☑	☑	VCX
Mount Pleasant	QLD	0%		☑	☑	☑	#
Myer Brisbane	QLD	25%		☑	☑	☑	VCX
Nepean Village	NSW	100%		☑	☑	☑	VCX
North Shore Village	QLD	100%		☑	☑	☑	VCX

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Centre	State	VCX equity	Comments	Reporting Framework			
				Operational Control (NGER)	Sustainability website (GRI Standards)	DJSI & CDP	GRESB [#]
Northgate	TAS	100%		☑	☑	☑	VCX
Northland	VIC	50%		☑	☑	☑	VCX
Oakleigh Central	VIC	100%		☑	☑	☑	VCX
Oxenford Village	QLD	100%		☑	☑	☑	VCX
Paradise Centre	QLD	0%		☑	☑	☑	#
Queens Plaza	QLD	100%		☑	☑	☑	VCX
Riverside Plaza	NSW	0%		☑	☑	☑	VERF
Rockingham	WA	50%		☑	☑	☑	VCX
Roselands	NSW	50%		☑	☑	☑	VCX
Roxburgh Park	VIC	100%		☑	☑	☑	VCX
Runaway Bay	QLD	50%		☑	☑	☑	VCX
Salamander Bay	NSW	0%	Sold July 2017	☑	☑	☑	VRP
Stirlings Central	WA	100%		☑	☑	☑	VCX
Sunshine Marketplace	VIC	50%		☑	☑	☑	VCX
Taigum Square	QLD	100%		☑	☑	☑	VCX
Terrace Central	NSW	100%		☑	☑	☑	VCX
The Gateway	VIC	100%		☑	☑	☑	VCX
The Glen	VIC	50%		☑	☑	☑	VCX
The Shops at Ellenbrook	WA	100%	Acquired December 2015	☑	☑	☑	VCX
Toormina Gardens	NSW	50%		☑	☑	☑	VCX
Tuggeranong Hyperdome	ACT	50%	Sold November 2016	☑	☑	☑	VCX
Tweed Mall	NSW	100%	Sold October 2016	☑	☑	☑	VCX
Victoria Gardens Shopping Centre	VIC	50%		☑	☑	☑	VCX
Victoria Park Central	WA	100%		☑	☑	☑	VCX
Warnbro Centre	WA	100%		☑	☑	☑	VCX
Warriewood Square	NSW	50%		☑	☑	☑	VCX
Warwick Grove	WA	100%		☑	☑	☑	VCX
West End Plaza (Albury)	NSW	100%		☑	☑	☑	VCX
Whitsunday Plaza	QLD	100%		☑	☑	☑	VCX
Wodonga Plaza	VIC	100%	Sold June 2017	☑	☑	☑	VCX
Bowes Street, Woden	ACT	100%	Sold August 2016	☑	NC	NC	NC
The Quadrant, William St, Perth	WA	0%		☑	NC	NC	NC
Sydney Corporate Office - MLC	NSW	0%		☑	NC	NC	NC
Brisbane State office – Brisbane	QLD	0%		☑	NC	NC	NC
Perth State Office – Subiaco	WA	0%		☑	NC	NC	NC
Myer Bourke	VIC	33%					
Exchange Plaza, Perth	WA	0%					

GRESB – Vicinity reports to the GRESB for our owned assets (equity), but also undertakes reporting on behalf of two wholesale funds, the Vicinity Retail Partnership (VRP) and Vicinity Enhanced Retail Fund (VERF). The assets reports are indicated in the table by the ownership VCX, VRP and VERF. Assets owned by other funds or strategic partners haven't been reported to GRESB.

NC denotes non-core asset, which has been excluded in some reporting instances.