

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), CDP (formerly Carbon Disclosure Project), 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** – For environmental data, 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 an asset list. For social sustainability data, coverage includes all employees and internal contractors working at Vicinity's head office in Chadstone, interstate corporate offices and centre management offices.
- 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** – tenant energy use, waste to landfill, business travel (air), and distribution and transmission emissions from electricity, natural gas and LPG.
 - d) **Energy** – consumed from sources such as natural gas, electricity, renewable energy such as solar panels, LPG, and diesel, reported separately into base building and tenant energy consumption.
 - e) **Renewable energy** – energy produced/consumed from onsite renewable energy sources such as solar
 - f) **Waste** – operational waste and disposal method, either recovered /recycled or sent to landfill. The secondary diversion of general waste sent to energy recovery facilities is not defined as recycling and excluded, unless specified otherwise.
 - g) **Water** – consumption of mains water by tenants and base building.
 - h) **Workforce statistics** - our Human Resources Information System (HRIS) *Workday* tracks and manages our people data to generate statistics such as number of employees and internal contractors, new hires, turnover, return to work and retention rates after parental leave, diversity, remuneration and training and development
 - i) **Health, safety and wellbeing data** – our Health and Safety Management System manages and reports injury performance statistics such as injury rates and fatalities. The absentee rate is calculated through our HRIS.
 - 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. This also includes our spend with social enterprises and indigenous businesses.
 - k) **Supply chain** – Vicinity reports 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, unless otherwise stated
- 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) **Extrapolation of tenant data** – due to the difficulty in obtaining tenant energy consumption data for all tenants at shopping centres, Vicinity has used an extrapolation methodology to estimate any missing data. The methodology involves either using available tenant data to extrapolate missing data for that particular centre, or for centres without any representative tenant data, the average tenant usage from similar centres (centre type and region) is applied to estimate the missing tenants. For 2018 reporting period, the total missing tenant data is 18 per cent.
- d) **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.
 - iv) Business travel - air emissions are calculated using UK Government's Department of Environment, Food & Rural Affairs (DEFRA) methodologies and factors
- 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
 - iv) It takes around 17 trees to produce one tonne of paper/paper towel

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 ATM sites

- 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 a true comparison year-on-year and is aligned to 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 internal 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 wellbeing** – Health and wellbeing data is reported using the GRI Standards indicator 403-2, and includes the absentee rate, defined as the percentage of days lost as a result of absences by employees during the reporting period.
- p) **Occupational Health and Safety** – is reported using the indicator Lost-time injuries frequency rate (LTIFR), which refers to any work-related injury that results in the company employee not able to return to work the next day. The LTIFR is number of lost-time injuries per million hours worked.
- q) **New hires and turnover** – Total number and percentage of new hires and turnover are reported using GRI Standards indicator GRI 401-1.
- r) **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.
- s) **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.
- t) **Remuneration** – Ratio of basic salary and remuneration of women to men by employee category, using GRI Standards indicator 405-2.
- u) **Community investment spend** – reported as cash, time, in-kind and management costs across the Vicinity corporate offices and retail portfolio, using the LBG framework. In line with social investments guidance provided by LBG, Vicinity has also captured 50 per cent of our procurement spend with social enterprises and indigenous businesses in the total community investment spend.
- v) **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. **Limited Assurance** - 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. **Assurance scope** - A selection of our most material environmental performance metrics has received Limited Assurance from KPMG for the current reporting period. The selection of data included in the scope of KPMG'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.

Vicinity Centres | Sustainability Reporting Criteria CY2018

Centre	State	VCX equity	Comments	Reporting Framework			
				Operational Control (NGER)	Annual Report & Sustainability website (GRI)	DJSI & CDP	GRESB [#]
Altona Gate	VIC	100%		☑	☑	☑	VCX
Armidale Central	NSW	100%		☑	☑	☑	VCX
Bankstown Central	NSW	50%		☑	☑	☑	VCX
Bathurst City	NSW	0%	Sold October 2017	☑	☑	☑	VERF
Bayside	VIC	100%		☑	☑	☑	VCX
Belmont Village	VIC	100%	Sold Sept 2018	☑	☑	☑	VCX
Bentons Square	VIC	100%	Sold October 2018	☑	☑	☑	VCX
Box Hill Central (North Precinct)	VIC	100%		☑	☑	☑	VCX
Box Hill Central (South Precinct)	VIC	100%		☑	☑	☑	VCX
Brandon Park	VIC	50%	Sold April 2018	☑	☑	☑	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	50%	Sold 50% in May 2018	☑	☑	☑	VCX
Colonnades	SA	50%		☑	☑	☑	VCX
Corio Shopping Centre	VIC	100%		☑	☑	☑	VCX
Cranbourne Park	VIC	50%		☑	☑	☑	VCX
Currabine Central	WA	100%	Sold November 2018	☑	☑	☑	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
DFO Perth	WA	50%	Opened October 2018	☑	☑	☑	VCX
Dianella Plaza	WA	100%		☑	☑	☑	VCX
Eastlands	TAS	100%		☑	☑	☑	VCX
Elizabeth	SA	100%		☑	☑	☑	VCX
Ellenbrook Central	WA	100%	Acquired December 2015	☑	☑	☑	VCX
Emporium Melbourne	VIC	50%		☑	☑	☑	VCX
Flinders Square	WA	100%	Sold August 2018	☑	☑	☑	VCX
Galleria	WA	50%		☑	☑	☑	VCX
Gateway Plaza	VIC	0%	Sold July 2018	☑	☑	☑	VERF
Goldfields Plaza	QLD	100%	Sold June 2018	☑	☑	☑	VCX
Grand Plaza	QLD	50%		☑	☑	☑	VCX / VRP
Gympie Central	QLD	100%		☑	☑	☑	VCX
Halls Head Central	WA	50%		☑	☑	☑	VCX
Kalamunda Central	WA	100%	Sold October 2018	☑	☑	☑	VCX
Karratha City	WA	50%		☑	☑	☑	VCX
Keilor	VIC	0%	Sold December 2018	☑	☑	☑	VERF
Kurralta Central	SA	100%		☑	☑	☑	VCX
Lake Haven	NSW	100%		☑	☑	☑	VCX
Lavington Square	NSW	100%	Sold October 2018	☑	☑	☑	VCX
Lennox Village	NSW	50%		☑	☑	☑	VCX
Lidcombe	NSW	0%	Acquired August 201 Sold October 2018 ⁵	☑	☑	☑	VERF
Livingston Marketplace	WA	100%	Acquired December 2015	☑	☑	☑	VCX
Maddington Central	WA	100%		☑	☑	☑	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%	Sold October 2018	☑	☑	☑	VCX
Northgate	TAS	100%		☑	☑	☑	VCX
Northland	VIC	50%		☑	☑	☑	VCX
Oakleigh Central	VIC	100%		☑	☑	☑	VCX
Oxenford Village	QLD	100%	Sold October 2018	☑	☑	☑	VCX
Paradise Centre	QLD	0%	Retired management October 2018	☑	☑	☑	#
Queen Victoria Building	NSW	50%	Acquired May 2018	☑	☑	☑	#
Queens Plaza	QLD	100%		☑	☑	☑	VCX

Vicinity Centres | Sustainability Reporting Criteria CY2018

Centre	State	VCX equity	Comments	Reporting Framework			
				Operational Control (NGER)	Annual Report & Sustainability website (GRI)	DJSI & CDP	GRESB [#]
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%	Sold October 2018	☑	☑	☑	VCX
Sunshine Marketplace	VIC	50%		☑	☑	☑	VCX
Taigum Square	QLD	100%		☑	☑	☑	VCX
Terrace Central	NSW	100%	Sold November 2017	☑	☑	☑	VCX
The Galleries	NSW	50%	Acquired May 2018	☑	☑	☑	#
The Gateway	VIC	100%	Sold October 2018	☑	☑	☑	VCX
The Glen	VIC	50%		☑	☑	☑	VCX
The Strand Arcade	NSW	50%	Acquired May 2018	☑	☑	☑	#
Toormina Gardens	NSW	50%	Sold January 2018	☑	☑	☑	VCX
Victoria Gardens Shopping Centre	VIC	50%		☑	☑	☑	VCX
Victoria Park Central	WA	100%		☑	☑	☑	VCX
Warnbro Centre	WA	100%	Sold October 2018	☑	☑	☑	VCX
Warriewood Square	NSW	50%		☑	☑	☑	VCX
Warwick Grove	WA	100%		☑	☑	☑	VCX
West End Plaza (Albury)	NSW	100%	Sold October 2018	☑	☑	☑	VCX
Whitsunday Plaza	QLD	100%		☑	☑	☑	VCX
The Quadrant, William St, Perth	WA	0%	Sold October 2017	☑	NC	NC	NC
Sydney Corporate Office - MLC	NSW	0%		☑	NC	NC	NC
Chadstone National Office	VIC	50%		☑	NC	NC	NC
Perth State Office – Subiaco	WA	0%		☑	NC	NC	NC
Myer Bourke	VIC	33%			NC	NC	VCX

[#] 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.