

SCENTRE GROUP

SUSTAINABILITY
REPORT
2015

**Creating extraordinary
places, connecting and
enriching communities.**

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SUSTAINABILITY REPORT

Report profile

Scentre Group's 2015 Sustainability Report is our second report on sustainability since restructuring into a new independent entity.

Scentre Group provides information to stakeholders on its sustainability performance through various voluntary and mandatory reports:

- Scentre Group digital Sustainability Report.
- Our Corporate Governance Statement and report to the Workplace Gender Equality Agency.
- Carbon Disclosure Project submission.
- Global Real Estate Sustainability Benchmark submission.
- National Greenhouse and Energy Reporting on energy and emissions for operating assets in Australia.

Organisational boundaries

Scentre Group is a vertically-integrated business which designs, constructs and operates the premier portfolio of shopping centre assets in Australia and New Zealand. The scope of this report covers assets owned and operated by the Group, including shopping

centres, related commercial buildings and development, design and construction sites for which the Group has acted as principal contractor during the reporting period.

Scentre Group owns over half of its shopping centre portfolio in joint venture agreements with co-owners. Assets that are jointly owned and operated by Scentre Group are considered under its operational control. The performance of these assets is reflected in this Sustainability Report. The impacts of suppliers, service providers and tenants are excluded from this report.

Approach to reporting on material aspects

Scentre Group's 2015 Sustainability Report has been prepared in alignment with Global Reporting Initiative (GRI) G4 Core level. The Group has reported disclosures on management approach (DMA) and at least one indicator for all identified material aspects of sustainability performance.

Decisions related to the preparation of this report are consistent with the GRI G4 principles for defining report quality:

- **Balance:** both favourable and unfavourable year-on-year results are presented.
- **Comparability:** this report includes historical information for Scentre Group from 2014, to enable year-on year comparison of performance.

- **Accuracy:** Scentre Group is committed to maintaining best practice in relation to the measurement, calculation and reporting of our sustainability performance data. We strive to use actual third party information, however, whenever estimates are used, reference to the methodologies employed are made available. Our reporting processes are in alignment with applicable global reporting standards and documented in methodologies to ensure consistency.

- **Timeliness:** Scentre Group reports on its sustainability performance indicators using the same period as its financial statements – 1 January to 31 December 2015.

- **Clarity:** Scentre Group provides sustainability performance information in various formats (case study, quantitative data pack, qualitative DMAs, GRI index) across a range of reporting platforms to ensure the specific information relevant to each stakeholder group is more easily accessible.

- **Reliability:** The information presented in this report is subject to extensive managerial review and a number of indicators (covering energy, GHG and waste) have been externally assured by external assurance providers Ernst & Young.



MESSAGE FROM OUR CEO

Peter Allen

Since its creation in June 2014, Scentre Group has established itself as the owner and operator of the premier retail portfolio in Australia and New Zealand.

Drawing on its prior history of almost 55 years as Westfield, the Group continues its mission to ensure the long-term future of the business is one that is sustainable in every sense of the word.

As a new organisation, Scentre Group quickly articulated its purpose: to create extraordinary places connecting and enriching communities, giving meaning and direction to every activity undertaken by the business. We also defined our DNA: a cultural blueprint that helps inform the behaviours of our employees in enacting our purpose and achieving our strategic objectives of owning, managing and developing the best retail assets in Australia and New Zealand.

In the relatively short space of time since becoming Scentre Group, our business has already generated excellent returns for security-holders thanks to our high-quality portfolio of Westfield shopping centres, our unique market position and strong operating performance. This has been supported by a consistent strategic focus on asset management, our development pipeline, capital management and retailer and shopper initiatives.

During this time we have continued to build on the principles of sustainability, which were long-established during our time as Westfield, and have grown them in alignment with the focus on our culture and operations. Fundamentally, sustainability is a priority for Scentre Group as we strive to operate safely and efficiently, conserve energy, produce less waste, engage meaningfully with our stakeholders and utilise technology and design to create extraordinary shopping centres.

This report, focusing on our performance in sustainability during 2015, is the second for Scentre Group, and the first that reports on a full-year basis as a new organisation. In embedding sustainability more deeply into the structure of how we work, in 2015 we established a Sustainability Business Council, a cross-divisional committee comprising members of the most senior leadership team to help drive the sustainability agenda and, in particular, to minimise our environmental impact by reducing our energy consumption and carbon footprint. These efforts were complemented by the extensive work done to support our human resources agenda, as we steered our people and culture on the transformational journey from Westfield to Scentre Group. Our purpose to enrich our communities completes the picture for 2015, encompassing wide-ranging community engagement both inside our shopping centres and beyond.

Sustainability is a priority for Scentre Group as we strive to operate safely and efficiently, engage meaningfully with our stakeholders and utilise technology and design to create extraordinary shopping centres.

As we move forward as a new organisation, Scentre Group has the benefit of extensive experience in shopping centre ownership and management, combined with a reason for doing business, and a way of doing it that is already deeply embedded. The Board of Directors and I look forward to a future we believe will deliver the long-term sustainability and growth of our business, creating genuine value for all our stakeholders.

Peter Allen

Chief Executive Officer

OUR PURPOSE

Creating extraordinary places, connecting and enriching communities

by owning, managing and developing the best retail assets in Australia and New Zealand.


2,822
employees


525m
shopper visits


\$22bn
retail sales

10,693

Retail Outlets

3.3

Gross Lettable Area (m/sqm)

\$28.9 bn¹

SCG Interest

\$11.0bn

JV Partner Interests

\$39.9bn

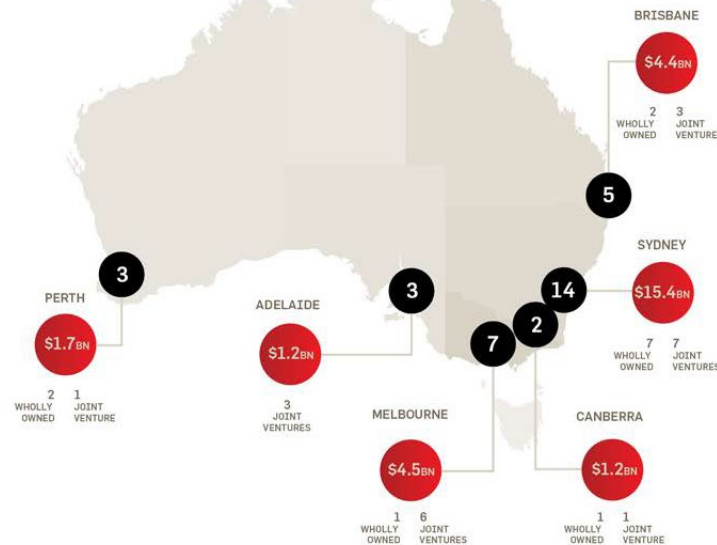
Assets Under Management

5.51%

Weighted Average Capitalisation Rate

Australia

34
centres



New Zealand

6
centres



977

Retail Outlets

0.3

Gross Lettable Area (m/sqm)

1.3 bn^{1,2}

SCG Interest

NZ\$1.1 bn

JV Partner Interests

NZ\$2.4 bn

Assets Under Management

6.98%

Weighted Average Capitalisation Rate

TOTAL AUSTRALIA AND NEW ZEALAND

# Retail Outlets	Gross Lettable Area (m/sqm)	SCG Interest (bn)	JV Partner Interests (bn)	Assets Under Management (bn)	Weighted Average Capitalisation Rate
11,670	3.6	\$30.1	\$12.0	\$42.1	5.57%

1. Includes construction in progress and assets held for development. 2. Pro forma post sale of two New Zealand assets



ORGANISATIONAL STRUCTURE

Governance

Sustainability is a priority for Scentre Group's business. The Group incorporates sustainability into its culture and operations.

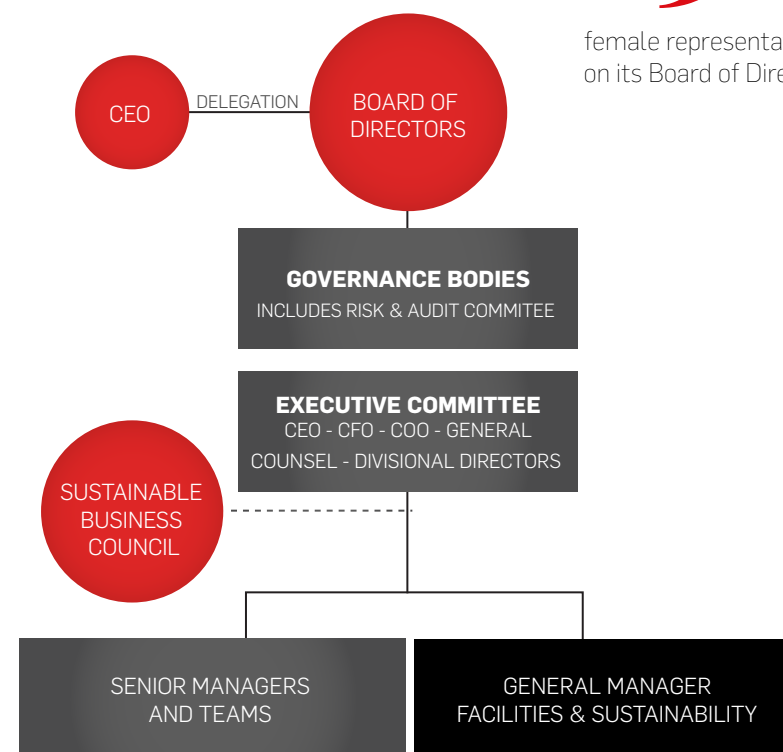
Scentre Group has a number of governance bodies in place which are responsible for the strategic guidance of the organisation. Those bodies are the Board of Directors, the Audit and Risk Committee, the Human Resources Committee, the Nomination Committee and the Executive Committee. Sustainability is managed and implemented by the:

- **Scentre Group Board**, amongst other responsibilities, is responsible for setting and reviewing the strategic direction of the Group and overseeing the effective management and operation of the Group.
- **Scentre Group Audit and Risk Committee** maintains oversight over the risk management framework, including sustainability risks.
- **Scentre Group Executive Committee** operates the business in alignment with the policies set by the Board. The Executive Committee is composed of the Chief Executive Officer, Chief Financial Officer, Chief Operating Officer, General Counsel and divisional directors.
- **Scentre Group Sustainable Business Council** is composed of Director of Human Resources, Director of Construction, Director of Development, Director of Design & Construction and Director of Finance. The Council meets monthly to guide the implementation of the Sustainable Business strategy and support the implementation of initiatives throughout the business.
- **Senior Managers and Teams** in Australia and New Zealand teams provide support, raise awareness and pursue initiatives that support the broader business to achieve Scentre Group Sustainability objectives.
- **General Manager Facilities and Sustainability Australia** – Responsible for the development of the Sustainable Business strategy, the implementation of energy efficiency, waste and water initiatives and programs in Australia and New Zealand, and reporting to the executive team on environmental performance of the business.
- **Sustainability Champions** – In 2015, Scentre Group has called for nomination of people and sustainable business champions to fast track the implementation of the diversity, inclusiveness and sustainability programs.

Scentre Group has achieved

 **30%**

female representation
on its Board of Directors*



*On 24 February 2016, Ms Carolyn Kay and Ms Margaret Seale were appointed to the Board



Compliance

All employees are provided with an employee handbook which outlines the values, policies, procedures and standards of conduct to be adhered to in all situations.

Compliance seminars are held annually for key staff on legal requirements and procedures. It is the responsibility of each employee to understand Scentre Group's values and policies and report any conduct or activities in breach of these values.

Whistleblowing policy

The whistleblower policy ensures that concerns regarding unethical, unlawful or improper conduct may be raised without fear of reprisal. Under the policy, Scentre Group has an appointed Whistleblower Protection Officer in both Australia and New Zealand. Employees are encouraged to report any genuine matter or behaviour that they believe contravenes our code of conduct, policies or the law. Matters may include any actual or suspected conduct or practices which are illegal, corrupt activities, theft or fraud, misleading or deceptive conduct of any kind, harm to public health or safety or the health or safety of any Scentre Group employee. We investigate all reported concerns appropriately and will,

where applicable, provide feedback regarding the outcome of the investigation. We take any necessary action in response to a report and where no action is taken, an explanation will be provided. Where appropriate, a third party may be engaged to assist in the investigation. Every six months a report is provided to the Audit and Risk Committee summarising the whistleblower activities for the period.

Fines and sanctions

In 2015, Scentre Group received no significant fines or non-monetary sanctions for non-compliance with any laws and regulations, including those relating to the environment and the provision of goods and services. The Group defines significant fines as being \$100,000 or above.

In looking at the key drivers for maintaining a sustainable business, the Group also analyses the key risks that could impact on the business.



ASSESSMENT OF MATERIALITY

What is relevant to Scentre Group?

During 2015, we focused on defining our strategic priorities in relation to sustainability, resulting in a relevant and customised Sustainable Business Framework for Scentre Group.

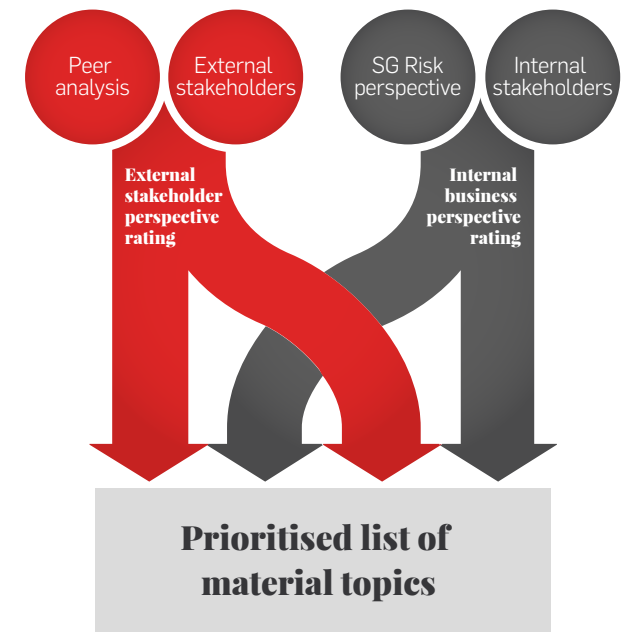
We believe that a stakeholder-centric approach will help Scentre Group achieve our aspiration of creating shared value, efficiency and ultimately a position of proactive innovation. In order to better understand our stakeholders' reasonable expectations, we have conducted a detailed stakeholder engagement and materiality assessment exercise. A team of consultants with an understanding of our sustainability journey to date, in depth knowledge of our business, deep experience of sustainability and change management assisted us in this exercise.

A number of internal and external stakeholders have an interest in our business: internal stakeholders include our staff working in the various divisions of our business: design & construction, development, leasing, human resources, centre management, marketing, community, group risk and our leadership team. Our external stakeholder group comprises our community of tenants, suppliers and service providers, co-owners, security holders, industry groups and the

communities which we serve and operate in. Our approach to stakeholder engagement has been guided by a mix of a desktop review of available internal information and face-to-face interactions. In total, we conducted two focus groups, 18 interviews with over 50 individuals to understand and document our stakeholder expectations, material topics and priorities.

We then applied a rigorous materiality assessment process, taking into consideration both the relevance to stakeholders and the potential impact of identified aspects to Scentre Group. We prioritised each key sustainability impact and priority in the view of informing the development of our Sustainable Business Framework.

Findings and recommendations from our stakeholder engagement and materiality assessment process were presented to the executive team for review and endorsement, along with the identified material Sustainable Business topics and a three-year Sustainable Business roadmap.



“Sustainability is not just about the environment, it’s about seeing our business through the lens of our staff, our retailers, customers and our community. To continue to grow and make a difference in the future, our focus needs to be on a sustainable business model.”

Peter Allen
Chief Executive Officer
Scentre Group 1st birthday celebrations
23 July 2015



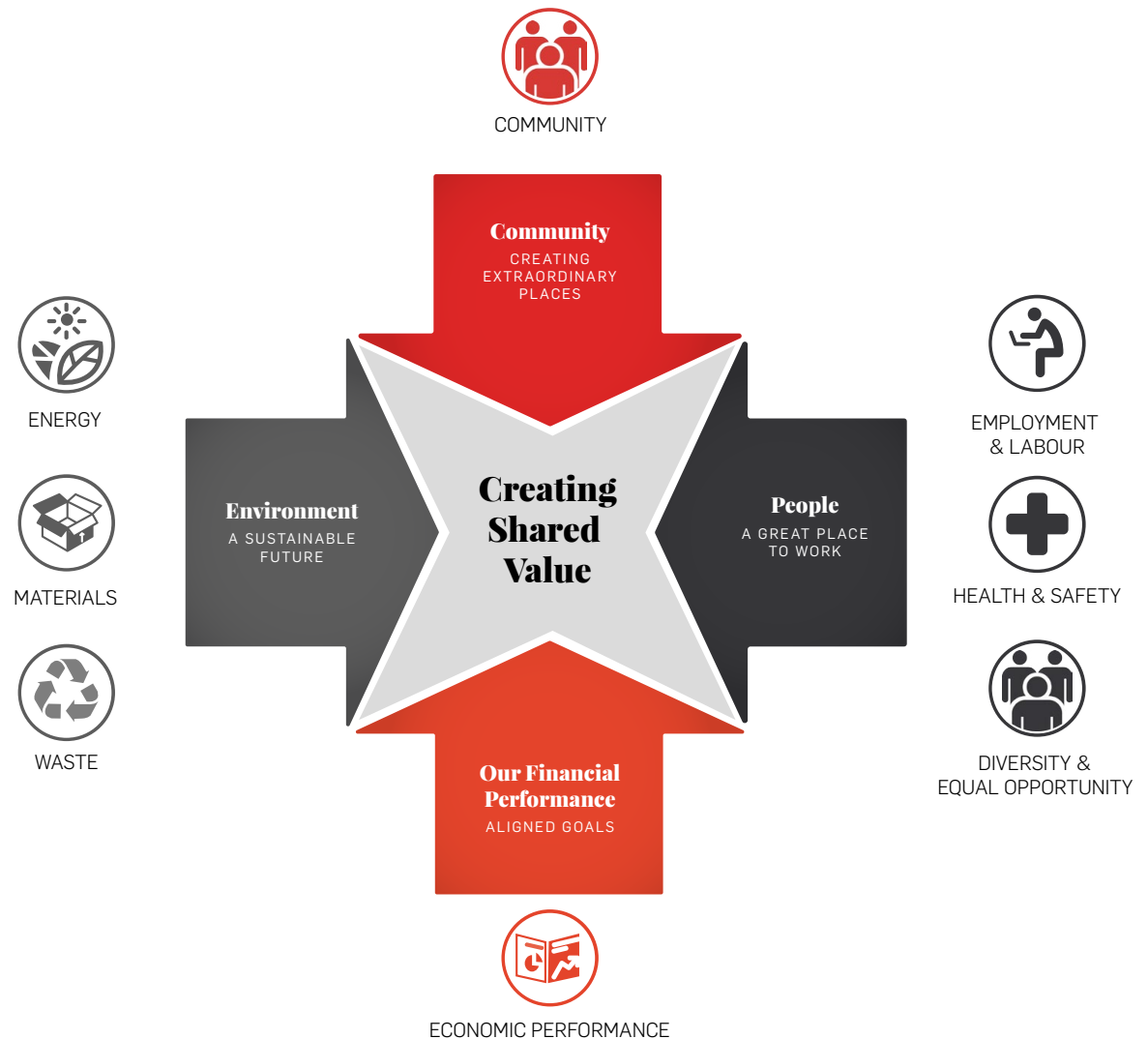
SUSTAINABLE BUSINESS Framework

The Sustainable Business Framework provides a set of guiding principles and material issues around which the Group can ensure its sustainability practices contribute to delivering the purpose of creating extraordinary places connecting and enriching communities.

The material topics presented opposite were identified through a rigorous materiality assessment process as being of highest importance to our internal and external stakeholders. These are presented through four pillars of sustainability performance:

- **COMMUNITY:** We create extraordinary places that are the heartbeat of our communities, places that are integral to people's lifestyles.
- **PEOPLE:** We invest in our people; creating extraordinary workplaces.
- **ENVIRONMENT:** We look to a sustainable future for the planet.
- **ECONOMIC PERFORMANCE:** We focus on maintaining and increasing long-term financial returns through sustainable business practices.

Scentre Group, through internal and external communications, continues to demonstrate that we are aware of key drivers of sustainability performance. We are working towards improving performance by implementing the recommendations of the Sustainable Business roadmap, and raising awareness throughout the organisation and amongst our stakeholders, in line with our Sustainable Business Framework and objectives.



Environment

A SUSTAINABLE FUTURE

Environmental performance is a key pillar of our approach to creating a sustainable business. As a vertically-integrated business, we are able to incorporate an environmental perspective into decision making at every stage of our operations and projects.





A SUSTAINABLE FUTURE

Environment

Scentre Group owns, develops, designs, constructs, operates and manages a significant portfolio of shopping centres and commercial assets. This breadth of functions means the Group's environmental considerations range from concept design through to ongoing operations and management.

Our stakeholder engagement and materiality review process, undertaken as part of the Sustainable Business Framework, revealed the material environmental aspects for Scentre Group were energy, materials and waste.

The Group is continuing to progress the Sustainable Business Framework and, in the meantime, is developing organisation-wide environmental targets for energy, waste and materials.

Environmental management contributes to the Group's efficiency and long-term sustainability.

Cross-divisional teams monitor and manage the environmental impact of ongoing business operations through activities such as:

- Designing energy efficiency modelling
- Materials selection
- Design decision-making processes
- Reduction of construction and operational waste
- Recycling of waste materials in development and construction activities
- Efficient use of environmental resources such as energy and water in building operations

We also work closely with service providers to increase the amount of operational waste materials diverted from landfill.



ENVIRONMENT

Energy & emissions

Energy is a material aspect of Scentre Group's environmental performance. Its procurement is ruled by regulatory requirements, its usage constitutes a significant portion of controllable operating expenses for our assets and its reporting is associated with stringent energy and emissions reporting obligations.

Purchased energy is the single largest source of emissions for Scentre Group, representing 94% of Scope 1 and 2 emissions. Our stakeholders and in particular our tenants, co-owners and increasingly shoppers, expect us to operate our assets in a nimble and efficient manner, saving energy wherever possible.

Scentre Group has various opportunities to achieve cost savings in energy usage by investing in energy efficiency, but also by actively managing energy demand in order to reduce energy charges. The Group is also progressing its position on renewable energy generation based on past experience installing solar panels for third parties, including Willoughby City Council (Westfield Chatswood carpark) and IKEA (Westfield North Lakes).

Direct energy consumption by primary use 2015 and 2014

	Type	2015 (GJ)	% contribution (2015)	2014 (GJ)	% change year on year
Non-renewable sources	Natural gas	107,691	88.2%	120,422	(10.6%)
	Non-transport fuel combustion	12,661	10.4%	10,557	19.9%
	Transport fuels (controlled vehicles)	1,680	1.4%	18,321	(90.8%)
Renewable sources	Renewables	28	0.0%	58	(92.5%)
TOTAL		122,060		149,359	(18.3%)

Indirect energy consumption by primary source 2015 and 2014

	Type	2015 (GJ)	% contribution (2015)	2014 (GJ)	% change year on year
Non-renewable sources	Electricity	1,202,407	90.3%	1,245,159	(3.4%)
Renewable sources	Hydro energy	128,867	9.7%	128,673	0.2%
TOTAL		1,331,274		1,373,832	(3.1%)

In December 2015, the Conference of the Parties to the United Nations Framework Convention on Climate Change resulted in a new international agreement to limit average change in temperatures to below two degrees, significantly reducing the risks and impacts of climate change for future generations.

The energy and greenhouse gas (GHG) emissions regulatory requirements are still evolving in Australia despite the Paris Agreement, and therefore the risk of additional financial, legal or reputational constraints exist and need to be proactively managed.

Regulatory framework

Currently, Scentre Group operates under the following key energy and emission regulations in Australia and New Zealand:

- The *National Greenhouse and Energy Reporting Act 2007* (NGER Act) requires Scentre Group to report annually to the Clean Energy Regulator on our GHG emissions for Scope 1 and 2, as well as on our energy consumption and production data.
- The Commercial Building Disclosure (CBD) Program requires most sellers and lessors of office space of 2000 square metres or more to have an up-to-date Building Energy Efficiency Certificate (BEEC). Some of our commercial buildings are subject to this requirement.

Other legislation in force in our operating markets:

- Scentre Group benefits from carbon emission credits resulting from energy efficiency activities under the NSW Energy Saving Scheme and, as such, is not eligible to participate in the Emissions Reduction Fund (ERF) that took effect in November 2014, following the repeal of the Carbon Price Mechanism (CPM).

- Scentre Group does not take part in the New Zealand Emissions Trading Scheme (ETS), as it covers industry sectors not related to Scentre Group. However, the ETS impacts Scentre Group due to placing a price on carbon emissions generated from electricity production, through higher electricity prices.

Performance management & responsibilities

Building on a robust existing energy measurement, monitoring and reporting system, we continue to manage buildings in our portfolio effectively, with the aim of continuously improving the performance of the Group's assets – thus reducing overall energy usage and emissions.

Our approach is to set internal energy usage targets and expected efficiencies for each asset across the portfolio. Each asset has a target set in relation to budget for the year based on its specific development stage, individual capital investment pipeline and individual parameters such as current performance, technical limitations and energy efficiency opportunities.

This is more meaningful for sites and staff and allows for a more detailed and actionable approach to energy usage and emissions reductions. At site level, the facilities team is responsible for delivering the target, and therefore the target-setting approach relies on extensive consultation between the National Facilities and Sustainability function and the asset's Facilities teams.



The Sustainability Innovation Group

[READ ONLINE STORY](#)

Purchased energy
represents
94%
of Scope 1 & 2 emissions

Electricity consumption
reduced
3.4%
in 2015

Resources and actions

Scentre Group invests in information technology to enable integration of control systems and provide our teams with access to meaningful analysis of building performance, energy usage and emission performance.

Programs and initiatives undertaken to reduce energy and emissions include:

- Implementation of three-year energy audit program to identify energy efficiency opportunities and prioritise actions for improvement based on return on investment.
- Retrofit or upgrade of plants and equipment such as cooling and ventilation systems, lighting and hand-dryers.
- Installation of building management systems with adequate control strategies combined with plant optimisation.
- Development of demand management strategies and peak/off-peak energy usage strategies, including reviewing the potential of battery storage.
- Installation of variable speed drives and power factor correction units for optimum plant operations.
- Adoption and retrofit of UV treatment to AHUs for improved efficiencies.
- Review and roll-out of PV Solar combined with carpark shade structures for existing and new centres.
- Review and changeover of lighting to LED.

82%

of Scentre Group's retail portfolio was rated on NABERs in 2015

Our tools and software enable the capture of granular data to monitor plants and equipment, activities, workflows allowing for meaningful analysis of performance and the refinement of operational effectiveness and energy and emissions reduction plans.



Excellence in energy efficiency benchmarking

[READ ONLINE STORY](#)



Energy efficiency delivering carbon emission reductions

[READ ONLINE STORY](#)



Carbon emissions decrease by 4.8%

[READ ONLINE STORY](#)



ENVIRONMENT

Waste

Both construction and operational waste are significant aspects of Scentre Group's environmental performance.

Operational waste to landfill is the largest contributor to Scentre Group's other indirect (Scope 3) emissions.

The Group generates significant amounts of demolition and construction waste materials as a result of our busy development project pipeline. Based on large projects completed in 2015, the ratio of construction waste materials recycled in project is 58%.

Westfield shopping centres experience significant foot traffic and trade cycles that generate large amounts of operational waste. In 2015, we have diverted 47% of waste generated on site to recycling waste streams.

The waste is collected by waste management contractors and processed in specialised waste management facilities that differ from region to region. Some waste streams in particular have seen volumes collected increase steadily since 2014, including cardboard, organics (producing natural fertiliser) and cooking oil (used to make biofuel) as a result of our recycling efforts.

As part of its Sustainable Business approach, the Group's objective is to increase the amount of waste diverted from landfill. Organisational targets are being developed in this

area, however we continue to set asset specific targets to incentivise facilities teams to improve performance further. Our approach to waste management is managed in close cooperation with our national waste services provider and revolves around:

- Adequacy of waste infrastructure
- Best practice loading dock areas
- Education of teams
- Performance reporting

We have started communicating to our teams about the importance of diverting waste from landfill and reducing operational costs linked to general waste ending up in landfill. We see significant opportunity in segregating organic waste from general waste streams to reduce tonnages and transportation costs. Given that waste costs are largely driven by EPA landfill levies outside of our control, it is in our interest to develop an acute understanding of innovative technologies available to continually reduce the amount of waste sent to landfill. We will continue our efforts in implementing our waste management strategy and increase our tenant engagement around recycling and waste to further influence positive behavioural change in this area.

Construction
waste materials

recycled

58%

in projects in 2015

Onsite waste

47%

diverted

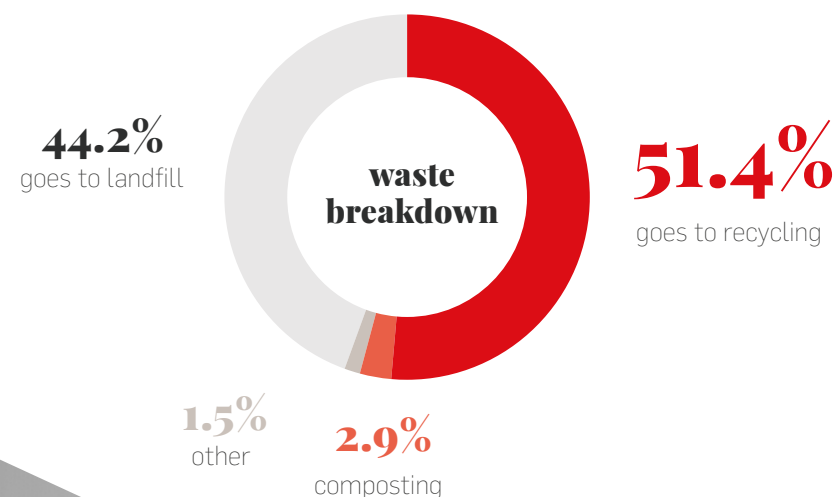
to recycling streams

In 2015, the total waste generated by our business was approximately 426,400 tonnes. Hazardous waste from demolition or excavation activities generated an estimated 7,401 tonnes and was disposed of in accordance with regulatory requirements.

Scentre Group has strict health and safety procedures in place in relation to handling and disposal of hazardous waste products, and in particular asbestos. The majority of our waste was classified as non-hazardous and over half of this type of waste was recycled, recovered or used as compost. This share has increased from 49.5% of total non-hazardous waste in 2013 to 51% in 2015.

Breakdown of non-hazardous waste disposal by waste category 2015*							
Type	Shopping centre operations	Design & Construction					
	Operational waste (metric tonnes)	Demolition (metric tonnes)	Excavation (metric tonnes)	Construction (metric tonnes)	Total (metric tonnes)	% of total non-hazardous waste	% change year on year
Recycling	24,884	163,189	6,803	20,685	215,560	51.4%	(85.8%)
Landfill (offsite)	48,256	13,208	119,523	4,222	185,209	44.2%	(87.2%)
Composting	12,116	-	-	-	12,116	2.9%	14.5%
Other (to licensed waste contractors facilities)	6,112	-	-	-	6,112	1.5%	4.3%
TOTAL	91,367	176,397	126,326	24,907	418,997	100%	(85.9%)

* Scentre Group used the guidance provided by GRI-G4 Global Reporting Initiative Implementation Manual to report on waste. Scentre Group reports on whole building waste generation, which includes waste generated by our tenants, with the exception of major tenants, who report separately on their generated waste. Design & Construction waste volumes were estimated based on information provided by contractors from the Pacific Fair (QLD) & Warringah (NSW) projects. Data was extrapolated for the top 10 major projects by spend, based on the average quantity of waste generated per project per dollar, by state. Where no state level DD&C information was available, an average of the two states was applied. In 2015, we have amended our approach to estimating waste amounts from construction projects. Up until 2014 reporting year, construction waste was estimated based on the Sydney City project which was completed in 2010. This project was one of a kind, with a significant amount of material excavated from the site. This project no longer represented the nature of our current projects and therefore was considered to be an outdated baseline for extrapolation of waste volumes for other projects. Scentre Group continues to review its approach to estimating waste from D&C.





ENVIRONMENT

Water

Water is a critical natural resource upon which each and every community depends.

We continue to look closely at our usage of water and always look at ways of reducing municipal water wastage wherever possible. In 2015, we have set up a working group of facility managers across our portfolio to drive a national water efficiency project. Their first task was to establish a baseline of performance and understand the current status of water initiatives and programs across the portfolio. Night audits were undertaken to understand water consumption of assets outside working hours, establish a baseline for performance measurement going forward and identify any potential leaks. Another initiative was to install smart metering on all main water supplies, with implementation ongoing.

In South Australia, we have continued the installation of smart digital meters on main water supplies and cooling towers equipment. Other measures to limit water usage include identifying water efficiencies; install water efficient taps to amenities, rainwater storage and developing water-wise, landscaped gardens and green spaces in our centres.

On an absolute basis, we have reduced our water consumption by 91,836 kL, a 2% reduction in total water consumption. Water intensity has improved from 1.17 m³/sqm in 2014 to 1.14 m³/sqm in 2015, even though our total lettable area has increased following significant developments in 2015.



ENVIRONMENT

Materials

Materials have been identified as an opportunity area for Scentre Group's design, construction and operations as part of our Sustainable Business strategy.

Our supply chain is significant, as we procure large amounts of building products and materials. We are working hard to develop better systems to manage, monitor and review our suppliers of building products and materials so we can better track our progress in sourcing responsibly, procure sustainable products and use recycled materials wherever possible.

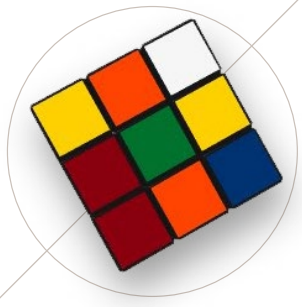
Community

CREATING EXTRAORDINARY PLACES

Scentre Group's purpose of creating extraordinary places, connecting and enriching communities has far-reaching implications for the communities with which the Group engages.

A wide range of stakeholders includes the communities in and around each Westfield shopping centre, the retail partners that are the lifeblood of our portfolio, investors and joint venture partners that contribute to the value creation generated by the Group, employees, service providers, industry, government, and more.





COMMUNITY **Overview**

Scentre Group recognises that every Westfield centre is part of a unique community, where it plays a key role as a place where people gather, spend leisure time, shop and work.

The commitment to enrich local communities comes to life in many forms, including the space we create, the economic investments we make and the other initiatives we undertake in order to make a meaningful contribution to the communities where Westfield centres operate.

Each of the redevelopments completed in 2015 was centred on the creation of public space, with dining and entertainment as a key focus, resulting in new community leisure precincts which have become destinations in their own right.

Scentre Group makes philanthropic donations and grants funding for projects at a corporate level and also undertakes a number of initiatives in its centres by providing space and raising funds for local charities and community groups, with a key focus on contributing to the wellbeing, development and growth of children.

During 2015 in Australia, the Westfield Community Program continued, providing support for children living with disabilities and their families. The program has a focus on fundraising and directs funds for therapy, equipment, respite programs that provide time out for families and carers, early intervention programs to deliver early diagnosis and treatment to young children, and programs to inform and educate families and the community.

The relationships held by every Westfield shopping centre and its local community has been at the forefront of our success for more than 55 years. We remain committed to enriching the communities in which the Group operates.



COMMUNITY

Our community

The Westfield Community program comes to life through every Westfield shopping centre which partners with local children's disability service providers to provide meaningful support through raising and providing funds, or the contribution of time and skills for community projects.

Across Australia, Westfield centres and divisional teams from corporate offices partnered with 32 charities, providing assistance through initiatives such as the annual GiveAbility Day, corporate golf days in six states, staff volunteering days, dollar matching of shopper donations on Giveability Day and a Christmas gift-wrapping campaign as well as staff donations through workplace giving and the provision of community space in centres. Project funding was also granted to: Assistance Dogs Australia to pilot animal assisted therapy for children with autism; Cerebral Palsy Alliance to enable children to trial wheelchairs and other mobility equipment; and Spina Bifida Hydrocephalus Queensland for an early intervention program.

In New Zealand, the Community Program's focus during 2015 was centred on making a positive and meaningful contribution to those most in need in the communities where the Group operates. This included assistance in raising funds and awareness for a variety of community groups; provision of community space in centre and professional skills support. Initiatives during the year included a \$20,000 pledge to KidsCan and the Child Cancer Foundation; \$10,000 raised for the Waikato Breast Cancer Research Trust and together with the existing pledge, a total of \$106,000 was donated to KidsCan/Child Cancer Foundation.

Scentre Group also supports its communities through disaster response initiatives, which include financial support but also the use of its shopping centres as critical community gathering points for resources, donation drop off points or for setting up relief stations.

Since 2008

\$11 million

has been given to local charities in Australia through the Westfield Community Program

Retail partners & shoppers

A strategic objective for Scentre Group is to curate a retail environment that connects its shoppers and retailers in order to enhance the experience.

In today's world, that increasingly means employing a range of innovative and technical solutions which can provide a seamless journey for shoppers as they seek to interact with retailers at Westfield shopping centres – whether that be when they begin with their research online or when they drive into our car parks.

Digital engagement with shoppers accelerated during the year with the roll-out of fast, free Wi-Fi, facilitating the delivery of personalised and customised content to shoppers. The ever-growing digital communities of Westfield shopping centres also continued to flourish across a number of social media networks, populated with organic content from those communities themselves, as well as curated content generated for Westfield centre marketing initiatives.

The ticketless parking initiative continued to roll-out during the year and was in place at four centres by year end. The system uses licence plate recognition to allow shoppers to park without needing a ticket or stopping at a pay station when exiting, and provides a further opportunity for Westfield shopping centres to engage directly with their shoppers while delivering greater convenience.

Each of these initiatives is underpinned by the digital 'front door' of Westfield shopping centres – the Searchable Mall westfield.com.au, which now integrates 202 retailers providing dynamic product feeds, the ability to purchase products via retailer sites, interactive centre maps, deals, events and promotions.



11,670
retail outlets



more than
525m
shopper visits

These initiatives and many more reflect Scentre Group's belief that its success depends on that of its retail partners. With 11,670 retail outlets across its 40 centres, the Group values its close working relationship with retailers and undertakes a range of additional activities to share knowledge and thought-leadership and to provide further support.

The Westfield Retail Study Tour, celebrating its 19th year in 2016, is a highlight of the Group's event calendar. Retailers are hosted on a tour of five leading retail cities around the world and presented with the latest innovations in global retail, with valuable behind-the-scenes access facilitated via Scentre Group's Retailer Relations program.

Other initiatives in the Retailer Relations program continued during the year, providing additional resources for retail partners including:

- Seed Retail, in partnership with the ARA Retail Institute, gives online and in-person training and support to help retailers grow their business.
- Breakfast Seminar Series, presenting the latest global retail innovators and thought-leaders to our retailer partners.
- Retailer Consultant Program, connecting retail specialists with retail partners seeking advice on issues ranging from merchandise planning and presentation to financial planning, inventory control and digital strategy.

Investors & joint venture partners

Scentre Group is the largest listed real estate investment trust in Australia, with a strategic objective to own, manage and develop the best retail assets in the market.

The Group believes its portfolio will continue to generate long-term growth and risk-adjusted returns for its investors and co-owners through a disciplined strategic approach to the key facets of the business, being asset management, development, capital management and retailer and shopper initiatives.

During 2015, the Group continued to focus on maximising the operating performance of centres via ongoing portfolio review and the development of long-term asset plans, while investing in the centres at attractive total returns to ensure the assets continue to represent extraordinary retail spaces for retailers and shoppers.

Since its establishment in 2014, Scentre Group continues to deliver a strong operating performance and excellent returns for its security-holders, further validating the restructure which saw the former Westfield Group split along geographic lines.

The Group works closely with its numerous joint venture partners across its portfolio in Australia and New Zealand, operating, redeveloping and reinvesting in the assets in order for them to continue to be the best retail assets in these markets, creating value through sustainable growth.

We are committed to industry best practice in investor relations. Our Continuous Disclosure and Communications Policy underlines our commitment to providing investors

and the market with high quality, relevant and accurate information in a timely manner to enable Group securities to trade in a market which is efficient, competitive and informed. We are committed to complying with the continuous disclosure obligations contained in the ASX listing rules and the *Corporations Act*. The policy includes a vetting and authorisation process to ensure that disclosures are factual, complete and objective.

Industry & government

Through its memberships of various industry associations, Scentre Group participates indirectly with government and policy makers on numerous initiatives to address critical business issues facing retailers and property owners in Australia and New Zealand, including climate change.

The Group holds memberships in a number of key industry organisations in Australia and New Zealand.

In Australia that includes:

- Property Council of Australia
- Property Council Sustainability Roundtable
- National Retail Association (NRA)
- Australian Retail Association (ARA)
- Energy Users Association Australia (EUAA)

- Shopping Centre Council of Australia
- Service Skills Australia
- NABERS Retail Technical Advisory Group (TAG)

In New Zealand that includes:

- New Zealand Property Council
- Packaging Council of New Zealand
- New Zealand Green Building Council

Scentre Group engages with all levels of government in relation to a range of business activities, but first and foremost through the development of its shopping centres and the associated planning regulatory requirements. The Group's 55-year experience in planning and the regulatory environment ensures its property developments are not only compliant, but complementary to the local communities where they take place. Scentre Group also engages on a number of other corporate and operational regulatory requirements across multiple divisions of the business, and also directly between every Westfield shopping centre and its local government representatives.



**We are committed to
industry best practice
in investor relations.**

Service providers

Scentre Group outsources certain key functions within its shopping centre portfolio to contractors, for security and cleaning.

We take steps to ensure these service providers are reputable and reliable companies and work closely with them to ensure good operational practices are undertaken, and that they observe legislated employment standards, awarding employees the wages and entitlements they are due.

In Australia, cleaners are employed by contractors under the Cleaning Services Award, known as the Modern Award, and made by the Fair Work Commission as the relevant industrial relations body.

Representing shopping centre owners including Scentre Group and its portfolio of Westfield centres, Shopping Centre Council of Australia (SCCA) signed a Code of Conduct for Fair Service Provision in Shopping Centres with the Building Service Contractors Association of Australia (BSCAA) in 2012. This Code of Practice imposes significant commitments on contractors and shopping centre owners for the fair treatment of cleaners in their centres.

The Group integrates the requirements of the Code into its cleaning services procurement and tender management processes.

The safety and security of shoppers, retailers and staff in Westfield shopping centres is of paramount importance to Scentre Group, which works intensively with its security contractors and relevant authorities to ensure its assets and people are as safe as possible.

The safety and security of shoppers, retailers and staff in Westfield shopping centres is of paramount importance to Scentre Group.

People

MAKING EXTRAORDINARY HAPPEN

If 2014 was the year when Scentre Group established its identity as an organisation, defining its purpose and articulating the DNA that would inform its achievements through employee behaviour, then 2015 was the year when the new culture became truly embedded in the business.





PEOPLE

Diversity & inclusion

Following the restructure, Scentre Group continued to focus heavily on its human resources agenda in order to facilitate the ongoing transition to the new entity.

The initial period of workforce stabilisation was reinforced during 2015 with the introduction of significant new workplace policies, as part of a Diversity and Inclusion Strategy with the objective of creating a workplace reflective of the communities in which the Group operates.

Initiatives included the establishment of a Diversity & Inclusion Council, delivery of an awareness and education management training program and ongoing work on an Indigenous employment program. Considerable work has also gone into an employee value proposition for Scentre Group so that new candidates and existing employees not only understand who Scentre Group is, but also the values and philosophies that will make it an employer of choice for attracting and retaining the best and brightest talent.

Scentre Group's purpose of creating extraordinary places connecting and enriching communities applies equally to its internal business as its external operations. Underpinned by the belief that an extraordinary workplace is one that is diverse and inclusive, Scentre

Group is a workplace founded on respect, trust and personal responsibility; where employees' differences are celebrated, and they are supported to operate in a manner that facilitates productivity and innovation. In 2015, the Group established a baseline Diversity and Inclusion Strategy which encompassed the framework for workplace flexibility. That strategy will continue to be expanded upon during 2016.



Something for everyone

[READ ONLINE STORY](#)

Objectives

	GENDER REPRESENTATION	WORKPLACE FLEXIBILITY	INDIGENOUS EMPLOYMENT
	<ul style="list-style-type: none"> • Increase representation in senior leadership and non-traditional roles 	<ul style="list-style-type: none"> • Improve access and consistency • Remove negative perception of effect on career 	<ul style="list-style-type: none"> • Assist in ending the poverty cycle for Indigenous Australians
AWARENESS AND EDUCATION	<ul style="list-style-type: none"> • Communicate our aspiration and focus in 2015 • Demonstrate consistent leadership support 	<ul style="list-style-type: none"> • Embed diversity in People Planning forums • Focus on Talent pipeline 	<ul style="list-style-type: none"> • Educate Managers on expectations, the tool kit and support implementation • Create success symbols and stories
			<ul style="list-style-type: none"> • Support the business' involvement in the Generation One Program • Share success stories

Gender balance continues to be a key metric of diversity within the business, with the Group maintaining gender diversity across its workforce. The Group promoted proportionally more women than men during 2015 to both manager and professional levels. There were 38% women at the manager and professional level during the year, up from 36% in 2014, representing a 2% increase, while there was a 2% decrease in women at the support level, going from 61% to 59% year on year.

Flexibility policies, which were introduced mid-year, addressed parental leave, annual leave and flexible working and demonstrated immediate results.

Over the course of 2015, 46 employees initiated a period of parental leave (50 in 2014), most of which (91%) were still on leave at the end of the reporting period. As most of the employees having initiated parental leave in 2015 have not yet returned to the workplace, we provide below an overview of our performance over the period 2012-2015, which provides an accurate picture for return-to-work and retention performance over time. Scentre Group has developed a new methodology which will be used systematically going forward, to consistently track the effectiveness of its parental and flexibility arrangements.

Between 2012 and 2015, a total of 187 people took parental leave: 60% returned to the organisation, 16% terminated their employment with Scentre Group and 24% are still on leave at the end of 2015. Of those returning to work, 42% did so in their former capacity while 58% returned to work on reduced hours.

These figures will change as employees currently on leave return to the workforce in 2016. We are encouraged by positive trends emerging from annual performance between 2012 and 2015. Our return to work rate has increased from 65% in 2012 to 86% in 2014. Meanwhile, the ratio of employees terminating their employment during their leave has decreased steadily from 35% in 2012 to 8% in 2014.



After parental leave period

42%

RETURNED TO WORK
IN FORMER CAPACITY

58%

RETURNED TO WORK
ON REDUCED HOURS

*These numbers relate to the period between 1 Jan 2012, 31 Dec 2015

Number of employees initiating parental leave

	2012	2013	2014	2015	2012-2015
Employees who went on leave	43	48	50	46	187
Employees who returned from leave	28	39	43	3	113
Number of employees who terminated	15	9	4	1	29
Employees still on leave	-	-	3	42	45

65%

2012

81%

2013

86%

2014



return
to work
rate

Total workforce

2,822



50.5%
male



49.5%
female



**Making job-sharing work
for everyone**

[READ ONLINE STORY](#)

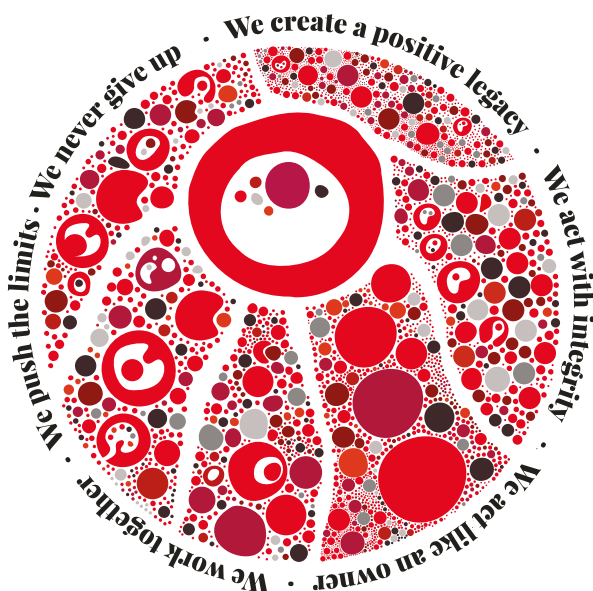


PEOPLE

Employment & labour

Training and development

Training and development in 2015 was focused on consolidating the skills and knowledge that could best support the embedding of Scentre Group's purpose and DNA.



In total, 61 programs were conducted with a total of 13,386 training hours. The average training hours per employee rose from 6.8 in 2014 to 7.5 in 2015. The average training hours for females was 8.3, while for males it was 6.8. Of the 1,797 full- or part-time employees, 942 of them received training. This represents 52% of the full-time and part-time workforce, increasing from 2014.

Of the 61 programs conducted, 39 programs were focused on delivering induction content to new starters, including the Scentre Group Welcomes You program opened by CEO, Peter Allen, which covers content explaining the creation of Scentre Group, its purpose and DNA as well as the company's business goals and people agenda.

New starters can attend up to 10 Business Fundamentals sessions, which provide an overview of key organisational functions and clarify how the different parts of the organisation work together to deliver against the purpose and DNA. The programs are two to three-hour modules led by business heads and run twice-yearly.

Induction for head office employees during 2015 included centre tours to ensure all office-based staff gain a working knowledge of centre operations and the critical interface with retailers and shoppers.

The People Manager Program operated throughout the year and focused on building knowledge of the Group's human resources processes and practices, and addressed recruitment, development and performance management.

In addition to induction training, there was considerable focus on manager and leader development for existing employees, which was updated to reflect Scentre Group's purpose and DNA with a greater emphasis on helping leaders guide their teams through the organisational transition.

A new program introduced in 2015 focused on the Diversity and Inclusion agenda, offering a leadership program on building skills around unconscious bias, diversity of thought, flexible work practices and the business case for diversity.

Average training hours
per person rose from
6.8 – **7.4**
in 2014 in 2015





PEOPLE

Health & safety

Scentre Group's objective in relation to Health & Safety is to promote a safe and secure environment for staff, retailers and visitors alike.

During 2015, the Group initiated a safety cultural change program which aims to create a proactive and generative risk management culture within all operations of the business. We have overhauled our LifeSafety training, launched a new safety coordinator training module and incident investigation training with our Design & Construction and Shopping Centre Management divisions.

Scentre Group's LifeSafety framework and processes and Safety management system (Global Safety Reporting) are accredited to a recognised and externally verified standard AS/NZS 4801:2001 Occupational Health and Safety Management Systems.

In 2015, the Group provided staff with updated training on cyber safety and security to ensure our employees increase their awareness of the risks occurring when conducting business online and via mobile devices, in turn protecting our business from online threats.

Our Lost Time Injury Frequency Rate has increased from 5.5 in 2014 to 6.6 in 2015, caused by an overall reduction of total hours worked and increase of lost time injuries. Our total injury rates continue to decrease in comparison to previous years, demonstrating an improvement in the safety of our operations.

Total group safety data 2015

	2015	2014
Lost time injury frequency rate (LTIFR)	6.6	5.5
Average lost day rate (ALDR)	6.9	8.2
Total fatalities	0.0	0.0
Total absentee rate (as a percentage) (AR)	1.6	1.5

LTIFR = $\left(\frac{\text{number of Lost Time Injuries}}{\text{total hours worked}} \times 1,000,000\right)$. This covers both employees and contractors. ALDR = $\frac{\text{Total number of Lost Time Days}}{\text{Total number of Lost Time Injuries}}$. This covers both employees and contractors. It represents the average number of days lost per lost time injury. AR = $\frac{\text{Total number of Absentee days}}{\text{Total number of days worked}} \times 100$. This covers employees only, as absentee days data is not available for contractors.

95% of the Australian workforce and 100% of the New Zealand workforce was represented in formal joint management-worker health and safety committees

Financial performance

WE MAINTAIN AND INCREASE LONG-TERM FINANCIAL RETURNS THROUGH SUSTAINABLE BUSINESS PRACTICES

The Group creates sustainable value in many ways: by developing assets that enrich the communities with new experiences and also by connecting shoppers and retailers in a curated retail environment that resonates with the local community.





FINANCIAL PERFORMANCE

Economic performance

Scentre Group's strategy is to create extraordinary places connecting and enriching communities by owning, managing and developing the best retail assets in Australia and New Zealand.

At 31 December 2015, Scentre Group's portfolio of 34 assets in Australia and six assets in New Zealand had a combined value of \$42.1 billion, increasing by \$1.2 billion since 2014¹.

Each Westfield shopping centre is a powerful generator of economic activity, producing investment opportunities as well as direct and indirect employment, and innovation.

In 2015, around 525 million shopper visits generated more than \$22 billion in sales with retailers at Westfield shopping centres.

Scentre Group completed \$865 million worth of redevelopments at Westfield Hurstville, Chatswood, Kotara, North Lakes and Miranda – all of which delivered significant value to their local communities, both financially, and in terms of better addressing each community's needs. A key feature in each of those projects was the addition of a lifestyle and entertainment precinct with casual dining options and links to cinemas, not only creating new destinations for shoppers, but providing the opportunity for the centres to trade at significantly extended hours.

During the year, the Group also commenced \$465 million worth of projects at Casey Central and Warringah Mall. In early 2016, the Group commenced a \$355 million project at Chermiside and a \$140 million project at North Lakes.

The future development pipeline is in excess of \$3 billion, delivering further community value in the form of jobs, commercial activity and the creation of extraordinary places.

In line with the objective to own and operate the best retail assets in Australia and New Zealand, the Scentre Group disposed of seven assets in Australia and New Zealand.

The future development pipeline is in excess of \$3 billion, delivering further community value in the form of jobs, commercial activity and the creation of extraordinary places.

Adding further value to the existing portfolio, a nationwide network of 1,200 custom-designed digital SmartScreens was successfully launched in Australia, making Westfield centres more dynamic and productive. The installation of a state-of-the-art Wi-Fi network was also completed during the year, complementing the launch of a ticketless parking system that has commenced rolling out and was in place at four centres by year end.

\$8.6 million
in community support

In 2015, Scentre Group provided \$8.6 million in community support across Australia and New Zealand. This support was a combination of cash contributions as well as in-kind contributions through strategic partnerships encompassing employee volunteering programs, shopping centre space and other activities.

Scentre Group recognises that its financial performance may be impacted by a number of risk factors associated with property ownership, property management and development, financing and general economic conditions. The Group's internal risk management systems have been formulated to ensure the identification, assessment, control, review and reporting on key risks and risk management processes.

1. Pro forma post sale of two New Zealand assets

	2015	2014
Direct Economic Value Generated ¹	\$m ²	\$m ²
Revenues	6,536.4	3,416.5
Direct Economic Value Distributed ¹		
Operating costs	(2,899.0)	(877.7)
Employee wages & benefits	(320.7)	(289.9)
Payments to government by:	(84.7)	(161.6)
- AU entities	(53.8)	(137.7)
- NZ entities	(30.9)	(23.9)
Payments to government as agent by:	(69.6)	(59.4)
- AU entities	(58.8)	(47.4)
- NZ entities	(10.8)	(12.0)
Community investments	(8.6)	(7.5)
	(3,382.6)	(1,396.1)
Payments to providers of capital	(1,850.0)	(1,051.8)
Total economic value distributed	(5,232.6)	(2,447.9)
Direct Economic Value Retained ¹	1,303.8	968.6

1. GRI methodology applied: figures differ materially from International Financial Reporting Standards and cannot be compared to or provide any accurate indication of the Group's profitability as reported in its statutory accounts as at 31 December 2015.

2. On 30 June 2014, the Westfield Group implemented the restructure of the Group (Restructure and Merger), under which Westfield Group's Australian and New Zealand business including its vertically-integrated retail operating platform, held through Westfield Holdings Limited and Westfield Trust, was separated from the Westfield Group's international business and merged with Westfield Retail Trust to create two new listed groups:

• Scentre Group – comprising the merged Australian and New Zealand business of Westfield Group and Westfield Retail Trust; and

• Westfield Corporation – comprising Westfield Group's international business.

The Restructure and Merger was approved by Westfield Group securityholders on 29 May 2014, Westfield Retail Trust securityholders on 20 June 2014 and by the Supreme Court of New South Wales on 23 June 2014.

• A restructure stage, where Westfield Group's international business was transferred to Westfield Corporation Limited and WFD Trust, and shares in Westfield Corporation Limited and units in WFD Trust were distributed in-specie to Westfield Group securityholders and stapled to Westfield Group;

• A destapling stage, where the shares in Westfield Holdings Limited and the units in Westfield Trust were each destapled from the Westfield Group and from each other resulting in the formation of Westfield Corporation; and

• A merger stage, where the shares in Westfield Holdings Limited and the units in Westfield Trust were stapled to the units in each of Westfield Retail Trust 1 and Westfield Retail Trust 2, resulting in the formation of Scentre Group. Accordingly, the results for the year ended 31 December 2015 comprise the earnings of Scentre Group following the Restructure and Merger implemented on 30 June 2014. The results for the year ended 31 December 2014 comprise the earnings of the former Westfield Group's Australian and New Zealand operations for the six months ended 30 June 2014 and the earnings of Scentre Group for the six months ended 31 December 2014.

Risk management

In looking at the key drivers for maintaining a sustainable business, the Group also analyses the key risks that could impact the business. The Group's Risk Management Framework forms part of the Group's everyday business processes and is supported by a dedicated risk management function.

A number of important strategic risks are listed to the right, and how the Group manages and monitors such risks are available in more detail in the ***Performance Data Pack***:

- Property ownership risks
- Property management and development risks
- Financing risks
- Economic downturn
- Regulatory changes
- Workplace health and safety
- People and culture

In line with ASX Corporate Governance Principles and Recommendations (7.4), the Group conducted a review in 2015 to identify any economic, environmental and social risks that may materially impact the business.

No new material risk has been identified which was not already documented in the corporate and divisional risk registers. Divisional and business unit risk registers have been updated and amended with new identified non-material sustainability risks and controls, and will be reviewed in the future as part of the annual Enterprise Risk Management process.

GRI index

**A full GRI Standard &
Specific Disclosures index
for Scentre Group's 2015
Sustainability reporting
(by 'The G4 Guidelines')**

General Standard Disclosures

Indicator	Page number (or link)
Strategy and Analysis	
G4-1	Message from the CEO (p4)
Organisational Profile	
G4-3	Message from the CEO (p4)
G4-4	Scentre Group at a glance (p5)
G4-5	Directory (p39)
G4-6	Scentre Group at a glance (p5) Report profile 'Organisational boundaries' (p3)
G4-7	Directory (p39)
G4-8	Scentre Group at a glance (p5) Report profile 'Organisational boundaries' (p3)
G4-9	Scentre Group at a glance (p5)
G4-10	Performance Data Pack (p10-12)
G4-11	Not reported
G4-12	Environment (p12) Our community 'Service providers' (p18) Framework (p10)
G4-13	Message from the CEO (p4)
G4-14	Governance (p6) Risk management (p32)
G4-15	Governance (p6) Our Community 'Service providers' (p24)

Indicator	Page number (or link)
G4-16	Our community 'Industry and government' (p23)
Identified Material Aspects and Boundaries	
G4-17	Report profile 'Organisational boundaries' (p3) Directory (p39) Performance Data Pack (p2)
G4-18	Report profile 'Organisational boundaries' (p3) What is relevant to Scentre Group? (p8) Framework (p10)
G4-19	Framework (p10)
G4-20	Report profile 'Organisational boundaries' (p3) What is relevant to Scentre Group? (p8) Framework (p10)
G4-21	Report profile 'Organisational boundaries' (p3) What is relevant to Scentre Group? (p8) Framework (p10)
G4-22	No restatements
G4-23	Report profile 'Organisational boundaries' (p3) What is relevant to Scentre Group? (p8) Framework (p10)
Stakeholder Engagement	
G4-24	What is relevant to Scentre Group? (p8)
G4-25	What is relevant to Scentre Group? (p8)
G4-26	What is relevant to Scentre Group? (p8)
G4-27	Framework (p10)

Indicator	Page number (or link)
Report Profile	
G4-28	Report profile (p3)
G4-29	Report profile (p3)
G4-30	Report profile (p3)
G4-31	Directory (p39)
G4-32	Report profile (p3) GRI index (p34)
G4-33	Report profile (p3)
Governance	
G4-34	Governance (p6) Annual Financial Report 2015 'Process for evaluating the performance of senior executives' (p93) Annual Financial Report 2015 'Human Resources Committee' (p97)
Ethics and Integrity	
G4-56	Message from the CEO (p4) Scentre Group at a glance (p5) Compliance (p7) Annual Financial Report 2015 'Code of Conduct' (p95)

Specific Standard Disclosures Material Aspects

Indicator	Page number (or link)	Identified omission
Community Pillar		
G4-DMA	Message from the CEO (p4) Governance (p6) Community (p20) Annual Financial Report 2015 'strategy, key drivers and outlook – intensive management' (p2) Annual Financial report 'Investor Relations Program' (p96)	
Community		
G4-S01	Community (p19)	
People Pillar		
G4-DMA	Message from the CEO (p4) Governance (p6) Annual Financial Report 2015 'Remuneration Philosophy and link to business strategy' (p11) Annual Financial Report 2015 'Diversity and Inclusion Objectives' (p92)	
Diversity and Equal Opportunity		
G4-HR3	Performance Data Pack (p13)	
G4-LA12	Governance (p6) Performance Data Pack (p11)	
G4-LA3	Diversity & inclusion (p27) Performance Data Pack (p13)	

Indicator	Page number (or link)	Identified omission
Health and Safety		
CRE-6	Health & safety (p29) Performance Data Pack (p13)	
G4-LA5	Health & safety (p29) Performance Data Pack (p13)	
G4-LA6	Health & safety (p29) Performance Data Pack (p13)	Scentre Group reports on Average Lost Day Rate instead of Lost days as required in Standard Disclosure
Employment and Labour		
G4-LA1	Performance Data Pack (p10)	
G4-LA2	A wellbeing and lifestyle program for our people	
G4-LA9	Diversity & inclusion (p26) Employment & labour (p28) Performance Data Pack (p12)	
G4-LA11	People (p28) Performance Data Pack (p12)	
Environment Pillar		
G4-DMA	Message from the CEO (p4) Governance (p6) Annual Financial Report 'Sustainability' (p3) Annual Financial Report 2015 'Remuneration Philosophy and link to business strategy' (p11)	

Indicator	Page number (or link)	Identified omission
Energy		
CRE-1	Performance Data Pack (p8)	
G4-EN3	Energy & emissions (p13) Performance Data Pack (p3)	
G4-EN4	Waste (p16) Performance Data Pack (p5-6)	
G4-EN6	Energy & emissions (p13) Performance Data Pack (p3-4)	
CRE-8	Energy & emissions (p15) Performance Data Pack (p8)	
Materials		
EN-1	Materials (p18)	Information currently unavailable.
EN-2	Materials (p18)	Information currently unavailable.
G4-LA15	Materials (p18)	
Effluents and Waste		
G4-EN23	Waste (p17) Performance Data Pack (p6)	
G4-EN25	Waste (p17) Performance Data Pack (p6)	

Indicator	Page number (or link)	Identified omission
Economic Pillar		
G4-DMA	Message from the CEO (p4) Governance (p6) Scentre Group at a glance (p5) Financial performance (p30) Annual Financial Report 2015 'Remuneration Philosophy and link to business strategy' (p11)	
Economic Performance		
G4-EC1	Economic performance (p31-32)	
G4-EC2	Economic performance (p32) Annual Financial Report 2015 'Assessment of economic, environmental and social sustainability risks' (p11)	
G4-PR5	In the first half of 2015, Scentre Group has conducted an independent satisfaction survey through the Australian Centre of Retail Studies (ACRS) across retail tenants in Australia. The participation rate (10%) was statistically representative and highlighted areas where our performance is above industry average and potential areas of improvement.	

Other standard disclosures

Indicator	Page number (or link)
Compliance	
G4-EN29	Compliance (p7)
G4-PR9	Compliance (p7)
G4-S08	Compliance (p7)
Emissions	
CRE-3	Not reported
G4-EN15	Energy & emissions (p13) Performance Data Pack (p4-5)
G4-EN16	Energy & emissions (p13) Performance Data Pack (p4-5)
G4-EN17	Energy & emissions (p13) Performance Data Pack (p5-6)
Water	
CRE2	Water (p18) Performance Data Pack (p7)
G4-EN8	Water (p18) Performance Data Pack (p7)

Assurance statement

Independent Limited Assurance Report in relation to Scentre Group Limited's 2015 Sustainability Report.



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To the Management and Directors of Scentre Group Limited.

Ernst & Young ('EY') has carried out a limited assurance engagement in order to state whether anything has come to our attention that causes us to believe that the specific subject matter detailed below ('Subject Matter'), presented in Scentre Group Limited's (Scentre Group) 2015 Sustainability Report ('the Report'), has not been reported and presented fairly, in all material respects, in accordance with the criteria ('Criteria') below.

SUBJECT MATTER

The Subject Matter for our assurance for the year ended 31 December 2015 was limited to the following selected performance data:

- Scope 1 greenhouse gas (GHG) emissions of 18,300 tonnes of carbon dioxide equivalent (tCO₂e)
- Scope 2 GHG emissions of 288,064 tCO₂e
- Reported Scope 3 GHG emissions of 109,010 tCO₂e
- Total waste of 426,398 in tonnes (t)
- Total water consumption of 4,552,627 in cubic metres (m³)

The subject matter *did not* include:

- Any data sets, statements, information, systems or approaches other than that set out above
- Management's forward looking statements
- Any comparisons made against historical data, or that historical data.

CRITERIA

The following criteria have been applied:

- The National Greenhouse Gas and Energy Reporting Act 2007 for Scope 1 and 2 emissions;
- Subject matter definitions from the Global Reporting Initiative Sustainability Reporting Guidelines' ('GRI G4'); and
- Scentre Group's own criteria as set out in 'Scentre Group Limited 2015 Performance Data Pack', including the sources of Scope 3 emissions on which to report.

MANAGEMENT'S RESPONSIBILITY

The management of Scentre Group ('Management') is responsible for the preparation and fair presentation of the Subject Matter in accordance with the Criteria,

and is also responsible for the selection of methods used in the Criteria. No conclusion is expressed as to whether the selected methods are appropriate for the purpose described above. Further, Scentre management is responsible for establishing and maintaining internal controls relevant to the preparation and presentation of the Subject Matter that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate criteria; maintaining adequate records, and making estimates that are reasonable in the circumstances.

ASSURANCE PRACTITIONER'S RESPONSIBILITY

Our responsibility is to express a limited assurance conclusion on the Subject Matter based on our assurance engagement, conducted in accordance with the Australian Auditing and Assurance Standards *Board's Australian Standard on Assurance Engagements Other Than Audits or Reviews of Historical Financial Information* ('ASAE 3000') and ASAE 3410 *Assurance Engagements on Greenhouse Gas Statements*, and the terms of reference for this engagement as agreed with Scentre Group.

Our procedures were designed to obtain a limited level of assurance on which to base our conclusion and, as such, do not provide all of the evidence that would be required to provide a reasonable level of assurance. The procedures performed depend on the assurance practitioner's judgment including the risk of material misstatement of the Subject Matter, whether due to fraud or error. While we considered the effectiveness of management's internal controls when determining the nature and extent of our procedures, our assurance engagement was not designed to provide assurance on internal controls.

Our procedures did not include testing controls or performing procedures relating to checking aggregation or calculation of data within IT systems, which would have been performed under a reasonable assurance engagement.

We believe that the assurance evidence we have obtained is sufficient and appropriate to provide a basis for our limited assurance conclusions.

SUMMARY OF PROCEDURES UNDERTAKEN

Our procedures included but were not limited to:

- Gaining an understanding of the basis for collecting, collating and reporting the selected performance data during the reporting period

► Undertaking analytical review procedures to support the reasonableness of the data

► Testing, on a sample basis, the calculations performed by Scentre

► Checking emissions factors had been applied in accordance with the reporting criteria

► Testing, on a sample basis, to underlying source information to test the accuracy of the data

► Obtaining and reviewing evidence to support key assumptions in calculations and other data or statements

► Reviewing the presentation of the information in Scentre Group's 2015 Sustainability Report.

USE OF OUR LIMITED ASSURANCE ENGAGEMENT REPORT

We disclaim any assumption of responsibility for any reliance on this assurance report, or on the Subject Matter to which it relates, to any persons other than Management and the Directors of Scentre, or for any purpose other than that for which it was prepared.

INDEPENDENCE AND QUALITY CONTROL

In conducting our assurance engagement, we have met the independence requirements of the APES 110 Code of Ethics for Professional Accountants. We have the required competencies and experience to conduct this assurance engagement.

LIMITED ASSURANCE CONCLUSION

Based on the limited assurance procedures conducted, nothing has come to our attention that causes us to believe that the Subject Matter in the Scentre Group 2015 Sustainability Report for the year ended 31 December 2015 has not been reported and presented fairly, in all material respects, in accordance with the Criteria.

Ernst & Young

Dr. Matthew Bell
Partner
Ernst & Young
Sydney, Australia
6 April 2016

Scentre Group

Scentre Group Limited
ABN 66 001 671 496

Scentre Group Trust 1

ARSN 090 849 746
(Responsible Entity: Scentre
Management Limited
ABN 41 001 670 579,
AFS Licence No 230329)

Scentre Group Trust 2

ARSN 146 934 536
(Responsible Entity: RE1 Limited
ABN 80 145 743 862,
AFS Licence No 380202)

Scentre Group Trust 3

ARSN 146 934 652
(Responsible Entity: RE2 Limited
ABN 41 145 744 065,
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Maureen T McGrath
Paul F Giugni

Auditors

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Principal Share Registry

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GPO Box 2000
Melbourne VIC 3001
Telephone: +61 3 9946 4471
Enquiries: 1300 730 458
Facsimile: +61 3 9415 2500
Email: web.queries@computershare.com.au
Website: computershare.com

ADR Registry

Bank of New York Mellon
Depository Receipts Division
101 Barclay Street
22nd Floor
New York, 10286
Telephone: +1 212 815 2293
Facsimile: +1 212 571 3050
Website: www.adrbny.com
Code: ADR - SCTRY

Listing

Australian Securities Exchange – SCG

Website

scentregroup.com