

16 August 2021

ASX ANNOUNCEMENT

FY21 Sustainability Report

SCA Property Group (ASX: SCP) now releases its FY21 Sustainability Report.

This document has been authorised to be released to the ASX by the Board of SCP.

ENDS

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A person with a backpack is standing on a rocky cliff, looking out over a coastal landscape. The landscape features a bay with turquoise water, a sandy beach, and mountains in the background under a cloudy sky. The text "FY21 SUSTAINABILITY REPORT" is overlaid in large white letters.

FY21 SUSTAINABILITY REPORT

SCA Property
Group

CEO MESSAGE

“

We have already made a great start but a great start is not enough, so we are making the boldest sustainability commitments in the history of SCP...

”

Anthony Mellowes,
Chief Executive Officer



Shopping Centres Australasia Property Group (ASX: SCP) is growing. As we grow, so does our potential to impact the environment. We are aware of our current environmental impact and have been measuring electrical energy use, waste disposal and water usage since 2015.

As Australia's largest owner (by number of centres) of neighbourhood and convenience base shopping centres anchored by major supermarkets (92 in total) we have made significant progress to reduce our impact. However, we believe it is now time to reflect on our achievements to date, and update our strategy to enable us to make a bigger difference over the coming decade.

In response, we are pleased to announce our new sustainability targets, pathways and commitments to 2030. In particular, we are most proud of our pathway to net zero carbon emissions by 2030 covering onsite operations ("Scope 1 and 2"). These pathways and targets are tangible, achievable and will directly benefit our local communities, our operations, and the environment.

We will also work with our retailer partners and anchor tenants to reduce their emissions from onsite operations at our centres ("Scope 3") as well as our own Scope 3 emissions.

During the course of COVID-19 we have witnessed the resilience, value and benefit that our assets play in the communities we are a part of. We have not taken our participation in our local communities lightly. We have responded by working hard during COVID-19 to ensure that our centres continue to be valuable to our local communities in ways that are much more than just a shopping centre.

In previous years our Sustainability Strategy was based on three pillars of: Stronger Communities, Environmentally Efficient Centres and Responsible Investment. However, given our recent growth and aspirations we wanted to expand our strategic sustainability framework to include six key material issues: Energy & Carbon, Leading Local, Waste, Water, Diversity & Inclusion, and Health & Wellbeing, underpinned by good governance.

In this report, you will see that we have already made a great start, but a great start is not enough, so we are making the boldest sustainability commitments in the history of SCP.

As well as our net zero carbon target, we are proud to be announcing targets that include diverting 60% of our waste from landfill by 2030, building strong and sustainable communities with The Smith Family, ensuring 40:40:20 gender diversity across leadership and non-executive director positions, and continuing to improve the health and wellbeing of our employees.

We are excited about the future, we are resourced appropriately, and we are energised to achieve our targets, knowing that they will bring value and benefits to our communities and partners for many years to come.

OUR COMPANY



SCA Property Group (ASX: SCP) is an internally managed real estate investment trust (REIT), with a portfolio of 92 assets.

Our shopping centres are in urban neighbourhoods and regional areas across all states and the Northern Territory and are visited by millions of Australians every year.

At SCP, we believe in owning assets which are both economically and environmentally sustainable. Our centres, directly and indirectly, provide employment for thousands of Australians and help to support the economic resilience of these areas.

In addition, we work hard to ensure our centres play an integral role in their communities: working together with local people to ensure consistent consideration of local issues; running community initiatives; and volunteering in community projects.

At SCP, we have been reporting against industry benchmarks since 2016. We are working hard to keep improving our GRESB and NABERS ratings, while maintaining the Green Star performance of our shopping centres.

We are proud to have been awarded a 6 Star NABERS rating in FY21 for our corporate head office, up from 5.5 in FY20.

Our GRESB for 2019 score was 72, and although it was a decrease from 75 in 2018, it places SCP with an above-average GRESB score and reflects changes in the GRESB rating methodology. Our 2020 GRESB rating will be released in November.

FY21 SUSTAINABILITY HIGHLIGHTS

\$4.1M

invested in sustainable initiatives in FY21

\$21.2M

investment approved for sustainability initiatives in FY22 including approval for \$13.6m investment in Solar Generation, representing 7.5MW of solar capacity

3,045MWH

of solar power generated from our roofs in 2020

1,634 TONNES GHG

saved through solar generation in 2020

40/40/20

gender split reached (Non Executive Directors and Senior Leadership)

128

families supported through our Smith Family partnership

70+

Stronger Communities events held







6 STAR NABERS

rating for our corporate office premise



FY21 PROGRESS UPDATE

In FY21 we continued to progress the commitments made against the three strategic pillars of our previous sustainability strategy: Work, health & safety, and employment practices. Despite the many impacts of COVID-19, we took strong steps forward. To the right is a summary of progress against our previous targets. It is important to note that next year we will be reporting against the new SCP 2030 Sustainability Commitments and Targets.

	September 2020 Report Commitment	Status	
Stronger Communities	Leveraging a partnership with a national charity or community group to roll out one national campaign and corporate initiatives.	COMPLETE Commenced three-year partnership with The Smith Family.	
	Implement 60 initiatives significant to the local community. Build on current local Stronger Communities initiatives, including raising awareness of social issues via our social media pages.	COMPLETE +70 local community initiatives completed including awareness of social issues.	
Environmentally Efficient Centres	Continued focus on community engagement through the Stronger Communities initiative. Advancement in understanding SCP's exposure to climate risk across the portfolio. Improving public disclosure of SCP's ESG performance.	COMPLETE Hired National Sustainability Manager and updated our SCP Sustainability Strategy, including strengthening reporting to 2030. This includes continual improvement and focus on our GRESB scores and NABERS rating (from 5.5 to 6 stars achieved in FY21). Undertook Climate Change Risk Assessments at all centres, identifying 11 classed as at risk.	
	Implementation of organic waste management at a further five centres.	REVIEWED We are aligning our commitment to waste, including organic waste management, against our new Sustainability Strategy.	
	Improve environmental performance through the installation of energy management systems and LED lighting at a further three centres. Trial implementing energy management systems into the smaller neighbourhood centres in the portfolio.	COMPLETE LED lighting upgrades approved to over 60% of the portfolio, along with a new target of 100% LED lighting by 2023. Three BMS systems are complete and three additional sites are under construction (Lavington, Emerald & West End).	
	HVAC plant replacement at four properties to eliminate R22.	COMPLETE This project will form an important part of our commitments and pathways in the new SCP Sustainability Strategy.	

Environmentally Efficient Centres

Formulate future targets to include measures for energy and emissions intensity, renewable energy and climate risk.

COMPLETE

Carbon emissions and energy targets and pathways form an important part of the SCP Sustainability Strategy. We have determined the climate risk for each centre and are taking further actions for the eleven at risk centres.



Undertake industry review to determine renewable energy across the portfolio including solar, LED, and energy efficiency.

COMPLETE

The Western Australian Solar Pilot project (7.5MW generation capacity) received financial approval, design has commenced. New target approved for 25MW of solar generation capacity by the end of 2025. Detailed solar energy portfolio analysis is underway with Cundall Partners.



Responsible Investment

External review of ESG strategy and long-term targets to be completed to ensure relevance to industry practices and SCP's overarching business strategy.

COMPLETE

Review completed by SCP Management, Republic of Everyone and Cundall. The updated SCP Sustainability Strategy was released on the 16th August 2021.



Increased focus on the impacts of climate risk on the SCP portfolio. Improve public disclosure through the utilisation of SCP's website.

ADVANCED

Climate Resilience Action Plans will be established by 2023 at our 11 centres deemed at risk of extreme climatic events. This will include community disaster relief plans embedded with our partners and local authorities.



Materiality assessment to be updated through engagement with our staff, property management partners and our external sustainability advisers.

COMPLETE

Materiality assessment has been updated and used to develop the updated SCP Sustainability Strategy.

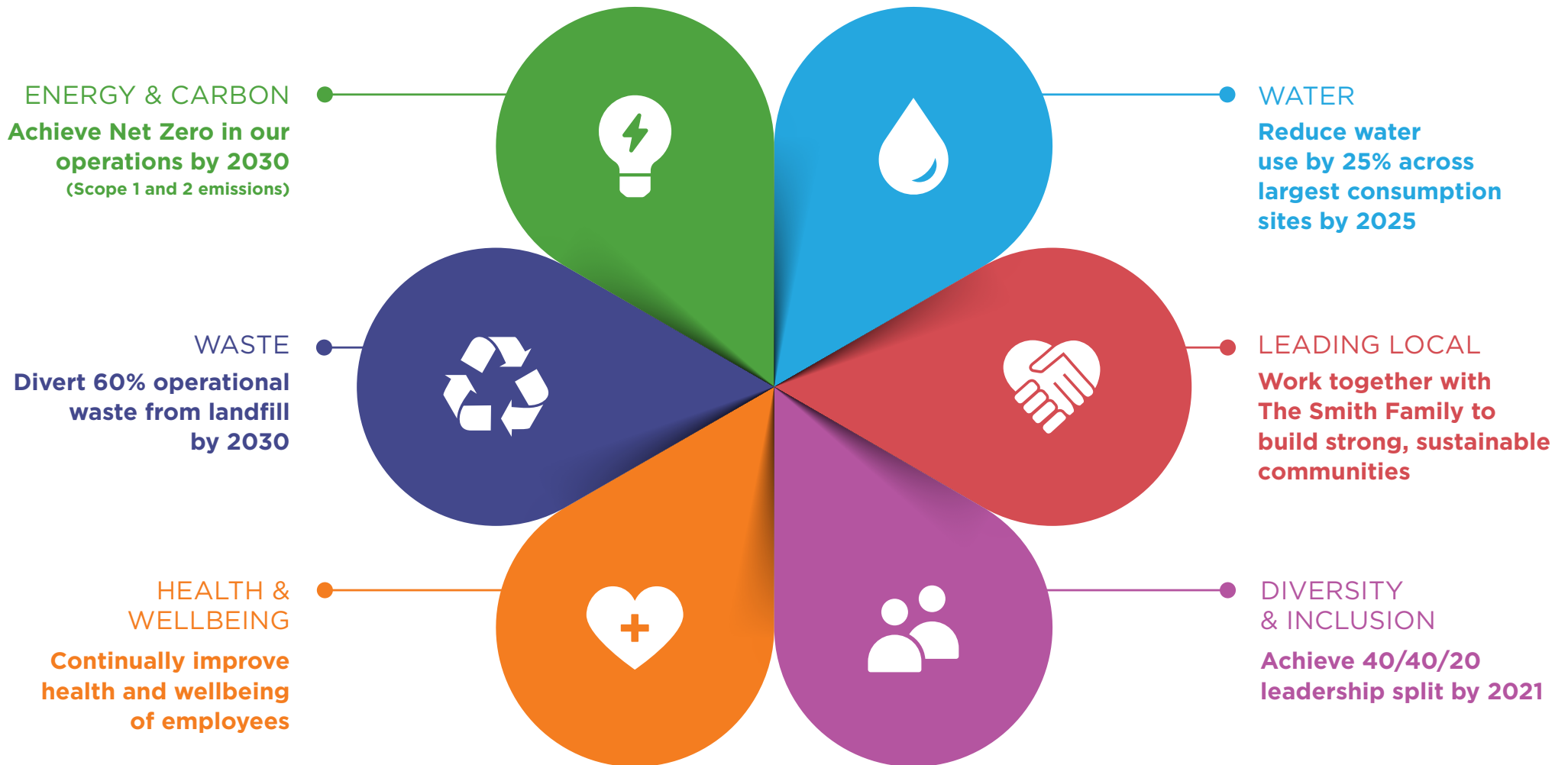


OUR SUSTAINABILITY STRATEGY

Love Local, Shop Local, Act Local remains a core focus of SCP, but we also understand that loving local communities means acting on climate risks that could impact them. We are committed to improving both the social and environmental performance of SCP and to work with our retailers, customers and external partners to help deliver positive changes.

We are targeting our efforts in six key areas where we can have maximum impact while enhancing our economic sustainability in the communities where we operate.

These targets exclude three centres, which are managed by SCP, but owned by SURF 3.



ENERGY & CARBON

We are playing our part to transition to a net zero world.

CONTEXT

Reducing carbon is business critical

Action on carbon emissions is no longer just about doing good. As the climate changes, the centres and communities we operate in will be increasingly exposed to climate-related events such as cyclones, droughts, fire, large rainfalls and floods.

OUR APPROACH

Taking a leading role in reducing carbon and climate risks

At SCP, we accept that climate change is happening and is influenced by human activity. We recognise the need to play a significant part in reducing carbon emissions, energy usage, and to help our centres and local communities be better prepared for climate risks.



OUR TARGETS AND GOALS

NET ZERO BY 2030

(SCOPE 1 AND 2)

An ambitious target to reach net zero carbon emissions by 2030 for Scope 1 and 2 emissions.

INCREASE SOLAR GENERATION BY 2025

Shift towards renewable energy by investing in 25MW of solar generation capacity by the end of 2025.

ENVIRONMENTALLY FRIENDLY REFRIGERANTS BY 2025

Continue replacing HVAC and other systems, to eliminate ozone depleting R22 refrigerant at our centres by 2025.

20% LESS ENERGY CONSUMPTION BY 2025

Reduce consumption across our centres through energy efficiency by 2025.

100% LED LIGHTING BY 2023

Continue updating our centres to reach 100% energy efficient LED lighting by the end of 2023.

ENERGY EFFICIENCY STRATEGY BY 2023

Create and start implementing a technology focused strategy and action plan to increase energy efficiency by 2023.

RENEWABLE ENERGY PARTNERSHIPS BY 2025

Work with our major retail partners to establish energy partnerships by 2025.

OUR TARGETS AND GOALS

CLIMATE RESILIENCE

CLIMATE CHANGE RISK ASSESSMENTS IN 2021

Eleven high-risk centres have already been identified through Climate Change Risk Assessments at all of our centres.

RESILIENCE ACTION PLANS BY 2023

Create and start implementing targeted Resilience Action Plans to increase the preparedness of the eleven high-risk centres and their communities by 2023.

ONGOING CLIMATE CHANGE RISK ASSESSMENTS

All new assets will have Climate Risk Assessments completed within 12 months of acquisition.

COMMUNITY DISASTER RELIEF

The Resilience Action Plans will create a formal role for each centre to assist in local disaster relief plans. We will embed these plans into the community by working with local authorities.

POSITIVE PROGRESS IN FY21

\$13.6m

Approval for \$13.6m investment in Solar Generation, representing 7.5MW of solar capacity

3,045MWH

of solar power generated from our roofs in 2020

1,634 TONNES GHG

saved through solar generation in 2020

6 STAR NABERS

rating for our corporate office premise

NET ZERO

Net zero (Scope 1 and 2) target approved

PATHWAY TO NET ZERO

Reaching net zero carbon emissions by 2030 is our major target that requires planning and commitment that includes being more energy efficient and increasing onsite renewable energy generation.

These goals are the next steps on our carbon reduction journey, which started back in 2015. The following timeline details our biggest positive actions so far, and the major steps developed as part of our new sustainability strategy.



OUR PLANS

What are Scope 1, 2 and 3 carbon emissions?

Scope 1 and 2 greenhouse gas emissions cover our operational activities directly under our control. We have been measuring and reporting Scope 1 and 2 energy emissions since 2015.

Scope 1 emissions are those directly released on our sites such as gas consumption and refrigerant leakage. Scope 2 includes emissions due to the consumption of grid electricity in common areas and offices.

We will make a big impact on Scope 1 and 2 emissions by implementing a wide range of measures including energy efficiency improvements and increasing onsite generation of renewable electricity.

Scope 3 emissions include those generated at SCP assets, but from sources not owned or directly controlled by SCP. This includes our retail partners' onsite electricity and gas consumption. Although we are not currently setting a target for Scope 3 emissions, we will work with our retailer partners and anchor tenants to find ways to help them reduce emissions. Scope 3 emissions also include grid transmission losses due to our electrical and gas consumption as well as that of our retailers. We will continue to explore Scope 3 emissions reduction with our specialty retail partners who have not yet made commitments of their own. However, these emissions are currently excluded from our greenhouse gas emissions targets. SCP staff commuting, management partner commuting and customer travel to and from shopping centres are also currently excluded.

Ensuring climate resilient centres and communities

Our centres are located across areas with many different climate variables and risks. Our FY20 climate and resilience review showed that the communities we operate in already face risks including cyclones, droughts, fire, large rainfalls and floods, and that these risks are only likely to increase.

To ensure our centres and surrounding communities can continue to thrive for the long-term, we are taking action to make them more resilient and better prepared for when these events occur.

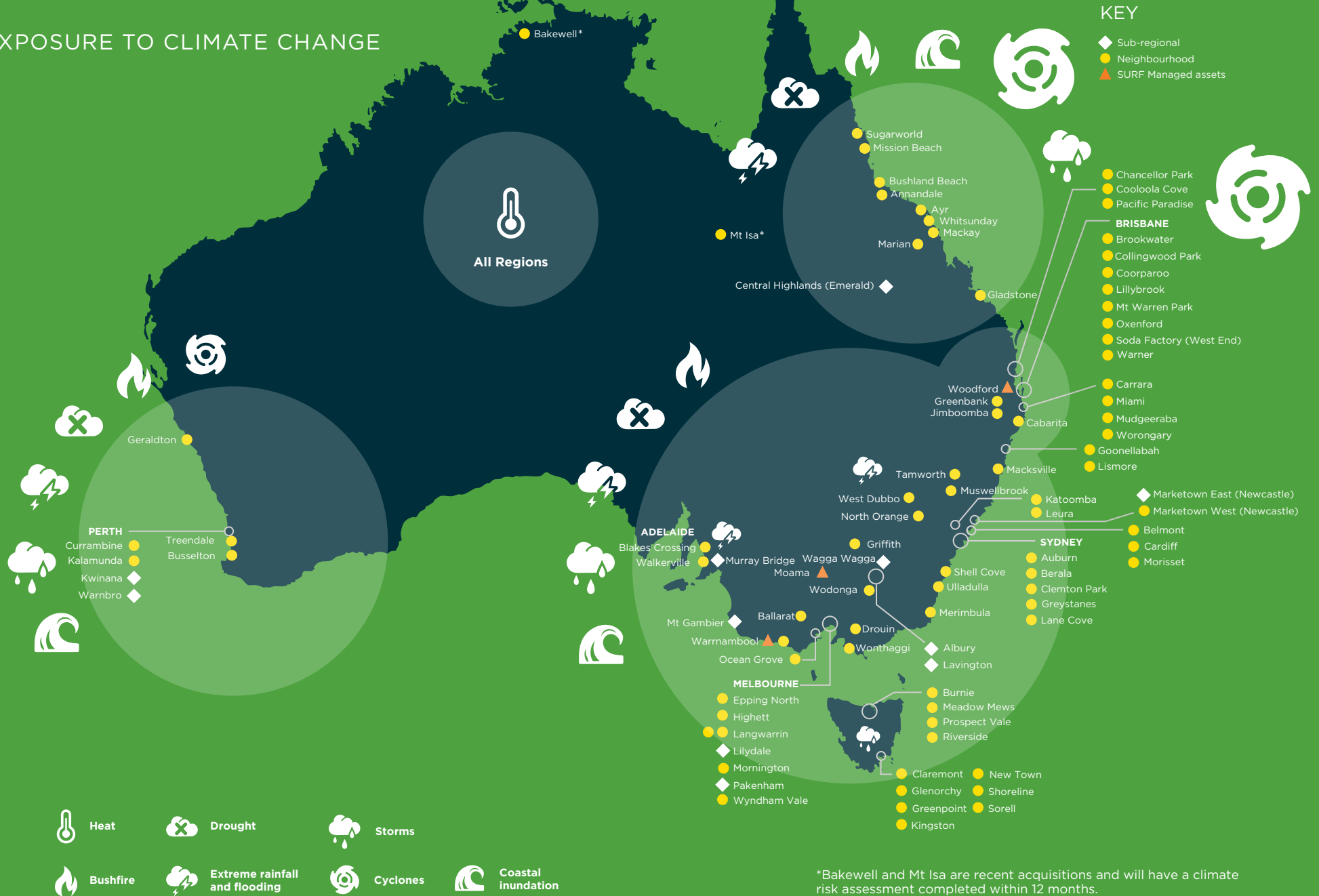
In FY21, we conducted a Climate Change Risk Assessment for each of our 92 centres, to determine which are at high-risk of climate events. Outputs of the Climate Change Risk Assessment can be seen on the climate map on page 11.

By 2023, we will produce a Resilience Action Plan for each of the eleven centres found to be high-risk. These plans will include consultation with local emergency services and authorities, to formalise the role of the centre within the local disaster relief plans. This may include how to use the centre as a shelter, how to work efficiently with local emergency services, and more. We will work with local authorities to embed these plans in the community.



The Stirlings Shopping Centre in Geraldton, WA, located in the area affected by Cyclone Seroja in April 2021.

ASSET EXPOSURE TO CLIMATE CHANGE



*Bakewell and Mt Isa are recent acquisitions and will have a climate risk assessment completed within 12 months.

OUR PLANS CONT.

Major \$13.6m investment in renewable energy

In FY22, we will make our biggest investment in renewable energy to date, adding 7.5MW of solar generation capacity across six of our Western Australia based centres; including Currambine, Kalamunda, Kwinana, Stirling, Treendale and Warnbro. The energy generated will reduce the reliance on energy from the grid for both SCP and our retail partners.

Our investment in solar will continue beyond this project. We are currently exploring which centres are best suited for our next round of solar expansion, to ensure we have generation capacity of at least 25MW by the end of 2025.



WASTE & RECYCLING

We believe in diverting as much waste from landfill as reasonably practicable

CONTEXT

Waste reduction is essential for both property and retail sectors

Development and construction processes to build retail centres can result in significant waste if not managed properly. Retailers sell products which require packaging and point of sale materials, many of which also require disposal or recycling at the end of their life, including the growing problem of food waste.

OUR APPROACH

Collaborative long-term waste reduction and diversion plans

SCP recognises the need to work with retailers and the community to create long-term circular economy approaches for reducing waste, increasing re-use and increasing recycling.



OUR TARGETS AND GOALS

DIVERT 60% OF WASTE BY 2030

Ensuring at least 60% of our operational waste is diverted from landfill by 2030, including 30% by 2025.

WASTE AUDITS CONDUCTED BY 2023

Conduct audits on reducing waste and increasing recycling across our portfolio by 2023.

CONTRACTOR RECYCLING PLANS BY 2023

Collaborate with our waste contractors to implement waste recycling strategies and plans by 2023.

ELIMINATE SINGLE-USE PLASTICS AT HEAD OFFICE

No single-use plastics at our head office by 2025.

ENCOURAGE ENVIRONMENTALLY FRIENDLY MATERIAL USE

Support retailers to ban or phase out single-use plastics by 2025 and utilise re-used, recycled or environmentally friendly fit out materials.

BUILD RETAILER AND COUNCIL SUPPORT

Align our waste goals with retailers and local councils, supporting community waste and recycling initiatives.

WASTE REDUCTION PLANS CREATED BY 2024

Use the waste audit findings to create formal waste and recycling plans by 2024.

POSITIVE PROGRESS IN FY21

34% waste diverted from landfill at 66 SCP shopping centres, that report waste where waste can be diverted.

OUR PLANS

Reaching 60% waste diversion

To divert such a significant proportion of our waste requires long-term thinking. We will conduct audits and build detailed waste management plans to improve waste diversion across the business.

We will invest in reusing and recycling across a wide range of materials, including potential partnerships for donating and managing food waste, and using alternatives to single-use plastic. Collaboration with our

waste contractors will allow us to recycle more types of material, and we will work with retailers to reduce shop fit out waste, packaging and point of sale materials.

In addition, when we develop or refurbish existing assets, we will work to minimise construction waste to landfill, and encourage retailers to do the same with their works.

Our waste diversion target is 60%, but we will work to achieve more than 60% where possible. In 2020, we achieved 34% waste diversion at centres that report waste. Our aim is that all centres able to report on waste diversion will do so in the future, however some may be limited by council or waste contractor facilities.



WATER

We value our natural water sources and find ways to reduce our potable water usage

CONTEXT

Water is a vital community resource

Australia is one of the driest continents on earth, and it has never been more important to protect its water resources. Droughts have a devastating impact on local communities, and climate change is only expected to increase their frequency and severity.

OUR APPROACH

Maximising our water efficiency

SCP recognises the importance of water efficiency and reducing the amount we require from our communities. We will focus on centres and retailers with high water usage and encourage them to be more water efficient, and then share the learnings across our portfolio.

OUR TARGETS AND GOALS

25% REDUCTION AT LARGEST CONSUMPTION SITES BY 2025

Reduce potable water use by at least 25% at our ten largest sites, and share the learnings with all centres by 2025.

INVESTIGATE LOW FLOW TOILETS AND TAPS

Investigate the feasibility of installing water efficient low flow taps across the portfolio by 2023.

INVESTIGATE WATER USER METERING

Investigate the feasibility of installing water user metering to high volume retailers across our portfolio by 2023.

METERING FRIENDLY LEASES

Continue moving selected high water usage retailers onto updated leases, which allow for water metering.

OUR PLANS

Reaching 25% water reduction by 2025

To reduce the amount of potable water our centres use requires long-term planning. We will thoroughly investigate the feasibility of key water saving measures and roll-out the most viable options. We will also work with our centres to find simple and effective tweaks that can reduce water usage, without requiring major works.

Our efforts will focus on the ten centres with the largest water consumption and target high water volume retailers, as these will have a bigger impact. We will share the learnings across the SCP portfolio to ensure all centres can help their retailers to reduce water usage.

Our current lease allows the installation of water metering for our retailers. We will gradually transfer over retailers who are not yet on this lease. Where businesses have high water consumption, we will determine if there is a business case to pay for meter installation to incentivise water efficiency.



LEADING LOCAL

Together, we build thriving communities

CONTEXT

Our success is directly tied to that of our communities

With 92 centres across all states and the Northern Territory, our performance is significantly influenced by the economic sustainability of our varied communities. We inevitably operate in some areas where poverty is present, and where job opportunities make a real difference to people's lives.

OUR APPROACH

Helping the communities we love to thrive

At SCP, we recognise the important role our centres play in the economic success of the many communities where we operate. We also understand the importance of partnering and volunteering to assist communities through a range of projects and participation.



OUR TARGETS AND GOALS

BUILD STRONG, SUSTAINABLE COMMUNITIES WITH THE SMITH FAMILY

A three year strategic partnership (through to 2023) with The Smith Family to continue helping young people embrace the possibilities of good education and to break the cycle of poverty.

ONLINE MENTORING PROGRAM

Participating in the 2021 iTrack Online Mentoring Program, helping high-school students to determine their post-school options.

SUPPORTING SUCCESS AT SCHOOL

Helping 128 young Australians get the support they need to succeed at school with The Smith Family's Learning for Life program.

WORK INSPIRATION PROGRAMS

Running two Work Inspiration programs with The Smith Family by the end of 2022 and engage with our centre management partners to get involved within their local communities.

100% WORKPLACE VOLUNTEERS

Encouraging 100% of our employees to participate in workplace volunteering by 2023.

POSITIVE PROGRESS IN FY21

128 families now supported through our Smith Family partnership

70+ Stronger Communities events held

OUR PLANS

Our The Smith Family partnership

More than 1.2 million Australian children live in poverty, including children in the communities where our centres operate. To help make a difference we have partnered with The Smith Family, Australia's leading children's education charity.

In FY21, SCP commenced sponsorship of 128 students located near our centres and head office, to participate in The Smith Family's Learning for Life program, which provides support for them to fully participate in their education. Beyond financial support, our local teams will write to the students to mentor and help build a stronger connection.

In addition, we will run two Work Inspiration sessions by end of 2022, participate in the iTrack Online Mentoring Program and encourage our centres to get involved in their local communities.



OUR PROGRESS

Continue building stronger communities

As part of our Love Local, Shop Local, Act Local approach, SCP centres and head office will continue to run events and programs to support their local communities. In FY21, we ran over 70 events and programs, which were managed in-line with local COVID-19 guidelines, to ensure community safety. Examples of our FY21 community events include:

14 SCP head office staff participated in The Smith Family Christmas Toy and Book Appeal. While many of our centres became drop-off points for toys and books, helping with logistics that were complicated by COVID-19.

Annandale Central in North Queensland held a Defence Appreciation Day in partnership with the neighbouring Lavarack Barracks. This included Defence charities and recruitment, entertainment and kids giveaways.

Mount Gambier Marketplace in South Australia invited local charities to raise funds by offering Christmas wrapping services for customers, with the centres providing the wrapping supplies. Altogether, over \$4000 was raised, as well as approximately \$5000 worth of toys for local families.

Ten SCP centres in Northern New South Wales and Queensland supported local sports by partnering with community teams facing financial difficulty.

All SCP centres in Western Australia provided free space to allow not-for-profit organisations and schools to fundraise or promote causes.



Defence Appreciation Day

OUR PROGRESS CONT.

Respecting local heritage

Our Soda Factory redevelopment in Brisbane is being managed carefully to respect both the building's heritage and that of the local Indigenous community.

One of the most iconic buildings in Brisbane, the former site of Tristram's Soda Soft Drinks, will have many of its original features such as beams, windows and facades restored and will house numerous artifacts representing the history of the building.

To respect the local Indigenous heritage, we are working with a local Aboriginal owned creative agency, Blaklash, on a mural and other initiatives. The development site was blessed by Father Alan Pillay on 9th March 2020, and an Aboriginal Smoking Ceremony will be conducted at the official opening in late 2021. In addition, we are partnering with Hutchinson Builders to help develop Indigenous careers during the redevelopment and all site tours feature an Acknowledgement of Country.





DIVERSITY & INCLUSION

We embrace the diversity of Australia

CONTEXT

A growing issue businesses need to address

We operate in one of the most multicultural societies on earth. However, much work is still to be done to achieve equity, particularly for women and the Indigenous population.

OUR APPROACH

Taking objective action to reflect our communities

Our assets reach Australians of every background, and it is important to SCP that our people reflect these diverse communities. To achieve this, we need to ensure fair and positive recruitment, leadership and promotion processes, along with sound work conditions and benefits.



OUR TARGETS AND GOALS

40:40:20 GENDER DIVERSITY SPLIT BY 2021

Ensuring our leadership roles, non-executive directors and total employees are filled by 40% female, 40% male and the remaining 20% of positions open for any gender.

YOUNG INDIGENOUS MENTORING

A member of the Leadership team will participate in mentoring a young Indigenous person. In FY22 this will be in partnership with CareerTrackers and the Women in Leadership Mentoring Program.

DIVERSITY IN RECRUITMENT

Recruiting people from all backgrounds and at all stages of their career lifecycles.

INDIGENOUS CULTURAL AWARENESS TRAINING BY 2022

Providing 100% of our employees with Indigenous Cultural Awareness Training by 2022.

LEADERSHIP ON DOMESTIC VIOLENCE

A member of our leadership team will continue to help find ways to tackle violence and assault as part of the NSW Domestic and Family Violence and Sexual Assault Corporate Leadership Group.

DIVERSITY REPRESENTATION

Ensuring our recruitment panels reflect the diversity of our organisation.

INDIGENOUS INTERNSHIP BY 2022

Placing at least one Indigenous intern from the CareerTrackers Indigenous Internship Program in our head office by 2022.

CAREER PATHWAYS

Developing our career pathways to support people at all career stages, including parents returning to work.

POSITIVE PROGRESS IN FY21

40:40:20

gender diversity target reached for leadership* positions (40% Female)

gender diversity target reached for non-executive directors (60% Female)

gender diversity target reached for all positions (56% Female)

*Leadership positions include Chief Operating Officer, Chief Investment Officer, General Counsel/Company Secretary, Chief Financial Officer and Chief Executive Officer
**SCP is also compliant with the [ASX Corporate Governance Principles and Recommendations 4th Edition, Feb 2019](#), which recommends that the board composition of a listed entity should not have less than 30% of its directors be each gender within a specific period. Principle 1.5 (page 9) & footnote 33.

OUR PLANS

Gender diversity and equality

SCP recognises the importance of ensuring that women are not disadvantaged when applying for roles or internal promotion opportunities. To drive long-term balance, we have adopted, and already reached, the recognised target of 40:40:20 across the business.

This means 40% of leadership roles, non-executive directors and total employee roles are filled by women, 40% by men, with 20% unassigned. Committing SCP to continued positive action on gender equality, whilst ensuring flexibility so all roles are awarded on merit.

Meeting the targets in FY21 does not mean our efforts on gender equality will stop, the Group will work hard to ensure we stay within the 40:40:20 ratio going forward.

We will also continue to monitor the need for further gender equality measures.

While we do not have any specific goals in place regarding LGBTIQ+ individuals, we consider their fair treatment part of our broader diversity approach and will monitor the need for further action. We highlight this in our code of conduct policy that can be found on our [web page](#).

Indigenous internship and mentoring

Despite our comparatively small number of employees (61 as at 30 June 2021), SCP believes it is important to provide Indigenous Australians with positive opportunities in the industry.

We will provide at least one Indigenous person with a head office internship in 2022, as part of the CareerTrackers program, with the aim of offering further internships as the group continues to grow. We are currently investigating partners to assist.

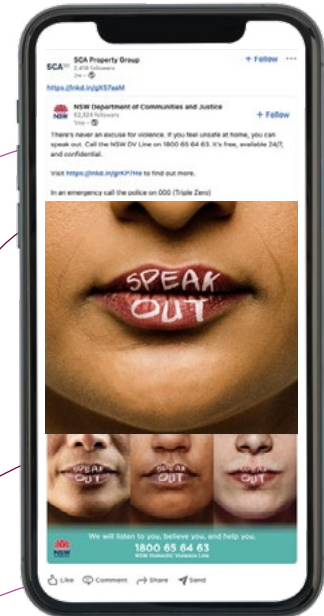
In FY22, a member of our Leadership Team will provide mentoring for an Indigenous person facilitated by the CareerTrackers Women in Leadership Mentoring Program.

Tackling violence

At SCP, we recognise the importance of helping victims and potential victims of violence at home.

A member of our leadership team participates in the NSW Domestic and Family Violence and Sexual Assault Corporate Leadership Group, aimed at finding ways to tackle and support those who are victims of domestic violence, family violence and sexual assault. In FY21, we also shared the NSW Government's Speak Out campaign to our head office staff.

At SCP, we will ensure that any employees needing support on these matters will be given confidential and compassionate assistance.





HEALTH & WELLBEING

We promote active, healthy and well lifestyles

CONTEXT

Our assets perform better when our communities are healthy and well

Maintaining physical and mental health is essential for driving positive outcomes in people's lives and careers. Healthy, safe and well communities are better places to live and help drive long-term economic sustainability.

OUR APPROACH

Providing well places that positively impact people

At SCP, we recognise that the health, safety and wellbeing of our people is critical to our continued growth. Our community focus means our care goes beyond direct employees, to those at our centres and retailers, and the customers who shop with us.





OUR TARGETS AND GOALS

CONTINUED IMPROVEMENT IN COMMUNITY AND EMPLOYEE HEALTH AND WELLBEING

Undertaking measures to improve the long-term health and wellbeing of our community and employees.

ENCOURAGING PHYSICAL ACTIVITIES

Employees are encouraged to be physically active, by supporting participation in team sports and challenges.

HEALTHY EATING OPTIONS

Employees are given daily healthy and fresh whole food choices. Event catering is healthy and includes filtered water.

PROVIDING FLU VACCINATIONS

Reducing employee sickness by making annual flu vaccinations available for all employees.

PROVIDING COVID-19 VACCINATIONS

Protecting against the risks of COVID-19, by investigating the feasibility of providing all employees with vaccinations by 2022.

ENCOURAGING ACTIVE COMMUTING

Employees are encouraged to commute via active transport, with end of trip bike storage and showering facilities.

ERGONOMICALLY DESIGNED WORKPLACES

All employees are provided with an ergonomically designed work environment in our corporate office, and we will provide guidance on ergonomic and healthy work environments at home.

MENTAL HEALTH SUPPORT BY 2021

Providing free access to mental health support services by the end of 2021, in addition to our existing Employee Assistance Program.



OUR TARGETS AND GOALS

CONTINUED IMPROVEMENT IN COMMUNITY AND EMPLOYEE HEALTH AND WELLBEING

BOOSTING INDOOR ENVIRONMENT QUALITY

Improving the indoor environment of our Head Office, with reference to the NABERS IEQ (indoor environment quality) ratings.

MENTAL HEALTH TRAINING BY 2021

Expanding our mental health awareness training, to ensure all employees have been trained by the end of 2021.

FREE EMPLOYEE GYM ACCESS

Continue to provide all employees with gym memberships or facilities access, including the flexibility to ensure they can participate.

DEVELOPING COMMUNITY HEALTH PARTNERSHIP

Developing one or more strategic alliances or partnerships to help boost community health and wellbeing, to start by 2022.

ENSURING COVID-19 SAFE CENTRES

Continuing to ensure community safety by maintaining and following COVID-19 Safe Plans at all of our centres.

CLIMATE HEALTH RESILIENCE

Reducing climate related health risks to our communities by developing Resilience Action Plans at any high-risk centres by 2023. (See Energy & Carbon section)

OUR PLANS

Physical health of employees

At SCP, we understand the benefits of looking after the physical health of our employees. We are expanding our targets and measures to go well beyond legal compliance, including support for healthier work environments, active participation in sport and exercise, active commuting and healthy eating.

We will be running a Step Challenge later in 2021, encouraging employees to walk more. We also have an employee team who play OzTag, a form of non-contact rugby.

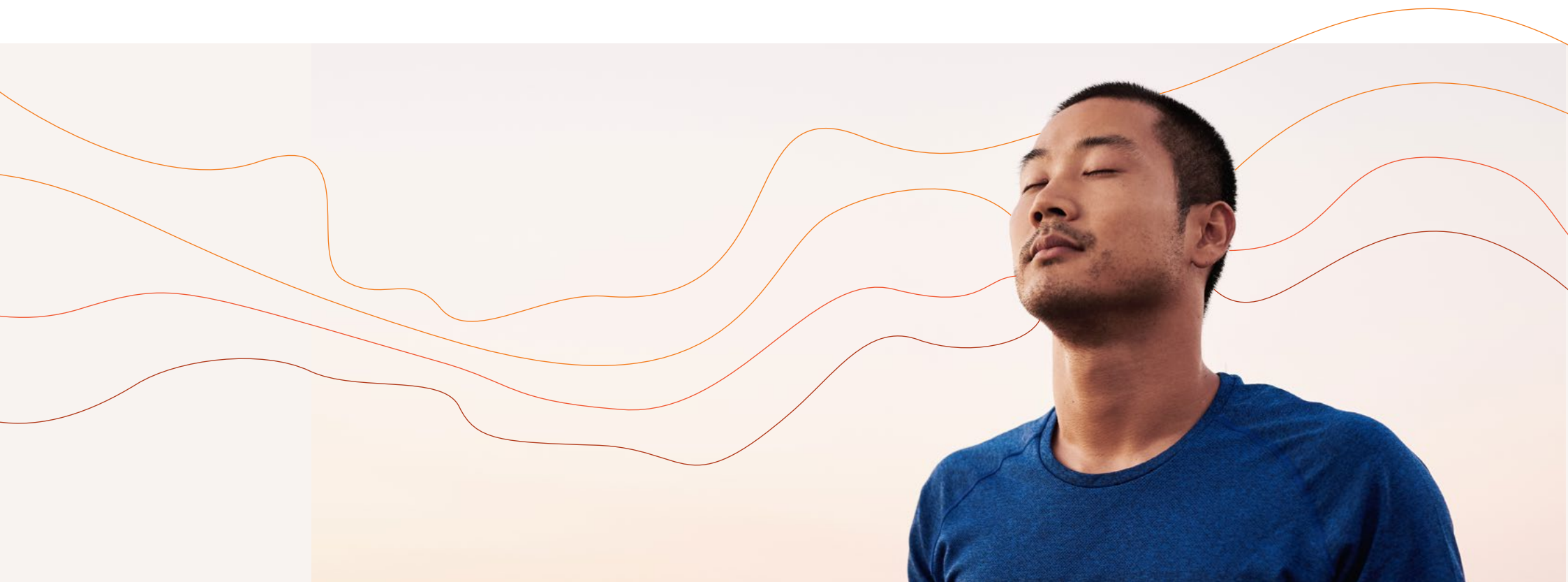
Mental health of employees

SCP recognises that no health and wellbeing program is complete without looking after mental health. All employees will receive mental health awareness training and have access to free mental health support services by the end of 2021. We already have two Mental Health First Aid trained staff at our head office.

Mental health awareness training provides employees with the knowledge and understanding to be able to recognise potential mental

health issues within themselves and their colleagues. This training will give them guidance on the first steps to getting help and support.

Providing access to mental health support will ensure that any employees who do encounter mental health issues will have easy access to the first stages of help.



TARGET SUMMARY



ENERGY & CARBON

- Net zero by 2030 (Scope 1 and 2)
- 20% less energy consumption by 2025
- 100% LED lighting by 2023
- Increase solar generation capacity to 25MW by 2025, including 10 MW by the end of 2022
- Energy efficiency strategy created and implementation started by 2023
- Environmentally friendly refrigerants only by 2025
- Establish renewable energy partnerships by 2025
- Climate Change Risk Assessments for all centres in 2021
- Resilience Action Plans for eleven high-risk centres by 2023
- Community disaster relief plans embedded with local authorities



WASTE & RECYCLING

- Divert 60% of operational waste by 2030, including 30% by 2025
- Waste audits conducted by 2023
- Contractor recycling plans created by 2023
- Waste reduction plans created by 2024
- Build retailer and council support for waste initiatives
- Encourage retailers to use environmentally friendly materials and phase out single-use plastics by 2025
- Eliminate single-use plastics at head office by 2025



WATER

- 25% water use reduction at our ten largest consumption sites by 2025
- Investigate water user metering to high volume retailers by 2023
- Investigate low flow toilets and taps by 2023
- Continue moving high water usage retailers onto metering friendly leases



LEADING LOCAL

- Working together with The Smith Family to build strong, sustainable communities - through 2023
- Run two Work Inspiration programs by the end of 2022
- Support success at school for 128 young Australians
- Participate in the 2021 iTrack Online Mentoring Program
- 100% workplace volunteers by 2023

TARGET SUMMARY



DIVERSITY & INCLUSION

- 40:40:20 gender diversity split by 2021 (leadership roles, non-executive directors and total employees)
- Place at least one Indigenous intern from CareerTrackers at head office by 2022
- Leadership team member to participate in young Indigenous mentoring
- 100% of employees trained in Indigenous Cultural Awareness by 2022
- Ensure diversity in recruitment - people from all backgrounds and all stages of their career lifecycles
- Ensure our diversity is represented in recruitment panels
- Develop career pathways to support people at all stages of their careers, including parents on their return to work
- A member of the leadership team to continue participation in the NSW Domestic and Family Violence and Sexual Assault Corporate Leadership Group



HEALTH & WELLBEING

- Continued improvement in the health and wellbeing of employees
- Continue free employee gym access, including the flexibility to ensure they can participate
- Continue providing ergonomically designed workplaces in the corporate office, and provide guidance on ergonomic and healthy work environments for home
- Encourage active commuting with end of trip facilities
- Encourage physical activity in team sports and challenges
- Continue providing daily healthy eating options for employees, and healthy event catering
- Free flu vaccinations for employees
- Investigate viability to provide COVID-19 vaccinations for all employees by 2022
- All employees to have mental health awareness training by 2021
- All employees to have free access to Mental health support by 2021 (in addition to our Employee Assistance Program)
- Improve the indoor environment of our Head Office, with reference to the NABERS IEQ (indoor environment quality) ratings
- Develop one or more strategic alliances or partnerships to boost community health and wellbeing, to start by 2022
- Continue to ensure all centres maintain and follow COVID Safe Plans
- Reduce health risks to the community with Resilience Action Plans for eleven high-risk centres by 2023 (See Energy & Carbon section)

These targets exclude three centres, which are managed by SCP, but owned by SURF 3

GOVERNANCE

Our Governance Structure

The SCP Board is composed of seven Directors, five of whom are Independent Non-Executive Directors. We have Board and Committee Charters in place, and the Board works together with the management team to ensure best practice corporate governance throughout all operations.

SCP is an internally managed real estate investment trust and is listed on the Australian Securities Exchange. SCP is comprised of Shopping Centres Australasia Property Group RE Limited, the Responsible Entity to the Shopping Centres Australasia Property Management Trust and the Shopping Centres Australasia Property Retail Trust (together, Trusts).

SCP is subject to regulation from multiple sources, including:

- ASX Listing Rules;
- Corporations Act 2001 (Cth) (Act) – as a company, as a holder of an Australian Financial Services Licence and as registered managed investment schemes;
- Trusts' Constitutions; and
- Trusts' Compliance Plans.

The SCP Board is ultimately responsible for overseeing Sustainability at SCP. The Board's Audit, Risk Management and Compliance Committee (ARMCC) oversees sustainability reporting and disclosures (including the Sustainability Report), while the Board's Investment Committee oversees sustainability investment proposals.

The Board of SCP together with Management, recognise the value to our stakeholders of establishing and maintaining best practice corporate governance systems. SCP's governance systems are reviewed and monitored by the Board and reflect the requirements of the market regulators and the expectations of unit holders, market participants, and other stakeholders.

[Corporate Governance Statement 2020](#)

SCP is also compliant with the ASX Corporate Governance Principles and Recommendations Guidelines, 4th Edition, Feb 2019 that recommends that the board composition of a listed entity should not have less than at least 30% of its directors of each gender within a specific period. <https://www.asx.com.au/documents/regulation/cgc-principles-and-recommendations-fourth-edn.pdf> ref: Principle 1.5 (page 9) & footnote 33.

Modern Slavery

At SCP, we have zero tolerance for Modern Slavery. We released our first Modern Slavery statement for FY20, detailing our actions to benchmark, audit and monitor for modern slavery risks. Our FY21 statement will be released by December 2021.

Our Supplier Code of Conduct clearly details obligations regarding modern slavery and related human rights conduct. In addition, we provide all employees with Modern Slavery Awareness training.

[Our Modern Slavery Statement](#) [Our Supplier Code of Conduct](#)

Security and Privacy

The security and privacy of our customers, retail partners, and other stakeholders are of the utmost importance to SCP. We have a comprehensive Privacy Policy, detailing the information we keep, how it is stored, and how to make a complaint, if required.

[Our Privacy Policy](#)

Responsible Procurement

It is critically important to SCP that all procurement is handled responsibly and ethically, both for social and human rights, and environmental responsibility and compliance. In FY20, we introduced a comprehensive Procurement Policy and Supplier Code of Conduct as well as updating our Outsourcing Policy to ensure and monitor ethical conduct.

[Our Supplier Code of Conduct](#)

Transparency

SCP operates in a transparent manner, making non-confidential information available on our website for the market, retailers and customers. We will continue to operate transparently as we act and report on our sustainability strategy targets. Our sustainability targets and data are externally verified by sustainability consultancy company Cundall, see the verification statement on page 36 for more information.



APPENDICES

Environmental Performance Summary

Property Portfolio	2018	2019	2020	Change 2019 to 2020	Unit
Electricity use - absolute total	21896	24163	23426	-3%	MWh
Electricity use - like-for-like total	16445	16530	15538	-6%	MWh
Gas use - absolute total	254	1187	1164	-2%	MWh
Energy intensity - electricity and gas	0.113	0.129	0.125	-3%	MWh / m2
Greenhouse gas emissions - electricity absolute total	16427	17888	17422	-3%	tonnesCO2-e
Greenhouse gas emissions - electricity like-for-like	11987	11821	11100	-6%	tonnesCO2-e
Greenhouse gas emissions - gas absolute total	48	220	216	-2%	tonnesCO2-e
Greenhouse gas emissions - gas like-for-like	43	70	86	23%	tonnesCO2-e
Greenhouse gas emissions - total absolute	16475	18108	17637	-3%	tonnesCO2-e
Greenhouse gas emissions - total like-for-like	12030	11891	11186	-6%	tonnesCO2-e
Greenhouse gas emissions - intensity (absolute)	0.091	0.100	0.097	-3%	tonnesCO2-e/ m2
Water consumption	400996	600566	549241	-9%	litres
Waste consumption (non-hazardous)	5711	5499	5753	5%	tonnes

Group	2018	2019	2020	Change 2019 to 2020	Unit
Electricity use - corporate office	32	31	27	-13%	MWh
Greenhouse gas emissions - corporate electricity	26.6	25	22	-13%	tonnesCO2-e
Greenhouse gas emissions - scope 1 (gas use at centres) absolute	48	220	216	-2%	tonnesCO2-e
Greenhouse gas emissions - scope 1 (gas use at centres) like-for-like	43	70	86	23%	tonnesCO2-e
Greenhouse gas emissions - scope 2 (electricity at properties and head office) absolute	16454	17913	17443	-3%	tonnesCO2-e
Greenhouse gas emissions - scope 2 (electricity at properties and head office) like-for-like	12014	11846	11122	-6%	tonnesCO2-e
Greenhouse gas emissions - scope 3 (business flights)	160.05	276.67	11.76	-96%	tonnesCO2-e
Greenhouse gas emissions - absolute total	16662	18410	17936	-3%	tonnesCO2-e
Greenhouse gas emissions - like-for-like total	12217	12193	11485	-6%	tonnesCO2-e
Paper consumption	2904	1037	211	-70%	Reams
NABERS Energy Tenancy rating - corporate office	5.5	5.5	6	Max	Stars (out of 6)

Basis of Feasibility Review (Zero Carbon by 2030)

A calculation of scope 1 and 2 SCP emissions was undertaken by Cundall in July 2021 based on data from the following sources:

- GRESB 2021 data set for electricity and gas consumption
- NABERS Energy rating for SCP Head Office
- Business flights from SCP Sustainability Report 2020
- Estimate of refrigerant emissions (based on assumed percentage of electricity consumption)
- Australian Government's National Greenhouse Accounts Factors – October 2020

An estimate of scope 3 emissions was undertaken by Cundall in July 2021 based on the data from the following sources:

- GRESB 2021 data set for water and waste
- GRESB 2021 data set for tenant electricity and gas consumption
- Estimate of speciality tenant energy consumption based on energy benchmarks where these are not on embedded networks
- Australian Government's National Greenhouse Accounts Factors – October 2020

A calculation of SCP's portfolio Solar PV Generation Capacity was undertaken by Cundall in July 2021 and based on the following:

- SCP information on installed and planned PV installations
- Roof area available for Solar PV panels estimated as a percentage of GFA
- Solar irradiance on a horizontal surface from Bureau of Meteorology data for nearest weather station to the centre
- An assumed PV panel efficiency of 18% and system losses of 25%

Based on the analysis described in the SCP Zero Carbon 2030 Feasibility Review we confirm it is our opinion that achieving Zero Carbon for all of SCP's Scope 1 and 2 Greenhouse Gas (GHG) emissions by 2030 is an achievable target and can be delivered through a combination of:

- Energy reduction through a rolling program of upgrades for LED lighting, HVAC equipment and controls
- On-site generation of renewable electricity using Solar Photovoltaics (PV) and voluntary retirement of Renewable Energy Certificates (RECs) created

Other options available include:

- Procurement of renewable grid electricity using commercially available mechanisms including Power Purchase Agreements and/or GreenPower
- Procurement of carbon offsets that meet the eligibility criteria set out in the Australian Government's Climate Active Carbon Neutral Standards

We also confirm that there is sufficient solar capacity available on SCP roofs to generate sufficient RECs to match all of SCP's Scope 1, 2 and 3 GHG emissions due to electricity consumption in common areas and car parks.



David Clark
Partner
Cundall Johnston & Partners Pty Ltd ("Cundall")

22 July 2021

SCA Property
Group