



Climate Policy

Version 1.0
12 May 2017

1. Introduction

Climate change is one of the biggest and most significant global challenges of our time. Vicinity Centres (Vicinity) acknowledges that climate change presents risks to our business now and increasingly in the future, and will continue to have serious implications for our consumers, communities and the economy. We support the worldwide efforts of governments and the business community in seeking to limit global warming to 2°C above pre-industrial levels, and understand the role we need to play in transitioning to a low carbon economy that limits the impacts of climate change and supports resilient cities and communities. This commitment is inherent in Vicinity's purpose of *enriching community experiences*, and an integral part of achieving our vision to *reimagine destinations of the future, creating places where people love to connect*.

The property sector is responsible for approximately 23 per cent¹ of Australia's national carbon emissions. As a large organisation within this sector, Vicinity is committed to mitigating our impact on the climate by identifying and implementing an appropriate long term low carbon target for our business. We understand the significant positive impact this could have on our business operations as well as the broader community, given the size of our asset portfolio. To this end, we are exploring the best combination of energy efficiency, onsite renewable energy, and smart technology for implementation across our portfolio with the goal of creating highly efficient, low carbon assets.

An increase in frequency and intensity of extreme weather events such as heat waves, storms, flooding and bushfires are expected to place greater demands on our centres and their surrounding communities.² As significant community hubs, we have a responsibility to adapt our business to ensure our centres remain physically resilient and safe during times of extreme weather, and can continue to serve our communities, consumers and retailers.

We know that climate action must be aligned with wider efforts, and that we cannot achieve meaningful results on our own. Where appropriate and possible we will partner with our retailers and leverage our stakeholder relationships and position in the broader community to offer solutions, facilitate action and influence broader change.

2. Our Commitment

To deliver on our commitment, Vicinity will, where appropriate and possible:

- Continuously evolve our approaches for regularly assessing climate change impacts on our business to ensure we have a robust understanding of the changing physical and non-physical³, and related financial risks and opportunities at an asset and portfolio level,
- Develop systems and processes, as well as suitable adaptation and mitigation strategies, to manage our material climate risks and opportunities,
- Significantly reduce our carbon footprint through establishment and implementation of a long term low carbon target,
- Actively investigate and implement new and existing opportunities to reduce our energy use and increase the use of renewable energy in our assets,
- Integrate climate resilience considerations and low carbon guidance into planning and delivery of development and asset upgrade projects, capital allocation and transaction decisions to increase the capacity of Vicinity and our consumers and retailers to survive, adapt, and grow no matter what kinds of climate extremes they experience,
- Keep abreast of latest science, emerging technologies and best practices relating to emissions reduction and climate resilience to ensure we continue to meet our objectives and the increasing expectations of our stakeholders,
- Engage our people on climate change issues and impacts to build their capacity and empower them to contribute to our commitments,
- Collaborate with our suppliers, retailers, community partners and consumers to identify, encourage and implement initiatives that minimise our collective carbon footprint and address climate-related impacts and opportunities,
- Participate in industry and other climate related forums to share our knowledge and experience in best practice risk and opportunity identification and management strategies for our sector,
- Contribute to emerging public policy on climate action through our membership and participation in various industry forums,
- Work collaboratively with regulators and all levels of government to ensure we comply with relevant laws and legislation that relate to climate action and disclosure, and
- Transparently disclose our climate-related risks and opportunities and performance against targets in public reporting and maintain clear disclosures for our investors by participating in the CDP Climate Change Program and other voluntary reporting initiatives.

3. Roles and responsibilities

The commitments outlined in this policy are implemented at centre level, as well as by business functions in line with Vicinity's Sustainability Strategy, which aims to achieve broad value creation for Vicinity and our stakeholders.

¹ Low Carbon, High Performance, ClimateWorks Australia (May 2016)

² In 2015 the total economic cost of natural disaster events in Australia exceeded \$9 billion. These costs are expected to rise to an average of \$33 billion per year by 2050 without factoring in climate change drivers (Australian Business Roundtable for Disaster Resilience & Safer Communities 2016).

³ Non-physical climate-related risks include regulatory risks, legal risks, technology risks, market risks, safety risks, stakeholder perception risks and reputational risks.

3.1 Responsibilities of the Board of Directors

- Oversee Vicinity's Sustainability Strategy, and
- Review this policy in light of any material changes to our commitments, or otherwise, every two years.

3.2 Responsibilities of CEO and Managing Director, EC and Sustainability Committee

- Integrate the Policy into governance and business processes,
- Ensure climate risks, impacts and opportunities are managed in line with this Policy, and
- Perform monitoring and reviews and notify findings to Sustainability as necessary.

3.3 Responsibilities of Sustainability team

- Respond to queries on the application of this Policy,
- Regularly review this Policy in light of legislation, organisational changes and developments in sustainability best practice, or at a minimum, every two years,
- Support the business in the implementation of this Policy, and
- Reports to the CEO and Managing Director, EC and Sustainability Committee on progress.

3.4 Responsibilities of all Vicinity personnel

- Understand and comply with this Policy.

Approved by,



Angus McNaughton
CEO and Managing Director

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