23 February 2022

Scentre Group Limited ABN 66 001 671 496

2021 Annual Financial Report

SCENTRE GROUP

Creating extraordinary places, connecting and enriching communities

Contents

2021 Results Overview

Scentre Group owns and operates a leading platform of 42 Westfield Living Centres across Australia and New Zealand encompassing approximately 12,000 outlets.

Our Purpose is creating extraordinary places, connecting and enriching communities. Our Plan is to create the places more people choose to come, more often, for longer.

Our Ambition is to grow the business by becoming more essential to people, communities and the businesses that interact with them. We are a responsible, sustainable business and balance our approach across the four pillars of community, people, environment and economic performance.

		FY21	FY20	FY19	FY18	FY17
Operating profit[(i)(ii)]	A$m	**845.8**	763.4	1,274.7	1,270.3	1,229.1
Operating profit per security [(ii)]	cents	**16.32**	14.71	24.10	23.94	23.14
Funds From Operations (FFO)[(ii)]	A$m	**862.5**	766.1	1,331.9	1,330.0	1,285.2
FFO per security[(ii)]	cents	**16.64**	14.76	25.18	25.06	24.20
Profit/(loss) after tax (inclusive of unrealised movements)	A$m	**887.9**	(3,731.8)	1,179.5	2,287.2	4,217.9
Distribution per security	cents	**14.25**	7.00	22.60	22.16	21.73
Security price (at 31 December)	A$	**3.16**	2.78	3.83	3.90	4.19
Assets under management (AUM)	A$b	**50.4**	49.9	56.0	54.2	51.0
Group's share of AUM	A$b	**34.4**	34.1	38.2	39.1	36.2

(i) Funds from Operations before Project Income (net of tax).
(ii) For consistency with FY20-FY21, FY17-FY19 has been restated to exclude straightlining of rent.

Our Purpose

Creating extraordinary places, connecting and enriching communities

Our Plan

We will create the places more people choose to come, more often, for longer

Our Ambition

To grow the business by becoming essential to people, their communities and the businesses that interact with them

We will expand and enhance our three growth pillars

- Businesses
- Our Platform
- People and Communities

We are a responsible, sustainable business

- Community
- People
- Environment
- Economic Performance

Our DNA

- We put our customers first
- We act with integrity
- We strive for excellence
- We succeed together
- We are constantly curious
- We create a positive legacy

A message from our Chair

On behalf of my fellow Board members I am pleased to present our Annual Financial Report for 2021.

The Group has remained focused on Our Purpose throughout another COVID-19 interrupted year.

I want to thank our team for delivering better results this year even with more COVID-19 restrictions than 2020. This demonstrates our proactive approach to generating long-term value for our securityholders.

The past year has reinforced how essential our Westfield Living Centres are to people and communities. I am very proud of our team, particularly how they kept adapting to the conditions, keeping our centres open and safe.

We are committed to fostering an inclusive workplace where diversity of perspectives and "speaking up" is highly valued. During the year, the Group measured our employee engagement, which has remained very high at 85%. This places us in the top 5% of companies globally. It was encouraging to receive these results given the operating environment and competitive labour market.

We have continued to increase female representation at all levels of the organisation and are well positioned to achieve our goal of 40:40:20 across the Group's workplace by 2025.

We have maintained our momentum on our approach to responsible business. The Board maintains oversight of our climate risk and resilience strategy. Our Responsible Business Report and Modern Slavery Statement will be released in March 2022, providing more detail on our approach and progress.

The Board was concerned to have received last year's vote against our 2020 Remuneration Report. To inform our response, we had a number of discussions with major securityholders and proxy advisors on remuneration matters throughout the year. We appreciate the willingness of both groups to provide their input and respect the concerns raised and perspectives shared. A response from Andrew Harmos, our Chair of the Human Resources Committee, is outlined on page 37 and reflects our preparedness to listen and change.

Board renewal and succession planning continues to be a focus. The Board is committed to continuing to ensure that we appoint directors with an appropriate mix of skills, knowledge, experience and diversity.

During the year we were very pleased to welcome Ilana Atlas to the Board. We also announced Catherine Brenner will join the Board from 1 March 2022 and will stand for election at our upcoming AGM.

Steven Leigh has announced his retirement from the Board and on behalf of the directors I extend my thanks to him for his contribution to Scentre Group.

The Board and management team remain confident about the underlying strength of the consumer and the economic recovery across Australia and New Zealand.

Our business is well positioned to fulfil Our Ambition to grow, supporting our customers and continuing to deliver long-term growth for our securityholders.

I thank my fellow directors for their valuable contribution and support in what has been a challenging year.

Thank you for your continued support of our company.

Brian Schwartz AM | Chair
23 February 2022

Brian Schwartz AM, Chair and Peter Allen, Chief Executive Officer.

A message from our Chief Executive Officer

I am very pleased with the Group's performance and the team's delivery of our 2021 results.

Operating Profit for the 12-months to 31 December 2021 was $845.8 million (16.32 cents per security, up 10.9%). Funds From Operations (FFO) for the year was $862.5 million (16.64 cents per security, up 12.7%). Net Operating Cashflows (after interest, overheads and tax) were $913.6 million, an increase of 24.8% per security on 2020. The Group collected $2,258 million in gross rent, an increase of approximately $200 million compared to 2020.

Our team's actions have delivered financial returns that have enabled us to deliver a distribution of $738.7 million for the year, which equates to 14.25 cents per security, exceeding guidance and representing growth of 103.6% on 2020.

We have been focused on our customers, leveraging the strengths of our leading platform and pursuing Our Ambition to grow by becoming essential to people, communities and the businesses that interact with them.

All Westfield Living Centres remained open throughout the year, operating with COVID Safe protocols. We were pleased to facilitate greater community access to COVID-19 vaccinations throughout the year.

We had 413 million customer visits and annual sales through our platform were $22.1 billion, despite more COVID-19 restrictions than in 2020. This highlights that our Westfield Living Centres are essential social infrastructure and provide destinations that deliver the products, services and experiences our customers want.

We continue to drive strong demand for space in our Westfield Living Centres from existing and new business partners who are focused on growing their customer engagement and optimising their most productive stores with us. During 2021, we completed 2,497 lease deals, including 1,090 new merchant deals. We welcomed 267 new brands to the portfolio. As a result, occupancy has increased to 98.7%.

We made significant progress on customer initiatives that create opportunities to expand and enhance our platform. We launched Westfield Direct across our Australian Westfield Living Centres, our aggregated click and collect service as an extension of our in-centre experience.

Westfield Plus, our membership platform, has grown its membership to 2.2 million, an increase of 1.6 million in 2021.

We continue to deliver on Our Purpose, Plan and Ambition with a responsible business mindset across the pillars of community, people, environment and economic performance.

We are focused on energy efficiency and acknowledge the role we can play in decarbonising the economy. We have committed to achieving net zero Scope 1 and 2 emissions by 2030 across our wholly-owned portfolio. During the year we developed a pathway and transition plan to achieve at least 50% of this target by 2025. We are accelerating energy efficiencies, onsite solar and the procurement of renewable electricity. From the start of this year, our New Zealand portfolio is powered by 100% renewable electricity.

We have been decisive in supporting our customers, businesses and people in enhancing long-term value for securityholders.

The management team remains focused on driving customer visitation and engagement, together with occupancy and income to deliver earnings growth in 2022.

On behalf of our team, thank you for your ongoing support of Scentre Group.

Peter Allen | Chief Executive Officer
23 February 2022

Directors' Report

This Directors' Report provides information on the structure of our business, our financial performance for the period 1 January 2021 to 31 December 2021 (Financial Year), our strategies and prospects and the key risks that face Scentre Group (Group or SCG).[i]

[i] The Group is structured as a stapled entity: a combination of a share in Scentre Group Limited (Company) and a unit in each of Scentre Group Trust 1, Scentre Group Trust 2 and Scentre Group Trust 3 which are stapled and trade together as one security on the ASX. For accounting purposes, the Company is the parent entity of the Group. This report covers the Company and its controlled entities for the Financial Year.

01 Operating and Financial Review

We are focused on long-term growth, leveraging the strength of our core business by becoming essential to people, communities and the businesses that interact with them.

1.1 Our Purpose and strategy

Our Purpose – *creating extraordinary places, connecting and enriching communities* – underpins our strategy, growth ambition, responsible business approach and culture. It has remained constant since Scentre Group was established in 2014 and recognises the integral role our Westfield Living Centres play in the lives of our customers and communities.

Our Plan – *to create the places more people choose to come, more often, for longer* – reinforces our customer strategy. By remaining focused on what our customers want, we have strengthened our core business and put ourselves in a strong position to grow.

Our Ambition – *to grow the business by becoming essential to people, their communities and the businesses that interact with them* – is made up of three interrelated pillars: people and communities, businesses and our platform.

Our sustainable business framework is balanced across four key areas – community, people, environment and economic performance.

In striving to achieve Our Purpose, Our Plan, Our Ambition and responsible business objectives, we are guided by our DNA. These are the values and standards of behaviour we expect of ourselves and of others.

Our DNA is a central part of our approach to business integrity and our Code of Conduct. It is how we put our culture into action.

Our DNA is expressed as:

We put our customers first
We act with integrity
We strive for excellence
We succeed together
We are constantly curious
We create a positive legacy

Code of Conduct

Our Code of Conduct outlines our expectations and responsibilities in acting fairly, honestly and with integrity.

Our Code is at the heart of our business integrity framework which sets out the basis on which our policies and procedures foster and support a strong ethical culture. All our people agree to abide by the Code when they join us and recommit to it annually.

Our Code is available online and references a number of key policies that support our approach to corporate governance and guide our culture.

scentregroup.com
Code of Conduct

1.2 About us

Scentre Group owns and operates a leading platform of 42 Westfield Living Centres with 37 located in Australia and five in New Zealand. The Group's total assets under management are $50.4 billion, SCG share $34.4 billion and $16.0 billion of third-party funds. Scentre Group has perpetual management rights on these assets.

Our Living Centres are strategically located in close proximity to 20 million Australians and New Zealanders which is the majority of their populations. Our Westfield Living Centres are hubs of local economic activity which contribute to local employment and support a network of local businesses and suppliers.

The Group employs 2,780 people across Australia and New Zealand and is organised by teams reflecting our vertically integrated business. Approximately 92% of our workforce is located in Australia. More than half (56%) of our total workforce is female.

A comprehensive overview of our assets is in our 2021 Property Compendium, available on the investor section of our website.

scentregroup.com
financial-results-and-presentations

Our approach to financial and capital management is to maintain a long-term focus to continually improve our earnings, assets and return on equity through economic cycles within a framework of low tolerance for risk.

Our Ambition – to grow the business by becoming essential to people, their communities and the businesses that interact with them – is made up of three interrelated pillars – people and communities, businesses and our platform.

1.3 Our Ambition

1.3.1 People and communities

Our Westfield Living Centres are strategically located in the heart of the local communities we serve.

During the year, the health, safety, security and wellbeing of our customers and communities remained our priority.

This included remaining focused on COVID Safe protocols and maintaining the highest standards of cleanliness and hygiene across our centres. Our customers have consistently told us they feel safe in our centres when they visit us.

We leveraged our proximity to customers and communities and role as social infrastructure to support the COVID-19 vaccine roll out. We partnered with health providers to open vaccination clinics in our centres. We also supported existing business partners, including General Practitioners and pharmacies, to provide walk-in and drive-thru COVID-19 vaccinations.

Community plans

Every Westfield Living Centre has a community plan which aligns with Our Purpose. These plans outline the unique characteristics of each of our trade areas and what our customers have told us they value. It includes key brand activations, community engagement activities and connections with local authorities such as police and emergency services personnel. This contributes to our centres being regarded as safe, welcoming and inclusive destinations.

We actively seek to make connections between our customer experience strategy and our approach to responsible business which includes diversity, equity and inclusion initiatives.

We recognise cultural days of significance, tailored to individual centres and their community, and support community services.

During 2021, this included leveraging our in-centre Connected Screen Network to ensure key messages relating to the topics of mental health (R U OK? Day) and family and domestic violence (White Ribbon Day) were shared with customers.

During the year our centres hosted more than 13,500 centre events. This included 2,100 cultural, community and sustainability engagement initiatives, charity donation appeals, Westfield Local Hero events and youth programs.

Listening and responding to our customers

Listening and responding to our customers and delivering what they want is at the heart of our customer strategy.

We aspire to be the first choice for how people spend their time. As part of Our Ambition we want to expand the number of people who experience Westfield through digital engagement, complementing our in-centre experience.

Our dynamic customer listening strategy allows us to receive feedback on experiences relevant to our centres and business partners through several customer touchpoints – online reviews, surveys via Westfield Plus as well as our Westfield iQ research community. This community has more than 12,600 customers providing regular feedback on our plans and initiatives.

Customer visitation

The past 12 months have reinforced how essential our Westfield Living Centres are to our customers and communities.

We had 413 million customer visits throughout 2021 despite extended government restrictions in key markets. We saw customer visitation rapidly rebound when restrictions eased.

Customer advocacy

A key measure of our business performance and success is customer advocacy, measured by our net promoter score (NPS). During 2021 our NPS derived from all customer feedback was 38 portfolio-wide, an increase of +2 points.

This was a pleasing result given the COVID-19 government restrictions throughout the year.

Customer commentary in reviews indicate that it was not one element of the experience driving an increase in advocacy in 2021, but an overall improvement across the complete customer experience. Sentiment on the topics of parking, range, dining, layout, services, cleaning and congestion all improved in 2021 compared to 2020.

1.3.2 Businesses

Our Westfield Living Centres are located in the heart of communities close to where the majority of the population lives. Our customers choose to spend their time in our Living Centres because the products, services and experiences we curate for them reflect what they want. This positioning means we attract businesses that value premium locations for their physical store network and the opportunity to efficiently interact with more customers.

Continuing to attract diverse businesses to our Westfield Living Centres

Across our portfolio we have 3,600 retail partners representing approximately 12,000 outlets.

Each Westfield Living Centre is different, reflecting the differing needs of its customers and community.

Our teams are focused on listening to our customers and curating the optimal mix of products, services and experiences for them. We engage with our customers and communities to understand which brands, experiences and services they want and consider this as part of our long-term asset planning process.

We have an aspiration to attract an even broader range of businesses to our Living Centres. We have a team who is focused on identifying and growing new concepts across our portfolio. During the year we launched new concepts into our centres including some firsts in a shopping centre environment. This included Hanrob Playgrounds, a doggy daycare and premium pet facilities provider and Car Expert, a showroom and test drive hub, both at Westfield Warringah Mall.

Demand for physical space

Physical stores continue to provide an integral role in driving customer engagement and growth for our business partners. Our data analytics indicates brands that have invested in a strong physical store network as well as online are the highest performers.

We continue to drive strong demand for space in our Westfield Living Centres from existing and new businesses who are focused on growing their customer engagement and optimising their most productive stores with us.

We have continued to see growth and expansion amongst our business partners. During the year we completed 2,497 lease deals including 1,090 new merchant deals. We welcomed 267 new brands to our portfolio.

As a result, occupancy has increased to 98.7%.

Gross rent collections for the 12-month period was $2,258 million, an increase of approximately $200 million compared to 2020.

Since 2010, we have consistently grown rental income. This has been achieved through both the addition of space, and growth in total rent per square metres. Our lease structure has remained constant with contractual rental escalations.

Helping brands connect with audiences at scale

We continue to innovate in how Scentre Group provides the most efficient platform for businesses to connect with customers.

Our in-house marketing solutions business, BrandSpace, connects brands and businesses to the Westfield audience through a portfolio of connected digital and physical touchpoints.

The BrandSpace Out-of-Home (OOH) media network is 100% digital, with over 1,800 full motion SuperScreens and SmartScreens across Australia and New Zealand.

In 2021 BrandSpace expanded its service offering to include programmatic buying attracting a broader range of businesses to advertise on the SmartScreen Network.

Despite more COVID-19 government restrictions than last year, occupancy in 2021 across the network tracked to customer visitation throughout the year.

Supporting our SMEs

Approximately 30% of our business partners are small to medium sized enterprises (SMEs). They are an integral part of our centres because they offer valuable products and services that our customers want, unique to their community.

The launch of Westfield Direct this year provided a growth opportunity for some of our SMEs, particularly those with one or two stores within our portfolio and no previous online presence. Westfield Direct connects these businesses with more customers whilst alleviating the time-intensive and costly process of fulfilling and delivering online orders.

During Q4 we piloted a business partner support program, focusing on our SMEs. The program was designed to support the development of their online customer strategy to further scale their businesses and accelerate growth. Over 100 SME partners attended a virtual seminar about establishing a digital-footprint and organising back-end technology for click and collect and online sales. We received positive feedback from participating businesses.

We continued to support our SME partners to mitigate the short-term cashflow impact on their business during the COVID-19 government restrictions through rental abatement and support.

Throughout the COVID-19 pandemic, the property industry has provided more than $3 billion in direct rental relief to SMEs, a responsibility no other industry has been asked to bear.

Throughout 2021, the state governments of Victoria, NSW and the ACT extended the National Cabinet's Mandatory Code of Conduct for Commercial Leasing. During January 2022, the Victorian and NSW state governments announced a further extension of the Code until mid-March 2022. We maintain the view that governments effectively forcing the transfer of the retirement savings of ordinary Australians via their superannuation funds to benefit businesses that generate millions of dollars in revenue is poor policy. We continue to play a leadership role through the Shopping Centre Council of Australia in our engagement and advocacy with government on these matters.

1.3.3 Our platform

During the year we enhanced and expanded the Westfield ecosystem.

We focused on the enhancement of our membership platform Westfield Plus which now has 2.2 million members. Westfield Plus is designed to drive value for our customers by enhancing the in-centre experience, personalising communications, and rewarding engaged members with exclusive benefits.

During Q4 we launched our aggregated click and collect and home delivery service Westfield Direct across all 37 Australian Living Centres. This creates more opportunities for customers to connect with Westfield and our business partners wherever they are.

Piloted in 2020, Westfield Direct extends the in-centre experience by enabling customers to purchase from multiple Westfield business partners, across multiple centres, in one online transaction. More than 150 business partners have joined Westfield Direct to date.

Every Australian Westfield Living Centre is now a Westfield Direct distribution hub, facilitating inter-centre and interstate product transfers. Westfield handles the end-to-end experience, including order fulfilment logistics, last mile delivery and customer service.

Over 50% of orders are taking advantage of click and collect from their local Westfield centre.

Westfield Direct is integrated with Westfield Plus to offer members a range of benefits. We are encouraged by the early adoption of Westfield Plus members onto the Westfield Direct platform with more than half of customer transactions to date originating from members.

Customer driven developments

The Group's focus on listening to customers is integral to our development pipeline. Our Ambition is to create destinations that meet the future needs of people and communities.

During the year we continued to invest in a research project to better understand how community needs are evolving and how we design and curate our offer to reflect them. This includes the pursuit of new uses for space and identification of emerging and growth sectors.

In 2021, we commenced a $355 million investment at Westfield Knox. The strategic investment will enhance the customer experience and offer a diverse mix of premium fashion and lifestyle brands. The former Myer store is being replaced with a range of new retailers, including Woolworths and Aldi, as well as a new fresh food market, and other community uses. It will open in stages between the end of 2022 and 2023 and will be the destination of choice for the Knox community.

Our $55 million investment at Westfield Mt Druitt will open in early March 2022, including a new rooftop dining, entertainment and leisure precinct, featuring 15 restaurants, a large-scale entertainment offer and indoor-outdoor spaces.

Works progressed on behalf of Cbus Property to design and construct 101 Castlereagh Street in Sydney. Completion of the commercial and residential tower adjacent to Westfield Sydney is expected in 2023.

We announced the commencement of a $33 million investment at Westfield Penrith. The project will see the repurposing of the former Target store to make way for a new Coles supermarket, a large-format entertainment offer and upgrades and additions to the centre's vertical transport systems.

All of our development projects feature sustainability initiatives that align to our responsible business strategy and seek to improve the energy, water and emissions intensity of our Living Centres. Pre-development work on future developments remains underway.

1.4 Responsible business

We continue to focus on how we operate as a responsible, sustainable business.

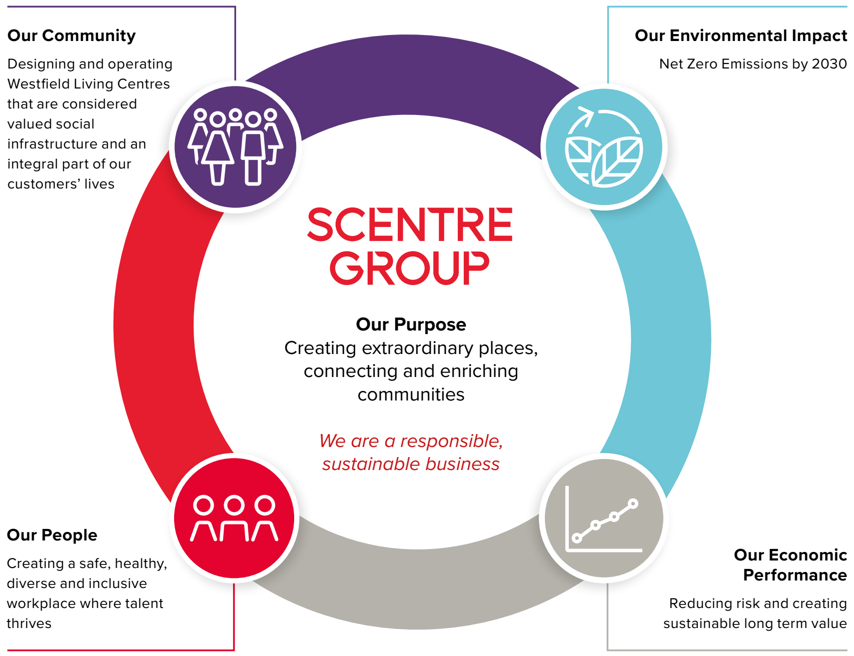
This includes initiatives that address the four pillars of our approach – community, people, environment and economic performance.

Aspects of our 2021 performance against these areas are addressed throughout this report.

Our 2021 Responsible Business Report and Performance Data Pack and our second Modern Slavery Statement will be released in March 2022.

Previous reports, case studies and stories can be found online.

scentregroup.com
sustainability



1.4.1 Community

We hold a trusted role in our community which we value and seek to nurture. We do this by designing and operating Westfield Living Centres that are considered valued social infrastructure and integral to our customers and communities.

Westfield Local Heroes is a community recognition and awards program that is uniquely designed to empower the community to nominate and vote for the people they believe positively impact their communities and environments.

Since the program was established in 2018 we have recognised and celebrated 489 individuals, with $4.88 million in community grants distributed to the organisations they represent.

The network effect of the program is driving innovation. Our Westfield Living Centre teams work closely with program alumni as part of their community plans to further support their work and grow their impact. This includes providing in-kind space in-centre to raise awareness of their work or fundraising, speaking opportunities, inclusion in bespoke events and activations and corporate volunteering.

The program is a powerful listening tool that provides insights into opportunities and issues in our communities. In 2020 and 2021 the number of nominees and community votes in support of services dedicated to domestic and family violence and mental health grew. This is in line with the growing support realised in the broader community to address these issues during the COVID-19 pandemic.

Of the $4.88 million we have contributed in four years, $3.98 million has been donated to the six areas most highly represented in the program.

Support Area	Contribution
Disability and access	$885,000
Family support and new parents	$840,000
Youth support and education	$690,000
Domestic violence and child protection	$590,000
Welfare services and homelessness	$550,000
Mental health and wellbeing	$420,000

1.4.2 People

Our aspiration is to create a workforce reflective of the communities in which we operate and to be the place where talent can thrive. We believe that a diverse and engaged workforce contributes to strong business performance and we seek to provide an inclusive and supportive working environment that recognises and celebrates all the ways we are different.

During 2021, our priority was to ensure our people remained safe, connected and engaged. We invested in a number of initiatives to support the mental health and resilience of our people throughout the lockdown periods. We also invested in a new leadership program called 'Thrive' to develop enterprise leadership skills and capabilities.

Employee engagement

During the year we completed our employee survey and achieved an engaged and inspired score of 85%, which are the strongest results we have received since the company was established in 2014. These results place us in the top 5% of companies globally.

Diversity, equity and inclusion

Our approach includes our Board-endorsed Diversity, Equity and Inclusion (DE&I) Policy, an executive team endorsed strategy and DE&I Council driven by seven employee-led working groups who assist in making recommendations and implementing policies and initiatives.

A summary of key achievements from each of the seven working groups is detailed in our Corporate Governance statement.

scentregroup.com
corporate-governance

It was pleasing to receive external recognition for our leadership and progress we are making.

Key highlights include:

- Achieving Gold Employer Status from the Australian Workplace Equality Index, one of 21 organisations in Australia.
- Achieving White Ribbon Workplace Accreditation, one of more than 240 in Australia.
- Inclusion in the 2021 Bloomberg Gender Equality Index for the second consecutive year, one of 10 organisations in Australia.
- Piloting our first emerging female leaders program to further build our pipeline of female talent as we work towards our target of 40% female, 40% male and 20% either gender represented across all levels of management (40:40:20).

People protecting people

Our People Protecting People culture is a key component of our safety system. Every member of our team is trained and encouraged to maintain a focus on safety in everything that we do.

As part of this culture we recognise Safety Heroes in our bi-annual internal recognition award program called SCG Heroes.

In 2021 we recognised a team member for providing life-preserving first-aid to one of our team members who had suffered a heart attack and another team member for identifying and designing an onboarding process that mitigated risk for contractors installing in-centre decorations.

During the year, we enhanced our capability to monitor our safety performance, particularly in relation to incident management, contractor management, online inductions, site check in/out and risk/hazard identification.

Mental health

Throughout 2021, we maintained our focus on the wellbeing and resilience of our people. Initiatives included training for our leaders, a series of virtual seminars supporting wellbeing and resilience, promotion and awareness of the importance of supporting each other's mental health during R U OK? Day and SafeWork Month and ensuring our people and their families had access to our Employee Assistance Program.

Respect at work

Bullying and sexual harassment are recognised workplace hazards that cause psychological and physical harm. We have zero tolerance for these behaviours. We have programs in place to educate our people and to provide support services. We are active participants within industry and the broader business community to eliminate these behaviours. For example, our CEO Peter Allen has been a Champion of Change since 2015 and regularly advocates on Champions of Change Coalition (CCC) research and policy improvements to support enhanced transparency and high levels of conduct and integrity.

COVID-19

We ensured our COVID Safe protocols responded to changes in government guidance and maintained a key focus on supporting government vaccination campaigns, ensuring compliance. Where required our people worked from home with programs in place to ensure they could do so safely and effectively. We continued our strong focus of supporting our business partners to safely provide services to our local communities.

1.4.3 Environment

We are committed to having efficient and resilient assets in line with how we operate as a responsible, sustainable business.

Since Scentre Group was established, we have reduced our total Scope 1 and 2 emissions by 30%. This has been driven primarily by energy efficiency initiatives and the installation of rooftop solar across our portfolio of Westfield Living Centres.

During the year we committed to achieving half of our net zero (Scope 1 and 2) emissions reduction by 2025.

We are focused on working with our business partners to help them achieve their environmental objectives as we recognise the supportive role we can play in the value chain. We are committed to keeping our customers informed of the actions we are taking to reduce our environmental impact and leave a positive legacy in our communities.

Highlights from 2021 include:

Energy

- Finalised our net zero pathway and asset optimisation roadmap outlining our continued approach to reduce energy and emissions out to 2030, including a 50% reduction in Scope 1 and 2 emissions by 2025.
- We have switched our New Zealand Westfield Living Centres to 100% certified renewable electricity.
- Reduced our total portfolio electricity use by 3.5% (excluding COVID-19 related impacts), through energy efficiency and asset optimisation projects.
- Implemented our Next Gen Living Centre project across an additional six centres. We remotely connected and now centrally support building management systems across 11 centres from our Customer Care Centre. This has delivered 7,000 MWh of electricity savings in 2021.
- Continued to improve our portfolio average NABERS Energy rating to 4.47 stars, an improvement from 4.4 stars in 2020.

Waste

- Recovered 54% of waste from operations, an increase of 1% on 2020 levels.
- Supported our communities to recycle 32 million containers at eight NSW centres via the NSW container deposit scheme and 3 million tonnes of clothing.
- Working with our business partners we recovered over 15,000 tonnes of cardboard, over 300 tonnes of soft plastics, and over 5,800 tonnes of organic food waste from operations.

Water

- Reduced water usage by 2% on the previous year with estimated savings from early loss detection via our smart meter network of $0.5 million.
- Estimated savings from early loss detection via our smart meter network of 189,000 kilo litres of water which is over 63 Olympic size swimming pools.

Industry benchmarking

- Recognised as Overall Global Sector Leader for retail in the GRESB Real Estate Development benchmark.
- Achieved 'A' leadership Climate Leader Status and rating in the Carbon Disclosure Project (CDP), an improvement from A minus in 2020, the first time we have achieved this and the only company across Australia and New Zealand to do so in 2021.

Environmental laws and regulations in force in the various jurisdictions in which we operate are applicable to areas of our operations and in particular to our development, construction and shopping centre management activities. We have in place procedures to identify and comply with such requirements including complying with the conditions of relevant authority consents and approvals and obtaining any necessary licences. Our compliance procedures are regularly reviewed and audited and their application closely monitored and our approach to sustainability risks is outlined in section 3.

1.4.4 Economic performance

Operating Profit to 31 December 2021 was $845.8 million, (16.32 cents per security) and FFO was $862.5 million, (16.64 cents per security).

This compares to an Operating Profit of $763.4 million and FFO of $766.1 million in the comparative period. Both Operating Profit and FFO were impacted during the current financial year by COVID-19 with an Expected Credit Charge (ECC) of $168.8 million being recognised for the period.

The statutory profit for the 12-month period, inclusive of unrealised non-cash items, was $887.9 million. The result includes property valuation gains of $81.2 million during the 12-month period.

This compares to a statutory loss of $3,731.8 million in the comparative period which included an unrealised non-cash reduction in property valuations of $4,254.2 million.

During 2021, the Group achieved gross operating cash inflows of $2,680.3 million and net operating cashflows (after interest, overheads and tax) was $913.6 million for the 12-month period. The Group collected $2,258 million in gross rent collections, including $623 million during Q4 2021.

During the year the Group completed 2,497 leasing deals, including 1,090 new merchants. We welcomed 267 new brands to the portfolio. Total spreads reduced by 7.6%. In the previous corresponding period the Group completed 2,625 leasing deals with a reduction in spreads of 13.1%.

The portfolio was 98.7% leased at 31 December 2021 compared to 98.5% at at 31 December 2020.

FFO and Distribution[i][ii]

	FY21 $million	FY20 $million
Property revenue[iii]	**2,269.5**	2,262.3
Property expenses	**(527.0)**	(504.5)
Expected credit charge relating to COVID-19	**(168.8)**	(303.9)
Net operating income	**1,573.7**	1,453.9
Management income[iv]	**44.8**	41.0
Income	**1,618.5**	1,494.9
Overheads	**(81.7)**	(77.2)
EBIT	**1,536.8**	1,417.7
Net interest (excluding subordinated notes coupon)[v]	**(411.5)**	(532.1)
Tax	**(44.5)**	(35.7)
Minority interest[vi]	**(34.6)**	(31.0)
Subordinated notes coupon	**(200.4)**	(55.5)
Operating profit	**845.8**	763.4
Project income[vii]	**23.8**	3.7
Tax on project income	**(7.1)**	(1.0)
Project income after tax	**16.7**	2.7
FFO	**862.5**	766.1
Retained earnings	**(123.8)**	(403.2)
Distribution	**738.7**	362.9

(i) The Group's income and expenses have been prepared on a proportionate basis. The proportionate basis presents the net income from equity accounted entities on a gross basis.

(ii) The Group's measure of FFO is based upon the National Association of Real Estate Investment Trusts' (NAREIT, a US industry body) definition, adjusted to reflect the Group's profit after tax and non controlling interests reported in accordance with the Australian Accounting Standards and International Financial Reporting Standards and excludes straightlining of rent. FFO is a non-statutory reporting measure and the table above was not audited by the auditor.

In calculating the Group's FFO, adjustments to profit/(loss) after tax are presented below.

	Note in Financial Statements	FY21 $million	FY20 $million
Profit/(loss) after tax attributable to members of Scentre Group		**887.9**	(3,731.8)
Adjusted for:			
– Property revaluations	2(v)	**(81.2)**	4,254.2
– Amortisation of tenant allowances	2(iii)	**66.5**	68.6
– Straightlining of rent	2(iii)	**(8.2)**	(12.3)
– Net fair value loss/(gain) and associated credit risk on currency derivatives that do not qualify for hedge accounting	12	**37.0**	(62.4)
– Net fair value loss/(gain) on interest rate hedges that do not qualify for hedge accounting	13	**(68.2)**	369.3
– Net modification loss on refinanced borrowing facilities	13	**2.8**	8.5
– Net fair value gain on other financial liabilities	13	**(0.7)**	(76.3)
– Capital costs	2(v)	**23.5**	–
– Deferred tax benefit	2(v)	**(3.4)**	(4.4)
– FFO adjustments attributable to external non controlling interests		**6.5**	(47.3)
FFO		**862.5**	766.1

(iii) Property revenue of $2,211.2 million (Note 2(iii)) plus amortisation of tenant allowances of $66.5 million (Note 2(iii)) less straightlining of rent of $8.2 million (Note 2(iii)).

(iv) Property management income of $54.8 million (Note 2(v)) less property management costs of $10.0 million (Note 2(v)).

(v) Financing costs of $576.2 million (Note 2(v)), offset by interest income of $5.4 million (Note 2(v)), less coupon on subordinated notes of $200.4 million (Note 13), interest expense on other financial liabilities of $25.0 million (Note 13), net modification loss on refinanced borrowing facilities of $2.8 million (Note 13), net fair value gain on other financial liabilities of $0.7 million (Note 13) and net fair value gain on interest rate hedges that do not qualify for hedge accounting of $68.2 million (Note 13).

(vi) Profit after tax attributable to external non controlling interests of $16.1 million (Note 2(v)) less non-FFO adjustments of $6.5 million plus interest expense on other financial liabilities of $25.0 million (Note 13).

(vii) Property development and construction revenue of $240.9 million (Note 2(v)) less property development and construction costs of $217.1 million (Note 2(v)).

Capital management

The Group has available liquidity of $5.6 billion, sufficient to cover all debt maturities to early 2024.

Interest cover for the Financial Year was 4.0 times and balance sheet gearing at 31 December 2021 was 27.5%.

During the period S&P, Fitch and Moody's upgraded the Group's rating outlook to Stable.

Funding	**31 Dec 2021**
Borrowings[i]	$9.5 billion
Gearing	27.5%
Weighted average debt maturity	4.1 years
Subordinated notes	$4.1 billion
Liquidity	$5.6 billion
Weighted average interest rate[ii]	4.2%
Interest rate exposure hedged percentage	50%

Investment grade credit ratings	
Standard & Poor's	A (Stable)
Fitch	A (Stable)
Moody's	A2 (Stable)

(i) Adjusted for cash and net currency derivatives.

(ii) Reflects net debt and subordinated notes and excludes the temporary impact of surplus cash held during 2021.

1.4.5 Dividends/distributions

On 26 February 2021 a distribution of 7.00 cents per security was paid to members in respect of the 6-month period to 31 December 2020. This comprised an aggregate distribution from Scentre Group Trust 1 and Scentre Group Trust 2.

On 31 August 2021 a distribution of 7.00 cents per security was paid to members in respect of the 6-month period to 30 June 2021. This comprised an aggregate distribution from Scentre Group Trust 1 and Scentre Group Trust 2.

On 28 February 2022 a distribution of 7.25 cents per security will be paid to members in respect of the 6-month period to 31 December 2021. This comprises an aggregate distribution from Scentre Group Trust 1, Scentre Group Trust 2, Scentre Group Trust 3 and a dividend from Scentre Group Limited.

The breakdown of the component parts of the distribution are set out in Note 9 of the Financial Statements and in summary form on page 130 of this Annual Financial Report.

1.4.6 FY22 guidance and outlook

The Group is focused on driving customer visitation, engagement and occupancy in order to deliver earnings growth in 2022 and future years.

Subject to no material change in conditions, the Group expects to distribute at least 15.0 cents per security for 2022, representing at least 5.3% growth. Earnings are expected to grow at a higher rate in 2022.

1.4.7 Matters subsequent to the end of the year

Other than the matters noted below, no event has occurred since the end of the year which would significantly affect the operations of the Group.

On 5 January 2022, the Group repaid $243 million of property linked notes, as set out in Note 16 to the Financial Statements. On 10 January 2022, the Group repaid £400.0 million of 2.375% fixed rate notes.

On 16 February 2022 the Group announced that Mr Steven Leigh would retire from the Board at the conclusion of the AGM on 7 April 2022.

02 Corporate Governance Statement

Our governance framework supports the delivery of Our Purpose, Our Plan and Our Ambition. It is fundamental to the way we operate as a responsible, sustainable business.

Scentre Group, through its Board and executive leadership team, recognises the need to establish and maintain corporate governance policies and practices which reflect the regulatory environment and the expectations of members and others who deal with the Group.

We regularly review our governance policies and practices in light of current and emerging corporate governance practices, regulatory requirements, market practice and community expectations.

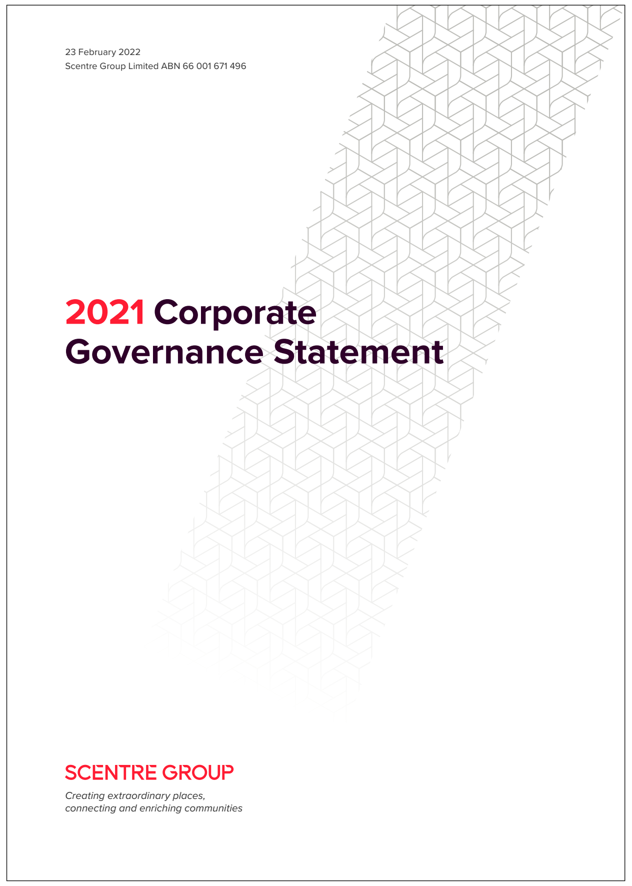
During 2021, the Group's corporate governance framework was consistent with the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (4th edition published in February 2019).

In addition to our Board and Committee charters, the key governance policies which support the framework set out in our corporate governance statement are:

- Anti-Fraud, Bribery and Corruption Policy
- Code of Conduct – Acting with Integrity
- Continuous Disclosure and Communication Policy
- Diversity, Equity and Inclusion Policy
- Environmental Policy
- Human Rights Policy
- Security Trading Policy
- Supplier Code of Conduct
- Whistleblower Protection Policy

Scentre Group's 2021 Corporate Governance Statement and other governance information is available in the corporate governance section on our website.

scentregroup.com
corporate-governance


23 February 2022
Scentre Group Limited ABN 66 001 671 496

2021 Corporate Governance Statement

SCENTRE GROUP
Creating extraordinary places, connecting and enriching communities

03 Risk Management

At the core of our approach to risk management is the establishment of a strong risk culture, where behavioural expectations are set by the Board and executive leadership team and actively promoted and role-modelled throughout our business.

3.1 Risk management framework

We recognise that effective risk management is fundamental to achieving Our Purpose, Our Plan and Our Ambition and operating as a responsible sustainable business.

Through proactive engagement between operational teams, risk and other support functions we:

- identify and assess both financial and non-financial risk
- make informed decisions on strategic and risk issues
- have in place sound risk management and internal control systems to regularly assess our performance against objectives
- review, as part of our regular business processes, the operation and adequacy of our risk management and internal controls systems
- make relevant disclosures on risks as required by regulators and to inform our securityholders, other investors and stakeholders.

Governance and oversight

The Board sets the overall risk appetite for the Group and has approved strategies, policies and procedures to identify, monitor and manage key risks. The Board is assisted in its oversight of risk by the Audit and Risk Committee (ARC), which meets five times a year. The Board and ARC are supported by the Executive Risk Management Committee (ERMC), executive leadership team and a dedicated risk function, to promote understanding and management of risk across all teams.

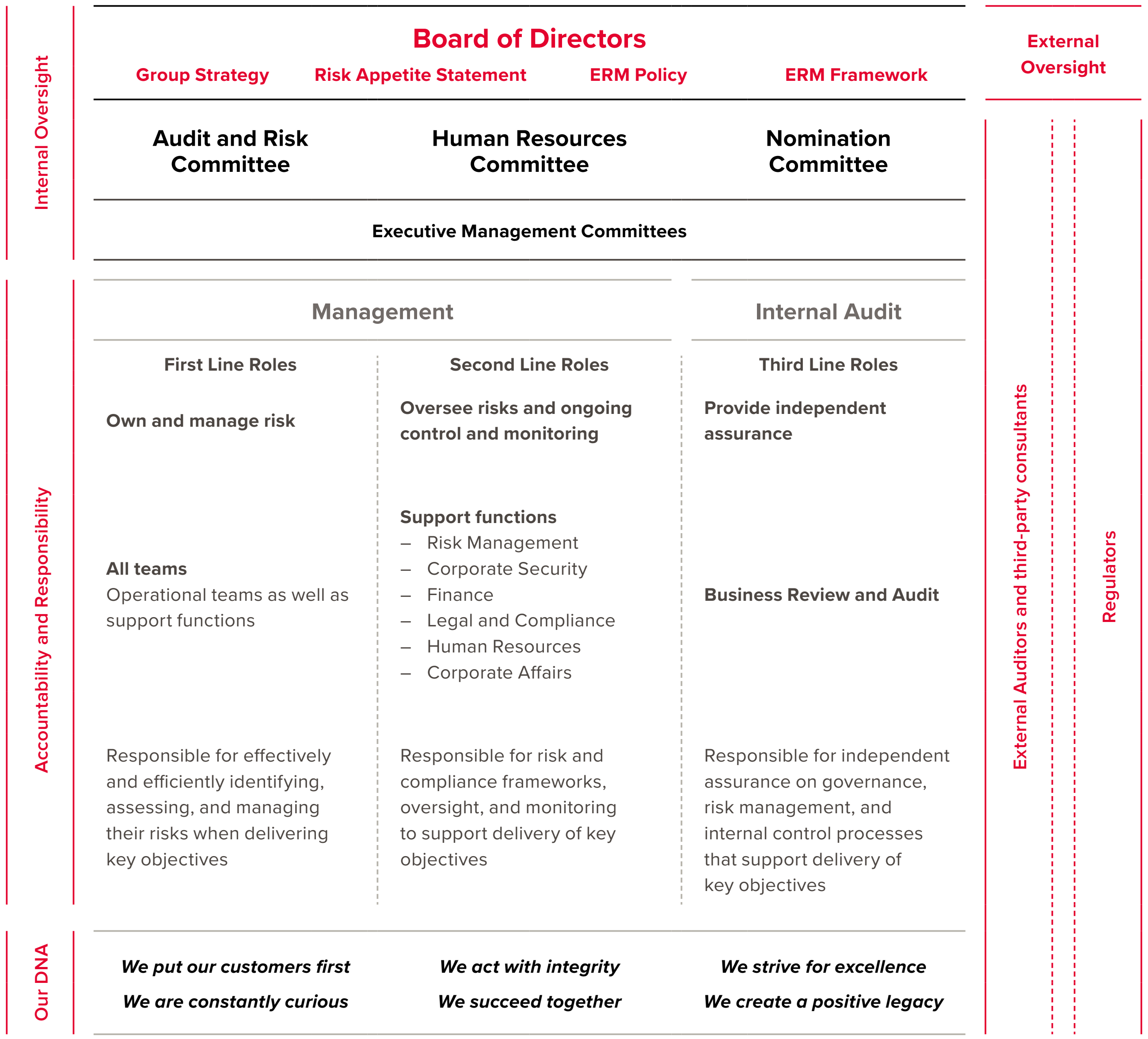
Risk awareness and the balancing of risks and opportunities is a core aspect of delivering our strategic objectives. As risk appetite continues to evolve, risk tolerances and our policies and frameworks continue to be refined to remain fit for purpose. Our Enterprise Risk Management (ERM) Policy and ERM Framework integrate with our day-to-day business processes. Risk management accountability is a key requirement for our business managers and leaders. The ERM Policy and Framework defines risk oversight responsibilities for the Board and management and are reviewed annually by the risk team and approved by the ARC and Board.

The Group's ERM Framework reflects the three lines model and clear ownership of risk at an operational level. Front line managers are responsible for the identification, measurement, control and mitigation of all material risks when delivering their objectives. Second line support functions provide expert advice and support, monitor and challenge risk and compliance matters to confirm objectives are achieved in a responsible sustainable manner.

The Groups internal audit team provides a third line of support through independent assurance over the effectiveness of governance, risk management, and internal control processes that mitigate key risks and support delivery of organisational objectives.

Oversight of material risks by the executive leadership team and the ARC confirms the business operates within the risk appetite and strategy of the Group as set by the Board.

The Risk Appetite Statement includes guidance for management on our appetite and tolerance for material risk. Key controls for each material risk are documented and the effectiveness of the controls monitored by the risk owner (a member of the executive leadership team), the risk function, ERMC and the ARC. Additional controls and risk oversight is provided by executive working groups including life safety and security, cyber, privacy and data governance and business integrity. Risks and controls related to the delivery of our responsible business strategy are overseen by the executive leadership team.



3.2 Key risks

Key risks and how we mitigate their impact are outlined below by risk categories.

Financial risk	How we manage and mitigate
Maintaining a strong financial position Effective management of interest rate risks, foreign exchange, counterparty credit risk and liquidity to maintain long-term access to capital at an acceptable price	• We have established treasury risk management policies which are regularly reviewed to reflect market conditions. • We maintain diverse funding sources with staggered debt maturities and proactively use derivative financial instruments to manage fluctuations. • We monitor liquidity risk through rolling cash flow forecasts. Further information relating to financial risk management is detailed in Note 22 to 26 in the Financial Statements

External risk	How we manage and mitigate
Managing changes to operating conditions Minimising the financial impact of changes to operating conditions from economic downturn, regulatory changes and COVID-19	• We focus on the geographic diversity of our Westfield Living Centres, maintaining high quality assets and actively managing those assets to maximise long-term revenue. Our physical assets are in major cities or urban areas supported by population growth. • We maintain a strong balance sheet, demonstrated by a long-term outlook investment grade credit rating of stable with gearing ratios within our stated target. This ensures access to capital/debt funding sources and long-term value preservation. • We continuously assess digital assets that complement our physical locations, improving customer advocacy and driving visitation. Examples include our membership platform Westfield Plus and our recently launched aggregated click and collect and home delivery service Westfield Direct. • We proactively engage with industry and government on policy areas and reform. • We focus on high standards of health and safety for our people, customers, business partners and communities with COVID Safe protocols in place across our 42 Westfield Living Centres and our support offices.

Strategic risk	How we manage and mitigate
Maintaining income to support property valuations Confirming our property portfolio continues to adapt to changing consumer expectations and delivers profitability for us and our partners	• We use comprehensive data analytics and research to understand consumer sentiment, customer preferences, industry trends and business performance and adapt our property portfolio in response. • We consistently explore new investment opportunities including expansion of media and advertising revenues, and customer initiatives that deepen our understanding of customer needs.
Redeveloping and growing our property management portfolio Confirming we have the right product in the right location	• We use disciplined master planning and decision-making processes to take advantage of opportunities to deliver appropriate risk related returns. • Our fully integrated property development capabilities include all elements of development, design, construction, and project leasing. • We maintain a pipeline of redevelopment and expansion opportunities within our existing portfolio.

Operational risk	How we manage and mitigate
Workplace health and safety Confirming the safety and well being of our employees, contractors and communities	• We have a strong workplace health and safety culture, with comprehensive life safety programs overseen by dedicated risk and security personnel. • We have a continuous cycle of upgrading and maintaining our centres. • Our hazard and risk identification programs are designed to mitigate/eliminate the risk of injuries.
Security and emergency management Minimising the impact of unexpected catastrophes that could place customers, employees and contractors in physical danger	• We engage with government agencies and specialists to address known security and operational concerns. • Our dedicated intelligence team confirms incidents are identified and addressed early. • We have dedicated risk and security personnel, terrorism threat response plans and emergency response plans in place at each of our centres. • Our embedded safety by design programs reference the Australian Government's Crowded Places Strategy.
IT systems, data, cyber and business continuity Protecting our systems from cyber-attacks, minimising business disruption, maintaining compliance and keeping our customers' data safe	• We have standards, policies and systems to address cyber, privacy and data governance risks. These are regularly reviewed to confirm they adequately respond to the changing cyber threat environment. • Our security monitoring service confirms cyber threats are identified and addressed early to minimise impacts on our business. • We invest in appropriate cyber security and disaster recovery systems and personnel. • We implement information security and cyber security training across our business, and we maintain an effective compliance program which includes periodic external audits of our cyber security program. • We require our core platforms and our technology partners to meet best practice international security standards and reference advice from the Australian Cyber Security Centre. • Our disaster recovery and business continuity plans are reviewed and tested annually and we maintain a cyber insurance program.
Supply chain Confirming our suppliers uphold our values and provide quality products and services in a responsible, sustainable manner	• We assess modern slavery risks within our supply chain to identify and mitigate the exposure to the potential risk of modern slavery in our direct operations and supply chains. • We operate under the SCCA Code of Conduct for Fair Service Provisions, are a signatory to the Australian Supplier Payment Code and require our suppliers to abide by our Supplier Code of Conduct and Human Rights Policy. • Our Whistleblower Protection Policy and platform also provide an anonymous channel for reporting. • We periodically conduct audits of higher risk contractual arrangements to confirm key requirements are being met by our suppliers. • We continue to enhance our supplier management and engagement processes.

Sustainability risk	How we manage and mitigate
Developing our people and culture Confirming we attract and retain the talent required to execute our strategies	• We have a listening and engagement strategy to understand and address our people's needs. This includes a bi-annual engagement survey. • We invest in a range of learning and development programs for our people to develop leadership and technical capability. • We recognise that diversity, equity and inclusion in the workforce is a key contributor to our people operating to the best of their ability and to the success of our business and have set targets, policies and working groups in place to achieve this. • Our Code of Conduct, DNA and associated training programs establish behavioural and ethical standards of working and foster a positive culture. • Succession plans are in place for all key roles. The Human Resources Committee oversees our people strategies to confirm we attract, motivate and retain the best talent, reward employees fairly and responsibly and align the interest of employees with the interest of securityholders.
Community engagement Recognising that our communities are at the heart of Our Purpose and community engagement is fundamental to our success as a responsible and sustainable business	• Our community engagement strategy provides the framework, tools and programs for our teams to engage with their communities. This strategy is underpinned by our commitment to create places that are inclusive, safe and welcoming, and which our communities consider to be an integral part of their lives. • All our centres have a community plan which aligns with Our Purpose. It includes key brand activations, community engagement activities and connections with local authorities.

3.3 Climate resilience

Scentre Group is committed to ensuring we have efficient and resilient assets in line with our objective to operate as a responsible, sustainable business, to provide long-term value to our investors and comfort and safety to customers and businesses.

We assess the impact of climate change on our business and acknowledge the role we can play in accelerating the decarbonisation of the economy.

We have been a public supporter of the Taskforce for Climate-related Financial Disclosures (TCFD) since 2020 and continue to enhance our disclosures across our annual reporting suite to align with the TCFD.

Climate resilience	How we manage and mitigate
Managing the impacts of climate change Preparing for potential extreme weather conditions, utility price fluctuations, changing regulations and stakeholder preferences. Further information about climate-related risk will be provided in our Responsible Business Report which will be released in March 2022.	**Governance** • The ARC, attended by our CEO assists the Board in meeting its governance and oversight responsibilities relating to the effectiveness of the Group's risk management framework, risk management systems and reporting. The ARC is responsible for reviewing processes for assessing material exposure to environmental risks or social risks and the processes in place to manage those risks. Environmental risks include risks associated with climate change. The ARC meets five times per year, where the material risks to the business are discussed. • An overview of the process for managing the top corporate risks which includes the economic impact of climate change is provided to the ARC at least annually. • Monitoring of key risks, controls and associated reporting by the executive leadership team and the ERMC with escalation and reporting to the ARC as required. • Incorporation of environmental and sustainability requirements into development feasibility reports for the executive leadership team and Board approval. • Close monitoring and reporting on publicly stated environmental targets by the executive leadership team with any significant overdue actions or changes in priorities reported to the ERMC. • Monitoring and managing the financial risks of climate change through governance and review processes that are integrated throughout our business. This includes our executive leadership team, ERMC, senior leaders and facilities management teams. • The Board is responsible for the final review and endorsement of our Responsible Business Report which includes our disclosure on climate related risk.

Climate resilience	How we manage and mitigate
Managing the impacts of climate change (continued)	**Strategy** • We have been publicly reporting on our emissions reduction initiatives since Scentre Group was established in 2014 and have clear goals and targets to reduce our Scope 1 and 2 greenhouse gas emissions. We have been a public supporter of the TCFD since 2020. • We have committed to net zero Scope 1 and 2 emissions by 2030 across our wholly-owned portfolio with our focus on: – reducing the cost volatility of utility services through investing in programs to reduce energy, water and waste – expanding our use of alternate energy sources – reducing carbon emissions – enhancing the resilience of our assets to potential business interruptions associated with climate change – partnering with key stakeholders to understand future financial impacts associated with climate change. • We report on our Scope 3 emissions in our Responsible Business Report. **Risk management** • Each asset has an environmental action plan to manage the impacts of climate change and delivery of net zero emissions strategies. • Climate related risks including economic, environmental, social and corporate governance risks are all assessed using our ERM Framework and are reflected in team risk profiles across the business. In 2021 all teams were asked to identify any direct impacts of climate change during their risk profile updates. Any material risks are reflected in the overarching corporate risk profile with the economic impact of climate change currently reflected with a residual risk of low. • Allocation of capital funding towards upgrades over a 10-year horizon and incorporation of 2030 net zero emissions targets into the strategic asset plans for each Westfield Living Centre. • Climate risk scenario analysis is used to inform the overall risk assessment using the Intergovernmental Panel on Climate Change (IPCC) Special Report on Global Warming of 1.5°C, the United Nations Principles for Responsible Investment (UNPRI), The Inevitable Policy Response and the International Energy Agency's (IEA) Sustainable Development Scenario. We also updated our physical risk scenario analysis at an asset level with consideration of relevant climate change models driven by the Representative Concentration Pathways (RCP), with specific focus on the RCP8.5 scenario. This analysis was undertaken by senior operational management across multiple business functions when considering transitional risk and through asset-by-asset engagement workshops across the business to ensure historic actual climate events were matched and validated against the climate scenarios predicted to validate findings.

Climate resilience	How we manage and mitigate
Managing the impacts of climate change (continued)	**Risk management (continued)** • Procedures and monitoring are in place to identify and comply with environmental laws and regulations including complying with the conditions of relevant authority consents and approvals and obtaining any necessary licences. Our compliance procedures are regularly reviewed and audited. • Ongoing monitoring of regulatory and market changes which may negatively impact the Group. • We are committed to working with our business partners across the value chain to support them in achieving their environmental objectives. This includes working with business partners to transition to renewable electricity. • We expect our suppliers to recognise and reduce any adverse environmental effects from conducting their business through our Supplier Code of Conduct. **Metrics and targets** • We have committed to net zero Scope 1 and 2 emissions by 2030 across our wholly-owned portfolio. • We are committed to a 50% reduction in emissions by 2025 across our wholly-owned portfolio. • We committed to and achieved 100% renewable electricity in New Zealand from January 2022. • Climate adaptation plans are in place and monitored for those centres identified as higher risk for physical climate risks. • We are committed to incorporate 5 Star Green design guidelines into all major developments by 2025. • The Group has consistently participated in the Global Real Estate and Sustainability Benchmark (GRESB) and CDP since Scentre Group was established. In 2021, we were recognised as Global Leaders in the GRESB Development Benchmark and were included on CDP's 'A' List, the only company from Australia and New Zealand. • Our CEO and CFO have non-financial KPIs tied to their remuneration. These include the requirement to ensure that the governance and management support is in place to achieve energy and emission reduction targets and that our net zero emissions strategy is implemented and delivered. See pages 45 and 47 of the Remuneration Report. Further information on our environment pillar is outlined on page 14.

04 Directors

4.1 Board membership and qualifications

Our Board comprises nine independent non-executive Directors and one executive Director (being the Managing Director/Chief Executive Officer (CEO)). The period of office[(1)] held by, and the independence status of, each Director and their qualifications, skills and experience, significant directorships held in other companies, and attendance at Board and Committee meetings during the year are set out below.

Name	Position held	Appointed or last elected/re-elected at an AGM
Brian Schwartz, AM	Non-executive Chair	4 April 2019
Peter Allen	Managing Director and CEO	25 May 2011 (not required to stand for re-election)
Ilana Atlas, AO	Non-executive Director	28 May 2021
Andrew Harmos	Non-executive Director	8 April 2020
Michael Ihlein	Non-executive Director	4 April 2019
Carolyn Kay	Non-executive Director	8 April 2021
Steven Leigh	Non-executive Director	4 April 2019
Guy Russo	Non-executive Director	8 April 2021
Margaret Seale	Non-executive Director	8 April 2021
Michael Wilkins, AO	Non-executive Director	8 April 2020

* On 17 December 2021, the Group announced the appointment of Catherine Brenner to the Board effective 1 March 2022. Ms Brenner will be an independent non-executive Director. On 16 February 2022 the Group announced that Mr Steven Leigh would retire from the Board at the conclusion of the AGM on 7 April 2022.

(1) Scentre Group was established on 30 June 2014. Prior to that date, Scentre Group Limited and Scentre Management Limited formed part of the prior Westfield Group and the appointment dates of Mr Schwartz (6 May 2009) and Mr Allen (25 May 2011) pre-date the establishment of Scentre Group. Mr Schwartz was appointed to the Boards of RE1 Limited and RE2 Limited on 30 June 2014. Mr Allen was appointed to the Boards of RE1 Limited and RE2 Limited on 12 August 2010. Mr Harmos and Mr Ihlein were both appointed to Scentre Group Limited and Scentre Management Limited on 30 June 2014 (the appointment date to RE1 Limited and RE2 Limited, which formed part of the prior Westfield Retail Trust, was 21 December 2010). Ms Kay and Ms Seale were appointed on 24 February 2016. Mr Leigh was appointed to each board on 4 April 2019, Mr Wilkins was appointed to each board on 8 April 2020, Mr Russo was appointed to each board on 1 September 2020 and Ms Atlas was appointed to each board on 28 May 2021.

Brian Schwartz AM

INDEPENDENT NON-EXECUTIVE CHAIR

Chair of the Nomination Committee

Age 69

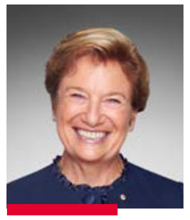
In a career with Ernst & Young Australia spanning more than 25 years, Brian rose to the positions of Chair (1996 – 1998) and then CEO of the firm from 1998 to 2004. From 2005 to 2009, Brian was the CEO of Investec Bank (Australia) Limited. Brian is a director on the board of a Guardian Early Learning Group company, part of Partners Group, a global private markets investment manager. He is a fellow of the Australian Institute of Company Directors and the Institute of Chartered Accountants. Brian was previously Chair of Insurance Australia Group Limited, Deputy Chair of Westfield Corporation, Deputy Chair of Football Federation Australia Limited and a Director of Brambles Limited.

Peter Allen

MANAGING DIRECTOR / CHIEF EXECUTIVE OFFICER

Age 60

Prior to the establishment of Scentre Group in 2014, Peter was an executive Director and Chief Financial Officer of Westfield Group. Peter joined Westfield in 1996 and between 1998 and 2004 was Westfield's CEO of the United Kingdom / Europe and responsible for establishing Westfield's presence in the United Kingdom. Peter is Chair of the Shopping Centre Council of Australia and a Director of the Victor Chang Cardiac Research Institute and Essendon Football Club. He is a Director of the Property Council of Australia including his role as a Property Champion of Change.



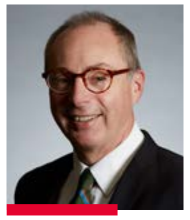
Ilana Atlas AO

INDEPENDENT NON-EXECUTIVE DIRECTOR

Member of the Human Resources Committee
Member of the Nomination Committee

Age 67

Ilana has extensive financial services and legal experience and has held executive and non-executive roles across many sectors. Ilana is currently a non-executive Director of Origin Energy Limited and Australia and New Zealand Banking Group Limited. She is also a Director of the Paul Ramsay Foundation, Chair of Jawun and a Panel Member of Adara Partners. Ilana was previously Chair of Coca-Cola Amatil, and a Director of Treasury Corporation of New South Wales, Westfield Group and Suncorp. She was also Group Executive People and Group Secretary and General Counsel at Westpac Banking Corporation and a partner at Mallesons Stephen Jacques (now called King & Wood Mallesons), where she also held several management roles.



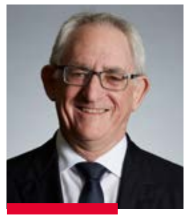
Andrew Harmos

INDEPENDENT NON-EXECUTIVE DIRECTOR

Chair of the Human Resources Committee
Member of the Nomination Committee

Age 62

Andrew is one of the founding directors of Harmos Horton Lusk Limited, an Auckland based specialist corporate legal advisory firm, where he specialises in takeover advice and structuring, securities offerings, company acquisitions and disposals and strategic Board and transaction advice. Andrew holds a Bachelor of Commerce and a Bachelor of Laws (Honours) from The University of Auckland. Andrew was formerly a non-executive Director of AMP Limited, AMP Bank Limited, AMP Life Limited and The National Mutual Life Association of Australasia Limited, a non-executive Director of Westfield Retail Trust and Chair of the New Zealand Stock Exchange.



Michael Ihlein

INDEPENDENT NON-EXECUTIVE DIRECTOR

Chair of the Audit and Risk Committee
Member of the Nomination Committee

Age 66

Mike is a highly experienced corporate and finance executive with a long career with Coca-Cola Amatil Limited (and related companies) where he was Managing Director, Poland (1995 – 1997) and Chief Financial Officer and Executive Director (1997 – 2004). Mike joined Brambles as Chief Financial Officer and Executive Director in March 2004 and held the position of Chief Executive Officer from July 2007 until his retirement in November 2009. Mike holds a Bachelor of Business Studies (Accounting) from the University of Technology, Sydney. He is a non-executive Director and Chair of the Finance & Audit Committee of Inghams Group Limited and a non-executive Director and Chair of the Audit Committee of Ampol Limited and is also a Fellow of the Australian Institute of Company Directors, CPA Australia and the Financial Services Institute of Australasia. Mike was formerly a Director of Murray Goulburn Co-operative Co. Limited, from 2012 to 2017, Snowy Hydro Limited, from 2012 to 2019, and of CSR Limited from 2011 to 2021.

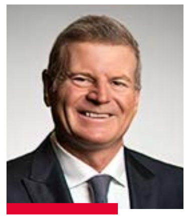
Carolyn Kay

INDEPENDENT NON-EXECUTIVE DIRECTOR

Member of the Audit and Risk Committee

Age 60

Carolyn has had more than 30 years of experience in the finance sector as an executive and non-executive director. In addition, Carolyn has been and remains a non-executive director of enterprises across a broad range of industries. She is currently a member of the Foreign Investment Review Board, Guardian of the Future Fund and a non-executive director of Myer Family Investments and Rothschild & Co Australia (where she is also a senior advisor). In the not for profit sector, Carolyn is a non-executive director of the General Sir John Monash Foundation and a Trustee of Sydney Grammar School. As an executive Carolyn worked as a banker and lawyer at Morgan Stanley, JP Morgan and Linklaters & Paines in London, New York and Australia. Carolyn holds Bachelor Degrees in Law and Arts (University of Melbourne), a Graduate Diploma in Management (AGSM), is a member of Chief Executive Women and is a Fellow of the Australian Institute of Company Directors. She was awarded a Centenary Medal for services to Australian society in business leadership.



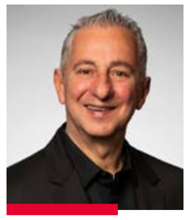
Steven Leigh

INDEPENDENT NON-EXECUTIVE DIRECTOR

Member of the Human Resources Committee

Age 59

Steve's career in the real estate investment management and development industry spans more than three decades. He has in depth knowledge of real estate economics and experience in retail assets. During a 25-year career at QIC, Steve held a number of senior positions including most recently Managing Director – Global Real Estate with QIC. Steve's prior roles also include Managing Director of Trinity Limited and subsequently the Chief Executive Officer of the wholesale unlisted funds management business. Following LaSalle Investment Management's acquisition of Trinity Funds Management, Steve held the position of Head of Australia for LaSalle Investment Management. He is a non-executive Director of the ASX listed stapled entity, National Storage REIT. Steve is also one of the founding members of Male Champions of Change established by the Property Council of Australia. Steve is a graduate of Gatton College (now part of the University of Queensland) and the Queensland University of Technology in the disciplines of real estate valuation and project management, having started his career as a valuer with National Mutual Life.



Guy Russo

INDEPENDENT NON-EXECUTIVE DIRECTOR

Age 62

In a corporate career spanning 42 years Guy has served as CEO, Wesfarmers Department Store Division (Kmart & Target); Managing Director, Kmart Australia & NZ; President, McDonald's Greater China; CEO, McDonald's Australia Ltd and Chair of Ronald McDonald House Children's Charities. Guy is most well-known for leading the corporate turn-around of Kmart Australia creating the largest and most profitable retail department store in the country. A member of YPO since 2006, now with Lestari, the first Impact Chapter of YPO, he has consulted to business in China and Asia, served as a member on the Business Council of Australia, and won industry awards for leadership in diversity in employment. Guy is currently the Chair of Australian-owned Guzman Y Gomez, Chair of SomnoMed and Chair of OneSky, an international charity for children living in poverty in Asia.

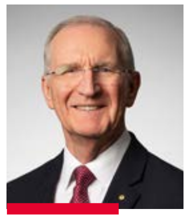
Margaret Seale

INDEPENDENT NON-EXECUTIVE DIRECTOR

Member of the Human Resources Committee

Age 61

Margie has more than 25 years' experience in senior executive roles in Australia and overseas, including in the consumer goods, health and global publishing sectors, in sales and marketing, and in the successful transition of traditional business models to digital environments. Immediately prior to her non-executive career, Margie was Managing Director of Random House Australia and New Zealand and President, Asia Development for Random House globally. She is currently a non-executive director of Westpac Banking Corporation, chair of the Westpac board's Legal, Regulatory and Compliance Committee and a member of the Board Risk Committee, Board Nominations and Governance Committee and Board Remuneration Committee. Margie has previously served on the boards of Telstra Corporation Limited, Australian Pacific (Holdings) Pty Limited, Penguin Random House Australia Pty Ltd (as a non-executive director and then Chair), the Australian Publishers' Association, Bank of Queensland Limited, Ramsay Health Care Limited, Chief Executive Women (chairing its Scholarship Committee), the Powerhouse Museum and the Sydney Writers' Festival. Margie is a past member of the Group's Audit and Risk Committee.



Michael Wilkins AO

INDEPENDENT NON-EXECUTIVE DIRECTOR

Member of the Audit and Risk Committee

Age 65

Mike is an experienced non-executive director with more than 30 years' executive experience in financial services in Australia and Asia, including insurance and investment management. He is currently the non-executive Chair of QBE Insurance Group Limited and the non-executive Chair of Medibank Private Limited. Mike has more than 20 years' experience as CEO for ASX 100 companies. He is the former Managing Director and CEO of Insurance Australia Group Limited (IAG), former Managing Director and CEO of Promina Group and former Managing Director of Tyndall Australia Limited. Mike has also served as a director of Maple-Brown Abbott Limited, The Geneva Association, the Australian Business and Community Network and Alinta Limited. Most recently, Mike was a Director of AMP Limited (2016-2020) including acting as Interim Executive Chair and Acting CEO for a period in 2018. He was a member of the Australian Government's Financial Sector Advisory Council for five years and a member of the Business Council of Australia for eight years. Mike is a Fellow of Chartered Accountants Australia and New Zealand. He was made an Officer of the Order of Australia in 2017 for distinguished service to the insurance industry, particularly to improved corporate social responsibility standards, to the building of natural disaster resilience and safer communities, and to workplace diversity.

4.2 Directors' relevant interests

The relevant interests of each Director in Scentre Group securities as at the date of this report are shown below.

Director	Number of Stapled Securities 31 Dec 2020	31 Dec 2021
Brian Schwartz	165,861	165,861
Peter Allen(i)	6,077,607	6,288,144
Ilana Atlas(ii)	N/A	80,856
Andrew Harmos	147,897	147,897
Michael Ihlein	48,048	48,048
Carolyn Kay	57,000	57,000
Steven Leigh	96,316	96,316
Guy Russo	145,000	145,000
Margaret Seale	56,750	56,750
Michael Wilkins	100,000	100,000

(i) Peter Allen acquired 210,537 SCG securities as a result of vesting of performance rights on 15 December 2021.

(ii) Ilana Atlas' SCG securities as at 31 December 2021 were acquired prior to her appointment as Director on 28 May 2021.

No Director holds options over any issued or unissued Scentre Group securities. No options over any issued or unissued stapled securities have been issued to the Directors. None of the Directors hold debentures of Scentre Group.

None of the non-executive Directors are party to or entitled to a benefit under a contract which confers a right to call for, or be delivered, interests or securities in the Group.

Details of the performance rights held by the executive Key Management Personnel (KMP) are set out in the Remuneration Report.

4.3 Directors' attendance at meetings

The number of Board and Committee meetings held and attended by each Director during the Financial Year are detailed below.

	Board		Committees					
	Scheduled meetings		Audit and Risk Committee		Human Resources Committee		Nomination Committee	
Director	Held	Attended	Held	Attended	Held	Attended	Held	Attended
Brian Schwartz	10	10	–	–	–	–	10	10
Peter Allen	10	10	–	–	–	–	–	–
Ilana Atlas (appointed 28 May 2021)	7	7			4	4	6	6
Andrew Harmos	10	10	–	–	7	7	10	10
Michael Ihlein	10	10	5	5	–	–	10	10
Carolyn Kay	10	10	5	5	–	–	–	–
Steven Leigh	10	10	–	–	7	7	–	–
Guy Russo	10	10	–	–	–	–	–	–
Margaret Seale	10	10	2	2	7	7	–	–
Michael Wilkins	10	10	3	3	–	–	–	–

(i) Meetings held during period of appointment.

(ii) Directors also attend meetings of Committees of which they are not a member. The Chair of the Board is the Chair of the Nomination Committee and he also typically attends meetings of the Audit and Risk Committee and Human Resources Committee. This attendance is not reflected in the table above.

(iii) The Committees are comprised of the following non-executive Directors: Nomination Committee: Brian Schwartz (Chair), Ilana Atlas (appointed 22 July 2021), Andrew Harmos and Michael Ihlein; Audit and Risk Committee: Michael Ihlein (Chair), Carolyn Kay, Margaret Seale (retired 8 April 2021) and Michael Wilkins (appointed 8 April 2021); and Human Resources Committee: Andrew Harmos (Chair), Ilana Atlas (appointed 24 June 2021), Margaret Seale and Steven Leigh.

4.4 Directors' directorships of other listed companies

Details of all directorships of other listed entities held by each Director at any time in the 3 years immediately before 31 December 2021 are set out below.

Scentre Group comprises the Company, Scentre Group Trust 1 (SGT1), Scentre Group Trust 2 (SGT2) and Scentre Group Trust 3 (SGT3). The responsible entity of SGT1 is Scentre Management Limited. The responsible entity of SGT2 is RE1 Limited and the responsible entity of SGT3 is RE2 Limited. Scentre Management Limited is also the responsible entity of Carindale Property Trust, a listed managed investment scheme (ASX:CDP). Each Directors' appointment to these companies is continuing. The date of appointment is set out on page 27.

Director	Company	Date appointed	Date resigned
Brian Schwartz*			
Peter Allen*			
Ilana Atlas	Australia and New Zealand Banking Group Limited	24 September 2014	Continuing
	Origin Energy Limited	19 February 2021	Continuing
	Coca-Cola Amatil Limited	23 February 2011	10 May 2021
	OneMarket Limited	23 May 2018	2 December 2019
Andrew Harmos	AMP Limited	1 June 2017	8 May 2020
Michael Ihlein	Inghams Group Limited	16 April 2020	Continuing
	Ampol Limited	1 June 2020	Continuing
	CSR Limited	7 July 2011	25 June 2021
Carolyn Kay*			
Steven Leigh	National Storage Holdings Limited	21 November 2014	Continuing
Guy Russo	SomnoMed Limited	24 August 2020	Continuing
Margaret Seale	Westpac Banking Corporation	1 March 2019	Continuing
	Telstra Corporation Limited	7 May 2012	12 October 2021
Michael Wilkins	QBE Insurance Group Limited	1 November 2016	Continuing
	Medibank Private Limited	25 May 2017	Continuing
	AMP Limited	12 September 2016	14 February 2020

* No relevant directorships held in the prior 3 years.

4.5 Secretaries

As at the date of this report, the Company had the following Secretaries:

Maureen McGrath

Maureen was appointed General Counsel, Compliance and Secretariat of Scentre Group in June 2014. Prior to the establishment of Scentre Group, Maureen was General Counsel, Corporate and Compliance, Westfield Group. She holds a Bachelor of Laws and a Bachelor of Jurisprudence from the University of New South Wales. Maureen is a Fellow of the Governance Institute of Australia and a Member of the Australian Institute of Company Directors.

Paul Giugni

Paul was appointed General Counsel of Scentre Group in June 2014. Prior to the establishment of Scentre Group, Paul was General Counsel, Australia and New Zealand, Westfield Group. He joined Westfield Group in September 1998 and holds a Bachelor of Economics and a Bachelor of Laws (Honours) from the University of Sydney. Prior to joining Westfield Group, Paul was a solicitor at Freehill Hollingdale and Page (now Herbert Smith Freehills).

4.6 Indemnities and insurance premiums

Subject to the following, no indemnity was given or insurance premium paid during or since the end of the Financial Year for a person who is or has been an officer or auditor of the Group.

The Company's Constitution provides that a person who is or has been a Director or Secretary of the Company may be indemnified by the Company against liabilities incurred by the person in that capacity and for all legal costs incurred in defending or resisting (or otherwise in connection with) proceedings in which the person becomes involved because of that capacity. The indemnity does not apply to the extent that the Company is forbidden by statute to indemnify the person or the indemnity would, if given, be made void by statute.

The Group has paid premiums for directors' and officers' liability insurance in respect of Directors, Secretaries and Executive Officers of the Group as permitted by the Corporations Act 2001. The terms of the insurance policy prohibit disclosure of details of the nature of the liabilities covered by, and the amounts of the premiums payable under, that insurance policy.

In addition, each Director has entered into a Deed of Indemnity and Access which provides for indemnity against liability as a Director, except where prohibited by statute. The deed also entitles the Director to access Company documents and records, subject to undertakings as to confidentiality.

To the extent permitted by law, the Company has agreed to indemnify its auditor, Ernst & Young (EY), as part of the standard terms of its audit engagement against claims by third parties arising from the audit (for an unspecified amount). No payment with respect to such indemnity has been made to EY during or since the Financial Year.

4.7 Options

No options were issued by the Company during or since the end of the Financial Year and no Director or officer holds options over issued or unissued Scentre Group stapled securities.

Details of the performance rights held by the Key Management Personnel are set out in the Remuneration Report.

05 Audit

5.1 Audit and risk committee

As at the date of this report, the Company had a Board Audit and Risk Committee.

Details of the activities of the Committee are outlined in our Corporate Governance Statement.

5.2 Non-audit services and audit independence

During the year Ernst & Young, the Group's auditor, provided certain non-audit services to the Group.

Details of the amount paid to the auditor, which includes amounts paid for non-audit services, are set out in Note 38 to the Financial Statements. The Board is satisfied that the provision of non-audit services by the auditor during the Financial Year is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001. Furthermore, the provision of non-audit services by the auditor during the Financial Year did not compromise the independence requirements under the Corporations Act 2001 because:

- The Group's Charter of Non-Audit Services sets out the categories of non-audit services that the auditor may or may not undertake. Those categories of permitted services remain subject to the overriding principle that a non-audit service may not be provided in circumstances where it would be detrimental to the actual or perceived independence of the statutory auditor.
- The Charter of Non-Audit Services provides a mechanism by which approval for non-audit services proposed to be performed by the auditor is required to be given prior to the provision of such non-audit services, providing an appropriate review point for independence issues prior to engagement.
- Under the Charter of Non-Audit Services, the auditor is required to report as to its compliance with the terms of the Charter and, in all instances, confirm the position that the independence of EY as statutory auditor has been maintained.
- The auditor has provided an Auditor's Independence Declaration to the Board declaring that there has been no contravention of the auditor independence requirements of the Corporations Act 2001 or of any applicable code of professional conduct.

5.3 Auditor's independence declaration to the Directors of Scentre Group Limited

EY
Building a better working world

Auditor's Independence Declaration to the Directors of Scentre Group Limited

As lead auditor for the audit of Scentre Group Limited for the financial year ended 31 December 2021, I declare to the best of my knowledge and belief, there have been:

a) no contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the audit;

b) no contraventions of any applicable code of professional conduct in relation to the audit; and

c) no non-audit services provided that contravene any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Scentre Group Limited and the entities it controlled during the Financial Year.

Ernst & Young   Megan Wilson

Ernst & Young

Megan Wilson
Partner

Sydney, 23 February 2022

Liability limited by a scheme approved under Professional Standards Legislation.

06 Remuneration Report

A message from the Chair of our Human Resources Committee

This report describes:

- our approach to remuneration;
- how our remuneration philosophy and framework support Our Purpose, Our Plan, and Our Ambition and Sustainable Business Framework;
- the remuneration outcomes for our key management personnel (KMP); and
- our approach to remuneration governance.

We have also outlined the Board's response to the strike against the 2020 Remuneration Report and to stakeholder feedback on 2020 remuneration outcomes.

Overview of the year

As the Chair outlined in his letter to securityholders on page 4, the Group has remained focused on Our Purpose, Our Plan and Our Ambition throughout another COVID-19 interrupted year.

Our people have continued to adapt to the changing conditions and government regulations, keeping our centres open and safe. Our CEO Peter Allen has continued to chair the Shopping Centre Council of Australia throughout the period, providing strategic leadership for the Group and wider industry.

Our team delivered better results in 2021 than 2020 even with more COVID-19 restrictions than in 2020. This reflects the Group's proactive approach in driving performance outcomes to generate long-term value for our securityholders. Highlights of our financial performance are set out on page 42 of this report.

The Group has made significant progress on customer initiatives that create opportunities to expand and enhance the Westfield platform. During the year, we launched Westfield Direct, an aggregated click and collect service, and had onboarded 150 retail and business partners by 31 December. In addition, Westfield Plus has grown its membership, surpassing 2.2 million, as well as growing opportunities for member engagement with an expanding range of Westfield Plus offerings. The combination of these two initiatives provides opportunities to learn more about the customer and deliver what customers want.

We continue to drive strong demand for space in our Westfield Living Centres from existing and new businesses which are focused on growing their customer engagement and optimising their most productive stores with us. We have increased occupancy to 98.7% of lettable space from 98.5% in 2020. During the year, of the 2,497 lease deals completed, 1,090 were for new merchants, welcoming 267 new brands to the portfolio.

The Group also commenced redevelopments of more than $410 million (SCG share: $205 million) at Westfield Knox and Westfield Mt Druitt.

We aspire to create a culture where our people can thrive and our employee engagement, measured during the year, remained very strong at 85%. The results demonstrate the health of our operating culture with significant increases in the Agility score, which means the team's confidence in the future and our leaders' ability to adapt and respond to the external environment has improved since last measured in 2019.

We have continued to increase female representation at all levels of the organisation and are well positioned to achieve our goal of 40:40:20 across the Group's workplace by 2025.

We completed the fourth Westfield Local Heroes program and again experienced very high levels of community engagement in the voting process. Since the program was established, we have recognised 489 individuals with $4.88 million in community grants distributed to the organisations they represent.

The Group has committed to achieving net zero Scope 1 and 2 emissions by 2030 across our wholly-owned portfolio and developed a pathway and transition plan to achieve at least 50% of this target by 2025. From January 2022, the New Zealand portfolio is powered by 100% renewable electricity.

2021 remuneration outcomes

Short-term variable remuneration (STVR)

In arriving at the proposed STVR outcomes for executive KMP for 2021, the Board assessed financial performance and various non-financial measures as set out in this report, including implementation of strategy, and securityholder alignment and returns. As a result of this assessment, the Board has determined to award the CEO a STVR outcome of 65% of maximum (2020: 55%), and a STVR outcome of 62% of maximum for the CFO (2020: 50%).

Long-term variable remuneration (LTVR)

The FY19 LTVR was measured in December 2021. Despite being on track to vest prior to the impact of the pandemic on the Group's earnings, the FY19 LTVR did not vest as the minimum level required to meet the ROCE hurdle (100% weighting) was not met.

Securityholders will recall that the Board determined not to grant the FY20 LTVR. From the outset these LTVR securities were not expected to vest due to the impact of the pandemic on the three-year growth targets commencing in 2020, that would have been required to be met for vesting.

For the FY21 LTVR, ROCE has a 50% weighting. The first annual tranche of the ROCE component again did not meet the FY21 ROCE hurdle due to the impact of unbudgeted pandemic lockdowns on 2021 financial performance. Accordingly, even if the three-year gateway hurdle (to be tested at the end of 2023) is achieved, year one of the ROCE component of FY21 LTVR will not vest.

The relative TSR measure has a 30% weighting for the FY21 LTVR. The Group's total return of 19.82% in FY21 against the relative TSR measure resulted in year one of that measure qualifying for vesting at 112.5% at the end of 2023.

Progress against the FY21 strategic measure (20% weighting), while regularly monitored, will be finally measured at the end of 2023.

2021 remuneration framework overview

Each year, in reviewing our executive remuneration framework, we seek to ensure that it remains fit-for-purpose in light of our short and longer-term strategic objectives, and that we have appropriately considered external factors and the views expressed by our stakeholders.

The Board is concerned that the Group received a strike against our 2020 Remuneration Report. To inform our response, we had a number of discussions with major securityholders and proxy advisors on remuneration matters throughout the year. We appreciate the willingness of both groups to provide their input. We respect and have responded to the concerns raised and the perspectives shared.

As discussed in sections 6.2 and 6.3 below, in this report we have made additional disclosures as to the nature, measurement criteria and outcomes under the STVR and LTVR plans. This includes greater explanation of the factors considered in the STVR assessments, and how the strategic measures in the LTVR plan link to the Group's strategy and long-term value creation for the Group and our securityholders.

The year ahead

To ensure that our remuneration framework continues to evolve in line with our strategy and emerging industry trends, and reflecting stakeholder feedback, the Board reviewed the LTVR structure during 2021. As a result of the review, the Board made the following remuneration decisions for 2022:

- Under the LTVR, the strategic measure will decrease to 10% (from 20%) and ROCE will increase in weighting to 60% (from 50%). Relative TSR will remain at 30%.
- While the Board considered the FY21 relative TSR measure and vesting schedule to be challenging, the Board understands stakeholder concerns and has made changes to that measure in response. The vesting schedule has been revised to remove vesting for below-index performance, with vesting commencing at index performance (50% vesting) and increasing the required performance outcomes to achieve full vesting at 100% to 6% above index, and capping maximum vesting at 100% (previously 125%). The performance period for this measure has been revised to one measurement at the end of three years from the 2021 position of an aggregation of three annual measures.
- The performance period for ROCE will revert to a three-year measure to be assessed in December 2024 (currently measured annually, subject to a three-year gateway for FY21 LTVR, reflecting pandemic induced difficulties in forecasting reliably for the three-year LTVR period ending December 2023).
- The number of rights allocated at grant under the STVR and LTVR will from 2022 be determined using face value with no adjustment for the estimated value of distributions that may be paid during the vesting period. Instead, amounts equating to actual distributions paid on securities over the STVR and LTVR vesting period will be paid in cash on performance rights that ultimately vest.

The Board also reviewed our comparator group for the purposes of benchmarking executive KMP remuneration. This has been reset to the ASX 50 to better reflect our position, while having regard also to the ASX 30 and our REIT cohort. Despite market movements in 2021, the Board determined that there would be no increases to fixed remuneration or changes to STVR and LTVR opportunity for our executive KMP. There are no increases to Board or Committee fees for non-executive Directors for 2022.

Conclusion

The Board remains committed to a remuneration framework that supports the Group's long-term strategic objectives, effectively aligns performance and reward outcomes, reflects good governance, and appropriately rewards, motivates and retains the best talent for the Group to achieve Our Ambition.

On behalf of the Board, I invite you to consider our remuneration report which will be presented to securityholders at the 2022 Annual General Meeting. We highly value the feedback of our securityholders and other key stakeholders, and we look forward to ongoing dialogue with you.

Andrew Harmos
Chair, Human Resources Committee

Response to securityholder feedback and FY20 strike

At the 2021 AGM, the Group received a strike against our 2020 Remuneration Report. We have addressed key items of concern that were raised as follows:

Remuneration component	Issue raised	Scentre Group's response
One-off retention awards	The 2020 grant of retention awards to senior executives	The Board acknowledges that its decision to issue retention awards did not meet all stakeholders' expectations, particularly given the partial grant of STVR in 2020. No retention awards were granted in 2021, and the Board does not intend that there be any further grants of retention awards.
Short-Term Variable Remuneration (STVR) Plan	Quantum of FY20 awards and disclosure of STVR performance targets and outcomes	This 2021 remuneration report provides greater levels of disclosure of STVR performance targets and outcomes, for both achieved and not achieved components.
	Clarity on the Board discretion component	There was some misunderstanding as to the intent and application of the Board's 10% discretionary component in 2020. For 2021, we reverted to a provision for overarching Board discretion across the entire STVR measures to ensure outcomes are aligned with business performance and securityholder expectations. See section 6.7 for more information.
Long-Term Variable Remuneration (LTVR) Plan	Disclosure of targets for the strategic measures under the FY21 LTVR	We acknowledge that stakeholders require greater clarity as to how the LTVR strategic measures link to the Group's strategy and long-term value creation for the Group and our securityholders. This report provides enhanced disclosure on the nature of the strategic measures, including detail on the nature of the measures and matters the Board expects to take into account in its assessments. See section 6.8 for more information. In line with stakeholder feedback, for the FY22 LTVR, the strategic measure will decrease to 10% (from 20%) and ROCE will increase in weighting to 60% (from 50%).
	The FY21 LTVR enables potential 100% vesting of the relative total shareholder return (TSR) component for performance below the benchmark index over the three-year measurement period	The relative TSR vesting schedule for the FY22 LTVR has been revised to remove vesting for below-index performance, increasing the outperformance against the index required to achieve maximum vesting, and capping maximum vesting at 100% of target (rather than 125%). The performance period for this measure has been revised to one measurement at the end of three years from the 2021 position of an aggregation of three annual measures.
	Clarity on the return on contributed equity (ROCE) gateway under the FY21 grant	Our explanation of the ROCE gateway hurdle in the 2020 Remuneration Report caused some misunderstanding and could have been clearer. The gateway hurdle was set as a defined percentage required to be met over the three-year vesting period. Given the concern that it not be treated as a three-year forecast, while the Board had set a specific target for the gateway, it was disclosed by reference to a growth range (15-25% ROCE growth over the three-year period) which resulted in some ambiguity. While no adjustment has been made to the specific target within that range, we have disclosed a narrower range of 18-23%. For this qualification target to be met, ROCE in 2023 will need to be within a range of 8.6% to 9.0%. (ROCE for FY21 was 7.87%.) In addition to the gateway hurdle, there is an annual ROCE target with a graduated vesting scale formed around this target. However, if the gateway target is not met, the ROCE hurdle will not vest in respect of any of the three performance years. As we have reverted to setting three-year ROCE hurdles, annual targets and a separate gateway hurdle will not be applicable for future awards.

Contents		Page

The Remuneration Report has been audited by Ernst & Young (EY). Their report on the audit can be found on page 64.

6.1 Key management personnel

This report explains our approach to the remuneration of our Key Management Personnel (KMP). KMP are those individuals having the authority and responsibility for planning, directing and controlling the activities of Scentre Group, either directly or indirectly. They include non-executive Directors and senior executives (including the CEO) who fall within that criteria. For the year ended 31 December 2021, KMP were:

Non-executive Directors	
Brian Schwartz (Chair) Andrew Harmos Michael Ihlein Carolyn Kay Steven Leigh Guy Russo Margaret Seale Michael Wilkins	These Directors were members of the Board for the whole of the financial year.
Ilana Atlas	Ms Atlas was appointed to the Board on 28 May 2021.
Executive KMP	
Peter Allen, Managing Director/CEO Elliott Rusanow, Chief Financial Officer	The executive KMP held their positions for the whole of the financial year.

6.2 Remuneration strategy and framework snapshot

Our remuneration strategy and framework reflect Our Purpose, Our Plan, and Our Ambition.

Underpinning our strategy and framework is our DNA and our People Vision, to be the place where talent can thrive.

Remuneration principles

- Attract and retain the best talent
- Fairly reward our people
- Align the interests of our people with securityholders
- Easy to understand

Remuneration framework

	Remuneration element	Consideration/ Performance conditions	Alignment with strategy and performance
Fixed Remuneration	Base salary (inclusive of superannuation). The primary comparator group used as a reference point to compare fixed remuneration for executive KMP has traditionally been the ASX 30, excluding the "Big 4" banks, Rio Tinto and BHP. This has been reset to the ASX 50 to better reflect our position, while having regard to both the ASX 30 and our REIT cohort.[i]	Considerations in setting fixed remuneration include: the scope and complexity of the role, the individual's experience, knowledge and skills, individual performance and market benchmarking.	Fixed remuneration is set at market competitive levels to attract and retain key talent.
Short-term variable remuneration (STVR)[ii]	Recognises current year performance. 70% of achieved STVR is paid in cash following the end of the year of grant. 30% of achieved STVR is delivered as performance rights which vest at the end of three years after the grant date, creating a longer-term and retention focus.[iii]	Our STVR is designed as annual variable remuneration. Executives are assessed against a scorecard containing financial and non-financial measures.	The STVR provides differentiation of pay for performance based on Group and individual performance outcomes. Performance conditions are designed to support the financial and strategic direction of the Group, with KPIs that are measurable, while also providing for the exercise of Board judgement, and allowing for appropriate differentiation for performance.
Long-term variable remuneration (LTVR)[ii]	Recognises long-term performance measured at the end of year 3. Delivered as performance rights which vest in two tranches at the end of years 3 and 4 after the grant date if the performance hurdles measured in year 3 are achieved.[iii]	Long-term performance hurdles are set by the Board which are focused on the Group's ROCE, relative TSR and strategic objectives to deliver securityholder value as a sustainable and responsible business.	The LTVR ensures a strong link to the long-term performance of the Group, the creation of securityholder value and acts as a retention tool.

[i] As at 31 December 2021, the Group's position on the ASX was 35 and as at 21 February 2022 was 29.
[ii] In 2021 we changed our terminology from 'at-risk' remuneration to 'variable' remuneration to ensure a more explicit reference to remuneration components that are contingent and vary based on the level of performance achieved.
[iii] The value of rights granted under the STVR and LTVR fluctuates depending on security price.

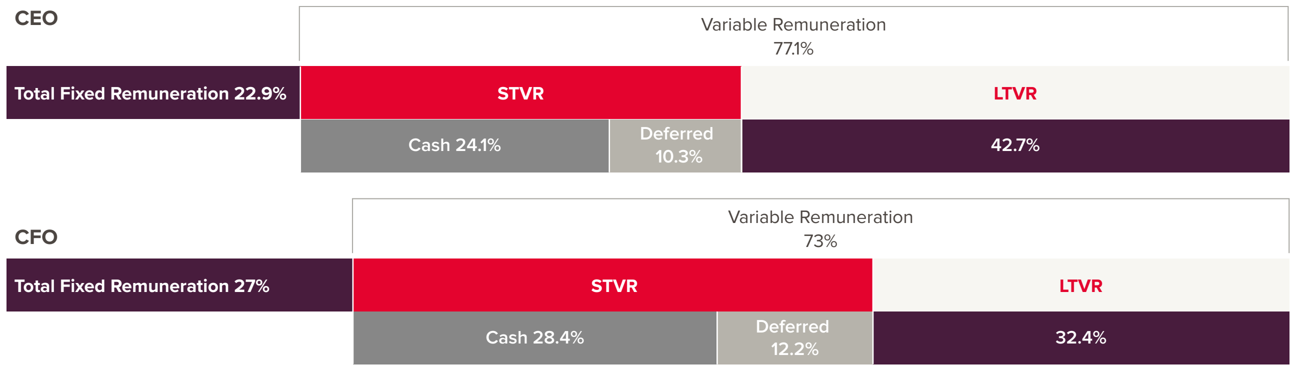
Remuneration mix

The executive KMP's remuneration comprises fixed and variable remuneration. The remuneration mix for our executive KMP is weighted towards variable remuneration.

The potential maximum STVR (as a percentage of fixed remuneration) for each of our executive KMP is 150%. The FY21 LTVR (at grant, as a percentage of fixed remuneration) for our executive KMP is CEO: 155% and CFO: 100%. As noted in section 6.8, the FY21 ROCE and relative TSR hurdles (in aggregate, 80% in value of the FY21 LTVR hurdles) may, under a graduated scale of vesting, potentially vest at 125%.[i]

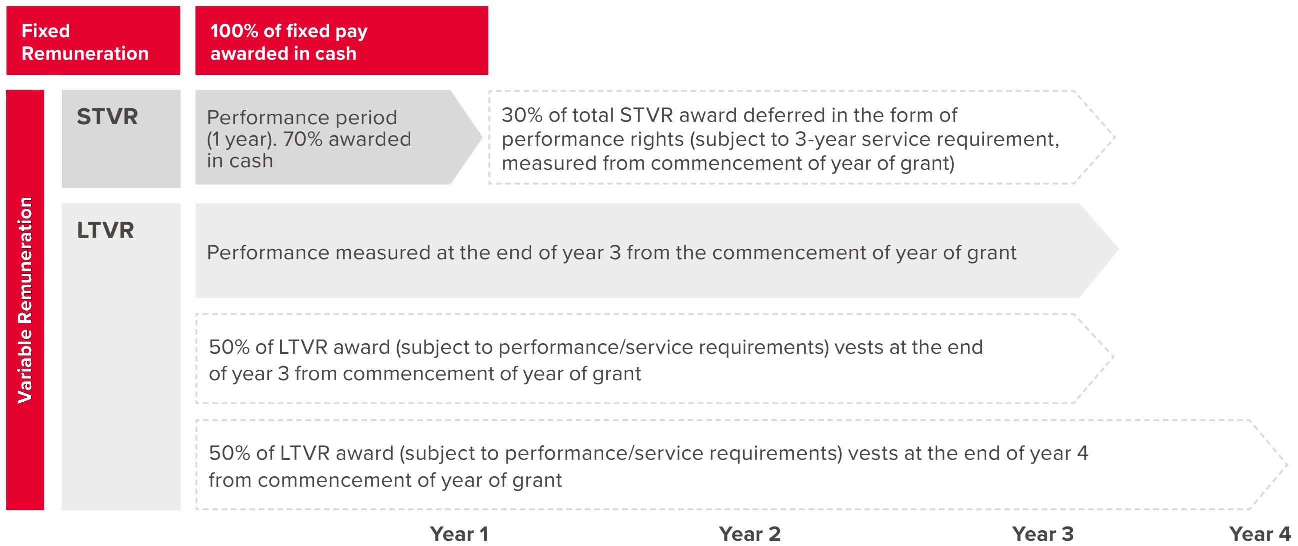
The tables below show each of the components as a percentage of maximum remuneration achievable for our executive KMP for 2021, assuming that ROCE and relative TSR hurdles vest at 125% for the FY21 LTVR. The actual amount delivered under the STVR and LTVR depends on the level of achievement on the performance measures.

There are no changes to the fixed remuneration, STVR opportunity or LTVR opportunity (at grant) for our executive KMP for 2022. Our CEO's fixed remuneration has remained unchanged since the establishment of the Group in June 2014 and our CFO's fixed remuneration has remained unchanged since his appointment in April 2019. In 2022, for the relative TSR hurdle, maximum vesting has been capped at 100% of target (rather than 125%).



(i) Effective 2022, ROCE is the only component of the LTVR (60% weighting) that can result in vesting above the LTVR grant value, with the opportunity for 125% of the ROCE component to vest at the maximum performance level. Vesting will be capped at 100% for the relative TSR and strategic measure components. The maximum performance level on ROCE has never been met.

When is remuneration earned and received?



Remuneration changes for 2022

The Board reviews the executive remuneration framework regularly to ensure that it aligns as far as practicable to stakeholder expectations and to the Group's strategy, performance and reward outcomes, reflects good governance, and appropriately rewards, motivates and retains the best talent.

Following a review of the remuneration framework during 2021, the Board has determined the following key changes to FY22 remuneration. No change has been made to the FY21 remuneration framework or to the FY21 STVR and LTVR grants.

Component	Remuneration change
Fixed remuneration	• No change to fixed remuneration quantum.
STVR	• No change to STVR structure.
LTVR	• The strategic measure will decrease to 10% (from 20%) and ROCE weighting will increase to 60% (from 50%). Relative TSR will remain at 30%. • The relative TSR vesting schedule has been revised as follows: **Cumulative 3-year measurement** **Performance vs Benchmarking Index** / **Proportion vesting** > 6% above Index: 100% > Index and < 6% above Index: Linear scale up to 99.9% Equal to Index: 50% Less than Index: 0% In summary: – Vesting for below-index performance removed – The graduated scale of vesting commences with 50% vesting at index performance – Required performance level to qualify for full vesting increased (from 2.5% to 6% above the index) – Maximum vesting capped at 100% of target (previously 125%) • The performance period for ROCE and relative TSR will revert to three years (annual measurement basis for the FY21 LTVR) consistent with the strategic measure. • No changes have been made to the methodology in calculating ROCE. As we have reverted to setting three-year ROCE hurdles, annual targets and a separate gateway hurdle will not be applicable for future awards. A graduated scale of vesting will continue to apply.
Distribution policy	• In line with current practice, no distributions will be paid on performance rights prior to the rights vesting. However, the number of rights allocated under the STVR and LTVR will, from FY22, be determined using the face value with no adjustment for the estimated value (based on the Group's published 1-year forecast) of distributions that may be paid on Scentre Group securities during the vesting periods. • Instead, for any performance rights that ultimately vest, a payment equivalent to the distributions paid by the Group during the period from the grant of the performance rights and the distribution period in which the rights vest will be made to the participating executive at time of vesting, subject to applicable taxation.

6.3 Overview of Group performance and outcomes

2021 Highlights

We continue to deliver on Our Purpose, Our Plan and Our Ambition with a responsible business mindset across the pillars of community, people, environment and economic performance. This underpins our remuneration strategy.

Financial results

- Operating profit of $845.8 million (16.32 cents) for the year, up 10.9% per security
- Distribution of $738.7 million (14.25 cents) for the year, ahead of guidance
- Gross cash receipts of $2,680 million, an increase of $323 million, including an increase of approximately $200m in gross rent collections
- Net operating cash flow (after interest, overheads and tax) of $913.6million (17.62 cents) for the year, up 24.8% per security
- Available liquidity of $5.6 billion, sufficient to cover all debt maturities to early 2024
- Repaid $1.4 billion of debt
- S&P, Fitch and Moody's upgraded the Group's rating outlook to Stable

Our growth ambition

People and communities

- All Westfield Living Centres remained open throughout the year, operating with COVID Safe protocols.
- Facilitated community access to COVID-19 vaccinations across all of our Westfield Living Centres.
- 413 million annual customer visits with visitation rebounding when restrictions eased.
- Customer advocacy as measured by NPS was 38, an increase of +2pts from 36 in 2020.

Businesses

- Portfolio occupancy increased to 98.7% from 98.5%.
- Completed 2,497 lease deals, including 1,090 new merchants, welcoming 267 new brands to the portfolio.
- Made a significant contribution to the economic recovery by providing cashflow support to our SME partners through rental relief and abatement.

Our Platform

- Launched Westfield Direct, our aggregated click and collect service. Onboarded 150 retail and business partners.
- Our Westfield Plus membership platform now has 2.2 million members, increasing by 1.6 million during 2021.
- Created more opportunities for customers to connect with Westfield and our business partners and increased engagement through physical and virtual platforms.
- Commenced the $355 million investment (SCG share: $177.5 million) in Westfield Knox. The $55 million investment (SCG share $27.5 million) in Westfield Mt Druitt's entertainment, leisure and dining precinct is on schedule to open in the first quarter of 2022. Works on behalf of Cbus Property to design and construct the residential and commercial tower in Sydney's CBD are progressing well, with completion expected in 2023.

A responsible, sustainable business

- Developed a pathway and transition plan to achieve at least 50% of our net zero target by 2025. Transitioned our New Zealand portfolio to 100% renewable electricity from January 2022. Recognised as Overall Global Sector Leader for retail in the GRESB Real Estate Development benchmark. Achieved 'A' leadership Climate Leader Status and rating in the Carbon Disclosure Project for the first time.
- Delivered our fourth Westfield Local Heroes program. Since inception, we have donated $4.88 million to 489 local heroes and their organisations to continue their work.
- Achieved a very strong employee engagement score of 85%, demonstrating the alignment of our team with our strategy and growth ambition.
- Supported our team's mental health by providing additional training and services during periods of lockdowns.

The following table represents business performance outcomes and security price over the last 5 years. The business performance outcomes for FY20 and FY21 reflect the impacts of the COVID-19 pandemic.

		FY21	FY20	FY19	FY18	FY17
Operating profit[i][ii]	A$m	**845.8**	763.4	1,274.7	1,270.3	1,229.1
Operating profit per security[ii]	cents	**16.32**	14.71	24.10	23.94	23.14
Funds from Operations (FFO)[ii]	A$m	**862.5**	766.1	1,331.9	1,330.0	1,285.2
FFO per security[ii]	cents	**16.64**	14.76	25.18	25.06	24.20
Distribution per security	cents	**14.25**	7.00	22.60	22.16	21.73
Security price (at 31 December)	A$	**3.16**	2.78	3.83	3.90	4.19
Distribution pay-out ratio (% of FFO)	%	**85.6**	47.4	88.9	87.8	89.5
Return on contributed equity (ROCE)[iii]	%	**7.87**	7.45	12.84	12.72	12.28
Assets under management (AUM)	A$b	**50.4**	49.9	56.0	54.2	51.0
Group's share of AUM	A$b	**34.4**	34.1	38.2	39.1	36.2
Profit/(loss) after tax (inclusive of unrealised movements)	A$m	**887.9**	(3,731.8)	1,179.5	2,287.2	4,217.9
Gearing (at 31 December)[iv]	%	**27.5**	27.7	33.0	33.9	32.1
CEO STVR outcome (% of maximum)	%	**65%**	55%	78.2%	80.8%	82.9%
CEO LTVR outcome (% vesting of grant)[v]	%	**0%**	0%	90%	110%	107.5%
CFO STVR outcome (% of maximum)[vi]	%	**62%**	50%	60%	–	–
CFO LTVR outcome (% vesting of grant)[v]	%	**0%**	–	–	–	–

(i) Funds from Operations before Project Income (net of tax).
(ii) For consistency with FY21 and FY20, FY17-FY19 has been restated to exclude straight-lining of rent.
(iii) The ROCE presented above in each of the respective years reflects the composition and resulting methodology for measurement of the LTVR hurdle for that particular year.
(iv) Gearing reduction from 2020 includes the impact of Subordinated Notes issued in that year which are excluded from Debt Covenants.
(v) The FY19 LTVR vested at zero. Refer to page 48.
(vi) Mr Rusanow was appointed CFO on 4 April 2019.

STVR outcomes

Our STVR is structured to provide differentiation for performance based on Group and individual performance outcomes.

For 2021, the Board set a range of financial and non-financial performance measures for the executive KMP. These measures reflect the four pillars of our responsible business framework being: community, people, environment and economic performance, and align with Our Ambition.

In addition, in setting those performance measures and reflecting an alignment of our financial objectives, the Board determined to equalise the percentage allocation to financial measures between the CEO and CFO to 65% in each case.

In assessing performance against the STVR measures, the Board had regard to several factors as described in more detail in the business performance outcomes above and in tables below, including the absolute outcome achieved, the outcome relative to FY20, and the resulting securityholder experience.

In view of the continued economic and market uncertainties, the Group did not issue Operating Profit guidance in respect of 2021 but did provide distribution guidance, which was exceeded.

Our actual Operating Profit was within the range considered by the Board in setting the 2021 budget in light of the ongoing impact of the COVID-19 pandemic. Notwithstanding the greater number of Government restrictions / lockdowns during 2021 compared to 2020*, the Group achieved 10.9% growth in Operating Profit per security over 2020.

Financial targets also included capital management objectives, the performance against which is outlined in the tables below. As the tables demonstrate, the Group's performance on these aspects and the strong capital management base established in 2020 enabled the Group to approve distributions in respect of 2021 at above market guidance.

* Based on the weighted number of days discretionary retail partners were restricted from trading due to Government requirements.

Peter Allen, CEO

Our CEO Peter Allen is responsible for driving and executing the strategic direction and operations of the Group.

The CEO's 2021 STVR outcome of 65% of maximum reflects Group and individual performance, with a substantial weighting on Operating Profit given his key responsibility for building long-term sustainable growth and securityholder returns.

Measure and commentary	Weight	Threshold	Target	Maximum	% of STVR max
Financial (65% weighting) *Earnings growth and capital management focus on the delivery of financial results in the short term, whilst operating (and acting inherently as key drivers of long-term value creation) with an emphasis on the long-term value interests of securityholders*					
Operating Profit • Actual Operating Profit was within the range considered by the Board in setting the 2021 budget in light of the ongoing impact of the COVID-19 pandemic. Notwithstanding the greater number of Government restrictions / lockdowns during 2021 compared to 2020, the Group achieved a 10.9% growth in Operating Profit per security	40%				13%
Capital management • Deliver distribution in line with guidance – Distribution of 14.25 cents per security above guidance of 14.0 cents • Collect cash equivalent to more than 90% of gross billings and increase the level of gross rent cash collections above the 2020 level of $2,059 million – Gross rent cash collections of $2,258 million, equivalent to 94% of gross rent billings and approximately $200 million higher than 2020 • Capital management plan progressed consistent with long-term strategy – Plan delivered. Available liquidity of $5.6 billion, sufficient to cover all debt maturities to early 2024. $1.4 billion of debt repaid. • "A" grade credit ratings moved to "stable" by rating agencies – S&P, Fitch and Moody's upgraded the Group's outlook to Stable	25%				21%
Non-financial (35% weighting)					
Customer and business partners *Continuing to embed a customer centric culture and implementing strategic initiatives to increase customer and retailer engagement. Putting our customers first is key to our success.* • Net Promoter Score (NPS) outcomes and reputation score growth – NPS increase over 2020 of +2 to 38 • Westfield Plus, a mobile-app based platform, expanded to Australia with target of 2 million members – 2.2 million members, with more than 40% of members active every month • Launch of Westfield Direct with positive feedback and 100 retail partners participating – NPS of 54 following the launch and 150 retail partners participating as at 31 December 2021. The NPS score represents a strong result relative to comparable marketplace platform launches • Reduction in holdovers as a percentage of gross lettable area from 4.1% to 3% – achieved 3.3% • Occupancy greater than 98% on lettable square metre basis – Occupancy of 98.7% from 98.5%	15%				13%
People, culture and risk *Increasing gender diversity and maintaining high employee engagement levels, whilst maintaining an effective risk culture, are critical to delivering superior and sustainable securityholder returns.* • Employee engagement of 85% – Achieved an employee engagement score of 85% • Retain 90% of key talent – Retention of 94% of key talent • Achieve 28 – 30% of female representation at Executive level – 30% achieved • Achieve White Ribbon Workplace Accreditation – The Group achieved accreditation in November 2021 • Achieve Gold Employer Status in the Australian Workplace Equality Index – Elevated to Gold status in 2021 from Silver status in 2020 • Maintain citation from Workplace Gender Equality Agency as an Employer of Choice – The Group received a citation from WGEA as an Employer of Choice for Gender Equality for the fourth consecutive year • Maintain citation in Bloomberg Gender-Equality Index – The Group was included in the Bloomberg Gender-Equality Index 2021 for the second year (one of ten Australian companies to achieve this globally). The Group's score of 75.88% was above the global average score of 71%. It was also above the REIT industry score of 68.52% (24 organisations) • Continued focus on life safety and 'People Protecting People' culture – No employee or contractor fatalities in the Group's workplaces	15%				14%
Environment *Implement a pathway to achieve net zero emissions by 2030 for our wholly-owned centres. Investors, customers, communities and other key stakeholders are seeking companies who can deliver sustainable, efficient, environmentally, culturally and socially inclusive outcomes that deliver long-term value.* • Develop a pathway and transition plan to achieve net zero emissions by 2030 on wholly-owned portfolio – Pathway and transition plan developed, including a plan to reduce our emissions by more than 50% by 2025 – Transitioned our New Zealand portfolio to 100% renewable electricity from January 2022 • Recognised as Overall Global Sector Leader for retail in the GRESB Real Estate Development benchmark • Achieved 'A' leadership Climate Leader Status and rating in the Carbon Disclosure Project for the first time	5%				4%

The achieved STVR outcome for the CEO for 2021 is as follows.

Year	STVR maximum $	Achieved STVR $	70% Cash Component $	30% Deferred equity $	Achieved STVR (as a % of maximum)	STVR not achieved (as a % of maximum)
2021	**3,000,000**	**1,950,000**	**1,365,000**	**585,000**	**65**	**35**
2020	3,000,000	1,650,000	1,155,000	495,000	55	45

Elliott Rusanow, CFO

Our CFO Elliott Rusanow is responsible for providing leadership, direction and management of our finance and accounting operations to support the long-term financial health of the Group.

The CFO's 2021 STVR outcome of 62% of maximum reflects the Group and individual performance, with a balanced focus on driving operating profit and execution of capital management initiatives.

Measure and commentary	Weight	Threshold	Target	Maximum	% of STVR max
Financial (65% weighting) *Earnings growth and capital management focus on the delivery of financial results in the short-term, whilst operating (and acting inherently as key drivers of long-term value creation) with an emphasis on the long-term value interests of securityholders* **Operating Profit** • Actual Operating Profit was within the range considered by the Board in setting the 2021 budget in light of the ongoing impact of the COVID-19 pandemic. Notwithstanding the greater number of Government restrictions / lockdowns during 2021 compared to 2020, the Group achieved a 10.9% growth in Operating Profit per security	32.5%				10%
Capital management • Deliver distribution in line with guidance – Distribution of 14.25 cents per security above guidance of 14.0 cents • Collect cash equivalent to more than 90% of gross billings and increase the level of gross rent cash collections above the 2020 level of $2,059 million – Gross rent cash collections of $2,258 million, equivalent to 94% of gross rent billings and approximately $200 million higher than 2020 • Collect more than 80% of 2020 trade debtors – Debtors as at 31 December 2020 fully recovered during 2021 • Capital management plan progressed consistent with long-term strategy – Plan delivered. Available liquidity of $5.6 billion, sufficient to cover all debt maturities to early 2024. $1.4 billion of debt repaid. • "A" grade credit ratings moved to "stable" by rating agencies – S&P, Fitch and Moody's upgraded the Group's rating outlook to Stable • Improve investment market engagement – Increased the number of investor meetings across both domestic and international equity and debt investors – Introduction of ESG investor roadshows	32.5%				27%
Non-Financial (35% weighting) **Customer and business partners** *Continuing to embed a customer centric culture and implementing strategic initiatives to increase customer and retailer engagement. Putting our customers first is key to our success.* • Launch Westfield Direct with positive feedback and 100 retail partners participating – NPS of 54 following the launch and 150 retail partners participating as at 31 December 2021. The NPS score represents a strong result relative to comparable marketplace platform launches.	15%				11%
People, culture and risk *Increasing gender diversity and maintaining high employee engagement levels, whilst maintaining an effective risk culture, are critical to delivering superior and sustainable securityholder returns.* • Finance team employee engagement score of 85% – Achieved an employee engagement score of 85% • 40:40:20 Gender representation for Finance leadership team – Achieved 56% of female finance leaders but no senior female finance executives appointed in 2021 – 65% of succession pipeline are female • Risk management plans for top corporate risks – Risk management plans effectively implemented. Opportunities identified to supplement and improve escalation and reporting processes	15%				10%
Environment *Implement a pathway to achieve net zero emissions by 2030 for our wholly-owned centres. Investors, customers, communities and other key stakeholders are seeking companies who can deliver sustainable, efficient, environmentally, culturally and socially inclusive outcomes that deliver long-term value.* • Develop a pathway and transition plan to achieve net zero emissions by 2030 on wholly-owned assets – Pathway and transition plan developed, including a plan to reduce our emissions by more than 50% by 2025 – Transitioned our New Zealand portfolio to 100% renewable electricity from January 2022	5%				4%

The achieved STVR outcome for the CFO for 2021 is as follows.

Year	STVR maximum $	Achieved STVR $	70% Cash Component $	30% Deferred equity $	Achieved STVR (as a % of maximum)	STVR not achieved (as a % of maximum)
2021	**1,650,000**	**1,023,000**	**716,100**	**306,900**	**62**	**38**
2020	1,650,000	825,000	577,500	247,500	50	50

LTVR outcomes

(i) FY19 LTVR outcomes – falling due for measurement in 2021

Performance rights were granted to executives in 2019 under the Group's FY19 LTVR plan. ROCE was the only hurdle under the FY19 LTVR, measured at the end of year 3 (31 December 2021).

Despite being on track to vest prior to the impact of the pandemic on the Group's earnings, the FY19 LTVR vested at zero as the minimum level required to meet the ROCE hurdle for the three financial years ended December 2021 was not met.

The FY19 ROCE hurdle operated on a graduated scale of vesting, the outcome of which is set out below.

ROCE	Target (100% vesting)	Zero vesting	What was achieved	% Vested	% Weighting
	13.37%	13.06% or below	7.87%	0%	100%

(ii) FY20 LTVR

As disclosed in the 2020 Remuneration Report, due to the impact of the pandemic on the Group's earnings, the Board determined not to grant the FY20 LTVR to executives, given the performance measures (approved by securityholders at the 2020 AGM) would have been unattainable.

(iii) FY21 LTVR performance update

The FY21 LTVR has three measures: ROCE (50% weighting), relative TSR (30% weighting) and strategic measure (20% weighting), details of which are explained in section 6.8.

The first annual tranche of the ROCE component did not meet the FY21 ROCE hurdle due to the impact of unbudgeted pandemic lockdowns on 2021 financial performance. ROCE achieved was 7.87% which was below the minimum level of achievement required to qualify for vesting. Accordingly, even if the three-year gateway hurdle (to be tested at the end of 2023) is achieved, year one of the ROCE component of FY21 LTVR will not vest.

The gateway applicable to the FY21 LTVR grant, which sits within the previously disclosed growth in ROCE range of 15-25%, has not changed and the graduated scale of vesting will continue to apply. While no adjustment has been made to the specific target within the above range, we have disclosed the range by reference to the narrower parameters of 18-23% growth in ROCE. For the gateway to be met, this would equate to ROCE FY23 being within a range of 8.6% to 9.0%. (ROCE for 2021 was 7.87%.)

While the final relative TSR measure will be assessed at the end of year three (at the end of 2023), the actual outcome is the aggregate of the outcomes over each year. The graduated scale of vesting for the relative TSR hurdle is set out in section 6.8.

For FY21, the Group's total return was 19.82% relative to the benchmark index total return of 17.79%. Accordingly, as the Group's return was more than 2% above the benchmark index (but less than 2.5% above the index), year one of the relative TSR measure will qualify for vesting at 112.5% at the end of 2023.

The Group's FY21 strategic measure comprises long-term goals including our customer, retail and brand partners' strategies and innovation of our Westfield Living Centres, and are outlined in section 6.8.

We continue to make progress against these measures as illustrated in the Overview of Group performance and outcomes in section 6.3.

6.4 2021 remuneration received by executive KMP (actual)

The table below sets out the 2021 remuneration received by our executive KMP.

The table presents:

- Fixed remuneration for 2021.
- Cash STVR: the FY21 cash amount earned and paid under the STVR and attributable to FY21 performance.
- Deferred STVR: the market value at vesting of the deferred STVR from prior years that vested in 2021. This was satisfied by the delivery of Group securities.
- LTVR: the FY19 LTVR vested at zero.

The table does not include remuneration attributable to 2021 performance which does not yet qualify for vesting being the 2020 retention awards, the deferred components of the FY20 and FY21 STVR, and any part of the FY21 LTVR. Accordingly, this table differs from the tables in section 6.5 (executive KMP statutory remuneration) and 6.6 primarily due to differences in the accounting treatment of share-based (deferred) payments, which are described in sections 6.5 and 6.6 below.

	Year	Fixed Remuneration(i) $	Cash STVR $	Total cash $	Deferred STVR/LTVR which vested during the year(iii)(iv) $	Actual remuneration received $	Deferred LTVR which failed to vest during the year(iii)(v) $
Peter Allen	**2021**	**2,000,000**	**1,365,000**	**3,365,000**	**648,264**	**4,013,264**	**(3,708,116)**
	2020	1,900,000(ii)	1,155,000(ii)	3,055,000	1,622,300	4,677,300	(3,661,309)
Elliott Rusanow	**2021**	**1,100,000**	**716,100**	**1,816,100**	**–**	**1,816,100**	**(1,315,779)**
	2020	1,045,000(ii)	577,500(ii)	1,622,500	–	1,622,500	–

* The value of the deferred STVR / LTVR which vested is calculated using the volume weighted average price (VWAP) of a stapled security over 10 ASX trading days prior to 15 December of the relevant year in which vesting is assessed. The value of the deferred LTVR which failed to vest is the market value of grant calculated using the VWAP of a stapled security over 10 ASX trading days prior to 15 December in the year prior to the grant date.

(i) Fixed remuneration is inclusive of $21,694 of statutory superannuation benefits for the CEO and CFO.

(ii) Both the CEO and CFO agreed to take a 20% reduction in fixed remuneration between 1 May 2020 and 31 July 2020.

(iii) The deferred STVR / LTVR which vested during the year was the FY19 STVR. The FY19 LTVR did not vest. For 2020, the deferred STVR / LTVR which vested was the FY18 STVR and the second tranche of the FY17 LTVR. The FY18 LTVR did not vest in 2020.

(iv) The market value of grant of the FY19 STVR for the CEO was $848,948 (2020: FY18 STVR was $861,635) and the market value of grant of the second tranche of FY17 LTVR for the CEO was $1,569,402.

(v) The market value of grant of the FY19 LTVR for the CEO was $3,708,116 (2020: FY18 LTVR was $3,661,309). The market value of grant of the FY19 LTVR for the CFO was $1,315,779 (2020: N/A). The FY18 and FY19 LTVRs did not vest.

6.5 2021 statutory remuneration of executive KMP

The table below sets out the 2021 statutory remuneration for our executive KMP.

As noted above, this table includes (under share-based payments) an apportioned accounting value of all performance rights granted under the STVR and LTVR plans prior to or in 2021 as well as the retention awards granted in 2020. The apportionment represents the proportion of grants that are attributable to the relevant executives service in the 2021 financial year. The fair value of the STVR and retention awards has been calculated using the Black Scholes pricing method. This method has also been used to calculate the fair value of the ROCE and strategic measure components of the LTVR. The fair value of the relative TSR component of the LTVR has been calculated using the Monte Carlo simulation. Further details of the accounting treatment of awards are set out in Note 30 to the financial statements. The STVR, LTVR and retention awards held by the executive KMP as at 31 December 2021 are set out in section 6.6.

		Short term benefits			Share based payments[iv]				
	Year	Fixed remuneration[i] $	Cash STVR $	Other short term benefits[iii] $	Cash $	Equity $	Other long-term benefits $	Termination Benefits $	Total remun-eration $
Peter Allen	**2021**	**2,000,000**	**1,365,000**	**25,769**	**–**	**2,547,680**[v]	**–**	**–**	**5,938,449**
	2020	1,900,000[ii]	1,155,000	(1,154)	–	(1,248,793)	–	–	1,805,053
Elliott Rusanow	**2021**	**1,100,000**	**716,100**	**73,404**	**–**	**1,010,231**[vi]	**–**	**–**	**2,899,735**
	2020	1,045,000[ii]	577,500	56,116	–	26,743	–	–	1,705,359

(i) Fixed remuneration is inclusive of $21,694 of statutory superannuation benefits for the CEO and CFO.

(ii) Both the CEO and CFO agreed to take a 20% reduction in fixed remuneration between 1 May 2020 and 31 July 2020. The STVR outcomes are unadjusted for the 20% reduction.

(iii) Comprising annual leave and long service leave entitlements.

(iv) Refer to the tables at section 6.7 for details of rights held by executive KMP under the STVR and LTVR plans and retention awards.

(v) Includes: (i) deferred equity under the STVR for all periods up to and including 2021; and (ii) the apportioned accounting value for unvested retention awards granted in 2020 and FY21 LTVR granted in 2021, which excludes the FY21 ROCE component of LTVR which will not vest.

(vi) Includes: (i) deferred equity under the STVR for all periods up to and including 2021; and (ii) the apportioned accounting value for unvested retention awards granted in 2020 and FY21 LTVR granted in 2021, which excludes the FY21 ROCE component of LTVR which will not vest.

6.6 STVR, LTVR and retention awards held by executive KMP

The following tables set out the STVR, LTVR and retention awards held by the executive KMP as at 31 December 2021.

Calculation of the fair value of the awards is explained in section 6.5.

(a) STVR plan

	Effective date of grant	No. granted	Fair value at grant $	Market value of grant[i] $	Vesting date	% Vested	Market value as at 31 December 2021[ii] $
Peter Allen	1 Jan 2019	210,537	722,142	848,948	15 Dec 2021	100	N/A
	1 Jan 2020	216,271	698,555	831,627	15 Dec 2022	–	683,416
	1 Jan 2021	198,392	492,012	567,659	15 Dec 2023	–	626,919
Total		**625,200**	**1,912,709**	**2,248,234**			**1,310,335**
Elliott Rusanow	1 Jan 2020	91,265	294,786	350,941	15 Dec 2022	–	288,397
	1 Jan 2021	99,196	246,006	283,830	15 Dec 2023	–	313,459
Total		**190,461**	**540,792**	**634,771**			**601,856**

(i) The market value of grant is based on the volume weighted average price of a stapled security over 10 ASX trading days prior to 15 December.

(ii) The market value as at 31 December 2021 is based on the closing price of Scentre Group securities on that day of $3.16. Values are not included for rights that vested on 15 December 2021 as these were no longer on issue at 31 December.

(b) LTVR plan

	Effective date of grant	No. granted	Fair value at grant $	Market value of grant[i] $	No of rights post measurement of hurdles	Vesting date	% Vested	Market value as at 31 December 2021[ii] $
Peter Allen	1 Jan 2019	449,029	1,540,169	1,810,620	–	15 Dec 2021	0	N/A
		470,574	1,529,366	1,897,496	–	15 Dec 2022	0	N/A
	1 Jan 2020[iii]	–	–	–	–	–	–	–
	1 Jan 2021	621,228	1,432,551	1,777,520	N/A	15 Dec 2023	–	1,963,080
		647,733	1,443,797	1,853,358	N/A	15 Dec 2024	–	2,046,836
Total		**2,188,564**	**5,945,883**	**7,338,994**				**4,009,916**
Elliott Rusanow	Feb 2019	159,333	546,512	642,478	–	15 Dec 2021	0	N/A
		166,977	542,675	673,301	–	15 Dec 2022	0	N/A
	1 Jan 2020[iii]	–	–	–	–	–	–	–
	1 Jan 2021	220,436	508,325	630,734	N/A	15 Dec 2023	–	696,578
		229,840	512,314	657,641	N/A	15 Dec 2024	–	726,294
Total		**776,586**	**2,109,826**	**2,604,154**				**1,422,872**

(i) The market value of grant is based on the volume weighted average price of a stapled security over 10 ASX trading days prior to 15 December.

(ii) The market value as at 31 December 2021 is based on the closing price of Scentre Group securities on that day of $3.16 calculated by reference to the number of rights granted. These have not been adjusted for the FY21 LTVR outcomes for ROCE nor relative TSR for 2021.

(iii) No LTVRs were issued in 2020.

(c) Retention awards held by executive KMP

	Effective date of grant	No. granted	Fair value at grant $	Market value of grant[i] $	Vesting date[ii]	Vested	Market value as at 31 December 2021[iii] $
Peter Allen	1 Sep 2020	825,000	1,509,750	1,781,670	15 Feb 2023	–	2,607,000
		825,000	1,419,000	1,781,670	15 Feb 2024	–	2,607,000
Total		**1,650,000**	**2,928,750**	**3,563,340**			**5,214,000**
Elliott Rusanow	1 Sep 2020	463,049	847,380	1,000,001	15 Feb 2023	–	1,463,235
		463,048	796,443	999,998	15 Feb 2024	–	1,463,232
Total		**926,097**	**1,643,823**	**1,999,999**			**2,926,467**

(i) The market value of grant is based on the volume weighted average price of a stapled security over 5 ASX trading days ended 1 September 2020.

(ii) The retention period for the CEO is from 1 September 2020 (grant date) to 15 February 2023. The retention period for the CFO is from the grant date to each of the vesting dates (15 February 2023 and 15 February 2024).

(iii) The market value as at 31 December 2021 is based on the closing price of Scentre Group securities on that day of $3.16.

6.7 FY21 STVR plan: summary

Element	Description
What is the purpose of the STVR plan?	To reward the achievement of Board-approved financial and non-financial measures that align to the Group's strategy and reflect the four pillars of our responsible business framework.
Who is eligible to participate in the STVR Plan?	Executive KMP, other members of the executive leadership team and high performing executives participate in the STVR. The STVR is a broader based plan than the LTVR.
How is the STVR delivered?	Delivered through a combination of cash and performance rights. 70% of the achieved STVR is paid in cash following the end of the year of grant and 30% of the achieved STVR is delivered as performance rights which (subject to service requirements) vest at the end of year three after the grant date (being two years after the end of the year of grant).
What are the performance measures for the FY21 STVR?	As detailed above in section 6.3, the Board set a range of financial and non-financial performance measures for the executive KMP. These measures reflect the four pillars of our responsible business framework: community, people, environment and economic performance, and align with Our Ambition. Reflecting an alignment of our financial objectives, the Board determined to equalise the percentage allocation to financial measures between the CEO and CFO to 65% in each case, with 35% weighted towards strategically aligned non-financial measures. These percentages are inclusive of the Board's overriding discretion to adjust its performance assessments to reflect circumstances, events and outcomes which it considers relevant to performance across the four pillars described above.
What is the maximum STVR opportunity as a percentage of fixed remuneration?	The maximum STVR opportunity for each executive KMP is 150% of fixed remuneration. The maximum STVR opportunity reflects potential overperformance to a level which has not been achieved or awarded since the Group's formation.
How is Board discretion applied?	The Board has overarching discretion on STVR awards. Selected performance measures and formulaic calculations may not provide the right remuneration outcome in every situation, leading to occasions where the formulaic outcome does not reflect true performance and overall contributions of the executive or appropriately reflect securityholder outcomes. It is at this point that discretion becomes necessary, such that the Board can adjust outcomes up or down as warranted.
Are there common rules under the STVR plan and LTVR plan?	Yes. The Group's Performance Rights Plan (PRP) governs the grants of awards of deferred equity under the STVR and LTVR plans, as well as the retention awards granted in 2020. Having a common set of rules enables the grant of deferred equity under those plans to be administered on a consistent basis across participating executives. Refer to section 6.9 for key terms of the PRP including equity allocation methodology, treatment of distributions, change of control policy, clawback / malus provisions, and forfeiture provisions.

6.8 FY21 LTVR plan: summary

This summary relates to the FY21 LTVR measures. Changes to the FY22 measures are set out on page 41.

Element	Description
What is the purpose of the LTVR plan?	To ensure a strong link to the long-term performance of the Group, the creation of securityholder value and to act as a retention tool.
Who is eligible to participate in the LTVR plan?	Only executive KMP and members of the executive leadership team participate in the LTVR.
How is the LTVR delivered?	Delivered as performance rights that vest in tranches (50% at the end of year 3 and 50% at the end of year 4 (with year 1 being the end of the year of grant)) if performance hurdles and service requirements are achieved.
What is the LTVR opportunity at grant as a percentage of fixed remuneration?	CEO: 155% CFO: 100%
What are the performance measures for the FY21 LTVR?	For FY21 the hurdles were: 1. ROCE (50% weighting) 2. Relative TSR (30% weighting) 3. Strategic measure (20% weighting).
What is the performance period?	Relative TSR and the strategic measure hurdle will be assessed at the end of a three-year performance period. ROCE is measured annually, with the vesting outcome at the end of year three comprising the aggregate of outcomes over each year.
Why was ROCE chosen and how is it assessed?	ROCE is and remains an important long-term measure of how the executive leadership team generates returns on securityholder equity through a combination of improving earnings and capital management. The Group's ROCE is a two-factor measurement and is calculated by applying Operating Profit for the relevant financial year as a percentage of the Group's weighted average contributed equity during the year of calculation. By combining two different performance measures, the ROCE measure is aligned to the level of returns generated on securityholder equity through a combination of improving earnings and capital management. The ROCE hurdle for the LTVR awards issued in 2021, while taking into account a period of recovery and stability from the effects of the pandemic, requires a significant increase in ROCE over a three-year period from 2020 which acts as a "gateway" hurdle. The gateway applicable to the FY21 LTVR grant, which sits within the previously disclosed growth in ROCE range of 15-25%, has not changed and the graduated scale of vesting will continue to apply. While no adjustment has been made to the specific target within the above range, we have disclosed a narrower range of 18-23% growth in ROCE. For the gateway to be met this would equate to ROCE for 2023 being within a range of 8.6% to 9.0%. (ROCE for 2021 was 7.87%.) Under the FY21 LTVR, the ROCE hurdle is measured in distinct annual periods for 2021, 2022 and 2023, respectively. The final vesting outcome will be determined at the end of year three, being an aggregate of the outcomes over each year. A graduated vesting schedule across a range of Board approved ROCE targets will be applied to determine the actual level of vesting of awards. However, none of the components of the ROCE hurdle will vest if the minimum gateway return is not met. The potential maximum vesting of the ROCE component is capped at 125%. For each annual tranche, the Group will publish the performance outcome against the annual ROCE hurdle retrospectively, in the remuneration report for the relevant financial year. Refer to section 6.3 for detail on the outcome of the ROCE component of the FY21 LTVR for 2021.

Element	Description
Why was relative TSR chosen and how is it assessed?	The relative TSR measure is based on a customised benchmarking index (Index) comprising domestic REITs most closely aligned to the Group's business with weightings based on the relative market capitalisation of the retail peer group as at the commencement of the measurement period. The members of the retail peer group are principally Vicinity, Shopping Centres Australasia, Charter Hall Retail REIT and HomeCo Daily Needs REIT, with GPT and Dexus included in the Index at weightings of 10% each. The measure will compare the Group's performance relative to the Index. The Board considers this measure as appropriate as LTVR awards will only fully vest where the Group's TSR performance is competitive with those generated by the comparator group over the performance period. Under the FY21 LTVR, while the final relative TSR measure will be assessed at the end of year three (at the end of 2023), the actual outcome is the aggregate of the outcomes over each year. A graduated scale of vesting applies in respect of the FY21 LTVR relative to the Group's performance against the Index:

Performance level against Index (% per annum)	% Vesting of relative TSR component
-2.00%	Nil
-1.00% to -1.99%	50%
-0.99% to 0.99%	100%
1.00% to 1.99%	105%
2.00% to 2.49%	112.5%
+2.50%	125%

Awards will qualify for vesting on a graduated basis between the above points.

Refer to section 6.3 for detail on the outcome of the relative TSR component of the FY21 LTVR for 2021.

Element	Description
Why was the strategic measure chosen and how is it assessed? (continued)	**Our Plan** *We will create the places more people choose to come, more often, for longer.* **Our Ambition** *Is to grow the business by becoming essential to people, their communities and businesses that interact with them.* The strategic measures comprise long-term goals including our customer, retail and brand partners' strategies and innovation of our Westfield Living Centres that align with Our Plan and Our Ambition. At the end of the three-year performance period, performance will be assessed. Examples of the targets/goals we will consider when assessing performance are outlined in the table below.

Strategic Category	Measure	Reason for selection
Grow our addressable market and access to customers	• Enhance the quality and scale of our network of Westfield Living Centres by delivering our redevelopment pipeline and assessing and executing strategic asset acquisition opportunities – *measured by growth in customer visitation* • Enhance digital customer engagement platforms – *measured by growth in the number of customer members, breadth of offerings and the frequency of platform usage*	Initiatives that expand and improve our platform to enhance customer satisfaction and retention, ultimately growing our market share.
Customer Engagement	• Grow customer advocacy across the portfolio – *principally measured by the customer net promoter score*	Continuing to embed a customer centric culture and implementing strategic initiatives to increase customer and retailer engagement. Putting our customers first is key to our success and long-term value creation.
Business Partner Engagement	• Increase engagement with existing and a broader range of new business partners – *measured by the business partner net promoter score and growth in the number, proportion and trend of new brands and categories that operate across our platform*	
Reduce emissions	• Deliver upon our pathway to Net Zero by 2030 for our wholly-owned portfolio, including an interim target of 50% by 2025 – *measured by executing initiatives that will ensure delivery of the 2025 target*	Supports the Group's focus on energy efficiency and our critical role in decarbonising the economy, as a key tenet of our responsible business mindset. By de-risking our portfolio through emission reductions, the Group will further enhance value creation opportunities. The path to net zero will be achieved through operational, strategic decision making solely derived from the business and the management of our own emissions.

Element	Description
Can LTVR grants be increased in light of performance conditions?	As noted above, the number of securities that will be delivered on vesting is based on a graduated scale dependent on performance against metrics set at the time of grant. Actual performance can result in a decrease to zero or an increase in the number of securities that can be delivered on vesting, subject to a cap. The maximum number of securities which could be delivered on vesting is capped at 125% of the number of rights issued on grant, which are attributable only to the ROCE and relative TSR components of the 2021 LTVR (ROCE component only for the 2022 LTVR).
Are there common rules under the STVR plan and LTVR plan?	Yes. As indicated above, the PRP governs the grants of awards of deferred equity under the STVR and LTVR plans, as well as the retention awards granted in 2020 (see section 6.9 below for detail).

6.9 Performance rights plan: summary

The Group's PRP governs the grant of deferred equity under the STVR and LTVR plans as well as the retention awards granted in 2020. The common features are outlined below as well as features of the Group's STVR and LTVR.

Element	Description
What are the mechanics of the Performance Rights Plan?	Under the Performance Rights Plan, on vesting, the executive is entitled to receive for no further consideration Scentre Group securities or a cash equivalent (at the election of the Group). The relevant common features of the STVR and LTVR plans are as follows: • Based on principles and remuneration bands approved by the Board, participating executives earn the opportunity to participate in a plan and are informed of a dollar amount in relation to their participation at the beginning of each financial year in which they are offered participation. • For grants prior to 2022, the number of rights to be allocated under the STVR and LTVR was determined using the face value of Scentre Group securities, adjusted for the estimated value (based on the Group's published one-year forecast) of distributions that may be paid on stapled securities during the vesting period. • Assuming the executive remains employed by the Group throughout the vesting period and any applicable performance hurdles are satisfied, the executive will receive either Scentre Group securities or a cash pay-out equal to the capital value of the securities represented by the rights.
Are distributions paid on unvested rights during the vesting period?	Participants in the Performance Rights Plan only receive distributions on securities following vesting. As noted above, for grants prior to 2022, the number of rights allocated under the STVR and LTVR was determined using the face value of Scentre Group securities, adjusted for the estimated value (based on the Group's published one-year forecast) of distributions that may be paid on stapled securities during the vesting period. No subsequent adjustments are made to take into account actual distributions paid. From 2022 onwards, the number of rights allocated under the STVR and LTVR will no longer be adjusted for the estimated value (based on the Group's published 1-year forecast) of distributions that may be paid on Scentre Group securities during the vesting periods. Instead, for any performance rights that ultimately vest, a payment equivalent to the distributions paid by the Group during the period from the grant of the performance rights and the distribution period in which the rights vest will be made to the participating executive at the time of vesting, subject to applicable taxation.
How are securities delivered under the Performance Rights Plan?	The Group does not issue new securities. Where performance rights (including retention awards) are settled with securities, the Group does so by transferring securities that have been acquired on-market to the participating executive.
What happens if an executive KMP leaves the Group?	These arrangements are described in section 6.12.
What happens if there is a change of control?	Performance rights do not vest automatically as a consequence of a control transaction or a corporate restructuring. In relation to control transactions, the Board retains the discretion to accelerate the vesting date for rights issued under the plans in such circumstances.
Are there any clawback or malus provisions for variable remuneration?	The plans contain provisions for the lapsing of unvested rights in several circumstances including if an executive engages in any act or omission constituting serious misconduct or where the Group forms the opinion, based on reasonable grounds, that the executive has committed any fraud, dishonesty or defalcation in relation to the Group or where the executive engages in other conduct which in the reasonable opinion of the Group will prejudice or injure the reputation of the executive or the reputation or business of any Group member.
Are there any other forfeiture events?	Unvested performance rights will also lapse in the event of a participant: • resigning or being terminated for cause; • becoming bankrupt or committing an act of bankruptcy; or • failing to comply with a "Competition and Confidentiality Condition" (being standard confidentiality, non-compete and non-solicitation conditions).
What is the hedging policy?	Participants in the plans are prohibited from entering into hedging arrangements in respect of unvested rights (or rights the subject of a holding lock) in any plan.

6.10 2020 retention awards

In 2020, the Board issued equity-based retention awards to members of the executive leadership team, including the CEO and CFO, whose services are integral to the Group's response to the pandemic and steering a course to recovery.

No retention awards have been granted in 2021, and the Board does not intend to make further grants of retention awards in the future.

6.11 Remuneration governance framework

Our governance framework is described below.

Board

Responsible for setting and overseeing the implementation of the remuneration policy

Human Resources Committee

Assists the Board by overseeing human resources policies and remuneration practices to ensure executives are rewarded fairly and responsibly having regard to the performance of Scentre Group.

The Committee is responsible for oversight of, and where appropriate makes recommendations to the Board on:

- Human resources strategies and practices generally, including executive remuneration policies and practices.
- Remuneration packages for the executive KMP. The Committee also reviews the CEO's recommendations on the remuneration packages for the executive leadership team.
- The Group's equity linked performance plans.
- Succession planning, capability and talent development for the executive leadership team.
- Policies that promote and support equal opportunity, diversity, equity and inclusion within the Group.
- Termination entitlements of executive KMP.
- Fees for non-executive Directors.

The Committee is comprised of four independent non-executive Directors: Andrew Harmos (Chair), Margaret Seale, Ilana Atlas and Steven Leigh.

Management

Makes recommendations to the Committee regarding the Group's remuneration and human resources policies and framework.

External Advisers

The Committee is authorised to utilise the services of specialist human resources and remuneration consultants to provide advice regarding:

- Senior executive remuneration levels.
- Market trends and benchmarking.
- Human resources policies.
- Succession planning for the Board and senior management.
- Learning and organisational development.

Protocols have also been established for the engagement of remuneration consultants and the provision of remuneration recommendations free of undue influence from management.

During the year the Committee utilised the services of advisers to obtain information on market trends and benchmarking.

(a) Minimum securityholding

Our executive KMP and non-executive Directors are required to maintain a minimum holding of securities.

Executive KMP are required to maintain a minimum holding of securities that is equal to one year of their fixed remuneration (before tax). New executive KMP have three years to meet the requirement from the date of appointment. Performance rights are not included in the calculation of the minimum holding of securities.

To underpin the alignment of Directors and securityholders, non-executive Directors are required to maintain a minimum holding of securities equal to one year's base board fees. New non-executive Directors have three years from the date of appointment to meet this requirement. All non-executive Directors have met the requirement based on the relevant security price.

Details of Directors' security holdings are set out in section 4.2 of the Directors' Report.

As at 31 December 2021, the CFO held 370,918 securities (31 December 2020: 110,918). The 260,000 additional securities were acquired on-market during the year.

(b) Approval of CEO's grant of equity-based performance rights under the STVR and LTVR

The Group is not required to seek securityholder approval to the grant of performance rights to the CEO as the Group does not issue new securities but settles the rights by the transfer of securities that have been acquired on-market. However, the Board has determined to seek securityholder approval to the grant of performance rights to be satisfied by the transfer (not issue) of securities. The proposed grant of 2022 performance rights to the CEO will be sought at the AGM on 7 April 2022.

(c) Consequence management: governance

Our Code of Conduct and DNA guide the way that our employees are expected to conduct themselves on a day-to-day basis and there are consequences for anyone who fails to meet these standards. Consequences include requirements to undergo further training, formal warnings and termination. In 2021 there were 43 incidents that resulted in formal consequences. In summary: 24 employees exited the business, and 16 written warnings and three verbal warnings were issued.

We also have a Supplier Code of Conduct through which we seek to encourage and, where appropriate, mandate requirements to help us and our suppliers in conducting business in a safe, accountable and equitable manner. How we deal with matters raised with us in connection with our suppliers and their employees will be addressed in our 2021 Modern Slavery Statement to be released in March 2022.

6.12 Executive KMP service agreements

The key terms of the service agreements for our executive KMP are summarised below.

Service Agreement	Term
Contract term	No fixed term
Notice period by employee and employer	CEO: 12 months Employer: 12 months CFO: three months Employer: one month
Details of any post-employment restraints	Where permitted by law, the Group imposes a requirement that, following retirement, the executive complies with certain continuing non-compete obligations which, if not satisfied, will result in forfeiture of all unvested rights. In respect of Mr Allen, to obtain the benefit of the retirement provisions (as outlined in the summary below), he must enter into a two year (previously one year) post-employment non-compete agreement (containing additional non-solicitation and confidentiality obligations).

Set out below is a summary of termination payments and the treatment of the STVR / LTVR and retention awards on an executive KMP leaving the Group's employment.

The retention awards were a one-off grant in 2020. The Board does not intend to make further grants of retention awards in the future.

Event	Termination payment	Treatment of STVR (cash)	Treatment of STVR and LTVR (deferred equity)	Treatment of retention awards (deferred equity)
Resignation and termination for cause	• Accrued statutory entitlements	• CEO: Payment of a pro-rata bonus for the relevant year for resignation • CFO: Payment of a pro-rata bonus for the relevant year may be considered for resignation	• All unvested entitlements under the Group's performance rights plan will lapse	• All unvested retention awards will lapse
Redundancy or termination by the Group (other than for cause)	• Accrued statutory entitlements • CEO: Payment of 12 months fixed remuneration • CFO: Payment of a maximum of 11 months fixed remuneration	• Pro-rata performance bonus to the date of termination	Excluding any rights that have lapsed because of a failure to meet a performance hurdle, where redundancy or termination occurs: • Within 6 months of the grant date, all performance rights will lapse • Within one year prior to the end of the performance period, all performance rights will vest • Earlier than one year prior to the end of the performance period, the performance rights will vest on a pro-rata basis. That is, the portion of the performance rights will lapse as represents the proportion that the period from the date the participant ceases to be an executive to the end of the performance period bears to the period from the grant date to the end of the performance period	Excluding any awards that have lapsed because of a failure to meet a performance hurdle, where redundancy or termination occurs: • Within six months of the grant date, all retention awards will lapse • Within one year prior to the end of the retention period, all retention awards will vest • Earlier than one year prior to the end of the retention period, the retention awards will vest on a pro-rata basis. That is, the portion of the retention awards will lapse as represents the proportion that the period from the date the participant ceases to be an executive to the end of the retention period bears to the period from the grant date to the end of the retention period
Death or permanent disability	• Accrued statutory entitlements • CEO: Payment of 12 months fixed remuneration	• Pro-rata performance bonus to the date of termination	• Full vesting of outstanding performance rights (excluding any rights which lapsed because of a failure to satisfy a performance hurdle)	• The retention awards will vest on a pro-rata basis. That is, the portion of the retention awards will lapse as represents the proportion that the period from the date the participant ceases to be an executive to the end of the retention period bears to the period from the grant date to the end of the retention period
Retirement (provided an executive has reached the age of 55 years or the aggregate of the age of the participant and the number of years in service is equal to or greater than 70 and, in each case, the executive has at least five years continuous service	• Accrued statutory entitlements • CEO: Payment of 12 months fixed remuneration • CFO: The Board retains the discretion to pay up to 12 months fixed remuneration in recognition of past services rendered	• Pro-rata performance bonus to the date of termination	• The executive will continue in the plans until the date of vesting in respect of performance rights granted at least 6 months prior to the date of termination (excluding any rights which lapsed because of a failure to satisfy a performance hurdle) • In circumstances where continued participation in the plan is not permitted under the terms of the plan, the executive is entitled to a cash payment from the Group equivalent to the amount that would have been received had the executive been permitted to continue in the plan	Where an executive retires: • Prior to the expiry of the retention period, all unvested retention awards will lapse • After the expiry of the retention period, the retention awards will be eligible to vest on the vesting dates

6.13 Non-executive Director fees

Non-executive Directors receive a base fee for being a Director of the Board, and additional fees for either chairing or being a member of a Board Committee. The fees are inclusive of superannuation guarantee contributions. No other bonuses or benefits are paid either during the tenure of a non-executive Director or on retirement. Non-executive Directors do not participate in the Group's STVR or LTVR plans.

The remuneration of non-executive Directors is determined by the Board (within a total limit set by securityholders) acting on recommendations made by the Human Resources Committee.

In making recommendations to the Board, the Human Resources Committee considers independent advice on trends in non-executive director remuneration.

The current aggregate fee pool for non-executive Directors is $3.5 million. The annual total of non-executive Director fees is within this limit.

The Chair of the Board does not receive additional fees for serving on a Board Committee.

Board fees	Chair	Non-executive Director
Board	$717,500	$210,125

Committee Fees	Chair	Committee member
Audit and Risk Committee	$60,000	$40,000
Human Resources Committee	$60,000	$40,000
Nomination Committee	$15,000	$10,000

The table below sets out the statutory remuneration of the non-executive Directors for 2021. The Board has determined that no changes will be made to Board or Committee fees for 2022. Details in the table for 2020 reflect the 20% reduction in base Board fees for a three-month period between 1 May 2020 – 31 July 2020.

	Financial year	Fees $	Non-monetary benefits	Total remuneration $
Non-executive Director(i)				
Brian Schwartz	**2021**	**717,500**	**–**	**717,500**
	2020	681,625	–	681,625
Ilana Atlas (appointed 28 May 2021)	**2021**	**147,774**	**–**	**147,774**
	2020	–	–	–
Andrew Harmos	**2021**	**280,125**	**–**	**280,125**
	2020	269,619	–	269,619
Michael Ihlein	**2021**	**280,125**	**–**	**280,125**
	2020	269,619	–	269,619
Carolyn Kay	**2021**	**250,125**	**–**	**250,125**
	2020	239,619	–	239,619
Steven Leigh	**2021**	**250,125**	**–**	**250,125**
	2020	239,619	–	239,619
Guy Russo (appointed 1 September 2020)	**2021**	**210,125**	**–**	**210,125**
	2020	70,042	–	70,042
Margaret Seale(ii)	**2021**	**261,034**	**–**	**261,034**
	2020	279,619	–	279,619
Michael Wilkins (appointed 8 April 2020)	**2021**	**239,367**	**–**	**239,367**
	2020	143,108	–	143,108

(i) Ms Aliza Knox, a non-executive Director, retired from the Board on 8 April 2020. Ms Knox was also a member of the Human Resources Committee. In 2020, she received Directors' fees totalling $67,307.

(ii) Ms Seale was a member of both the Audit and Risk Committee and the Human Resources Committee until she retired from the Audit and Risk Committee on 8 April 2021.

07 ASIC Disclosures

7.1 Rounding

The Company is of a kind referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191.

Accordingly, the amounts shown in the Directors' Report, the Financial Statements and Notes to the Financial Statements have been rounded to the nearest tenth of a million dollars, unless otherwise indicated. Amounts shown as 0.0 represent amounts less than $50,000 that have been rounded down.

7.2 Synchronisation of financial year

Carindale Property Trust is a consolidated entity of the Company and has a financial year ending on 30 June. By an order dated 27 June 2005 made by the Australian Securities and Investments Commission, the Directors of the Company have been relieved from compliance with the requirement to ensure that the financial year of Carindale Property Trust coincides with the financial year of the Company.

08 ASX Listing

ASX reserves the right (but without limiting its absolute discretion) to remove Scentre Group Limited, Scentre Group Trust 1, Scentre Group Trust 2 and Scentre Group Trust 3 from the official list of the ASX if any of the shares or units comprising those stapled securities cease to be stapled together, or any equity securities are issued by a Scentre Group entity which are not stapled to the equivalent securities in the other entities.

This report is made in accordance with a resolution of the Board of Directors and is signed for and on behalf of the Directors.

Brian Schwartz AM
Chair

Michael Ihlein
Director

23 February 2022

EY
Building a better working world

Ernst & Young Centre
200 George Street
Sydney NSW 2000 Australia
GPO Box 2646 Sydney NSW 2001

Tel: +61 2 9248 5555
Fax: +61 2 9248 5959
www.ey.com/au

Independent Auditor's Report

To the members of Scentre Group Limited

Report on the audit of the financial report

Opinion

We have audited the financial report of Scentre Group Limited (the Company) and its subsidiaries (collectively the Group), which comprises the consolidated balance sheet as at 31 December 2021, the consolidated income statement, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

a. Giving a true and fair view of the consolidated financial position of the Group as at 31 December 2021 and of its consolidated financial performance for the year ended on that date; and

b. Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial report of the current year. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, but we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's responsibilities for the audit of the financial report* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial report. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial report.

1. Shopping Centre Investment Property Portfolio – Carrying values and revaluations

Why significant	How our audit addressed the key audit matter
The Group holds economic interests in shopping centre investment properties which are carried at a fair value of $34.4 billion at 31 December 2021. These include shopping centres recorded directly in the consolidated balance sheet as investment properties and indirectly through equity accounted investments, as disclosed in Note 2 of the financial report. Collectively they represent 94% of total assets. Fair values were determined by the Group at the end of the reporting period with reference to the latest external independent property valuations and market conditions existing at the reporting date. Changes in fair value are recognised in the income statement. We considered this to be a key audit matter as property valuations are based on certain assumptions, such as capitalisation rates, market rent, occupancy levels, re-leasing and capital expenditure, which are judgmental in nature. Some of these have been impacted by the COVID-19 pandemic. Minor changes in certain assumptions can lead to significant changes in the valuation. We draw attention to Notes 4 and 5 of the financial report which discloses the accounting policy for these assets and sensitivities to changes in the key assumptions (including any COVID-related assumptions) that may impact these valuations.	Our audit procedures included the following for both properties held directly and through equity accounted investments: • We discussed the following matters with management: – Movements in the Group's investment property portfolio; – Changes in the condition of each property, including an understanding of key developments and changes to development activities; and – The impact that COVID-19 has had on the Group's investment property portfolio including rental waivers and deferrals offered to tenants and tenant occupancy risk from changes in the estimated lease renewals. • We assessed the effectiveness of the Group's controls over the leasing process and associated schedule of tenancy reports, which are used as source data in the property valuations, by testing a sample of the relevant controls. • On a sample basis, we performed the following procedures on the assumptions adopted in the valuation: – We assessed net income, lease expiry and vacancy assumptions adopted against the schedule of tenancy reports, lease expiry profile and vacancy levels of the underlying asset; – We assessed the re-leasing and capital expenditure requirement assumptions in light of the current leasing status of the property; – Where available, we corroborated these assumptions to supporting lease documentation or external market data; and – Tested the mathematical accuracy of valuations. • We involved our real estate valuation specialists to assist with: – the assessment of capitalisation rates adopted across the portfolio; and – the review and assessment of the property valuations for a sample of properties based on size, geographical location and other property valuation specific risk factors. • We evaluated the suitability of the valuation methodology used across the portfolio. We considered the reports of independent valuers to gain an understanding of the assumptions and estimates used and the valuation methodology applied. This included the impact that COVID-19 has had on key assumptions such as the capitalisation, discount or growth rates and future forecast rentals. • Where relevant, we assessed the reasonableness of comparable transactions utilised by the Group in the valuation process. • We assessed the qualifications, competence and objectivity of the external valuers used by the Group. • We assessed the appropriateness of disclosures included in Notes 4 and 5 of the financial report.

2. Carrying value of trade debtors

Why significant	How our audit addressed the key audit matter
As at 31 December 2021, the Group held $491.3 million in trade debtors, and $305.7 million allowance for expected credit losses. Trade debtors primarily comprise amounts due from tenants of the Group's investment properties under lease agreements, less an allowance for expected credit losses. The Group applies Australian Accounting Standard – AASB 9 *Financial Instruments* in calculating the allowance for expected credit losses, applying a forward-looking expected loss impairment model. This involves significant judgement as the expected credit losses must reflect information about past events, current conditions and forecasts of future conditions. The recoverability of trade debtors is considered a key audit matter due to the value of uncollected rental income at 31 December 2021 and the significant judgement required in determining the allowance for expected credit losses. The continued uncertainty in the economic environment, combined with the protracted nature and uncertain outcome of rental assistance negotiations with tenants have contributed to significant estimation uncertainty in determining the allowance for expected credit losses at 31 December 2021. We draw attention to Note 3 of the financial report which describes the impact of the COVID-19 pandemic on trade debtors and the related allowance for expected credit losses and how this has been considered by the directors in the preparation of the financial report at 31 December 2021. The note discloses the accounting policy for the asset and related allowance for expected credit losses and sensitivities to changes in the key assumptions that may impact the provision in future periods.	Our audit procedures included the following: • Assessed the effectiveness of relevant controls in relation to tenant lease arrangements. • Tested the existence of trade debtors for a sample of tenant balances. • We assessed management's risk assessment of tenants across the portfolio and their expectation around future collections with reference to rental assistance arrangements agreed or under negotiation with tenants. We assessed the impact of such arrangements against broader debtor groups and reviewed cash collections after year end in assessing future collectability of trade debtor balances. • We assessed whether the methodology used in the determination of expected credit losses was consistent with the principles of AASB 9 and tested the accuracy of data and mathematical calculations within the model. • Evaluated the key assumptions applied in calculating expected credit losses for a sample of tenants. • We assessed whether forward-looking information as well as tenant related risk profiles were considered in the expected credit loss model. • We involved our valuation specialists to assist with reviewing the integrity of the model as well as the market assumptions adopted by management. • Assessed the adequacy of the Group's disclosures in relation to the valuation uncertainty of trade debtors included in the financial report, including the assumptions, estimations and judgements made in calculating the allowance for expected credit losses.

Information other than the financial report and auditor's report thereon

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 31 December 2021, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon, with the exception of the Remuneration Report and our related assurance opinion.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the financial report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated to the directors, we determine those matters that were of most significance in the audit of the financial report of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the audit of the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 34 to 62 of the Directors' Report for the year ended 31 December 2021.

In our opinion, the Remuneration Report of Scentre Group Limited for the year ended 31 December 2021, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Ernst & Young Megan Wilson

Ernst & Young

Megan Wilson
Partner

Sydney, 23 February 2022

Liability limited by a scheme approved under Professional Standards Legislation.

Financial Statements

Income Statement
For the year ended 31 December 2021

	Note	31 Dec 21 $million	31 Dec 20 $million
Revenue			
Property revenue		**1,985.1**	1,983.2
Property development and construction revenue		**240.9**	127.9
Property management income		**54.8**	51.2
		2,280.8	2,162.3
Expenses			
Property expenses, outgoings and other costs		**(468.4)**	(449.3)
Expected credit charge relating to COVID-19	3(b)	**(151.8)**	(272.0)
Property development and construction costs		**(217.1)**	(124.2)
Property management costs		**(10.0)**	(10.2)
Overheads		**(81.7)**	(77.2)
		(929.0)	(932.9)
Share of after tax profits/(loss) of equity accounted entities			
Property revenue		**226.1**	222.8
Property expenses, outgoings and other costs		**(58.6)**	(55.2)
Expected credit charge relating to COVID-19		**(17.0)**	(31.9)
Property revaluations		**(12.3)**	(423.4)
Tax expense		**(15.0)**	(6.8)
	6(a)	**123.2**	(294.5)
Interest income		**5.3**	6.3
Currency gain/(loss)	12	**(37.0)**	62.4
Financing costs	13	**(576.1)**	(919.3)
Capital costs relating to strategic initiatives		**(23.5)**	–
Property revaluations		**93.5**	(3,830.8)
Profit/(loss) before tax		**937.2**	(3,746.5)
Tax expense	7(a)	**(33.2)**	(25.5)
Profit/(loss) after tax for the period		**904.0**	(3,772.0)
Profit/(loss) after tax for the period attributable to:			
– Members of Scentre Group		**887.9**	(3,731.8)
– External non controlling interests		**16.1**	(40.2)
Profit/(loss) after tax for the period		**904.0**	(3,772.0)

	Note	31 Dec 21 cents	31 Dec 20 cents
Earnings/(loss) per stapled security attributable to members of Scentre Group			
– Basic earnings/(loss) per stapled security	11(a)	**17.13**	(71.92)
– Diluted earnings/(loss) per stapled security	11(a)	**17.07**	(71.92)

Statement of Comprehensive Income
For the year ended 31 December 2021

	31 Dec 21 $million	31 Dec 20 $million
Profit/(loss) after tax for the period	**904.0**	(3,772.0)
Other comprehensive income/(loss)		
Movement in foreign currency translation reserve [(i)]		
– Realised and unrealised differences on the translation of investment in foreign operations	**12.4**	(13.1)
Total comprehensive income/(loss) for the period	**916.4**	(3,785.1)
Total comprehensive income/(loss) attributable to:		
– Members of Scentre Group [(ii)]	**900.3**	(3,744.9)
– External non controlling interests	**16.1**	(40.2)
Total comprehensive income/(loss) for the period	**916.4**	(3,785.1)

(i) This may be subsequently transferred to the profit and loss. In relation to the foreign currency translation reserve, the portion relating to the foreign operations held by Scentre Group Trust 1 (SGT1), Scentre Group Trust 2 (SGT2) and Scentre Group Trust 3 (SGT3) may be transferred to the profit and loss depending on how the foreign operations are sold.

(ii) Total comprehensive income attributable to members of Scentre Group comprises $64.0 million (31 December 2020: $64.8 million) attributable to Scentre Group Limited (SGL) members and $836.3 million (31 December 2020: loss of $3,809.7 million) attributable to SGT1, SGT2 and SGT3 members.

Total comprehensive income attributable to members of SGT1, SGT2 and SGT3 consists of profit after tax for the period of $823.7 million (31 December 2020: loss of $3,797.7 million) and realised and unrealised gain on the translation of investment in foreign operations of $12.6 million (31 December 2020: loss of $12.0 million).

Balance Sheet
As at 31 December 2021

	Note	31 Dec 21 $million	31 Dec 20 $million
Current assets			
Cash and cash equivalents	14(a)	**978.7**	378.1
Short term deposits at bank	14(a)	**–**	2,222.8
Trade debtors	3	**167.3**	170.4
Receivables	3	**72.5**	48.1
Interest receivable		**169.5**	167.4
Derivative assets	17(a)	**2.8**	9.9
Other current assets		**75.0**	47.6
Total current assets		**1,465.8**	3,044.3
Non current assets			
Trade debtors	3	**3.2**	7.6
Investment properties	4	**31,490.9**	31,214.0
Equity accounted investments	6(b)	**2,803.0**	2,779.0
Derivative assets	17(a)	**659.6**	721.9
Plant, equipment and intangible assets		**42.4**	35.6
Deferred tax assets	7(b)	**44.2**	38.8
Right-of-use assets	31(a)	**68.3**	81.3
Other non current assets		**105.2**	130.2
Total non current assets		**35,216.8**	35,008.4
Total assets		**36,682.6**	38,052.7
Current liabilities			
Trade creditors		**269.4**	264.2
Payables and other creditors		**511.4**	489.2
Interest payable		**277.7**	293.7
Interest bearing liabilities			
– Senior borrowings	15	**884.9**	1,492.6
Other financial liabilities	16	**243.3**	240.2
Tax payable		**10.3**	17.8
Lease liabilities	31(b)	**13.2**	12.0
Derivative liabilities	17(b)	**47.2**	40.4
Total current liabilities		**2,257.4**	2,850.1
Non current liabilities			
Payables and other creditors		**26.0**	24.8
Interest bearing liabilities			
– Senior borrowings	15	**9,723.3**	10,288.6
– Subordinated notes	15	**4,133.9**	3,894.6
Other financial liabilities	16	**368.7**	372.5
Deferred tax liabilities	7(c)	**87.8**	89.4
Lease liabilities	31(b)	**106.2**	119.5
Derivative liabilities	17(b)	**804.7**	1,430.2
Total non current liabilities		**15,250.6**	16,219.6
Total liabilities		**17,508.0**	19,069.7
Net assets		**19,174.6**	18,983.0
Equity attributable to members of Scentre Group			
Contributed equity	18(b)	**9,990.8**	9,990.8
Reserves	19	**123.9**	104.1
Retained profits	20	**8,884.2**	8,722.1
Total equity attributable to members of Scentre Group		**18,998.9**	18,817.0
Equity attributable to external non controlling interests			
Contributed equity		**71.4**	70.3
Retained profits		**104.3**	95.7
Total equity attributable to external non controlling interests		**175.7**	166.0
Total equity		**19,174.6**	18,983.0

Statement of Changes in Equity
For the year ended 31 December 2021

	Note	Contributed Equity $million	Reserves $million	Retained Profits $million	31 Dec 21 Total $million	Contributed Equity $million	Reserves $million	Retained Profits $million	31 Dec 20 Total $million
Changes in equity attributable to members of Scentre Group									
Balance at the beginning of the period, as reported		**9,990.8**	**104.1**	**8,733.5**	**18,828.4**	10,164.0	118.3	13,056.3	23,338.6
– Impact of change in accounting policy [(i)]	1(f)	**–**	**–**	**(11.4)**	**(11.4)**	–	–	(11.4)	(11.4)
Adjusted balance at the beginning of the period		**9,990.8**	**104.1**	**8,722.1**	**18,817.0**	10,164.0	118.3	13,044.9	23,327.2
– Profit/(loss) after tax for the period [(ii)]		**–**	**–**	**887.9**	**887.9**	–	–	(3,731.8)	(3,731.8)
– Other comprehensive income/(loss) [(ii) (iii)]	19(b)	**–**	**12.4**	**–**	**12.4**	–	(13.1)	–	(13.1)
Transactions with owners in their capacity as owners									
– Movement in contributed equity [(iv)]	18(b)	**–**	**–**	**–**	**–**	(173.2)	–	–	(173.2)
– Movement in employee share plan benefits reserve	19(c)	**–**	**7.4**	**–**	**7.4**	–	(1.1)	–	(1.1)
– Dividends/distributions paid or provided for	9(b)	**–**	**–**	**(725.8)**	**(725.8)**	–	–	(591.0)	(591.0)
Closing balance of equity attributable to members of Scentre Group		**9,990.8**	**123.9**	**8,884.2**	**18,998.9**	9,990.8	104.1	8,722.1	18,817.0
Changes in equity attributable to external non controlling interests									
Balance at the beginning of the period		**70.3**	**–**	**95.7**	**166.0**	70.3	–	139.0	209.3
– Profit/(loss) after tax for the period attributable to external non controlling interests [(ii)]		**–**	**–**	**16.1**	**16.1**	–	–	(40.2)	(40.2)
– Distributions paid or provided for		**–**	**–**	**(6.3)**	**(6.3)**	–	–	(3.1)	(3.1)
– Increase/(decrease) in external non controlling interest		**1.1**	**–**	**(1.2)**	**(0.1)**	–	–	–	–
Closing balance of equity attributable to external non controlling interests		**71.4**	**–**	**104.3**	**175.7**	70.3	–	95.7	166.0
Total equity		**10,062.2**	**123.9**	**8,988.5**	**19,174.6**	10,061.1	104.1	8,817.8	18,983.0

(i) The Group has adopted the International Financial Reporting Standards Interpretation Committee's (IFRIC) final agenda decision on accounting for configuration or customisation costs in a cloud computing arrangement (refer to Note 1(f)). This change in accounting policy has been applied retrospectively resulting in a charge to retained profits as at 1 January 2020 of $11.4 million.

(ii) Total comprehensive income for the period amounts to $916.4 million (31 December 2020: loss of $3,785.1 million).

(iii) Movement in reserves attributable to members of SGT1, SGT2 and SGT3 comprises realised and unrealised gain on the translation of investment in foreign operations of $12.6 million (31 December 2020: loss of $12.0 million).

(iv) Movement in contributed equity for the year ended 31 December 2020 comprises the buy-back and cancellation of securities and associated costs of $174.9 million, offset by the impact of securities transferred to employees and which were previously held by the Scentre Executive Option Plan Trust of $1.7 million.

Cash Flow Statement
For the year ended 31 December 2021

	Note	31 Dec 21 $million	31 Dec 20 $million
Cash flows from operating activities			
Receipts in the course of operations (including Goods and Services Tax (GST))		**2,448.5**	2,136.0
Payments in the course of operations (including GST)		**(775.0)**	(684.3)
Dividends/distributions received from equity accounted entities		**80.4**	58.8
Net operating cash flows retained by equity accounted entities		**26.4**	48.1
Income and withholding taxes paid		**(45.7)**	(24.1)
GST paid		**(190.0)**	(207.9)
Payments of financing costs (excluding financing costs capitalised)		**(636.3)**	(600.2)
Interest received		**5.3**	6.3
Net cash inflow from operating activities – proportionate [i]		**913.6**	732.7
Less: net operating cash flows retained by equity accounted entities		**(26.4)**	(48.1)
Net cash inflow from operating activities	14(b)	**887.2**	684.6
Cash flows from investing activities			
Capital expenditure		**(277.2)**	(274.6)
Payments relating to the sale of assets		**(5.9)**	(9.1)
Net outflows for investments in equity accounted entities		**(16.1)**	(33.8)
Payments for plant, equipment and intangible assets		**(23.8)**	(21.4)
Financing costs capitalised to qualifying development projects and construction in progress		**(19.0)**	(17.7)
Net cash outflow from investing activities		**(342.0)**	(356.6)
Cash flows from financing activities			
Buy-back of securities and associated costs		**–**	(174.9)
Proceeds from the issuance of subordinated notes	14(c)	**–**	4,109.6
Cancellation of derivatives following the issuance of subordinated notes		**(38.1)**	(204.3)
Inflows from/(outflows for) short term deposits at bank	14(c)	**2,218.0**	(2,218.0)
Net repayment of senior borrowings	14(c)	**(1,381.4)**	(1,107.8)
Net repayment of lease liabilities		**(11.9)**	(10.8)
Dividends/distributions paid		**(725.8)**	(591.0)
Distributions paid by controlled entities to external non controlling interests		**(5.5)**	(4.7)
Net cash inflow/(outflow) from financing activities		**55.3**	(201.9)
Net increase in cash and cash equivalents held		**600.5**	126.1
Add opening cash and cash equivalents brought forward		**378.1**	253.0
Effects of exchange rate changes on cash and cash equivalents		**0.1**	(1.0)
Cash and cash equivalents at the end of the period [ii]	14(a)	**978.7**	378.1

[i] Proportionate cash flows from operating activities includes operating cash flows from consolidated and equity accounted entities.

[ii] Cash and cash equivalents comprise cash of $978.7 million (31 December 2020: $378.1 million) net of bank overdraft of nil (31 December 2020: nil).

Index of Notes to the Financial Statements
For the year ended 31 December 2021

Notes to the Financial Statements

For the year ended 31 December 2021

Note 1 Basis of preparation of the Financial Report

(a) Corporate information

This financial report of Scentre Group (Group), comprising Scentre Group Limited (Parent Company) and its controlled entities, for the year ended 31 December 2021 was approved in accordance with a resolution of the Board of Directors of the Parent Company.

The nature of the operations and principal activities of the Group are described in the Directors' Report.

(b) Accounting for the Group

Scentre Group was established on 30 June 2014 by the stapling of securities of each of the Parent Company, Scentre Group Trust 1 (SGT1), Scentre Group Trust 2 (SGT2) and Scentre Group Trust 3 (SGT3). The securities trade as one security on the Australian Securities Exchange (ASX) under the code SCG. The stapling transaction is referred to as the "Merger".

As a result of the securities being stapled and therefore cannot be traded separately, this financial report has been prepared based on a business combination of the Parent Company, SGT1, SGT2 and SGT3. The Parent Company for accounting purposes has control of SGT1, SGT2 and SGT3 and accordingly consolidates SGT1, SGT2 and SGT3 and their respective controlled entities.

(c) Impact of the COVID-19 pandemic

On 11 March 2020, the World Health Organisation declared the outbreak of the COVID-19 virus a pandemic. Both Australia and New Zealand experienced an outbreak of the virus, and the governments of both countries implemented a number of measures, including significant restrictions on people movement and activity. Since March 2020, varying levels of government restrictions have applied to different regions in Australia and New Zealand.

Additional disclosures relating to the impact of the ongoing COVID-19 pandemic on the Group's operations and financial performance are discussed in Note 3: Trade debtors and receivables, Note 5: Details of shopping centre investments and in section 1 Operating and Financial Review in the Directors' Report.

(d) Going concern

This financial report has been prepared on a going concern basis. In making this assessment, the Directors have considered:

- the Group's ability to meet its financial obligations over the next twelve months, using cash flow sensitivity analysis and having regard to debt maturities, funding requirements, operating cash earnings and available financing facilities. At 31 December 2021, $5.6 billion (31 December 2020: $6.9 billion) of financing resources were available to the Group which are sufficient to cover short term liabilities; and
- the Group's ability to meet its financial covenants over the next twelve months, assuming various scenarios for the potential impact of the COVID-19 pandemic.

(e) Basis of accounting

This financial report is a general purpose financial report, which has been prepared in accordance with the requirements of the Corporations Act 2001 (Corporations Act), Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board. This financial report has also been prepared on a historical cost basis, except for investment properties, investment properties within equity accounted investments, derivative financial instruments, financial assets at fair value through profit and loss and other financial liabilities.

This financial report is presented in Australian dollars.

Note 1 Basis of preparation of the Financial Report (continued)

(f) Statement of compliance

This financial report complies with Australian Accounting Standards and International Financial Reporting Standards issued by the International Accounting Standards Board. The accounting policies adopted are consistent with those of the previous financial year except that the Group has adopted the following new or amended standards which became applicable on 1 January 2021:

- AASB 2020-8 Amendments to Australian Accounting Standards – Interest Rate Benchmark Reform Phase 2

  This standard amends AASB 9 Financial Instruments, AASB 139 Financial Instruments: Recognition and Measurement, AASB 7 Financial Instruments: Disclosures, AASB 4 Insurance Contracts and AASB 16 Leases to address issues that arise during the reform of an interest rate benchmark (IBOR), including the replacement of one benchmark with an alternative one. A number of temporary reliefs are provided for hedging relationships that are directly affected by the interest rate benchmark reform. These amendments have no impact on the consolidated financial statements as the Group does not have any interest rate hedge relationships nor exposures to interest rates that are dependent on IBORs to be replaced.

  The Group continues to monitor the transition of certain IBORs to alternative benchmark rates. Any impact on the valuation of derivative financial instruments is expected to be immaterial.

- Configuration or Customisation Costs in a Cloud Computing Arrangement

  In April 2021, the International Financial Reporting Standards Interpretation Committee (IFRIC) issued a final agenda decision on accounting for configuration or customisation costs incurred in cloud computing or Software as a Service (SaaS) arrangements.

  IFRIC concluded that in a SaaS arrangement where the customer does not recognise an intangible asset because it does not control the software being configured or customised, it follows that configuration or customisation activities do not create an asset controlled by the customer that is separate from the software. In which case, an intangible asset is not recognised in relation to the configuration or customisation of the software and such costs are recognised as an expense as services are received.

  An exception to the above treatment would be where the arrangement results in, for example, additional code from which the customer has the power to obtain future economic benefits and to restrict others' access to those benefits. In which case, the additional code is recognised as an intangible asset where it is identifiable and meets the recognition criteria in AASB 138 Intangible Assets.

  Impact of adoption

  In previous reporting periods, the Group has capitalised software configuration and customisation costs where future economic benefits are expected to be derived from its use. These costs were recognised as intangible assets and from the point at which the asset was ready for use, were amortised on a straight-line basis over their estimated useful life.

  In 2021, the Group has adopted the IFRIC agenda decision on accounting for configuration or customisation costs incurred in cloud computing arrangements, resulting in such costs being recognised as an expense as services are received. This change in accounting policy has been applied retrospectively and the prior period comparative amounts restated, resulting in: (i) a charge to retained profits of $11.4 million as at 1 January 2020; (ii) a decrease in plant, equipment and intangible assets of $16.2 million and an increase in deferred tax assets of $4.8 million as at 31 December 2020.

Certain Australian Accounting Standards and Interpretations have recently been issued or amended but are not yet effective and have not been adopted by the Group for the year ended 31 December 2021. The impact of these new standards or amendments to the standards and interpretations (to the extent relevant to the Group) is as follows:

- AASB 2021-3 Amendments to Australian Accounting Standards – COVID-19 Related Rent Concessions beyond 30 June 2021 (effective for annual reporting periods beginning on or after 1 April 2021)

  This amends AASB 16 Leases to extend the availability of the practical expedient for lessees to not account for COVID-19 related rent concessions as lease modifications by one year. This amendment is not expected to have a significant impact on the financial statements on application.

Note 1 Basis of preparation of the Financial Report (continued)

(f) Statement of compliance (continued)

- AASB 2014-10 Amendments to Australian Accounting Standards – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (effective from 1 January 2025)

  This amends AASB 10 Consolidated Financial Statements and AASB 128 Investments in Associates and Joint Ventures to address an inconsistency between the requirements of AASB 10 and AASB 128 in dealing with the sale or contribution of assets between an investor and its associate or joint venture. This amendment is not expected to have a significant impact on the financial statements on application.

- AASB 2020-3 Amendments to Australian Accounting Standards – Annual Improvements 2018-2020 and Other Amendments (effective from 1 January 2022)

  This amends (to the extent relevant to the Group):

  (i) AASB 9 Financial Instruments to clarify the fees an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability;

  (ii) AASB 3 Business Combinations to update a reference to the Conceptual Framework for Financial Reporting without changing the accounting requirements for business combinations; and

  (iii) AASB 137 Provisions, Contingent Liabilities and Contingent Assets to specify the costs that an entity includes when assessing whether a contract will be loss-making.

  These amendments are not expected to have a significant impact on the financial statements on application.

- AASB 2020-1 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Noncurrent (effective from 1 January 2023)

  This amends AASB 101 Presentation of Financial Statements to clarify the requirements for classifying liabilities as current or non current. This amendment is not expected to have a significant impact on the financial statements on application.

- AASB 2021-5 Amendments to Australian Accounting Standards – Deferred Tax related to Assets and Liabilities arising from a Single Transaction (effective from 1 January 2023)

  This amends AASB 112 Income Taxes to clarify the accounting for deferred tax on transactions that at the time of the transaction give rise to equal taxable and deductible temporary differences. This amendment is not expected to have a significant impact on the financial statements on application.

- AASB 2021-2 Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates (effective from 1 January 2023)

  This amends:

  (i) AASB 7 Financial Instruments: Disclosures, to clarify that information about measurement bases for financial instruments is expected to be material to an entity's financial statements;

  (ii) AASB 101 Presentation of Financial Statements, to require entities to disclose their material accounting policy information rather than their significant accounting policies;

  (iii) AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors, to clarify how entities should distinguish changes in accounting policies and changes in accounting estimates;

  (iv) AASB 134 Interim Financial Reporting, to identify material accounting policy information as a component of a complete set of financial statements; and

  (v) AASB Practice Statement 2 Making Materiality Judgements, to provide guidance on how to apply the concept of materiality to accounting policy disclosures.

  These amendments are not expected to have a significant financial impact on the financial statements on application.

Note 1 Basis of preparation of the Financial Report (continued)

(g) Significant accounting judgements, estimates and assumptions

The preparation of this financial report requires management to make judgements, estimates and assumptions. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements and estimates on historical experience and various other factors it believes to be reasonable under the circumstances, the results of which form the basis of the carrying values of assets and liabilities that are not readily apparent from other sources.

Further details of judgements, estimates and assumptions applied may be found in the relevant notes to the financial statements, in particular, Note 2: Segment reporting, Note 3: Trade debtors and receivables, Note 4: Investment properties, Note 5: Details of shopping centre investments and Note 28: Fair value of financial assets and liabilities.

At 31 December 2021, uncertainties remain over the potential economic impact of the ongoing COVID-19 pandemic. Accordingly, actual results may differ from these estimates under different assumptions and conditions and may materially affect the Group's financial results or its financial position in future periods.

(h) Comparative information

Where applicable, certain comparative figures are restated in order to comply with the current period's presentation of the financial statements.

(i) Rounding

In accordance with ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191, the amounts shown in this financial report have been rounded to the nearest tenth of a million dollars, unless otherwise indicated. Amounts shown as 0.0 represent amounts less than $50,000 that have been rounded down.

Note 2 Segment reporting

The Group's operational segments comprise the property investment and property management and construction segments.

(a) Property investments

Property investments segment includes net property income from shopping centres. A geographic analysis of net property investment income is also provided.

(b) Property management and construction

Property management and construction segment includes external fee income from third parties, primarily property management and development fees, and associated business expenses.

The Group's operating segment income and expenses as well as the details of segment assets have been prepared on a proportionate format. The proportionate format presents the net income from and net assets in equity accounted properties on a gross format whereby the underlying components of net income and net assets are disclosed separately as revenues and expenses, assets and liabilities. The Group's liabilities are managed on a consolidated basis rather than by operational segments.

The proportionate format is used by management in assessing and understanding the performance and results of operations of the Group as it allows management to observe and analyse revenue and expense results and trends on a portfolio-wide basis. The assets underlying both the consolidated and the equity accounted components of the statutory income statement are similar (that is, Australian and New Zealand shopping centres), all centres are under common management and therefore the drivers of their results are similar. Accordingly, management considers that the proportionate format provides a more useful way to understand the performance of the portfolio as a whole than the statutory format.

Note 2 Segment reporting (continued)

(i) Operating segment information

	Property investment $million	Property management and construction $million	31 Dec 21 $million	Property investment $million	Property management and construction $million	31 Dec 20 $million
Revenue						
Property revenue	**2,211.2**	**–**	**2,211.2**	2,206.0	–	2,206.0
Property development and construction revenue	**–**	**240.9**	**240.9**	–	127.9	127.9
Property management income	**–**	**54.8**	**54.8**	–	51.2	51.2
	2,211.2	**295.7**	**2,506.9**	2,206.0	179.1	2,385.1
Expenses						
Property expenses, outgoings and other costs	**(527.0)**	**–**	**(527.0)**	(504.5)	–	(504.5)
Expected credit charge relating to COVID-19	**(168.8)**	**–**	**(168.8)**	(303.9)	–	(303.9)
Property development and construction costs	**–**	**(217.1)**	**(217.1)**	–	(124.2)	(124.2)
Property management costs	**–**	**(10.0)**	**(10.0)**	–	(10.2)	(10.2)
	(695.8)	**(227.1)**	**(922.9)**	(808.4)	(134.4)	(942.8)
Segment income and expenses	**1,515.4**	**68.6**	**1,584.0**	1,397.6	44.7	1,442.3
Shopping centre investments	**33,833.4**	**–**	**33,833.4**	33,558.8	–	33,558.8
Development projects and construction in progress	**616.0**	**–**	**616.0**	554.4	–	554.4
Segment assets [i]	**34,449.4**	**–**	**34,449.4**	34,113.2	–	34,113.2

[i] Includes equity accounted segment assets of $2,958.5 million (31 December 2020: $2,899.2 million).

(ii) Geographic information – Total revenue

	Australia $million	New Zealand $million	31 Dec 21 $million	Australia $million	New Zealand $million	31 Dec 20 $million
Property revenue [i]	**2,088.3**	**122.9**	**2,211.2**	2,087.5	118.5	2,206.0
Property development and construction revenue [ii]	**204.1**	**36.8**	**240.9**	98.6	29.3	127.9
Property management income	**49.4**	**5.4**	**54.8**	45.9	5.3	51.2
Total revenue	**2,341.8**	**165.1**	**2,506.9**	2,232.0	153.1	2,385.1

[i] Includes recoveries of outgoings from lessees of $206.6 million (31 December 2020: $213.9 million).

[ii] Property development and construction revenue recognised during the year that was included in the contract liability balance (presented in current payables and other creditors on the balance sheet) at the beginning of the year, amounted to $15.3 million (31 December 2020: $35.0 million). No amounts were recognised during the current year that relate to performance obligations satisfied or partially satisfied in previous periods (31 December 2020: nil).

Receivables and contract liabilities from contracts with customers

As at 31 December 2021, receivables from contracts with customers amounted to $22.9 million (31 December 2020: $17.9 million) and contract liabilities from contracts with customers amounted to $63.7 million (31 December 2020: $50.3 million).

Transaction price allocated to the remaining performance obligations

As at 31 December 2021, the aggregate amount of the transaction price allocated to remaining performance obligations is $431.3 million (31 December 2020: $107.4 million). The Group will recognise this as revenue as property development and construction projects are completed, which is expected to occur over the next 6-24 months. These amounts do not include contracts that have an expected duration of one year or less and any portion of the transaction price that is variable and constrained.

Note 2 Segment reporting (continued)

(iii) Geographic information – Net property income

	Australia $million	New Zealand $million	31 Dec 21 $million	Australia $million	New Zealand $million	31 Dec 20 $million
Shopping centre base rent and other property income	**2,144.5**	**125.0**	**2,269.5**	2,142.5	119.8	2,262.3
Amortisation of tenant allowances	**(63.1)**	**(3.4)**	**(66.5)**	(65.6)	(3.0)	(68.6)
Straightlining of rent	**6.9**	**1.3**	**8.2**	10.6	1.7	12.3
Property revenue	**2,088.3**	**122.9**	**2,211.2**	2,087.5	118.5	2,206.0
Property expenses, outgoings and other costs	**(494.5)**	**(32.5)**	**(527.0)**	(475.6)	(28.9)	(504.5)
Expected credit charge relating to COVID-19	**(160.3)**	**(8.5)**	**(168.8)**	(290.3)	(13.6)	(303.9)
Net property income	**1,433.5**	**81.9**	**1,515.4**	1,321.6	76.0	1,397.6

(iv) Geographic information – Non current assets

	Australia $million	New Zealand $million	31 Dec 21 $million	Australia $million	New Zealand $million	31 Dec 20 $million
Non current assets	**32,936.5**	**1,451.0**	**34,387.5**	32,658.3	1,440.8	34,099.1
Group non current assets			**829.3**			909.3
Total non current assets			**35,216.8**			35,008.4
Additions to segment non current assets during the period [i]	**264.6**	**36.2**	**300.8**	233.7	26.4	260.1

[i] Additions are net of amortisation of tenant allowances of $66.5 million (31 December 2020: $68.6 million).

Note 2 Segment reporting (continued)

(v) Reconciliation of segment information

The Group's operating segment income and expenses as well as the details of segment assets have been prepared on a proportionate format. The composition of the Group's consolidated and equity accounted details are provided below:

	Consolidated $million	Equity Accounted $million	31 Dec 21 $million	Consolidated $million	Equity Accounted $million	31 Dec 20 $million
Revenue						
Property revenue	**1,985.1**	**226.1**	**2,211.2**	1,983.2	222.8	2,206.0
Property development and construction revenue	**240.9**	**–**	**240.9**	127.9	–	127.9
Property management income	**54.8**	**–**	**54.8**	51.2	–	51.2
	2,280.8	**226.1**	**2,506.9**	2,162.3	222.8	2,385.1
Expenses						
Property expenses, outgoings and other costs	**(468.4)**	**(58.6)**	**(527.0)**	(449.3)	(55.2)	(504.5)
Expected credit charge relating to COVID-19	**(151.8)**	**(17.0)**	**(168.8)**	(272.0)	(31.9)	(303.9)
Property development and construction costs	**(217.1)**	**–**	**(217.1)**	(124.2)	–	(124.2)
Property management costs	**(10.0)**	**–**	**(10.0)**	(10.2)	–	(10.2)
	(847.3)	**(75.6)**	**(922.9)**	(855.7)	(87.1)	(942.8)
Segment income and expenses	**1,433.5**	**150.5**	**1,584.0**	1,306.6	135.7	1,442.3
Overheads			**(81.7)**			(77.2)
Interest income			**5.4**			6.4
Currency gain/(loss)			**(37.0)**			62.4
Financing costs						
– Net fair value movement and modification gain/(loss)			**66.1**			(301.5)
– Other financial liabilities and lease liabilities			**(30.9)**			(30.3)
– Senior borrowings			**(430.0)**			(549.8)
– Subordinated notes coupon			**(200.4)**			(55.5)
– Interest capitalised			**19.0**			17.7
			(576.2)			(919.4)
Capital costs relating to strategic initiatives			**(23.5)**			–
Property revaluations			**81.2**			(4,254.2)
Tax expense – current			**(51.6)**			(36.7)
Tax benefit – deferred			**3.4**			4.4
External non controlling interests			**(16.1)**			40.2
Net profit/(loss) attributable to members of the Group [(i)]			**887.9**			(3,731.8)

[(i)] Net profit attributable to members of the Group was $887.9 million (31 December 2020: loss of $3,731.8 million). Net profit after tax for the year which includes profit attributable to external non controlling interests of $16.1 million (31 December 2020: loss of $40.2 million) was $904.0 million (31 December 2020: loss of $3,772.0 million).

Note 2 Segment reporting (continued)

(v) Reconciliation of segment information

	Consolidated $million	Equity Accounted $million	31 Dec 21 $million	Consolidated $million	Equity Accounted $million	31 Dec 20 $million
Shopping centre investments	**30,953.6**	**2,879.8**	**33,833.4**	30,729.6	2,829.2	33,558.8
Development projects and construction in progress	**537.3**	**78.7**	**616.0**	484.4	70.0	554.4
Segment assets	**31,490.9**	**2,958.5**	**34,449.4**	31,214.0	2,899.2	34,113.2
Cash and cash equivalents	**978.7**	**10.2**	**988.9**	378.1	26.7	404.8
Short term deposits at bank	**–**	**–**	**–**	2,222.8	–	2,222.8
Trade debtors and receivables						
– Trade debtors	**446.8**	**44.5**	**491.3**	433.6	41.9	475.5
– Receivables	**86.2**	**2.3**	**88.5**	57.7	1.6	59.3
Expected credit loss allowance						
– Trade debtors	**(276.3)**	**(29.4)**	**(305.7)**	(255.6)	(26.8)	(282.4)
– Receivables	**(13.7)**	**(0.4)**	**(14.1)**	(9.6)	–	(9.6)
Deferred tax assets	**44.2**	**3.8**	**48.0**	38.8	1.5	40.3
Receivables on currency derivatives hedging						
– NZ$ net assets	**–**	**–**	**–**	7.5	–	7.5
– Senior borrowings	**375.7**	**–**	**375.7**	297.8	–	297.8
– Subordinated notes [(i)]	**24.3**	**–**	**24.3**	–	–	–
Other assets	**722.8**	**0.5**	**723.3**	888.6	0.4	889.0
Total assets	**33,879.6**	**2,990.0**	**36,869.6**	35,273.7	2,944.5	38,218.2
Interest bearing liabilities						
– Senior borrowings	**10,608.2**	**–**	**10,608.2**	11,781.2	–	11,781.2
– Subordinated notes [(i)]	**4,133.9**	**–**	**4,133.9**	3,894.6	–	3,894.6
Lease liabilities	**119.4**	**0.3**	**119.7**	131.5	0.4	131.9
Other financial liabilities	**612.0**	**–**	**612.0**	612.7	–	612.7
Deferred tax liabilities	**87.8**	**87.3**	**175.1**	89.4	80.9	170.3
Payables on currency derivatives hedging						
– NZ$ net assets	**–**	**–**	**–**	5.9	–	5.9
– Senior borrowings	**288.4**	**–**	**288.4**	399.6	–	399.6
– Subordinated notes [(i)]	**–**	**–**	**–**	215.0	–	215.0
Other liabilities	**1,658.3**	**99.4**	**1,757.7**	1,939.8	84.2	2,024.0
Total liabilities	**17,508.0**	**187.0**	**17,695.0**	19,069.7	165.5	19,235.2
Net assets	**16,371.6**	**2,803.0**	**19,174.6**	16,204.0	2,779.0	18,983.0

[(i)] The hedged value of the US$ subordinated 60-year notes was $4,109.6 million (31 December 2020: $4,109.6 million) comprising notes of $4,133.9 million (31 December 2020: $3,894.6 million) translated at the year end rate of 0.7257 (31 December 2020: 0.7703) and the net fair value receivable on currency derivatives of $24.3 million (31 December 2020: payable of $215.0 million).

Note 2 Segment reporting (continued)

Accounting Policies

Revenue recognition

Leases

Rental income from investment properties is accounted for on a straight-line basis over the lease term. Contingent rental income is recognised as income in the period in which it is earned. If not received at balance date, revenue is reflected on the balance sheet as a receivable and carried at its recoverable amount.

Certain tenant allowances that are classified as lease incentives are recorded as part of investment properties and amortised over the term of the lease. The amortisation is recorded against property revenue.

Impact of the COVID-19 pandemic

In 2021 and 2020, temporary lease arrangements which included rent abatements, were negotiated with tenants to assist with their cash flow issues due to the impact of the COVID-19 pandemic.

When an agreement is legally executed, rent abated that relates to past occupancy is recognised as an expense in the income statement and rent abated that relates to future occupancy is accounted for as a lease modification and recognised on a straight-line basis over the remaining term of the lease.

When an agreement has not been legally executed at balance date, rental income is recognised on a straight-line basis in accordance with the terms of the original lease. However, an allowance for expected credit loss is recognised against outstanding trade debtors based on management's expectations of the level of rental abatements that will be provided to tenants for the period up to the end of the financial year. Refer to Note 3 for further details of judgements, estimates and assumptions used by management in assessing the expected credit loss allowance.

Revenue from contracts with customers

Revenue from contracts with customers is recognised when control of the goods and services are transferred to the customer, at an amount that reflects the consideration the Group expects to receive in exchange for those goods or services.

Property development and construction revenue comprises Construction, Design and Development fees earned from Design and Construction Agreements (D&C Agreements) with third parties.

The Group accounts for all services provided under the D&C Agreements as a single performance obligation, the services being part of a series of distinct goods and services that are substantially integrated with the same pattern of transfer, and revenue is recognised based on the percentage of completion for that single performance obligation. Percentage of completion is determined based on the proportion of contract costs incurred to date and the estimated contract costs to complete. Accordingly, significant judgments and estimates are made in determining (i) variable consideration which may be included in the transaction price; (ii) costs incurred to date that reflects the Group's progress in satisfying its performance obligations under the contract; and (iii) the total contract costs.

Differences between amounts recognised as revenue and amounts billed to customers are recognised as contract assets or liabilities on the balance sheet. Progress billings to customers include charges for work completed, materials and/or goods delivered (which may include uninstalled materials and/or goods) or expenditure incurred. Amounts billed to customers are usually due within 10 days.

Property management revenue from third parties is recognised as services are provided.

Recoveries of outgoings from lessees are recognised as services are provided.

Revenue from the sale of properties is recognised when the buyer obtains control of the asset. Control is transferred when the buyer has the ability to direct the use of and substantially obtain the economic benefits from the asset.

All other revenues are recognised as services are provided.

Expenses

Costs to obtain or fulfil a contract with customers

The Group recognises as an asset the incremental costs of obtaining a contract with a customer and all costs of fulfilling a contract, if the Group expects to recover those costs. Capitalised costs are amortised, with the expense recognised on a systematic basis that depicts the transfer of goods and services to customers. An impairment loss is recognised if the carrying amount of the asset exceeds the remaining amount of consideration the Group expects to receive less costs that have not yet been recognised as expenses.

All other expenses are brought to account on an accruals basis.

Note 3 Trade debtors and receivables

	31 Dec 21 $million	31 Dec 20 $million
Current		
Trade debtors	**167.3**	170.4
Receivables	**72.5**	48.1
	239.8	218.5
Non current		
Trade debtors	**3.2**	7.6
	3.2	7.6
Total trade debtors and receivables	**243.0**	226.1

(a) Trade debtors and receivables comprise:

	31 Dec 21 $million	31 Dec 20 $million
Trade debtors	**446.8**	433.6
Other receivables	**86.2**	57.7
	533.0	491.3
Expected credit loss allowance	**(290.0)**	(265.2)
Total trade debtors and receivables	**243.0**	226.1

(b) Movement in expected credit loss allowance

	31 Dec 21 $million	31 Dec 20 $million
Balance at the beginning of the year	**(265.2)**	(23.0)
Expected credit charge relating to COVID-19	**(151.8)**	(272.0)
Amounts written-off relating to COVID-19	**115.6**	15.7
Other decreases in expected credit loss	**11.4**	14.1
Balance at the end of the year	**(290.0)**	(265.2)

Impact of the COVID-19 pandemic

The first half of 2021 has seen the broader Australian and New Zealand economies rebound as government restrictions on people movement and activity were eased. Outbreaks in the second half of 2021 resulted in several Australian states, the Australian Capital Territory and New Zealand reimposing lockdown restrictions. Overall, consolidated gross cash inflow from operating activities in the twelve months to 31 December 2021 increased 15% compared to the previous corresponding period. As the COVID-19 pandemic is ongoing, uncertainties remain over its extent, duration and consequential economic and business impacts which affected management's ability to reliably determine key judgements, estimates and assumptions used in determining expected credit loss. The expected credit loss allowance is based on available information pertaining to conditions that existed at balance date.

Note 3 Trade debtors and receivables (continued)

In April 2020, the Australian Government issued the Code of Conduct for small to medium sized retailers, which mandated a framework for temporary lease arrangements to reduce cash rent in proportion to the retailers' revenue impact during the pandemic period. Since the pandemic started, various governments in Australia have extended and/or amended legislated COVID-19 rent relief schemes for commercial tenants to provide further financial assistance. New Zealand does not have an equivalent code of conduct, however the Group has implemented similar principles in that market with respect to small to medium sized retailers. The Group has also worked with retail partners that are not subject to the code on a case-by-case basis to determine appropriate ways to assist with their cash flow issues. Legislated COVID-19 rent relief schemes expired in Queensland in December 2020, South Australia and Australian Capital Territory in January 2021 and in New South Wales, Victoria and Western Australia in March 2021. In the second half of 2021, rent relief schemes were reinstated in Victoria and New South Wales to apply until March 2022, and in the Australian Capital Territory which applied until December 2021.

The expected credit charge relating to COVID-19 is solely related to the COVID-19 pandemic and has been separately disclosed in the income statement to highlight its significant impact on the Group's financial performance. The charge reflects the expected rental abatements and the additional credit risk associated with tenants. The expected rental abatements are based on management's expectations of the level of rental abatements that will be provided to tenants. The level of expected rental abatements has been determined after discussions and agreements with tenants. Where abatements have not been agreed with tenants, estimates have been made giving reference to outcomes with similar retailers.

For trade debtors and receivables outstanding at balance date in excess of the expected rental abatements, management have assessed that there is an increased level of credit risk on the collection of these balances. Rather than primarily applying historical loss rates, the assumptions used in estimating lifetime expected credit loss include the following:

- the extent and duration of the pandemic;
- the effectiveness of government policies in response to the pandemic;
- the credit quality of tenants based on shared credit risk characteristics (e.g. size, industry, aging);
- future economic conditions which are based on forward looking information such as economic growth and inflation; and
- consumer and business sentiment.

In determining the expected credit loss allowance, management has taken into account security deposits received from tenants generally in the form of bank guarantees, which can be called upon if the tenant is in default under the terms of the lease contract. Trade debtors also include GST which is fully recoverable from the relevant tax authorities where the debt is not collected and therefore the GST amount is excluded from the loss allowance.

Trade debtors and receivables written-off include rent abated relating to past occupancy that is part of rent relief arrangements with tenants applicable to the COVID-19 pandemic period.

At 31 December 2021, approximately 74% of trade debtors are aged greater than 90 days and the expected credit loss allowance is 62% of trade debtors. An increase or decrease of 5% in the expected credit loss rate (after adjusting for GST and bank guarantees) would result in an increase or decrease in expected credit loss allowance of $16.2 million respectively. At 31 December 2020, approximately 80% of trade debtors are aged greater than 90 days and the expected credit loss allowance is 59% of trade debtors. An increase or decrease of 5% in the expected credit loss rate (after adjusting for GST and bank guarantees) would result in an increase or decrease in expected credit loss allowance of $15.0 million respectively.

Note 3 Trade debtors and receivables (continued)

Accounting Policies

Trade debtors and receivables

Trade debtors and receivables are held to collect contractual cash flows and these contractual cash flows are solely payments of principal and interest. At initial recognition, these are measured at fair value.

Trade debtors and receivables are subsequently measured at amortised cost using the effective interest rate method, reduced by impairment losses. Interest income and impairment losses are recognised in the income statement. The receivable is written off when there is no reasonable expectation of recovering the contractual cash flows such as when all legal avenues for debt recovery have been exhausted, and when rent is waived as part of the COVID-19 rent relief negotiations. Any gain or loss on derecognition is also recognised in the income statement.

In assessing for impairment, the Group assesses on a forward-looking basis the expected credit losses associated with its financial assets carried at amortised cost. For trade debtors and receivables, the Group applies the simplified approach, which requires lifetime expected losses to be recognised from initial recognition of the receivables.

In measuring the expected credit loss, trade debtors and receivables have been grouped based on shared credit risk characteristics (e.g. size and industry) and the days past due. The expected loss rates are determined based on days past the due date and the historical credit losses experienced. Historical loss rates are adjusted to reflect current and forward looking information on macroeconomic factors affecting the ability of customers to settle their debts.

Note 4 Investment properties

	31 Dec 21 $million	31 Dec 20 $million
Shopping centre investments	**30,953.6**	30,729.6
Development projects and construction in progress	**537.3**	484.4
Total investment properties	**31,490.9**	31,214.0
Movement in total investment properties		
Balance at the beginning of the year	**31,214.0**	34,855.3
Capital expenditure	**243.6**	252.3
Amortisation of tenant allowances	**(60.2)**	(62.8)
Net revaluation increment/(decrement)	**93.5**	(3,830.8)
Balance at the end of the year [(i)]	**31,490.9**	31,214.0

(i) The fair value of investment properties at the end of the year of $31,490.9 million (31 December 2020: $31,214.0 million) comprises investment properties at market value of $31,447.1 million (31 December 2020: $31,169.0 million) and ground lease assets of $43.8 million (31 December 2020: $45.0 million).

Accounting Policies

Investment properties

The Group's investment properties include shopping centre investments, development projects and construction in progress.

Shopping centre investments

The Group's shopping centre investment properties represent completed centres comprising freehold and leasehold land, buildings and leasehold improvements.

Land and buildings are considered as having the function of an investment and therefore are regarded as a composite asset, the overall value of which is influenced by many factors, the most prominent being income yield, rather than by the diminution in value of the building content due to effluxion of time. Accordingly, the buildings and all components thereof, including integral plant and equipment, are not depreciated.

Note 4 Investment properties (continued)

Initially, shopping centre investment properties are measured at cost including transaction costs. Subsequent to initial recognition, the Group's portfolio of shopping centre investment properties are stated at fair value. Gains and losses arising from changes in the fair values of shopping centre investment properties are included in the income statement in the year in which they arise. Any gains or losses on the sale of an investment property are recognised in the income statement in the year of sale.

At each reporting date, the carrying value of the portfolio of shopping centre investment properties is assessed by the Directors and where the carrying value differs materially from the Directors' assessment of fair value, an adjustment to the carrying value is recorded as appropriate.

The Directors' assessment of fair value of each shopping centre takes into account the latest independent valuations generally prepared annually, with updates taking into account any changes in capitalisation rate, underlying income and valuations of comparable centres. In determining the fair value, the capitalisation of net income method and the discounting of future cash flows to their present value have been used, which are based upon assumptions and judgements in relation to future rental income, capitalisation rate and make reference to market evidence of transaction prices for similar properties.

The key assumptions and estimates used in determining fair value are disclosed in Note 5.

Development projects and construction in progress

The Group's development projects and construction in progress include costs incurred for the current and future redevelopment and expansion of new and existing shopping centre investments, and are classified as inventories when intended for sale to third parties. Development projects and construction in progress include capitalised construction and development costs, payments and advances to contractors and where applicable, borrowing costs incurred on qualifying developments.

The Directors' assessment of fair value of each development project and construction in progress that meets the definition of an investment property, takes into account the expected costs to complete, the stage of completion, expected underlying income and yield of the developments. From time to time, during a development, the Directors may commission an independent valuation of the development project. On completion, the development projects are reclassified to shopping centre investments and an independent valuation is obtained.

Independent valuations are conducted in accordance with guidelines and valuation principles as set by the International Valuation Standards Council.

It is the Group's policy to appoint a number of qualified independent valuers and that no individual valuer is appointed to appraise an individual property for greater than three consecutive years. The following qualified independent valuers were appointed by the Group to carry out property appraisals for the current financial year:

Australian shopping centres

- CBRE Valuations Pty Limited
- Colliers International Holdings (Australia) Ltd
- Cushman & Wakefield (Valuations) Pty Ltd
- Jones Lang LaSalle Advisory Services Pty Ltd
- Knight Frank Australia Pty Ltd
- Savills Valuations Pty Ltd

New Zealand shopping centres

- Colliers International New Zealand Limited
- Jones Lang La Salle Limited

Note 5 Details of shopping centre investments

	Carrying Amount 31 Dec 21 $million	**Retail Capitalisation Rates 31 Dec 21 %**	Carrying Amount 31 Dec 20 $million	Retail Capitalisation Rates 31 Dec 20 %
Consolidated Australian shopping centres	**30,953.6**	**4.79%**	30,729.6	4.80%
Wholly-owned: Belconnen, Bondi Junction, Carousel, Chatswood, Chermside, Fountain Gate, Garden City, Hornsby, Innaloo, Kotara, Sydney [i] and Tuggerah				
Jointly-owned (50%): Airport West, Booragoon, Burwood, Carindale [ii], Coomera, Doncaster, Eastgardens, Geelong, Helensvale, Hurstville, Knox, Liverpool, Marion, Miranda, North Lakes, Parramatta, Penrith, Plenty Valley, Warringah Mall, West Lakes, Whitford City and Woden				
Equity accounted Australian shopping centres	**1,394.5**	**5.24%**	1,366.5	5.24%
Jointly-owned (50%): Mt Druitt, Southland and Tea Tree Plaza				
Total Australian portfolio	**32,348.1**	**4.82%** [iii]	32,096.1	4.83% [iii]
Equity accounted New Zealand shopping centres	**NZ$1,578.4**	**6.09%**	NZ$1,560.1	6.14%
Jointly-owned (51%): Albany, Manukau, Newmarket, Riccarton and St Lukes				
Total New Zealand portfolio	**NZ$1,578.4**	**6.11%** [iii]	NZ$1,560.1	6.15% [iii]
Exchange rate	**1.0627**		1.0666	
Total New Zealand portfolio in A$	**1,485.3**		1,462.7	
Total portfolio	**33,833.4**	**4.88%** [iii]	33,558.8	4.89% [iii]

(i) Sydney comprises Sydney Central Plaza and the Sydney City Retail Centre.

(ii) Carindale Property Trust (CDP) has a 50% interest in this shopping centre. As at 31 December 2021, the Group has a 63.09% interest in CDP (31 December 2020: 62.58%).

(iii) Weighted average capitalisation rate including non-retail assets.

Centres that are held through controlled entities or are held directly and jointly as tenants in common and are treated as joint operations are consolidated. For joint operations, the contractual arrangements establish that the parties share all the liabilities, obligations, costs and expenses in their ownership proportion. The allocation of revenue and expenses is based on the ownership interest in the joint arrangement.

Centres that are held through a separate vehicle with joint control and are treated as a joint venture are accounted for under the equity method of accounting.

Note 5 Details of shopping centre investments (continued)

Impact of the COVID-19 pandemic

The COVID-19 pandemic and the regulatory response has impacted our operations as well as those of our tenants. The ongoing pandemic impacts our ability to determine the key judgements and assumptions used in the property valuations. The Income Capitalisation approach and the Discounted Cash Flow approach are used to arrive at a range of valuation outcomes, from which a best estimate of fair value is derived at a point in time. The key assumptions and estimates used in these valuation approaches which have been impacted by COVID-19 include:

- forecast future income, based on the location, type and quality of the property, which are supported by the terms of any existing leases, other contracts or external evidence such as current market rents for similar properties adjusted to recognise the COVID-19 impact;
- lease assumptions based on current and expected future market conditions after expiry of any current lease;
- the capitalisation rate and discount rate derived from recent comparable market transactions adjusted for COVID-19 to reflect the uncertainty in the amount and timing of cash flows; and
- the impact of government support on tenants and rental schemes giving rise to rent deferrals, rent waivers, and eviction moratoriums.

The table below summarises some of the key inputs used in determining investment property valuations:

	31 Dec 21	31 Dec 20
Australian portfolio		
Retail capitalisation rate	**4.25%-6.25%**	4.25%-6.25%
Weighted average retail capitalisation rate	**4.81%**	4.82%
Retail discount rate	**5.75%-7.25%**	6.00%-7.50%
New Zealand portfolio		
Retail capitalisation rate	**5.50%-6.75%**	5.50%-6.75%
Weighted average retail capitalisation rate	**6.09%**	6.14%
Retail discount rate	**7.00%-8.50%**	7.00%-8.50%

Changes to key inputs would result in changes to the fair value of investment properties. An increase in capitalisation rate and/or discount rate would result in lower fair value, while a decrease in capitalisation rate and/or discount rate will result in higher fair value (with all other factors held constant). The discount rates adopted at 31 December 2021 have broadly remained unchanged to 31 December 2020, whilst weighted average capitalisation rates have decreased from 4.89% at 31 December 2020 to 4.88% at 31 December 2021. The capitalisation rate sensitivity analysis is detailed below.

		31 Dec 21 $million	31 Dec 20 $million
The sensitivity of shopping centre valuations to changes in capitalisation rates is as follows:	Capitalisation rate movement	Increase/(decrease) in fair value	
	-50 bps	**3,863.0**	3,822.2
	-25 bps	**1,827.2**	1,808.1
	+25 bps	**(1,649.1)**	(1,632.2)
	+50 bps	**(3,144.8)**	(3,113.1)

Note 6 Details of equity accounted investments

	31 Dec 21 $million	31 Dec 20 $million
(a) Share of equity accounted entities' net profit/(loss) and comprehensive income/(loss)		
Share of after tax profit/(loss) of equity accounted entities	**123.2**	(294.5)
Other comprehensive income/(loss) (i)	**12.6**	(13.1)
Share of total comprehensive income/(loss) of equity accounted entities	**135.8**	(307.6)

(i) Relates to the net exchange difference on translation of equity accounted foreign operations.

(b) Share of equity accounted entities' assets and liabilities

The Group's equity accounted investments of $2,803.0 million (31 December 2020: $2,779.0 million) comprise investments in joint ventures in Australia and New Zealand represented by equity of $1,774.2 million (31 December 2020: $1,754.2 million) and interest bearing loans of $1,028.8 million (31 December 2020: $1,024.8 million). Inter-entity interest charges on the loans amounted to $20.8 million (31 December 2020: $21.9 million).

(c) Equity accounted entities economic interest

Name of investments	Type of equity	Balance date	Economic interest 31 Dec 21	Economic interest 31 Dec 20
Australian investments (i)				
Mt Druitt (ii)	Trust units	30 Jun	**50.0%**	50.0%
Southland (ii)	Trust units	30 Jun	**50.0%**	50.0%
Tea Tree Plaza (ii)	Trust units	30 Jun	**50.0%**	50.0%
New Zealand investments (i) (iii)				
Albany	Shares	31 Dec	**51.0%**	51.0%
Manukau	Shares	31 Dec	**51.0%**	51.0%
Newmarket	Shares	31 Dec	**51.0%**	51.0%
Riccarton	Shares	31 Dec	**51.0%**	51.0%
St Lukes	Shares	31 Dec	**51.0%**	51.0%

(i) All equity accounted property partnerships, trusts and companies operate solely as retail property investors.

(ii) Notwithstanding that the financial year of these investments ends on 30 June, the consolidated financial statements have been prepared so as to include the accounts for a period coinciding with the financial year of the Parent Company being 31 December.

(iii) Under the Shareholders' Agreement, the Group and GIC, Singapore's sovereign wealth fund, each have two representatives in the Shareholders' Committee with voting power in proportion to each shareholder's shareholding. While the Group has a 51% interest in these entities, 75% of the votes is required to pass a resolution. Accordingly, the Group's 51% interest in these investments is accounted for using the equity accounted method.

Note 7 Taxation

	31 Dec 21 $million	31 Dec 20 $million
(a) Tax expense		
Current tax expense – underlying operations	**(40.5)**	(28.5)
Deferred tax benefit	**7.3**	3.0
	(33.2)	(25.5)
The prima facie tax on profit/(loss) before tax is reconciled to the income tax expense provided in the financial statements as follows:		
Profit/(loss) before income tax	**937.2**	(3,746.5)
Less: Trust loss/(income) not taxable for the Group – tax payable by members	**(935.0)**	3,761.0
	2.2	14.5
Prima facie tax expense at 30%	**(0.7)**	(4.4)
Tax on inter-entity transactions	**(28.4)**	(21.7)
Prior year under provision	**(1.7)**	(1.5)
Other	**(2.4)**	2.1
Tax expense	**(33.2)**	(25.5)
(b) Deferred tax assets		
Provisions and accruals	**44.2**	38.8
	44.2	38.8
(c) Deferred tax liabilities		
Investment properties	**27.3**	33.3
Other timing differences	**60.5**	56.1
	87.8	89.4

Note 7 Taxation (continued)

Accounting Policies

Taxation

The Group comprises taxable and non taxable entities. Income tax expense is only recognised in respect of taxable entities.

Taxable and non taxable entities of the Group

The Parent Company and its Australian resident wholly-owned subsidiaries have formed a tax consolidated group. The Parent Company has entered into tax funding arrangements with its Australian resident wholly-owned subsidiaries, pursuant to which each subsidiary has agreed to pay or receive a tax equivalent amount based on the net taxable amount or loss of the subsidiary at the current tax rate. The tax consolidated group has applied the modified separate taxpayer approach in determining the appropriate amount of current taxes to allocate to each entity.

SGT1 and SGT2 have elected into the Attribution Managed Investment Trust Regime. Accordingly, the Trusts are not liable for Australian income tax provided that the taxable income of each Trust is attributed to members. The members of each Trust are taxable on the share of the taxable income of each Trust attributed to them.

SGT3 is treated as a company for Australian tax purposes and accordingly is a taxable entity.

The Group's New Zealand resident entities are subject to New Zealand tax.

Accounting for income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the tax authorities, calculated using the tax rates and tax laws enacted or substantively enacted at the reporting date in the countries where the Group operates and generates taxable income. Current income tax relating to items recognised directly in equity is recognised in equity and not in the income statement.

Deferred tax is provided on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance date. Deferred tax relating to items recognised in other comprehensive income or directly in equity is recognised in other comprehensive income or directly in equity and not the income statement.

Note 8 Significant items

The following significant items are relevant in explaining the financial performance of the business:

	Note	31 Dec 21 $million	31 Dec 20 $million
Property revaluations	2(v)	**81.2**	(4,254.2)
Net fair value gain/(loss) and associated credit risk on currency derivatives that do not qualify for hedge accounting	12	**(37.0)**	62.4
Net fair value gain/(loss) on interest rate hedges that do not qualify for hedge accounting	13	**68.2**	(369.3)
Net fair value gain on other financial liabilities	13	**0.7**	76.3
Net modification loss on refinanced borrowing facilities	13	**(2.8)**	(8.5)
Capital costs relating to strategic initiatives		**(23.5)**	–
Deferred tax benefit	2(v)	**3.4**	4.4
Expected credit charge relating to COVID-19	2(v)	**(168.8)**	(303.9)

Note 9 Dividends/distributions

	31 Dec 21 $million	31 Dec 20 $million
(a) Final dividends/distributions for the year		
Dividends/distributions in respect of the 6 months to 31 December 2021		
Parent Company: 2.89 cents per share (31 December 2020: nil) (i)	**149.8**	–
SGT1: 2.14 cents per unit (31 December 2020: 4.43 cents per unit)	**110.9**	229.7
SGT2: 2.14 cents per unit (31 December 2020: 2.57 cents per unit)	**110.9**	133.2
SGT3: 0.08 cents per unit (31 December 2020: nil) (i)	**4.1**	–
Scentre Group: 7.25 cents per stapled security (31 December 2020: 7.00 cents per stapled security)	**375.8** (ii)	362.9

(i) Dividends to be paid by the Parent Company and distributions to be paid by SGT3 are franked at the corporate tax rate of 30%.

(ii) Total does not add due to rounding.

Interim dividends/distributions of 7.00 cents were paid on 31 August 2021. Final dividends/distributions will be paid on 28 February 2022. The record date for the final dividends/distributions was 15 February 2022. The Group does not operate a Distribution Reinvestment Plan.

	31 Dec 21 $million	31 Dec 20 $million
(b) Dividends/distributions paid during the year		
Dividends/distributions in respect of the 6 months to 30 June 2021		
Parent Company: nil (30 June 2020: nil)	**–**	–
SGT1: 3.50 cents per unit (30 June 2020: nil)	**181.5**	–
SGT2: 3.50 cents per unit (30 June 2020: nil)	**181.5**	–
SGT3: nil (30 June 2020: nil)	**–**	–
Dividends/distributions in respect of the 6 months to 31 December 2020		
Parent Company: nil (31 December 2019: nil)	**–**	–
SGT1: 4.43 cents per unit (31 December 2019: 6.85 cents per unit)	**229.7**	358.3
SGT2: 2.57 cents per unit (31 December 2019: 4.45 cents per unit)	**133.2**	232.7
SGT3: nil (31 December 2019: nil)	**–**	–
	725.8 (i)	591.0

(i) Total does not add due to rounding.

(c) Franking credit balance of the Group

As at 31 December 2021, franking credits available for use in future dividends/distributions amount to $97.7 million (31 December 2020: $139.9 million).

Note 10 Net tangible asset backing

	31 Dec 21 $	31 Dec 20 $
Net tangible asset backing per security	**3.66**	3.63

Net tangible asset backing per security is calculated by dividing net assets (including the right-of-use asset) attributable to members of the Group of $18,998.9 million (31 December 2020: $18,817.0 million) by the number of securities on issue at 31 December 2021 of 5,184,177,688 (31 December 2020: 5,184,177,688).

Note 11 Statutory earnings/(loss) per security

	31 Dec 21 cents	31 Dec 20 cents
(a) Summary of earnings/(loss) per security attributable to members of Scentre Group		
Basic earnings/(loss) per stapled security	**17.13**	(71.92)
Diluted earnings/(loss) per stapled security	**17.07**	(71.92)

The following reflects the income/(loss) data used in the calculations of basic and diluted earnings/(loss) per stapled security:

	31 Dec 21 $million	31 Dec 20 $million
Earnings/(loss) used in calculating basic earnings/(loss) per stapled security (i) (ii)	**887.9**	(3,731.8)
Adjustment to earnings/(loss) on employee performance rights which are considered dilutive	**–**	–
Earnings/(loss) used in calculating diluted earnings/(loss) per stapled security	**887.9**	(3,731.8)

(i) Refer to the income statement for details of the profit/(loss) after tax attributable to members of the Group.

(ii) Comprises net profit attributable to SGL of $64.2 million (31 December 2020: $65.9 million) and net profit attributable to members of SGT1, SGT2 and SGT3 of $823.7 million (31 December 2020: loss of $3,797.7 million).

The following reflects the security data used in the calculations of basic and diluted earnings/(loss) per stapled security:

	31 Dec 21 Number of securities	31 Dec 20 Number of securities
Weighted average number of ordinary securities used in calculating basic earnings/(loss) per stapled security	**5,184,177,688**	5,188,921,189
Weighted average number of potential employee performance rights which, if securities were issued, would be dilutive (i) (ii)	**18,539,383**	–
Adjusted weighted average number of ordinary securities used in calculating diluted earnings/(loss) per stapled security	**5,202,717,071**	5,188,921,189

(i) As at 31 December 2021, 13,798,867 (31 December 2020: 13,599,235) actual employee performance rights are outstanding.

(ii) As at 31 December 2020, the number of employee performance rights that could potentially dilute basic earnings per stapled security in the future, but were not included in the calculation of diluted loss per stapled security because they were antidilutive was 13,599,235.

	31 Dec 21 cents	31 Dec 20 cents
(b) Summary of earnings per SGL share		
Basic earnings per SGL share	**1.24**	1.27
Diluted earnings per SGL share	**1.23**	1.27

Earnings of $64.2 million (31 December 2020: $65.9 million) was used in calculating basic and diluted earnings per SGL share.

The weighted average number of ordinary securities used in calculating basic earnings per SGL share was 5,184,177,688 (31 December 2020: 5,188,921,189).

The adjusted weighted average number of ordinary securities used in calculating diluted earnings per SGL share was 5,202,717,071 (31 December 2020: 5,202,258,148) after adjusting for the weighted average number of potential employee performance rights of 18,539,383 (31 December 2020: 13,336,959) which, if securities were issued, would be dilutive.

Note 11 Statutory earnings/(loss) per security (continued)

(c) Conversions, calls, subscription, issues or buy-back after 31 December 2021

There have been no conversions to, calls of, subscriptions for, issuance of new or potential ordinary securities or buy-back of securities since the reporting date and before the completion of this report.

Accounting Policies

Earnings per security

Basic earnings per security is calculated as net profit attributable to members divided by the weighted average number of ordinary securities. Diluted earnings per security is calculated as net profit attributable to members adjusted for any profit recognised in the period in relation to dilutive potential ordinary securities, divided by the weighted average number of ordinary securities and dilutive potential ordinary securities.

Note 12 Currency gain/(loss)

	31 Dec 21 $million	31 Dec 20 $million
Net fair value gain/(loss) and associated credit risk on currency derivatives that do not qualify for hedge accounting	(37.0)	62.4
	(37.0)	62.4

The translation of the Group's foreign currency borrowings to Australian dollars has been economically hedged by currency derivatives with the same principal values. Therefore the income statement is not sensitive to any movements in exchange rates in relation to these net positions. The recognition of a net gain/(loss) results from the movement in the fair value calculation of the credit risk on the currency derivative positions only.

Accounting Policies

Where hedge accounting requirements have been met, gains or losses arising on the movements in the fair value of currency derivatives which hedge net investments in foreign operations are recognised in the foreign currency translation reserve. Where a currency derivative, or portion thereof, is deemed an ineffective hedge for accounting purposes, gains or losses thereon are recognised in the income statement. On disposal of a net investment in foreign operations, the cumulative gains or losses recognised previously in the foreign currency translation reserve are transferred to the income statement.

Translation of foreign currency transactions

Foreign currency transactions are converted to Australian dollars at exchange rates ruling at the date of those transactions. Amounts payable and receivable in foreign currency at balance date are translated to Australian dollars at exchange rates ruling at that date. Exchange differences arising on the settlement of or on translating amounts payable or receivable in foreign currency at rates different from those at which they were translated on initial recognition, are recognised in the income statement in the period in which they arise, except where hedge accounting is applied.

Refer to Notes 17 and 19 for other items included in currency gain/(loss).

Note 13 Financing costs

	31 Dec 21 $million	31 Dec 20 $million
Gross financing costs on senior borrowings (excluding net fair value gain/(loss) on interest rate hedges that do not qualify for hedge accounting)	(429.9)	(549.7)
Financing costs capitalised to qualifying development projects and construction in progress	19.0	17.7
Interest expense on other financial liabilities	(25.0)	(23.9)
Lease liabilities interest expense	(5.9)	(6.4)
	(441.8)	(562.3)
Net fair value gain/(loss) on interest rate hedges that do not qualify for hedge accounting	68.2	(369.3)
Net fair value gain on other financial liabilities	0.7	76.3
Net modification loss on refinanced borrowing facilities	(2.8)	(8.5)
Total financing costs (excluding coupon on subordinated notes)	(375.7)	(863.8)
Subordinated notes coupon	(200.4)	(55.5)
Total financing costs	(576.1)	(919.3)

Accounting Policies

Financing costs

Financing costs include interest, amortisation of discounts or premiums relating to borrowings and other costs incurred in connection with the arrangement of borrowings. Financing costs are expensed as incurred unless they relate to a qualifying asset. A qualifying asset is an asset which generally takes more than 12 months to get ready for its intended use or sale. In these circumstances, the financing costs are capitalised to the cost of the asset. Where funds are borrowed by the Group for the acquisition or construction of a qualifying asset, the financing costs are capitalised.

Refer to Notes 16 and 17 for other items included in financing costs.

Note 14 Cash and cash equivalents and short term deposits at bank

	31 Dec 21 $million	31 Dec 20 $million
(a) Components of cash and cash equivalents and short term deposits at bank		
Cash	978.7	378.1
Bank overdrafts	–	–
Total cash and cash equivalents	978.7	378.1
Short term deposits at bank	–	2,222.8
Total cash and short term deposits at bank	978.7	2,600.9

Note 14 Cash and cash equivalents and short term deposits at bank (continued)

	31 Dec 21 $million	31 Dec 20 $million
(b) Reconciliation of profit/(loss) after tax to net cash flows from operating activities		
Profit/(loss) after tax	**904.0**	(3,772.0)
Property revaluations	**(93.5)**	3,830.8
Share of equity accounted profit/(loss) in excess of dividends/distributions received	**(42.8)**	353.3
Deferred tax benefit	**(7.3)**	(3.0)
Net fair value loss/(gain) and associated credit risk on currency derivatives	**37.0**	(62.4)
Net fair value loss/(gain) on interest rate hedges that do not qualify for hedge accounting	**(68.2)**	369.3
Net fair value gain on other financial liabilities	**(0.7)**	(76.3)
Net modification loss on refinanced borrowing facilities	**2.8**	8.5
Capital costs relating to strategic initiatives	**23.5**	–
Decrease in working capital attributable to operating activities	**132.4**	36.4
Net cash flows from operating activities	**887.2**	684.6
(c) Changes in net debt and subordinated notes arising from financing activities		
Net debt and subordinated notes at the beginning of the year	**13,812.8**	13,163.3
Proceeds from the issuance of subordinated notes	**–**	4,109.6
Inflows from/(outflows for) short term deposits at bank	**2,218.0**	(2,218.0)
Net repayment of senior borrowings	**(1,381.4)**	(1,107.8)
Effects of exchange rate changes and fair value movement on currency derivatives	**27.7**	(134.3)
Net debt and subordinated notes at the end of the year [(i)]	**14,677.1**	13,812.8
Less: Subordinated notes at the hedged rate	**(4,109.6)**	(4,109.6)
Net debt	**10,567.5**	9,703.2

(i) Net debt and subordinated notes primarily comprises interest bearing liabilities of $14,742.1 million (31 December 2020: $15,675.8 million) and net receivables on currency derivatives hedging senior borrowings and subordinated notes in foreign currency of $111.6 million (31 December 2020: net payables of $316.8 million) less short term deposits at bank of nil (31 December 2020: $2,222.8 million).

Accounting Policies

Cash and cash equivalents and short term deposits at bank

Cash and cash equivalents on the balance sheet comprises cash at bank and on hand and short term deposits on demand with an original maturity of 90 days or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Short term deposits at bank are deposits with an original maturity of 180 days or less and may be subject to certain conditions and penalties for early withdrawal.

Cash and cash equivalents and short term deposits at bank are measured at amortised cost using the effective interest rate method, reduced by impairment losses. Interest income and impairment losses (if any) are recognised in the income statement.

For purposes of the cash flow statement, cash and cash equivalents includes cash on hand and at bank, short term deposits on demand and bank accepted bills of exchange readily converted to cash net of bank overdrafts. Bank overdrafts are carried at the principal amount.

Note 15 Interest bearing liabilities

	31 Dec 21 $million	31 Dec 20 $million
Current		
Unsecured		
Commercial paper and uncommitted facilities		
– A$ denominated	**111.0**	443.5
Notes payable		
– £ denominated [(i)]	**743.8**	–
– A$ denominated	**30.1**	400.0
– US$ denominated	**–**	649.1
	884.9	1,492.6
Non current		
Unsecured		
Bank loans		
– A$ denominated	**310.0**	310.0
Notes payable		
– € denominated	**4,064.6**	4,168.5
– US$ denominated	**4,271.7**	4,024.4
– £ denominated	**743.8**	1,414.9
– A$ denominated	**–**	30.3
– HK$ denominated	**70.7**	67.0
Secured		
Bank loans and mortgages		
– A$ denominated	**262.5**	273.5
	9,723.3	10,288.6
Total senior borrowings	**10,608.2**	11,781.2
Less: Cash and short term deposits at bank	**(978.7)**	(2,600.9)
Total senior borrowings net of cash and short term deposits at bank	**9,629.5**	9,180.3
Non current		
Unsecured		
Subordinated notes		
– US$ denominated	**4,133.9**	3,894.6
Total subordinated notes	**4,133.9**	3,894.6
Interest bearing liabilities		
– Senior borrowings	**10,608.2**	11,781.2
– Subordinated notes	**4,133.9**	3,894.6
Total interest bearing liabilities	**14,742.1**	15,675.8

(i) The current £ notes payable were repaid on 10 January 2022.

The Group maintains a range of interest bearing liabilities. The sources of funding are spread over various counterparties to minimise credit risk and the terms of the instruments are negotiated to achieve a balance between capital availability and the cost of debt. Refer to Note 23 for details relating to fixed rate liabilities and derivatives which hedge floating rate liabilities.

Note 15 Interest bearing liabilities (continued)

	31 Dec 21 $million	31 Dec 20 $million
(a) Summary of financing facilities		
Committed financing facilities available to the Group:		
Financing facilities	**19,408.6**	19,998.8
Senior borrowings	**(10,608.2)**	(11,781.2)
Subordinated notes	**(4,133.9)**	(3,894.6)
Bank guarantees	**(46.4)**	(39.0)
Available financing facilities	**4,620.1**	4,284.0
Cash and short term deposits at bank	**978.7**	2,600.9
Financing resources available	**5,598.8**	6,884.9

These facilities comprise fixed rate notes and both secured and unsecured interest only floating rate facilities. Certain facilities are also subject to negative pledge arrangements which require the Group to comply with specific minimum financial and non-financial requirements. These facilities exclude the property linked notes liability of $612.0 million (31 December 2020: $612.7 million). Amounts which are denominated in foreign currencies are translated at exchange rates ruling at balance date.

	Maturity Date	Committed financing facilities 31 Dec 21 $million	Interest bearing liabilities 31 Dec 21 $million	Committed financing facilities 31 Dec 20 $million	Interest bearing liabilities 31 Dec 20 $million
(b) Financing facilities and interest bearing liabilities, comprise:					
Unsecured senior notes payable					
– US$ (i)	Feb 25 to May 30	**4,271.7**	**4,271.7**	4,673.5	4,673.5
– € (i)	Mar 23 to Mar 29	**4,064.6**	**4,064.6**	4,168.5	4,168.5
– £ (i)	Apr 22 to Jul 26	**1,487.6**	**1,487.6**	1,414.9	1,414.9
– HK$ (i)	Apr 30	**70.7**	**70.7**	67.0	67.0
– A$	Jul 22	**30.1**	**30.1**	430.3	430.3
Total unsecured senior notes payable		**9,924.7**	**9,924.7**	10,754.2	10,754.2
Unsecured bank loan facilities	Apr 23 to Jul 27	**5,050.0**	**310.0**	5,050.0	310.0
Unsecured commercial paper and uncommitted facilities (ii)		**–**	**111.0**	–	443.5
Secured bank loans and mortgages (iii)	Feb 23	**300.0**	**262.5**	300.0	273.5
		15,274.7	**10,608.2**	16,104.2	11,781.2
Unsecured subordinated notes – US$ (iv)	Sep 80	**4,133.9**	**4,133.9**	3,894.6	3,894.6
Total financing facilities and interest bearing liabilities		**19,408.6**	**14,742.1**	19,998.8	15,675.8

(i) The US$, €, £ and HK$ denominated unsecured senior notes payables are economically hedged using cross currency swaps with the same principal values to convert into A$ payables.

(ii) Drawings on the Group's commercial paper program and uncommitted facilities are in addition to the Group's committed facilities and are classified as current interest bearing liabilities. These drawings may be refinanced by non current unsecured bank loan facilities.

(iii) The Group consolidates Carindale Property Trust. The trust has a $300.0 million (31 December 2020: $300.0 million) floating interest rate syndicated facility. Drawings under this facility are secured by a registered mortgage over the trust's interest in Westfield Carindale and sundry property, and a fixed and floating charge over all assets and undertakings of the trust. The facility is subject to negative pledge arrangements. At 31 December 2021, the recorded fair value of Westfield Carindale and sundry property is $750.1 million (31 December 2020: $735.3 million) compared to borrowings of $262.5 million (31 December 2020: $273.5 million).

(iv) The US$ subordinated notes comprise US$1.5 billion with a non-call period of 6 years and US$1.5 billion with a non-call period of 10 years. The notes may be redeemed by the Group at par at the end of their respective non-call periods or any coupon date thereafter. The unsecured subordinated notes are economically hedged up to the end of their respective non-call periods using cross currency swaps with the same principal values to convert into A$ payables.

Note 15 Interest bearing liabilities (continued)

	Maturity Date	31 Dec 21 Local currency million	31 Dec 20 Local currency million
(c) Maturity of unsecured senior notes payable and subordinated notes			
Senior notes payable			
	28 Apr 21	**–**	US$500.0
	8 Sep 21	**–**	A$400.0
	8 Apr 22 (i)	**£400.0**	£400.0
	4 Jul 22	**A$30.1**	A$30.3
	22 Mar 23	**€500.0**	€500.0
	11 Sep 23	**€508.2**	€512.8
	16 Jul 24	**€600.0**	€600.0
	12 Feb 25	**US$600.0**	US$600.0
	28 Oct 25	**US$500.0**	US$500.0
	28 Jan 26	**US$750.0**	US$750.0
	16 Jul 26	**£400.0**	£400.0
	23 Mar 27	**US$500.0**	US$500.0
	11 Apr 28	**€500.0**	€500.0
	28 Mar 29	**€500.0**	€500.0
	29 Apr 30	**HK$400.0**	HK$400.0
	28 May 30	**US$750.0**	US$750.0
Total A$ equivalent of senior unsecured notes payable		**9,924.7**	10,754.2
Subordinated notes	24 Sep 80	**US$3,000.0**	US$3,000.0
Total A$ equivalent of senior unsecured notes payable and subordinated notes		**14,058.6**	14,648.8

(i) The current £ notes payable were repaid on 10 January 2022.

Accounting Policies

Interest bearing liabilities

Interest bearing liabilities are recognised initially at the fair value of the consideration received less any directly attributable transaction costs. Subsequent to initial recognition, interest bearing liabilities are recorded at amortised cost using the effective interest rate method.

Interest bearing liabilities are classified as current liabilities where the liability has been drawn under a financing facility which expires within one year. Amounts drawn under financing facilities which expire after one year are classified as non current, where the Group has an unconditional right to defer the settlement of the liability for at least 12 months after the reporting period.

Financing costs for interest bearing liabilities are recognised on an accruals basis.

The fair values of the Group's interest bearing liabilities as disclosed in Note 28 are determined as follows:

- Fair values of quoted notes and bonds are based on price quotations at balance date.
- The fair values of unquoted instruments, loans from banks and other non current financial liabilities are estimated by discounting future cash flows using rates that approximate the Group's borrowing rate at the balance date, for debt with similar maturity, credit risk and terms.

Note 16 Other financial liabilities

	31 Dec 21 $million	31 Dec 20 $million
Current		
Property linked notes	**243.3**	240.2
	243.3	240.2
Non current		
Property linked notes	**368.7**	372.5
	368.7	372.5
	612.0	612.7

The Property Linked Notes (Notes) are designed to provide returns based on the economic performance of certain Westfield Australian super regional and regional shopping centres. When the Notes were originally issued, these centres were: Parramatta, Hornsby and Burwood in Sydney, Southland in Melbourne, Tea Tree Plaza in Adelaide and Belconnen in the Australian Capital Territory (collectively the Westfield centres). The return under the Notes is based on a proportional interest, in respect of the relevant Westfield centre, as specified in the Note (Reference Property Interest). Redemption events under the Notes include non performance events by the Issuer, changes in tax laws and sale of the relevant Westfield centre. The Notes may also be redeemed at a Review Date.

The redemption value of a Note is effectively calculated as the market value of the Note holder's Reference Property Interest at the date of redemption and the final coupon (if applicable). The Notes were initially recorded at fair value and are subsequently remeasured at fair value each reporting period. The fair value of the Notes is determined by reference to the fair value of the relevant Westfield centre with the gains or losses recorded through the income statement. Accordingly, the gains or losses recorded through the income statement are directly related to the revaluation of the relevant Westfield centre. On redemption, the obligation to pay the amount due on the Notes can, in certain circumstances, be satisfied by the transfer of the underlying Reference Property Interest to the Note holder. The Notes are subordinated to all other secured and unsecured debt of the Group. The Notes are guaranteed (on a subordinated basis) by the Parent Company and RE1 Limited as responsible entity of SGT2.

As at the date of this report, $1,101.1 million of the Notes have been repaid and terminated since the Notes were originally issued, including $243.3 million of the Notes linked to Parramatta that were repaid and terminated on 5 January 2022. The review dates for the remaining Notes linked to Southland and Hornsby are 31 December 2022 and 2023, respectively. As these dates fall on days that are not business days, payment for the Notes will be required on 3 January 2023 and 2 January 2024, respectively. The coupon on the Notes is payable quarterly on 15 March, 15 June, 15 September and 15 December each year for as long as the Notes remain outstanding.

Accounting Policies

Other financial liabilities

Other financial liabilities pertain to property linked notes. Where there is a minimum distribution entitlement and/or the redemption terms include the settlement for cash on redemption, the instrument is classified as a financial liability and is designated as fair value through the income statement.

The fair value of property linked notes is determined by reference to the fair value of the underlying linked property investments.

Note 17 Derivative assets and liabilities

	31 Dec 21 $million	31 Dec 20 $million
(a) Derivative assets		
Current		
Receivables on currency derivatives hedging NZ$ net assets	**–**	7.5
Receivables on currency derivatives hedging senior borrowings in foreign currency	**1.5**	0.3
Receivables on interest rate derivatives	**1.3**	2.1
	2.8	9.9
Non current		
Receivables on currency derivatives hedging senior borrowings in foreign currency	**374.2**	297.5
Receivables on currency derivatives hedging subordinated notes in foreign currency	**24.3**	–
Receivables on interest rate derivatives	**261.1**	424.4
	659.6	721.9
(b) Derivative liabilities		
Current		
Payables on currency derivatives hedging NZ$ net assets	**–**	5.9
Payables on currency derivatives hedging senior borrowings in foreign currency	**35.5**	–
Payables on interest rate derivatives	**11.7**	34.5
	47.2	40.4
Non current		
Payables on currency derivatives hedging senior borrowings in foreign currency	**252.9**	399.6
Payables on currency derivatives hedging subordinated notes in foreign currency	**–**	215.0
Payables on interest rate derivatives	**551.8**	815.6
	804.7	1,430.2

The Group's derivatives above do not meet the accounting requirements to qualify for hedge accounting treatment. Changes in fair value have been reflected in the income statement. At 31 December 2021, the aggregate fair value is a net payable of $189.5 million (31 December 2020: $738.8 million). The change in fair value for the year ended 31 December 2021 was a net gain of $549.3 million (31 December 2020: net loss of $1,167.8 million). During the year, the Group cancelled derivatives following the issuance of subordinated notes in 2020 resulting in a payment of $38.1 million (31 December 2020: $204.3 million).

The Group presents the fair value mark to market of its derivative assets and derivative liabilities on a gross basis. Certain derivative assets and liabilities are subject to legally enforceable master netting arrangements, however do not meet the criteria for offsetting in the balance sheet. As at 31 December 2021, if these netting arrangements were applied to the derivative portfolio, derivative assets of $662.4 million would be reduced by $410.1 million to the net amount of $252.3 million and derivative liabilities of $851.9 million would be reduced by $410.1 million to the net amount of $441.8 million. As at 31 December 2020, derivative assets of $731.8 million would be reduced by $514.0 million to the net amount of $217.8 million and derivative liabilities of $1,470.6 million would be reduced by $514.0 million to the net amount of $956.6 million.

Note 17 Derivative assets and liabilities (continued)

Accounting Policies

Derivative financial instruments

The Group utilises derivative financial instruments, including forward exchange contracts, interest rate options and currency and interest rate swaps to manage the risks associated with foreign currency and interest rate fluctuations. Such derivative financial instruments are recognised at fair value.

The Group has set defined policies and implemented a comprehensive hedging program to manage interest and exchange rate risks. Derivative instruments are transacted to achieve the economic outcomes in line with the Group's treasury policy and hedging program. Derivative instruments are not transacted for speculative purposes. Accounting standards require detailed compliance with documentation, designation and effectiveness parameters before a derivative financial instrument is deemed to qualify for hedge accounting treatment. Where these requirements are not met, derivative instruments are deemed not to qualify for hedge accounting and changes in fair value are recorded in the income statement.

Gains or losses arising from the movements in the fair value of currency derivatives which hedge net investments in foreign operations are recognised in the foreign currency translation reserve where hedge accounting requirements have been met. Where a currency derivative, or portion thereof, is deemed an ineffective hedge for accounting purposes, gains or losses thereon are recognised in the income statement. On disposal of a net investment in foreign operations, the cumulative gains or losses recognised previously in the foreign currency translation reserve are transferred to the income statement.

The fair value of derivatives has been determined with reference to market observable inputs for contracts with similar maturity profiles. The valuation is a present value calculation which incorporates interest rate curves, foreign exchange spot and forward rates, option volatilities and the credit quality of counterparties.

Note 18 Contributed equity

	31 Dec 21 Number of securities	31 Dec 20 Number of securities
(a) Number of securities on issue		
Balance at the beginning of the year	**5,184,177,688**	5,229,975,362
Decrease in number of securities [i]	**–**	(45,797,674)
Balance at the end of the year [ii]	**5,184,177,688**	5,184,177,688

[i] In 2020, the decrease in number of securities comprises the buy-back and cancellation of 48,379,593 securities offset by 2,581,919 securities transferred to employees and which were previously held by the Scentre Executive Option Plan Trust.

[ii] The number of securities on issue as at 31 December 2021 was 5,190,378,339 (31 December 2020: 5,190,378,339). The Scentre Executive Option Plan Trust holds 6,200,651 (31 December 2020: 6,200,651) securities in the Group, which have been consolidated and eliminated in accordance with accounting standards.

Holders of Scentre Group stapled securities have the right to receive declared dividends from the Parent Company and distributions from SGT1, SGT2 and SGT3 and, in the event of winding up the Parent Company, SGT1, SGT2 and SGT3, to participate in the proceeds from the sale of all surplus assets in proportion to the number of and amounts paid up on stapled securities held.

Holders of stapled securities can vote their shares and units in accordance with the Corporations Act, either in person or by proxy, at a meeting of any of the Parent Company, SGT1, SGT2 and SGT3 (as the case may be).

Note 18 Contributed equity (continued)

	31 Dec 21 $million	31 Dec 20 $million
(b) Amount of contributed equity attributable to members of Scentre Group		
Balance at the beginning of the year	**9,990.8**	10,164.0
Decrease in contributed equity [i]	**–**	(173.2)
Balance at the end of the year [ii]	**9,990.8**	9,990.8

[i] In 2020, the decrease in contributed equity comprises the buy-back and cancellation of securities and associated costs of $174.9 million offset by the impact of securities transferred to employees and which were previously held by the Scentre Executive Option Plan Trust of $1.7 million.

[ii] Comprises contributed equity attributable to SGL of $661.0 million (31 December 2020: $661.0 million) and contributed equity attributable to members of SGT1, SGT2 and SGT3 of $9,329.8 million (31 December 2020: $9,329.8 million).

Accounting Policies

Contributed equity

Issued and paid up capital is recognised at the fair value of the consideration received by the Group. Any transaction costs arising from the issue of ordinary securities are recognised directly in equity as a reduction of the proceeds received.

Note 19 Reserves

	31 Dec 21 $million	31 Dec 20 $million
(a) Total reserves attributable to members of Scentre Group		
Foreign currency translation reserve	**100.5**	88.1
Employee share plan benefits reserve	**23.4**	16.0
Balance at the end of the year [i]	**123.9**	104.1

[i] Comprises reserves attributable to SGL of $22.3 million (31 December 2020: $15.1 million) and reserves attributable to members of SGT1, SGT2 and SGT3 of $101.6 million (31 December 2020: $89.0 million).

	31 Dec 21 $million	31 Dec 20 $million
(b) Movement in foreign currency translation reserve		
Balance at the beginning of the year	**88.1**	101.2
Foreign exchange movement		
– realised and unrealised differences on the translation of investment in foreign operations	**12.4**	(13.1)
Balance at the end of the year	**100.5**	88.1

The foreign currency translation reserve is used to record net exchange differences arising from the translation of the net investments, including qualifying hedges, in foreign controlled and equity accounted entities.

Note 19 Reserves (continued)

Accounting Policies

Translation of accounts of foreign operations

The functional and presentation currency of the Parent Company and its Australian subsidiaries is Australian dollars. The functional currency of the New Zealand entities is New Zealand dollars. The presentation currency of the overseas entities is Australian dollars to enable the consolidated financial statements of the Group to be reported in a common currency.

The balance sheets of foreign subsidiaries and equity accounted investments are translated at exchange rates ruling at balance date and the income statement of foreign subsidiaries and equity accounted investments are translated at average exchange rates for the period. Exchange differences arising on translation of the interests in foreign operations are taken directly to the foreign currency translation reserve.

Refer to Note 17 for other items included in foreign currency translation reserve.

	31 Dec 21 $million	31 Dec 20 $million
(c) Movement in employee share plan benefits reserve		
Balance at the beginning of the year	**16.0**	17.1
Movement in equity settled share based payment	**7.4**	(1.1)
Balance at the end of the year	**23.4**	16.0

The employee share plan benefits reserve is used to record the value of share based payments provided to employees as part of their remuneration.

Note 20 Retained profits

	Note	31 Dec 21 $million	31 Dec 20 $million
Movement in retained profits attributable to members of Scentre Group			
Balance at the beginning of the year, as reported		**8,733.5**	13,056.3
Impact of change in accounting policy	1(f)	**(11.4)**	(11.4)
Adjusted balance at the beginning of the year		**8,722.1**	13,044.9
Profit/(loss) after tax for the period		**887.9**	(3,731.8)
Dividends/distributions paid	9(b)	**(725.8)**	(591.0)
Balance at the end of the year [i]		**8,884.2**	8,722.1

[i] Comprises retained profits attributable to SGL of $335.2 million (31 December 2020: $271.0 million) and retained profits attributable to members of SGT1, SGT2 and SGT3 of $8,549.0 million (31 December 2020: $8,451.1 million).

Note 21 Capital risk management

The Group seeks to manage its capital requirements to maximise value to members through the mix of debt and equity funding, while ensuring that Group entities:

- comply with capital and distribution requirements of their constitutions and/or trust deeds;
- comply with capital requirements of relevant regulatory authorities;
- maintain strong investment grade credit ratings; and
- continue to operate as going concerns.

The Group assesses the adequacy of its capital requirements, cost of capital and gearing (i.e. debt/equity mix) as part of its broader strategic plan. The Group continuously reviews its capital structure to ensure:

- sufficient funds and financing facilities, on a cost effective basis, are available to implement the Group's property development and business acquisition strategies;
- financing facilities for unforeseen contingencies are maintained; and
- distributions to members are maintained within the stated distribution policy.

The Group is able to alter its capital mix by issuing new stapled securities and hybrid securities, establishing a distribution reinvestment plan, electing to have the distribution reinvestment underwritten, adjusting the amount of distributions paid to members, activating a security buyback program, divesting assets or adjusting the timing of capital expenditure for its property redevelopment pipeline.

The Group also protects its equity in assets by taking out insurance.

Note 22 Financial risk management

The Group's principal financial instruments comprise cash, short term deposits at bank, receivables, payables, interest bearing liabilities, other financial liabilities and derivative financial instruments.

The Group manages its exposure to key financial risks in accordance with the Group's treasury risk management policies. These policies have been established to manage the key financial risks such as interest rate, foreign exchange, counterparty credit and liquidity.

The Group's treasury risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group through its training and procedures, has developed a control environment in which relevant treasury and finance personnel understand their roles and obligations in respect of the Group's treasury management objectives.

The Group has an established Board approved risk management framework including policies, procedures, limits and allowed types of derivative financial instruments. The Audit and Risk Committee reviews and oversees management's compliance with these policies, procedures and limits. The Audit and Risk Committee is assisted in its oversight role by the Group's Executive Risk Management Committee.

The Group uses different methods to measure and manage different types of risks to which it is exposed. These include monitoring levels of exposure to interest rates, foreign exchange, liquidity and credit risk. The Group enters into derivative financial instruments, principally interest rate swaps, interest rate options, cross currency swaps, forward exchange contracts and currency options. The purpose of these transactions is to manage the interest rate and currency risks arising from the Group's operations, cash flows, interest bearing liabilities and its net investments in foreign operations. The Group seeks to deal only with creditworthy counterparties and these assessments are regularly reviewed. Liquidity risk is monitored through the use of rolling cash flow forecasts.

Note 23 Interest rate risk management

The Group is exposed to interest rate risk on its interest bearing liabilities and derivative financial instruments. This risk is managed by the Group by maintaining an appropriate mix between fixed and floating rate interest bearing liabilities. Fixed rate liabilities are achieved either through fixed rate funding or through the use of derivative financial instruments in accordance with a Board approved policy. These activities are evaluated regularly to determine that the Group is not exposed to interest rate movements that could adversely impact its ability to meet its financial obligations and to comply with its borrowing covenants.

Note 23 Interest rate risk management (continued)

Summary of interest rate positions at balance date

The Group's interest rate risk exposures at balance date including the relevant financial instruments used to manage these exposures are as follows:

	Note	31 Dec 21 $million	31 Dec 20 $million
Principal amounts of interest bearing assets/(liabilities):			
Senior borrowings	15	**(10,608.2)**	(11,781.2)
Subordinated notes	15	**(4,133.9)**	(3,894.6)
Cross currency swaps			
– A$ relating to senior borrowings		**(9,808.7)**	(10,457.5)
– A$ relating to subordinated notes		**(4,109.6)**	(4,109.6)
– US$3,100.0 million (31 December 2020: US$3,600.0 million)		**4,271.7**	4,673.5
– US$3,000.0 million relating to subordinated notes (31 December 2020: US$3,000.0 million)		**4,133.9**	3,894.6
– €2,600.0 million (31 December 2020: €2,600.0 million)		**4,051.8**	4,148.1
– £800.0 million (31 December 2020: £800.0 million)		**1,487.6**	1,414.9
– HK$400.0 million (31 December 2020: HK$400.0 million)		**70.7**	67.0
Foreign currency swaps			
– A$		**4.0**	1,384.1
– £151.3 million receivable (31 December 2020: nil)		**281.4**	–
– £153.6 million payable (31 December 2020: nil)		**(285.5)**	–
– Nil (31 December 2020: NZ$1,474.6 million)		**–**	(1,382.5)
Cash and cash equivalents	2(v)	**988.9**	404.8
Short term deposits at bank	2(v)	**–**	2,222.8
Principal amounts of net interest bearing liabilities		**(13,655.9)**	(13,415.6)
Principal amounts of fixed interest rate assets/(liabilities):			
Fixed rate debt and subordinated notes			
– A$		**(30.0)**	(430.0)
– US$3,100.0 million (31 December 2020: US$3,600.0 million)		**(4,271.7)**	(4,673.5)
– US$3,000.0 million subordinated notes (31 December 2020: US$3,000.0 million)		**(4,133.9)**	(3,894.6)
– €2,600.0 million (31 December 2020: €2,600.0 million)		**(4,051.8)**	(4,148.1)
– £800.0 million (31 December 2020: £800.0 million)		**(1,487.6)**	(1,414.9)
– HK$400.0 million (31 December 2020: HK$400.0 million)		**(70.7)**	(67.0)
Fixed rate derivatives			
– A$		**(5,730.0)**	(7,340.0)
– US$3,100.0 million (31 December 2020: US$3,600.0 million)		**4,271.7**	4,673.5
– US$3,000.0 million subordinated notes (31 December 2020: US$3,000.0 million)		**4,133.9**	3,894.6
– €2,600.0 million (31 December 2020: €2,600.0 million)		**4,051.8**	4,148.1
– £800.0 million (31 December 2020: £800.0 million)		**1,487.6**	1,414.9
– HK$400.0 million (31 December 2020: HK$400.0 million)		**70.7**	67.0
– Nil (31 December 2020: NZ$805.0 million)		**–**	(754.7)
Other derivatives [(i)]			
– A$		**(1,000.0)**	(1,000.0)
Principal amounts of net interest bearing liabilities hedged by fixed rate instruments and derivatives		**(6,760.0)**	(9,524.7)

(i) The Group entered into callable swaps with an aggregate principal value of A$1.0 billion, where floating rate payments are swapped to fixed rate payments from February 2020 until February 2026. The callable swaps may be terminated by the counterparty at no cost on a quarterly basis commencing from June 2020 until February 2026.

Note 23 Interest rate risk management (continued)

Summary of interest rate positions at balance date (continued)

At 31 December 2021, the Group has hedged 50% of its net interest bearing liabilities by way of fixed rate borrowings, subordinated notes and interest rate derivatives of varying durations. The remaining 50% is exposed to floating rates on a principal payable of $6,895.9 million, at an interest rate based on an interbank benchmark rate and applicable margins (31 December 2020: 71% hedged with floating exposure on a principal payable of $3,890.9 million).

Interest rate sensitivity

The sensitivity of interest expense to changes in the floating exposure interest rate is proportional. Assuming the floating interest payable exposure remains unchanged, an increase or decrease in interest rates of 100 basis points would increase or decrease interest expense by $69.0 million (31 December 2020: $38.9 million) respectively for the next 12 months.

The fair values of derivatives used by the Group are also sensitive to changes in interest rates and are as follows:

Interest rate movement	31 Dec 21 $million Increase/(decrease) in fair value	31 Dec 20 $million
-2.0%	**827.7**	1,108.6
-1.0%	**390.9**	460.2
-0.5%	**189.8**	235.9
0.5%	**(179.9)**	(231.3)
1.0%	**(351.9)**	(454.1)
2.0%	**(675.5)**	(868.1)

The assumed movement in basis points for the interest rate sensitivity analysis is based on the current observable market environment.

All fixed rate interest bearing liabilities are carried at amortised cost, therefore increases or decreases arising from changes in fair value have not been recorded in these financial statements.

Note 24 Exchange rate risk management

The Group is exposed to exchange rate risks primarily on its foreign currency denominated liabilities and its investment in New Zealand. The Group manages these exposures by entering into currency derivative instruments and by borrowing in New Zealand dollars.

Summary of foreign currency balance sheet positions at balance date

The Group's significant foreign exchange risk exposures at reporting date including the relevant financial instruments used to manage these exposures are as follows:

	31 Dec 21 million	31 Dec 20 million
New Zealand Dollar		
Investment in New Zealand	**NZ$1,515.8**	NZ$1,502.6
Short term deposits at bank	**–**	NZ$420.0
Foreign currency swaps	**–**	NZ$(1,474.6)
NZ$ denominated net assets	**NZ$1,515.8**	NZ$448.0
US Dollar		
Cash and cash equivalents	**US$1.8**	US$0.7
Borrowings	**US$(3,100.0)**	US$(3,600.0)
Cross currency swaps	**US$3,100.0**	US$3,600.0
US$ denominated net assets	**US$1.8**	US$0.7
US Dollar – Subordinated notes		
Subordinated notes	**US$(3,000.0)**	US$(3,000.0)
Cross currency swaps	**US$3,000.0**	US$3,000.0
US$ denominated net assets	**–**	–
British Pound		
Borrowings	**£(800.0)**	£(800.0)
Cross currency swaps and foreign currency swaps	**£797.7**	£800.0
Other net assets	**£2.3**	–
£ denominated net assets	**–**	–
Euro		
Borrowings	**€(2,600.0)**	€(2,600.0)
Cross currency swaps	**€2,600.0**	€2,600.0
€ denominated net assets	**–**	–
Hong Kong Dollar		
Borrowings	**HK$(400.0)**	HK$(400.0)
Cross currency swaps	**HK$400.0**	HK$400.0
HK$ denominated net assets	**–**	–

Foreign exchange gains or losses arising from the translation of interests in foreign operations and the fair value gains or losses from currency derivatives where hedge accounting requirements are met, are taken directly to the foreign currency translation reserve. Where the Group does not satisfy the hedge accounting requirements, the changes in fair value are reflected in the income statement.

Note 24 Exchange rate risk management (continued)

Foreign currency sensitivity

The Group's sensitivity to movements in foreign exchange rates mainly arises from its NZ$ denominated net assets.

The fair values of A$/NZ$ derivatives used by the Group are also sensitive to changes in exchange rates and are as follows:

A$/NZ$ Currency movement	**31 Dec 21 $million** Increase/(decrease) in fair value	31 Dec 20 $million Increase/(decrease) in fair value
- 20 cents	**–**	(319.0)
- 10 cents	**–**	(143.0)
- 5 cents	**–**	(68.0)
+ 5 cents	**–**	61.9
+ 10 cents	**–**	118.5
+ 20 cents	**–**	218.3

The assumed currency movement for the foreign currency sensitivity analysis is based on the current observable market environment.

The US$, €, £ and HK$ denominated notes payable exposures and the subordinated notes exposures (up to the end of the respective non-call periods) are economically hedged using cross currency swaps with the same principal values to convert into A$ payables. Therefore the income statement is not sensitive to any movements in exchange rates in relation to these net positions.

Note 25 Credit risk management

The Group's credit risk arises from financial assets such as cash and cash equivalents, short term deposits at bank, trade debtors and receivables and favourable derivative financial instruments. Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Group.

The Group generally considers a financial asset to be in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group.

For cash, short term deposits and derivative instruments with banks and other financial institutions, credit limits have been established to ensure that the Group deals only with approved counterparties, counterparty concentration risk is addressed and the risk of loss is mitigated. Counterparty exposure is measured as the aggregate of all obligations of any single legal entity or economic entity to the Group, after allowing for appropriate set offs which are legally enforceable. A maximum credit limit is allocated to each counterparty based on its credit rating. The counterparty credit risk associated with investment instruments is assessed based on its outstanding face value.

In accordance with the Group's policy, credit risk in respect of cash, short term deposits and derivative financial instruments is spread among a number of creditworthy counterparties within specified limits. The Group had 68% (31 December 2020: 73%) of its aggregate credit risk spread over two counterparties each with an S&P long term rating of AA- or higher. The remainder is spread over counterparties each with less than 10% of the aggregate credit risk and with an S&P long term rating of A- or higher.

For trade debtors and receivables, there are no significant concentrations of credit risk. The Group also obtains security deposits from tenants in the form of cash or bank guarantees which can be called upon if the tenant is in default under the terms of the lease contract. Credit risk due to the impact of the COVID-19 pandemic and the assessment of expected credit loss on trade debtors and receivables are discussed in Note 3.

The maximum exposure to credit risk at balance date is the aggregate of the carrying amounts of financial assets as disclosed in Note 28.

Note 26 Liquidity risk management

The Group undertakes active liquidity and funding risk management to enable it to have sufficient funds available to meet its financial obligations as and when they fall due, and for working capital and expected committed capital expenditure requirements. The Group prepares and monitors rolling forecasts of liquidity requirements on the basis of expected cash flow.

Refer to Note 15 for details of interest bearing liabilities and financing facilities. The maturity profiles of the principal amounts of interest bearing liabilities including aggregate future estimated nominal interest and the future estimated nominal cashflows of derivative financial instruments are set out below:

	31 Dec 21 $million	31 Dec 20 $million
Senior borrowings and interest		
Due within one year	**(1,195.9)**	(1,835.8)
Due between one year and five years	**(7,214.9)**	(6,300.4)
Due after five years	**(3,562.0)**	(5,278.7)
	(11,972.8)	(13,414.9)
Subordinated notes and interest		
Due within one year	**(204.1)**	(192.3)
Due between one year and five years	**(817.0)**	(769.2)
Due between five years and ten years	**(1,021.1)**	(961.5)
Due after ten years	**(14,088.0)**	(13,465.0)
	(16,130.2)	(15,388.0)
Comprising:		
– principal amounts of current and non current senior borrowings	**(10,608.2)**	(11,781.2)
– aggregate future estimated nominal interest of senior borrowings	**(1,364.6)**	(1,633.7)
– principal amounts of non current subordinated notes	**(4,133.9)**	(3,894.6)
– aggregate future estimated nominal interest of subordinated notes	**(11,996.3)**	(11,493.4)
	(28,103.0)	(28,802.9)
Derivatives inflows/(outflows)		
Due within one year	**(110.2)**	(124.1)
Due between one year and five years	**68.4**	(29.0)
Due after five years	**(161.1)**	(665.5)
	(202.9)	(818.6)

Contingent liabilities are set out in Note 34 and are not included in the amounts shown above.

Note 27 Financial covenants

The Group is required to comply with certain financial covenants in respect of its unsecured borrowing facilities and bond offerings. The major financial covenants are summarised as follows:

(a) Leverage ratio (net debt to net assets)

- shall not exceed 65%

(b) Secured debt ratio (secured debt to total assets)

- shall not exceed 40% (and not exceed 45% on certain facilities)

(c) Interest cover ratio (EBITDA to interest expense excluding gains or losses from mark to market)

- at least 1.5 times

(d) Unencumbered leverage ratio (unencumbered assets to unsecured debt)

- at least 150% (and at least 125% on certain facilities)

At and during the years ended 31 December 2021 and 2020, the Group was in compliance with the financial covenants above.

Note 28 Fair value of financial assets and liabilities

Set out below is a comparison by category of carrying amounts and fair values of the Group's financial instruments.

		Fair value		Carrying amount	
	Fair value Hierarchy	31 Dec 21 $million	31 Dec 20 $million	31 Dec 21 $million	31 Dec 20 $million
Consolidated assets					
Cash and cash equivalents		**978.7**	378.1	**978.7**	378.1
Short term deposits at bank		**–**	2,222.8	**–**	2,222.8
Trade debtors and receivables [i]		**243.0**	226.1	**243.0**	226.1
Interest receivable [i]		**169.5**	167.4	**169.5**	167.4
Derivative assets [ii]	Level 2	**662.4**	731.8	**662.4**	731.8
Consolidated liabilities					
Trade and other payables [i]		**806.8**	778.2	**806.8**	778.2
Interest payable [i]		**277.7**	293.7	**277.7**	293.7
Interest bearing liabilities [ii]					
– Fixed rate debt	Level 2	**10,543.2**	11,572.6	**9,924.7**	10,754.2
– Fixed rate subordinated notes	Level 2	**4,382.0**	4,089.3	**4,133.9**	3,894.6
– Floating rate debt	Level 2	**683.5**	1,027.2	**683.5**	1,027.0
Other financial liabilities [ii]	Level 3	**612.0**	612.7	**612.0**	612.7
Derivative liabilities [ii]	Level 2	**851.9**	1,470.6	**851.9**	1,470.6

[i] These financial assets and liabilities are not subject to interest rate risk and the fair value approximates carrying amount.

[ii] These financial assets and liabilities are subject to interest rate and market risks, the basis of determining the fair value is set out in the fair value hierarchy on page 114.

Note 28 Fair value of financial assets and liabilities (continued)

Determination of fair value

The Group uses the following hierarchy for determining and disclosing the fair value of a financial instrument. The valuation techniques comprise:

Level 1: the fair value is calculated using quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2: the fair value is estimated using inputs other than quoted prices that are observable, either directly (as prices) or indirectly (derived from prices).

Level 3: the fair value is estimated using inputs that are not based on observable market data.

In assessing the fair value of the Group's financial instruments, consideration is given to available market data and if the market for a financial instrument changes then the valuation technique applied will change accordingly.

During the year, there were no transfers between Level 1, Level 2 and Level 3 fair value measurements.

	31 Dec 21 $million	31 Dec 20 $million
Level 3 fair value movement – Property linked notes [(i)]		
Balance at the beginning of the year	**612.7**	689.0
Net fair value gain included in financing costs in the income statement	**(0.7)**	(76.3)
Balance at the end of the year	**612.0**	612.7

(i) The fair value of the property linked notes has been determined by reference to the fair value of the relevant Westfield shopping centres (refer to Note 16).

Investment properties are considered Level 3, refer to Note 4: Investment properties and Note 5: Details of shopping centre investments for relevant fair value disclosures.

Note 29 Other significant accounting policies

(a) Consolidation and classification

This consolidated financial report comprises the financial statements and notes to the financial statements of the Parent Company, and each of its controlled entities which includes SGT1, SGT2 and SGT3 from the date the Parent Company obtained control and until such time control ceased. The Parent Company and the entities it control are collectively referred to as the economic entity known as the Group. Where entities adopt accounting policies which differ from those of the Parent Company, adjustments have been made so as to achieve consistency within the Group.

In preparing the consolidated financial statements all inter-entity transactions and balances, including unrealised profits arising from intra-group transactions, have been eliminated in full. Unrealised losses are eliminated unless costs cannot be recovered.

Note 29 Other significant accounting policies (continued)

(i) Synchronisation of Financial Year

By an order dated 27 June 2005, made by the Australian Securities and Investments Commission (ASIC) pursuant to subsection 340(1) of the Corporations Act, the Directors of the Parent Company have been relieved from compliance with subsection 323D(3) of the Corporations Act insofar as that subsection requires them to ensure the financial year of the controlled entity Carindale Property Trust (CDP), coincides with the financial year of the Parent Company.

Notwithstanding that the financial year of CDP ends on 30 June, the consolidated financial statements have been prepared so as to include the accounts for a period coinciding with the financial year of the Parent Company being 31 December.

(ii) Joint arrangements

Joint operations

The Group has significant co-ownership interests in a number of properties through unincorporated joint ventures. These interests are held directly and jointly as tenants in common. The Group has the rights to the individual assets and obligations arising from these interests and recognises its share of the assets, liabilities, revenues and expenses of the operation.

Joint ventures

The Group has significant co-ownership interests in a number of properties through property partnerships or trusts. These joint ventures are accounted for using the equity method of accounting.

The Group and its joint ventures use consistent accounting policies. Investments in joint ventures are carried in the consolidated balance sheet at cost plus post-acquisition changes in the Group's share of net assets of the joint ventures. The consolidated income statement reflects the Group's share of the results of operations of the joint ventures.

(iii) Controlled entities

Where an entity either began or ceased to be a controlled entity during the reporting period, the results are included only from the date control commenced or up to the date control ceased. Non controlling interests are shown as a separate item in the consolidated financial statements.

(b) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST except where the GST incurred on the purchase of goods and services is not recoverable from the tax authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable. Receivables and payables are stated with the amounts of GST included.

The net amount of GST payable or receivable to government authorities is included as part of receivables or payables on the balance sheet.

Cash flows are included in the cash flow statement on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority is classified as operating cash flow.

Commitments and contingent liabilities are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

(c) Trade and other payables

Trade and other payables are carried at amortised cost and due to their short term nature they are not discounted. They represent liabilities for goods and services provided to the Group prior to the end of the financial year that are unpaid and arise when the Group becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured and are paid within 30 days.

(d) Recoverable amount of assets

At each reporting date, the Group assesses whether there is any indication that an asset may be impaired. Where an indicator of the impairment exists, the Group makes an estimate of recoverable amount. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Note 30 Share based payments

	Note	31 Dec 21 Number of rights	31 Dec 20 Number of rights
(a) Rights over Scentre Group stapled securities			
– Performance rights – STVR	30(b)(i)	**3,467,052**	3,570,670
– Performance rights – LTVR	30(b)(ii)	**3,796,652**	3,331,335
– Performance rights – Retention awards	30(b)(iii)	**6,535,163**	6,697,230
		13,798,867	13,599,235

(b) Equity settled share based payments

(i) Performance rights – STVR – Equity settled over Scentre Group stapled securities (Performance rights – STVR)

	31 Dec 21 Number of rights	31 Dec 20 Number of rights
Movement in Performance rights – STVR		
Balance at the beginning of the year	**3,570,670**	3,378,968
Rights issued during the year	**1,676,002**	1,957,973
Rights exercised during the year	**(1,587,669)**	(1,623,758)
Rights forfeited during the year	**(191,951)**	(142,513)
Balance at the end of the year	**3,467,052**	3,570,670

Vesting profile	31 Dec 21 Fair value granted $million	31 Dec 21 Number of rights[i]	31 Dec 20 Fair value granted $million	31 Dec 20 Number of rights[i]
2021	–	–	5.7	1,667,791
2022	**6.0**	**1,798,735**	6.2	1,902,879
2023	**4.1**	**1,668,317**	–	–
	10.1	**3,467,052**	11.9	3,570,670

[i] The exercise price for these rights is nil.

Accounting Policies

Performance rights – STVR

The Performance rights – STVR is a plan in which senior executives and high performing employees participate. The fair value of the rights issued is measured at each grant date using a Black Scholes option pricing model (Black Scholes). The inputs include the Group's 10-day volume weighted average security price prior to the grant date, the risk free interest rate, expected volatility and expected dividend yield during the vesting period. Expected volatility is based on the historical security price volatility over the past 3 years. Executives are not able to call for early exercise of the rights, however there are provisions in the plan to allow for early vesting at the discretion of the Board. Vesting conditions such as the number of employees remaining in service is taken into account in determining the total amortisation for each reporting period.

The terms of the Performance rights – STVR are described in section 6.7 of the Remuneration Report.

Note 30 Share based payments (continued)

(b) Equity settled share based payments (continued)

(ii) Performance rights – LTVR – Equity settled over Scentre Group stapled securities (Performance rights – LTVR)

	31 Dec 21 Number of rights	31 Dec 20 Number of rights
Movement in Performance rights – LTVR		
Balance at the beginning of the year	**3,331,335**	7,614,098
Rights issued during the year	**3,796,652**	–
Rights exercised during the year	**–**	(1,282,879)
Rights forfeited during the year	**(60,813)**	–
Rights vested at zero during the year	**(3,270,522)**	(2,999,884)
Balance at the end of the year	**3,796,652**	3,331,335

Vesting profile	31 Dec 21 Fair value granted $million	31 Dec 21 Number of rights[i]	31 Dec 20 Fair value granted $million	31 Dec 20 Number of rights[i]
2021	–	–	–	1,626,648
2022	–	–	–	1,704,687
2023	**4.3**	**1,858,682**	–	–
2024	**4.3**	**1,937,970**	–	–
	8.6	**3,796,652**	–	3,331,335

[i] The exercise price for these rights is nil.

Accounting Policies

Performance rights – LTVR

The senior leadership team of Scentre Group participate in the Performance rights – LTVR. The fair value of the rights issued is measured at each grant date using the Monte Carlo simulation using the Black Scholes framework (Monte Carlo) for the relative TSR hurdle component with the remaining hurdle components valued using Black Scholes. For Black Scholes, the inputs include the Group's 10-day volume weighted average security price prior to the grant date, the risk free interest rate, expected volatility and expected dividend yield during the vesting period. For Monte Carlo, the inputs include the Group's security price at grant date, the risk free interest rate, expected volatility and expected dividend yield during the vesting period for the Group and the customised benchmarking index (as detailed in section 6.8 of the Remuneration Report). For both methods, the expected volatility is based on the historical security price volatility over the past 3 years. Other vesting conditions include meeting the performance hurdles applicable under the Performance rights – LTVR as determined annually by the Human Resources Committee. The hurdles chosen by the Human Resources Committee for the 2021 qualifying year are set out in section 6.8 of the Remuneration Report. Vesting conditions such as number of employees remaining in service is taken into account in determining the total amortisation for each reporting period. In calculating the Black Scholes' value of rights granted, it has been assumed that the performance hurdle conditions are met. The terms of the Performance rights – LTVR are described in section 6.8 of the Remuneration Report.

Note 30 Share based payments (continued)

(b) Equity settled share based payments (continued)

(iii) Performance rights – Retention awards – Equity settled over Scentre Group stapled securities

	31 Dec 21 Number of rights	31 Dec 20 Number of rights
Movement in Performance rights – Retention awards		
Balance at the beginning of the year	**6,697,230**	–
Rights issued during the year	**–**	6,697,230
Rights forfeited during the year	**(162,067)**	–
Balance at the end of the year	**6,535,163**	6,697,230

Vesting profile	31 Dec 21 Fair value granted $million	31 Dec 21 Number of rights[i]	31 Dec 20 Fair value granted $million	31 Dec 20 Number of rights[i]
2023	**6.0**	**3,267,588**	6.1	3,348,622
2024	**5.6**	**3,267,575**	5.8	3,348,608
	11.6	**6,535,163**	11.9	6,697,230

(i) The exercise price for these rights is nil.

Accounting Policies

Performance rights – Retention awards

In 2020, retention awards were issued to the senior leadership team in order to retain their services as they are integral to the Group's response to the pandemic and steering a course to recovery. The fair value of the rights issued is measured at each grant date using Black Scholes. The inputs include the Group's 5-day volume weighted average security price prior to the grant date, the risk free interest rate, expected volatility and expected dividend yield during the vesting period. Expected volatility is based on the historical security price volatility over the past 3 years. Other vesting conditions include the executive remaining employed with the Group for the retention period and satisfactory individual performance by the executive and contribution by the executive to the Group's annual business plans. In calculating the Black Scholes' value of rights granted, it has been assumed that the performance hurdle conditions are met. The terms of the Performance rights – Retention awards are described in sections 6.9 and 6.10 of the Remuneration Report.

Accounting for equity settled share based payments

During the year, $11.5 million (31 December 2020: $0.5 million) was charged to the income statement as gross amortisation in respect of equity settled share based payments and the corresponding entry is recorded against the employee share plan benefits reserve.

Note 31 Leases

	Note	31 Dec 21 $million	31 Dec 20 $million
(a) Right-of-use assets[i]			
Balance at the beginning of the year		**81.3**	82.4
Additions		**–**	12.6
Amortisation		**(13.0)**	(13.7)
Balance at the end of the year		**68.3**	81.3

Ground lease assets are included in investment properties as disclosed in Note 4.

(b) Lease liabilities

	Note	31 Dec 21 $million	31 Dec 20 $million
Current		**13.2**	12.0
Non current		**106.2**	119.5
		119.4	131.5
Lease liabilities comprise:			
Right-of-use assets[i]		**75.6**	86.5
Ground leases		**43.8**	45.0
Total lease liabilities		**119.4**	131.5
Total lease payments during the year comprise:			
Principal payments		**11.9**	10.8
Financing costs	13	**5.9**	6.4
		17.8	17.2

(i) These relate to lease agreements for the right to use certain office spaces mainly in the Sydney Office Towers which were recognised as lease liabilities and right-of-use assets from the lease commencement date.

The lease agreements for the Sydney Office Towers include the option to renew four times, each for a period of five years after January 2027. The option to extend has not been included in the measurement of lease liabilities as at 31 December 2021 and 2020.

	31 Dec 21 $million	31 Dec 20 $million
The maturity profile of lease liabilities including future interest payments is set out below:		
Due within one year	**18.7**	18.1
Due between one year and five years	**80.9**	78.2
Due after five years	**113.2**	134.0
	212.8	230.3

Note 31 Leases (continued)

Accounting Policies

Leases (lessee accounting)

At the lease commencement date, a right-of-use asset and a corresponding lease liability is recognised.

The liabilities arising from the lease are initially measured on a present value basis. Lease liabilities include the net present value of future lease payments, less any lease incentives receivable. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right-of-use asset. Lease payments are allocated between principal and finance cost.

Right-of-use assets are measured at cost comprising:

- the amount of the initial measurement of the lease liability;
- any lease payments made at or before the commencement date, less any lease incentives received;
- any initial direct costs incurred; and
- any restoration costs.

Right-of-use assets with respect to the lease of office spaces are amortised on a straight-line basis over the lease term or asset's useful life whichever is shorter.

Note 32 Lease commitments

Operating lease receivables

Substantially all of the property owned and leased by the Group is leased to third party retailers. Lease terms vary between retailers and some leases include percentage rental payments based on sales revenue.

The following is prepared on a proportionate basis which includes both consolidated and equity accounted lease commitments.

	31 Dec 21 $million	31 Dec 20 $million
Future minimum rental revenues under non cancellable operating property leases:		
Due within one year	**1,612.0**	1,574.8
Due between one and two years	**1,314.0**	1,316.5
Due between two and three years	**1,048.9**	1,058.7
Due between three and four years	**824.1**	825.0
Due between four and five years	**615.2**	612.3
Due after five years	**2,111.6**	2,219.8
	7,525.8	7,607.1

These amounts do not include percentage rentals which may become receivable under certain leases on the basis of retailer sales in excess of stipulated minimums and do not include recovery of outgoings.

These amounts include undiscounted future lease payments to be received under non cancellable operating leases calculated based on contracted lease terms as at the end of the year, and have not been adjusted for any further impact that the ongoing COVID-19 pandemic may have on existing lease arrangements.

Note 33 Capital expenditure commitments

The following is prepared on a proportionate basis which includes both consolidated and equity accounted capital expenditure commitments.

	31 Dec 21 $million	31 Dec 20 $million
Estimated capital expenditure committed at balance date but not provided for in relation to development projects:		
Due within one year	**189.1**	96.3
Due between one and five years	**503.3**	452.7
	692.4	549.0

Note 34 Contingent liabilities

The following is prepared on a proportionate basis which includes both consolidated and equity accounted contingent liabilities.

	31 Dec 21 $million	31 Dec 20 $million
Performance guarantees	**48.6**	79.5

Entities of Scentre Group have provided guarantees in respect of certain Westfield Corporation Limited joint venture operations in the United Kingdom. Under the Restructure and Merger Implementation Deed, the entities of Scentre Group and Westfield Corporation have cross indemnified each other for any claims that may be made or payment that may be required under such guarantees. On 7 June 2018, Unibail-Rodamco-Westfield acquired the entities of Westfield Corporation, including Westfield Corporation Limited.

The Group's obligation in respect of performance guarantees may be called on at any time dependent upon the performance or non performance of certain third parties.

From time to time, in the normal course of business, the Group is involved in lawsuits. The Directors believe that the ultimate outcome of such pending litigation will not materially affect the results of operations or the financial position of the Group.

Note 35 Parent company

The Parent Company financial information is presented in accordance with the amendments to the Corporations Regulations 2001 and the Corporations Amendment Regulations 2010 (No. 6). Summary data of the Parent Company is disclosed as follows:

	31 Dec 21 $million	31 Dec 20 $million
(a) Assets		
Current assets	**961.1**	961.0
Non current assets	**4,298.3**	4,287.0
Total assets	**5,259.4**	5,248.0
(b) Liabilities		
Current liabilities	**1,465.2**	1,530.2
Non current liabilities	**55.0**	55.0
Total liabilities	**1,520.2**	1,585.2
(c) Equity		
Contributed equity	**353.4**	353.4
Employee share plan benefits reserve	**3.0**	3.0
Asset revaluation reserve	**3,071.1**	3,059.8
Reserves [i]	**362.7**	297.6
Accumulated losses	**(51.0)**	(51.0)
Total equity	**3,739.2**	3,662.8
(d) Comprehensive income/(loss)		
Profit after tax for the period	**65.1**	112.9
Other comprehensive income/(loss)	**11.3**	(392.1)
Total comprehensive income/(loss) for the period	**76.4**	(279.2)
(e) Contingent liabilities		
Guaranteed borrowings of controlled entities [ii]	**15,078.7**	15,956.7
Total contingent liabilities	**15,078.7**	15,956.7

(i) The Directors of the Parent Company approved the transfer of $65.1 million of the Parent Company's profit for the 2021 financial year to reserves. In 2020, the Directors of the Parent Company approved the transfer of $112.9 million of the Parent Company's profit for the 2020 financial year to reserves.

(ii) The Parent Company has entered into guarantee arrangements with SGT1, SGT2, SGT3 and a number of associated finance subsidiaries on a joint and several basis covering the Group's banking facilities and debt issuances. Under the arrangements, the Parent Company is guaranteed by, and is guarantor to SGT1, SGT2, SGT3 and the finance subsidiaries.

Note 36 Subsidiaries

Financial information of SGT1 and SGT2 are provided below as they have material non controlling interests:

Scentre Group Trust 1

As at 31 December 2021, SGT1 held current assets of $0.4 billion, non current assets of $17.1 billion, current liabilities of $4.2 billion and non current liabilities of $6.0 billion (31 December 2020: current assets of $0.2 billion, non current assets of $17.0 billion, current liabilities of $3.1 billion and non current liabilities of $6.9 billion).

As at 31 December 2021, the total equity held by SGT1 was $7.3 billion (31 December 2020: $7.2 billion).

The profit after tax for the period was $507.7 million and total comprehensive income was $514.0 million (31 December 2020: loss after tax for the period was $1,787.9 million and total comprehensive loss was $1,793.9 million). The revenue for the period was $535.8 million (31 December 2020: $532.2 million).

Scentre Group Trust 2

As at 31 December 2021, SGT2 held current assets of $2.8 billion, non current assets of $17.7 billion, current liabilities of $0.5 billion and non current liabilities of $9.0 billion (31 December 2020: current assets of $3.7 billion, non current assets of $17.0 billion, current liabilities of $0.8 billion and non current liabilities of $9.1 billion).

As at 31 December 2021, the total equity held by SGT2 was $11.0 billion (31 December 2020: $11.0 billion).

The profit after tax for the period was $322.9 million and total comprehensive income was $329.2 million (31 December 2020: loss after tax for the period was $2,072.1 million and total comprehensive loss was $2,078.1 million). The revenue for the period was $566.4 million (31 December 2020: $570.4 million).

Note 37 Deed of cross guarantee

On 18 December 2019, Scentre Group Limited and each of the wholly-owned subsidiaries set out below (together the "Closed Group") are party to a deed of cross guarantee (Deed), as defined in ASIC Corporations (Wholly-owned Companies) Instrument 2016/785 (ASIC Instrument). The effect of the Deed is that each entity in the Closed Group guarantees the payment in full of all debts of the other entities in the Closed Group in the event of their winding up. Pursuant to the ASIC Instrument, the wholly-owned subsidiaries within the Closed Group are relieved from the requirement to prepare, audit and lodge separate financial reports.

The following entities are party to the Deed and part of the Closed Group: Scentre Group Limited, Scentre Limited, Scentre Shopping Centre Management Pty Ltd, Scentre Shopping Centre Management (VIC) Pty Ltd, Scentre Capital Assets Pty Limited, Samel Pty Limited, Scentre No 1 Pty Limited and Scentre Alliances Pty Limited.

Note 37 Deed of cross guarantee (continued)

A consolidated Statement of Comprehensive Income and Accumulated Losses and consolidated Balance Sheet for the Closed Group are as follows:

Statement of Comprehensive Income and Accumulated Losses	31 Dec 21 $million	31 Dec 20[i] $million
Revenue	**486.4**	462.6
Expenses excluding financing costs	**(376.8)**	(344.3)
Financing costs	**(7.1)**	(8.8)
Profit before tax	**102.5**	109.5
Income tax expense	**(19.6)**	(23.7)
Profit after tax	**82.9**	85.8
Other comprehensive income/(loss)	**(2.9)**	(368.0)
Total comprehensive income/(loss)	**80.0**	(282.2)
Accumulated losses at the beginning of the year	**(63.6)**	(63.6)
Profit after tax	**82.9**	85.8
Transfers to reserves	**(82.9)**	(85.8)
Accumulated losses at the end of the year	**(63.6)**	(63.6)

Balance Sheet		
Current assets		
Cash and cash equivalents	**34.5**	52.9
Trade debtors	**15.4**	14.4
Receivables	**976.2**	971.4
Other current assets	**48.5**	58.6
Total current assets	**1,074.6**	1,097.3
Non current assets		
Investment in controlled entities	**4,106.2**	4,109.1
Right-of-use assets	**67.8**	81.3
Plant, equipment and intangible assets	**48.8**	48.8
Other non current assets	**12.7**	12.6
Total non current assets	**4,235.5**	4,251.8
Total assets	**5,310.1**	5,349.1
Current liabilities		
Trade creditors	**39.3**	36.8
Payables and other creditors	**1,106.6**	1,297.4
Interest bearing liabilities	**278.6**	201.1
Lease liabilities	**12.5**	11.4
Tax payable	**3.8**	14.3
Total current liabilities	**1,440.8**	1,561.0
Non current liabilities		
Payables and other creditors	**23.3**	17.7
Lease liabilities	**62.6**	75.1
Deferred tax liabilities	**46.9**	46.3
Total non current liabilities	**132.8**	139.1
Total liabilities	**1,573.6**	1,700.1
Net assets	**3,736.5**	3,649.0
Equity		
Contributed equity	**353.4**	353.4
Reserves	**3,446.7**	3,359.2
Accumulated losses	**(63.6)**	(63.6)
Total equity	**3,736.5**	3,649.0

(i) Restated to retrospectively apply IFRIC's final agenda decision on accounting for configuration or customisation costs in a cloud computing arrangement adopted in 2021.

Note 38 Auditor's remuneration

	31 Dec 21 $000	31 Dec 20 $000
Amounts received or due and receivable by the auditor of the Parent Company and any other entity in the Group for:		
– Auditing the statutory financial report of the Parent Company covering the Group[i]	**3,009**	2,465
– Auditing the statutory financial reports of any controlled entities	**203**	97
– Fees for assurance services that are required by legislation to be provided by the auditor[ii]	**98**	497
– Fees for other assurance and agreed-upon-procedures services under other legislation or contractual arrangements[iii]	**984**	1,052
– Fees for other services	**49**	–
	4,343	4,111
Amounts received or due and receivable by affiliates of the auditor of the Parent Company for:		
– Auditing the statutory financial report of the Parent Company covering the Group	**48**	47
– Auditing the statutory financial reports of any controlled entities	**195**	190
– Fees for assurance services that are required by legislation to be provided by the auditor	**–**	–
– Fees for other assurance and agreed-upon-procedures services under other legislation or contractual arrangements[iii]	**34**	33
– Fees for other services	**–**	–
	277	270
	4,620	4,381

(i) Includes stapled trusts, SGT1, SGT2 and SGT3.
(ii) Includes Australian Financial Services Licence, Compliance Plan and Comfort Letters issued in respect of corporate note issuances.
(iii) Includes assurance services such as real estate trust audits, outgoings audits, promotional fund audits and other assurance engagements.

Note 39 Superannuation commitments

The Group sponsors accumulation style superannuation funds to provide retirement benefits to its employees. There are no unfunded liabilities in respect of these superannuation funds and plans. The Group does not sponsor defined benefits style superannuation funds and plans.

Note 40 Related party disclosures

Information required to be disclosed concerning relationships, transactions and balances with related parties of the Group is set out in this Note unless disclosed elsewhere in this financial report.

Nature of relationship with related parties

Key Management Personnel

Refer to Note 41 and the Remuneration Report in the Directors' Report for details of Key Management Personnel (KMP).

Transactions with related parties and their terms and conditions

Transactions with KMP

Refer to Note 41 and the Remuneration Report in the Directors' Report for remuneration of KMP.

The Group has established protocols governing transactions with related parties which are monitored and reviewed by the Audit and Risk Committee.

Note 41 Details and remuneration of KMP

KMP are those individuals having the authority and responsibility for planning, directing and controlling the activities of the Group, either directly or indirectly. The non-executive Directors, CEO and CFO are considered KMP.

(a) Key Management Personnel

As at 31 December 2021, the Board comprises the following directors:

Brian Schwartz AM	Non-Executive Chair
Peter Allen	Managing Director and CEO
Ilana Atlas AO	Non-Executive Director
Andrew Harmos	Non-Executive Director
Michael Ihlein	Non-Executive Director
Carolyn Kay	Non-Executive Director
Steven Leigh	Non-Executive Director
Guy Russo	Non-Executive Director
Margaret Seale	Non-Executive Director
Michael Wilkins AO	Non-Executive Director

Ilana Atlas was appointed to the Board as an independent non-executive Director on 28 May 2021.

On 17 December 2021, the Group announced the appointment of Catherine Brenner to the Board effective 1 March 2022. Ms Brenner will be an independent non-executive Director. On 16 February 2022 the Group announced that Mr Steven Leigh would retire from the Board at the conclusion of the AGM on 7 April 2022.

During the year, Elliott Rusanow, CFO, was also a KMP.

Note 41 Details and remuneration of KMP (continued)

(b) Remuneration of KMP

The amounts below represent the total remuneration amounts for KMP. A detailed discussion on KMP remuneration is in the Directors' Report rather than the financial report so as to avoid duplication of information. As such, refer to the Remuneration Report (which has been audited) in the Directors' Report for further details concerning disclosure of KMP remuneration.

The aggregate remuneration for the twelve months was:

		Short term benefits			Post Employment	Termination Benefits	Share Based	TOTAL
Key Management Personnel	Fixed remuneration[i] $	Cash STVR $	Non-monetary benefits $	Other short term employee benefits[ii] $	Other post employment benefits $	Termination benefits $	Amortisation of cash and equity settled share based payments[iii] $	$
Directors								
31 December 2021	**4,636,301**	**1,365,000**	**–**	**25,769**	**–**	**–**	**2,547,680**	**8,574,750**
31 December 2020	4,160,177	1,155,000	–	(1,154)	–	–	(1,248,793)	4,065,230
Non directors								
31 December 2021	**1,100,000**	**716,100**	**–**	**73,404**	**–**	**–**	**1,010,231**	**2,899,735**
31 December 2020	1,045,000	577,500	–	56,116	–	–	26,743	1,705,359
Total								
31 December 2021	**5,736,301**	**2,081,100**	**–**	**99,173**	**–**	**–**	**3,557,911**	**11,474,485**
31 December 2020	5,205,177	1,732,500	–	54,962	–	–	(1,222,050)	5,770,589

(i) Fixed remuneration is inclusive of statutory superannuation benefits.

(ii) Comprising annual leave and long service leave entitlements.

(iii) Refer to the Remuneration Report in the Directors' Report for further details regarding the operation of share based payments.

(c) Performance rights held by KMP

Rights held by executive KMP under the Group's equity-linked incentive plans are disclosed in the Remuneration Report.

(d) Other transactions and balances with KMP

During the financial year, transactions occurred between the Group and KMP which were within normal employee/non-executive Director relationships being the performance of contracts of employment/services, including the reimbursement of expenses, and the payment of dividends/distributions by the Group in respect of stapled securities held in the Group.

Note 42 Details of material and significant entities

Name of entity	31 Dec 21 – Interest: Beneficial[i] Parent Company %	31 Dec 21 – Interest: Beneficial[i] Scentre Group %	31 Dec 21 – Interest: Consolidated or Equity accounted %	31 Dec 20 – Interest: Beneficial[i] Parent Company %	31 Dec 20 – Interest: Beneficial[i] Scentre Group %	31 Dec 20 – Interest: Consolidated or Equity accounted %
ENTITIES INCORPORATED IN AUSTRALIA						
Parent Company						
Scentre Group Limited	**100.0**	**100.0**	**100.0**	100.0	100.0	100.0
Consolidated Controlled Entities						
Scentre Group Trust 1	**–**	**100.0**	**100.0**	–	100.0	100.0
Scentre Group Trust 2	**–**	**100.0**	**100.0**	–	100.0	100.0
Scentre Group Trust 3	**–**	**100.0**	**100.0**	–	100.0	100.0
Scentre Finance (Aust) Limited	**100.0**	**100.0**	**100.0**	100.0	100.0	100.0
Scentre Limited	**100.0**	**100.0**	**100.0**	100.0	100.0	100.0
ENTITIES INCORPORATED IN NEW ZEALAND						
Consolidated Controlled Entities						
RE (NZ) Finance Limited	**–**	**100.0**	**100.0**	–	100.0	100.0
Scentre NZ Holdings Limited	**–**	**100.0**	**100.0**	–	100.0	100.0
SCG1 Finance (NZ) Limited	**–**	**100.0**	**100.0**	–	100.0	100.0

[i] Beneficial interest in underlying controlled entities reflects the Parent Company being Scentre Group Limited and its subsidiaries (excluding SGT1, SGT2 and SGT3) and Scentre Group's ownership interest as determined under International Financial Reporting Standards (IFRS).

Directors' Declaration

For the year ended 31 December 2021

The Directors of Scentre Group Limited (Company) declare that:

(a) in the Directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable;

(b) in the Directors' opinion, the Financial Statements and notes thereto are in accordance with the Corporations Act 2001, including:

- (i) complying with accounting standards and regulations in accordance with section 296 of the Corporations Act 2001;
- (ii) giving a true and fair view of the financial position as at 31 December 2021 and the performance of the consolidated entity for the year ended on that date in accordance with section 297 of the Corporations Act 2001;
- (iii) the International Financial Reporting Standards issued by the International Accounting Standards Board;

(c) they have been provided with the declarations required by section 295A of the Corporations Act 2001; and

(d) in the Directors' opinion, there are reasonable grounds to believe that the Company and the subsidiaries identified in Note 37 will be able to meet any obligations or liabilities to which they are or may become subject to by virtue of the Deed of Cross Guarantee referred to in Note 37.

Made on 23 February 2022 in accordance with a resolution of the Board of Directors.

Brian Schwartz AM
Chair

Michael Ihlein
Director

23 February 2022

Investor Relations

Scentre Group is listed on the Australian Securities Exchange (ASX) under the code "SCG".

Please visit our website at www.scentregroup.com/investors for a variety of investor information.

Scentre Group securities

A Scentre Group stapled security comprises:

- Scentre Group Limited share
- Scentre Group Trust 1 unit
- Scentre Group Trust 2 unit
- Scentre Group Trust 3 unit

and trade together as one security.

Scentre Group website

- About Scentre Group
- News & Insights
- Our Portfolio
- Investor Information

Electronic information

By becoming an electronic investor and registering your email address, you can receive via email, news, notifications and announcements, dividend/distribution statements, taxation statements and annual reports.

Secure access to your securityholding online

You can go to www.scentregroup.com/investors to access your securityholding information by clicking on 'My SCG Securities' as well as extensive information on the Group including the latest press releases, results announcements, presentations and more.

To view your securityholding, you will need your Holder Number (SRN/HIN) and will be asked to verify your registered postcode (inside Australia) or your country of residence (outside Australia).

Phone – you can confirm your holding balance, request forms and access distribution and trading information by phoning:

1300 730 458 or call +61 3 9946 4471 (outside Australia) then, pressing 1. You will be asked to enter your Holder Number (SRN/HIN).

Scentre Group distribution details

Your interim distribution will be paid at the end of August and your final distribution paid at the end of February. Details of the 2021 year distributions are provided in the table to the right. To ensure timely receipt of your distribution, please consider the following:

Direct credit

You can receive your distribution payment efficiently and safely by having it direct credited to your bank account. If you wish to register for direct credit, please complete the form and return it to the registry. This form can be downloaded from https://www.scentregroup.com/investors/security-holder-forms or by phoning our Registry on 1300 730 458 (please have your Holder Number (SRN/HIN) available to quote). Alternatively, you can update your details directly online at www.scentregroup.com/investors and by clicking on "My SCG Securities".

	Ordinary Securities (cents per security)
* Dividends/distributions for the year ended 31 December 2021	**14.25**
Dividends/distributions for the six months ended 30 June 2021 paid on 31 August 2021	**7.00**
Dividend in respect of a Scentre Group Limited share	Nil
Distribution in respect of a Scentre Group Trust 1 unit	3.50
Distribution in respect of a Scentre Group Trust 2 unit	3.50
Distribution in respect of a Scentre Group Trust 3 unit	Nil
Dividends/distributions for the six months ended 31 December 2021 to be paid on 28 February 2022	**7.25**
Dividend in respect of a Scentre Group Limited share	2.89
Distribution in respect of a Scentre Group Trust 1 unit	2.14
Distribution in respect of a Scentre Group Trust 2 unit	2.14
Distribution in respect of a Scentre Group Trust 3 unit	0.08

Note: The Group does not operate a distribution reinvestment plan.

Tax File Number (TFN)

You are not required by law to provide your Tax File Number (TFN), Australian Business Number (ABN) or Exemption.

However, if you do not provide your TFN, ABN or Exemption, withholding tax at the highest marginal rate, currently 47% for Australian resident members, may be deducted from distributions paid to you. If you have not supplied this information and wish to do so, please advise our Registry or your sponsoring broker.

Alternatively, you can update your details directly online at www.scentregroup.com/investors and by clicking on "My SCG Securities".

Annual Tax Statement and 2021 Tax Guide

The Annual Tax Statement and Tax Guide are dispatched to securityholders in March.

Unpresented cheques and unclaimed funds

Scentre Group is required to remit to the NSW Office of State Revenue amounts greater than $100 held in an account that has been inactive for at least 6 years. If you believe you have unpresented cheques please contact the Registry which will be able to check the records and assist you in recovering any funds. Record checks can be made for the prior 7 years. For any enquiries beyond 7 years, you will need to contact the NSW Office of State Revenue (www.revenue.nsw.gov.au) to check for unclaimed money.

Australian Capital Gains Tax considerations

A Scentre Group stapled security comprises four separate assets for capital gains tax purposes. For capital gains tax purposes you need to apportion the cost of each stapled security and the proceeds on sale of each stapled security over the separate assets that make up the stapled security. This apportionment should be done on a reasonable basis. One possible method of apportionment is on the basis of the relative Net Tangible Assets (NTAs) of the individual entities.

These are set out by entity in the table below.

Relative net tangible assets (NTA) of entities in Scentre Group	30 Jun 21	31 Dec 21
Scentre Group Limited	5.25%	5.36%
Scentre Group Trust 1	36.81%	36.94%
Scentre Group Trust 2	57.84%	57.60%
Scentre Group Trust 3	0.10%	0.10%

Contact details

All changes of name, address, tax file number, payment instructions and document requests should be directed to the Registry or alternatively, you can update your details directly online at www.scentregroup.com/investors and by clicking on "My SCG Securities".

Principal share registry

Computershare Investor Services Pty Limited
Level 3, 60 Carrington Street
Sydney NSW 2000
GPO Box 2975
Melbourne VIC 3001
Telephone: +61 3 9946 4471
Toll Free: 1300 730 458 (Australia Only)
Facsimile: +61 3 9473 2500
Contact: www.investorcentre.com/contact
Website: www.computershare.com

All other queries should be directed to Scentre Group Investor Relations:

Level 30, 85 Castlereagh Street
Sydney NSW 2000, Australia

GPO Box 4004
Sydney NSW 2001
Telephone +61 2 9358 7877
Email: investor@scentregroup.com
Website: www.scentregroup.com/investors

Investor feedback

If you have any complaints or feedback, please direct these in writing to Scentre Group Investor Relations at GPO Box 4004, Sydney NSW 2001.

Scentre Group calendar

February

- 23 Feb 2022: Full-year results released
- 28 Feb 2022: Payment Distribution for 6 months ending December

March

- Annual Financial Reports for Scentre Group Trust 1, Scentre Group Trust 2 and Scentre Group Trust 3 released
- Annual Tax Statements released

April

- 7 Apr 2022: Scentre Group Limited: Annual General Meeting

May

- 1st Quarter Update

August

- Half-year results released
- Payment of Distribution for the 6 months ending June

November

- 3rd Quarter Update

Members' Information

As at 14 February 2022

Twenty largest holders of stapled securities in Scentre Group*

		Number of Securities
1	HSBC Custody Nominees (Australia) Limited	1,734,010,570
2	J P Morgan Nominees Australia Pty Limited	1,153,120,514
3	BNP Paribas Nominees Pty Ltd <Agency Lending DRP A/C>	700,501,407
4	Citicorp Nominees Pty Limited	578,987,423
5	National Nominees Limited	202,740,167
6	BNP Paribas Noms Pty Ltd <DRP>	91,753,905
7	Citicorp Nominees Pty Limited <Colonial First State Inv A/C>	57,741,285
8	BNP Paribas Nominees Pty Ltd Six Sis Ltd <DRP A/C>	36,753,358
9	HSBC Custody Nominees (Australia) Limited <NT-Comnwlth Super Corp A/C>	27,781,806
10	HSBC Custody Nominees (Australia) Limited <GSCO Customers A/C>	15,353,861
11	HSBC Custody Nominees (Australia) Limited – A/C 2	10,946,523
12	HSBC Custody Nominees (Australia) Limited-GSCO ECA	10,230,792
13	Argo Investments Limited	7,526,662
14	Netwealth Investments Limited <Wrap Services A/C>	7,405,025
15	BNP Paribas Noms Pty Ltd <Global Markets DRP>	6,490,481
16	HSBC Custody Nominees (Australia) Limited	6,430,114
17	Brispot Nominees Pty Ltd <House Head Nominee A/C>	6,427,663
18	BNP Paribas Nominees Pty Ltd Hub24 Custodial Serv Ltd <DRP A/C>	6,340,289
19	CS Third Nominees Pty Limited <HSBC Cust Nom AU Ltd 13 A/C>	5,998,327
20	BNP Paribas Noms (NZ) Ltd <DRP>	5,685,000
		4,672,225,172

* Ordinary shares in Scentre Group Limited are stapled to units in Scentre Group Trust 1, Scentre Group Trust 2 and Scentre Group Trust 3.

Voting rights

Scentre Group Limited – At a meeting of members, on a show of hands, every person present who is a member or representative of a member has one vote, and on a poll every member present in person or by proxy or attorney and every person who is a representative of a member has one vote for each share they hold or represent.

Scentre Group Trust 1, Scentre Group Trust 2 and Scentre Group Trust 3 – At a meeting of members, on a show of hands, every person present who is a member or representative of a member has one vote, and on a poll every member present in person or by proxy or attorney and every person who is a representative of a member has one vote for each dollar value of the total interest they have in the respective trusts.

Distribution schedule

Category	Number of stapled securities*	Number of securityholders	% of securities in each category
1 – 1,000	12,835,726	30,133	0.25
1,001 – 5,000	85,354,098	33,794	1.64
5,001 – 10,000	72,924,428	10,084	1.40
10,001 – 100,000	190,783,943	8,240	3.68
100,001 and over	4,828,480,144	396	93.03
Total	**5,190,378,339**	**82,647**	**100.00**

As at 14 February 2022, 7,434 securityholders hold less than a marketable parcel (being 170 securities at the closing price of $2.95) of quoted securities in Scentre Group.

* There are 13,798,867 performance rights on issue under the Group's performance rights plan to a total of 83 participants. These rights may be satisfied by either the transfer of Scentre Group securities to employees or settled by way of cash payout which amount is calculated by reference to the market price of Scentre Group securities at the time of vesting. Under the stapling arrangement, in the case of the issue of securities, each of the Company, Scentre Group Trust 1, Scentre Group Trust 2 and Scentre Group Trust 3 is required to issue securities on the vesting of a performance right.

** During FY21, 1,312,571 securities (at an average price of $3.0926) were acquired on-market by the Scentre Group Performance Rights Plan Trust to satisfy executive entitlements on the vesting of rights under the Group's equity-linked plans.

Substantial securityholders

The names of Scentre Group substantial securityholders and the number of ordinary stapled securities in which each has a relevant interest, as disclosed in the substantial shareholding notices given to the Group, are as follows:

UniSuper Limited as trustee for UniSuper and UniSuper Management Pty Limited	584,575,781
The Vanguard Group	524,857,282
BlackRock Group	496,793,754
State Street	386,475,318

Directory

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, AFS Licence No 380203)

Registered Office
Level 30
85 Castlereagh Street
Sydney NSW 2000

New Zealand Office
Level 5, Office Tower
277 Broadway
Newmarket, Auckland 1023

Secretaries
Maureen T McGrath
Paul F Giugni

Auditor
Ernst & Young
200 George Street
Sydney NSW 2000

Investor Information
Scentre Group
Level 30
85 Castlereagh Street
Sydney NSW 2000
Telephone: +61 2 9358 7877
Facsimile: +61 2 9358 7881
E-mail: investor@scentregroup.com
Website: www.scentregroup.com/investors

Principal Share Registry
Computershare Investor Services Pty Limited
Level 3, 60 Carrington Street
Sydney NSW 2000
GPO Box 2975
Melbourne VIC 3001
Telephone: +61 3 9946 4471
Toll Free: 1300 730 458 (Australia Only)
Facsimile: +61 3 9473 2500
Contact: www.investorcentre.com/contact
Website: www.computershare.com

Listing
Australian Securities Exchange – SCG

Website
www.scentregroup.com

This page has been intentionally left blank.

This page has been intentionally left blank.

SCENTRE GROUP