

4

SUSTAINABLE DEVELOPMENT

4.1

KLÉPIERRE'S SUSTAINABILITY STRATEGY AND MAIN ACHIEVEMENTS 160

4.1.1	Environmental and social context	160
4.1.2	Approach to sustainability	160
4.1.3	Main non-financial risks and opportunities	163
4.1.4	2019 main achievements	166

4.2

ACT FOR THE PLANET 167

4.2.1	Act for a low-carbon future	167
4.2.2	Contribute to a circular economy and resource conservation	173
4.2.3	Develop a fully-certified portfolio	176
4.2.4	Innovate towards sustainable mobility	179

4.3

ACT FOR TERRITORIES 181

4.3.1	Promote local employment around our centers	181
4.3.2	Participate in the local economy	183
4.3.3	Pursue our responsible citizenship	184
4.3.4	Involve local actors' development projects	185

4.4

ACT FOR PEOPLE 186

4.4.1	Increase visitor satisfaction	187
4.4.2	Shopping center health, safety and well-being	189
4.4.3	Offer Group employees a positive experience	191
4.4.4	Champion ethics in the local communities	197
4.4.5	Be socially conscious	199

4.5

SUSTAINABILITY GOVERNANCE 200

4.5.1	Organization	200
4.5.2	Sustainability policies	201
4.5.3	Management system and tools	201
4.5.4	Industry initiatives and charters supported by Klépierre	203

4.6

SUMMARY OF PERFORMANCE AGAINST LONG-TERM COMMITMENTS, METHODOLOGY AND CONCORDANCE TABLES 204

4.6.1	Supplemental data	204
4.6.2	Methodological note	205
4.6.3	Cross-reference tables	207
4.6.4	Independent third party's report on consolidated non-financial statement	210

4.1 KLÉPIERRE'S SUSTAINABILITY STRATEGY AND MAIN ACHIEVEMENTS

4.1.1 Environmental and social context

Klépierre's business model (explained in section 1.7) covers the development, management and operation of shopping centers in 12 European markets. With a portfolio consisting of largely dominant assets in dynamic urban centers, the Group delivers value for its stakeholders through a proactive approach to shopping center management, its commitment to developing strong partnerships with its retailers, and its relentless focus on delivering compelling destinations.

The principle non-financial resources that Klépierre's business model relies upon include: human capital to deliver its strategy, technology for the maintenance and safe operation of the Group's assets; its marketing activities and engagement with visitors, innovation to evolve its service offer and anticipate consumer trends, and natural capital to power its properties and provide the raw materials for its development projects.

The availability of these resources, and their importance to the Group's strategy, has changed significantly in recent years, fueled by broader macro-trends that are not exclusive to the retail sector.

▶ LONG-TERM TRENDS AFFECTING THE GROUP'S PRINCIPAL NON-FINANCIAL RESOURCES



CLIMATE

Consumers are more concerned than ever about where their products come from, and how they are produced, as sustainability considerations influence their purchasing decisions. In late 2018, Klépierre commissioned PricewaterhouseCoopers to conduct a study on the megatrends affecting the European shopping center industry. The study found that 77% of the near 1,800 European consumers surveyed favored shopping centers acting to minimize their environmental impact. In addition, grassroots movements such as the Global Carbon Strike have pushed climate change to the forefront of the political, social and business agenda. Its prominence in public discourse and impact on policy makers, investors and occupiers alike is materializing in the international and domestic policy arena with the emergence of regulation covering minimum energy efficiency standards and carbon emissions.



TALENTS

Global demand for talent and the move to a knowledge-based economy means that organizations must hire and retain the right people, and up-skill existing employees in new ways of working to retain their competitive advantage. In a marketplace where competition for the right skills is fierce, leading companies need to offer a dynamic and engaging work environment that places a premium on development and well-being. At the same time, organizations must demonstrate their sustainability credentials as employees look to work for companies that match their values.



INNOVATION



TECHNOLOGY

Technology, the emergence of new consumption models and changing consumer expectations mean that successful retailers and shopping center owners must innovate to redefine the shopping experience. Consumers are looking for a more personal experience that goes beyond just shopping. Innovative features such as a compelling tenant mix featuring small and local retailers, attractive leisure facilities and experiences that blend the technological and physical space are vital to creating resilient assets where people can shop, relax and connect.

4.1.2 Approach to sustainability

Klépierre views its real estate investments as an inherently long-term undertaking. How its shopping centers are designed, constructed and managed has far reaching impacts on the environment and society over many decades of their operational life.

The size of the Group's portfolio, covering a total floor area of 5.4 million sq.m., more than 12,000 leases and over 1.1 billion visits annually, means its direct impacts on the consumption of natural resources and the people who use its buildings can be significant. It also has a much wider influence through the actions of its retailers and visitors, and its contribution to the social and economic fabric of its communities.

Understanding how these impacts evolve over time, and their relationship with the resources that Klépierre relies upon, is fundamental to delivering sustainable financial returns and creating value for the Group's stakeholders.

This long-term perspective is built into Klépierre's business model. The Group's approach is characterized by a commitment to both its physical assets and the communities in which they are located, and manifests itself through a strategy that prioritizes assets, people and territories.

Given the complex interaction between these impacts and resources, Klépierre's ability to thrive, and extract value from its portfolio is underpinned by its relationships with its key stakeholders. These include the national and international brands that occupy its properties (many of whom represent the dominant retailers in their segment), the millions of consumers who visit its shopping centers each year, its shareholders and debt providers; employees and local communities.

4.1.2.1 Sustainability strategy

Klépierre has long recognized the link between economic performance and social and environmental excellence. In 2002, the Group began to report non-financial data and information with its financial results, and published its first sustainability strategy ("Good Choices") in 2013 which tied together the Group's activities, predominantly in the environmental arena where it has historically been most active.

Since 2017, Act for Good® has built on these achievements by setting out Klépierre's strategy across three pillars that together reflect the Group's most material sustainability risks and opportunities within the context of its business model and operating environment. These were identified following a comprehensive materiality review that drew on the combined insights of the Group's principal stakeholders (see section 4.1.2.2). Along with Let's Play®, Clubstore®, and Retail First®, it is one of the key pillars of the Group's operating strategy, thereby ensuring that sustainability is deeply embedded in the Group's business activities.

With its focus on Planet, People and Territories, Act for Good® consolidates the Group's sustainability activities into these three pillars. Each pillar is broken down into specific quantified commitments with a five-year timeframe (2022), supplemented by long-term goals (2030) that seek to preserve and enrich the resources on which the Group depends, and harness its relationships with its stakeholders.

ACT FOR GOOD® WITH KLÉPIERRE



ACT FOR THE PLANET

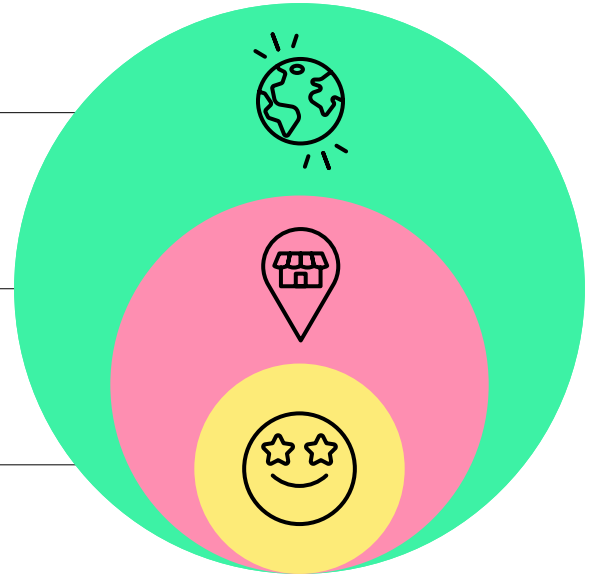
Developing a portfolio of shopping centers that generate environmental benefits

ACT FOR TERRITORIES

Designing and operating our centers as "local hubs" that stimulate value creation

ACT FOR PEOPLE

Empowering our communities in a sustainable way



4.1.2.1.1 Act for the Planet

Act for the Planet brings together the major environmental issues that Klépierre faces in carrying out its business activities. The Group's positive contribution to environmental matters – which has been acknowledged for many years – has encouraged it to set its goals even higher.

While Klépierre continues to target improvements to the environmental performance of its assets, for example by reducing its reliance on fossil fuels, this pillar challenges it to work more closely with its retailers and suppliers to deliver sustained and significant reductions with a focus on energy use and waste. Secondly, it provides a framework to tackle the emerging trends facing its business and society more widely by promoting a zero-carbon and zero-waste portfolio.

▶ VALUE CREATED



Reduced consumption of natural resources
Reduced dependency on fossil-fuel derived energy
Contribution to a zero-carbon economy
Lower operating costs and service charges



Contribution to circular economy



Improvements to the public realm including transport infrastructure and sustainable mobility

4.1.2.1.2 Act for Territories

Act for Territories responds to consumer demand for more new experiences and a shared sense of space and community. It challenges the Group to be more local and tap into consumer demand for sustainability.

This pillar capitalizes on the importance of the Group's local footprint – in the form of the shopping centers that it owns and manages – and provides visibility and amplifies the many community-based initiatives that are developed across Klépierre's portfolio.

▶ VALUE CREATED



RETAILS

Strengthened relationships with retailers
 Knowledge sharing and support to meet changing consumer expectations
 Reduced risks and operating costs through joint action on social and environmental initiatives



LOCAL

Local economic development
 Facilitating youth employment
 Social inclusion and cultural promotion



COMMUNITIES

Increased exposure and fundraising opportunities
 Strengthened ties with local communities

4.1.2.1.3 Act for People

Act for People addresses the Group's visitors, retailers and employees (both in Klépierre's own operations and indirectly through its retailers and suppliers). This human focused pillar is directed at all the communities with which the Group interacts, with the aim of placing value creation at the center of its efforts.

Targets under this pillar cover the Group's relations with its principal stakeholders to build trust and transparency, and to deliver a positive and diverse working environment.

▶ VALUE CREATED



VISITORS

Positive visitor experience increasing loyalty and sustaining operational results
 Innovative services and leisure facilities that meet visitor demand for new experiences



EMPLOYEES

Improved productivity and employee well-being
 Increased human capital development
 Access to a diverse talent pool
 Recruitment, compensation and career growth



RETAILS

Improved service quality benefiting retailers and visitors
 Innovative partnerships and knowledge sharing
 Reduction of reputational risks from the dissemination of responsible procurement practices

4.1.2.2 Co-construction with stakeholders

Act for Good® was developed following the most recent materiality review that was conducted in 2017. This consisted of a rigorous, multi-stakeholder engagement exercise involving a panel of Klépierre's main, representative internal and external stakeholders, including retailers, investors, human resources and CSR experts, scientists, NGOs and public authorities.

The panel assessed 38 pre-identified items based on their importance to Klépierre and ranked the top ten issues in terms of risks or opportunities for the Group. Following this assessment, the panel was asked to contribute to the definition of a new sustainability strategy that would achieve the following objectives:

- > Meet the expectations of Klépierre's stakeholders;
- > Ensure a positive correlation between sustainability activities and financial performance;
- > Focus on key impact areas; and
- > Reflect the Group's operating context and make it meaningful for employees.

Armed with this brief, the panel and Group representatives explored stakeholders' perceptions of the Group's sustainability activities and developed a framework strategy for consultation. Klépierre's Executive Board participated in these discussions and in the joint development of the Act for Good® strategy by sharing its vision and goals for Klépierre as well as by outlining its commitment to developing and rolling out the new strategy.

This collaboration made it possible to highlight four key themes for Klépierre, which became the major commitments underpinning Act for Good®: climate change, sustainable construction, health and well-being, and local value creation.

The draft new strategy was then discussed with all Country Directors, practice leaders as well as the internal CSR Committee, before being reviewed by the Klépierre Supervisory Board's Sustainable Development Committee.

4.1.3 Main non-financial risks and opportunities

Social, environmental, human rights and anti-corruption related risks affecting Klépierre's business model and core activities are reviewed on an annual basis as part of the Group's overall risk assessment. The Group's Risk Management Framework is described in detail in section 1.7 "Risk Management". This includes a description of the Group's main risk factors, impacts and mitigation measures, including the following material non-financial risks:

- > Climate Change;
- > Human Resources; and
- > Health, Safety and Security.

The Group has identified eight additional non-financial risks and opportunities covering the scope of its environmental, social and governance impacts ⁽¹⁾. The issues were identified following the most recent materiality review conducted in 2017, the results of which also informed the development of the Group's Act for Good® sustainability strategy. This list is reviewed annually by the Corporate Social Responsibility (CSR) Committee drawing on internal and external research to ensure it continues to provide an accurate reflection of the most immediate non-financial risks and opportunities facing the Group's operations.

The tables on the following pages present the eight issues identified during this exercise. Issues are identified based on their importance to stakeholders and the gross risk/opportunity they present to Klépierre before accounting for the mitigation measures the Group has established. The tables provide further information on each risk, Klépierre's management approach and the key performance indicators it uses to track its progress.

(1) In view of the publication of French Act no. 2018-898 of October 23, 2018 on combatting tax fraud, the Group has not identified fraud as a material risk. For more information on the Group's management of risks associated with business ethics, please see section 4.4.4.1.

► **NON-FINANCIAL RISKS**

Risk	Description	Stakeholders impacted	How Klépierre is mitigating the risk	Key performance indicators	Net risk profile	Where to find out more
Business ethics	Being involved in a case of corruption or money laundering could lead to reputational, judicial, financial or even operational risks such as the cessation of activity.	Suppliers, customers and business partners Shareholders and debt providers	The Klépierre Code of Professional Conduct and Anti-Corruption Code of Conduct underscore the Group's commitment to ethical conduct. They set out the standards of behavior which the Group commits to, and inform employees about what is expected of them.	Klépierre has established robust measures to ensure compliance with the Codes, including anonymous reporting procedures, risk-based training and an annual audit of purchasing ethics. In addition, the Group has set an ongoing target to promote business ethics among all of its employees and stakeholders.	Low/medium	Act for People, page 199
Customer health and safety	Klépierre's shopping centers are exposed to safety risks, principally building collapse and/or a fire, as well as failure to comply with safety measures or mandatory control procedures imposed by local or national governments. Safety risks could result in loss of business. They may also adversely affect the individual shopping center's image, and/or the reputation the Klépierre Group and incur costs for incident investigation and/or penalties.	Customers, visitors and suppliers	The Group has defined minimum operational requirements and annual audits and prevention plans to protect customer health and safety. These cover building, technical and behavioral aspects that minimize risks by applying best practices, and in some cases exceeding legal obligations.	Appropriate controls and procedures mitigate safety risks, with compliance tested on an ongoing basis. Uniform incident classification and reporting systems are in place across the portfolio to better monitor the safety and security of individuals and assets, thereby providing greater insight and understanding.	High	Act for People, page 191
Outsourcing and responsible purchasing	The performance of the Group's suppliers could have a reputational impact on Klépierre if the services procured were of a low quality or did not conform with regulations governing their use. Likewise, any instances of non-compliance with internationally accepted human rights through the activities of its supply chain could lead to reputational damage for the Group and damage its ability to attract new investors and employees.	Suppliers, customers and visitors	Klépierre's Responsible Procurement Charter establishes the standards the Group expects of its suppliers in relation to environmental and social aspects, including human rights.	Klépierre's purchasing team ensures effective management of operational risks linked to its supply chain. The Group has set 2022 targets to ensure that all service suppliers abide by the Responsible Procurement Charter, and that all are selected based on CSR criteria.	Medium	Act for Territories, page 184 Act for People, page 200
Portfolio climate resilience	Klépierre attaches great importance to the long-term quality of its infrastructure and its resilience to external impacts. This includes its exposure to climate risks.	Shareholders and debt providers, customers and visitors	In 2017, with the help of external experts, the Group conducted a study of its centers' exposure and vulnerability to climate risks. The study looked at closely-related hazards including an increase in average temperatures and an increase in the frequency and intensity of heat waves; cold waves; precipitation and droughts.	Klépierre has reviewed and updated its procedures for monitoring structural audits based on the study's findings. These include: Annual monitoring of all non-conformities and the implementation of associated corrective measures; and Establishment of a monthly budget review procedure to validate additional expenditure necessary to correct any non-conformities within the deadlines recommended by auditors.	Medium	Act for the Planet, page 175

► NON-FINANCIAL OPPORTUNITIES

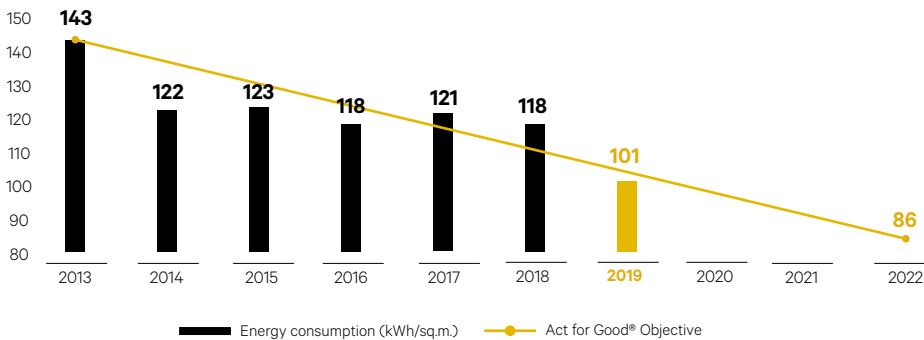
Opportunity type	Description	Stakeholders impacted	How Klépierre is responding to the opportunity	Key performance indicators	Opportunity profile	Where to find out more
Local economic development	Klépierre and its tenants are reliant on prosperous and resilient communities in the catchment areas surrounding the Group's assets. Klépierre can make a positive contribution to local economic development – and thereby boost footfall, tenant sales and community engagement – by providing employment opportunities, both directly through the operation of shopping centers, and indirectly through the activities of its tenants and suppliers.	Customers, suppliers and communities	The most significant role Klépierre can play is supporting tenants to recruit locally and working with local partners including recruitment agencies to organize initiatives that bring retailers and job seekers together.	The Group has set 2022 targets to ensure that all service suppliers for the daily operations of its centers are "local," and that all of its shopping centers facilitate local employment by organizing job-seeking events or building partnerships.	Medium/high	Act for Territories, page 183
Partnership with retailers	The Group's primary customers are the international and national brands that together constitute its strategic partners. By working together, Klépierre and its partners can significantly amplify the positive impact of their respective sustainability activities and contribute to shared goals.	Customers, employees, visitors, communities	Klépierre has committed to work with its retailers across all three pillars of its Act for Good® strategy to deliver sustained and significant reductions with a focus on energy use, waste, local economic development and community engagement.	The Group has set 2022 targets for all its shopping centers to support an in-house solidarity event organized by a retailer, and to offer dedicated services to its retailers' employees.	Medium/high	Act for the Planet, page 169 Act for Territories, page 183 Act for People, page 189
Dialog with stakeholders	Klépierre is reliant on positive relationships with its key stakeholders to deliver its business objectives. Stakeholders include the Group's retail partners, shopping center visitors, shareholders and investors, employees and local communities.	Customers, visitors, communities, employees, shareholders and debt providers	Klépierre has embedded stakeholder engagement in its core business activities. The Group's relationships are enhanced and enriched by the Act for Good® strategy that aims to deliver value for the Group's stakeholders by integrating sustainability into the broader program of dialog.	Engagement with key stakeholders, specifically employees, retailers, visitors and communities is embedded in the Group's Act for Good® strategy and long-term commitments. For example, the Group has set targets to increase visitor satisfaction and involve local stakeholders in designing new developments.	High	Act for the Planet, page 169 Act for Territories, page 183 Act for People, page 189
Renewable energy	Klépierre has an opportunity to reduce its reliance on carbon intensive energy sources and positively differentiate its portfolio as a result of the use of zero-carbon energy sources. This helps to curb its greenhouse gas emissions and reduce exposure to future legislative or tax risks. It also provides an indicator of the strength of the Group's operational management and contributes significantly to its reputation among tenants, visitors and investors.	Customers, visitors, shareholders and debt providers	Klépierre is switching to "green" tariffs as it re-negotiates electricity contracts with its utility providers across Europe and is increasing the procurement of "green" gas where this is available. The risk of regulatory or tax changes is something Klépierre closely monitors through the industry bodies of which it is a member.	On top of its commitment to reduce its electricity consumption by 40% by 2022 (compared to 2013), the Group is targeting 100% renewable electricity supply for serviced area energy consumption by 2022. Additionally, the Group has established a target for its five largest shopping centers to be "carbon neutral" by 2022, and it aims to have its climate change strategy certified by the Science-Based Targets (SBT) initiative.	Medium	Act for the Planet, page 172
Circular economy	The refurbishment and expansion of shopping centers consumes natural resources and generates substantial volumes of waste. Besides reducing impacts on the environment, following a circular economy model can increase efficiency by extending the useful life of materials and resources, and can reduce costs.	Customers, suppliers and visitors	Klépierre has focused on limiting waste and controlling the consumption of natural resources in developments by applying the BREEAM certification standard and specifying products and materials that are durable, easy to maintain, recyclable and reusable. During the operations phase, the Group promotes effective waste management to ensure that its waste and that of its retailers is disposed of properly.	The Group has set a 2022 commitment to ensure that 100% of shopping centers' operational waste is diverted from landfill, and for all shopping centers to engage with retailers in a circular economy approach.	Low	Act for the Planet, page 175

4.1.4 2019 main achievements

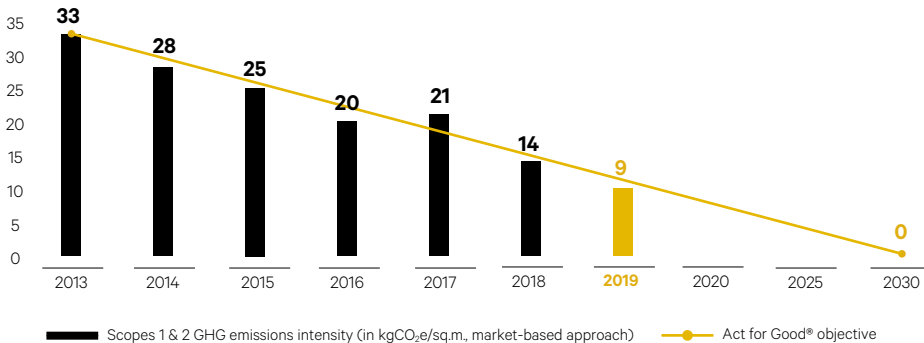
Thanks to the active involvement of its teams, Klépierre has accelerated the implementation of its sustainability strategy with strong results in 2019. Accordingly, the Group is confident in its ability to achieve its ambitious long-term targets. The most significant 2019 achievements include:

- > A 14% reduction in serviced area energy intensity across the Group's shopping centers compared with 2018, bringing the long-term decrease to 29% compared with the 2013 baseline;
- > A 34% reduction in the Group's direct greenhouse gas emissions intensity compared with 2018, bringing the long-term decrease to 72% compared with the 2013 baseline (Scopes 1 & 2, market-based approach);
- > BREEAM In-Use certification for 100% of its portfolio three years ahead of schedule; Klépierre's portfolio is the largest by value to be fully certified; and
- > 98% access to training for Klépierre's staff.

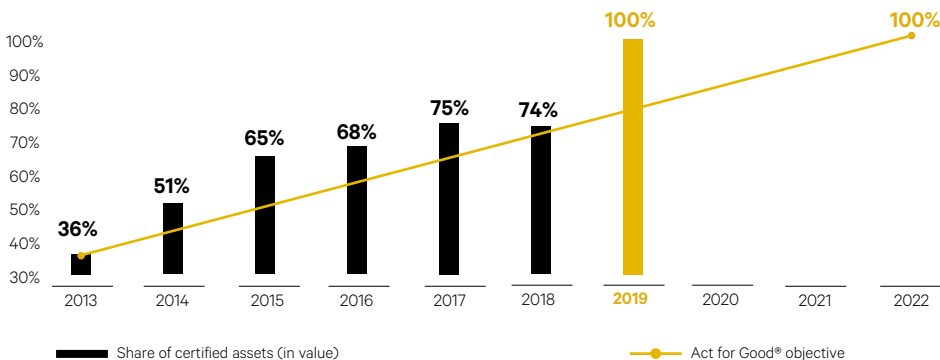
▶ ENERGY INTENSITY FOR COMMON AND SERVICED AREAS SINCE 2013
(Reported scope)



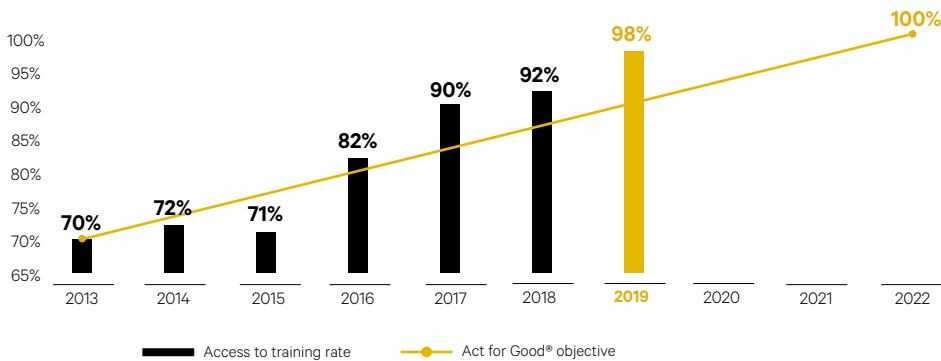
▶ DIRECT GHG EMISSIONS INTENSITY (SCOPES 1 & 2) SINCE 2013
(Reported scope)



▶ SHARE OF SHOPPING CENTERS WITH SUSTAINABLE CERTIFICATION SINCE 2013
(Reported scope)



► RATE OF STAFF ACCESS TO TRAINING SINCE 2013



4.2 ACT FOR THE PLANET

Act for the Planet brings together the Group's environmental activities, building on its achievements since it published its original sustainability strategy in 2013, Good Choices. While Klépierre continues to target improvements to the performance of its shopping centers with a focus on energy, carbon and waste, this pillar challenges Klépierre to go further as it seeks to cement its position as a leader in its sector.

The Group's ambitions require it to work closely with its retailers to deliver a zero-carbon and zero-waste portfolio, sustain asset values by targeting green building certifications, and support visitors by encouraging more sustainable transport solutions.

During the year, Klépierre made significant progress towards these commitments. The Group remains on track to accomplish its long-term energy reduction target and achieved BREEAM In-Use certifications covering its entire portfolio. The Group has fostered a culture of constructive engagement among its key stakeholders, supported by robust internal reporting mechanisms to identify inefficiencies and put in place improvement plans. This approach is manifested in the successful BOOST interventions which have contributed to successive reductions in the Group's energy consumption, and have been extended to support the Group's target of eliminating waste to landfill.

ACT FOR THE PLANET



2022 COMMITMENT



Act for a low-carbon future



Contribute to a circular economy



Develop a 100% certified assets portfolio



Innovate for sustainable mobility

2030 AMBITION

> Be a recognized leader in environmental performance

> Create a zero-waste business in collaboration with our retailers

> Turn promising assets into an efficient carbon-neutral property portfolio

> Support new trends in mobility to accelerate customers' switch to sustainable modes of transportation

4.2.1 Act for a low-carbon future

There is scientific consensus that the planet's climate is changing considerably due to rising greenhouse gas emissions associated with human activity. The Intergovernmental Panel on Climate Change (IPCC) has made it clear that global warming must be limited to 1.5°C if the planet is to avoid the most catastrophic effects, but projections based on the current level of commitments put the planet on course to reach 3°C of warming.

In this context, Klépierre has both a responsibility to reduce its climate change impact and an opportunity to positively differentiate

its business. The Group's strategy is threefold: reducing energy consumption, seeking alternatives to energy derived from fossil fuels, and building a resilient portfolio.

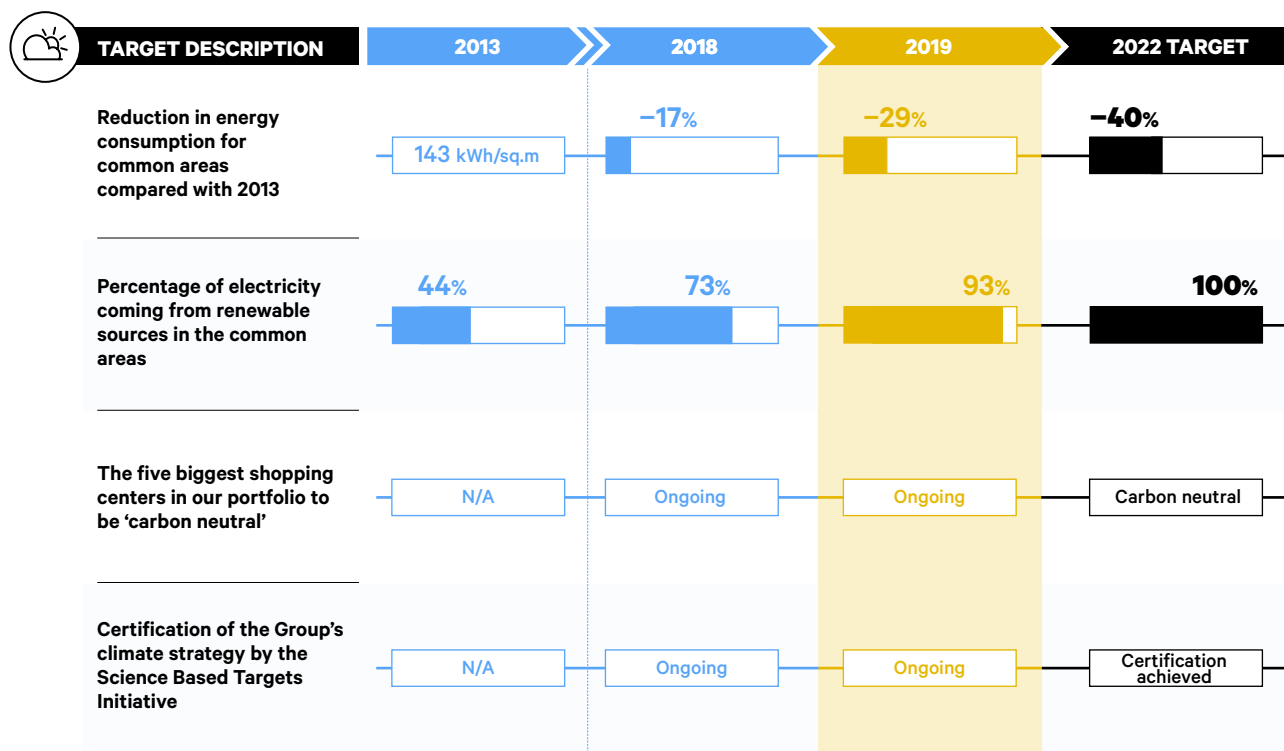
Striving to achieve greater levels of energy efficiency continues to be a priority for Klépierre. Not only does this help Klépierre curb its greenhouse gas emissions and reduce exposure to energy market risks, but it also provides an indicator of the strength of the Group's operational management and contributes significantly to cost control strategies for the Group and its retailers.

In 2019, the Group's total energy consumption was approximately 387 GWh, which generated a cost of around €41 million and contributed to emissions of around 34,743 metric tons of CO₂e. On a like-for-like basis, this equates to a 13.4% reduction in energy compared with 2018, enabling the Group to save €3.9 million in energy costs and the avoidance of 14,666 tons of greenhouse gas emissions.

The Group set stretching energy reduction targets in 2019, and is currently working with the Science Based Targets initiative (SBTi) to have its climate change strategy certified. This includes discussions on how to adapt previous SBTi standards for the real estate sector, and accommodate the specific roles and responsibilities within the Group's own business model. The Group aims to complete this process in 2020 with its Scope 1, 2 and 3 targets fully defined and approved.

► SUMMARY OF PERFORMANCE AGAINST TARGETS

ACT FOR A LOW CARBON FUTURE



4.2.1.1 Energy⁽¹⁾

4.2.1.1.1 Energy efficiency

Klépierre tracks the performance of its portfolio and individual assets in relation to energy efficiency, and has set a long-term target to reduce energy consumption (kWh per sq.m.) in shopping centers' common and serviced areas by 40% by 2022, compared to a 2013 baseline.

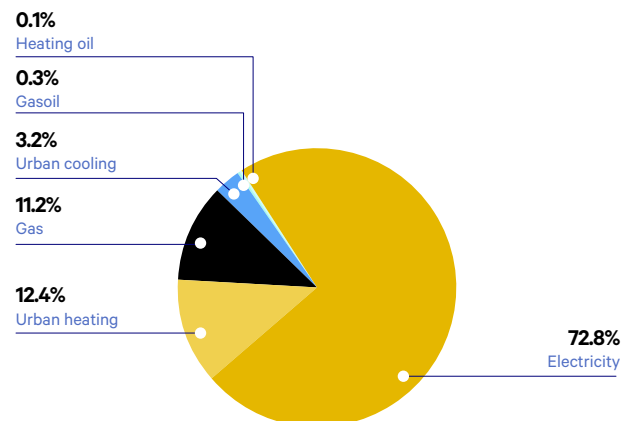
In 2019, real energy consumption across the Group's shopping centers decreased by 16.8% compared with 2018. This equates to a 29% reduction since 2013, bringing the average shopping center consumption down from 143 kWh/sq.m. to 101 kWh/sq.m. in 2019.

The majority (72.8%) of the Group's energy consumption is electricity that is used to power its centers' electrical and mechanical equipment. 11.7% comes from the on-site combustion of gas and fuel oil to generate heating and power generators, with the remaining 15.6% drawn externally from urban heating and cooling systems in some of its markets.

The improvements to Klépierre's energy efficiency can be attributed to an effective energy reduction strategy (see the following page) that combines monitoring, in-depth analysis of an individual shopping center's energy performance, the sharing of best practices and investments in energy efficient equipment.

► ENERGY MIX IN COMMON AND SERVICED AREAS

(Reported scope)



(1) Unless specified otherwise, all 2019 energy consumption figures contained in this section apply to the following scope: 122 owned and managed shopping centers (excluding Hoog Catharijne (Utrecht, Netherlands)) + 10 managed-only shopping centers. The corresponding coverage rate amounts to 95.8% of owned and managed shopping centers

Energy reduction strategy

Klépierre's energy reduction strategy is founded on the deployment of energy management software supported by improvements in the recording and analysis of shopping center energy performance data.

The Group has been investing in real-time energy management systems that generate automatic consumption data. These systems use a range of meters to record the energy use of individual appliances, which is then reported in real-time at the shopping center, country and Group level. By the end of 2019, these systems covered 85% of the Group's portfolio.

Utilities consumption is monitored through "Deepki," a tool which allows for a standardized approach to monthly reporting of energy, water and waste data. Energy consumption is measured as Watt hours (Wh) divided by floor area (sq.m.) and benchmarked according to opening hours and other variables. This enables Klépierre to establish median shopping center performance, which is expressed as annual energy cost in euros.

Deepki allows the Group to analyze data at the shopping center and portfolio level, control climate factors and undertake a robust shopping center performance benchmarking assessment. By establishing 'clusters' of shopping centers that have similar variables such as retailer density, car park management, coverage of heating and cooling supply, surface area and inauguration and/or renovation dates, the Group has been able to identify the strongest and weakest performing assets in its portfolio and target energy management interventions accordingly.

Klépierre uses BOOST interventions for poorer performing assets identified according to their benchmark performance and/or on their weather-adjusted performance. The Group convenes specialist and on-site staff over two days to assess each shopping center's operations (looking at both common and retailers' areas) and consults with all relevant members of the shopping center team to develop an action plan that is practical and feasible. The team analyzes energy consumption and operational systems during opening hours, and when the center is closed, builds up a comprehensive understanding of each center's energy patterns. The findings are used to develop concrete action plans supported by tailored performance targets which are reviewed during monthly follow-up calls to track progress.

BOOST action plans prioritize no- or low-cost interventions. For shopping centers that have already implemented all identifiable operational measures to increase energy efficiency, investments are made to upgrade technical equipment such as heating, ventilation and air-conditioning (HVAC) components, retrofitting LED lighting and the roll-out of CO₂ sensors to reduce air flow and optimize the functioning of air-treatment plants.

BOOST inclusive approach of bringing together multiple stakeholders helps shopping center teams to understand and manage their assets better, and galvanizes greater support for the deployment of energy efficiency interventions such as changes to indoor lighting and temperature controls, or engagement with retailers if equipment such as lighting and air-conditioning systems are left on unnecessarily during closing hours.

By the end of 2019, over 50% of the Group's portfolio had undertaken a BOOST intervention into its energy performance. The results are significant, with some centers reporting reductions in energy consumption of up to 40% immediately following a BOOST intervention.

The Group has also increased engagement between technical directors and shopping center teams to instill greater focus on operational energy management. Monthly webinars for all shopping centers provide an opportunity to take stock of environmental performance data and highlight best practices. Individual shopping centers are encouraged to share successful initiatives that have helped them to reduce energy consumption. The meetings further encourage engagement within countries and between regions, while fostering a spirit of positive competition among shopping center teams.

Together with quarterly Act for Good® meetings, the monthly webinars are used to review performance against targets for each region, as well as individual shopping centers following BOOST interventions. This approach helps to ensure accountability among country managers, country function heads, shopping center managers, and shopping center technical managers for the performance of their assets.

Best practices are also promoted by a reference guide that summarizes efficiency improvements across the Group's portfolio and corresponding savings. These range from managing the temperature and operation schedules of HVAC system equipment, to purchasing new devices such as sensors and variable speed drives to better control energy consuming equipment.

The Deepki platform is linked to the Group's budget planning, so that capex approvals can be moderated according to whether shopping centers have been diligent in implementing all operational energy efficiency measures identified. Shopping centers are also required to integrate energy efficiency into their annual capex maintenance budgets to ensure that any investment will have a direct impact on the sustainability performance of each asset. Out of the Group's maintenance budget in 2020, €6.4 million (equivalent to approximately 14% of the total maintenance expenditure) is to be invested in equipment, further improving energy consumption.

Finally, energy efficiency is also an important consideration for the development of shopping center expansions and renovations. The Group targets BREEAM "Excellent" as a minimum performance standard which sets out expectations covering both energy performance and energy efficient design. These evaluate a range of energy-related management and operational impacts, from life-cycle assessments and construction practices, to energy monitoring, lighting and technical equipment specification. In addition, the Group looks to implement energy efficiency measures above and beyond the BREEAM requisites by focusing on local conditions, for example by giving special attention to building insulation and ventilation to reduce energy demands from heating and air-conditioning.

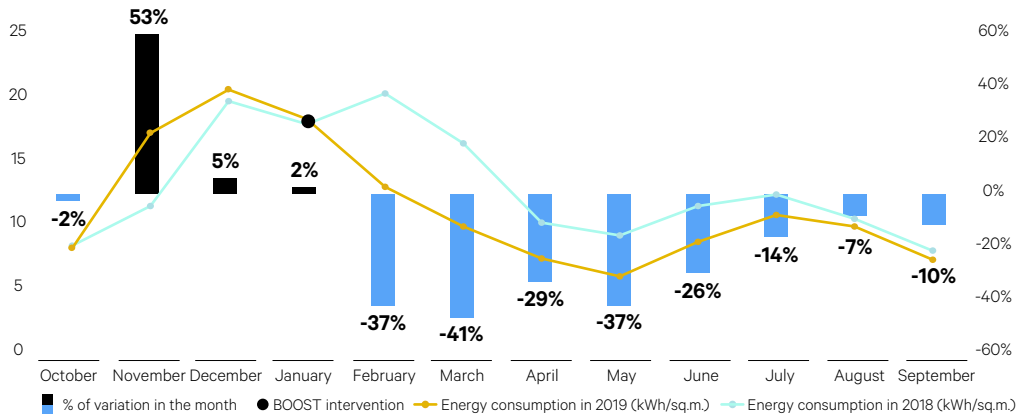
A PLAN TO BOOST ENERGY PERFORMANCE AT ONE OF KLÉPIERRE'S LARGEST CENTERS

In 2019, Klépierre earmarked one of its largest centers in France for a BOOST intervention following an analysis of its energy consumption. The center, located close to Paris, attracts nearly 20 million visits per year and recently underwent a significant expansion project.

Between 2017 and 2018, analysis of the center's energy performance revealed it was not performing as expected. Compared with similar properties in Klépierre's portfolio, consumption was higher than average and there were significant variations in its monthly energy use (including a 38% month-on-month increase between October and November 2018).

Beginning in January 2019, a cross-functional team including shopping center and Group technical directors convened to conduct a deeper assessment of the center's performance. The action plan identified a number of improvements to the operation of the center's cooling towers and HVAC equipment, as well as the building management system.

The results were immediate, with the center recording a 37% reduction in energy consumption in February alone. Furthermore, these achievements have been sustained with the center reporting a 30% reduction in energy consumption between February and October 2019 compared to the same period in 2018.



4.2.1.1.2 Renewable energy

Klépierre's long-term target is to ensure that 100% renewable electricity is used to power the common and serviced parts of its shopping centers by 2022. As the Group re-negotiates electricity contracts, it is progressively switching over to "green" tariffs, and by the end of 2019 the Group had reached approximately 93% of renewable electricity.

The increase in renewable electricity compared to 2018 (73%) follows the signing of new contracts with the Group's energy suppliers in Spain, Portugal and Italy. "Green gas" is also procured across the Group's operations in France and Belgium, and at individual centers such as La Romanina near Rome (Italy). Broken down by region, Scandinavia, Iberia, the Netherlands and Germany all procure 100% of their common and serviced parts electricity from renewable sources, and 100% of urban heating consumption in the Netherlands comes from renewable sources.

4.2.1.2 Climate change⁽¹⁾

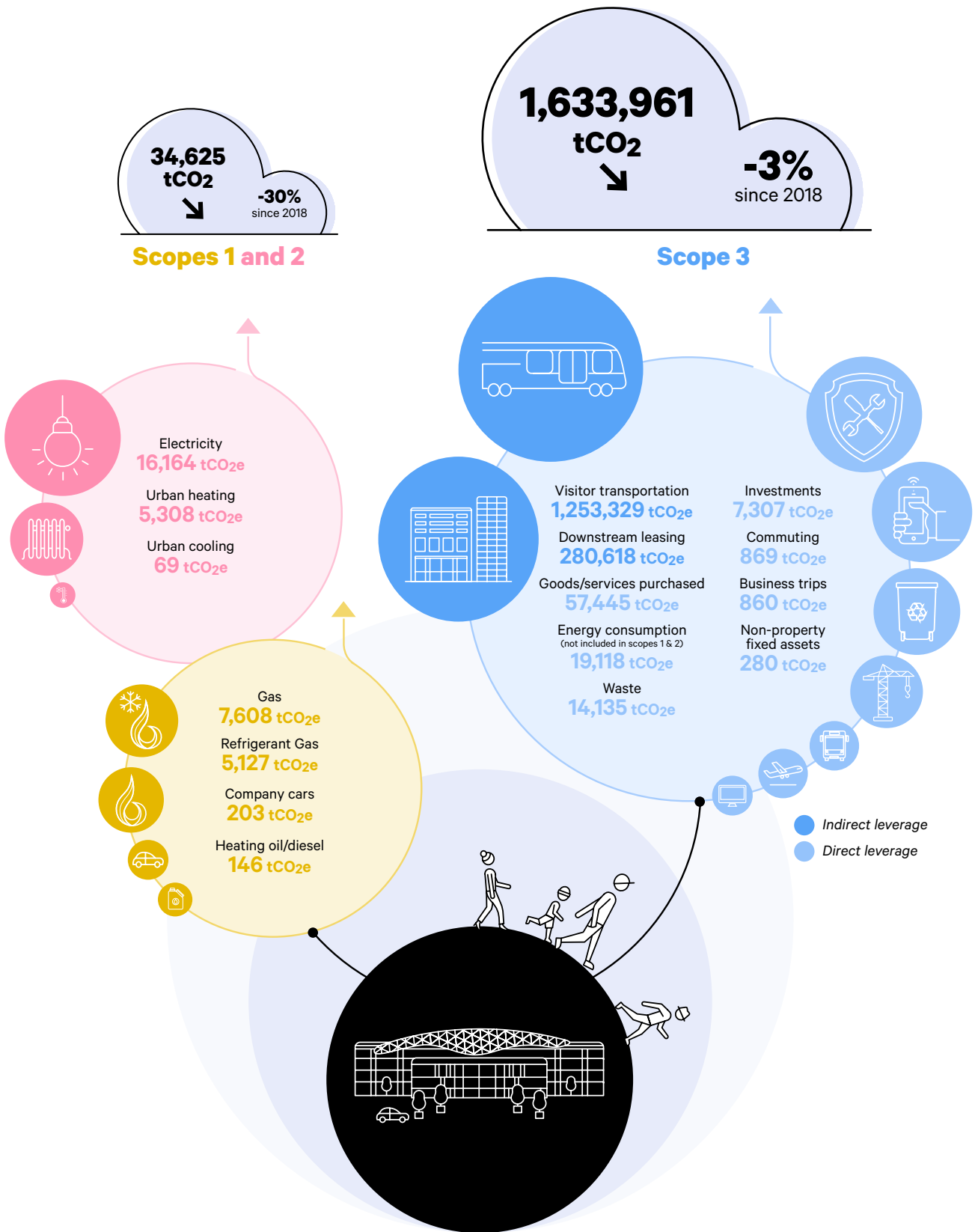
Klépierre tracks its direct and indirect greenhouse gas (GHG) emissions in accordance with Scopes 1 and 2 of the GHG Protocol, using both location- and market-based methods. Together, these account for 5% of the Group's total carbon footprint.

Additionally, Klépierre has installed renewable energy systems, which together, represent a generating capacity of 2.3 million kWh at six sites: Nave de Vero (Venice, Italy), Romagna Shopping Valley (Rimini, Italy), Hoog Catharijne (Utrecht, the Netherlands), Field's (Copenhagen, Denmark), Maremagnum (Barcelona, Spain) and Grand Portet (Toulouse, France). Feasibility studies are underway across the Group's portfolio to identify further opportunities, including its development portfolio. The new car park at Gran Reno in Bologna (Italy), for example, will feature roof-top solar panels that will generate an estimated 200 kWh annually and avoid an estimated 135 tons of greenhouse gas emissions.

Beyond accounting for its Scope 1 and 2 GHG emissions, Klépierre seeks to measure the broader carbon footprint of its activities by calculating emissions associated with sources identified under Scope 3 of the GHG Protocol. The most significant of these (94%) relate to visitors' travel to and from its shopping centers and energy consumption by the Group's retailers.

⁽¹⁾ Unless specified otherwise, all 2019 GHG emissions figures contained in this section apply to the following scope: 122 owned and managed shopping centers (excluding Hoog Catharijne (Utrecht, Netherlands)) + 4 managed-only shopping centers (excluding Île Napoléon (Mulhouse-Illzach, France); Grand Quétigny (Quétigny, France); Saint-Jacques (Beaune, France); Aulnoy-lez-Valenciennes (Aulnoy-lez-Valenciennes, France); Océane (Gonfreville, France) and Nimes Étoile (Nimes, France)). The corresponding coverage rate amounts to 95.8% of owned and managed shopping centers.

▶ MARKET BASED LIKE-FOR-LIKE GHG EMISSIONS



4.2.1.2.1 Direct GHG emissions performance

In 2019, Klépierre achieved a Scope 1 and 2 GHG emissions intensity from building energy consumption of 9 kgCO₂/sq.m. across its portfolio based on the market-based calculation method of the GHG protocol. This represents a 34% reduction compared with 2018, and an overall reduction of 72% since 2013.

The Group's performance reflects both the implementation of the energy management measures described in section 4.2.1.1 above, incremental increases in the proportion of renewable energy supplied through the national grid mixes in the countries where it operates, and purchases of electricity from renewable sources.

The market-based calculation method enables electricity purchased through renewable energy tariffs to be counted as zero emissions, and allows Klépierre to illustrate the impact of its efforts to switch to green energy tariffs in Belgium, France, Italy, Norway, Sweden, the Netherlands, Portugal and Spain.

The Group continues to pilot measures to make its five largest centers (by value) "carbon neutral" by 2022. The centers – Field's (Copenhagen, Denmark), Créteil Soleil (Greater Paris Area, France),

Val d'Europe (Greater Paris Area, France), Porta di Roma (Rome, Italy) and Emporia (Malmö, Sweden) – represent a range of climatic conditions, energy mixes, and ages thereby providing a testing ground for different strategies as the Group expands its carbon neutral program to cover all assets in its portfolio.

Carbon emission forecasts have been conducted for each of these assets based on estimated reductions in line with the Act for Good® strategy, and taking into account actions already planned to reduce their emissions such as equipment upgrades and changes to the energy mix from renewable electricity purchases. Based on these forecasts, Klépierre has identified a range of further measures that can be taken to achieve a neutral status at these five largest centers.

Options under investigation include the installation of renewable energy infrastructure, shifting technical equipment from local gas to urban connections, and lastly, identifying local offsetting opportunities. Using this offsetting model, Klépierre's operations in Spain has established a carbon neutrality plan following the company's participation in a government-sponsored reforestation program (see case study).

ACHIEVING CARBON NEUTRALITY IN SPAIN

Spain became the first country in Klépierre's portfolio to establish a carbon neutrality plan following its support for an ambitious reforestation project pioneered by the Spanish Ministry of Agriculture, Fisheries and Food.

Under the plan, more than 4,470 trees including Scots Pine, Birch and Mountain Ash have been planted over three hectares in the province of Ávila following devastating forest fires that swept through much of the region in 2019, with a further 30 hectares planned to be replanted in the future. According to figures published by the Spanish Government, over 40 years the trees will absorb approximately 800 tons of CO₂, with the calculated aim of offsetting the annual Scope 1 and 2 emissions from six shopping centers (excluding Los Prados (Oviedo) and Gran Turia (Valencia)) and headquarters in the country. Within the first year of the project (2018) 145 tons of CO₂ were compensated, for which corresponded to 18% of the total Scope 1 and 2 emissions produced during the calendar year at these sites. This annually compensated percentage is expected to increase year after year as the trees mature and are capable of absorbing greater quantities of CO₂.

The initiative was made possible by the reductions in energy consumption these properties have achieved since 2013, which have contributed to an average 17% fall in their Scope 1 and 2 emissions over the same period. While the Group prioritizes improvements to energy performance as a first step in its carbon reduction strategy, it nonetheless supports offsetting projects such as this which fulfill a broader social role, and are located in the same territories as its assets.

4.2.1.2.2 Broader carbon footprint

The Corporate Value Chain Standard for Scope 3 emissions published by the GHG Protocol identifies 15 broad categories of Scope 3 emissions, covering both upstream and downstream activities such as purchased goods and services, transportation and product use.

Klépierre's accounting of its Scope 3 emissions is amongst the largest in its sector. The Group reports nine categories of Scope 3 emissions, divided between those the Group has direct leverage over, meaning they fall under its immediate sphere of influence such as waste, the purchase of goods and services and business travel, and those it has indirect leverage over. These represent the largest share of Klépierre's Scope 3 emissions, and are associated with its retailers' activities, and the impact associated with visitors' transport to and from its centers.

In 2019, retailers' energy consumption in Klépierre shopping centers accounted for 205,628 tons of CO₂e, equivalent to 13% of the Group's Scope 3 emissions (and 13% of the Group's total carbon footprint). This falls outside Klépierre's direct leverage as its relationship with retailers is influenced by operational and legal factors that are common to the shopping center industry. On the one hand, retailers' electricity is

mostly sub-metered directly to each unit, meaning data collection and monitoring is not available without their permission, and secondly, in most countries where Klépierre operates, commercial leases provide no obligation for retailers to reduce their energy consumption, nor share information about their consumption with landlords.

Klépierre nonetheless engages with its retailers to support joint action on energy reduction initiatives. For example, at the Group level, the company engages with its strategic retailers to include commitments covering the energy monitoring and reduction clauses in its leases, and promotes opportunities to work together to support shared goals.

At the local level, the Group encourages shopping center teams to engage with retailers to help reduce energy consumption and associated GHG emissions. In Portugal for example, Parque Nascente (Gondomar (Porto)), Aqua Portimão (Portimão) and Espaço Guimarães (Guimarães) launched an engagement program that invited retailers to share energy saving ideas. More than 100 ideas were received and ranked according to three criteria: those that produce the biggest savings, the easiest to implement and the most creative. The winning

ideas ranged from the installation of motion light sensors in technical and storage areas and WCs, to improved insulation on external doors, solar powered lights in outdoor areas and educational campaigns for retailers and visitors.

BOOST action plans and operational best practice guides are also shared with retailers to raise awareness and provide support on the steps they can take to improve energy efficiency in their stores, along with other environmental impacts including water consumption and waste management.

Furthermore, sustainability requirements are included in 100% of the signed standard lease contracts of the Group's retailers in France, Czech Republic, Germany, Italy, Poland and the Netherlands, and approximately 80% in Norway. Sustainability clauses have also been introduced for new leases in Sweden and Denmark since the end of 2019. The clauses cover requirements to share waste and utility data, integrate sustainability considerations into store fit-out and design to minimize waste and energy consumption, and a commitment to adhere to practices that are consistent with each center's environmental management system and building certification.

By far the largest contribution to the Group's carbon footprint is visitors' travel to and from its shopping centers. In 2019, this generated 1,253,329 tons of CO₂e, accounting for 80% of the Group's scope 3 emissions and 76% of its total carbon footprint (location-based method). In this context, and in keeping with national and local strategies to encourage sustainable urban travel, Klépierre has made sustainable mobility a priority and is already undertaking action on this front (see section 4.2.4.1 below).

4.2.1.2.3 Developing resilient assets

With the impacts of climate change already becoming manifest, and some degree of further global warming inevitable, Klépierre has been seeking to anticipate and prepare for the potential effects of extreme weather and increased regulation in relation to its assets.

The Group is decreasing its dependence on fossil fuels – achieving a 29% reduction in common and serviced areas energy consumption since 2013, and in increasing the proportion of energy procured from renewable sources to 75% – and participates in industry working groups in order to reduce risks associated with energy market volatility and changes to the regulatory regime.

The fact that the Group's assets are located in major European cities decreases their relative exposure to physical climate-change risks. Nonetheless, in 2017, the Group commissioned a specialized consultancy firm to conduct an extensive study of the climate change impacts that could affect its entire portfolio of shopping centers over the next 70 to 100 years. This included risks covering increased average temperatures and changes in the intensity or frequency of heatwaves, cold spells, intense rainfall and/or snowfall and droughts. While the findings revealed that no assets were exposed to significant physical risks, they have nonetheless informed the review of structural requirements for the Group's assets, and this has included the introduction of a mandatory requirement for an asset-level structural audit every five years, including additional components relating to climate change risks.

The Group is also using scenario planning to influence the design and specification of its development activity. Modelling software is being developed to predict how energy management systems and building

materials can be designed and optimized given different climatic conditions, and thereby influence the operational performance of a shopping center.

As part of its existing activities, Klépierre is acting to protect its assets from higher heating and cooling requirements due to temperature change and ensure that the physical building fabric is designed to withstand the impact of extreme weather events. This is reflected both in relation to operational management (e.g., energy efficiency measures) and development and refurbishment (e.g., efficient, high-quality and locally-adapted design).

Several of the Group's assets feature green roofs and walls that help to reduce flood risks. Nový Smíchov in Prague (Czech Republic), for example, will feature a green wall that is being partially funded by the municipality due to the wider impact it will have on improved air quality and reduced noise pollution. At the same time, features such as green roofs can decrease heat gain to the mall, reducing the need for air-conditioning and thereby contributing to the Group's energy, carbon and green building targets.

4.2.2 Contribute to a circular economy and resource conservation

The operation, refurbishment and expansion of shopping centers consumes a significant amount of natural resources and generates substantial volumes of waste. In this way, conventional shopping center development and management follows the typical linear economy model whereby resources and products are sourced or made, used and then disposed without being recovered or replenished, and often in ways which pollute the natural environment.

A circular economy model, by contrast, is one which decouples economic activity from the consumption of finite resources, designs out waste and pollution, keeps products and materials in use and regenerates natural systems. Besides reducing impacts on the environment, following a circular economy model can increase efficiency by extending the useful life of materials and resources, and reduce costs.

As Klépierre integrates new models of product use and recycling, including closed-loop and circular economy principles into its business model, it is rethinking the management of waste and resource consumption associated with the operation of its shopping centers. Significantly, this extends to the Group's retailers where it has set a goal for all shopping centers to involve their retailers in a circular economy approach by 2022.

To date, Klépierre has focused on limiting waste and controlling the consumption of natural resources, including water, by applying the BREEAM certification standard and specifying products and materials which promote resource efficiency, are low emission, easy to maintain, recycle and reuse and have an eco-label and/or a lower environmental impact (such as PEFC™ or FSC-certified timber). At all stages of the building life cycle, preference is given to suppliers with certified environmental management systems.

Increasingly, the Group is working with its architects and designers to specify materials that contain recycled contents, and are easily recyclable themselves, in its development projects. The Group has subsequently embarked on partnerships with organizations such as

Cycle Up to promote the reuse of construction materials during the renovation of two assets in France: Créteil Soleil in Greater Paris and Grand Place in Grenoble. And in 2018, Le Prado shopping center in Marseille (France) was the first in the Group's portfolio to achieve Cradle™ certification by prioritizing the use of recycled and/or recyclable construction materials and certified products in its construction.

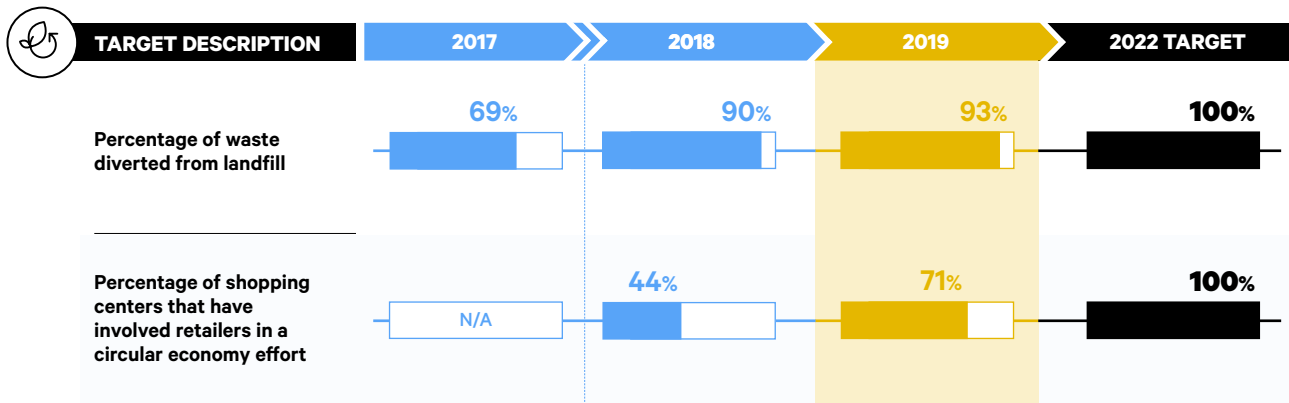
The direct consumption of natural resources is most significant in the building management phase through the purchase of products and materials used in operational maintenance and cleaning. In 2019, Klépierre's operational shopping centers generated over 65,000 tons

of waste, most significantly cardboard, food and organic waste and paper, and consumed more than 36 million cu.m. of water.

During the operations phase, shopping center staff are made aware of materials and products purchased, and a list of the least environmentally harmful products and materials is appended to the cleaning framework agreement. The Group has promoted effective waste management by offering tailored sorting solutions for retailers and visitors, and engaging with service providers responsible for removing and processing waste to ensure that it is disposed of properly. It also closely monitors the quantity of its water consumption and the quality of wastewater discharges.

► SUMMARY OF PERFORMANCE AGAINST TARGETS

CONTRIBUTE TO A CIRCULAR ECONOMY

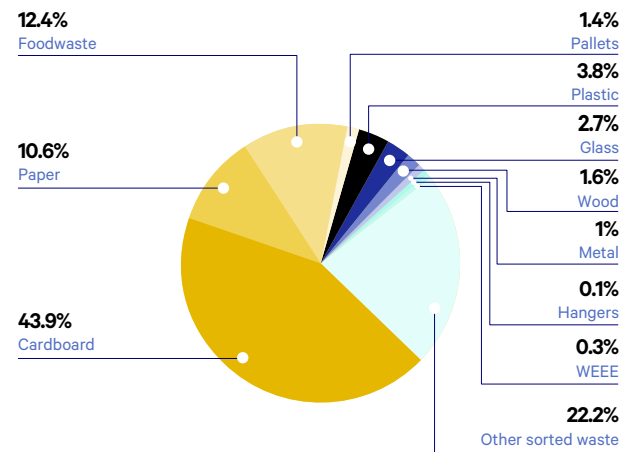


4.2.2.1 Waste management⁽¹⁾

Klépierre has set a target to ensure that 100% of shopping centers' operational waste is diverted from landfill by 2022. In 2019, the Group adjusted the methodology used to calculate this target by excluding centers where the local municipality sends all collected waste to landfill by default, despite efforts to establish separate waste streams in these centers. Over the past six years, the proportion of waste recycled and recovered has increased from 59% in 2013 to 93% in 2019. This trend was sustained during 2019, with the like-for-like landfill diversion rate increasing by 2% in comparison with 2018.

The bulk of the waste generated in the Group's shopping centers (99.6%) is classed as non-hazardous waste and is made up of a range of recyclable waste streams which include cardboard, organic waste, paper, plastic, glass and wood. Hazardous waste, which accounts for just 0.4% of total waste production, is mostly comprised of used light bulbs and fluorescent tubes, electronic waste, electrical appliances and paint. These waste streams are separated on site and processed through special recovery channels.

► BREAKDOWN OF SORTED WASTE BY TYPE (by tonnage)



⁽¹⁾ Unless specified otherwise, all 2019 waste figures contained in this section apply to the following scope: 113 owned and managed shopping centers (excluding La Madeleine (Chartres, France); Shopville Gran Reno (Bologna, Italy); Victor Hugo (Valence, France); and Königsgalerie (Duisburg, Germany)); Saint-Christoly (Bordeaux, France); Alle Valli (Bergamo, Italy); Belforte (Varese, Italy); Champ de Mars (Angoulême, France); Grand Emilia (Modena, Italy); Cavallino (Lecce, Italy) + 9 managed-only shopping centers (excluding Nîmes Étoile (Nîmes, France)). This corresponds to a coverage rate of 95.5% of owned and managed shopping centers.

The Group's strategy is to increase the proportion of waste that can be sorted on site, thereby reducing overall waste management costs. Most of its assets are equipped with multi-compartment waste bins to promote waste awareness and correct segregation by visitors, and retailers receive training on correct waste segregation and are provided with appropriate facilities.

Approximately 30 different types of waste can be sorted at the best-performing centers, and, where combined with proper incentives for employees, retailers and contractors, waste recovery rates of 100% have been achieved, as demonstrated by centers in Germany, the Netherlands and Scandinavia.

France achieved a waste recovery rate of 98% in 2019 making it one of the Group's top performing countries. Its achievements are partly due to a concerted effort to increase engagement with its waste contractors, and set key performance indicators supported by targets and training to increase the number of waste streams that can be sorted and collected. Documenting and sharing factors such as these with shopping center teams via monthly webinars constitutes an important part of the Group's strategy to increase recycling rates across the portfolio.

Each shopping center's waste data is entered and analyzed monthly through the Deepki platform. The use of Deepki helps the Group

monitor waste flows using specific performance indicators, focusing on the types of waste being processed as well as waste disposal destinations, and enables the Group to set appropriate targets at the asset level.

In 2019 Klépierre expanded its effective BOOST interventions to cover waste management (see section 4.2.1.1 above), and by the end of 2019, these had been conducted at 11 assets across France, Spain, Italy and Scandinavia. Operating based on a similar format pioneered by the Group's energy audits, the program brings together shopping center teams, suppliers, waste contractors and Group or country-level technical experts to conduct a deep-dive analysis of individual shopping center's waste management practices over a 24-hour period. The timeframe allows teams to observe waste management practices during the shopping center's operating hours, focusing not only on the number of waste streams but also the facilities, processes and products in place to ensure they are operating effectively.

Following this period of observation, the team agree an action plan which can include a range of low-cost measures such as changes to the layout and design of waste substations and storage facilities, improved signage and guidance for retailers, changes to cleaning schedules to increase the number or frequency of visits to certain areas of the shopping center, and the introduction of new waste streams for waste contractors.

A DEEPER DIVE INTO WASTE MANAGEMENT IN MARSEILLE

Le Prado shopping center in Marseille (France) offers a range of shopping and food options set across 20,000 sq.m. and attracts around three million visits a year.

In autumn 2019, the center was selected for a BOOST intervention to identify why it was not achieving its expected waste separation and recycling rates. A cross-functional team including technical experts, the shopping center management team, service suppliers and the waste contractor gathered to observe the shopping center in operation over a 24-hour period.

An action plan was drawn up which involved monthly checks and extra training for waste contractors and cleaning teams on the separation of plastic, glass and organic waste. The impact has been significant, with the share of sorted waste increasing from 45% in October to 49% the following month. Additionally, thanks to a higher volume of waste sorted directly in the center, the proportion of waste recycled also increased from 24% to 34% over the same period (October to November).

4.2.2.2 Circular economy

The deployment of BOOST interventions has enabled Klépierre to increase its direct engagement with retailers, bringing it closer to its target of 100% of shopping centers involving their retailers in a circular economy approach.

As well as identifying specific training needs or improved communications, BOOST action plans provide a much deeper insight into the potential challenges faced by retailers that prevent 100% diversion rates. These may include the use of products or packaging which are not compatible with shopping centers' waste flows and that prevent the effective sorting of waste and/or cannot be recycled. In these cases, often the solution is to engage directly with the retailer's corporate headquarters and procurement departments to encourage them to seek alternative materials.

The Company is also piloting innovative approaches to embed circular economy principles into the daily management of its assets. For example, Klépierre was the first company in its sector to sign a Europe-wide partnership with the start-up "Too Good to Go", which uses a mobile app to facilitate the sale of unsold food on its last possible purchase day. Thirteen centers in France were involved in the initial pilot, and this had increased to 16 by the end of 2019. Klépierre continues to work with the organization to expand the service within its Scandinavian and Iberian portfolios, and will roll it out to other countries in 2020 starting with the Netherlands.

Klépierre's focus on the circular economy extends to its visitors. Continuing the success of its Act for Good® campaign that handed out more than 28,000 reusable bags to visitors across six shopping centers in 2018, this year 11 shopping centers went a step further by encouraging visitors to eliminate bags altogether. Every time a visitor refused to take a bag, the participating shopping center made a donation to a locally nominated charity. The initiative was widely supported by retailers to demonstrate their shared commitment to tackling waste and supporting more sustainable shopping experiences. For example, at Blagnac (Toulouse, France), the shopping center and ten local associations hosted workshops and exhibitions to raise visitors' awareness of environmental issues. Each time a visitor reused a bag, 50 cents were donated to the Zero Waste association. The initiative was supported by more than 54 retailers, and more than 3,000 bags were reused. Along similar lines, visitors to Forum Duisburg in Duisburg (Germany) were encouraged to exchange a plastic bag for a tote-bag containing sustainable gifts such as bookmarks, seed sachets and pencils as part of a week-long initiative that distributed 1,200 bags.

Among the broader range of initiatives designed to promote circular economy principles was a series of events focused on vintage clothing at Oslo City shopping center in Norway. The center hosted a used clothing market featuring a range of second-hand and vintage clothing, along with tips and advice on how to mix new and old fashions. At Hoog Catharijne (Utrecht, the Netherlands), visitors were greeted by an 11-meter long whale made from five tons of waste plastic collected from

the Pacific Ocean. The whale – designed to appear as if it was leaping out of the canal in the center of the development – was intended to raise awareness of the problem of plastic waste in the world’s oceans. Plastic pollution was also the focus of an exhibition organized by Montebello shopping center in Voghera (Italy) in partnership with WWF which focused on plastic waste in the Mediterranean.

4.2.2.3 Water use⁽¹⁾

Although Klépierre has not identified water as a material environmental impact, the Group nonetheless measures its water consumption and applies best practices to ensure the most efficient use of this resource as part of its broader efforts to reduce its consumption of natural resources.

In 2019, 3.6 million cu.m. of water was consumed across Klépierre’s shopping centers. This includes retailers’ water consumption, as retailers’ data is collected across all centers. On a like-for-like portfolio basis, water consumption intensity by building use (measured as liters/visit) was down 3.8% over the past 12 months, from 4.85 in 2018 to 4.66 in 2019. This evolution can be explained by better monitoring of leaks, best practice sharing, and the continued upgrading of equipment, fixtures and fittings as part of each shopping center’s annual capex investment plan.

Water consumption data is recorded and analyzed monthly through the Deepki platform, which also allows for the benchmarking of shopping centers’ water efficiency based on the analysis by type of center used for energy benchmarking. In the case of water, shopping centers are grouped according to similarities in relation to the proportion of greenery present, the characteristics of their cooling towers and the proportion of retailers’ and operators’ floor space dedicated to more water intensive services (e.g., restaurants and hair-dressers).

Water efficiency interventions are targeted at the three largest water consuming systems and activities in the Group’s shopping centers (air-conditioning, toilets and cleaning), as well as the use of more drought-tolerant plant species in green areas and the recovery and reuse of rainwater where feasible. Investments in more efficient equipment, such as cooling towers, and low-flow sanitary fittings are made where and when replacements are required.

4.2.3 Develop a fully-certified portfolio

The appetite for certified “green” and “healthy” buildings is growing among investors, and numerous studies point to the economic benefits that these assets can yield in terms of retailer attraction and retention, rental income, occupier productivity and operational cost savings.

In the retail sector, green building certifications provide an opportunity for developers and owners to differentiate their products by demonstrating higher standards of environmental quality and implementing design features to sustain long-term asset values. What is more, studies show a correlation between sustainability features such as indoor air quality, greenery and daylight levels and increased dwell time, visitor loyalty and retailers’ sales⁽²⁾.

Klépierre favors the use of two green building certification standards, BREEAM New Construction for extensions and BREEAM In-Use for shopping centers in operation and undergoing renovation, and ISO 14001 certification for operational shopping centers’ environmental management systems.

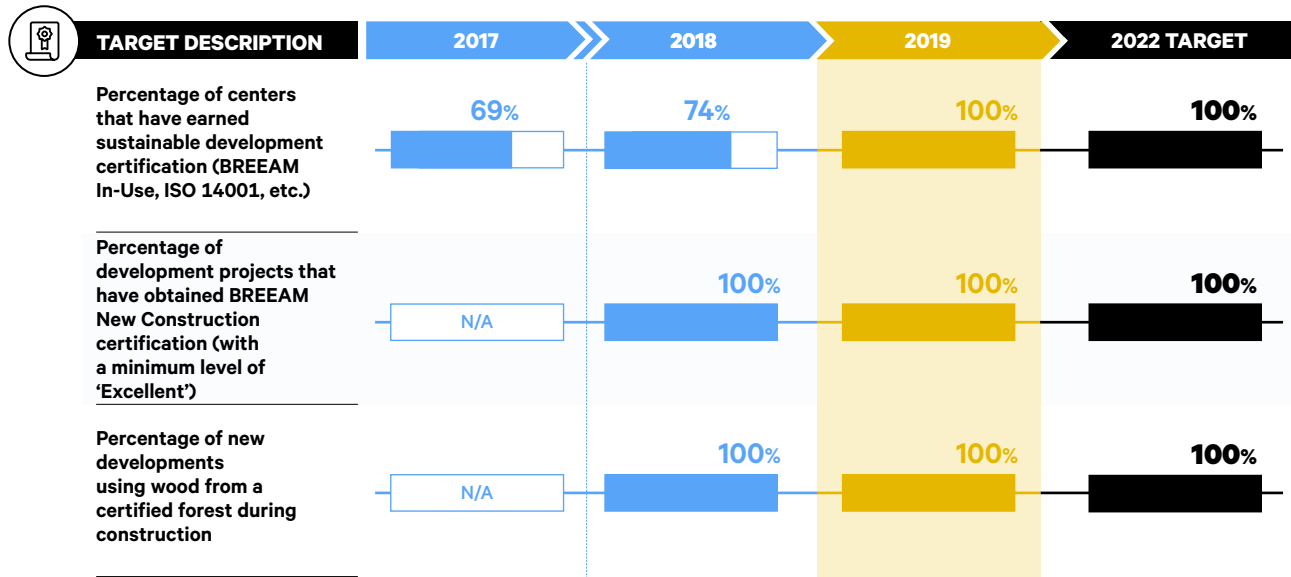
The Group has found these standards to be complementary: ISO 14001 provides a framework to target, deliver and monitor environmental improvements at each center, and establish procedures for continuous improvement; BREEAM standards, meanwhile, provide a consistent and comparable framework for assessing impacts and costs from a lifecycle perspective, and enhancing the environmental quality of the building and its socio-economic contribution to the local area. BREEAM gives retailers, visitors and investors the assurance that the project has been developed, and that it operated based on a robust process to minimize damage to ecosystems and natural resources while exploiting opportunities to create a better built environment for people and the planet.

In addition, Klépierre operates a portfolio-wide environmental management system covering 100% of the assets it owns and manages. This means that all assets establish environmental targets, implement actions and monitor their performance, with this process being supported and reviewed by dedicated specialists at national and Group levels.

(1) Unless specified otherwise, all the 2019 water figures contained in this section apply to the following scope: 121 owned and managed shopping centers (excluding Hoog Catharijne (Utrecht, Netherlands) and Il Destriero (Vittuone, Italy)) + 10 managed-only shopping centers. The corresponding coverage amounted to 95.4% of owned and managed shopping centers.

(2) See World Green Business Council, “Health, Well-being & Productivity in Retail: The Impact of Green Buildings on People and Profit” (February 2016), pages 22, 26 and 33.

► SUMMARY OF PERFORMANCE AGAINST TARGETS
DEVELOP A FULLY CERTIFIED PORTFOLIO



4.2.3.1 Standing assets⁽¹⁾

In 2019, the Group achieved its long-term target to certify all centers according to BREEAM In-Use. In addition, 40% of the Group's properties operate ISO 14001-certified environmental management systems. A further five shopping centers in Spain: La Gavia and Plenilunio (both located in Madrid), Maremagnum (Barcelona), Nueva Condomina (Murcia) and Santa Cruz de Tenerife (Tenerife) have obtained ISO 50001 certification recognizing their best-in-class approach to energy management.

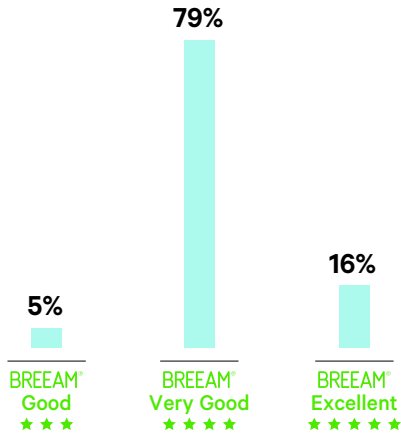
The certification of all the Group's assets three years ahead of schedule followed an intensive program of work during 2019. The Group now boasts as a minimum Part 1 BREEAM In-Use certifications covering asset performance for its total portfolio. Of these Part 1 certifications, 16% have been awarded a rating of Excellent, with the majority (79%) achieving Very Good and a further 5% achieving Good. In addition, 58% of centers have achieved Part 2 certifications that focus on building management.

By certifying the entire portfolio under BREEAM In-Use (Part 1), Klépierre is the second company in its sector - but the largest portfolio under management - to be covered by the BREEAM In-Use portfolio approach. Under this approach, BREEAM does not require every property to be reassessed every three years for the certificates to remain valid. Instead, Klépierre will adopt a sampling approach whereby a smaller group of properties that are representative of its wider portfolio will be submitted for an audit, with all certificates renewed on this basis, allowing the Group to reinvest and concentrate its efforts on asset optimization.

Aside from reaching its target three years early, the certification process benefits individual shopping centers and the Group more broadly: it establishes an objective measure of the quality of each center's procedures, encourages continuous improvement methodologies by setting out a clearly defined roadmap to maintain or achieve a higher certification, and promotes collaboration between teams and countries.

⁽¹⁾ Unless specified otherwise, all 2019 certification figures contained in this section apply to the following scope: 122 owned and managed shopping centers (excluding Danubia (Bratislava, Slovakia)) + 10 managed-only shopping centers + 4 owned-only shopping centers. The corresponding coverage rate amounted to 99.2% of owned and managed shopping centers.

**▶ SUSTAINABILITY CERTIFICATIONS OF ASSETS —
BREAKDOWN BY BREEAM IN-USE LEVELS**
(reported scope)



Scope: 122 owned and managed shopping centers (excluding Danubia (Bratislava, Slovakia)) + 10 managed-only shopping centers + 4 owned-only shopping centers. Coverage rate: 99.2% of owned and managed shopping centers.

4.2.3.2 New construction and renovation

The Group's development activity focuses on its standing assets, where there are significant opportunities to unlock additional value through expansions and/or refurbishments. The Group's over-arching development strategy, which is tailored to the unique needs of each project, pursues four objectives:

- ▶ Better integrating the assets within, and adding greater value to the surrounding district;
- ▶ Positioning projects towards mixed use themes, while maintaining retail as the predominant activity;
- ▶ Extending existing assets when sufficient potential is identified; and
- ▶ Implementing the operational initiatives of the Group (Retail First®, Destination Food® and Clubstore®) to fine-tune the retail mix and introduce new retail, leisure and culinary concepts to enhance the Group's customer-centric approach.

The Group's Act for the Planet approach is deployed alongside these pillars through the application of the BREEAM standards for New Construction or Refurbishment and Fit-Out (as befits the project). BREEAM Excellent for New Construction, for example, sets out criteria that benefit the customer experience covering internal and external lighting levels, indoor air quality and acoustic performance. Requirements to improve accessibility to and from the site by providing alternative forms of transport promote integration with the broader community and the urban environment.

Following the BREEAM standard is therefore fundamentally important for the Group's developments, and BREEAM certification with "Excellent" as a minimum level is an integral requirement of the Group's Act for Good® Development Checklist that is applied to all projects which involve the creation of over 10,000 sq.m. of new development area. It also includes requirements for:

- ▶ All timber to be certified to PEFC™ or FSC standards;
- ▶ Undertaking community engagement at the initial stages of the project;
- ▶ Ensuring that the main contractor has committed to adhering to the sustainability standards set by Klépierre during the procurement and worksite phases; and
- ▶ Creating a biodiversity action plan.

In 2019, Klépierre achieved its target for all completed developments to achieve BREEAM New Construction "Excellent" certification. This included Créteil Soleil in Greater Paris (France) which received certification for the design phase following a 12,000-sq.m. extension of the shopping center that will add an additional 40 units and increase the existing 12-screen cinema to 18 screens (see case study).

The Group's other significant development project in 2019 – Gran Reno in Bologna (Italy) – involves a similar 16,000-sq.m. extension and wider refurbishment to the existing shopping center. For both works Klépierre has targeted BREEAM "Excellent" certification for New Construction and Refurbishment & Fit Out. The renovation includes the full insulation of the existing asset to reduce heat gain and loss, and a thermally efficient glass roof that will improve energy efficiency by reducing the need for indoor lighting.

CREATING A SUSTAINABLE RETAIL DESTINATION FOR THE FUTURE

Créteil Soleil has established itself as one of France’s most visited destinations since its inauguration in 1974. The flagship center attracts close to 21 million visits annually, and is among the top five best performing shopping centers in the country.

In 2018, Klépierre embarked on a significant expansion and refurbishment of the property which has not been updated since it opened over 40 years ago. Once complete, the newly extended and refurbished center will blend sector-leading technology, architecture, retail and leisure facilities to create a compelling destination that will continue to reinforce Créteil Soleil’s reputation as a one of Europe’s leading shopping centers.

The expansion, completed in November 2019, encapsulates Klépierre’s ambitious design standards and achieved BREEAM New Construction “Excellent” certification at the design stage. The center benefits from its prime location, bordering several municipalities across south-eastern Paris, with strong public transport links. The new extension maximizes these links, expanding the center directly to the neighboring metro station and providing direct access for visitors arriving by train, while also improving access to and from the car park. Visitors can now enter through a glass canopied wing that houses 15 new restaurants along a new “Food Avenue” of nearly 4,000 sq.m., as well as a space dedicated to events, a next generation cinema and exclusive retail brands.

The wider renovation – due for completion in 2020 – will include a complete update to the center’s technical equipment as well as improvements to the look and feel of the property to improve its appearance and visitor comfort. The works are on track to achieve a BREEAM Refurbishment & Fit Out certification level of “Excellent” – influenced in part by the anticipated improvements to the center’s energy performance as a result of the new technical installation – as well as Silver certification to the International WELL Building Institute’s WELL Core and Shell standard, recognizing improvements to the center’s indoor environmental quality.

In line with the Group’s broader environmental objectives, the center has sought to protect biodiversity and enhance the ecological value of the broader site in line with BREEAM “Excellent” requirements. The development team worked with an external ecologist to design the center’s green areas which included the revegetation of a large part of the roof and the development of a vegetable garden on an accessible terrace that will be used as an educational tool to engage visitors.

4.2.4 Innovate towards sustainable mobility

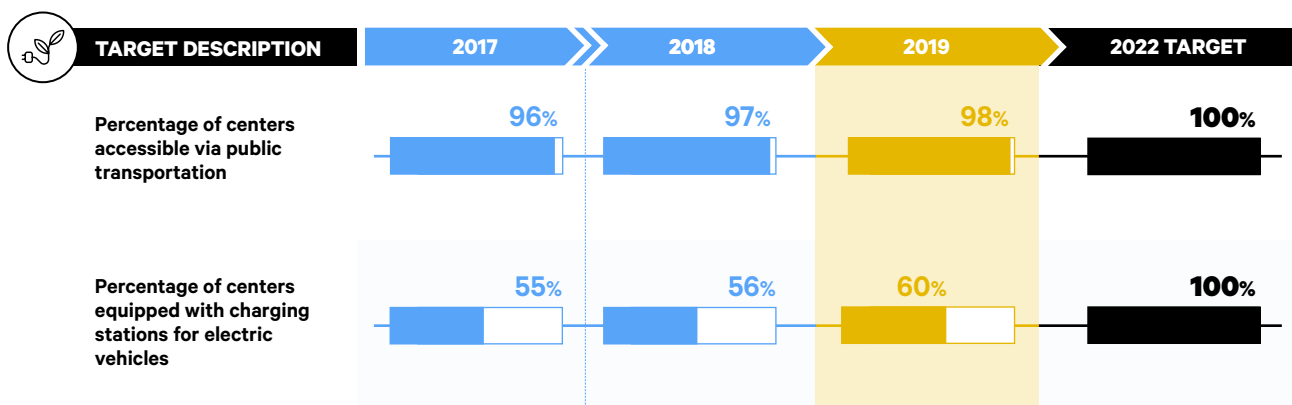
Air pollution is currently considered one of the greatest environmental risks to public health in Europe, and concerns about air quality, congestion and global warming are prompting national and local governments to develop plans to increase the use of more environmentally sustainable and healthier forms of mobility, including walking, cycling, the use of public transport and electric vehicles.

Ensuring accessibility by different modes of mobility is an integral part of Klépierre’s strategy. Location, urban density and transport connectivity are key criteria which are reviewed as part of the Group’s investment selection process. Across its operational portfolio, Klépierre

is undertaking actions to diversify the transportation and mobility offer associated with its shopping malls.

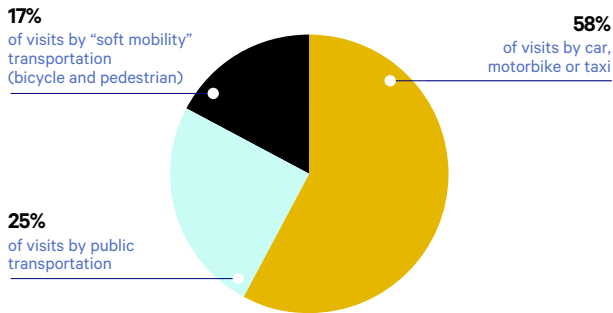
The intentions behind this approach are four-fold: it supports the integration of its assets within the communities they serve, supplements efforts to increase footfall by enabling easy access by as many people as possible, it reduces pollution and GHG emissions associated with the use of motor vehicles and helps to future-proof the Group’s assets in the context of the shift towards greater use of electric and automated vehicles, walking and cycling.

**► SUMMARY OF PERFORMANCE AGAINST TARGETS
INNOVATE FOR SUSTAINABLE MOBILITY**



4.2.4.1 Visitors' travel modes⁽¹⁾

In 2019, 17% of visits to Klépierre's shopping centers were made by soft mobility (walking, cycling, etc.) or public transport. Over the past four years, the Group has seen a 3% increase in the use of public transportation which now accounts for 25% of visits.



Klépierre has set a target for 100% of its shopping centers to be accessible by public transportation and equipped with charging stations for electric vehicles by 2022. As of December 31, 2019, 98% of the Group's assets met this definition, meaning that at least one bus, train or tram stop was located less than 500 meters away from a mall entrance with services at least every 20 minutes.

99% of the Group's shopping centers are easily accessible by bicycle, including all of those located in Scandinavia, Germany and the Netherlands. Cycling is encouraged more broadly by promotional events and public awareness campaigns and the provision of bicycle rental services at some shopping centers.

2019 saw the Group expand its provision of charging stations for electric vehicles, with 65 shopping centers across France, Germany, Denmark, Italy, the Netherlands, Sweden, Norway, Portugal and Spain installing these facilities.

Electric vehicle charging stations are also installed as standard at the Group's development projects, including Créteil Soleil and Gran Reno. This means that 60% of the Group's assets (in value) now have electric vehicle charging points in place, including 98% and 97% of centers respectively in Scandinavia and the Netherlands, where the use of electric vehicles is most predominant.

The Group promotes initiatives to reduce private vehicle use to and from its shopping centers, such as car-sharing, renting and encouraging alternative forms of transport. A sample of other initiatives to promote more sustainable travel at various shopping centers includes:

- > Dedicated parking spaces for carpooling (21% of centers);
- > Private shuttle bus services (14% of centers); and
- > Live displays of public transport timetables (18% of centers).

BRINGING NEW MOBILITY SOLUTIONS TO VISITORS AND COMMUNITIES

Klépierre and Renault have embarked on an ambitious partnership to offer innovative mobility services across the Group's shopping centers benefitting visitors and local communities.

The first, launched in June 2019 at three Klépierre shopping centers in France (Val d'Europe in the Greater Paris region, Blagnac in Toulouse and Bègles Rives d'Arcin in Bordeaux), features an innovative car-sharing service accessible via the Renault MOBILITY mobile application. The service has subsequently been rolled out across a number of the Group's shopping centers providing visitors and residents with a mix of traditional and electric vehicles that can be hired on a flexible, subscription-free basis for periods starting from an hour.

Other projects underway include the rollout of multi-purpose charging hubs for electric vehicles, known as "charging houses." Primarily intended for shopping center visitors during the day, and local residents in the evenings and at weekends, the hubs can be pre-booked in advance allowing visitors to plan their trips in advance. The hubs had been installed across 13 Klépierre shopping centers by the end of 2019 prior to a wider rollout across Europe, and will make a major contribution to the Group's goal to equip 100% of its centers with electric charging stations by 2022.

These services build on the complementary strengths of each company: Klépierre's local presence and parking infrastructure; and Renault's technological know-how. They are the first in a number of options being explored to expand the range of sustainable transport solutions to visitors and communities across France and Europe. In the longer term, Renault and Klépierre will be looking at how trends relating to car ownership, demographics and technology such as autonomous and connected cars will impact visitor services and transport infrastructure in around the Group's shopping centers.

4.2.4.2 Master planning transport solutions

Klépierre's development activity offers additional opportunities to promote sustainable mobility by integrating shopping centers successfully within neighborhood masterplans and engaging with local authorities and services to do so. Indeed, all assets which have been developed, extended or renovated by the Group since 2012 are served by public transport owing to such efforts.

The Group exploits all possible opportunities to connect with new and existing public transport infrastructure, cycling paths and pedestrian zones in its redevelopment activities. Créteil Soleil (Greater Paris, France), for example, is already well served by public transport and in 2019 almost 20% of visitors arrived by train or bus. The new extension

enhances this further. Whereas previously visitors arriving at the adjacent Créteil metro station had to cross the shopping center car park, they can now enter the center directly from the station. At the same time, the car park has been remodeled to improve traffic flows and increase cycle access with expanded bicycle storage facilities.

Likewise, the extension of Gran Reno (Bologna, Italy) improves public access to the nearby Casalecchio Palasport rail station. Klépierre's plans include the construction of a pedestrian bridge connecting it with the shopping center, as well as improvements to the center's car park to reduce congestion and improve local traffic flows.

(1) Unless indicated otherwise, all 2019 travel mode figures contained in this section apply to the following scope: 121 owned and managed shopping centers (excluding La Madeleine (Chartres, France) and Grand Littoral (Marseille, France)) + 7 managed-only centers (excluding Saint-Jacques (Beaune, France); Aulnoy-lez-Valenciennes (Aulnoy-lez-Valenciennes, France) and Océane (Gonfreville, France)). This corresponded to a coverage rate of 99% of owned and managed shopping centers.

The Group takes a longer-term view as it seeks to future proof assets in light of evolving trends in mobility, urban transportation, logistics and supply chains. This includes studying the impact of changes in visitor transportation on shopping center design given factors such

as the expected growth in autonomous cars, but also understanding how assets will need to adapt to retailers' changing needs given new retail and distribution models.

4.3 ACT FOR TERRITORIES

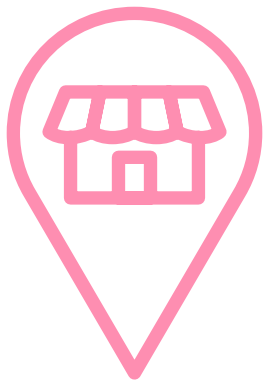
The Group's commitments under this pillar – tackling unemployment, supporting local economic development, encouraging better social outcomes and participating in the local community – make it possible to match local actions with the broader socio-economic context in which Klépierre operates. While Act for Territories provides a Group-wide structure for the plethora of initiatives that have developed across Klépierre's portfolio, it nonetheless recognizes that the Group's approach demands a local response that reflects the specific circumstances and priorities of individual catchment areas.

Klépierre continues to make good progress towards its 2022 targets. The number of initiatives across its portfolio has accelerated as individual shopping centers hone their focus on each of the Group's

core commitments, and nurture the long-term relationships that are necessary to achieve Klépierre's ambitions.

Klépierre's efforts have been boosted by the compilation of a 'best practice guide' that showcases examples of successful initiatives from across the Group's portfolio. The guide helps shopping centers respond to each target within their local context. Reporting against each Act for Territories target is also included in the Group's quarterly performance reporting (described in section 4.5.3.2). Through this process, country heads, operations directors, marketing managers and shopping center teams share progress and lessons learned from the initiatives they have implemented.

ACT FOR TERRITORIES



2022 COMMITMENT



Promote local employment around centers



Participate in the local community



Pursue our responsible citizenship



Involve local actors in development projects

2030 AMBITION

> Make our centers a benchmark in local value creation

> Incorporate social responsibility into our sphere of influence

> Jointly develop the shopping centers of the future

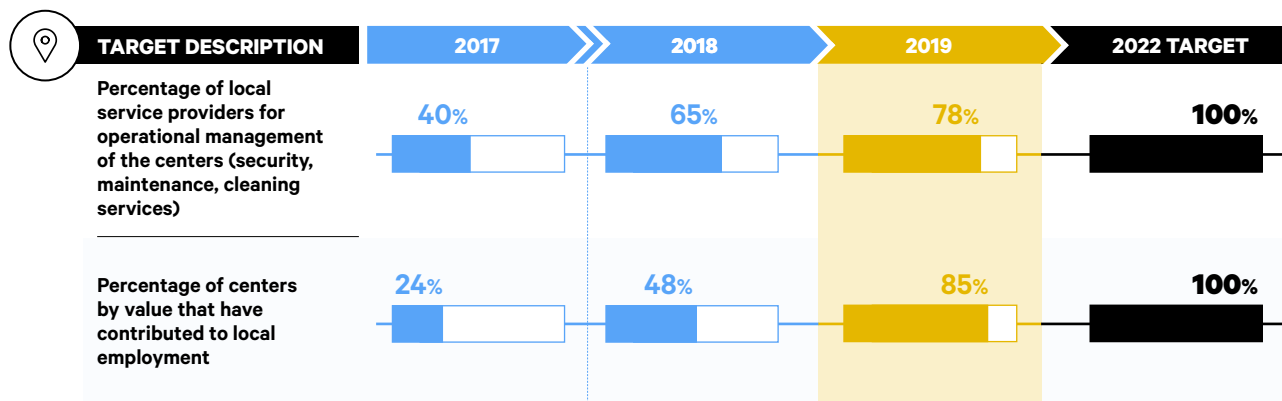
4.3.1 Promote local employment around our centers

As major economic hubs that attract many thousands of visitors daily, Klépierre's shopping centers make a significant contribution to local employment. Firstly, the Group generates employment in the construction sector when it launches new shopping center developments or redevelopments. The Group then recruits staff directly to fulfil shopping center management posts. Jobs are

subsequently created by the suppliers it contracts to provide cleaning, security and maintenance functions, and its retailers who require personnel to run their shop units. Altogether, Klépierre's presence has a strong bearing on local economic development, as employment boosts household incomes and increases tax returns to regional and national governments.

► SUMMARY OF PERFORMANCE AGAINST TARGETS

ENCOURAGE LOCAL EMPLOYMENT AROUND OUR CENTRES



The Group's long-term ambition is to make its centers a benchmark in local value creation, and it has set out a long-term commitment to ensure that all shopping centers in its portfolio promote local employment. The Group's strategy to deliver this commitment is two-fold:

- Through its supply chain, by ensuring all service suppliers for the daily operations of its centers are recruited from the "local" community;
- Using its local networks to facilitate employment opportunities by working with tenants and employment agencies.

4.3.1.1 Increasing procurement from local suppliers

The Group's annual shopping center operating budget totaled around €350 million in 2019, which was mostly redistributed to locally-based service suppliers. Klépierre has committed to ensure 100% of its shopping centers use local service suppliers by 2022, and by the end of 2019, 78% of service suppliers met the Group's definition of local: regional and/or within 300 km from the shopping center, compared with 65% in 2018.

Procurement activities are managed at a country level and procurement teams are prioritizing suppliers that meet the Group's definition of local as contracts come up for renewal. Given service contracts typically cover a three-year period, progress remains underway in our largest markets. Yet significantly, Klépierre renewed its safety and security and cleaning contracts in 2019 to meet this definition across its French portfolio. The percentage of local supplies has also increased in Germany and Turkey. In other geographies where the Group has a smaller presence, such as the Netherlands, Iberia and Scandinavia, this target has already been achieved.

4.3.1.2 Partnerships to boost local employment

Most job opportunities generated through the Group's operations are created indirectly by its tenants who represent a broad spectrum of small businesses; national and international brands. Given that recruitment can be a resource-intensive process for both employers and job seekers, the most significant role Klépierre can play is to facilitate local employment opportunities using both its local presence and national scale to work with recruitment agencies to bring retailers and job seekers together.

Since 2017, the number of shopping centers facilitating local employment has increased significantly, with 118 centers organizing an initiative in 2019. The Group's long-term target for all centers to facilitate local employment is integrated into each shopping center's marketing plan, meaning responsibility rests with the Marketing Manager for each shopping center. This approach encourages marketing teams to think creatively about what initiatives can be organized that reflect both the needs of each center's retailers and the communities within their broader catchment areas.

While recognizing that local needs are best identified at a shopping center level, Klépierre promotes some initiatives at a regional level, such as organizing recruitment fairs, posting advertisements on shopping center websites and within the centers themselves, and by working with local and national recruitment organizations. In France for example, Klépierre hosts job fairs organized by the government employment agency Pôle emploi. These fairs bring retailers, other local businesses and job seekers together and allow them to connect directly. In 2019, Grand Littoral in Marseille (France) hosted a mobile careers advice truck as part of the National Ministry for Labor's "Emplois Francs" initiative which aims to provide employment opportunities for young people from disadvantaged backgrounds.

In Italy, an expo organized at Campania Centro Commerciale near Naples was one of several events organized by the shopping center that brought together local students to learn more about the job market and provide careers advice through a series of interactive presentations and activities. Several retailers have subsequently expressed an interest in meeting students at future events.

Set against the backdrop of persistently high youth unemployment in many of its operating countries, this partnership approach – working with careers agencies and local organizations to help young people enter the job market – is repeated across the Group's portfolio.

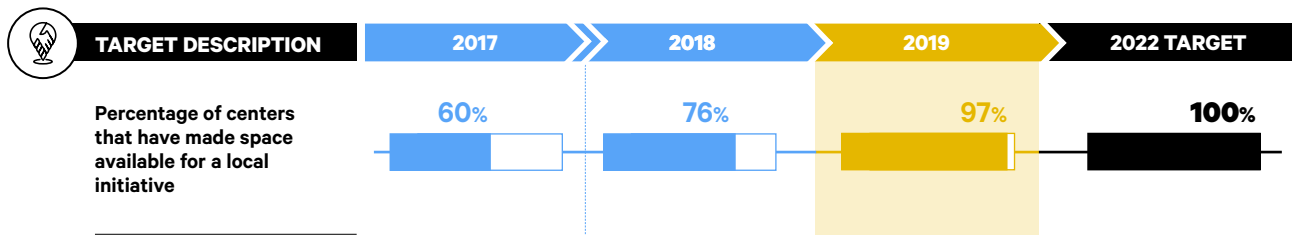
Similar events were organized at Saint-Jacques in Metz (France) which partnered with CriBij (youth information center) to help students find summer jobs during their holidays, allowing retailers to recruit additional staff during the busy summer months and giving students an opportunity to build their CV. At Porta di Roma (Italy) the center continued its successful partnership with Generation—a non-profit organization that supports companies in finding and training young people—to organize interviews for 50 young job seekers with shopping center tenants. At Nový Smíchov and Plzeň Plaza (Czech Republic), the shopping center teams organized their own job fairs to connect retailers and prospective employees. The events were attended by 18 retailers and attracted over 70 applications from job seekers.

4.3.2 Participate in the local economy

Klépierre positions its shopping centers as ‘local hubs’ at the heart of the communities they serve. They are dynamic places that bring together people from the immediate catchment area and further afield to gather, shop, meet and connect. Their outreach provides a significant opportunity for local organizations and charities to engage with the millions of visitors who pass through the Group’s shopping centers daily.

The Group has a long-term commitment to make its centers a benchmark in local value creation. It encourages shopping center teams to strengthen their ties with local residents and organizations, and provide the best possible experience to visitors, thereby fostering mutually beneficial relationships, as well as increased footfall and customer loyalty.

► **SUMMARY OF PERFORMANCE AGAINST TARGETS**
PARTICIPATION IN THE LOCAL ECONOMY



To fulfil its commitment, the Group has set a long-term target for all centers to participate in the local economy by offering free space for use by local initiatives at least once a year. In 2019, 97% of the centers across Klépierre’s portfolio met this target.

In parallel with Klépierre’s approach to job creation, each shopping center has the freedom to select initiatives based on their local circumstances and community needs within an overarching framework that provides a consistent Group-wide approach. The framework provides guidance for shopping centers in identifying relevant initiatives and establishes comparable metrics that can be used to calculate the Group’s overall value created, such as footfall and social media reach. The range of organizations supported cover emergency services and public safety bodies, to sports clubs, student bodies, local charitable organizations and arts associations.

By way of example, the regional marketing team in Scandinavia organized two events specifically aimed at young entrepreneurs: Emporia shopping center in Malmö (Sweden) hosted the 6th edition of a young entrepreneurs’ fair which was attended by more than 1,200 exhibitors and attracted over 66,000 visitors in three days. A similar event at Kupolen shopping center (Borlänge, Norway) attracted more than 200 companies and 600 young students which led to a 35% increase in footfall over the same period in 2018, and generated significant press and social media coverage.

The focus on supporting local talent was also reflected in a recent “Let’s discover Marseille!” event jointly organized by Bourse shopping center (Marseille, France) and the *Comité du Vieux-Marseille* which since 1911 has been working to preserve and promote Marseille’s heritage. Visitors had the opportunity to meet more than 110 authors and learn more about their passion for the city and how it has inspired their work. At Saint-Jacques in Metz (France) the shopping center provided a ‘pop-up’ temporary space for local craftspeople to showcase and sell products and crafts.

A HELPING HAND FOR NEW BUSINESSES

Three young entrepreneurs have taken their first steps into the world of business thanks to an initiative jointly supported by Espace Coty (Le Havre, France) and the Mission Locale Le Havre.

A boutique store – located on the first floor of the shopping center – was a temporary home to three start-ups including a women’s ready-to-wear fashion brand, a menswear brand and an organic homemade cereal brand as part of the Mission Locale’s Lab’O initiative. Mission Locale provides careers and business advice for young school leavers across France. The Lab’O store – the first of its kind in France – was conceived as an incubator space to give young entrepreneurs aged 16 to 25 an introduction to the realities of running their own business while developing their commercial skills.

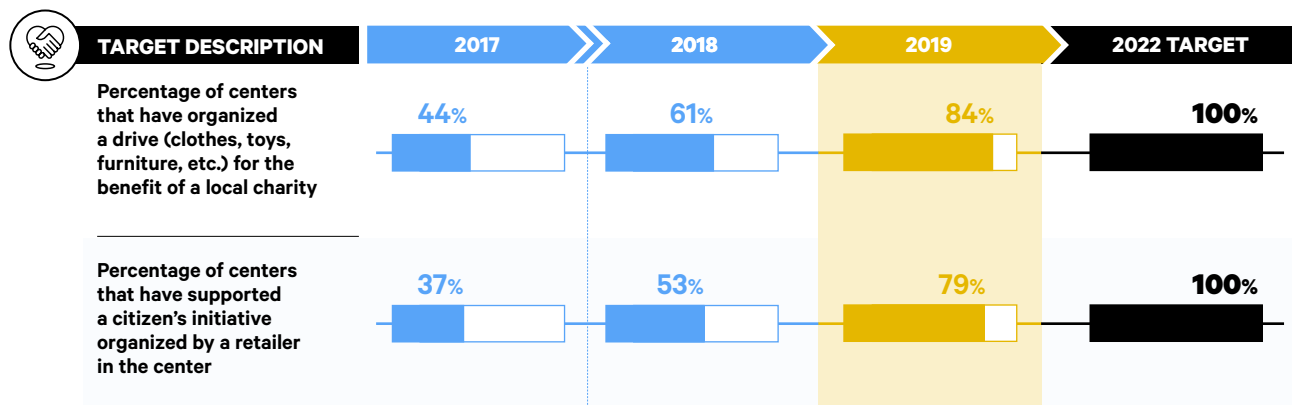
Open during normal mall hours between 9:30am and 8:00pm, the shop was run on a collaborative basis with the entrepreneurs stepping in to help each other. As well as practical experience, the entrepreneurs had access to professional mentoring, networking and training designed to develop their business plans and give them the confidence to set out on their own.

4.3.3 Pursue our responsible citizenship

As Klépierre uses its influence to generate positive economic benefits for communities, the Group has set a long-term ambition to boost the social impact of its operations as it pursues its commitment to be a responsible community member.

Furthermore, the Group is supporting its customers by recognizing their shared interest in reducing environmental impacts and making a positive social contribution to local areas. As the Group views its retailers as strategic partners, shopping center teams are encouraged to support retailers' sustainability activities, contributing to brand loyalty and increasing footfall.

► **SUMMARY OF PERFORMANCE AGAINST TARGETS**
PURSUE A CORPORATE CITIZENSHIP INITIATIVE



4.3.3.1 Promoting charitable giving among shopping center visitors

Klépierre aims for all its shopping centers to organize a clothing, toys and/or furniture drive for a charity by 2022. The Group remains firmly on track as 84% of shopping centers organized at least one such initiative in 2019.

The events provide an opportunity for centers to help local charitable organizations, and support visitors who are keen to donate their time, money and new or secondhand gifts to help those who are less fortunate. Christmas, for example, is traditionally the busiest time of the year for many of the Group's centers and the spirit of giving is celebrated with shopping centers including Forum Duisburg (Duisburg, Germany), Maremagnum (Barcelona, Spain) and Oslo City (Oslo, Norway) organizing gift collections to collect presents for children from disadvantaged backgrounds.

As consumer awareness around issues from climate change to plastic waste grows, more and more visitors are looking to learn how they can reduce their impact on the environment. The Group supports this trend, for example by organizing "vide dressing" events where visitors can buy and sell secondhand fashion and vintage clothing. At Les Passages (Greater Paris, France), visitors received the proceeds from sold items as a gift card to use in the center, and unsold items were donated to a local charity. Further afield, Lublin Plaza (Lublin, Poland) and Gulsbogen shopping center (Drammen, Norway) partnered with New Life Aid and Bymisjonen respectively to collect used and unsold clothes from retailers and visitors for underprivileged families all over the world.

By encouraging consumers to recycle and reuse old belongings such as clothing, toys and furniture, the events are prompting visitors to consider the wider implications regarding waste, and the inherent value in their used or unwanted items.

4.3.3.2 Partnering with tenants to magnify their collective impact

As the Group's strategic partners on a local, national and international level, Klépierre works closely with its retailers on shared sustainability objectives to amplify their impact and strengthen cooperation.

The Group has set a target for all its centers to support an in-house solidarity event organized by a retailer. By the end of 2019, 79% of Klépierre's shopping centers had promoted at least one event by providing mall space and/or media coverage through the centers' websites and social media, as well as print and local media to increase awareness among visitors and the wider catchment area.

For example:

- Boulevard Berlin Shopping Center in Berlin (Germany) provided free space on a vacant shop facade for retailers to publicize their sustainability activities. Three retailers (Mey, S. Oliver and Coffee Fellows) used the opportunity to promote their sustainability achievements and campaigns to a much wider audience of shopping center visitors;
- Similar use of free space and social media was provided to support fashion retailer Promod's #fashionforhealth clothes drive across the Polish portfolio. For just over a week, visitors were encouraged to donate unwanted clothes to fund a mobile cancer screening laboratory to provide early diagnosis services for women across the country; and
- Alexandrium shopping center (Rotterdam, the Netherlands) is an active supporter and promoter of the supermarket chain Albert Heijn's community program. This includes monthly events to strengthen ties with the local community, such as a campaign against loneliness organized with the nearby retirement housing complex De Hoeksteen.

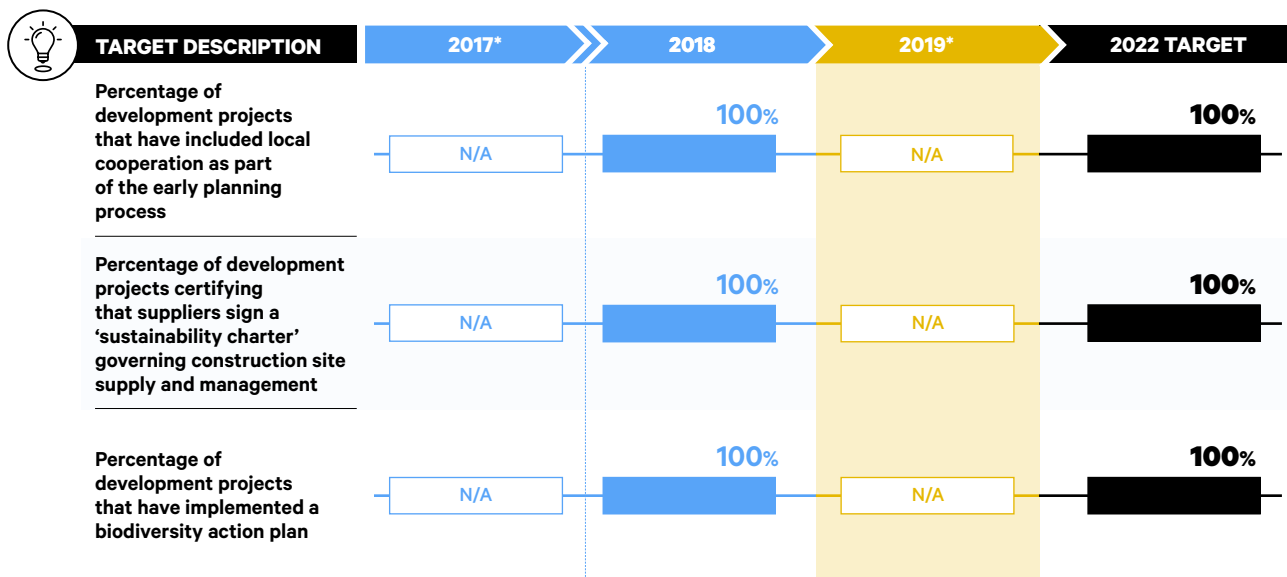
4.3.4 Involve local actors' development projects

The Group's development activities predominantly involve the expansion, repurposing and modernization of existing assets within its portfolio. Given the nature of the Group's properties as prime assets located in major urban centers throughout Europe, development activities inherently bring a unique set of challenges with potentially significant impacts on local communities, the urban environment and infrastructure.

Klépierre has set long-term commitments to not only minimize potentially adverse impacts on the environment and society, but also to deliver positive outcomes by developing properties that meet local needs.

Firstly, the Group aims to engage with local stakeholders to influence the design, purpose, facilities and retail mix of its shopping centers to ensure each one reflects the unique context of their respective catchment areas and creates a compelling commercial and leisure offer. Secondly, the Group has committed to taking positive steps to embed responsibility into its supply chain and protect and enhance biodiversity, further details concerning this can be found below in sections 4.3.4.2. and 4.3.4.3.

► **SUMMARY OF PERFORMANCE AGAINST TARGETS**
INVOLVE LOCAL STAKEHOLDERS IN DESIGNING NEW DEVELOPMENTS



*2017 and 2019 are not applicable as no development projects were completed during the reporting year.

4.3.4.1 Local participation

Klépierre aims for its developments to follow a participatory process by integrating stakeholder views into the development and planning process. This enables the Group to secure local support and contributes to the commercial success of each project. The Group has set a long-term target to guarantee all development projects include a locally-agreed participatory initiative to ensure this commitment is embedded into the Group's development activities.

The Group complies with all legal planning and consultation requirements in each market where it is present, and goes a step further by actively seeking the views of the communities surrounding its projects. By encouraging local participation, seeking stakeholder input and consulting with residents from the outset, the Group gathers valuable feedback on the local commercial offer, leisure facilities and infrastructure to identify unique opportunities to introduce mutually beneficial outcomes into each project.

Klépierre has refined its approach by using the experiences gained from its development activity to ensure best practice is shared and a consistent standard is applied to new developments, while allowing enough flexibility to reflect the specific circumstances of each project. The approach blends structured engagement between development and shopping center management teams with local municipalities

and residents at specific intervals, such as traffic impact studies, market research and surveys. In addition, shopping center managers regularly consult with community members in advance of proposed developments and also discuss local issues with them.

For example, for the Group's development projects either underway or completed in 2019, there was a monthly meeting between the project management team at Gran Reno in Bologna (Italy), the neighboring municipal authorities of Casalecchio, Zola Predosa, and the City of Bologna. The meetings were used as an opportunity to monitor progress and identify and solve any potential challenges concerning the expansion works. Créteil Soleil, shopping center has submitted several potential designs for its vegetable garden to the wider community for consultation and feedback (see case study in section 4.2.3.2).

4.3.4.2 Supplier participation

The Group's development activities can have significant indirect impacts through the actions of its suppliers. Throughout its supply chain – from the procurement of construction materials to site management – Klépierre's priority is to work with its suppliers to ensure the Group's sustainable procurement standards are adhered to and integrated into the procurement process.

The Group's long-term target is for all development suppliers to sign a 'sustainability charter' which covers both procurement and construction site management. The charter sets out Klépierre's expectations regarding materials selection, employment conditions and broader community impacts. By signing the charter, suppliers commit to minimizing the negative impacts of their activities such as air pollution, noise and waste management, and meeting required standards on working conditions and materials selection.

4.3.4.3 Biodiversity action plans

In the context of its urban portfolio setting, Klépierre takes active measures to protect and enhance biodiversity, not just during the operational phase of its shopping centers but also during the design and development of new projects, aligned to its long-term target for all development projects to implement a biodiversity plan.

As well as a mandatory requirement within Klépierre, and a legal obligation in some markets, taking steps to conserve and enhance biodiversity aligns with the Group's broader goals by supporting credits towards green building standards such as BREEAM New Construction.

Klépierre has accordingly developed a standardized approach to biodiversity enhancement that assesses the significant biodiversity impacts and mitigation measures aligned with BREEAM "Excellent" level requirements, while allowing enough flexibility to account for local conditions.

The Group's design and development teams regularly solicit the advice of ecologists during development projects for new assets or extensions of existing buildings to develop a greater understanding of the surrounding natural environment. Their advice guides the architects and developers to consider existing ecosystems and select the most appropriate plant species to preserve local flora and fauna. Green roofs are now a common feature across the portfolio, having been incorporated at the design stage of new projects.

By the end of 2019, both of the Group's current development projects (Créteil Soleil in Greater Paris, France, and Gran Reno in Bologna, Italy) had implemented initiatives to promote biodiversity as they target BREEAM "Excellent" level certification. At Créteil Soleil, these included seeking the advice of an ecologist when designing the center's green areas, the revegetation of a large part of the roof, and the development of a vegetable garden on an accessible terrace.

4.4 ACT FOR PEOPLE

Klépierre's commitments under Act for People span the Group's relationships with its key stakeholders: the tens of millions of people who visit its shopping centers annually, its employees, tenants, suppliers and business partners.

The Group's 2030 ambitions – to position its centers as top destinations in their communities; be recognized as an exemplary employer, promote ethical business practices and put charity at the heart of its strategy – are supported by 13 long-term targets that guide the Company's activities to 2022.

The Group continues its progress towards these targets: it has strengthened its visitor engagement, increasing the pace and frequency with which it can engage with its visitors while positioning its centers as community destinations that provide a compelling retail, leisure and food offer. In keeping with visitors' growing awareness of sustainability, and their willingness to embrace lifestyle changes, the Group is promoting health and well-being among all shopping

center users, including its tenants. Klépierre's reputation in this area is enhanced by the many philanthropic activities that are supported across its portfolio.

Among its workforce, engagement, recruitment and retention are key priorities. Klépierre is focused on strengthening development pathways and supporting internal mobility as tools to boost engagement and retention. Its activities include building the Company's brand to ensure it continues to recruit the talent that it needs to deliver its strategy.

Progress in these areas has been supported by increasing coordination between countries. Best practices and key performance indicators are monitored across the Group's locations, and the Company is working to align its human resources (HR) practices to ensure employees share the same benefits. This proactive approach extends to the Group's suppliers and business partners as the Company promotes responsible business practices more broadly within its sphere of influence.

ACT FOR
PEOPLE



2022
COMMITMENT

2030
AMBITION



Increase the satisfaction of visitors

> Make our centers a top destination for local communities



Promote health and well-being in our centers



Offer group employees a positive experience

> Be recognized as an exemplary employer



Champion ethics in the local communities

> Promote more ethical business practices



Be socially conscious

> Put charity at the heart of our strategy

4.4.1 Increase visitor satisfaction

Shopping centers must offer more than just a shopping experience to remain relevant in today's increasingly competitive retail market. Consumer expectations are changing, fueled by advances in technology that offer new and innovative experiences. At the same time, there is a rapid change in social and environmental attitudes as concerns about climate change and waste climb up the social and political agenda.

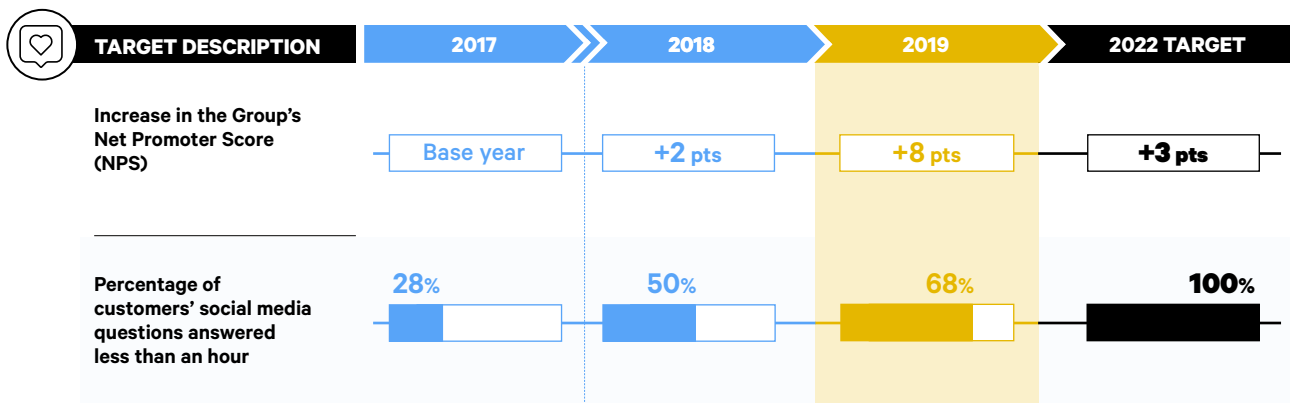
Against this backdrop – and with the volume of online purchases continuing to grow – the traditional 'brick and mortar' retail model must evolve. Its success depends on the ability of retail property owners and operators to support innovation that provides new and compelling experiences; to foster a diverse mix of tenants; to provide a welcoming and safe environment that is highly accessible and encourages long dwell times, and to create a physical and emotional connection with the products and services it offers.

In practice, this means housing a range of international, local and niche brands and broadening the service offer to enrich the visitor

experience such as family zones and children's plays areas; concerts and cultural events; healthcare facilities; high-quality dining and experiential entertainment that will attract and maintain higher footfall and increase visitor loyalty. Moreover, an increasing number of shopping center owners and retailers are offering omnichannel services, providing customers with a unified experience connecting multiple touchpoints and physical stores.

These industry insights are corroborated by the Group's own research which demonstrates the importance of convenience, accessibility, the tenant mix and a welcoming and safe environment as factors that influence visitor satisfaction. This is why Klépierre aims to position its shopping centers as top destinations by continually innovating its offer so that the shopping center experience is tailored to the needs of every visitor. Its success is contingent on engagement with retailers, as it is by developing a sound partnership with tenants – its first-tier customers – that Klépierre can most effectively cater to the evolving needs of individual people and the wider communities whom its shopping centers serve.

► SUMMARY OF PERFORMANCE AGAINST TARGETS
CONTINUOUSLY INCREASE VISITOR SATISFACTION



4.4.1.1 A customer-centric approach

Clubstore® is Klépierre's comprehensive approach to creating a compelling customer experience that builds visitor loyalty and drives footfall in to the Group's shopping centers. The approach encompasses a holistic set of standards across 16 touchpoints that define Klépierre's customer journey.

The Clubstore® standards inform shopping center design, services and attitude, and are applied across all the Group's assets. They cover aspects ranging from digital connectivity and online or in-person services (such as pre-booking of tables in restaurants, matching service for lost items), to streamlined access and parking (indications to free spaces, carparks designed to make it easier to locate the vehicle), creating enticing mall entrances and interiors to indoor environments that appeal to all the senses.

All Klépierre employees who have direct contact with visitors have been trained in the Clubstore® Charter, and training on the Group's high standards of hospitality has been extended to its suppliers, including shopping center service providers. An internal platform is used to share best practice between employees and service providers to promote continual improvements in visitor hospitality, leading to increased visitor satisfaction.

The Group gathers feedback through visitor surveys (almost 400,000 in 2019) and online reviews to track customer preferences and collect feedback on individual shopping centers. In 2018, Klépierre launched Critizr, a multi-functional tool which enables it to collate and monitor visitor feedback from multiple social media and online channels including Google My Business, TripAdvisor and Facebook.

Critizr enables Klépierre to track the number of positive, neutral and negative comments, allowing it to obtain better quality data on visitors' needs and respond promptly and effectively. The tool also enables shopping centers to collect visitor feedback and conduct surveys through a variety of channels including emails, Facebook, wifi, QR codes and websites. Each shopping center has a target to collect at least 1,500 such surveys per year. Together with the ongoing rollout of customer feedback machines, currently installed in 95 centers across Klépierre's portfolio, these enabled the Group to increase the number of surveys performed to 384,000 in 2019 (2018: 128,000).

The surveys provide valuable information by capturing feedback about shopping centers' attractiveness, visitor profiles, retail preferences, modes of transportation and expectations about the kind of services and events visitors expect and would like to see more of. This allows the Group to fine-tune its offer accordingly and improve the consumer journey, providing a unique experience.

Klépierre also solicits regular feedback from visitors to measure the extent to which it is fulfilling the ambitions of the Clubstore® Charter. The Group uses the Net Promoter Score (NPS) as its main tool to measure overall visitor satisfaction rates. This is a more demanding measure as it is calculated based on visitors' responses in relation to the shopping center as a "detractor," "neutral" or "promoter" entity. In 2019, the Group achieved an 8-point increase in its average NPS score from 2018. This means the Group remains on track to achieve its long-term target for a 3-point increase against its 2017 benchmark by 2022.

The increase in visitor satisfaction can be attributed to the ongoing deployment of the Group's operational strategy – notably its Clubstore®, Let's Play®, Retail First and Act for Good® pillars. Complementary tools to increase visitor engagement, as well as sustained structural investments and tenant mix improvements have also contributed to

these positive results. Indeed, NPS scores for individual shopping centers show a direct correlation between visitor satisfaction and asset profile in terms of age, facilities and general condition, with recently refurbished centers experiencing some of the highest NPS scores across the Group's portfolio.

The Clubstore® Charter strengthens synergies with other aspects of Klépierre's Act for Good® strategy by promoting features which demonstrate the Group's commitments to People, Territories® and the Planet. For example, integrating features such as dedicated electric vehicle charging stations, bicycle racks, renewable energy and rainwater harvesting systems, the use of natural materials and biophilic design elements serves to visibly bolster the Group's commitment to reducing its ecological footprint, and match visitors' increased concern about the environment and the impact of their own purchasing decisions.

Building on these synergies, local marketing teams are responsible for organizing Act for Good®-related marketing initiatives to strengthen the integration of sustainability into customer marketing. Act for Good® campaigns were carried out across the portfolio in 2019, building on the successful approach piloted in previous years. The events ranged from fundraising activities for local charitable organizations to environmental awareness campaigns such as at Val d'Europe in Greater Paris (France). Here, visitors were invited to "go slow" and enjoy a moment of relaxation among a peaceful setting modelled on Paris's famous public parks and gardens while learning about the steps they can take to protect the environment. In all, the campaigns proved highly successful, receiving widespread coverage on social media and attracting additional footfall.

4.4.1.2 Increasing engagement through social media

Klépierre has developed a strong social media presence with around 4.68 million combined Facebook and Instagram subscribers across its individual shopping center profiles. This provides another important tool for interacting with visitors, collecting feedback and gauging consumer trends. For example, information about a shopping center can be shared with service providers including security, cleaning, maintenance and visitor support teams, and due to the ability to collect this information in real-time, responses can be actioned immediately with shopping centers maintaining flexible, customized action plans.

This direct connection allows Klépierre to tailor its communications to the needs of each visitor; provide personalized support and obtain feedback that informs how to improve the visitor experience. The Group's long-term target is to respond to 100% of customer questions on social networks within one hour. To achieve this, Klépierre has initiated a customer care commitment available via Facebook - #JustAsk - selected based on visitor's stated preference for this communications platform. #JustAsk promises to answer all questions through Facebook Messenger within one hour during opening hours. The service, which is available at 94 shopping centers, has enabled Klépierre to increase the number of conversations it has with visitors threefold since it was piloted in 2016, as well as provide up-to-date information about shopping center brands, products, promotions, services and events.

Building on the success of #JustAsk, and to significantly increase its reach, Klépierre has been piloting the use of chatbot software that can provide information about shopping centers' practical aspects, news items and promotions in real time; 24 hours a day, seven days a week. The service offers greater personalization and interconnection with other digital tools, and the Group plans to roll out the service across its portfolio in 2020 as it tests and refines the software with its providers.

4.4.2 Shopping center health, safety and well-being

Klépierre's malls attract and retain around 1.1 billion visits across Europe each year. They also provide a workplace for tens of thousands of people.

First and foremost, Klépierre has a responsibility to ensure the safety of all shopping center users, guaranteeing that the risk of incidents and injuries is minimized and compliance with all applicable safety standards and regulations is fulfilled. But beyond risk management, health and well-being presents opportunities for the Group. By positioning its shopping centers as places where people can feel safe, relaxed and well, and by actively promoting health and well-being products, services and activities to visitors and staff, Klépierre can generate greater visitor attraction and retention.

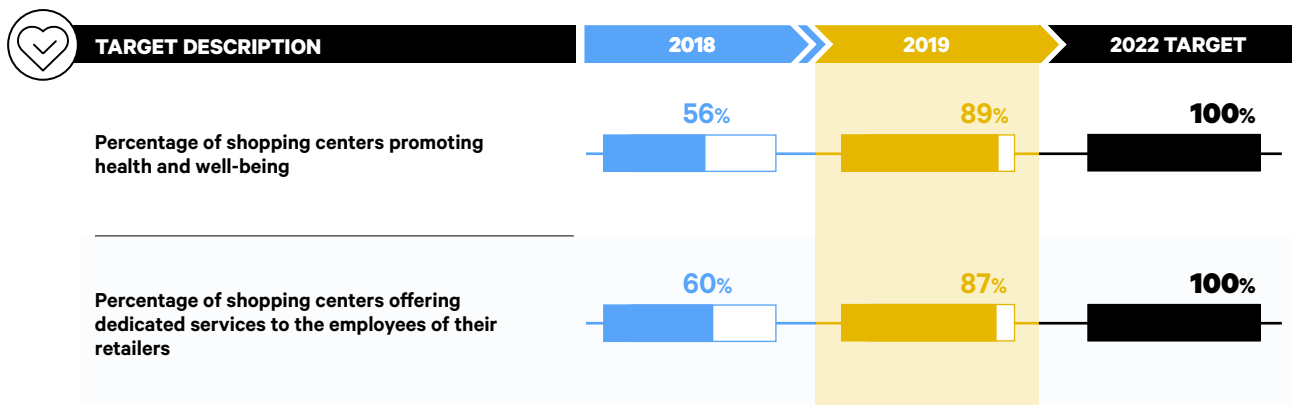
Klépierre can also provide more comfortable work environments for its employees and tenants, and contribute to broader efforts to

create a healthier society by exploiting its potential to communicate with millions of people.

Klépierre's health and safety strategy focuses on two areas of action. Firstly, it involves identifying risks and implementing robust risk control practices and staff training to maintain high health and safety standards within its shopping centers, as well as sharing its know-how with its partners and retailers. Secondly, it addresses the safeguarding of the public in the context of heightened security risks. The management of both action areas is overseen by the Group's Safety & Security Department, with support from the Internal Audit team.

Klépierre's approach to health and well-being promotion is fully integrated within the Act for Good® program and intersects with the Group's operational strategy in relation to customer service. It encompasses engagement with tenants and consumers to encourage healthier lifestyles.

► **SUMMARY OF PERFORMANCE AGAINST TARGETS**
PROMOTE HEALTH AND WELL-BEING IN THE CENTERS



4.4.2.1 Health and safety standards

Health and safety risk prevention is a top priority for Klépierre. Each shopping center takes responsibility for identifying, assessing and managing safety risks in accordance with the Group's policy and management systems, which are reviewed on an ongoing basis to ensure that they are efficient and effective across all countries and assets.

Fire, building collapse due to extreme weather or other unforeseen events, major pollution and public health risks constitute the highest priority health and safety risks in the Group's risk matrix. These risks are addressed through several procedures, including:

- Crisis management response testing, involving a simulation of an emergency scenario once or twice a year (with or without the presence of visitors) in every shopping center; including security threats such as civil unrest and terrorist risks (see section 4.4.2.2);
- Dedicated training on health and safety risks and prevention measures, covering aspects such as fire risk prevention, malicious act and terrorist threats, health and safety in the workplace and first aid. In 2019, 3,735 hours of health and safety, and risk prevention training were provided by the Group, involving 649 members of staff; and

- Ongoing monitoring by operational teams and periodic checks by the internal audit function to ensure that all relevant risk controls are in place. This includes the continuous monitoring of cooling equipment to guarantee the prevention of Legionella contaminations, and bacterial and/or viral propagation. Procedures for Legionella control were updated for 2019.

The Group organizes awareness-raising measures designed to minimize safety incidents occurring as a result of day-to-day activities, the most common of which are falls, slips and trips in mall areas and accidents during works undertaken at height by tenants' staff and/or suppliers within shop units. Incidents among visitors are monitored on a regular basis and reported at management level, with incident investigation and data analysis forming the basis of action plans to further improve risk prevention.

Although accidents in tenants' units fall outside the scope of Klépierre's responsibility, the Group does require tenants to submit plans for any works being undertaken and inspects shop units once these are completed. Based on these plans, Klépierre issues a permit that identifies the significant safety risks associated with the proposed works and recommended preventative measures. Works are inspected on a regular basis by the shopping center safety and technical

management team. Additional permits are implemented for any “hot work”—such as welding or metal cutting—and these are inspected regularly and also two hours after the end of the works to prevent any potential fire spreading.

The Group’s long-term objective is to reduce the rate of incidents involving falls, slips, trips and work at height to a minimum. To this end, during 2019 a cross-departmental team including the Group’s Engineering & Sustainability and Safety & Security Departments, Internal Audit and IT cooperated on the specification and rollout of a Group-wide Health, Safety and Environment Compliance software to support the management and reporting of health and safety performance data at shopping center level. At the same time, the Group has increased its compliance checks, and safety and security reminders for all shopping center Technical Managers and Directors are given via monthly webinars. Health and safety topics have also been included in the yearly objectives for all supporting functions, including Country Directors, Operations Directors and Engineering & Sustainability departments at the country and shopping center level.

4.4.2.2 Security risk management

Klépierre has adopted a comprehensive security strategy and action plan to anticipate, mitigate and respond to the evolving security threats facing the Group’s assets. This covers crime; anti-social behavior; civil unrest and terrorist risks.

The Group’s strategy to enhance and strengthen its security preparedness focuses on the implementation of its Standard Operating Procedures (SOPs), dedicated training and employee engagement; investment in physical infrastructure, and partnerships with stakeholders including tenants, municipal authorities, civil protection organizations and emergency services.

Implementation of the strategy is overseen by the Group Physical Protection Manager whose role is to assist operational teams with all elements of the Group’s SOPs, coordinate the Group’s security preparedness and oversee the delivery of dedicated training for key employees and suppliers. Safety and security is also included as a standard agenda item for all team meetings at both management and shopping center level to ensure risks and mitigation measures are monitored and tracked.

The SOPs cover nine material intervention points including technical premises, control room and management office protection, terrorist attack response and ram car prevention. Since their launch in 2017, the SOPs have been rolled out across the Group’s portfolio and all Country Managers, Shopping Center Managers and Technical Directors have been trained in their implementation.

All shopping centers are required to complete a self-assessment tool that provides an analysis of their level of security preparedness and compliance with the SOPs. This focuses not only on the technical and physical aspects of each center, but also the capabilities of its management and security teams, as well as the level of risk within the local context. The results are used to develop action plans that

identify the steps necessary to ensure each center is fully compliant, reflecting both their strengths and the local situation.

Any investments in physical security infrastructure identified during the self-assessment are monitored closely by each business unit and the Group’s security department. Significantly, the self-assessments are included in the annual scope of work conducted by the Group Internal Audit Department to ensure the self-assessment tool is being applied correctly and its recommendations are being acted on.

Through this process, the Group is progressively strengthening the capabilities of individual shopping center management teams to respond to security threats.

Visible measures such as the presence of security teams and physical infrastructure, training and awareness are necessary, but alone they are not sufficient to provide a level of security sought by the Group. They must form part of a holistic approach that involves the wider stakeholders surrounding the Group’s assets. The strength of the Group’s position is therefore reliant on anchoring its shopping centers within their unique geographic, demographic, legal and administrative context.

To this end, the Group fosters close cooperation with local governments, police and security forces, emergency services and tenant security teams to pool their respective resources. This “tactical bubble” enables potential threats to be identified and monitored and allows for a coordinated approach to prevent potential security threats materializing. With its local presence, the Group can also play a valuable role as an intermediary to facilitate coordination between its tenants and regional security forces.

The most visible demonstration of this partnership is the regular drills the Group organizes to test and refine its procedures. During 2019, these included large scale events at Príncipe Pío shopping center (Madrid, Spain), Boulevard Berlin shopping center (Berlin, Germany) and Nový Smíchov shopping center (Prague, Czech Republic) that involved 1,600 extras, police and emergency services. As well as testing the effectiveness of its procedures and their application, the drills provide an opportunity to train the Group’s senior management and improve the centers’ coordination with local and regional police authorities and emergency response teams.

During 2019, the Group launched an “intervention assistant service” tool to strengthen the Group’s partnership approach. The tool improves the Group’s interaction with local security and civil protection agencies by sharing shopping center information such as property maps, videos and photographs to improve response rates.

Through this form of “security symbiosis” – the active sharing of information and coordinating responses - the Group has enhanced its centers’ ability to anticipate and respond to security risks, while at the same time positioning them as secure and friendly destinations where visitors can have a safe and relaxing time. The effectiveness of this system was most clearly demonstrated in France where Klépierre’s centers avoided damage during the “gilets jaunes” protests that took place over much of the country in 2018 and 2019.

4.4.2.3 Promoting health and well-being for visitors and tenants

Klépierre seeks to promote health and well-being for the benefit of retailers and visitors through various touchpoints.

When developing and refurbishing its shopping centers, the Group sets high standards for health quality, such as the use of materials with low VOC content and effective ventilation systems, and encourages the integration of biophilic design features, such natural light and vegetation. Additional minimum standards covering internal and external lighting levels, indoor air quality and acoustic performance are followed as part of the Group's commitment to achieve BREEAM New Construction "Excellent" certification for all new developments in excess of 10,000 sq.m. GLA.

During the operations phase, a range of activities are undertaken in relation to visitors and tenants, from promoting regular sports activities to offering meetings with healthcare and nutrition professionals. Through these initiatives and others, Klépierre's shopping centers forge closer connections with their visitors and tenants.

As visitors seek more active and healthy lifestyles, The Group has set a target for 100% of shopping centers to promote health and well-being by 2022. Currently 89% of shopping centers have implemented this goal with a wide range of events hosted across the portfolio in 2019.

For example, the opening of the "The Summer Canopy" at Le Prado shopping center (Marseille, France) kicked off a series of activities including yoga and crossfit sessions that were attended by 350 visitors. Sport and fitness were also promoted at Marieberg Galleria and Kupolen (both in Sweden) who partnered with the National Sports Association (Örebro) to celebrate the National Day of Sports. More than 20 local sport associations participated, and visitors could try out different sporting activities. The event led to a 25% increase in footfall compared with the same period in 2018.

At Val Vibrata in Colonnella (Italy), the shopping center organized mini tennis lessons for children, and Metro shopping center near Oslo (Norway) celebrated the local ski club's 100th anniversary by jointly hosting a 100-meter roller-ski-race attended by World and Olympic champion skier Maiken Caspersen Falla, and 100-meter ski-sprint title holder Ludwig Sognen. The event led to a 26% increase in footfall compared with the same period in 2018.

With a focus on health prevention, visitors to Klépierre's Italian centers were invited to visit a dedicated Red Cross stand to learn about this organization's work and first aid training as part of a wider initiative involving more than 250 shopping centers across the country. Improving first aid response rates was also at the heart of an initiative sponsored by Grand Place in Grenoble (France) which promoted the SAUV Life mobile application to shopping center visitors. The app allows users to locate volunteers who know how to perform various first-aid procedures. When activated, volunteers in the immediate vicinity receive an alert and directions to the victim. Finally, Teras Park shopping center Denizli (Turkey), hosted a stand by the Provincial Health Directorate to inform visitors about the importance of early-cancer diagnosis and the measures that can be taken to reduce the risks of cancer.

Klépierre also aims for 100% of its malls to offer dedicated health and well-being-related services to retailers. Currently 87% of shopping centers have these services in place, ranging from sports and fitness sessions, to childcare services and lifestyle advice. For example, Centre Place d'Armes (Valenciennes, France) installed a free, secure bicycle and scooter storage facility for retailers' employees to support more sustainable and healthier commuting. Grand Place (Grenoble, France) partnered with Potager City to provide a fresh fruit and vegetable delivery service for the center's management team and tenants, and Marieberg Galleria (Örebro, Sweden) organized CPR training for tenants, which is crucial for increasing the survival rate for people suffering a heart attack.

BRINGING NEW HEALTHCARE SERVICES TO SHOPPING CENTER VISITORS

Espaço Guimarães in Guimarães (Portugal) significantly expanded the range of services available to visitors following the opening of a 4,000 sq.m. healthcare facility at the shopping center in 2019.

Situated across two floors, the center combines six units into a single facility that is open seven days a week and provides up to 30 medical services. The facility, which is operated by Trofa Saúde – one of the county's most recognized health companies - is the first of its kind to be introduced to the Group's portfolio.

The facility has attracted new visitors to the center and taps into consumer demand for shopping centers that offer new and varied services that combine convenience and choice to support modern lifestyles.

As well as cementing Espaço Guimarães reputation as a community hub, the facility brings new healthcare services to complement existing local resources.

4.4.3 Offer Group employees a positive experience

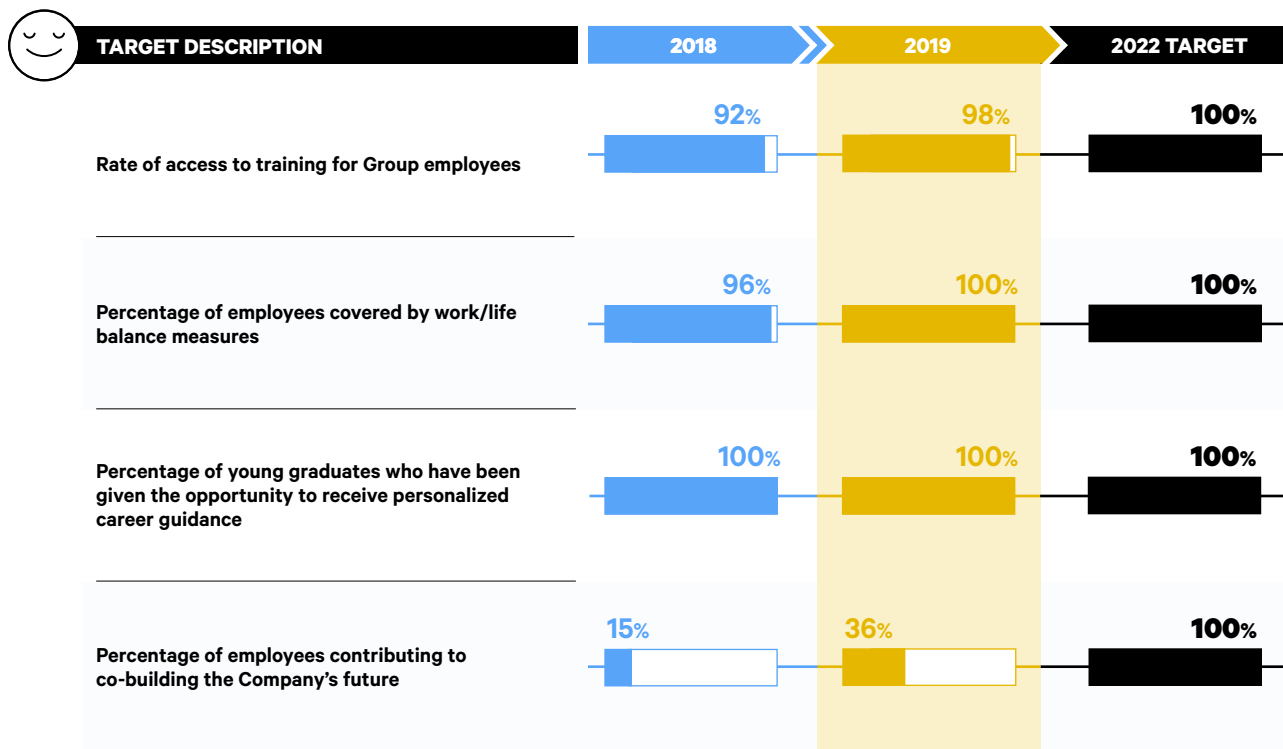
Klépierre has long acknowledged the link between a positive employee experience and business success. Attracting and retaining highly skilled employees, while ensuring their competencies remain relevant and up to date, is a continuous challenge in an environment where competition for skills and experience is fierce. Therefore, the Group commits to provide a quality workplace to breed engagement, innovation and creativity.

The Group has set four long-term targets that reflect its ambition to be recognized as an exemplary employer, covering talent management and development, quality of life at work and engagement with the Company.

As it works towards these targets, the Group is repositioning its HR function within the executive management team, reflecting its strategic role in supporting the Group's performance and the importance of providing an attractive offer to employees to boost appeal. These steps are being supported by the formation of a Group-wide HR Committee to share policies and best practices and establish common guidance across all Klépierre's operating countries. The Committee is attended by all HR leads in each country and provides an opportunity to discuss successful initiatives and share strategies as the Group aligns its approach and employee value proposition.

A Group-wide HR dashboard tracks the Group's performance against its Act for Good® targets, as well as country level performance indicators such as turnover to identify potential risks and put in place remediation plans that draw from the Group's collective experience.

► **SUMMARY OF PERFORMANCE AGAINST TARGETS**
OFFER GROUP EMPLOYEES A POSITIVE EXPERIENCE



4.4.3.1 Talent management

By the end of 2019, Klépierre directly employed 1,131 employees, among whom 1,094 were on permanent contracts. The continued investment that Klépierre has made in its workforce is reflected by the average length of service of the Group's employees (8.6 years). Considering the

number of people who left the Company in 2019, Klépierre's turnover rate remained largely stable at 12% compared with 11.4% in 2018, which should be viewed within the context of a highly competitive job market.

► **TOTAL HEADCOUNT**

Territory	2019	2018
France-Belgium	463	487
Italy	187	190
Scandinavia	143	148
Iberia	113	116
Central Europe & Other	115	162
Netherlands	58	58
Germany	52	52
GROUP TOTAL	1,131	1,213

For a narrative on our performance, please see section 4.4.3.1 of the 2019 Klépierre Universal Registration Document.

► **WORKFORCE AT YEAR-END, BY TYPE OF CONTRACT**

	2019	2018
Permanent	1,094	1,164
Temporary	37	48
TOTAL	1,131	1,213

► WORKFORCE AT YEAR-END, BY AGE

	2019	2018
<30	13%	12%
30–39	33%	35%
40–49	33%	34%
≥50	21%	19%

4.4.3.1.1 Attraction

Klépierre’s ability to attract and retain talented employees is key to its capacity to grow and thrive. By investing in a diverse workforce through recruitment and retention, the Group sustains a wellspring of knowledge and skills that remains one of the most important success factors for its business and employer brand.

In 2019, 207 new hires joined the Group with the majority being hired by the Group’s branches in France and Scandinavia. Given the competition for talent, and the importance of growing its brand as an employer of choice, Klépierre has developed partnerships with leading business and engineering schools in France to identify and attract the top talent. The Group’s HR team and representatives from across the business regularly attend their career fairs to connect directly with high-potential candidates, with the objective of hiring and training them on the job to circumvent the current talent shortage.

Klépierre offers students exciting internships, apprenticeships and permanent positions to build its talent pipeline. The Group also continues to provide International Work Experience Volunteer placements (VIEs), cooperating with the French Government agency Business France to create international assignments for European graduates. In 2019, 75% of VIE recruits were hired on permanent contracts at the end of their international assignments.

For the third successive year, Klépierre received the French “Happy Trainees” certification recognizing the quality of its training and career development pathways. The certification was based on the feedback of 63 interns employed by Klépierre in France between September 2018 and July 2019. Eighty-four percent of the interns participated in the survey, and Klépierre received a recommendation rate of 83%, far exceeding the 75% level required to obtain the certification. Klépierre achieved excellent scores for “Motivation” (87.4%) and “Career Development” (82.4%), demonstrating the important investment the Group made to its early recruitment policy and the interns’ appreciation for their time at Klépierre, both in terms of training and management support.

Regarding senior positions, Klépierre mostly works with leading recruitment consulting firms when it looks to fill vacancies with candidates from outside of the Company. The Group also takes advantage of online tools such as the graduate recruitment platform “Jobteaser” to expand the reach of its recruitment activities.

In 2019, Klépierre ramped up its external communications to improve potential employees’ awareness of the Company, its career opportunities and the broader employment offer. For example, the Group partnered the recruitment platform “Welcome to the Jungle” to increase its brand awareness among talented young people working in the marketing, technology and innovation sectors. The Klépierre profile page includes interviews with current employees detailing their experiences of working for the Company, along with a description of their roles to directly appeal to this target audience.



4.4.3.1.2 Onboarding

The Group’s onboarding programs enable new employees to acquire essential knowledge about the Company’s business lines and build their internal network. Onboarding programs are organized at both a Group and country level to provide new employees with a tailored introduction to the Company based on their role and location.

All new managers and graduates are invited to the Group-level onboarding program which includes presentations by members of the Executive Board and insights into the Group’s organization, strategy and corporate culture. The program provides a valuable networking opportunity and supports internal mobility by introducing new joiners to the senior management team, as well as improving their understanding of the business. Importantly, this includes an introduction to the Group’s various business lines and the roles and responsibilities of key people, including shopping center teams who represent its core function. 63 hires from 11 countries benefited from this initiative in 2019.

54 French new-joiners on permanent contracts also took advantage of the second, local-level onboarding program that includes an opportunity to meet local teams and visit shopping centers, with the aim of achieving a better understanding of the practical operational side of the business. The Group’s target is to extend this local-level onboarding program across all branches and cover all new hires.

4.4.3.1.3 Learning and development

Klépierre promotes the learning and development of all its employees, both to build the technical and professional skills required by the Group to execute its business model and fulfil its objectives, and secondly to support employee engagement. The Group aims to achieve a 100% access rate to training as one of its four Act for People targets, and in 2019 achieved an access to training rate of 98%, up from 92% in 2018.

The Group’s priority is to provide defined development pathways for its employees, mapping out the professional and soft skills that will support their career aspirations and internal mobility. The Group’s focus covers both new joiners, experienced hires and existing long-term employees.

Klépierre University is the Group's main learning and development hub that supports the Group's HR ambitions across four main areas:

- > Training new graduates with a general academic background in the Group's specific businesses;
- > Helping the Group adapt to evolving business needs and market changes;
- > Providing a wide range of training to all employees to favor cross-business and cross-country mobility; and
- > Propagating a common corporate culture of innovation across all branches.

The University offers more than 150 courses to support these objectives, and more than 26,500 hours of training were delivered by the University in 2019 through a blended approach that mixed face-to-face and e-learning sessions.

Classroom sessions provide a valuable opportunity to mix teaching methods, such as interactive discussions and case studies delivered by subject matter experts, many of whom are Klépierre employees. In 2019, 32% of the Group's face-to-face hours were delivered by internal trainers reflecting the Group's technical expertise.

The Group has also undertaken several projects in 2019 to internationalize and digitalize its training offer as it seeks ensure that all employees have access to training. Importantly, the Group has extended its common international training catalog to complement its classroom offer and build up a core knowledge foundation for all employees, regardless of their location or business area. By the end of 2019, 67 courses were available through the Learn Up! digital training app. Of these, more than 26 are available in English.

Since its launch in 2018, Learn Up! has established itself as a core component of Klépierre's training offer by providing all employees a comprehensive suite of online training modules. During 2019, 778 employees (68%) completed over 1,900 hours of training using Learn Up! As well as increasing access to the Group's training offer, the ongoing digitalization of the training offer supports the Group's goal to personalize training paths in line with individuals' career aspirations, knowledge and specific needs. It also improves access; reduces training times and cost and makes training relevant and accessible by encouraging 'on-the-go' training.

Klépierre employees can now access training when and where they want, from any device (phones, tablets or laptops). This is especially useful to the 35% of employees based in more than 100 shopping centers.

4.4.3.1.4 Performance and development review

The Group's performance and development review process is delivered through two one-to-one meetings organized at different times of the year, one on performance and the other on career development. By providing separate meetings, the Group allows employees and their line managers to focus their discussions on these distinct, but commentary topics.

The performance review is mandatory for each employee. The meeting takes place between November and January and aims to assess the accomplishments of the past year and set personal objectives for the coming year. It also helps identify the resources and training needed for each employee to develop their skills in line with the Group's priorities.

An additional mid-year review is available at either the employee's and/or their manager's discretion, providing an opportunity to review performance and check progress against objectives. Despite its

optional nature, 547 employees (48% of the workforce) took advantage of the mid-year review procedure in 2019, an increase from 32% last year partly thanks to greater awareness of the procedures.

All managers are expected to take responsibility for the development of their team members by offering feedback and support in setting out personalized improvement action plans. To this end, an optional career development review can be organized at the request of each employee. The meeting provides an opportunity for employees to discuss their career and mobility aspirations in the short- and medium to long-term, and identify training that may be needed to bridge any gap in their competencies. Employees are invited to self-evaluate their skills which encourages self-reflection and greater engagement in the process and its outcome.

The interview is optional, but the Group recommends that every employee has this discussion every two years, and up to once a year for junior employees under 30. Through this process, all Group employees are offered personalized career guidance meeting the Group's long-term target for 2022.

In 2019, 61% of graduates participated in the process compared with 33% in 2018, which demonstrates their interest to talk about career development early in their time with the Company. This growth follows heightened communications and outreach between the HR department and young graduates.

The Group is also aiming to increase career opportunities for more senior employees who represent 21% of its workforce as it seeks to retain their knowledge and skills. Options under review to achieve this include a "boost" program for long-serving employees to enrich their knowledge of the Group's strategy; establishing a mentoring program with new hires; and promoting internal mobility.

4.4.3.1.5 Internal mobility

For many young graduates, the opportunity to advance their careers, broaden their skills and experience new cultures is increasingly important in determining their career choices. The Group is excellently positioned to offer these opportunities through its international footprint. Employee mobility, both within functions and between businesses, is promoted accordingly to support the Group's succession planning, recruitment and retention objectives. Klépierre promotes job opportunities to employees with potential in order to develop their specialist expertise; take on new responsibilities, consolidate their leadership by managing cross-functional projects, and enhance their ability to grow in a multicultural environment.

Most positions in the Company are eligible for internal promotion, and the Group's HR practices – such as development interviews and training and development programs – are designed to support this. Local initiatives are also rolled out to foster internal mobility, including a newsletter listing all available positions (accompanied by employee testimonials promoting their business line) which is sent out in France.

The Group favors internal candidates over external hires, and in 2019, 21% of job positions were filled internally.

International mobility and promotions are actively encouraged. HR teams from across the Group coordinate and guide employees throughout the whole mobility process, starting with the identification and matching of job opportunities with individual employee's mobility objectives, through to the point when the employee effectively moves into the new position. The process is supported by the Group's competitive compensation and benefits program. For executive-level promotions, a support team and mentor program are in place to assist employees in managing the transition and responsibilities that executive positions entail.

4.4.3.2 Diversity

More than 31 nationalities are represented throughout the Group, making Klépierre an inherently diverse organization. The property industry nonetheless faces diversity challenges, particularly regarding gender balance at top management levels.

Klépierre is committed to promoting greater diversity in its workforce, and across the wider industry, with a focus on gender, age and disability. As a proof of this long-standing commitment, the Klépierre Diversity Charter (signed in 2010), demonstrates its will to promote

equal opportunities for all employees and prohibits discrimination based on age, disability, family status, race, religion or gender.

In France, a collective agreement on Professional Equality between Women and Men was signed in 2017, covering 40% of the Group's workforce and detailing specific measures in the areas of remuneration, recruitment, mobility and training. As the Group harmonizes its HR practices across all its operating countries, this will include the development of standard practices and procedures covering diversity reporting and promotion including a Group-wide diversity policy.

► PROPORTION OF WOMEN IN THE WORKFORCE

	2019	2018
Executive Management	18%	17%
Managers	39%	39%
ALL EMPLOYEES	59%	60%

Women make up 59% of the Group's total workforce but remain under-represented at management level. Acknowledging the need to improve, Klépierre is exploring measures to increase the recruitment and promotion of women into management positions such as analysis and correction of pay gaps, and the identification of female high potentials to support succession planning.

In 2019 the Company completed its first equal pay index as required by French legislation. With an index score of 75/100, Klépierre is compliant with its legal obligations in France in terms of equal pay, but intends to raise this score by ensuring more stringent controls over the absence of gender biases in pay raises and promotions.

The Group also recognizes the need to go further, and gender equality is more generally supported by recruitment, training, career development and mobility opportunities, as well as regular process assessments.

4.4.3.3 Quality of life at work

The mutual benefits of a high-quality workplace are increasingly acknowledged as a growing body of research shows a positive correlation between healthy workplaces, employee well-being and productivity.

4.4.3.3.1 Health, safety and well-being at work

Occupational health and safety is a central component of Klépierre's commitment to enhance employees' working life, and the Group promotes health and safety training, awareness raising and well-being initiatives to improve the quality of its workplaces and spaces.

Given the nature of its workforce, and the type of work undertaken, serious health and safety incidents such as fatalities are extremely rare. Instead, occupational health and safety issues such as psychosocial risks are among the most significant incidents contributing to employee absence. As such, the management of psychosocial risks such as stress is a priority for Klépierre. The Group provides mental health and well-being risk training to its managers and to all employees which is administered by Klépierre University and delivered through online modules and face-to-face sessions. The Group also provides a free and anonymous psychological assistance helpline available to all French and Belgian employees in partnership with Axis Mundi. A similar assistance program is in place in Turkey.

In addition, operating countries offer a range of well-being initiatives designed to promote physical and mental well-being. They include fruit baskets and yoga classes at the French head office, and a physiotherapy service is available to all head office employees in Spain and Portugal.

A WEEK TO RECHARGE THE MIND AND BODY

Klépierre marked National Quality of Life at Work week with a series of events designed to boost employees' physical and mental well-being.

The events, hosted at its headquarters in Paris, ranged from massages and yoga courses to interactive workshops on health and nutrition. A series of "lunch and learn" training sessions were organized to help employees manage shared challenges, such as prioritizing competing requests for their time and improving productivity.

In 2019, 33% of the French and Belgian workforce (constituting 155 people) attended a face-to-face learning session on how to balance private and professional lives. The week was also attended by Axis Mundi who were on hand to introduce their services and provide consultations with their team of psychologists.

Feedback was overwhelmingly positive and Klépierre is exploring the feasibility of rolling out some of the initiatives more broadly so a wider spectrum of employees in other locations can benefit, including the Group's shopping center teams. Options under consideration include integrating the 'lunch and learn' training sessions into personal development plans throughout the year.

4.4.3.3.3 Benefits and work-life balance

Klépierre's benefits and work-life programs are largely managed at a country level and designed to reflect local needs and practices. While each country is responsible for the development their own benefits program, the Group nonetheless ensures that certain benefits are available to all employees, thereby meeting its long-term target for all employees to be covered by work-life balance measures.

Providing a competitive benefits and compensation program supports the Group's recruitment activities and helps to improve retention and engagement levels. Compensation is only one element, and the Group aims to offer a range of non-financial benefits that collectively provide a rewarding work environment and lessen the challenge employees face in managing work-life commitments.

While the extent and range of the benefits and work-life balance measures differs across the Group, flexible work arrangements are offered in Italy, Germany, the Netherlands, Scandinavia and Poland. Additional parental leave and part time working opportunities are available in France and Sweden, and Klépierre offers a benefits allowance in Italy and Spain that employees can put towards health and well-being activities.

In 2019, homeworking opportunities were offered to HQ employees in France as part of a pilot program to help people balance work and home commitments. The program – originally launched in 2018 – is available to employees who meet the pre-requisite conditions (including internet connectivity at home, confidentiality and phone availability during agreed working hours).

The pilot was extended, at the end of which the program was implemented internationally. The Company also applies a 'right to log off' policy outside of working hours following a collective bargaining agreement enacted in France in 2017.

Significantly, in France, Klépierre launched its first employee share plan scheme to boost participation and engagement with the Group's long-term performance. Employees were given the opportunity to invest part or all their profit sharing in Klépierre shares for a five-year period with Klépierre matching employees' investments up to a certain amount. The shares were offered at a 20% discount, and close to 82% of eligible employees participated in the opportunity to invest all or part of their profits scheme.

The Group is increasing coordination between different operating countries with a view to assessing the feasibility of developing a common Group-wide program whereby all employees have access to the same range of benefits.

4.4.3.4 Co-design of the Company's future

Klépierre believes an effective working environment is founded on trust and inclusivity. Its approach to employee engagement seeks to provide employees with the opportunity to make a positive contribution to the Group's success. Accordingly, it has set a long-term target for all employees to contribute to co-building the Company's future.

4.4.3.4.1 Long term and direct social dialogue

Klépierre promotes transparent and direct communications between all management levels and encourages employees to actively participate by making their views heard.

In France, Klépierre's representative body – the Social and Economic Committee (CSE) – is made up of 26 members and discusses, with the Group's management, issues such as gender diversity, compensation and benefits and working conditions. Klépierre's Chairman of the Executive Board attends the Committee's meetings on a regular basis to ensure continuity with the Group's strategy.

Following the signing of several collective agreements in 2018, during 2019 some negotiations were led covering profit sharing and homeworking, specifically in relation to the pilot study that concluded at the end of the year. These negotiations will continue into 2020 and the scope of discussions will also include a new agreement on Sunday working and public holidays, as well as updates to existing agreements on disabilities and gender diversity.

Aside from these channels, the Group's internal social network, "Workplace by Facebook" connects virtually all Klépierre's employees. Everyone is encouraged to join, and the social network has established itself as the go-to place to share individual and collective initiatives, experiences, achievements and new ideas.

The Group's most recent You&Klépierre employee survey was conducted in 2016. The Group has used the subsequent years to address the most important measures identified during the survey, in particular raising employees' awareness of Klépierre's long-term commitments and the role each employee can play to achieve them. Specific improvement actions have also been implemented focusing on two areas: improving internal communications at Group level (including between branches and the headquarters, and between line managers and employees) and accelerating the Group's talent management policy.

Small-scale "Let's Chat" breakfast meetings with the Chief Executive Officer are organized and provide an opportunity to exchange direct feedback about the Group's strategy and the state of the industry. This emphasis on two-way dialogue is further promoted through the performance reviews and development interviews that encourage employees and line managers to talk frankly about their objectives and share their opinions.

Encouraging these types of interactions and empowering all employees to feel like they can make an active contribution to the development of the Company will remain priorities going forward. The next survey, due in 2020, will be used to track the effectiveness of these programs and identify priorities for the Group's HR function, at both a Group and country level to support of the Group's long-term target.

4.4.3.4.2 Fostering employee innovation

Innovation is essential to the Group's success, supporting its targets covering all pillars of the Act for Good® strategy. By encouraging the exchange of ideas, Klépierre positions itself as a leader in the retail real estate sector.

Internal innovation is led by a network of 28 ambassadors from 10 different branches with more than 100 Klépierre talents contributing to it – representing virtually all the Group's business lines – and divided into seven project groups tackling some of the most pressing issues encountered by the Group: outstanding customer/retailer care, smart buildings, city connection and mobility; new ways of working and more. These 28 ambassadors are part the Group-wide "Klépierre ID" open innovation platform that aims to create value for the business by responding to fast-evolving technological, social and environmental factors that are transforming the industry.

The innovation and implementation proposals delivered by these seven project groups are regularly assessed by the Steering Committee, attended by members of the Corporate Management Team. More than 50 proposals have been piloted over the past year, with 13 currently rolled out such as in-mall analytics to better understand customers' journeys through shopping centers, the electric car charging station and short-term car rental partnership with Renault, the Cycle Up recycling platform, the Learn Up! mobile first learning hub and many others.

Encouraging innovation was a core objective of the recent managers' convention held in Madrid in 2019. The event brought together 142 of the Group's managers for two days of workshops, presentations and Q&A sessions with the CEO. As well as providing an update on the

Group’s strategy and performance, attendees were split into teams that mixed senior and junior managers from different locations and business units to encourage networking and encourage new thinking. The teams attended workshops covering themes such as agility, diversity, new ways of working, digitalization and engagement and were challenged to explore how Klépierre can respond to these trends. The feedback received has been presented to the Executive Board and Corporate Management Team, and a number of the new ideas generated during the workshops have been taken forward for further development during 2020.

4.4.4 Champion ethics in the local communities

The Group’s relationships with its service providers and suppliers are governed by a concern for probity and integrity. Klépierre endeavors to extend its principles of responsibility through its value chain, which is crucial to the safety and quality of the shopping experience offered to customers, both retailers and visitors (see section 4.4.4.2 below).

The main principles are covered in two documents: The Responsible Procurement Charter, which is distributed to external partners, and the Code of Professional Conduct, aimed at Klépierre personnel.

Klépierre’s Code of Professional Conduct sets out the Group’s commitment to ethics and human rights, is available online at the corporate website and has been distributed to all Group personnel.

It informs employees about what is expected of them, and in turn, what they are entitled to expect from Klépierre. It is applied on the basis that national laws take priority when they impose regulations that are stricter than the Code and, conversely, that the Code’s stipulations take priority if they are more stringent than national regulations, providing that national regulations are nonetheless respected.

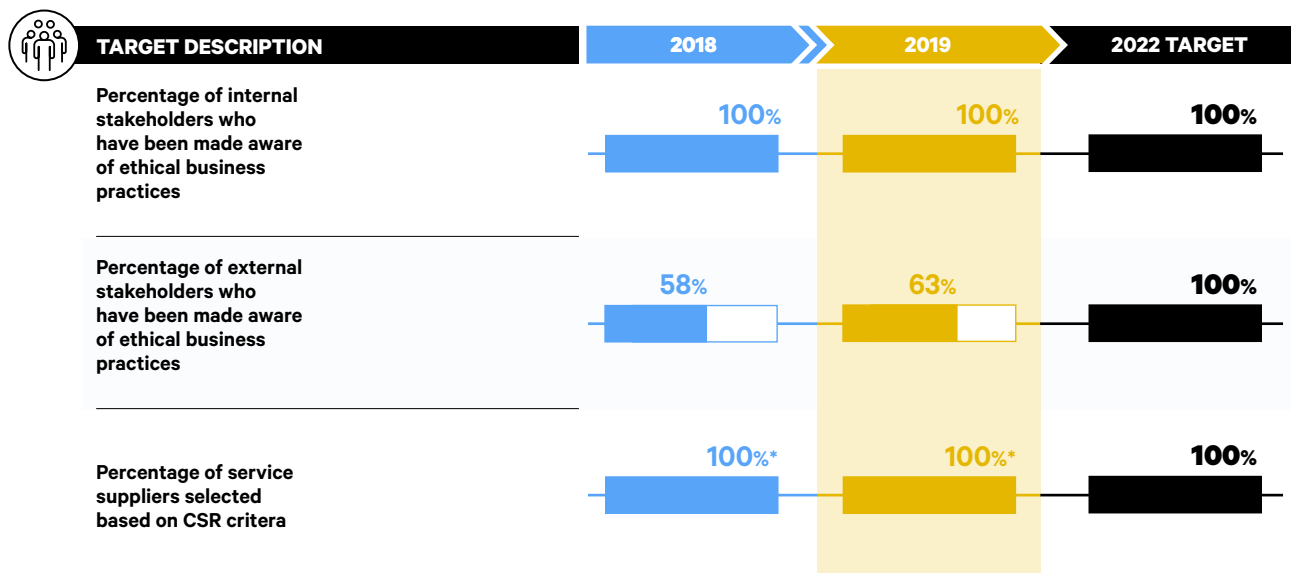
The rules of conduct outlined by the Code cover the following aspects:

- > Respect for the law and local customs;
- > Customer service;
- > Confidentiality and observance of professional secrecy;
- > Financial and media communication;
- > Delegations of authority and signatures;
- > Protection and utilization of Company assets;
- > Whistleblowing;
- > Health and safety;
- > Prevention of acts of discrimination and harassment, and respect for privacy;
- > Environmental responsibility.

Human rights standards are also supported by strict national and European regulations. All Klépierre employees, and indeed all of the Group’s first-tier suppliers and service providers, are based in countries that have ratified the eight fundamental conventions of the International Labor Organization (ILO) including: the elimination of discrimination in the workplace, respect for freedom of association and the right to collective bargaining, the elimination of any form of forced or compulsory labor and the abolition of child labor.

Klépierre became a signatory to the United Nations Global Compact in 2012, and the Group conducts an annual review of human rights risks, policies, monitoring and reporting procedures across all countries where it operates using the UN Global Compact’s analysis tool.

► SUMMARY OF PERFORMANCE AGAINST TARGETS SPREAD ETHICS IN OUR COMMUNITIES



*Calculated on the scope managed by the Group Procurement Department i.e., 35% of Klépierre (key suppliers). Next year will be dedicated to broadening this scope.

4.4.4.1 Key business ethics standards

4.4.4.1.1 Corruption

France's "Sapin II" law stipulates that large companies must establish an anti-corruption program to identify and mitigate the related risks. This includes obligations to draw up a risk map, a dedicated code of conduct, an internal whistleblowing system, third-party due diligence, accounting controls, a compliance training program, a disciplinary mechanism and internal evaluation controls.

The Anti-corruption Code of Conduct sets out the Group's expectations regarding the giving and receiving of gifts and invitations, conflicts of interest, facilitation payments, patronage and sponsorship and lobbying activities. It is signed by all participants in tender processes in France organized to select supplier panels at the national or international level.

Whistleblowers can use two separate channels to raise alerts. Internally, based on a confidential reporting procedure, or externally, using an independent specialist service provider to act as an intermediary with Klépierre. Whistleblowers can choose to raise an alert anonymously or publicly, provided that local regulations allow it.

In January 2019, the Group's CEO distributed the Anti-corruption Code of Conduct by email in both English and French, to all internal and external Group employees and partners, ensuring that everyone is aware of Klépierre's policy on ethics. It is also available in Spanish, Italian, German and Polish, meaning it is accessible to the Group's employees.

Additionally, during 2019, the Group developed its first e-learning training app on anti-corruption issues. The module was completed in 2019 by several key function holders, and in 2020 will be mandatory for all Klépierre employees. It aims to strengthen the internal approach to the prevention of corruption, and to continue to raise awareness among all internal stakeholders.

4.4.4.1.2 Money laundering and terrorism financing

In order to ensure compliance with both the anti-corruption aspects of the "Sapin II" law, and with the French transposition of the 4th European Directive on money laundering and terrorist financing, the Compliance team has drawn up a set of specific "Know Your Business Partner" procedures, applicable primarily to business relationships with retailers, but also to buyers and sellers of assets, key suppliers and service providers, and intermediaries recruited in the scope of development transactions.

In 2013, the Group equipped itself with an electronic tool to assess the probity risk of third parties through a database containing lists of sanctions, convictions, politically exposed persons and negative press articles. In 2019, the Group also acquired an electronic tool to facilitate identifying beneficial owners and external stakeholders.

These processes enabled Klépierre to raise awareness of business ethics with 63% of its external stakeholders in 2019, bringing it within reach of the target set for 2022: raise awareness of business ethics with all internal (employees) and external stakeholders (retailers, suppliers, service providers, buyers and sellers of assets).

4.4.4.1.3 Insider trading

As previously mentioned, the Code of Professional Conduct sets out the Group's procedures with regard to insider trading and insider information.

In addition, the Insider Information Committee meets on a regular basis – as well as on an ad hoc basis where required – to assess whether business developments such as acquisition or disposal transactions could be considered insider information using guidance published by the French financial markets authority (Autorité des marchés financiers – AMF).

However, the Group also goes beyond the minimum legal requirements as defined by the AMF: all key function holders (members of the Corporate Management Team, Executive Board, Supervisory Board and Board Committees) receive a quarterly email informing them of when blackout periods, during which the buying and selling of Klépierre shares is forbidden, start and end.

4.4.4.2 Responsible purchasing

Klépierre purchases goods and services from approximately 14,000 suppliers across the 12 countries it operates in. They range from small local businesses, to the large regional, national and international companies who together constitute Klépierre's first-tier supply chain. This is characterized by five major service categories, which together represent approximately 90% of the Group's operating budget. They include: utilities (energy and water); general operations; cleaning; maintenance; and safety and security. Overall, the provision of services across these main categories is closely controlled.

The Company views its major suppliers as partners, and its relationship with them is built on trust and mutual respect. The Group is proud of its reputation for maintaining on-time payments to service providers and endeavoring to develop long-term relationships which extend beyond the bounds of each formal contractual agreement. As an example, the annual "partners' day" brings together the Group's key suppliers to meet Klépierre's senior management at the Company's headquarters to share challenges and identify opportunities to work on shared objectives.

Klépierre's procurement activities are overseen by a central procurement team in France which evaluates and monitors the Group's top 120 suppliers (representing 42% the Company's supply chain by spend) and provides support and advice for country-level procurement teams to ensure the consistent application of the Group's standards and procedures.

Within this context, most of the Group's procurement activities are administered locally with country procurement teams managing the procurement process on behalf of their shopping centers and according to the specific context, such as prioritizing local businesses to support Group's long-term targets (see Act for Territories). Decision-making is supported by mixed disciplinary teams, and overseen by Country Heads, Operational and Procurement Departments.

For technical services, the Group prefers to select suppliers with management systems certified to ISO 9001 or 14001 as an indicator of responsible business practices. Across Europe, 78% of applicable suppliers are certificated against at least one of these standards. For all key suppliers, the Group uses an assessment matrix that evaluates a potential suppliers' policies and practices against several requirements, including social and environmental practices as a prerequisite for further engagement

In 2019, Klépierre dedicated around €465 million worth to services and supplies for the operational management of its shopping centers. As these operating expenses are mostly passed on to tenants through the service charge, they are subject to extensive scrutiny by retailers. The Group continually seeks to save costs on behalf of its tenants, for example by consolidating energy and waste management contracts on a regional and/or national level. The Group also operates a stringent selection and approval processes; the signing of framework agreements and continuous on-site monitoring ensures that risks in relation to operating expenses are identified and minimized. The financial sustainability of suppliers is considered as part of this process, and the proportion of suppliers' total revenue that is derived from business with Klépierre should not exceed 22%.

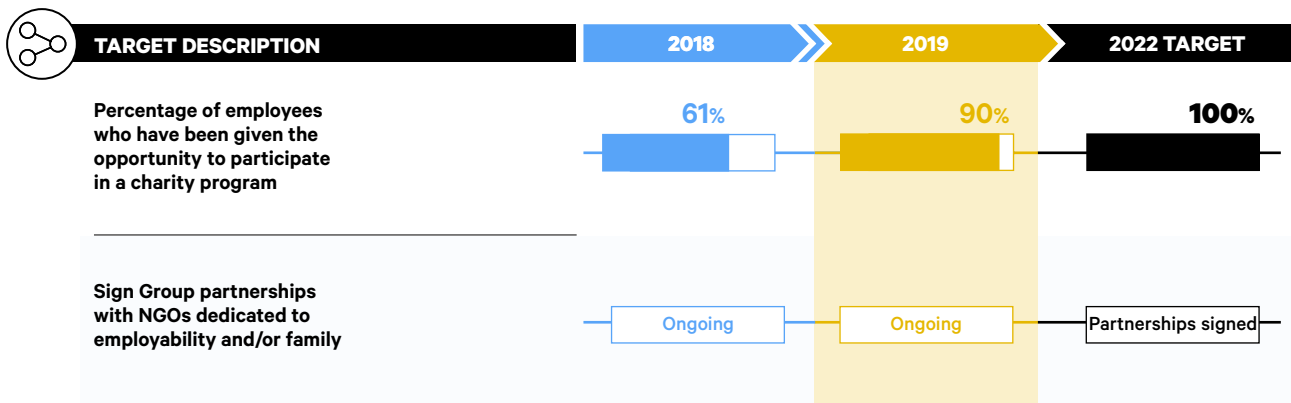
Purchasing teams pay close attention to corporate responsibility and business ethics aspects. Firstly, they follow two fundamental principles: neutrality, to ensure fair, ethical, objective and transparent processes; and the consideration of the life-cycle cost of purchased products. Secondly, they have progressively incorporated the Group's social and environmental commitments into contractual agreements.

Published in 2019, Klépierre's Responsible Procurement Charter sets out the standards which the Group expects of its suppliers in relation to environmental and social aspects. More specifically, the Charter sets out requirements in relation to human rights; ethics; security; energy performance; waste management; sustainable behavior; local development and building certifications, and it requires a signature of formal commitment from all Klépierre's service providers. The charter has been signed by the Group's top 120 suppliers and shared with each operating company for wider distribution.

4.4.5 Be socially conscious

Providing employees with the opportunity to support local charities can make a positive contribution to engagement and satisfaction levels, while at the same time strengthening the Group's ties with its communities. As such, Klépierre encourages its employees to play an active part in their communities and has set a long-term commitment for all employees to have the opportunity to support a charitable organization.

► **SUMMARY OF PERFORMANCE AGAINST TARGETS**
BE SOCIALLY CONSCIOUS



By the end of 2019, approximately 90% of the Group's employees had donated their time to support local charitable organizations, bringing the Group closer to its target of 100% by 2022.

As Klépierre works towards its target to sign a Group-level partnership with an NGO dedicated to employability and family, individual shopping centers continue to take the lead in supporting families and young people in their catchment areas. In 2019, 90% of the Group's properties organized at least one philanthropic activity, and shopping centers are encouraged to identify long-term partnerships with community organizations that enable them to leverage their key strengths and scale up their support.

At Creteil Soleil in Greater Paris (France) for example, the shopping center partners with local high schools to provide a scholarship program for athletically and academically gifted children from

disadvantaged backgrounds. As well as the financial support, the center provides ongoing support with their studies and career prospects, for example by helping to identify internship opportunities. More than 30 high school students have benefited from the program that was first launched in 2012.

The program has inspired a similar scholarship program that was launched by La Gavia in Vallecas, Madrid (Spain) in 2019. Up to two young adults will benefit from funding that will support vocational training and access to careers opportunities with the center's tenants. The program continues La Gavia's active track record in providing support for local families, children and other disadvantaged community members through initiatives such as food collections, summer camps, access to IT facilities and an annual Christmas show and present giving.

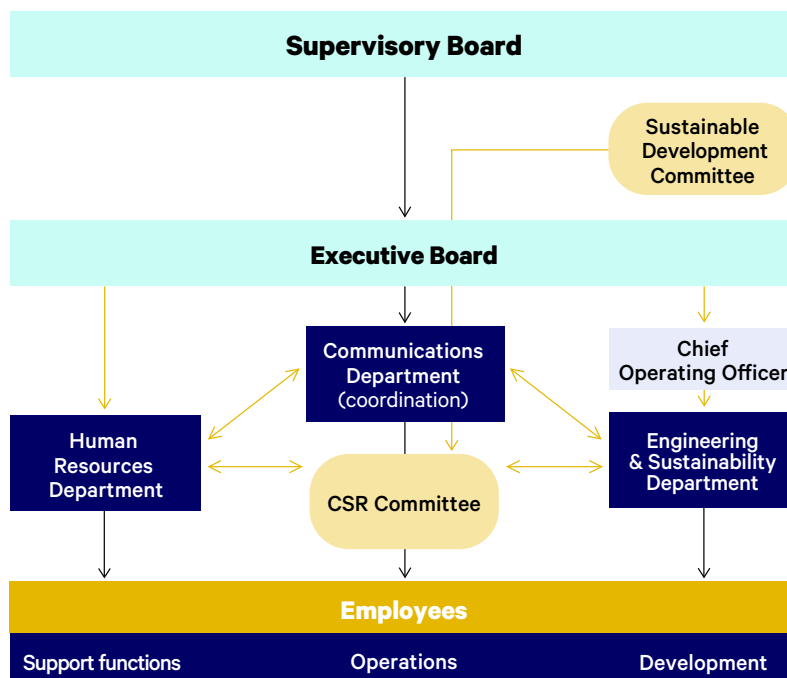
4.5 SUSTAINABILITY GOVERNANCE

Klépierre's sustainability strategy is firmly rooted in the Group's management structures. The commitments are implemented across all countries and supported by dedicated tools to monitor and track performance. Sustainability is also applied in the various external initiatives in which the Group participates.

The Group distinguishes between sustainability as it relates to the overall framework, objectives and governance of its non-financial impacts, and its approach to CSR which covers the detailed implementation of its program of action and targets under each Act for Good® pillar.

4.5.1 Organization

Sustainability governance is well established and rooted in Klépierre's corporate operations and governance structure.



The Supervisory Board has overall supervision of the Group's sustainability performance. The Board is supported by the Sustainable Development Committee which reports to the Board and reviews the Group's processes and performance with regards to sustainability.

The Committee is composed of four Board members and is chaired by Steven Fivel, General Counsel and Corporate Secretary of Simon Property Group, Klépierre's leading shareholder. It met three times in 2019.

The CSR Committee supports Klépierre's Executive Board in the implementation of the Group's sustainability strategy. The Committee is responsible for setting targets and approving action plans and reports to the Board on the results achieved. Its members include members of the Management Board, the Engineering & Sustainability, Human Resources and Communications Departments, as well as other relevant functions (including operations and development). The Committee met four times in 2019 and works in close collaboration with the following Group-level departments:

- > The Engineering & Sustainability Department, which brings together employees responsible for technical engineering in the centers, operational investments and sustainable development. Within this department there is a Sustainability team comprising three employees. The Department reports to the Chief Operating

Officer and oversees all technical challenges facing the operation of the Group's shopping centers as well as ensuring the implementation and circulation of the Group's environmental and societal policy across its portfolio;

- > The Human Resources Department, which oversees the Group's Human Resources strategy including talent management, skills development and performance challenges in line with the Group's values and social commitments; and
- > The Communication Department, which ensures the effective implementation of the strategy with Country Departments and works in close collaboration with Engineering & Sustainability Department as well as the Human Resources Department.

Setting country-level goals and implementing actions

Responsibility for implementing Act for Good® commitments forms part of the objectives for members of the Executive Board, country managers, country heads, country technical directors and officers at regional and shopping center levels. Moreover, key Act for Good® commitments are incorporated into the performance share allocation plan criteria for the Group's main managers.

Country management and operational departments implement the Group's goals and policies that are appropriate to their local context across Klépierre's 12 markets. Each country then determines its annual action plan – in terms of investment and management – for all the technical and sustainable development issues regarding its performance level, and set tailored targets for individual assets with the support of the Engineering & Sustainability Department. They are supported by best practice guides which help define the appropriate actions a country can take based on actions already implemented across the Group across each Act for Good® pillar.

These action plans are then discussed at a special annual meeting that brings together the whole European network, before being presented to the Group's Chief Operating Officer.

A network of approximately 30 employee representatives covering all Klépierre subsidiaries has responsibility for carrying out local actions and reporting on best practices. These representatives work in close contact with head office teams including the Engineering & Sustainability Department through regular monthly meetings. These meetings make it possible to accelerate the rollout of approved actions, increase information-sharing and build stronger cross-functional teams. In addition to these monthly meetings, all representatives meet in person twice a year for two days of discussions, strategy setting and inter-country collaborative work.

Finally, the Group's Act for Good® approach is systematically addressed in all communications intended for all employees. The Group's Executive Board thus shares its vision, its ambition and its requirements in these areas in a clear and decisive manner.

4.5.2 Sustainability policies

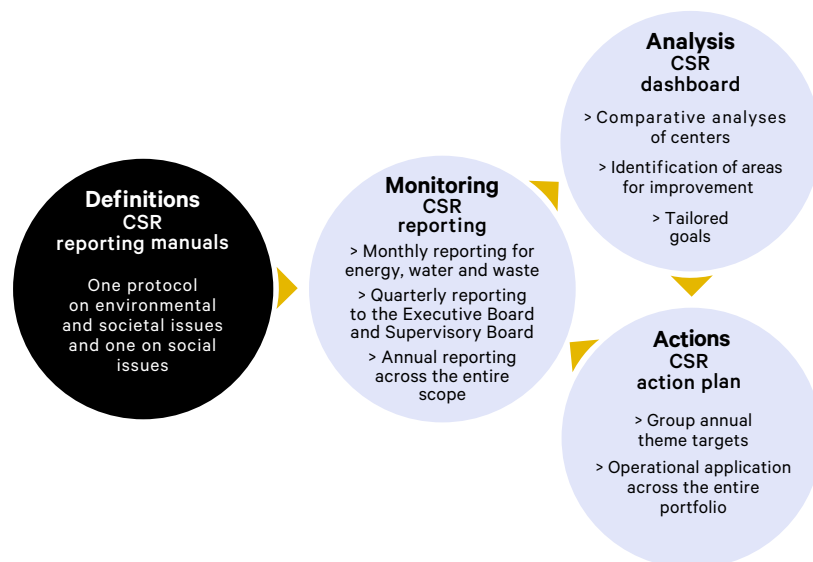
The Group's strategy is supported by the following policies that guide the actions and standards it expects its employees to follow in their business dealings.

- > Social dialog policy;
- > Human Resources policy;
- > Employee career development policy;
- > Healthcare and well-being policy;
- > Talent management policy;
- > Recruitment policy;
- > Intern recruitment policy; and
- > Diversity policy.

4.5.3 Management system and tools

The Group uses a suite of tools and processes to integrate environmental and societal issues into its operational procedures. These tools cover all the Group's operations to provide a uniform approach and are organized into four groups for greater clarity internally:

1. Definitions;
2. Monitoring;
3. Analysis;
4. Actions.



4.5.3.1 Definitions: CSR reporting manuals

The Group has established standard definitions for the environmental, social and societal impacts that all shopping centers and Group operations are expected to monitor.

The definitions are grouped into two reporting protocols:

- > One on social aspects, which is sent to Human Resources Managers in each country, and which includes both quantitative and qualitative data; and
- > The other on environmental and societal aspects, which is communicated to each country and to each asset, and which contains approximately 120 data points to be collected for each shopping center in the portfolio.

These documents are updated annually to reflect developments in the business activities of the Group, and changes to regulation in each of the Group's operating countries.

4.5.3.2 Monitoring: CSR reporting

4.5.3.2.1 Internal reporting

Klépierre monitors environmental, social and societal data covering 96% of its portfolio of owned shopping centers by value and of all its staff, against the defined impacts and key performance indicators (for full details on reporting scope, please refer to section 4.6).

Center Managers and Technical Directors monitor utilities consumptions (energy and water) and waste production at least once a month. 85% of centers are also equipped with energy measurement systems that enable automated reporting (by directly hooking up to utility suppliers, for example) and provide real-time analyses of the actual performance of assets. Performance data is collected and analyzed using Deepki, a tool which allows for a standardized approach to monthly reporting of energy, water and waste data. Using Deepki, the Group can analyze data at shopping center and portfolio level; control for climate factors, and undertake a robust shopping center performance benchmarking assessment.

Social data in relation to the Group's Act for People activities are monitored using an information system shared with all Group Human Resources teams, thereby enabling standardized and structured management of the data based on a single repository. The Group's progress against its Act for Territories activities is monitored on a country and shopping center basis during quarterly meetings (see below) which are supported by regular communications between relevant teams and the Group's Engineering & Sustainability Department.

Both data sets and supporting qualitative information are compiled and reported quarterly to the Executive Board and to the Supervisory Board's Sustainable Development Committee.

Quarterly meetings attended by Country Directors, Technical and Marketing Directors, Human Resources Directors and Heads of Operations are organized to share progress against each Act for Good® pillar and monitor key performance indicators. The meetings also serve to identify areas where individual countries and/or shopping

centers may need additional support, and this is aided by the best practice guides referred to above (see 'Setting country-level goals and implementing actions' under section 4.5.1).

4.5.3.2.2 External reporting

The Group reports performance against its Act for Good® commitments, key performance indicators, non-financial risks and opportunities annually through its universal registration document. The report is prepared in accordance with the provisions of Article R. 225-105 of the French Commercial Code.

Klépierre also chooses to report is environmental, social and governance performance using voluntary reporting standards including the EPRA Sustainability Best Practice Recommendations (sBPR) and the Global Reporting Initiative Reporting Standards. A separate report presenting the Group's performance against the 3rd edition of the EPRA sBPR is available to download from the CSR section of the Klépierre website (www.klepierre.com/en/csr/results/).

Although the report is not prepared in accordance with the GRI Standards, a cross-reference table with the relevant GRI Standards covered by the contents of this report is available in section 4.6.3.

4.5.3.3 Analysis: CSR dashboard

Shopping center, country and Group performance dashboards provide a clear view of the Group's environmental, social and societal impacts, making it possible to identify areas for improvement, best practices and thereby improve operational oversight. The performance dashboards are presented and discussed at the quarterly meetings and annually with all the Country departments.

Deepki allows Klépierre to consolidate the main technical and environmental key performance indicators for each center monthly and analyze their performance against other centers in its portfolio that are comparable from a technical perspective. This is based on key variables such as retailer density; car park management; coverage of heating and cooling supply; surface area and inauguration and/or renovation. This allows the Group to identify the strongest and weakest performing assets in its portfolio and target energy management interventions accordingly.

4.5.3.4 Actions: CSR action plan

The detailed performance analysis described above makes it possible for the Engineering & Sustainability Department and Group Human Resources Department to identify areas for improvement at all levels, and in particular at the beginning of the year:

- > Shared Group goals; each country then implements them within its own organization, in line with the most suitable local processes and regularly reports on them during the year;
- > Proposed individual goals for shopping centers; these are discussed with each country department for possible readjustment considering local conditions. Once jointly approved, these goals are implemented in each center. Progress is monitored monthly.

All these goals are first approved by the internal CSR Committee chaired by the Executive Board.

One of the key strategies Klépierre has pursued on this front are BOOST action plans which have significantly improved energy and waste management practices at poorer performing assets. These are undertaken through a rigorous process overseen by the Group's Engineering & Sustainability Department: the Group convenes on-site staff and external specialists including representatives from waste management contractors, cleaning suppliers and energy consultants for two-day long workshops to assess each shopping center's operations and consult with all relevant members of the shopping center team to develop a plan of action that is practical and feasible. This inclusive approach helps on-site staff to understand and manage their asset better and galvanizes greater support for the deployment of energy efficiency and waste reduction interventions.

For shopping centers that have already implemented all identifiable operational measures to increase energy efficiency and reduce waste, investments are made to upgrade technical equipment and facilities. The Deepki platform is linked to the Group's budget planning, so that CAPEX approvals can be moderated according to whether shopping centers have been diligent in implementing all operational measures identified.

4.5.4 Industry initiatives and charters supported by Klépierre

Klépierre is an active member of the following national and international trade associations that the Group considers strategic for its business. In several of them, it holds a position on the governance body and/or sits on their key committees, including those dealing with sustainable development issues.

European Public Real Estate Association (EPRA)

EPRA's members include more than 200 European listed real estate companies. EPRA publishes the EPRA Sustainability Best Practice Recommendations (sBPR) that aim to establish a standardized approach to reporting on the environmental and social impacts that are material for publicly traded real estate companies. Klépierre is a member of the Sustainability Committee.

French Council of Shopping Centers (CNCC)

CNCC promotes and represents the shopping center industry in France. Klépierre is involved in the Sustainable Development Commission which is tasked with the oversight, sharing of best practice and coordination of industry players.

French Real Estate Association (FSIF)

FSIF promotes and represents the shared business interests of French real estate companies, including sustainability through awards and member discussions.

Global Real Estate Sustainability Benchmark (GRESB)

GRESB's primary purpose is to assess the environmental and social performance of private and publicly listed real estate companies and funds. Klépierre has participated in this benchmark since its beginning and is also a member.

United Nations Global Compact

As signatory to the United Nations Global Compact since 2012, Klépierre makes an annual Communication on Progress summarizing its commitment to implementing the 10 universal principles promoted by the Global Compact (covering human rights, labor standards, the environment and the fight against corruption). In 2017, the Group reached the "advanced" level in this improvement process, thus affirming the maturity of its commitment and accomplishments.

Charter for energy efficiency of tertiary buildings

The Charter provides a framework for real estate companies to improve the energy efficiency of their portfolios and anticipate future regulatory obligations related to tertiary buildings' energy performance. The Group has been a signatory since November 2013 and signed up again in 2017 following publication of the new version of the charter.

Diversity Charter

The Charter commits signatories to promote diversity in their workplaces and confirm their commitment to non-discrimination and equal opportunities. Klépierre has been a signatory since 2010.

Charter for Parenthood

Enacted by the French Monitoring Agency for Parenthood in the Workplace (OPE), this Charter promotes better work-life balance and has three objectives: to bring about a change in attitudes towards working parents, to create a favorable environment for working parents; and respect the principle of non-discrimination in career development for such employees. The Group has been a signatory since 2009.

The Palladio Foundation

Klépierre is a founding member of the Palladio Foundation. The Palladio Foundation was created in 2008 (under the aegis of Fondation de France) to promote sustainable urban development with a focus on construction and buildings. It is a unique organization that brings together all sectors involved the building and development of towns and cities to make urban environments as human and livable as possible.

Association pour le développement du Bâtiment Bas Carbone (BBCA)

BBCA's goal is to reduce the carbon footprint of buildings, and to promote approaches that help develop low carbon buildings. It has developed a certification program that was published in 2016.



SUSTAINABLE DEVELOPMENT

Summary of performance against long-term commitments, methodology and concordance tables

4.6 SUMMARY OF PERFORMANCE AGAINST LONG-TERM COMMITMENTS, METHODOLOGY AND CONCORDANCE TABLES

4.6.1 Supplemental data

4.6.1.1 Summary performance against 2022 Act for Good® commitments

▶ ACT FOR THE PLANET

	2013 baseline	2018	2019	2022 commitment
ACT FOR A LOW-CARBON FUTURE				
Reduction in energy consumption for common and serviced areas compared with 2013	143 kWh/sq.m.	(17%)	(29%)	(40%)
Percentage of electricity coming from renewable sources in common and serviced areas	44%	73%	93%	100%
The five biggest shopping centers in our portfolio to be 'carbon neutral'	N/A	Ongoing	Ongoing	Carbon neutral
Certification of the Group's climate strategy by the Science Based Targets Initiative	N/A	Ongoing	Ongoing	Certification achieved
CONTRIBUTE TO A CIRCULAR ECONOMY				
Percentage of waste diverted from landfill	59%	90%	93%	100%
Percentage of centers that have involved retailers in a circular economy effort	N/A	45%	71%	100%
DEVELOP A FULLY CERTIFIED PORTFOLIO				
Percentage of centers that have earned sustainable development certification (BREEAM In-Use, ISO 14001, etc.)	38%	74%	100%	100%
Percentage of development projects that have obtained BREEAM New Construction certification (with a minimum level of "Excellent")	N/A	100%	100%	100%
Percentage of new developments using wood from a certified forest during construction	N/A	100%	100%	100%
INNOVATE FOR SUSTAINABLE MOBILITY				
Percentage of centers accessible via public transportation	97%	97%	98%	100%
Percentage of centers equipped with charging stations for electric vehicles	N/A	56%	60%	100%

▶ ACT FOR TERRITORIES

	2018	2019	2022 commitment
ENCOURAGE LOCAL EMPLOYMENT AROUND OUR CENTERS			
Percentage of local service providers for operational management of the centers (security, maintenance, cleaning services)	65%	78%	100%
Percentage of centers by value that have contributed to local employment	48%	85%	100%
PARTICIPATION IN THE LOCAL COMMUNITY			
Percentage of centers that have made space available for a local initiative	76%	97%	100%
PURSUE A CORPORATE CITIZENSHIP INITIATIVE			
Percentage of centers that have organized a drive (clothes, toys, furniture, etc.) for the benefit of a local charity	61%	84%	100%
Percentage of centers that have supported a citizen's initiative organized by a retailer in the center	53%	79%	100%
INVOLVE LOCAL STAKEHOLDERS IN DESIGNING NEW DEVELOPMENTS			
Percentage of development projects that have included local cooperation as part of the early planning process	100%	N/A ^(a)	100%
Percentage of development projects certifying that suppliers sign a "sustainability charter" governing construction site supply and management	100%	N/A ^(a)	100%
Percentage of development projects that have implemented a biodiversity action plan	100%	N/A ^(a)	100%

(a) No development projects were completed during the year.

▶ ACT FOR PEOPLE

	2018	2019	2022 commitment
CONTINUOUSLY INCREASE VISITOR SATISFACTION			
Increase in the Group's Net Promoter Score (NPS)	+2 pts	+8 pts	+3 pts
Percentage of customer questions asked on social media handled in under one hour	50%	68%	100%
PROMOTE HEALTH AND WELL-BEING IN THE CENTERS			
Percentage of centers promoting health and well-being	56%	89%	100%
Percentage of shopping centers offering dedicated services to the employees of their retailers	60%	87%	100%
OFFER GROUP EMPLOYEES A POSITIVE EXPERIENCE			
Rate of access to training for Group employees	92%	98%	100%
Percentage of employees concerned by measures aimed at achieving work/life balance	96%	100% ^(b)	100%
Percentage of recent graduates who have benefited from personalized career path support	100%	100%	100%
Percentage of employees who have contributed to the co-construction of the Group's future	15%	36%	100%
SPREAD ETHICS IN OUR COMMUNITIES			
Percentage of internal stakeholders who have been made aware of ethical business practices	100%	100%	100%
Percentage of external stakeholders who have been made aware of ethical business practices	58%	63%	100%
Percentage of service suppliers selected based on CSR criteria	100% ^(c)	100% ^(c)	100%
BE SOCIALLY CONSCIOUS			
Percentage of employees who have been given the opportunity to participate in a charity program	61%	90%	100%
Sign Group partnerships with NGOs dedicated to employability and/or family	Not yet at Group level	Not yet at Group level	Signature

(b) 99.8%.

(c) Calculated on the scope managed by the Group Procurement Department i.e., 35% of Klépierre (key suppliers). Next year will be dedicated to broadening this scope.

4.6.2 Methodological note

Group CSR reporting is one of the key methods of monitoring, organizing and overseeing Klépierre's CSR initiatives. Klépierre uses a comprehensive management system to quantify and pinpoint the main environmental, societal and social impacts of the Group and its activities.

The key reporting principles are as follows:

- ▶ Relevance: material sources of impacts and opportunities for each topic are considered;
- ▶ Representativeness: selected indicators are representative of the Group's sites and activities;
- ▶ Consistency: a guarantee that data comparisons by region and period are relevant;
- ▶ Transparency: assumptions and calculation methods are clearly defined; and
- ▶ Accuracy and reliability: records are kept at site level and at the various consolidation sub-groups, to ensure traceability.

4.6.2.1 Methodological note for environmental and societal indicators

4.6.2.1.1 Key industry indicators and benchmarks

Definitions of key indicators

A reporting protocol for environmental and societal indicators has been circulated Group-wide since 2006 to ensure the consistency and reliability of the CSR reporting procedure and the qualitative and quantitative data published by the Group. It acts as a reference framework for all participants in the reporting process. The protocol is updated each year to ensure that it is as relevant as possible to Klépierre's CSR commitments and strategy, and to take account of feedback received following each reporting period, of regulatory changes and of evolving industry practices and standards.

Above all, it sets out the method for collecting and calculating the data underlying the indicators, including definitions, scopes, units, formulas, contributors involved, data entry processes, etc.

Units of measurement

- ▶ Portfolio coverage rates are mostly expressed as percentages of the value of the underlying assets (as opposed to the number of assets, for example) in order to better reflect their contribution to the Group's overall portfolio.
- ▶ Energy, carbon and water data are presented both in gross terms (kWh, tCO₂e, cu.m) for the purposes of assessing volumes, and as ratios (gross value divided by floor area or footfall) in order to discern the performance of assets on each of the given topics.

Additional clarifications

- ▶ Energy efficiency and greenhouse gas emissions of serviced areas and shared equipment: consumption intensity and energy performance indicators expressed in kWh or kWh/sq.m. reflect the heating and air conditioning consumption of serviced areas which include the common areas of the shopping centers and the private areas (shops, storage rooms, etc.) that are connected to shared equipment without a sub-metering system.
- ▶ Greenhouse gas emissions are presented using "location-based" and "market-based" methods. For location-based data, emissions factors used in the calculations are sourced from the French Environment and Energy Management Agency's (ADEME) *Bilans GES* database (average national factors). For market-based data, emissions factors are sourced directly from each energy supplier.
- ▶ For energy and water consumption, the Group uses meter reading data (as opposed to invoices) to ensure shorter data collection lead times and greater relevance.

- > Where Klépierre neither owns nor manages head office buildings it occupies, the related consumption data are not included in this report.
- > Water consumption corresponds to drinking water consumption for the entire building in question (both common and private areas), exclusive of water used for heat pumps,
- > Development projects included in the 2019 reporting scope correspond to projects delivered during the course of the year, except for carbon data, for which emissions relating to project construction are spread over the years of the corresponding work.
- > All key indicators are calculated based on actual and exhaustive data. For certain missing data, Klépierre has provided estimates detailed in the charts or tables concerned.

Industry frameworks

The environmental and societal management system takes into account the recommendations included in the four leading industry and/or international frameworks, namely:

- > Global Reporting Initiative (GRI) Standards;
- > European Public Real Estate Association (EPRA), Sustainability Best Practices Recommendations;
- > French Council of Shopping Centers (*Conseil national des centres commerciaux – CNCC*) – CSR industry reporting guide/Non-financial performance statement; and
- > United Nations (UN) Sustainable Development Goals (SDGs).

Cross-reference tables with the non-financial information presented by Klépierre in this document covering the CNCC non-financial performance statement, the GRI Standards and UN SDGs are provided in section 4.6.3.

A separate report presenting the Group's performance against the 3rd edition of the EPRA sBPR is available to download from the CSR section of the Klépierre website (www.klepierre.com/en/csr/results/).

4.6.2.1.2 Reporting scope

2019 reporting scope and coverage rate

Acquisitions, disposals and developments (extensions and/or new constructions) may alter the reporting scope and distort period-on-period comparisons for the various indicators.

So as to provide data that is both exhaustive and comparable, Klépierre distinguishes between "reported" and "like-for-like" scopes for most of its indicators.

In addition, the notion of operational management, which is specific to the shopping center industry, is used to determine which assets are included in the scope.

The Group's scope aggregates assets owned and managed by Klépierre, and assets managed but not owned by the Group (where data are available), in order to reflect its activities as accurately as possible. Assets owned but not managed by Klépierre are not included in the Group's reporting scope.

Reported scope

The reported scope is used to assess the CSR impact of the property portfolio over a calendar year. It reflects the impacts of management, renovation and arbitrage policies (acquisitions and disposals). In 2019, it includes:

- > All shopping centers owned and managed by Klépierre; and
- > Shopping centers not owned by Klépierre but managed by the Group on behalf of third parties, for which operational data are available (10 shopping centers in France in 2019: Mérignac Soleil in Mérignac, Art de Vivre in Éragny, Beaulieu in Nantes, Nîmes Étoile in Nîmes, Belle Épine in Thiais, Aulnoy-lez-Valenciennes in Aulnoy-lez-Valenciennes, Saint-Jacques in Beaune, Océane in Gonfreville, Île Napoléon in Illzach-Mulhouse, and Grand Quétingny in Quétingny).

Shopping centers acquired and managed by the Group are included in the scope as from the first full year following the acquisition. Real estate development projects are not included in the reporting scope during development or construction, but as from the first full year following completion. Additionally, certain centers under redevelopment, extension and/or renovation may be excluded from the reported scope. As an illustration, Hoog Catharijne (Utrecht, the Netherlands) was excluded from this year's energy calculations due to the fact that work is still ongoing and would distort results accordingly.

This configuration may vary slightly for assets managed on behalf of third parties. Depending on the situation, Klépierre may have full management of electricity, for example, but be charged by a third party (hypermarket, etc.) for fuel usage. Waste may also be collected by a third party (such as a local authority) on a flat rate basis, for example. Some of these configurations may hinder the collection of reliable quantitative data and lead the Group to exclude the corresponding shopping centers from the reported scope for certain items. Typically, only centers that Klépierre manages outright and has full control over energy, water and waste consumption data are included in the reported scope, which explains the difference in coverage rates between the various indicators.

Coverage rates are expressed in terms of the total value of owned and managed shopping centers (since values for shopping centers owned but not managed are unavailable).

The 2019 reported scope represented 96% of the Group's total shopping center portfolio value as of December 31, 2019, which comprises all owned shopping centers. The remaining 4% represents shopping centers which Klépierre does not manage.

Like-for-like scope

The like-for-like scope is used to assess changes in performance across an identical scope on a comparable basis, and reflects the Group's ability to manage and optimize its asset portfolio. It excludes the impact of acquisitions and disposals and includes all shopping centers owned and managed for at least 24 months. However, it excludes shopping centers acquired or completed during the year as well as those not managed for the entire period.

The 2019 like-for-like scope represents 95% of the Group's portfolio as of December 31, 2019.

Lastly, where assets are excluded from the scope of a given indicator, they are indicated in the footnotes to the tables and charts in this chapter.

Reporting periods

Klépierre uses two different reporting periods, depending on the indicator. This arises from the Group's determination to minimize the use of estimates and to collect and consolidate real data.

In order to reflect actual data promptly within the short reporting time frame, the Group decided to use a rolling one-year measurement period for consumption indicators.

For all energy, climate change, waste, water and transportation indicators, the reporting period corresponds to a rolling 12 months from October 1 of the prior year, to September 30 of the current year (i.e., October 1, 2018 to September 30, 2019 for the 2019 reporting scope). Social impact indicators, such as NPS data, suppliers and initiatives carried out by centers, are also included within this period.

All other indicators (including building certifications, human resources data, etc.) are calculated based on the calendar year, i.e., from January 1, 2019 to December 31, 2019 for the 2019 reporting scope.

4.6.2.1.3 Data collection process

Data collection tool

In 2017, the Group began rolling out an online data collection tool to its entire reporting scope aimed at automating and improving the reliability of data collection for the environmental and societal impacts of its activities. Now deployed for all assets, the online tool is accessible remotely and in real time by all teams on-site in the shopping centers, as well as by the headquarters of the national subsidiaries and by Klépierre's Corporate teams.

The tool was selected for its ability to meet the reporting requirements of the Group's annual publications process, as well as – and especially – for its functionality in terms of the daily monitoring of the buildings owned and/or managed by the Group.

Collection frequency

Consumption and billing data for energy, waste and water are collected on a monthly basis for all assets. Data for certain additional indicators are collected annually, in particular for the production of the universal registration document.

Non-financial statement

Topics	Universal Registration Document
Description of the business model	1.1.2
Description of the principal non-financial risks relating to the Company's business	4.1.2
Description of the policies to identify, prevent and mitigate non-financial risks and their outcomes, including key indicators	4.1.2/4.6.1.1
Respect for human rights	4.4.4
Anti-corruption measures	4.4.4
Climate change (contribution and adjustments)	4.2.1
Circular economy	4.2.2
Food waste	4.2.2.1/4.2.2.2
Collective bargaining agreements and their impacts	4.4.3
Measures taken to combat discrimination and promote diversity	4.4.3
Societal commitments	4.3/4.4

4.6.2.2 Methodological note for social indicators

4.6.2.2.1 Period and reporting scope

For all social indicators, the reporting period is the calendar year, from January 1 to December 31 of the year under review.

The data collection and reporting scope covers all Group subsidiaries as of December 31, 2019, in which the employees hold employment contracts with the Group.

Changes in scope arise from acquisitions of new entities and disposals of existing entities. Employees within these entities are included in or removed from the Klépierre reporting scope with effect from the month following the transaction date.

4.6.2.2.2 Definitions and clarifications

Workforce: total number of employees at December 31 on open-ended and temporary contracts, regardless of the number of hours worked or duration of employment during the year.

Average workforce: average number of employees as of the end of each month during the year.

Average gross wages: sum of contractual fixed annual salaries of employees in the Group as of December 31, on a full-time equivalent basis excluding variable compensation, divided by the workforce as of December 31 (excluding Executive Board members).

4.6.2.3 Audit by the independent third-party verifier

Over the last nine years, Klépierre has been committed to ever greater transparency and accordingly, all of its non-financial information is independently verified.

This external audit is carried out each year, based on the Group's regulatory obligations and industry best practices.

4.6.3 Cross-reference tables

The following tables propose an analysis of the cross-referencing between the information published by Klépierre in this document and the main (European and Global) reporting standards for non-financial operations: the Global Reporting Initiative GRI Standards and the United Nations Sustainable Development Goals.

A separate report presenting the Group's performance against the 3rd edition of the EPRA sBPR is available to download from the CSR section of the Klépierre website (www.klepierre.com/en/csr/results/).



SUSTAINABLE DEVELOPMENT

Summary of performance against long-term commitments, methodology and concordance tables






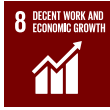








Global Reporting Initiative GRI Standards (2016)

GRI Standard	GRI Standard no.	Universal Registration Document
Economic	200	
Economic performance	201	2.1/2.8
Market Presence	202	1.1.1
Indirect Economic Impacts	203	1.1.2
Procurement Practices	204	4.4.4.3
Anti-corruption	205	4.4.4
Anti-competitive Behavior	206	4.4.4
Environmental	300	
Materials	301	4.2.3
Energy	302	4.2.1.1
Water	303	4.2.2.3
Biodiversity	304	4.3.4.3
Emissions	305	4.2.1.2
Effluents and Waste	306	4.2.2.3/4.2.2.1
Environmental Compliance	307	4.1.3/4.5
Supplier Environmental Assessment	308	4.4.4.3
Social	400	
Employment	401	4.4.3
Labor/Management Relations	402	4.4.3
Occupational Health and Safety	403	4.4.3.3
Training and Education	404	4.4.3.1
Diversity and Equal Opportunity	405	4.4.3.2
Non-discrimination	406	4.4.3.2/4.4.4
Freedom of Association and Collective Bargaining	407	4.4.3.4
Child Labor	408	4.4.4
Forced or Compulsory Labor	409	4.4.4
Security Practices	410	4.4.2.2
Rights of Indigenous Peoples	411	
Human Rights Assessment	412	4.4.4
Local Communities	413	4.3.4
Supplier Social Assessment	414	4.4.4.3
Public Policy	415	
Customer Health Safety	416	4.4.2
Marketing and Labeling	417	
Customer Privacy	418	
Socioeconomic Compliance	419	

United Nations Sustainable Development Goals

In 2015, all United Nations Member States adopted all 17 Sustainable Development Goals, which provide a blueprint for a better and more sustainable future for all. They address the global challenges we face: climate change, poverty, inequality, prosperity, peace and justice. These goals are interconnected and are addressed to citizens, States and companies.

Through our new CSR policy Act for Good® with Klépierre, we want to reiterate our commitment to participating in this shift. According to our three-tier approach: Act for the Planet, Act for Territories and Act for People, we focus our efforts on goals which tie in to this vision.

	Sustainable Development Goal 3: Good Health and Well-being 	Sustainable Development Goal 4: Quality education 	Sustainable Development Goal 5: Gender Equality 	Sustainable Development Goal 6: Clean Water and Sanitation 	Sustainable Development Goal 7: Affordable and Clean Energy 
Goal					
Act for the Planet				4.2.2,3	4.2.1.1
Act for Territories					
Act for People	4.4.2/4.4.3	4.4.3	4.4.3		
	Sustainable Development Goal 8: Decent Work and Economic Growth 	Sustainable Development Goal 9: Industry, Innovation and Infrastructure 	Sustainable Development Goal 10: Reduced Inequalities 	Sustainable Development Goal 11: Sustainable Cities and Communities 	Sustainable Development Goal 12: Responsible Consumption and Production 
Goal					
Act for the Planet		4.2.3		4.2	4.2
Act for Territories	4.3.1			4.3.4	
Act for People	4.4.3		4.4.3.2		
	Sustainable Development Goal 13: Climate Action 	Sustainable Development Goal 15: Life on Land 	Sustainable Development Goal 16: Peace, Justice and Strong Institutions 	Sustainable Development Goal 17: Partnership for the Goals 	
Goal					
Act for the Planet	4.2.1	4.2			
Act for Territories				4.3.2 / 4.3.3	
Act for People			4.4.4	4.4.4 / 4.4.5	

4.6.4 Independent third party's report on consolidated non-financial statement

This is a free translation into English of the original report issued in the French language and it is provided solely for the convenience of English speaking users. This report should be read in conjunction with, and construed in accordance with, French law and professional standards applicable in France.

To the General Assembly,

In our quality as an independent verifier, accredited by the COFRAC under the number n° 3-1681 (scope of accreditation available on the website www.cofrac.fr), and as a member of the network of one of the statutory auditors of your entity Klépierre (hereafter "entity"), we present our report on the consolidated non-financial statement established for the year ended on the 31 12 2019 (hereafter referred to as the "Statement"), included in the management report pursuant to the requirements of articles L. 225 102-1, R. 225-105 and R. 225-105-1 of the French Commercial Code (*Code de commerce*).

The entity's responsibility

The supervisory board is responsible for preparing the Statement, including a presentation of the business model, a description of the principal non-financial risks, a presentation of the policies implemented considering those risks and the outcomes of said policies, including key performance indicators.

The Statement has been prepared in accordance with the entity's procedures (hereinafter the "Guidelines"), the main elements of which are presented in the Statement and are available on request from the entity's head office.

Independence and quality control

Our independence is defined by the requirements of article L. 822-11-3 of the French Commercial Code and the French Code of Ethics (*Code de déontologie*) of our profession. In addition, we have implemented a system of quality control including documented policies and procedures regarding compliance with applicable legal and regulatory requirements, the ethical requirements and French professional guidance.

Responsibility of the independent third party

On the basis of our work, our responsibility is to provide a report expressing a limited assurance conclusion on:

- > the compliance of the Statement with the requirements of article R. 225-105 of the French Commercial Code;
- > the fairness of the information provided in accordance with article R. 225 105 I, 3° and II of the French Commercial Code, i.e., the outcomes, including key performance indicators, and the measures implemented considering the principal risks (hereinafter the "Information").

However, it is not our responsibility to comment on the entity's compliance with other applicable legal and regulatory requirements, in particular the French duty of care law and anti-corruption and tax avoidance legislation nor on the compliance of products and services with the applicable regulations.

Nature and scope of the work

The work described below was performed in accordance with the provisions of articles A. 225-1 et seq. of the French Commercial Code, as well as with the professional guidance of the French Institute of Statutory Auditors ("CNCC") applicable to such engagements and with ISAE 3000⁽¹⁾.

- > we obtained an understanding of all the consolidated entities' activities and the description of the principal risks associated;
- > we assessed the suitability of the criteria of the Guidelines with respect to their relevance, completeness, reliability, neutrality and understandability, with due consideration of industry best practices, where appropriate;
- > we verified that the Statement includes each category of social and environmental information set out in article L. 225 102 1 III as well as information regarding compliance with human rights and anti-corruption and tax avoidance legislation;
- > we verified that the Statement provides the information required under article R. 225-105 II of the French Commercial Code, where relevant with respect to the principal risks, and includes, where applicable, an explanation for the absence of the information required under article L. 225-102-1 III, paragraph 2 of the French Commercial Code;
- > we verified that the Statement presents the business model and a description of principal risks associated with all the consolidated entities' activities, including where relevant and proportionate, the risks associated with their business relationships, their products or services, as well as their policies, measures and the outcomes thereof, including key performance indicators associated to the principal risks;
- > we referred to documentary sources and conducted interviews to
 - assess the process used to identify and confirm the principal risks as well as the consistency of the outcomes, including the key performance indicators used, with respect to the principal risks and the policies presented, and

(1) ISAE 3000 – Assurance engagements other than audits or reviews of historical financial information.

- corroborate the qualitative information (measures and outcomes) that we considered to be the most important presented in Appendix 1; concerning certain risks (ethics, responsible purchasing) our work was carried out on the consolidating entity, for the others risks, our work was carried out on the consolidating entity and on a selection of entities : Belle-Epine, Metro Senter, Oslo City, Novy Smichov, Milanofiori and Parque Nascente;
- > we verified that the Statement covers the scope of consolidation, i.e. all the consolidated entities in accordance with article L. 233-16 of the French Commercial Code;
- > we obtained an understanding of internal control and risk management procedures the entity has put in place and assessed the data collection process to ensure the completeness and fairness of the Information;
- > for the key performance indicators and other quantitative outcomes that we considered to be the most important presented in Appendix 1, we implemented:
 - analytical procedures to verify the proper consolidation of the data collected and the consistency of any changes in those data;
 - tests of details, using sampling techniques, in order to verify the proper application of the definitions and procedures and reconcile the data with the supporting documents. This work was carried out on a selection of contributing entities and covers between 7 % and 10 % of the consolidated data relating to the key performance indicators and outcomes selected for these tests (10 % of energy consumption, 7 % of water consumption, 8 % of waste production, 9% of the workforce);
- > we assessed the overall consistency of the Statement based on our knowledge of all the consolidated entities.

We believe that the work carried out, based on our professional judgement, is sufficient to provide a basis for our limited assurance conclusion; a higher level of assurance would have required us to carry out more extensive procedures.

Means and resources

Our verification work mobilized the skills of five people and took place between September 2019 and March 2020 on a total duration of intervention of about nine weeks.

We conducted three interviews with the persons responsible for the preparation of the Statement.

Conclusion

Based on the procedures performed, nothing has come to our attention that causes us to believe that the consolidated non-financial statement is not presented in accordance with the applicable regulatory requirements and that the Information, taken as a whole, is not presented fairly in accordance with the Guidelines, in all material respects.

Paris-La Défense, March the 6th 2020

French original signed by:

Independent third party
EY & Associés

Éric Duvaud
Partner, Sustainable Development

Jean-François Bélorgey
Partner

Appendix 1: most important information

Social Information

Quantitative Information (including key performance indicators)

- > Total workforce
- > Turnover (%)
- > Absenteeism (%)
- > Access to training (%) and average number of training hours per employee
- > Share of women in the Group and in each level of management

Qualitative Information (actions or results)

- > Employment (attractiveness, retention),
- > Organization of work (organization, absenteeism),
- > Health and well-being of employees
- > Social relations (social dialogue, collective agreements), training,
- > Equal treatment (equality between men and women, fight against discrimination)

Environmental Information

Quantitative Information (including key performance indicators)

- > Primary energy consumption and CO2 emissions per m²
- > The percentage of reduction in energy consumption in common areas compared to 2013
- > Share of renewable energy in common areas
- > Group CO2 emissions (scopes 1 and 2 as well as the evaluation made for scope 3)
- > Share of waste not landfilled
- > Share of waste recovered
- > Water consumption per m²
- > Share of BREEAM In Use certified centers
- > Share of centers accessible by public transport and equipped with charging points for electric vehicles

Qualitative Information (actions or results)

- > Improvement of energy performance
- > Improvement of technical equipment
- > Use of less-emitting energies
- > A reduction in the direct footprint
- > Limitation of the exposure to climate change
- > Implementation of sorting solutions and waste recovery
- > Promotion of the circular economy with retailers
- > Strengthening of green value and environmental quality (quality, labels and certifications)

Societal Information

Quantitative Information (including key performance indicators)

- > Share of centers that promoted local employment
- > The visitors' satisfaction rate (Net Promoter Score)
- > Share of centers that promoted health and well-being
- > Share of service suppliers selected based on CSR criteria

Qualitative Information (actions or results)

- > Promotion of local employment around the centers
- > Dialogue with retailers and visitors
- > Visitor satisfaction and implementation of well-being and comfort measures
- > Promotion of safety and security in shopping centers