



CORPORATE SOCIAL RESPONSIBILITY

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Unibail-Rodamco, the leading listed real estate company in Europe, is a pioneer in the field of Corporate Social Responsibility. For ten years, CSR has been at the very heart of the Group's strategy. It is a vehicle for progress for the hundreds of millions of visitors the shopping centres welcome every year. It is also a factor of competitiveness for the retailers who have put their trust in the Group. Finally, it is important to investors.

3.1. "Better Places 2030": a new frontier

3.1.1. Meeting the major CSR challenges

As early as 2007, Unibail-Rodamco devised an ambitious CSR strategy based on environmental best practices, social fairness and transparent governance. These commitments soon became an integral part of the operating, development and investment activities of the Group and its teams, enabling Unibail-Rodamco to obtain the best scores on the market. Between 2007 and 2012, on a like-for-like basis, the Group achieved a cumulative decrease of -23% in energy use and of -58% in corresponding carbon intensity.

Having exceeded as of 2012 the environmental objectives initially set for 2016, Unibail-Rodamco defined new targets which placed the environmental certification of its buildings, the commitment to its tenants and the relationships with communities where it operates at the core of its strategy.

As a result, Unibail-Rodamco achieved, from 2012 to 2015, a further reduction of -17% in carbon intensity and of -13% in energy intensity thanks to its active policy of optimised operation of its assets. The Group was awarded the highest environmental certifications in the industry, with 75% of its existing portfolio of Shopping Centres BREEAM In-Use certified at year-end 2016 (in number), 71% of which rated at least "Outstanding".

The early implementation of "green leases" in 2009 made the Group the leader in sustainable operations and showed its engagement with its stakeholders. The same applies to "green clauses" incorporated systematically into the contracts signed with its service providers. These clauses span all relevant aspects of operations, from the use of products with a low environmental impact to the recycling of waste, and a number of practices supporting energy savings. Through such clauses, suppliers were also encouraged to behave in an environmentally friendly manner.

Unibail-Rodamco's CSR strategy and performance are also regularly audited by independent agencies which have, for several years now, ranked the Group among the most sustainable companies in commercial real estate. In 2016, Unibail-Rodamco was selected as "Green Star" for the sixth year in a row by the GRESB Survey (Global Real Estate Sustainability Benchmark – the only sustainability benchmark dedicated to the real estate sector). In 2015, the Group was named "Global sector leader", achieving the best score worldwide within the retail sector. The Group is also included in the main indices measuring the corporate sustainability performance of companies against environmental, social and governance criteria: FTSE4Good, STOXX® Global ESG Leader, Euronext Vigeo, etc.

When its environmental performance in 2016 was again the best in the industry, Unibail-Rodamco raised the CSR bar by setting new medium and long term objectives, and did so for several reasons:

- ◆ The Sustainable Development objectives set in 2012 and still in effect were due to expire between 2016 and 2020 and a new Group-wide medium-term time horizon had to be set;
- ◆ The world in which commercial real estate operates has evolved significantly since the last plan prepared in 2012, such as sustainable construction, renewable energy, new transport technologies, and rising expectations of municipalities and local communities with regards to new real estate programs;
- ◆ The Group wants to build strategic plans that add to the attractiveness, market differentiation and resilience of its assets in coming years by anticipating market trends, new regulations, and changes of expectations of building occupants;
- ◆ Finally, as the leader in its market, Unibail-Rodamco believes it also has a duty to lead the industry towards the most responsible and sustainable practices possible with regard to the environment and society.

One marker illustrating this ongoing transition has been the climate change agreement signed in Paris in late 2015 by 195 countries as part of COP 21. This major event marked a new era for the world and will lead to profound transformations in numerous industries over the coming decades. Christophe Cuvillier, Chairman of the Management Board of Unibail-Rodamco, accordingly chose this event to launch, and commit the Group to, a new long-term CSR plan out to the year 2030: "Better Places 2030".

The "Better Places 2030" program addresses the main challenges facing commercial real estate for the next 15 years, namely:

- ◆ moving toward a low-carbon economy, in line with the COP 21 commitments;
- ◆ anticipating new modes of sustainable mobility;
- ◆ fully integrating the Group's business activities in the regions, in partnership with the local communities.

The Unibail-Rodamco CSR overall approach covers the Group's entire value chain and business activities: from the design and construction of new development projects to the renovation or extension works involving existing assets, the daily operation of its assets, including the energy consumption practices of the retailers present in its centres, the modes of transport of its visitors and employees, the logistical practices of its retailers, the contribution to the welfare of local communities, and of course the commitment of all its employees to the Group's CSR objectives.

The cornerstone commitment of this program is the objective of reducing the Group's carbon footprint by 50% between 2015 and 2030: Unibail-Rodamco is the first listed real estate company to

engage on such an ambitious and comprehensive strategy. This low-carbon strategy will be incorporated into the entire value chain with, for the first time, a wide spectrum of initiatives covering the emissions resulting from the activities of both the Group and its stakeholders.

This new CSR agenda revolves around four pillars:

1. Less carbon emissions, better buildings;
2. Less polluting transport, better connectivity;
3. Less local unemployment, better communities;
4. Less top-down, better collective power.

"Better Places 2030" – 4 pillars	Main commitments	Key levers & initiatives
Pillar 1 LESS CARBON EMISSIONS, BETTER BUILDINGS	-35% carbon footprint from construction in 2030 (/2015) -70% carbon emissions from operations in 2030 (/2015)	<ul style="list-style-type: none"> ● carbon footprint measurement for all development projects ● "lean building" design from the design phase ● choice of alternative and low-carbon materials ● partnerships with construction firms and materials manufacturers ● continued energy reduction efforts ● 100% green electricity for landlord and tenants' areas ● 100% LED lighting for landlord and tenants' areas
Pillar 2 LESS POLLUTING TRANSPORT, BETTER CONNECTIVITY	-50% carbon footprint from transport in 2030 (/2015) 75% of all visitors come to the centres by a sustainable means of transport in 2030	<ul style="list-style-type: none"> ● for 100% of new developments, at least one sustainable mode of transportation ● for existing assets, large offer of sustainable transportation solutions (car sharing, car pooling, charging stations for electric cars...) ● UR Delivery = pooled logistic solution for tenant deliveries in dense urban areas
Pillar 3 LESS LOCAL UNEMPLOYMENT – BETTER COMMUNITIES	100% of the Shopping Centres committed to supporting local employment and economic development	<ul style="list-style-type: none"> ● "UR for Jobs" initiative: 1,000 low skilled youth recruited per year by our tenants and service providers in all UR Shopping Centres welcoming annually 6 million visits and above ● 100% of Shopping Centres holding an annual event involving a national or local non profit organisation ● 100% of Shopping Centres using Connect, the app for the Group's community of employees and retailers
Pillar 4 LESS TOP DOWN – BETTER COLLECTIVE POWER	100% of UR workforce committed to sustainable development	<ul style="list-style-type: none"> ● CSR objectives for 100% Group employees, starting with top management ● annual Day of Solidarity for all employees ● 100% of the Company cars hybrid or electric ● new environmentally friendly behaviour by employees ● UR Link to promote open innovation with CSR start-ups

Each of these four pillars translates into a global objective that is in turn broken down into specific and quantified sub-objectives. Some of them are intended to be achieved in the short term (by 2020), others will be gradually implemented until 2030. The Group will engage all of its employees and its main European partners in order to meet these ambitious objectives.

Unibail-Rodamco chose 2030 as the time horizon for its program because these very ambitious commitments, particularly in terms of low-carbon transition and sustainable transport, require profound transformations in the construction and real estate industries that will take some time. For that reason the Group's

action plan foresees a sustained effort between 2016 and 2020, so that all partnerships can be formed and initiatives rapidly launched in order to achieve their full impact as soon as possible. Achieving the objectives will of course depend on the Group's voluntary actions in its own areas of responsibility, but also on its ability to lead and engage its stakeholders in the coming transition.

All commitments will be tracked on a regular basis using new CSR indicators, and progress reports on their implementation. As with all publicly reported CSR information, the projects and their indicators will also be audited on a yearly basis audits (in 2017, by EY).

3.1.2. Less carbon emissions, better buildings

Unibail-Rodamco's new low-carbon strategy runs throughout the value chain, including for the first time a very broad range of actions dealing with the carbon footprint not just of the Group's operations but of its stakeholders as well, both for existing assets and for projects in development.

The carbon emissions of an entity are usually measured on three scopes:

- ◆ Scope 1: refers to all direct emissions of greenhouse gases; for Unibail-Rodamco, it relates mainly to emissions resulting from the consumption of primary energy for the operation of its buildings (gas, fuel);
- ◆ Scope 2: refers to the indirect emissions of greenhouse gases; for the Group, it means those linked to the consumption of electricity and energy supplied by urban heating and cooling networks...;
- ◆ Scope 3: refers to all other emissions of greenhouse gases, specifically those stemming from the activity of the company's stakeholders. In the commercial real estate sector, these are mainly emissions related to construction works, to the energy used by tenants and to the transport of visitors and occupants of the buildings.

In addition to Scopes 1 and 2, Unibail-Rodamco is the first listed real estate company to become fully committed in a very wide Scope 3 of indirect emissions resulting from construction works, energy consumption of tenants and transport taken by all users of its sites (employees and visitors).

The objective of a 50% reduction in the Group's carbon footprint between 2015 and 2030 breaks down into three additional low-carbon objectives to emissions from construction, building operations and travel by building occupants.

1. Reducing by 35% the carbon footprint from the construction of new development projects

Unibail-Rodamco is the first company in commercial real estate to commit to shrinking significantly, on a broad scope, its carbon emissions resulting from construction. In practice, cutting by 35% its carbon footprint means decreasing from around 800 kg CO₂e/constructed m² today to less than 520 kg CO₂e/m² by the end of 2030. These figures will be specified and fine-tuned in 2017 thanks to the carbon footprint measures in progress for the most recently delivered projects.

The main levers of this low-carbon construction strategy are the following:

- ◆ a "lean building" approach applied from early design phase: using fewer materials through optimised design and layout decisions: structure, facilities and equipment, façades, false ceilings, downsizing of parking spaces, etc.;

- ◆ using new solutions for construction projects and choosing alternative, low-carbon materials: use of low-carbon concrete and cement, wood, recycled materials, etc. including the selection of suppliers or products on the basis of their place of operation or manufacturing (taking into account the country's energy mix);
- ◆ developing targeted partnerships with construction firms and manufacturers of building materials for the implementation of innovative solutions.

This approach now involves systematically measuring the carbon footprint of each of the Group's projects, starting from the design phase, including a Life Cycle Analysis (LCA) of the projects and new key indicators of carbon performance in every investment decision of the Group.

2. Reducing the carbon footprint from the operating existing assets by 70%

This mainly relates to all carbon emissions arising from the energy consumed in the Group's buildings in operation. This very significant decrease therefore builds simultaneously upon two drivers: accelerating the reduction of energy consumption and moving quickly towards low carbon or carbon-free energy.

The main commitment of the Group with regards to energy efficiency is the announced accelerated transition to 100% LED lighting. The expected savings are very significant as lighting represents up to 50% of the energy consumption in the shopping centres. Starting in 2017, LED lighting will systematically be installed in every new Group project and will gradually replace the other lighting systems in existing centres. In addition, starting in 2020, this 100% LED lighting requirement will be extended to all retailers in the Group's shopping centres.

The continuing efforts in energy improvement will also involve generalising innovative solutions for managing and tracking consumption and establishing incentive contracts with the maintenance service providers (Energy Performance Contract).

As for low-carbon energy, Unibail-Rodamco is committed to using only green electricity (100% renewable), both for the supply purchased for its assets, starting in 2018, and the private consumptions for its tenants, starting in 2020.

Requirements for 100% LED lighting and electricity from renewable sources will be included in all leases in 2017, for application from 2020 forward. By then, partnerships with pioneering international retailers will have been signed to accelerate this transformation and to encourage other retailers to adopt LED lighting in their stores. For example, partnerships were already signed by the end of 2016 with Séphora, L'Occitane and Rituals chains, who have agreed to use 100% LED lighting designs when renovating any store in the Group's shopping centres.

3.1.3. Less polluting transport, better connectivity

Unibail-Rodamco also wants to give a new momentum to the issues related to sustainable transportation where the Group operates. By making a broad commitment, the Group seeks to enhance the attractiveness and improve the access of its properties as a guarantee of their long-term success by anticipating changes in the commuting habits of new visitors and by encouraging visitors' sustainable mobility solutions. This approach also addresses the two leading sources of transport-related pollution: visitors' travel to and from the shopping centres and retailers' deliveries.

Today, 41% of visitors on average travel by car to the Group's shopping centres. Unibail-Rodamco is committed to developing sustainable mobility and sets itself a challenging target that, by 2030, 75% of all visitors will come to its centres by a sustainable means of transport. This is reflected in the objective of reducing visitors' transport-related carbon footprint by 50%.

This requirement will affect 100% of new development projects coming into the portfolio in 2020 and beyond, which will have to provide for at least one significant mode of sustainable transport. In this way, the Group's selection and investment process will prioritise connected projects and sustainable mobility solutions, with a strong positive impact on the surrounding region.

For existing assets, Unibail-Rodamco is committed to systematically providing its visitors, retailers and employees with an extended offer of sustainable transportation solutions: short-distance carpooling, testing of car-sharing solutions, increasing the number of parking spaces fitted with free charging stations for electric vehicles, availability of electric bikes and separate bike lanes (bicycle paths) on the sites, and autonomous electric transportation when available.

Unibail-Rodamco also seeks to reduce the impact of tenant deliveries in urban centres by developing pooled delivery solutions using low-polluting vehicles in order to optimise the loading of delivery trucks and reduce the number of vehicles involved. Pilot solutions will be studied in 2017 for the Forum des Halles and Lyon Part Dieu.

Following the example of the European agreement with Tesla for installing "destination charging" stations for their electric vehicles and the partnership with the logistics firm Deret to study a pooled delivery proposal using clean vehicles for certain shopping centres, in 2017 other partnerships will be undertaken with sustainable mobility companies, fostering the roll-out of their solutions in Group assets.

3.1.4. Less local unemployment, better communities

Unibail-Rodamco is aware of the leading economic role its real estate properties play in the regions where it operates. They are places for social connections, significant sources of employment and drivers of economic development and urban regeneration. The Group's Shopping Centres need to develop these advantages in order to have a strong foothold and impact in a region. Moreover, these commitments respond to a growing demand expressed by residents to include them more in the design and operation of commercial facilities.

Unibail-Rodamco builds long-term partnerships where the Group develops and operates its assets. These partnerships involve working on a daily basis with all those who play a part in developing local communities: elected officials, local authorities, businesses and non-profit organisations.

Considering the still difficult employment situation in many regions where the Group operates, Unibail-Rodamco has chosen to promote and implement "UR for Jobs", a jobs program aimed at training and supporting the recruitment of low-skilled youth. The Group has committed to having 1,000 young people hired through the "UR for jobs" program in all shopping centres welcoming 6 million or more visits per year by 2020. Initiated in 2016 in three pilot centres, the "UR for Jobs" program will gradually be extended to all countries where the Group is located.

The Group is committed to supporting the development of new local retail concepts through partnerships with entrepreneurs and regional networks, by supporting initiatives that promote short trips, particularly for restaurants, or activities connected with the circular economy. For example, the "Dress in the City" operation, the first multi-channel clothing-swap tested at Les 4 Temps in 2016, will be rolled out in six Group shopping centres in 2017.

In addition, as part of reinforcing its partnerships with local associations, Unibail-Rodamco has made a commitment that, starting in 2018, 100% of its centres will organise an event at least once each year in partnership with an NGO or a local association centred around topics related to youth.

Finally, Unibail-Rodamco has made a commitment with regards to the community of employees who work in the Group's centres (Group staff, retailers and service providers) to take advantage of technology and digital resources. The smartphone application, Connect, is being implemented in order to make on-site communication and interaction easier between shopping centre management and retailers' employees, to support local employment by publishing job offers in real time improving services provided. By the end of 2016, three shopping centres had already implemented Connect and another 27 centres will have deployed it in 2017. The goal is for 100% of Group centres to use this solution by the end of 2019.

3.1.5. Less top-down, better collective power

A CSR strategy is fully effective only if shared and sustained by all employees and stakeholders. It must be integrated into the daily actions of each and every individual, whether they work at the head office or in the Group's assets in direct contact with the local communities.

This fourth pillar, then, includes the tools needed to bring about the commitments of the first three pillars:

- ◆ employees of Unibail-Rodamco are actively involved, accountable of their own contribution to collective success through individual CSR objectives and the widespread adoption of environmentally friendly behaviours;
- ◆ stakeholders are involved in innovative initiatives and strategic partnerships to accelerate the transition.

CSR objectives tailored to each position in the Group

Each employee of the Group will be assigned CSR objectives tailored to his/her functions within the company and applying the commitments of the "Better Places 2030" program. This will start in 2017 for members of the Management Board, the Group Management Committee and the management teams in each of the countries and, as of 2018, for all of employees of the Group. See page 70 in 3.1.7. Governance and CSR.

Encouraging new environmentally friendly behaviour by each individual employee

To be consistent and set an example, change is also demonstrated by the environmentally friendly behaviour of employees on a daily basis on the job site. For this reason, Unibail-Rodamco will offer all its employees the work setting and resources needed to improve their habits and reduce their impact on the environment.

In particular, as regards as work-related travel, thanks to the new technologies put in place in January 2017, remote meetings by video-conference are favoured as an efficient alternative to physical meetings and a way to limit travel.

In addition, since October 2016, all new company vehicles in any country must be hybrids or electric. Moreover, the carbon emissions from business travel by train or plane by all Group personnel, which was 2,815 tonnes of CO₂ in 2016, will be offset through a reforestation or ecosystem preservation program.

A new dynamic for partnerships within the Group's ecosystem

The success of the "Better Places 2030" strategy and the speed with which it is implemented depend on stakeholders' contributions. Unibail-Rodamco will therefore speed up the development of a

supportive ecosystem comprising major industrial groups, SMEs, start-ups and research centres through cooperation projects and open innovation partnerships to design solutions for the future, on the model of partnerships already signed with Engie, Séphora, L'Occitane, Deret and Tesla.

In particular, the Group will accelerate the program research on sustainable development. Research projects focus on environmentally-friendly, energy-efficient building processes and operating practices. The Group's efforts to apply next-generation solutions offer a series of benefits, including lower operating costs throughout the life cycle of the building, "future-proofing" of the portfolio in an increasingly demanding regulatory environment, and the commercial edge offered by recognised third-party certifications.

For example, in June 2016 Unibail-Rodamco and Engie jointly requested proposals from start-ups and SMEs to identify new tools for analysing and monitoring energy consumption in the major shopping centres.

Other R&D partnerships with the construction industry will be launched in 2017 to test innovative low-carbon solutions on Group development projects.

An innovative approach to transformation and differentiation

In 2012, the Group created the UR Lab to structure the innovation strategy of its business by offering customers a unique experience that cannot be matched with any other retail settings, including internet. The role of the UR Lab is to define the innovative vision which will reinforce the leading position of the Group's assets in terms of customer service and unique selling points; and support the roll-out of these initiatives by developing design processes and conducting pilot tests on development projects.

The UR Lab also fosters an innovative mindset and skills across the whole organisation so that the Group's management and teams speed up implementation of their projects. Moreover, the UR Lab encourages each of the Group's employees to participate in the sourcing of new concepts, ideas and projects and to feed the innovation roadmap. The Ureka! Program integrates HR items (training, and coaching of Innovation Managers in the Group), physical tools (UR Lab Campus in Clichy, Ureka! Creativity rooms), events (keynotes and Innovation Days) as well as an internal digital collaborative platform called UR World intended for all Group employees.

Innovation Champions are trained and coached to launch and develop in a lean start-up mode each roadmap project.

The Group has also adopted a truly open innovation approach by launching the UR-Link accelerator, through two seasons in March and November 2016.

In the first season, after four months of intensive work, during which five start-ups launched pilot projects in Group Shopping Centres and received customized support from the Group's experts, entrepreneurs and investors, a European partnership was signed with one of the companies, Dress in the City. This is the first concept for a multi-channel second-hand market that enables people to buy and sell second-hand fashion through a blend of on-site sales and a digital platform. For Unibail-Rodamco, this partnership fits with its goal of offering innovative services to shopping centres customers and getting into the value chain of collaborative and circular consumption, which is a fast-growing market.

Extending the success of its first season, the UR-Link saw more than 120 start-ups apply to join the second season of the program. The Group has selected six very promising start-ups mentored since November 2016 on issues as diverse as urban farming with Sous les Fraises, ride-sharing with Karos, new recruitment tools with Merito. All these issues align with the goal of providing more services to shoppers and of creating facilities that are more sustainable and better integrated into their environment. The third season, which will begin in June 2017, will mean hosting yet more new start-ups whose solutions will help transform the shopping centres, with special focus on those matching with the Group's new "Better Places 2030" strategy.

3.1.6. Integration of "Better Places 2030" within the Group's activities and core processes

Material issues to create sustainable value

As far back as 2012, Unibail-Rodamco undertook a materiality study, with the support of JLL, which identified the material issues having the potential to create the most value for both stakeholders and the Company, given the current business strategy and

activities. This vision has led the Group to re-allocate its efforts and resources on CSR issues to address the main risks and opportunities, to refine its long-term targets and to report progress on these material topics.

The new CSR commitments were organised into the four pillars of "Better Places 2030", after the materiality matrix was revised in 2015 so as to better prepare the Group to confront new challenges of the future.

The conclusions of the materiality study make it possible to place the various sustainable development issues on a matrix structured as follows:

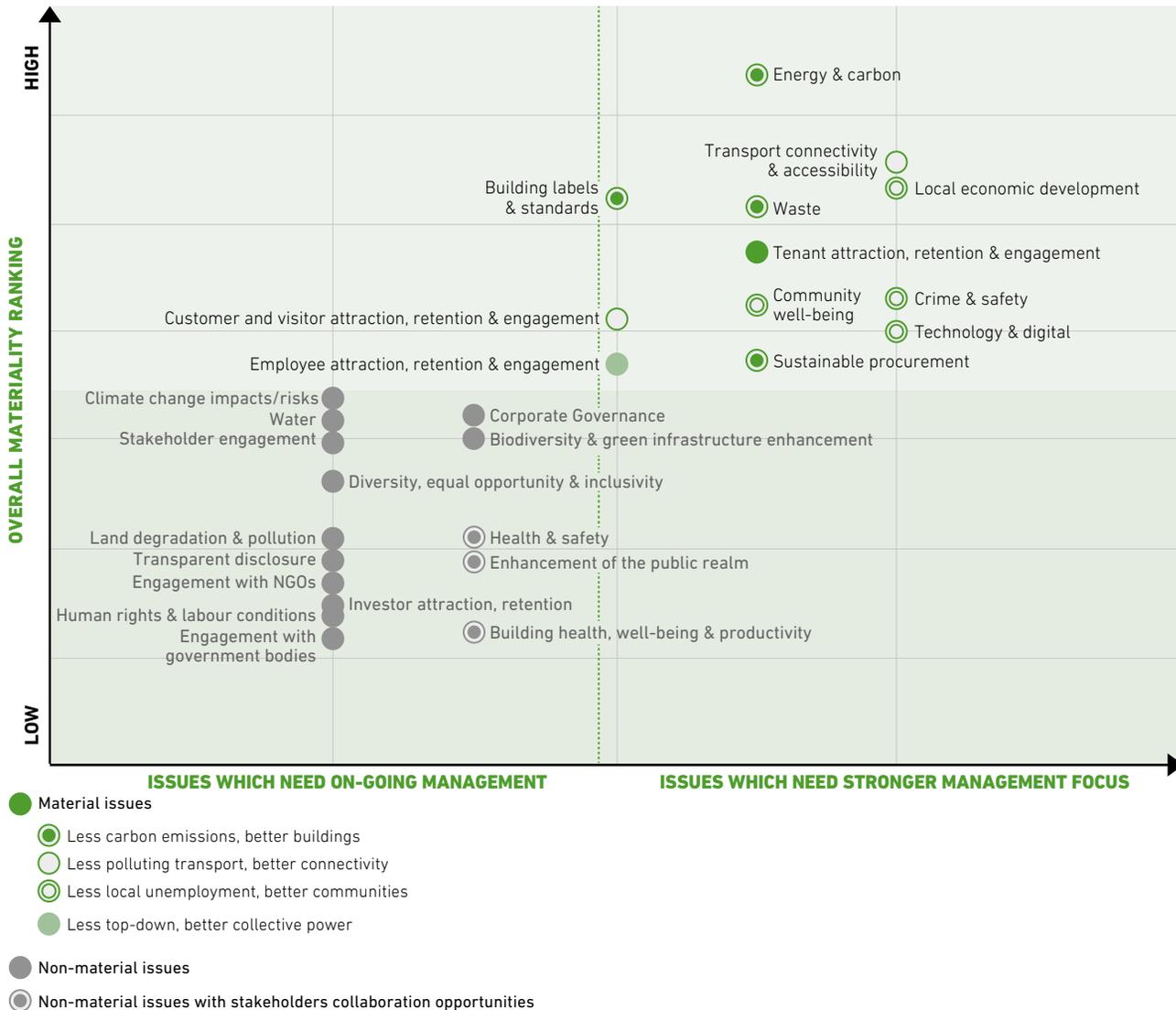
- ◆ vertically: impact on the Group's value creation in line with business risks and opportunities.

Different levels of impact according to the relative position on this axis:

- ◆ high: key value creation opportunities – core priorities in line with Unibail-Rodamco's business levers for value creation,
- ◆ medium: actively manage risks and meet stakeholder expectations – fields to be mastered within Unibail-Rodamco CSR strategy with a limited impact on the Group's value,
- ◆ low: less material, incorporate within reporting & investor disclosure – issues with a low impact on the Group's value, to be addressed through operational policies and internal targets (maintained in the reporting);
- ◆ horizontally: current management of these issues, which determines on the right-hand side of the graphic where new initiatives can be undertaken or what topics require stronger management focus, and on the left-hand side what issues are considered to be under control and which ones require ongoing management.

In light of these rankings, the materiality analysis concludes that low-carbon and energy challenges and local economic development are major issues for Unibail-Rodamco activities, ahead of reducing water use or enhancing biodiversity. The Group's operating activities are located in dense cities across continental Europe, which means they have a minor impact on biodiversity protection and water supply. However concerning climate change, job creation and urban regeneration, the Group's direct impact is real.

TOP MATERIAL ISSUES TO CREATE SUSTAINABLE VALUE



The updating of the materiality matrix confirmed the relevance of the previous study carried out in 2012 and also raised a few new topics, now positioned as priorities given the current and upcoming business challenges for Unibail-Rodamco, such as "crime and safety", "waste management", and "technology and digital".

Target-setting

The new CSR strategy of Unibail-Rodamco is now structured into the four pillars of "Better Places 2030". In parallel with long-term objectives set in 2012 and still ongoing, new objectives have been added for each pillar in line with the new commitments announced in September 2016. The principal long-term horizon is 2030, but intermediate objectives will be set to sequence operational performance over time and to match these commitments with collective and individual goals.

For a detailed presentation of the refined targets according to these four pillars, please see page 145-146.

Integration with core processes and activities

The Group support strongly that the CSR agenda must be fully embedded into core business processes and not managed alongside the business; otherwise it would not be sustainable because of the disconnection between material issues and daily concerns. Sustainability matters are therefore managed through an in-house system whereby targets and key performance indicators are fully integrated into existing management processes. Their implementation is verified by external audits and certification schemes.

Relevant management processes are in place at each stage of the Group's business cycle. For example:

- ◆ the due diligence process for acquisitions and investments includes a complete audit of technical, regulatory, environmental and health and safety procedures, including risks such as soil pollution;
- ◆ development projects are regularly reviewed in light of the Design Guidelines in order to deliver the highest standards;
- ◆ each managed asset has a customized Environmental Action Plan and performance targets, which are assessed at least once a year;
- ◆ the 4-person Internal Audit department conducts regular assessments of the management and compliance processes which are in place within each of the Group's business units. Final audit reports are addressed to the Management Board and to the departments involved in the audit;
- ◆ recruitment and career development procedures promote equality and diversity and provide employees with the skills and opportunities required for rewarding careers.

For more information about the two in-house Environmental Management Systems (EMS) in place for both operations on standing assets (Sustainable Management Attitude), and development projects (Sustainable Design Attitude), see pages 75-77.

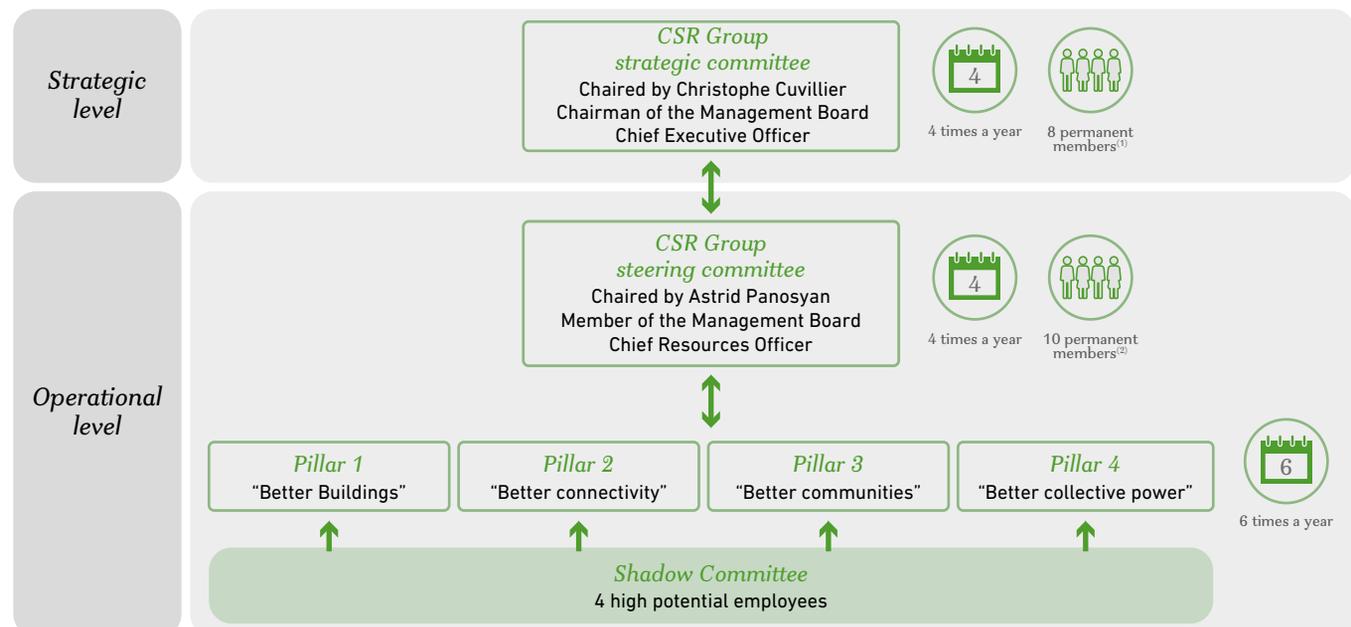
Finally, carrying out the "Better Places 2030" commitments in 2017 will involve introducing new CSR indicators into the documents and systems that support the Group's decision-making processes, particularly for selecting investments and keeping track of construction projects.

3.1.7. Governance and Corporate Social Responsibility

Starting on January 1, 2017, the monitoring and operational implementation of the "Better Places 2030" program will involve:

- ◆ a management system focused on two priorities:
 - ◆ monitoring CSR performance by ensuring the full integration of the new objectives of the "Better Places 2030" program into the Group's core processes, decision-making and business activities;
 - ◆ including, engaging and uniting all stakeholders and employees of the Group in order to collectively achieve the objectives of the "Better places 2030" program;
- ◆ a dedicated CSR team: the new four-member team is responsible for overseeing and supporting the implementation of the new Group strategy. This team oversees and coordinates the CSR managers in the operations departments, develops tools and methodologies, supports and trains the regional teams, identifies and shares best practices, and measures CSR performance, reporting regularly on results and progress achieved. This team is led by Ludovic Flandin, CSR and UR Lab Managing Director, and managed by Christophe Garot, Group Head of CSR, who report to Astrid Panosyan⁽¹⁾, Member of the Management Board and Chief Resources Officer.

HOW DOES THE GROUP MANAGE ITS CSR POLICY?



(1) Including six Members of the Management Board.

(2) Including three Members of the Management Board.

(1) Reports directly to the Chairman of the Management Board.

Strategic management

The **CSR Group Strategic Committee** defines the strategy, sets objectives and oversees and monitors the implementation of the CSR program. Composed of eight members, including all the Management Board members, it meets four times a year and reports on progress and results to the Supervisory Board every quarter. This Committee is chaired by Christophe Cuvillier, Chairman of the Management Board.

The permanent members of the CSR Group Strategic Committee are:

- ◆ Christophe Cuvillier, Chairman of the Management Board; Chief Executive Officer;
- ◆ Astrid Panosyan⁽¹⁾, Member of the Management Board, Chief Resources Officer;
- ◆ Jaap L. Tonckens⁽¹⁾, Member of the Management Board, Chief Financial Officer;
- ◆ Fabrice Mouchel⁽¹⁾, Member of the Management Board, Deputy Chief Financial Officer;
- ◆ Jean-Marie Tritant⁽¹⁾, Member of the Management Board, Chief Operating Officer;
- ◆ Olivier Bossard⁽¹⁾, Member of the Management Board, Chief Development Officer;
- ◆ Roman Abreu⁽¹⁾, Group Director of Communication and Public Affairs;
- ◆ Ludovic Flandin, CSR and UR Lab Managing Director.

Operational management

The **CSR Group Steering Committee** oversees the implementation of the CSR program, defines the strategic directions and the high-priority objectives of the CSR program, and approves and prepares the decisions which require the endorsement of the Group CSR Strategic Committee. Composed of ten members, including three Members of the Management Board, it meets four times a year and reports to the Management Board every quarter on progress and results in the activities of the CSR Group Strategic Committee. This Committee is chaired by Astrid Panosyan, Member of the Management Board and Chief Resources Officer.

The permanent members of the CSR Group Steering Committee are:

- ◆ Astrid Panosyan⁽¹⁾, Member of the Management Board, Chief Resources Officer;
- ◆ Jean-Marie Tritant⁽¹⁾, Member of the Management Board, Chief Operating Officer;
- ◆ Olivier Bossard⁽¹⁾, Member of the Management Board, Chief Development Officer;
- ◆ Otto Ambagtsheer, Managing Director Benelux;

- ◆ Sylvain Montcouquiol, Group Director of Human Resources and Organisation;
- ◆ Eric Gerlach, Group Development Director;
- ◆ François Cantin, Group Property Management and Facility Management Director;
- ◆ Stéphane Schebat, Unibail-Rodamco Development Finance Director;
- ◆ Ludovic Flandin, CSR and UR Lab Managing Director;
- ◆ Christophe Garot, Group Head of CSR.

The invited members are:

- ◆ The Group's department directors who chair the four operations committees that steer the four strategic pillars of the "Better Places 2030" program: Human Resources, Regional Managing Director, Large Works, Operations, Leasing, Shopping Centre Management, Sourcing, Property and Facility Management, CSR liaisons, etc.

The **Stream Committees**, with the support of the Group CSR team, organise, coordinate and monitor the strategic actions associated with the four pillars of the "Better Places 2030" program:

- ◆ Pillar 1 Committee: "better buildings";
- ◆ Pillar 2 Committee: "better connectivity";
- ◆ Pillar 3 Committee: "better communities";
- ◆ Pillar 4 Committee: "better collective power".

These Committees are chaired by two directors of different Group departments and meet six times a year with the CSR managers and the project managers involved in the strategic initiatives undertaken for each pillar.

The invited members are:

- ◆ Group staff involved in a given project with the priority actions associated with the pillars;
- ◆ members of the **shadow committee**, comprising high-potential young talents who are responsible for creatively contributing to the Group's CSR initiatives by formalising proposals which can be submitted to the CSR Steering Committee and the CSR Group Strategic Committee.

CSR commitment of the whole organisation

From 2017, the Chairman and the Members of the Management Board will be assigned CSR objectives by the Supervisory Board on the recommendations of the Group's Governance, Nomination and Remuneration Committee. These CSR objectives will be based on the precise, quantified CSR criteria set out in the 2016 annual report. Strategic objectives of the "Better Places 2030" program will also be assigned in 2017 to members of the Group Management Team and the country management teams, and will then be progressively extended to all Group employees by January 2018.

(1) Reports directly to the Chairman of the Management Board.

The relevant Member of the Management Board is fully responsible for reaching the CSR objectives and delegates that responsibility to the Managing Director of each region, who in turn ensures the smooth integration of the tools and processes required for the operations of the regional teams. The Group has created financial incentives to support CSR performance; since 2011, part of the variable compensation of the Regional Managing Directors has depended on performance in this area.

Appropriate initiatives and objectives consistent with the new CSR program will be identified and implemented in close collaboration with each of the various departments within the Group: Investment, Development, Finance, Operations, Technical Management, Marketing, Leasing, Legal and Human Resources.

For each site, the asset management and shopping centre management teams play a major role in the Group's CSR strategy. They are responsible for developing close relationships with tenants and local communities and for cooperating with service providers to ensure that daily operations are as efficient and sustainable as possible.

When responsibility for obtaining results is shared with other partners, especially with the co-owners of the managed assets, the Group anticipates their input and cooperates with them in order to meet the set objectives. Finally, whenever results depend on factors that cannot be controlled, such as weather conditions, the Group is committed to identifying the associated risks and mitigating them.

CSR training and education

In order to ensure that the Group's CSR strategy and processes are properly implemented, training sessions are organised regularly for staff members and relevant managers. CSR training programs are detailed in section 3.5.3. UR Academy. In 2016, an online CSR training module was made available *via* the new Training Platform.

In 2017 a new program for training and for sharing information on best practices, based on the new strategic vision, will be set up, this will ensure that all Group employees fully understand the challenges, are actively involved in the process and can develop the technical skills needed to achieve certain objectives of the "Better Places 2030" program.

Since 2015, Viparis has been using an "eco best practices" charter with four subject areas and twenty commitments aimed at encouraging its staff to respect the environment in the workplace. This charter covers the sorting of waste, energy savings, the responsible use of paper and printers, and modes of business travel.

3.2. Corporate governance, ethical conduct and risk management

Unibail-Rodamco's Corporate Governance, ethical conduct and risk management policies provide the necessary stability and reliability required for sustainable growth and performance.

3.2.1. Corporate Governance

Unibail-Rodamco has a two-tier governance structure with a Management Board and a Supervisory Board. The Group applies and complies with the best practice recommendations of the French Afep-Medef Corporate Governance Code.

Please see the Legal Information chapter 6 for detailed information regarding:

- ◆ the composition and independence of the Supervisory Board and its Committees;
- ◆ the composition of the Management Board;
- ◆ the qualifications and professional experience of the members of the Management and Supervisory Boards;
- ◆ the remuneration policy for members of the Management and Supervisory Boards;
- ◆ the remuneration paid to the members of the Management and Supervisory Boards in 2016.

The Legal Information Chapter also contains information about the Group's Articles of Association, Corporate Governance structure, general meetings of shareholders, share capital and voting rights.

The Unibail-Rodamco Compliance Book for Governance, Organisation and Corporate Rules sets out the Group's operating and management rules. It systematically defines the responsibilities, accountability and reporting lines that are in place in all of the Group's divisions and regions, as well as for all core operational processes. The Compliance Book is published on the corporate intranet site, and the Group Internal Audit team runs regular assessments of the compliance and management standards in place across all business units.

3.2.2. Ethical conduct

The Unibail-Rodamco Code of Ethics describes the values and principles that every employee, manager and director of the Group must respect and comply with at all times.

It mainly deals with the following:

- ◆ respect for employees' dignity and work, including the Group's refusal of discrimination, harassment or intimidation in any form;
- ◆ loyalty, integrity and conflicts of interest;

- ◆ respect of applicable laws and regulations, respect of delegations of authority and signatures, the treatment of confidential and proprietary information, the protection of personal data, the use of Unibail-Rodamco's assets and services, and the incident handling procedure;
- ◆ operations on Unibail-Rodamco securities;
- ◆ ethical ways of doing business, notably with respect to the purchase of goods and services, anti-corruption, and environmental preservation.

The Code of Ethics is published on the corporation internet and intranet sites and is distributed to all employees, who confirm their acceptance of its terms. It applies to all employees and subsidiaries, and is available in English, French, German, Spanish, Polish, Czech and Swedish. The Group's performance appraisal system includes an assessment of each employee's respect of the Code of Ethics. This information is taken into account by the Group's Remuneration Committees. An e-learning course on the contents of the Code of Ethics has been developed and is continuously rolled out to ensure that all employees in all regions understand how the Code should be applied in day-to-day business operations.

Contracts signed with the Group's suppliers include a clause on ethical business behaviour. As well as explaining that suppliers are expected to uphold the standards described in the Group Code of Ethics, the clause describes the required steps to report the code's breaches, or possible breaches.

Employees and suppliers with concerns about compliance or ethics are invited to contact the Group Compliance Officer, who reports directly to the Chairmen of the Management and Supervisory Boards. The Code of Ethics guarantees the confidentiality of employees and suppliers reporting possible compliance breaches. The Group complies with national and European regulations on the reporting of compliance breaches to financial authorities. Any breach of the Group's compliance and ethical standards is met with the appropriate legal or disciplinary action.

Any material compliance breach is reported to the French Stock Market Authorities, *Autorité des marchés financiers* (AMF), who would then make this information public via its website. The Group did not report any material breaches in 2016.

Unibail-Rodamco's assets and operations are all located in continental European countries, where the legal environment and business practices regarding anti-corruption, labour and environment protection laws are more developed. According to the Corruption Perceptions Index (CPI) published by Transparency International for 2016, none of the overall Group's managed assets is located in a country with a perception score below 50/100: all countries where the Group operates are ranked in the top 50 out of 168 assessed countries.

In 2016 an anti-corruption program was devised (see pages 360-365), with the following features:

- ◆ definition of passive and active corruption and of influence-peddling;
- ◆ a risk mapping (activities affected and countries at risk);
- ◆ a whistleblowing procedure;
- ◆ a screening procedure for checking the integrity and reputation of customers, suppliers, retail partners and brokers ("know your partner");
- ◆ accounting controls;
- ◆ training sessions for employees and managers;
- ◆ disciplinary sanctions.

3.2.3. Risk and crisis management

In the "Risk factors and compliance program" section of the annual report on pages 350-361, detailed information is given on the Group's risk management system, including:

- ◆ the context in which risks are managed;
- ◆ the policy and organisation for managing these risks;
- ◆ the Group Risks Committee;
- ◆ the risk factors and their associated mitigations;
- ◆ insurable risks.

The Group's risk map brought out 19 critical risks, 12 of which are considered as primary risks. Each risk factor is tracked and assigned with an action plan to mitigate that risk.

As part of the materiality study, Unibail-Rodamco's long-term sustainability risks were determined through their potential impact on the Group's assets and value. The final prioritising of issues was reached after weighing potential material issues against their associated level of risk. The study identified the most important risks and the most relevant trends relating to sustainability and the property sector with clear indications of likelihood, magnitude and significance. With this ranking, the Group is in a better position to identify issues that carry the highest risk and the greatest impact on the value of the Group and its assets.

In 2012, a specific study was commissioned in order to assess the Group's exposure to flood and earthquake risks for the entire portfolio. It was concluded that very few assets are located in areas exposed to such risks.

3.3. Environment

Under the new “Better Places 2030” CSR strategy, the Group is committed to reducing between 2015 and 2030 by 50% the carbon footprint of all the assets developed and managed, which translates into reductions of:

- ◆ 35% in the carbon footprint from constructing new development projects;
- ◆ 70% in the carbon footprint from operating the existing assets which are owned and managed;
- ◆ 50% in the carbon footprint from visitors’ transportation.

This new strategy will accelerate the development of a new generation of buildings more environmentally friendly and will further enhance the reputation of the Group, which is acknowledged to provide facilities and services of the highest quality in step with market demands.

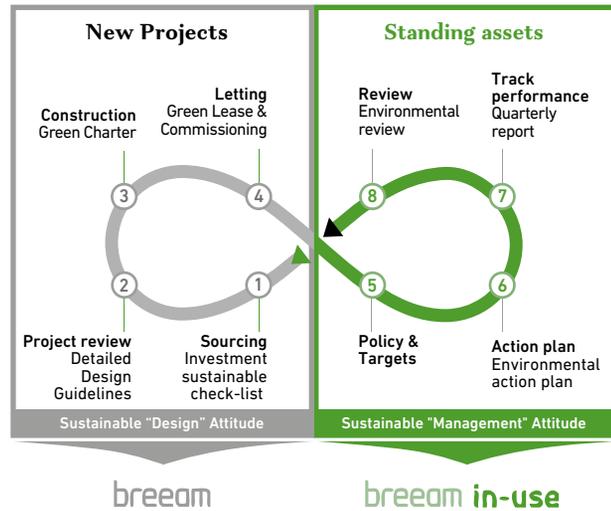
The Environmental Management Systems described below and the Group’s contractual documentation will be aligned, as 2017, with the new ambitions goals of “Better Places 2030”, in order to meet the carbon footprint reduction targets for the projects developed by the Group and the managed assets.

- ◆ with respect to construction (development projects): a “lean” approach to construction right from the design phase, the use of new building solutions and low-carbon materials, a procurement policy generating a gradual reduction in the carbon content of materials and a targeted partnership policy with construction and energy companies;
- ◆ with respect to operations (existing assets): a stepping up of the Group’s energy efficiency policy, supported by the introduction of energy performance contracts and a systematic adoption of LED lighting solutions for common areas (functional and decorative lighting) and private areas, as well as the use of renewable electricity sources for common and private areas;
- ◆ with respect to transport: a Group selection and investment process more prioritized on connected sites and encouraging sustainable mobility, the development of sustainable transport solutions (carpooling, car sharing, infrastructure for recharging electric vehicles, etc.) and the use of pooled logistical solutions for deliveries to retailers in partnership with logistics companies.

3.3.1. Environmental Management Systems

The Group’s environmental strategy is based on two complementary Environmental Management Systems (EMS), which reduce the impact of its assets at every stage in their life cycle, from initial design through to daily operation. Unibail-Rodamco’s EMS for sustainable design and construction is called the “Sustainable Design Attitude” (SDA), while its EMS for sustainable management and operations is known as the “Sustainable Management Attitude” (SMA).

TWO COMBINED ENVIRONMENTAL MANAGEMENT SYSTEMS TO ENSURE THE HIGHEST PERFORMANCE AND CERTIFICATIONS



Best practices from the Sustainable Design Attitude are leveraged to improve the Sustainable Management Attitude and vice versa.

3.3.1.1. Sustainable Design Attitude: an EMS for development projects

The SDA ensures that all development projects, whatever their size or type, are designed in the most efficient way for long-term success in order to minimise environmental impact and ensure that each new project over 10,000 m² obtains at least a “BREEAM” rating of “Excellent” or higher.

For each pipeline project, the “Sustainable Design Attitude” covers all four stages in the development process:

- ◆ sourcing: sustainability and climate change risks are analysed and evaluated during the Group’s due diligence process;
- ◆ project reviews: at the design stage, each project is assessed and challenged using the Group’s in-house “Design Guidelines” to ensure that the building will be as sustainable as possible and in preparation for its “BREEAM” assessment;
- ◆ construction: the contractor agrees to abide by the Unibail-Rodamco Considerate Construction Charter, which is designed to reduce the social and environmental effects of the construction process;
- ◆ letting: a commissioning process is applied to ensure that operational requirements are met, building systems perform efficiently and that maintenance suppliers and shopping centre management staff are properly trained.

Since 2009 the Group's "Design Guidelines" have been applied to all new development, renovation and extension projects. The "Design Guidelines" aligned with "BREEAM" requirements ensure that the Group's projects, whatever their size or scope, will be designed to ensure attractiveness, flexibility and the most sustainable buildings with the lowest possible energy consumption and GHG emissions levels. Best practices from the "Design Guidelines" are also leveraged to improve the energy efficiency of existing assets during major renovation and extension projects.

"Design Guidelines" requirements for new developments include:

- ◆ close attention to structural elements that can affect energy requirements and the carbon footprint (e.g. orientation, prevailing winds, shell composition);
- ◆ architectural design that maximises natural lighting while minimising solar heat gains;
- ◆ the use of natural ventilation, along with a high-performance building envelope to reduce the loss of heated and cooled air;
- ◆ integrated systems to produce renewable energy when appropriate (e.g. wind turbines to ensure free-cooling, geothermal energy to cool and heat large shopping centres);
- ◆ energy efficient equipment, coupled with an effective Building Management System (BMS) that optimises operating hours and conditions of each piece of technical equipment.

The "Design Guidelines" are updated each year to take into account new assumptions, technologies and operational feedback from across the Group. New studies have been conducted to enrich the Retail Guidelines with innovative solutions such as geothermal systems, lighting, materials and a revolutionary approach regarding sound design. In 2017, the Group will update the design guidelines in line with the targets of the "Better Places 2030" program.

The SDA ensures that the Group's new retail and office assets achieve the highest possible "BREEAM" ratings and HQE certification. The SDA is central to the work carried out by several departments, including Development; PMPS (Property Maintenance, Purchasing and Sustainability); Operating; Leasing; and Shopping Centre Management.

Since 2011, the Group's Considerate Construction Charter is applied to all new development projects in France. The Worksite Charter describes the requirements and recommendations intended to optimise a worksite's environmental quality whilst minimising pollution both for the contractors working on site and the neighbouring area and the natural environment. In every respect, local or national planning regulations are met. Requirements related to the "BREEAM" certification are also readjusted accordingly. The constructor as well as its beneficiaries are required to comply with the environmental protection criteria and ensure the worksite has a low environmental impact. Since 2014, the constructors are obliged to adhere to the Group's Considerate Construction Charter prior to signing any contracts with Unibail-Rodamco in the regions.

Topics covered in the Considerate Construction Charter include:

- ◆ providing information to people living nearby and limiting traffic disruptions;
- ◆ training and informing staff;
- ◆ risk management and handling of hazardous products;
- ◆ ensuring 50% of waste recycling by weight, and clear traceability of all waste managed;
- ◆ managing and limiting noise and visual pollution, as well as the risk of soil, water and air pollution;
- ◆ limiting resource consumption *via* monitoring and setting up of reduction measures.

In 2017, the Group will adopt a systematic real-time approach to measuring the carbon footprint of its projects, based on a Life Cycle Analysis (LCA) coupled with a Dynamic Thermal Simulation (DTS). This comprehensive approach encompassing construction and operations will sustain the policy of reducing the carbon footprint of the Group's projects and result in the best choices in terms of construction, techniques and energy consumption based on multiple criteria (Capex, Opex, carbon, aesthetics and sustainability). Several development projects currently at the design stage have already been integrated into this approach.

When the "Better Places 2030" program was announced in September 2016, a partnership was signed with Engie. This agreement aims to identify and develop innovative low-carbon solutions for all shopping centres and offices in terms of renewable energy, decentralised production, energy efficiency, smart buildings and sustainable mobility. Other targeted partnerships (materials, construction and demolition waste, etc.) will be signed in order to achieve the ambitious objectives set by the Group.

3.3.1.2. Sustainable Management Attitude: an EMS for existing assets

The SMA is the in-house Environmental Management System (EMS) implemented across the whole managed portfolio in Europe. This pragmatic and dynamic EMS ensures that the Group is able to meet its annual and long-term targets and supports Unibail-Rodamco's policy of continuous improvement for each area covered by the Group's CSR policy, including climate change, resource use and stakeholders.

The "Sustainable Management Attitude" covers four stages in the management process: target setting; action plan implementation; performance measurement; and performance review.

- ◆ Group policy and targets: targets are set each year for each managed asset in line with the Group's long-term targets and with the specific characteristics of each individual site;

- ◆ environmental action plan: an environmental action plan covering key topics such as energy, CO₂, water, waste, transport and stakeholders is implemented and challenged for each managed site;
- ◆ quarterly and yearly reports: performance is tracked and analysed on a quarterly basis at site, regional and Group level. A corrective action plan is implemented in case of deviation;
- ◆ sustainability review: the Corporate Sustainability team holds sustainability reviews at least once a year for each managed asset to check the status and progress and to prepare the environmental action plan for the year to come.

The SMA ensures that the Group's retail assets achieve the highest possible ratings under the "BREEAM In-Use" scheme which was chosen in 2011 for the main assets in order to promote the environmental performance of the Group's building policy towards visitors, tenants and local communities. The SMA is fully integrated into the daily operations of teams such as Operating; Leasing; Marketing; PMPS (Property, Maintenance, Purchasing and Sustainability); and Shopping Centre Management.

The effective implementation of this in-house EMS has been verified by an independent third party in each of the countries where the Group operates.

These two complementary EMSs help the Group to:

- ◆ deliver the most sustainable and flexible projects with the highest "BREEAM" scores;
- ◆ secure licenses to operate for the Group's development projects (new developments and extensions);
- ◆ ensure that managed assets are operated efficiently from a sustainable development and economic point of view;
- ◆ develop awareness and create a positive trend amongst Unibail-Rodamco's staff involved in the design, development, management and redevelopment of the Group's assets;
- ◆ ensure a high level of transparency and robustness in relation to the Group's shareholders and investors.

In 2017, the Group will align its environmental management system with the new CSR program objectives in order to guide and assist the efficient implementation of LED technology, and will also purchase electricity from renewable sources for the common and private (retail) areas of the portfolio it owns and manages. New indicators will be integrated into the Group's decision-making processes in order to guide and track the implementation of the CSR strategy.

3.3.2. Reporting methodology for environmental data

The Group uses a variety of tools, processes and indicators to monitor the performance of the assets owned and managed by the Group. They are used to structure the Group's environmental management approach, track results, and inform third parties about performance.

Unibail-Rodamco continuously improves its environmental reporting tools and processes in order to fine-tune the quality and accuracy of its consolidated data. This enables the Group to manage its data collection processes more efficiently, track and analyse performance at all levels (site, region, Group) on a regular basis, assess results against targets, and implement suitable corrective measures.

For three years, the Group has been developing a new reporting tool in order to gather and homogenise all tools, processes, and indicators for all regions at the Group level. This web platform has been selected and designed from one of the most renowned pieces of specialised software for CSR performance reporting available on the market. Since 2015, all sites have been reporting data using this unique tool within a workflow.

The tool is now an integral part of environmental performance management at sites owned and managed by the Group.

3.3.2.1. Description of Environmental Key Performance Indicators (KPIs) and adherence to external reporting frameworks

Environmental Key Performance Indicators (KPIs) covering climate change and resource use are tracked for the entire Group's managed assets. Definitions of each KPI are provided alongside the relevant data tables on the following pages.

Since 2012, the Group has included additional information and KPIs to ensure compliance with the new French regulation Grenelle II, Article 225, regarding mandatory and transparent communication by companies on social and environmental concerns (42 items). A specific content table "Article 225" is published on pages 161-164.

In 2013, Unibail-Rodamco embraced the CNCC's sector-specific guidelines for reporting under the terms of "Article 225" in the Shopping Centre industry. The guide has been designed under the supervision of the audit firm EY.

The 2016 Annual and Sustainable Development Report fully complies with EPRA Best Practices Recommendations (BPR) on Sustainability Reporting. For the fifth time in a row, Unibail-Rodamco received the EPRA Gold Award in 2016 for performing its 2015 reporting in accordance with the EPRA Sustainability BPR.

The Group, which integrated the new GRI Guidelines as early as 2013, continues in 2016 to report in line with GRI G4 with a core approach. EPRA and GRI content indexes are published on pages 147-160 of this report.

For effective management of the new “Better Places 2030” CSR strategy, the Group will define and adopt new KPIs in 2017. These indicators will be detailed in the 2017 Annual and Sustainable Development Report.

3.3.2.2. Reporting values

Data is reported using absolute values (energy and water consumptions, CO₂ emissions, tonnes of waste) or normalised values (to show efficiency and a comparative trend).

In addition to the standard intensity that gives the ratio between environmental information and the corresponding floor space (energy, CO₂ emissions, water/m²), Unibail-Rodamco promotes indicators that reflect the intensity of use relating to a building's specific activity.

For standard intensity indicators, denominators are related to surface (m²) and defined as:

- ◆ for Shopping Centres, areas of mall and common parts accessible to public (including the shopping centre management offices) and total GLA delivered with common utilities such as energy or water depending on the indicator;
- ◆ for Offices, total floor area.

For intensity of use indicators, denominators are adapted to each business unit:

- ◆ for Shopping Centres, the annual number of visitors which is monitored by a footfall counting system (*i.e.* energy, CO₂ emissions, water/visitor);
- ◆ for Offices, the number of occupants during the period calculated by multiplying the occupation rate (sum of occupied rented areas divided by the total number of areas for rent in the building) with the maximum capacity and number of working stations in the building (*i.e.* energy, CO₂ emissions, water/occupant);
- ◆ for Convention & Exhibition centres, the annual sum of m² occupied during Days when the venues are opened to the Public (*i.e.* energy, CO₂ emissions/m² DOP).

3.3.2.3. Reporting scope

Environmental indicators cover Shopping Centres, Offices, and Convention & Exhibition venues managed by Unibail-Rodamco in 2016 that represent 90% of the total gross market value of the 2016 consolidated portfolio. The Group reports on the environmental performance of assets that are under its operational management, where data on energy efficiency and resources use can be measured and verified. In 2016, Unibail-Rodamco reported energy and water data for 100% of its managed assets (all sectors combined), and waste data for 100% of managed Shopping Centres.

Environmental KPIs are reported using two scopes:

- ◆ “All assets”, used to report the value of an indicator for the year in question. This scope includes all assets that were managed by the Group for a whole year. Assets which enter the managed portfolio for a given year through acquisition, construction or the delivery of a management mandate are included in the scope the following year on a full-year basis, or in the current year if and only if all data for the whole rolling year is available;
- ◆ “Like-for-like”, used to show the change in an indicator over time at a constant portfolio scope (notably in terms of the monitored assets). This scope includes assets that were managed by Unibail-Rodamco over a whole two-year comparison period. To assess the positive impact of its management policy at the earliest opportunity, Unibail-Rodamco ensures that the like-for-like scope for year (Y+1) includes all sites acquired in year Y and/or managed as from year (Y), if and only if a complete set of data is available for the whole year (Y).

3.3.2.4. Changes in reporting scope

Changes in reporting scope may occur as a result of the start or end of a management mandate; acquisitions or disposals of assets; development of new assets or major renovations and extensions.

The following rules are applied to reflect these situations:

- ◆ for property management mandates ending and for disposals occurring during the rolling year (Y), all corresponding data for the rolling year (Y) are excluded;
- ◆ for property management mandates starting and for acquisitions occurring during the rolling year (Y), the asset is included in the “all assets” scope for year (Y) and “like-for-like” scope for year (Y+1) only if all corresponding data for the full rolling year (Y) is available;
- ◆ property developments in progress are not included in the “all assets” reporting scope until the building goes into operation and this will take effect from the next full rolling year; the asset will be included in the “like-for-like” scope as from the second full rolling year;
- ◆ refurbished assets during the rolling year remain in the reporting scope for the year (Y);
- ◆ assets whose common floor space is being extended by more than 20% during the rolling year (Y) remain in the “all assets” scope, and will be excluded from the “like-for-like” scope from the end of works (opening of extension) until the full rolling year (Y+2), following completion of the works. Where it is possible to exclude data related to the extension, the asset will remain in the “like-for-like” scope.

The assessment of the evolution of the portfolio's performance includes assets under refurbishment and extension works, both integral to the Group's activities. The extended asset is excluded only at the opening of the extension (works ended, new rents) and for one rolling year period in order to manage the change in scope reported.

In 2016, the changes in portfolio listed below impacted the reporting scope:

- ◆ since the 2015 reporting, Germany has become a region in its own right (it was previously integrated into the Central Europe region). However, the centres not owned but managed by the Group for a third party are not included in the reporting;
- ◆ the management mandates for three shopping centres in France (Usine Channel Outlet Store, Usine Roubaix, Usine Mode et Maison) have been outsourced since 2015. They are excluded from the reporting;
- ◆ 2016 asset disposals are fully excluded from the reporting scope: Tour So Ouest office, 2-8, rue Ancelle (Offices), except 70-80 Wilson and Nouvel Air (Offices);
- ◆ new openings in 2015 are integrated into the total reporting scope in 2016: Minto, Polygone Riviera, Tour Majunga, except Mall of Scandinavia;
- ◆ new openings in 2016 will be integrated into the total reporting scope in 2017 when their consumption will be available over 12 rolling months: So Ouest Plaza.

ASSETS INCLUDED IN 2016 REPORTING SCOPE FOR ENVIRONMENTAL KPIS

Region	Number of assets	Assets	Reporting areas for standard intensity indicators ⁽¹⁾	Denominators for intensity of use indicators ⁽³⁾
Austria	2	Donau Zentrum (including Dux), Shopping City Süd (including Mux)	310,589 m ²	35.1 million visits
Central Europe	6	Aupark, Centrum Cerný Most, Centrum Chodov, Galeria Mokotów, Arkadia, Wilenska,	377,594 m ²	83.3 million visits
France	19	Aéroville, Carré Sénart, Carrousel du Louvre, Cour Oxygène, Euralille, Gaité Montparnasse, La Part-Dieu, Le Forum des Halles, Les Quatre Temps, Lyon Confluence, Parly 2, Polygone Riviera*, Rennes Alma, Rosny 2, So Ouest, Toison d'Or, Ulis 2, Vélizy 2, Villeneuve 2	1,031,843 m ²	265.6 million visits
Germany	8	Höfe am Brühl, Pasing Arcaden, Ruhr Park Bochum, Gera Arcaden, Paunsdorfcenter, Gropius Passagen, Minto*, Palais Vest	569,878 m ²	79.9 million visits
The Netherlands	4	Leidsenhage, Citymall Almere, Stadshart Amstelveen, Stadshart Zoetermeer	99,960 m ²	35.7 million visits
Nordic	7	Arninge Centrum, Eurostop Arlandastad, Eurostop Örebro, Fisketorvet, Nacka Forum, Solna Centrum, Täby Centrum	431,631 m ²	43.3 million visits
Spain	12	Los Arcos, El Faro, Bahía Sur, Barnasud, Bonaire, Equinoccio, Garbera, Glòries, La Maquinista, Parquesur, Splau, Vallsur	370,987m ²	105.3 million visits
Offices	13	7 Adenauer, 70-80 Wilson, Capital 8, Espace 21 (Villages 3, 4, 5, 6, 7, Village commerce), Issy Guynemer, Majunga*, Tour Ariane, Sextant	294,313 m ²⁽²⁾	18,000 occupants
Convention & Exhibition	9	CNIT, Espace Champerret, Espace Grande Arche, Carrousel du Louvre, Palais des Congrès de Paris, Palais des Congrès d'Issy, Paris Nord-Villepinte, Paris Nord-Le Bourget, Porte de Versailles	627,000 m ²⁽²⁾	29.9 million m ² occupied per days opened to the public (m ² DOP)

* Added to the scope in 2016.

(1) See the definition of reporting area for Shopping Centres before in Reporting value – standard intensity indicators.

(2) Total spaces according to consolidation; see Portfolio pages 3-13.

(3) See the definition of denominators used for intensity of use calculation before in Reporting value – intensity of use indicators.

In Europe, some office buildings and hotels linked to a shopping centre are included in the reporting scope, reported under the shopping centre entity:

Region	Number of assets	Assets	Managed GLA
Austria	1	Shopping City Süd Office	8,938 m ²
Nordic	6	Arninge Office, Eurostop Arlandastad Office and hotel, Eurostop Örebro Offices and hotel, Nacka Forum Office, Solna Office and residentials, Täby Office	86,235 m ²
Denmark	1	Fisketorvet Office	857 m ²

3.3.2.5. Reporting system

Each region is responsible for collecting, checking and validating the data for its managed assets. At the corporate level, data is consolidated, analysed and reported:

- ◆ quarterly for the consumption of each energy source used, environmental certifications, occupation rate of Offices, and m² per days of opening of Convention & Exhibition venues to the public. Regular, detailed monitoring of these indicators ensures that performance issues are identified and corrected swiftly at asset level. Energy data is made available monthly as a minimum requirement and can be sometimes measured on a real-time basis. The quarterly frequency provides a regular assessment of the asset's performance in relation to the targets that have been set. It promotes the sharing of good practices between the various sites and enables corrective action plans to be implemented swiftly;
- ◆ annually for CO₂ emissions, water, waste, transport, Health & Safety, supplier assessments, purchase mapping, soil pollution and for supplementary data that is necessary for some calculations (e.g. conversion factors for CO₂ emissions; number of visits to Shopping Centres).

The Group's Annual and Sustainable Development Report discloses all KPIs together with their annual and cumulative changes by business segment (Shopping Centres, Office buildings and Convention & Exhibition venues), and by region.

Since 2015, Unibail-Rodamco's new reporting tool has been implemented and made available to end-users across the Group for the whole reporting scope. The tool has been totally integrated into the process on site and allows for efficient monitoring of environmental performance. In 2016, new contributors were trained.

The IT solution is composed of a predefined workflow including a mandatory validation step. It is a three-level process:

- ◆ the Contributor: the on-site Technical Managers fill in raw data related to their site into the online system; they manage the site's environmental action plan, they analyse and track their performance against their annual target;
- ◆ the Validator: the property managers, responsible at Regional level for several assets, validate the information sent by contributors and challenge their results;
- ◆ the Administrator: the Corporate Sustainability team at Group level consolidates the data previously validated and assesses the Group's performance against long-term objectives.

This IT solution homogenizes, automates and safeguards the reporting process and the indicator calculation for the Group's entire managed portfolio.

3.3.2.6. Reporting period

In order to integrate the Corporate Annual Report timeline, Unibail-Rodamco publishes environmental reporting KPIs consolidated over a 12-month rolling period (Q4 of previous year plus Q1, Q2 and Q3 of the reporting year) rather than over the financial year, as was the case prior to 2010.

The Group reports performance over the 2012-2020 period for the energy and carbon intensity indicators. Following the introduction of the new "Better Places 2030" CSR strategy in 2016, an adjustment of the indicators and reporting scopes will be carried out in 2017 in order to make the new CSR objectives consistent with the existing indicators.

3.3.2.7. Continuous improvement of definitions and data quality

Unibail-Rodamco continues to improve the quality and comparability of its environmental data, develop internal benchmarks, introduce sub-metering to collect information for data which is currently estimated, and fine-tune the accuracy of the data and scopes reported. As a consequence, adjustments may occur on data from the previous years whenever relevant.

Transparent presentation of KPI tables in the Financial Report

- ◆ In this report, indicators are identified at two levels: Material Performance Indicators (MPIs) and relevant Key Performance Indicators (KPIs). The MPIs have been selected on the basis of the Materiality survey conclusions (see page 69).
- ◆ For the main MPIs, the coverage is given in gross market value (GMV) of the Group's portfolio as being the division of values of reported assets by the Group's total gross market value.
- ◆ Following the resetting of the Group targets from the new 2012 baseline, the past evolution 2012/2006 is maintained for intensity MPI tables only for information. The Group measures its progress against 2012-2020 targets.
- ◆ According to EPRA's Best Practices Recommendations on Sustainability Reporting, Unibail-Rodamco provides the absolute values on the like-for-like scope for the MPIs.

Continuous updates in environmental reporting

- ◆ The Asset Booklets are the in-house reference documentation for each managed asset describing, among other things, technical characteristics and functioning, areas and scopes of collected data. In 2016, all 56 Assets Booklets of managed shopping centres were updated by the shopping centres' Technical Managers.

- ◆ On-site internal controls of environmental reporting are conducted every year. A sample of assets is audited each year by the Corporate Sustainability team to check the accuracy and compliance of their reporting with the Group's Reporting Guidelines. In 2016, Equinoccio and Stadshart Zoetermeer were audited internally.

Data quality improvement

Since 2015, the data quality has been reinforced by the implementation of the new environmental reporting tool. The tool architecture is set to identify precisely the building scope reported under the different business activities: Shopping Centres, Offices, Convention & Exhibition, various buildings such as Hotels, Housing... This last new category brings changes and more clarity in terms of the historical data that was not previously identified separately. A detailed review of the scope reported in the case of the German portfolio (which has recently been incorporated into the Group reporting process) was conducted. It resulted in historical adjustments of the energy consumption reported since 2013 in order to comply fully with the Group's Reporting Guidelines.

Since 2015, Unibail-Rodamco's environmental reporting tool has been used by technical managers to manage their site. To make the most of the tool's many features, two training sessions were held by the Sustainability corporate team.

In 2016, additional tool functions were introduced: a standard set of key indicators was created and made available to all the technical and safety directors to analyse their environmental performance in more detail and thereby make it easier to detect potential data-entry errors and significant disparities.

In 2017 a particular attention will be paid to standardise the CO₂ emissions factors related to energy usage across all regions, whether provided by suppliers or national data bases.

3.3.2.8. Third-party independent verification

Unibail-Rodamco has commissioned a third-party audit for its sustainability data since 2009. The Group has extended the scope of external verification through the years. Since 2012, in line with the Article 225 requirements (French Grenelle law), the EY audit firm has performed an in-depth review of the Group's disclosures in relation to Article 42 items and 38 key performance indicators (see reasonable assurance statement pages 165-167).

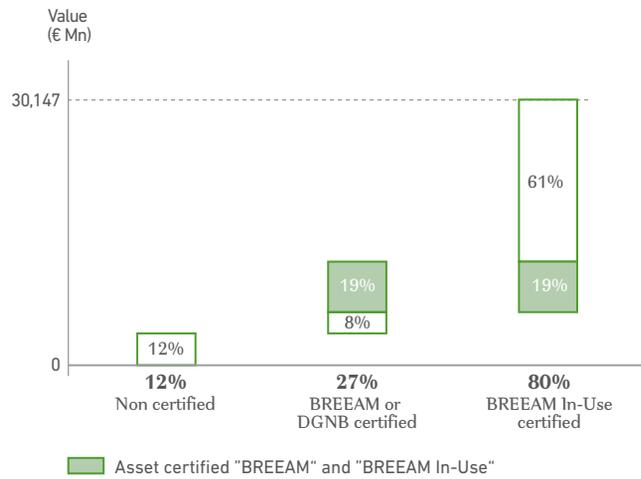
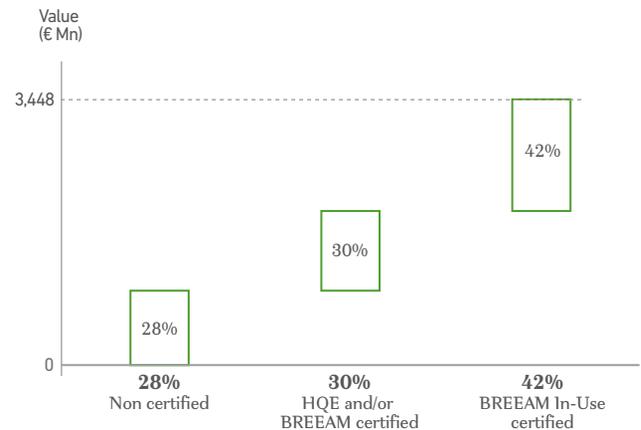
In 2016, this verification included a detailed on-site review of six of the Group's large assets: Carré Sénart, La Part Dieu, Polygone Riviera, Majunga, Fisketorvet, La Maquinista and Ruhr Park.

EY has also been commissioned to carry out the audit of the annual reporting for the "Green Bonds" issued in 2014 and 2015. This audit consists of checking compliance of funded assets with a set of eligibility criteria. It includes a yearly review of the documentary evidence in each domain and the criteria for each asset (for both construction and operation phases) as well as on-site audits of a sample of sites. In 2016, the audit covered: Aéroville, Lyon Confluence, So Ouest, Mall of Scandinavia, So Ouest Plaza, and the Carré Sénart extension and Majunga.

3.3.3. Product labelling: environmental certification

Unibail-Rodamco relies on external environmental and ISO certifications to validate the environmental performance of its assets. The Group deploys an active labelling policy for both new developments and standing assets thanks to its two in-house Environmental Management Systems. This serves as evidence to the Group's stakeholders that Unibail-Rodamco's assets and responsible management processes are already at the highest environmental standards available in the Real Estate sector.

ENVIRONMENTAL CERTIFICATION

Penetration rate (%) within the total standing Retail portfolio in value⁽¹⁾Penetration rate (%) within the total standing Office portfolio in value⁽¹⁾

3.3.3.1. New development projects

Unibail-Rodamco targets a "BREEAM" certification for all of its new developments and extensions of more than 10,000 m². "BREEAM" is the most widely used sustainable construction certification framework in Europe.

Unibail-Rodamco aims to achieve a rating of "Excellent" or better for projects delivered from 2016 onwards. The Docks 76 project was the first shopping centre in Europe to receive the "BREEAM" certification. Since, the Group has achieved a number of strong market benchmarks across Europe:

- ◆ Donau Zentrum, extension, Vienna, Austria: 1st shopping centre certified "Very Good" in Austria (May 2010);
- ◆ Lyon Confluence, Lyon, France: 1st shopping centre certified "Very Good" in France (October 2010);
- ◆ So Ouest, Levallois-Perret, France: 1st shopping centre certified "Excellent" and best score in Europe (November 2010);
- ◆ Tour Majunga, La Défense, France: 1st high-rise building certified "Excellent" (February 2011), Majunga received a 2011 BREEAM Award at Ecobuild (highest score for a building in Europe in 2011);
- ◆ Nouvel Air, Issy-les-Moulineaux, France: office building certified "Excellent" (April 2012);
- ◆ Aéroville, Tremblay, France: 2nd shopping centre certified "Excellent" in France (April 2013);
- ◆ Mall of Scandinavia (MoS), Stockholm, Sweden: 1st Nordic shopping centre certified "Excellent" (April 2014);
- ◆ So Ouest, Levallois-Perret, France: 1st shopping centre certified "Excellent" (final certificate), best score in Europe and BREEAM award 2014 at Ecobuild.

In 2016, the Group confirmed its leading position by obtaining two final "Excellent" certificates for both the So Ouest Plaza office (final certificate) and Carré Sénart extension shopping centre (interim certificate).

Local certification, such as HQE certification in France (High Environmental Quality, the French standard certification scheme for sustainable constructions), is obtained when relevant for the leasing or investment markets.

(1) In term of Gross Market Values as of December 31 2016, excluding values of shares in assets accounted for using the equity method.

MPI: ENVIRONMENTAL CERTIFICATION OF NEW DEVELOPMENTS

BREEAM – Retail

In 2016, 100% of the projects delivered or in a construction phase were in a “BREEAM” certification process.

Site name	City	Group's Region	Project type	Date		Performance rating		Total GLA according to 2016 consolidation	
				Certification	Opening	Level	Total score (out of 100%)		
Donau Zentrum	Vienna	Austria	Extension	2010	2010	Very Good	63.2%	123,900	
Confluence	Lyon	France	New development	2010	2012	Very Good	59.9%	53,500	
So Ouest	Levallois-Perret	France	New development	2010	2012	Excellent	73.1%	/	
El Faro	Badajoz	Spain	New development	2012	2012	Very Good	57.4%	43,100	
Centrum Cerny Most	Prague	Central Europe	Extension	2012	2013	Very Good	58.3%	106,700	
Taby Centrum	Stockholm	Nordic	Extension	2013	2013	Very Good	55.5%	81,400	
So Ouest ⁽¹⁾	Levallois-Perret	France	New development	2013	2012	Excellent	78.4%	54,300	
Aéroville	Tremblay	France	New development	2013	2013	Excellent	72.9%	/	
Toison d'Or	Dijon	France	Extension	2014	2013	Very Good	64.9%	46,100	
Rennes Alma	Rennes	France	Extension	2014	2013	Very Good	57.1%	32,100	
Mall of Scandinavia	Solna – Stockholm region	Nordic	New Development	2014	2015	Excellent	77.4%	103,200	
Aéroville ⁽¹⁾	Tremblay	France	New Development	2015	2013	Excellent	70.5%	83,300	
Polygone Riviera	Cagnes-sur-Mer – French Riviera	France	New Development	2015	2015	Very Good	57.1%	67,200	
GROUP'S AVERAGE SCORE								TOTAL M²	
Very Good								63.6%	794,800

(1) BREEAM final certificate.

BREEAM – Offices

In 2016, 100% of the projects delivered or in a construction phase were in a “BREEAM” and/or HQE certification process.

Site name	City	Group's Region	Project type	Date		Performance rating		Total floor space according to 2016 consolidation (m ²)	
				Certification	Delivery	Level	Total score (out of 100%)		
Majunga	La Défense-Paris region	France	New development	2011	2014	Excellent	77.4%	/	
So Ouest Plaza	Levallois-Perret	France	Refurbishment	2014	2015	Excellent	72.3%	/	
Majunga ⁽¹⁾	La Défense-Paris region	France	New development	2015	2014	Excellent	76.2%	65,600	
So Ouest Plaza ⁽¹⁾	Levallois-Perret	France	Refurbishment	2016	2015	Excellent	71.2%	36,600	
GROUP'S AVERAGE SCORE								TOTAL M²	
Excellent								73.7%	102,200

(1) BREEAM final certificate.

HQE – Offices

Site name	City	Group's Region	Project type	Date		Performance rating		Total floor space according to 2016 consolidation (m ²)
				Certification	Delivery	Level	Energy label	
Majunga	La Défense – Paris region	France	New development	2011	2014	Passport Excellent	BBC/HPE	65,600
So Ouest Plaza	Levallois	France	Refurbishment	2012	2015	Passport Outstanding	BBC	36,600
TOTAL M²								102,200

3.3.3.2. Standing assets

Unibail-Rodamco aims to obtain “BREEAM In-Use” certification for all its new assets owned and managed in Europe and “BREEAM-In-Use” certification for at least 80% of its shopping centres (number of assets managed) by 2020 with a minimum level of “Outstanding” for the “Building Management” component (part 2) of the scheme.

2016 was an especially active year in terms of “BREEAM In-Use”, with 12 shopping centres being certified:

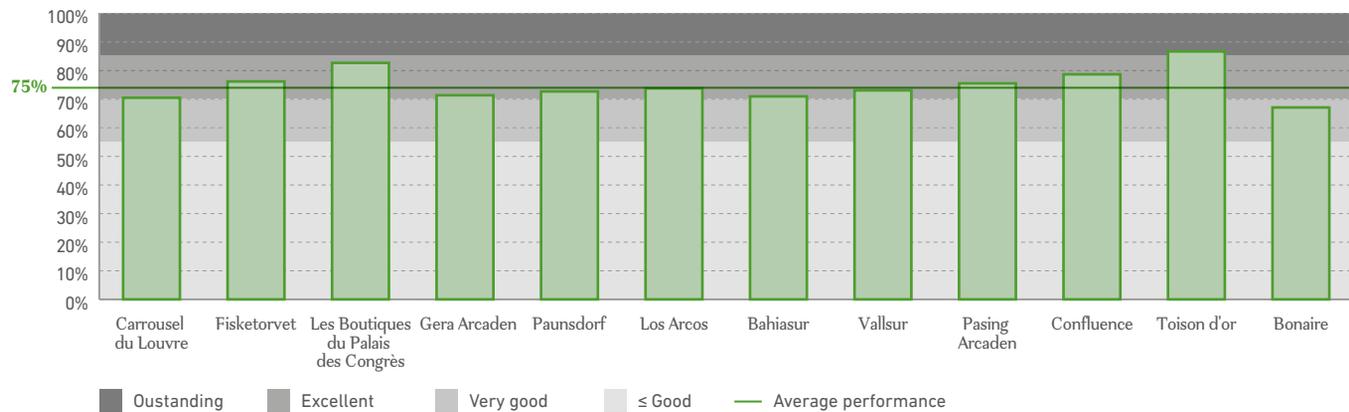
- ◆ two new certifications: Gera Arcaden and Paunsdorf, both certified “Excellent” for the “Asset” component (part 1) and “Outstanding” for the “Building Management” component (part 2);
- ◆ nine re-certifications (assets certified in 2013, whose certificates expired in 2016): the stores at the Palais des Congrès, the Carrousel du Louvre, Lyon Confluence and Toison d’Or, Los Arcos, Vallsur, Bonaire and Bahiasur and Fisketorvet; all these sites improved their certification performance compared to 2013;

- ◆ one re-certification (asset certified in 2015 and re-certified in 2016): Pasing Arcaden; this asset was promoted from “Excellent” to “Outstanding” for the “Building Management” component (part 2) when it was re-certified in 2016.

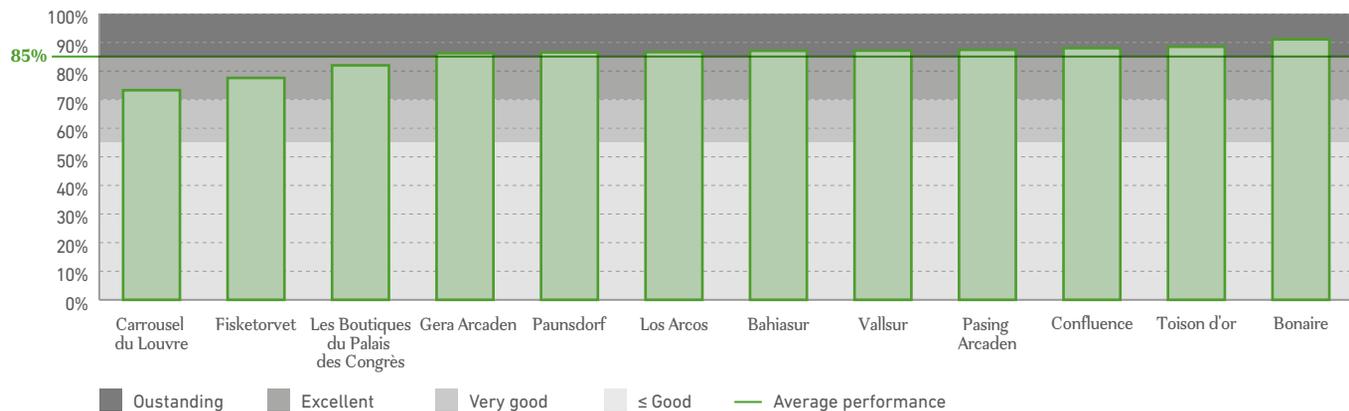
In 2016, the Group achieved strong performances establishing local market benchmarks in different countries (Germany, Spain and France). 9 out of the 12 shopping centres certified in 2016 were rated at “Outstanding” level for “Building Management” (part 2). With a double “Outstanding” rating for part 1 and part 2, Centrum Chodov, obtained the highest scores under the “BREEAM In-Use” International 2015” scheme across Europe for Unibail-Rodamco’s standing retail portfolio. In 2016, the Toison d’Or shopping centre obtained double “Outstanding” certification when it was re-certified under the “BREEAM In-Use International 2015” criteria, obtaining the best score for the “Asset” component (part 1) by a shopping centre in France.

“BREEAM IN-USE”: PERFORMANCE OF THE 12 CERTIFICATIONS OBTAINED IN 2016

Intrinsic Performance (Part 1)



Building Management (Part 2)



As at December 31, 2016, the Group had 48 managed shopping centres certified "BREEAM In-Use" in Europe, of which 71% were rated "Outstanding", accounting for 2.7 million m² consolidated GLA and to 80% of the managed Shopping Centres portfolio (up to €24 Bn in terms of gross market value).

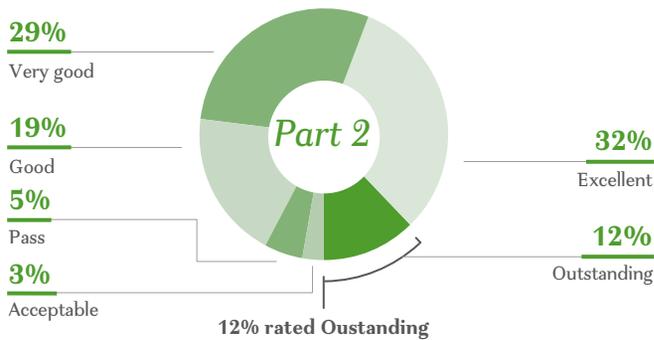
71% of the "BREEAM In-Use" certificates delivered to the Group's retail assets achieved the "Outstanding" level for the "Building

Management" (part 2) component, compared to 12% only for the European market's Real Estate⁽¹⁾, confirming the superior environmental performance of the Group's assets despite the diversity of the portfolio in terms of size, age and location.

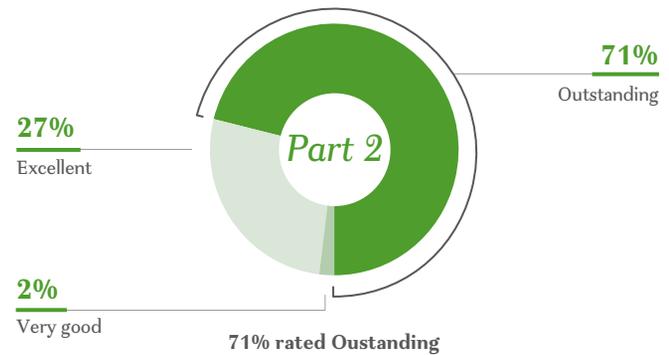
At the end of 2016, the Group had 53 assets under "BREEAM In-Use" certification (48 Shopping Centres and five Office buildings), accounting for 2.8 million m² GLA.

BREAKDOWN OF BREEAM IN-USE CERTIFICATIONS BY RATING⁽²⁾ (in number)

European Real Estate sector⁽¹⁾

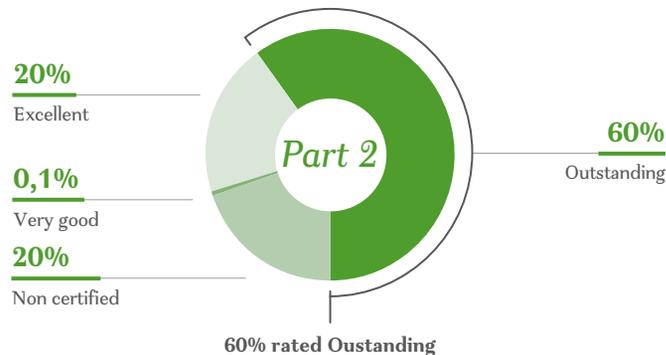


Unibail-Rodamco⁽³⁾



BREAKDOWN OF BREEAM IN-USE CERTIFICATIONS BY RATING⁽²⁾ (in value)

Unibail-Rodamco⁽³⁾: 80% certified in value (up to €24 Bn)⁽⁴⁾



(1) Source: BRE Global BREEAM In-Use Data, BREEAM ES and BREEAM NL data as at December 31, 2016 – 200 retail assets certified under BREEAM In-Use international 2015 (Part 2).
 (2) Retail Asset's score in Building Management (Part 2).
 (3) 48 standing shopping centres certified as at December 31, 2016.
 (4) In terms of Gross Market Values as at December 31, 2016, excluding values of shares in assets accounted for using the equity method.

MPI: ENVIRONMENTAL CERTIFICATION OF STANDING ASSETS

BREEAM In-Use – Retail per region

Region	Managed portfolio	Total 2016 consolidated m ² GLA ⁽¹⁾	Assets Certified ⁽²⁾	Certification coverage		Site name certified as at December 31, 2016
				(in number)	(in m ² GLA)	
Austria	2	261,100	2	100%	100%	Donau Zentrum ⁽³⁾ , Shopping City Sud ⁽³⁾
Central Europe	6	384,600	6	100%	100%	Arkadia ⁽³⁾ , Galeria Mokotov ⁽³⁾ , Chodov ⁽³⁾ , Wilenska ⁽³⁾ , Černý Most ⁽³⁾ , Aupark ⁽³⁾
France	20	1,090,300	17	85%	86%	Carré Sénart ⁽³⁾ , Part-Dieu ⁽³⁾ , 4 Temps ⁽³⁾ , Vélizy 2 ⁽³⁾ , CNIT ⁽³⁾ , Toison d'Or ⁽³⁾ , Confluence ⁽³⁾ , Carrousel ⁽³⁾ , Boutiques du Palais ⁽³⁾ , Rosny 2 ⁽³⁾ , Ulis 2 ⁽³⁾ , So Ouest ⁽³⁾ , Rennes Alma ⁽³⁾ , Villeneuve 2 ⁽³⁾ , Euralille ⁽³⁾ , Aéroville ⁽³⁾ , Parly 2 ⁽³⁾
Germany	9	338,100	5	56%	56%	Pasing Arcaden ⁽³⁾ , Höfe am Brühl ⁽³⁾ , Palais Vest ⁽³⁾ , Gera Arcaden, Paunsdorf
The Netherlands	4	264,600	3	75%	75%	Amstelveen ⁽³⁾ , Almere ⁽³⁾ , Zoetermeer ⁽³⁾
Nordic	8	419,300	5	63%	67%	Fisketorvet ⁽³⁾ , Solna ⁽³⁾ , Nacka Forum ⁽³⁾ , Täby ⁽³⁾ , Arlanda ⁽³⁾
Spain	12	542,000	10	83%	86%	Parquesur ⁽³⁾ , La Maquinista ⁽³⁾ , Splau ⁽³⁾ , Bonaire ⁽³⁾ , Bahia Sur ⁽³⁾ , Vallsur ⁽³⁾ , Los Arcos ⁽³⁾ , Garbera ⁽³⁾ , Barnasud ⁽³⁾ , Faro ⁽³⁾
TOTAL GROUP	61	3,300,000	48	79%	82.3%	

(1) Total GLA consolidated (managed assets).

(2) In number of managed assets.

(3) Assets certified in 2013, 2014 and 2015, for which renewed or new certificates were redelivered by BRE and National Scheme Operators (NSO's) in 2016.

BREEAM In-Use – Retail total Group

	2015	2016	Cumulated (as at December 31, 2016)
Number of managed assets certified	21	12	48
Surface certified (m ² GLA)	1,463,600	415,100	2,716,300
Average score "Asset"	73.8% – Excellent	74.9% – Excellent	73.5% – Excellent
Average score "Building Management"	84.0% – Excellent	85.1% – Outstanding	83.7% – Excellent

BREEAM In-Use – Offices

7 Adenauer, the Group's headquarters in Paris, was the first Office building within continental Europe to be rated "Excellent" for both the "Asset" (part 1) and "Building Management" (part 2) of the "BREEAM In-Use" International pilot scheme in 2012. In 2016, three office buildings were re-certified under the "BREEAM In-Use International" 2015 scheme, the Villages, Ariane tower and the Sextant reaching the "Excellent" level for the "Building Management" (part 2). The Majunga tower occupied by Axa IM and Deloitte will be certified in 2017.

The Group's aim is to obtain "BREEAM In-Use" certification for at least 90% of its portfolio (number of assets owned and managed) by 2020 with a minimum level of "Excellent" for the "Building Management" component (part 2) of the scheme. As at December 31, 2016, five assets were certified, representing 62% (in number, according to the consolidation scope) and 42% (over €1.4 Bn in gross market value) of the office portfolio.

BREEAM In-Use – Office total Group

	2015	2016	Cumulated (as at December 31, 2016)
Number of assets certified	1	3	5
Total floor area according to consolidation (m ²)	33,300	119,000	176,500
Average score "Asset"	71.6% – Excellent	61% – Excellent	66% – Very Good
Average score "Building Management"	76.5% – Excellent	74% – Excellent	78% – Excellent

ISO 20121 – Convention & Exhibition (Viparis Group)

Fully aware of its role in this sector, Viparis, which receives over 29.9 million visitors at its sites every year⁽¹⁾ has integrated sustainable development into its values and its strategy since its creation. Launched in 2013, Viparis' application for ISO 20121 certification reflected a pioneering and very active commitment to CSR.

In 2014, Viparis obtained the ISO 20121 certification and became the first global player in the events sector to obtain this demanding environmental certification for all its venues and business activities. This significant achievement constituted a distinctive competitive advantage, which has further improved its profile and its business practices.

In 2016, the ISO 20121 certification was confirmed by Bureau Veritas following an intensive audit process conducted in June 2016 of ten venues managed by the Group.

Viparis has a common, structured management system which is consistent with key international principles: due diligence, diversity and inclusion, integrity and transparency. Viparis has implemented a CSR policy revolving around three key challenges in its main business areas:

- ◆ property management: improving the energy efficiency of their buildings;
- ◆ space rental and operational event management: developing a responsible purchasing policy;
- ◆ visitor management: promoting responsible behaviour by all visitors.

3.3.4. Climate change

Low-carbon commitments

Unibail-Rodamco considers climate change to be one of the greatest global challenges nations will face in the coming decades. Thus, the Group fully supports the major and unprecedented agreement by all stakeholders to combat climate change – an agreement signed in Paris at the end of 2015 by 195 countries as part of COP 21. The commitments made to reduce greenhouse gas emissions represent a huge challenge that needs to be met collectively, since it will require significant changes in energy consumption and consumer behaviour. These low-carbon ambitions will prompt major transformations in numerous industries in the coming decades.

Unibail-Rodamco has decided to engage and take full responsibility by truly committing to a low-carbon program compatible with the objective of limiting global warming to +2°C between now and 2100. Through pillars 1 and 2 of its "Better Places 2030" program, the Group is the first real estate company to set out such ambitious commitments to reducing its carbon emissions across all activities and for all assets. Unibail-Rodamco has committed cutting its carbon emissions by half (-50%) by 2030 (2015 baseline) across a comprehensive range of activities, encompassing not only Scopes 1 and 2 but, also, Scope 3, which accounts for the majority part of carbon emissions. The Group's objective thus covers not only emissions related to the common energy it purchases in operating its assets (Scopes 1 and 2), but also, the carbon emissions of its stakeholders, when it believes it can influence, particularly in the following respects:

- ◆ carbon emissions generated in the construction of its development projects, which means emissions due to the energy required for the extraction, manufacturing, transport and use of construction materials;
- ◆ carbon emissions from the private energy consumption of its tenants;
- ◆ and finally, emissions due to travel by building occupants and, especially, visitors to shopping centres, regardless of the modes of transport used.

Achieving these low-carbon objectives will involve the active participation of all the Group's employees within their own scope of responsibility and the contribution of the Group's stakeholders, mainly the tenants and the suppliers. It will also rely on strong partnerships with manufacturers and start-ups in order to accelerate the pace of transformation, particularly as to low-carbon construction and new sustainable mobility solutions.

The first actions and initiatives taken under the "Better Places 2030" program have been included in the various parts of this CSR report (energy, transport, materials, etc.). The annual report will give an account of the achievements completed under this new program and the results as shown by new indicators. All CSR information published will be audited every year by an independent third party.

Risks associated with climate change

The effects of climate change on Unibail-Rodamco's portfolio will vary by region and by asset. The scale and severity of changes will determine the extent of the impact, as will factors such as age, location, construction methods, asset operational efficiency, local infrastructure quality and capacity.

(1) On a declaratory basis from companies that organised the events.

Risks to the Group's activities are likely to include: higher insurance premiums; higher operating costs for energy, water and maintenance; higher risk of flooding; and higher risk of disruption to commercial activity from extreme weather events, including problems affecting local infrastructure that are outside the Group's control. However, thanks to Unibail-Rodamco's strategic focus on major cities in continental Europe, there is a low likelihood of significant changes to the Group's activities due to tidal flooding, extreme temperature variations, aridity, population displacement, etc. considering the low exposure of these locations to those risks.

Unibail-Rodamco's due diligence process for acquisitions and new development projects covers the analysis of risks and opportunities related to financial and operational issues. For example, the process includes a complete audit of technical, regulatory, environmental, and health and safety performance. The potential financial impact of identified risks is taken into account during the due diligence phase. Issues covered include among these, asbestos, legionella, electromagnetic radiation and soil pollution.

As well as preparing its assets to face the potential effects of climate change, Unibail-Rodamco is working to limit the impact of its activities on the climate. The Group's CO₂ emissions reduction strategy is based on energy-efficient behaviour, lower energy consumption equipments and, when possible, the use of low-carbon and renewable energies.

The Group complies with regulatory requirements in each region with regard to flooding risks, water management, and drainage systems for exceptionally heavy rainfall.

3.3.4.1. Carbon footprint

Carbon footprint allows to better measure the entire scope of emissions and identify the roles of the different players to enhance the Group's carbon strategy. Under the new "Better Places 2030" strategic CSR program, Unibail-Rodamco has committed to reducing by 2030 its total carbon footprint by 50%, in particular by focusing also on the largest sources of Scope 3 emissions. This is why the Group will update its carbon assessment in 2017. Following the first two carbon assessments carried out by the consulting firm Carbone 4 in 2009 and 2012, the methodology below will be updated by the same firm in 2007 to reflect the new KPIs under the new CSR program.

Methodology

In order to define the calculation methodology of its total carbon footprint Unibail-Rodamco has chosen so far the so called "operational control" approach. This approach defines the scope of emissions taken into account in the calculation as the total emissions of facilities owned and managed by the Group. Considering energy for example, emissions related to energy consumption of technical equipment owned and managed by the Group are part of Scope 1 (under direct responsibility of Unibail-Rodamco), while tenants' private electricity consumption does not come within Unibail-Rodamco's management scope and is consequently located within Scope 3. The breakdown of carbon emissions relating to energy is as follows:

- ◆ Scope 1: direct emissions from energy consumed on site in the common areas of Shopping Centres and Offices (gas and fuel combustion);
- ◆ Scope 2: indirect emissions from imported energy consumed (electricity consumption in common areas, common heating and cooling purchases through district networks);
- ◆ Scope 3: all other direct and indirect emissions, including electricity consumed in private areas (tenants).

The total consolidated scope for carbon emissions has been defined in relation to three separate entities:

- ◆ corporate support functions and employees (100% of head-quarter activities);
- ◆ asset portfolio (100% of managed Shopping Centres and Offices⁽¹⁾);
- ◆ the expenses (Opex/Capex).

The sources of emissions included in the Group's total carbon footprint are broken down per scope and entity. Please see below.

To reflect the Group's business activities in the most accurate manner, including the interactions between the Company and its stakeholders, Scope 3 has been further broken down into two categories:

- ◆ Scope 3 managed, under Unibail-Rodamco's operational control;
- ◆ Scope 3 related, stakeholders' responsibility; where Unibail-Rodamco can have an influence.

To comply with the Decree of August 19, 2016 (2016-1138 amending Article L. 225-102-1 of the French Commercial Code) concerning application of the law on energy transition for green growth (Article 173, Law 2015-992 of August 17, 2015), Unibail-Rodamco calculates its carbon footprint on an expanded interpretation of Scope 3, which is defined in the table below and includes measures of significant indirect emissions along the entire value chain.

(1) Except So Ouest Plaza (offices, France) and Centro (shopping centre, Germany).

SCOPE 1 & 2 (SHOPPING CENTRES, OFFICES, HEADQUARTERS)

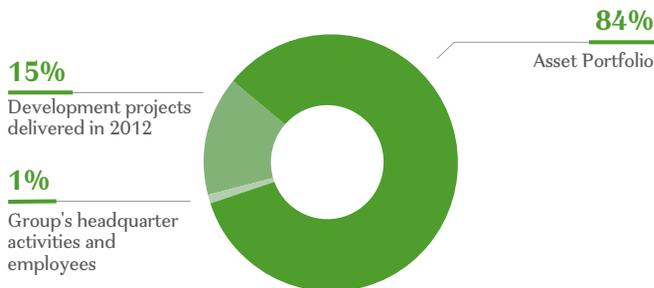
Scope 1	Direct emissions from stationary combustion: gas and fuel consumption in common areas
	Direct emissions from mobile combustion: fuel used for company cars
	Direct fugitive emissions: leaks of refrigerant gas
Scope 2	Indirect emissions linked to electricity consumption in common areas (transportation and production excluded)
	Indirect emissions from cold or hot steam consumption (centralised cooling and heating provided by urban heating and cooling networks)

SCOPE 3

Scope 3 managed Unibail-Rodamco's operational control	Energy-related activities not included in Scope 1&2 emissions (extraction, production and transport of fuels, electricity, steam, heating and cooling): Upstream transportation and distribution of energy consumed by common parts
	Purchased products and services: services expenses for daily exploitation on site such as cleaning, maintenance, security, waste management, energies and fluid provision, marketing expenses (OPEX), Office supplies (headquarter)
	Capital equipment: IT equipment on site, company cars
	Waste: on-site waste management
	Employees commuting: Unibail-Rodamco employees' transportation from home to work
	Business travel: Unibail-Rodamco employees' business travel by plane, train and taxi
	New development projects/cost incurred during the current year: Brownfield/greenfield extension/refurbishment: emissions based on cost of works
Scope 3 related Stakeholders' responsibilities	Upstream commuting of visitors, customers and/or occupants to the Group's Shopping Centres and Office buildings (customer and visitor transportation)
	Downstream leased assets: electricity consumption of private areas (production, transportation and distribution)

GROUP CONSOLIDATED RESULTS, 2012

Split of the Group's carbon footprint per activity



Split of the Group's carbon footprint per Scope



The results of Unibail-Rodamco's carbon footprint have confirmed the relevance of the Group's strategy since 2007:

- ◆ location in major cities with high connectivity;
- ◆ continuous optimisation of energy consumption;
- ◆ enhancement of footfall and occupancy rate (intensity of use);
- ◆ shift to low carbon energies;
- ◆ roll-out of "green leases".

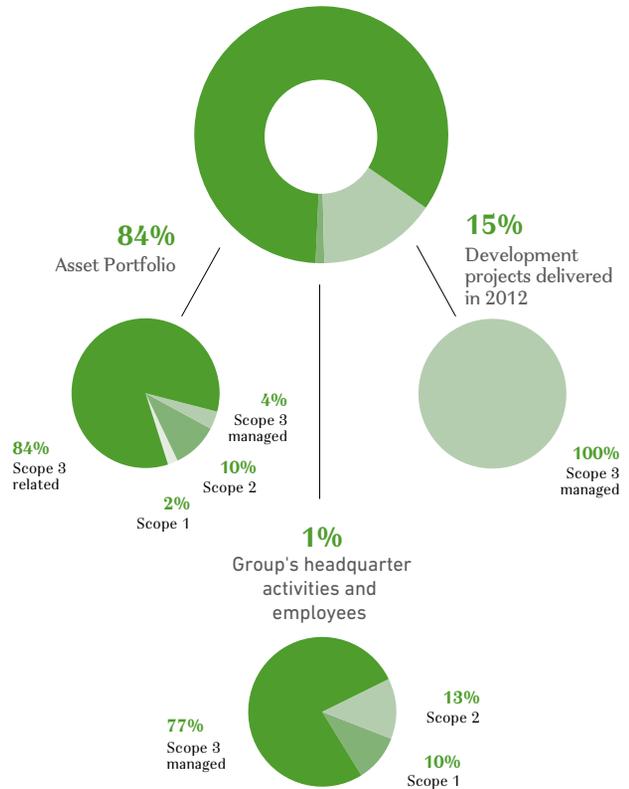
In addition, these results confirm the need to consider an expanded scope of emissions and to take action on the top priority carbon challenges (Scope 3) for the Group:

- ◆ visitors and on-site staff transportation;
- ◆ electricity consumptions of Shopping Centre tenants;
- ◆ construction activity.

This is why Unibail-Rodamco has decided to set very ambitious objectives in terms of reducing emissions under its new CSR strategy. As a major commercial real estate company, the Group has made commitments in relation to sources of high emissions under Scope 3, its aim being to involve all its stakeholders in the process of change management.

Under the "Better Places 2030" CSR policy, new carbon KPIs will be introduced in 2017.

Unibail-Rodamco's carbon footprint

3.3.4.2. CO₂ emissions

The Group's reporting covers greenhouse gas emissions (GHG) related to the energy consumption of buildings managed by the Group (*i.e.* operating as a property manager) converted into a CO₂ equivalent unit (CO₂e).

Because monitoring climate change is not just about reducing energy consumption and CO₂ emissions, Unibail-Rodamco developed the carbon intensity indicator CO₂/visit. It leverages the business activity, providing a clear picture of a building's overall carbon impact and efficiency. This material indicator (MPI) traces the combined performance of the following main components:

- ◆ energy efficiency of the building (*i.e.* less consumption) (kWh/m²);
- ◆ carbon dependency of the primary energy mix (changes in carbon conversion rates or for low carbon energies) (CO₂/kWh);
- ◆ intensity of usage of a building (visit/m²).

Between 2006 and 2012, the Group already achieved a cumulative reduction of -58% for the carbon intensity indicator in a like-for-like scope. This performance was driven by:

- ◆ an ambitious energy-saving program that operates across all of the Group's assets;
- ◆ the low-carbon energy procurement policy and general procurement policy;
- ◆ the capacity of the Group to drive its business successfully (continuous increase of footfall).

However, this reduction in carbon intensity has also benefitted from cyclical factors, such as favourable climate conditions and the continuation of green electricity purchase.

More than carbon savings, the primary purpose of signing certified "green" electricity contracts for the Group is to encourage producers to invest in low-carbon and renewable energy technologies by increasing market demand for these clean energies.

In 2012, Unibail-Rodamco set long-term objectives out to 2020. Between 2012 and 2015, the Group achieved a further reduction of 17% in its carbon intensity and of 13% in its energy consumption.

In 2016, the Group's carbon intensity of its Shopping Centres portfolio (CO₂/visit) saw a significant additional reduction of 28% from 2015 on a like-for-like basis. This strong performance was due to:

- ◆ an accelerated transition to using electricity from renewable sources under the "Better Places 2030" program, which accounted for half the decline; in Spain, all the managed shopping centres are now running entirely on green electricity since 2016;
- ◆ continued improvement in the energy efficiency of the managed assets: 4% less energy consumptions on a like-for-like basis from 2015 to 2016;

- ◆ improvement in the CO₂ emissions factors of various electricity providers from 2015 to 2016, reflecting the ongoing effort agreed to by energy producer companies to improve their energy mix; this accounted for 20% of the decline.

Visitors' footfall in the Shopping Centres stayed stable from 2015 to 2016 on a like-for-like basis, so visits did not have an impact on the carbon intensity indicator this year.

REDUCING CO₂ EMISSIONS AT MANAGED SHOPPING CENTRES (LIKE-FOR-LIKE)



The 2016 performance thus led to a cumulative decline in carbon intensity of 41% from 2012 to 2016 (in CO₂ per visit throughout the Shopping Centres portfolio on a like-for-like basis), which already exceeds the 30% reduction targeted by the Group from 2012 to 2020. Accordingly, in 2017 the Group will set a new objective for the reduction of its carbon intensity by 2020, in line with the new "Better Places 2030" commitments.

MPI: CO₂ EMISSIONS (kgCO₂e) [G4-EN15, EN16, EN19]

CO₂ emissions related to energy consumption are calculated from the absolute Energy Consumption KPI. The CO₂ figures are calculated with emission factors for each source of energy consumption. These factors depend on the source of energy (electricity, gas, etc.), the country and the energy supplier. The KPI highlights the split between direct CO₂ emissions (Scope 1: gas and fuel oil) and indirect CO₂ emissions (Scope 2: electricity, district heating network and district cooling network).

Portfolio coverage in gross market value: 89%.

	Shopping Centres										Offices		Convention & Exhibition	
	Scope	Total Retail	Austria	Central Europe	France	Germany	The Netherlands	Nordics	Spain	Scope	France	Scope	France	
2014 Total	59/59	64,506,864	2,305,134	34,201,288	5,718,925	6,705,969	1,124,459	947,104	13,503,985	13/14	2,756,334	9/9	14,834,458	
2015 Total	56/56	65,671,089	3,136,232	32,820,353	5,902,818	7,002,730	749,913	1,246,826	14,812,217	14/14	2,406,507	9/9	9,273,320	
2016 Total	58/58	50,731,487	3,755,972	27,283,606	5,108,987	5,791,469	625,347	1,990,163	6,175,943	13/13	2,366,972	9/9	7,552,200	
of which direct emissions – Scope 1	58/58	10,289,421	3,612,046	1,516,306	1,909,442	2,302,473	550,443	0	398,711	13/13	190,209	9/9	2,926,221	
of which indirect emissions – Scope 2	58/58	40,442,067	143,926	25,767,301	3,199,545	3,488,996	74,904	1,990,163	5,777,233	13/13	2,176,763	9/9	4,625,979	
2015 Like-for-like	51/58	58,793,735	3,136,232	27,994,820	5,532,968	5,531,553	539,119	1,246,826	14,812,217	10/13	2,206,065	9/9	10,204,106	
2016 Like-for-like	51/58	42,596,909	3,755,972	22,046,957	4,629,774	3,488,996	509,103	1,990,163	6,175,943	10/13	1,850,702	9/9	7,552,200	
Evolution 2016/2015 (%)	51/58	-28%	20%	-21%	-16%	-37%	-6%	60%	-58%	10/13	-16%		-26%	
CUMULATIVE EVOLUTION 2016/2012 (%)		-41%	-94%	-36%	-30%	-60%	-20%	34%	-53%		-39%		-42%	

Depending on the availability and reliability, emissions factors are collected from the following sources, assessed in order of reliability: (i) final energy supplier; (ii) National decree applicable at consolidation date; (iii) International Energy Agency. In the same country, every asset uses the same source of CO₂ emission factors (supplier, national decree, or IEA) in order to avoid double counting of national renewable energy production. In the case of green electricity purchase, the supplier's emission factor is systematically preferred. When the supplier is unable to deliver a

factor for green electricity provided under a certificate of origin, the zero value is used as the emission factor for this green electricity purchased. In 2016, assets based in Austria, Germany, the Netherlands, and the Czech Republic applied a zero emission factor to the share of green electricity purchased.

In 2017, a particular attention will be paid to ensure the reliability of supporting forms related to renewable sources, provided by the various renewable electricity suppliers.

KPI: REFRIGERANT LEAKS AND WASTE DISPOSAL CO₂ EMISSIONS (kgCO₂e) [G4-EN20]

2016	Shopping Centres								
	Total Retail	Austria	Central Europe	France	Germany	The Netherlands	Nordics	Spain	
Refrigerants' emissions	5,522,003	510,690	302,780	138,331	628,560	183,608	2,769,300	988,734	
Waste disposal emissions	15,346,040	1,360,404	1,849,345	6,404,389	632,590	96,343	1,548,143	3,454,826	

Focus on green electricity supply

KWH OF "GREEN" ELECTRICITY 2016

	Shopping Centres									Offices		Convention & Exhibition	
	Scope	Total Retail	Austria	Central Europe	France	Germany	The Netherlands	Nordics	Spain	Scope	France	Scope	France
Total Electricity consumption 2014 (kWh)	59/59	273,898,460	28,253,895	67,766,980	81,729,587	23,256,316	4,536,129	32,704,594	35,650,960	13/14	20,831,742	9/9	89,342,747
of which green electricity purchase 2014 (%)	23/59	42%	100%	54%	0%		100%	100%	0%	0/14	0%	0/9	0%
Total Electricity consumption 2015 (kWh)	56/56	266,272,604	29,256,612	64,478,388	80,639,162	24,559,896	3,571,071	30,246,216	33,521,259	14/14	23,271,364	9/9	95,708,224
of which green electricity purchase 2015 (kWh)	24/56	123,736,835	29,256,612	38,264,575	0	22,398,361	3,571,071	30,246,216	0	0/14	0	0/9	0
of which green electricity purchase 2015 (%)	24/56	46%	100%	59%	0%	91%	100%	100%	0%	0/14	0%	0/9	0%
Total Electricity consumption 2016 (kWh)	58/58	269,330,966	28,109,422	64,451,305	78,458,932	30,968,619	3,573,269	33,506,032	30,263,387	13/13	21,778,113	9/9	85,434,924
of which green electricity purchase 2016 (kWh)	37/58	150,966,661	28,109,422	33,388,084	0	29,560,452	3,573,269	33,506,031	22,829,404	0/13	0	0/9	0
of which green electricity purchase 2016 (%)	37/58	56%	100%	52%	0%	95%	100%	100%	75%	0/13	0%	0/9	0%

MPI: Carbon intensity of use (gCO₂e/visit/year for Shopping Centres, gCO₂e/occupant/year for Offices, gCO₂e/m² DOP/year for Convention & Exhibition centres) [G4-EN18]

Numerator: CO₂ Emissions MPI related to energy consumption in absolute Energy Consumption MPI.

Denominator: usage indicator per business activity (see Reporting Methodology, Reporting values page 77).

Portfolio coverage in gross market value: 89%.

	Shopping Centres (gCO ₂ e/visit)									Offices (gCO ₂ e/occupant)		Convention & Exhibition (gCO ₂ e/m ² DOP)	
	Scope	Total Retail	Austria	Central Europe	France	Germany	The Netherlands	Nordics	Spain	Scope	France	Scope	France
2014 Total	57/59	102	65	423	20	116	30	21	126	12/14	160,206	9/9	307
2015 Total	55/56	103	77	399	22	100	21	29	140	14/14	127,134	9/9	357
2016 Total	58/58	77	93	327	19	72	18	46	59	13/13	127,982	8/9	206
2015 Like-for-like	51/58	100	77	405	23	91	19	29	140	10/13	138,758	8/9	288
2016 Like-for-like	51/58	72	93	313	19	57	18	46	59	10/13	133,995	8/9	206
Evolution 2016/2015 (%)	51/58	-28%	21%	-23%	-17%	-37%	-5%	58%	-58%	10/13	-3%	8/9	-28%
CUMULATIVE EVOLUTION 2016/2012 (%)		-40%	-95%	-33%	-30%	-64%	-22%	20%	-54%		-41%		-39%
Past cumulated Evolution 2012/2006 (%)		-58%	-27%	-58%	-43%	/	-84%	-80%	-53%		-34%		/

CNIT, Shopping Parc Carré Sénart, DUX and MUX are excluded.

MPI: Carbon intensity per m² (kgCO₂e/m²/year) [G4-EN18]

Numerator: CO₂ emissions MPI related to energy consumption considered in absolute Energy Consumption MPI.

Denominator: m² (see Reporting Methodology part Reporting values page 77).

Portfolio coverage in gross market value: 89%.

	Shopping Centres (gCO ₂ e/visit)										Offices (gCO ₂ e/occupant)	
	Scope	Total Retail	Austria	Central Europe	France	Germany	The Netherlands	Nordics	Spain	Scope	France	
2014 Total	59/59	20	7	76	6	13	8	2	36	13/14	10	
2015 Total	56/56	21	10	87	6	13	8	3	44	14/14	8	
2016 Total	58/58	16	12	72	5	10	6	5	17	13/13	8	
2015 Like-for-like	51/58	20	10	93	6	12	7	3	45	10/13	10	
2016 Like-for-like	51/58	14	12	72	5	7	6	5	17	10/13	9	
Evolution 2016/2015 (%)	51/58	-29%	18%	-22%	-18%	-36%	-17%	61%	-63%	10/13	-10%	
CUMULATIVE EVOLUTION 2016/2012 (%)		-41%	-94%	-22%	-36%	-54%	-24%	13%	-53%		-34%	

3.3.4.3. Energy consumption

Unibail-Rodamco had already reached a cumulative 23% decrease in energy efficiency (kWh/visit) between 2006 and 2012. The Group is now measuring its performance in energy efficiency against a long-term target and aiming to reduce kWh/visit by 25% by 2020, relative to the 2012 baseline for managed Shopping Centres. Dedicated long-term targets were set for Offices and Convention & Exhibition business units (see pages 145-146).

In 2016, the Group Shopping Centres achieved a -4% reduction of energy consumption in kWh on a like-for-like basis. This reduction has led to a cumulative reduction of -17% in kWh/visit since 2012.

One quarter of the Group's managed Shopping Centres have reduced their energy consumption by -20% or more since 2012, at no inconvenience to visitors.

In order to get the best ROI on energy efficiency solutions, the Group sets daily energy optimisation as its priority (see graph on page 95).

Energy efficiency actions are being undertaken in all the assets managed by the Group thanks to the strong commitment of the Group's on-site teams and maintenance suppliers. Standard practices include: identification of factors that affect energy consumption; systematic optimisation of the running hours for each piece of equipment; seasonal action plans to adjust temperatures in line with weather conditions; daily monitoring of each asset's energy consumption; strong focus on behavioural changes (turning out lights, using "free cooling" and natural ventilation when relevant); and regular checks to ensure that technical equipment is working properly.

The Group installs systematically Building Management Systems (BMS) in its assets, so on-site teams can easily monitor and manage performance through a single interface. Energy efficiency

is also a crucial factor when it comes to choosing low consumption technical equipment, especially regular maintenance works related to lighting, heating, cooling and ventilation. The main improvements in the core building efficiency are synchronised with major developments and extension/renovation projects when the Group targets an environmental certification of the highest level.

An energy efficiency attitude is well embedded in all existing processes relating to the technical management of each asset by gradually ensuring (see graphic below):

- ◆ daily optimisation of technical equipment;
- ◆ technical improvements through non-recurring annual maintenance works;
- ◆ intrinsic building works synchronised with the Group's value creation (5-year business plan).

As at December 31, 2016, four assets owned and managed by the Group (Shopping Centres and Offices) were using Energy Performance Contracts. These contracts are signed with each site's maintenance company to encourage to commit to reducing energy consumption on site, promote its energy efficiency and manage the associated costs (Opex).

In line with the objectives of the new "Better Places 2030" CSR program, the Group will accelerate the implementation of LED lighting technology across its existing portfolio (common and private areas). Two actions have already been taken in 2016:

- ◆ budgets were increased in the Group assets' 2017 action plans to replace existing light sources with LEDs (common areas, including car parks);
- ◆ retailers were made aware of the LED installation program in Shopping Centres owned and managed by the Group when they refurbish a store or sign new leases.

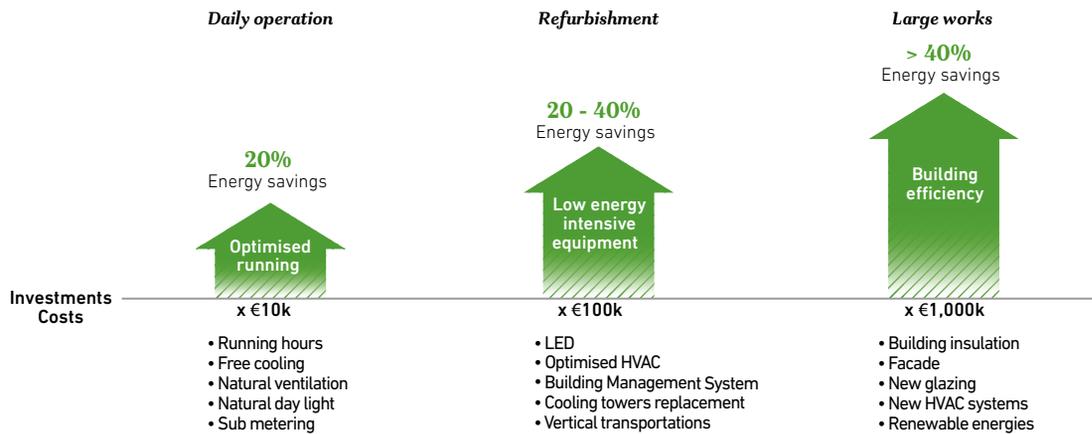
The Group estimates that at year-end 2016 LEDs have been installed in the common areas of approximately 20% of its assets on the basis of an initial survey of almost all the shopping centres it owns and manages. This indicator will be consolidated more precisely in 2017 in order to monitor and manage the Group's commitment in this regard.

In September 2016, when the "Better Places 2030" program was announced, Sephora and Unibail-Rodamco signed a partnership: every new Sephora store opened from 2017 onwards in the shopping centres owned and managed by Unibail-Rodamco

in Europe will be fully LED equipped. Other partnerships with international retailers will be signed in 2017 to accelerate the implementation of LED technology throughout in all the stores before the contractual requirement is enforced by the Group in 2020.

Through increased energy efficiency together with awareness of retailers, Unibail-Rodamco limits its exposure to rising, increasingly volatile energy prices and it builds protection against possible supply shocks in the future.

A GRADUAL AND PRAGMATIC APPROACH TO ENERGY SAVINGS



MPI: Energy consumption (kWh) [G4-EN3, EN4, EN6, EN7]

Energy consumption includes both direct and indirect energy. Direct energy refers to primary source energy which is purchased and consumed on site (e.g. gas and fuel oil). Indirect energy refers to energy produced by and purchased from a third party in the converted form of electricity or fluid (e.g. electricity, heating/cooling network or steam). For Shopping Centres, Offices and Convention & Exhibition venues, final energy purchased to be used in common areas includes car parks and common equipment (heating & cooling, distribution power, ventilation, vertical transportation and lighting) and energy provided to tenants for heating and/or cooling. Electricity purchased by tenants is not included.

Portfolio coverage in gross market value: 89%.

	Shopping Centres										Offices		Convention & Exhibition	
	Scope	Total Retail	Austria	Central Europe	France	Germany	The Netherlands	Nordics	Spain	Scope	France	Scope	France	
2014 Total	59/59	449,762,431	48,683,624	101,574,811	124,552,526	46,738,278	11,080,614	63,839,237	53,293,342	13/14	38,445,872	9/9	145,115,822	
2015 Total	56/56	449,641,931	51,477,626	94,261,768	132,677,954	52,669,883	7,774,299	57,140,050	53,640,351	14/14	39,317,608	9/9	153,622,896	
2016 Total	58/58	447,146,026	50,628,978	94,413,112	122,699,695	63,240,278	7,072,551	60,582,710	48,508,702	13/13	37,309,121	9/9	129,218,554	
of which direct emissions – Scope 1	58/58	49,564,902	15,317,513	8,202,796	10,329,559	10,839,164	2,757,648	0	2,118,222	13/13	1,028,977	9/9	15,830,052	
of which indirect emissions – Scope 2	58/58	397,581,123	35,311,465	86,210,315	112,370,136	52,401,114	4,314,903	60,582,710	46,390,480	13/13	36,280,144	9/9	113,388,501	
2015 Like-for-like	51/58	414,335,470	51,477,626	81,421,081	120,950,110	43,373,196	6,333,056	57,140,050	53,640,351	10/13	32,662,888	9/9	153,622,896	
2016 Like-for-like	51/58	397,386,869	50,628,978	80,570,537	106,360,318	44,445,336	6,290,288	60,582,710	48,508,702	10/13	28,698,535	9/9	129,218,554	
Evolution 2016/2015 (%)	51/58	-4%	-2%	-1%	-12%	2%	-1%	6%	-10%	10/13	-12%	9/9	-16%	
CUMULATIVE EVOLUTION 2016/2012 (%)		-17%	-12%	-17%	-15%	-29%	-24%	-9%	-15%		-17%		-20%	

TENANTS' COLLECTED ELECTRICITY CONSUMPTION (kWh)

2016	5 Shopping centres			
	Shopping centres: common electricity managed	Tenants: private electricity consumptions (kWh)	Number of tenants	Total GLA
Split of electricity consumptions	58,195,701	77,036,809	1,632	460,200

KPI: Financial impact resulting from variations in energy consumption (€) [G4-EN6]

Total cost saved due to the reduction of energy consumption as measured by the Energy Consumption Indicator, estimated with an average energy cost per supplier.

Definition:

- ◆ Difference in energy consumption year-on-year, "like-for-like scope".
- ◆ Energy consumption difference multiplied by energy cost, per supplier, per asset and consolidated per region.

	Shopping Centres									
	Scope	Total Retail	Austria	Central Europe	France	Germany	The Netherlands	Nordics	Spain	
Energy consumptions evolution 2016/2015 (kWh)	51/58	(16,948,601)	(848,648)	(850,544)	(14,589,792)	1,072,140	(42,768)	3,442,660	(5,131,649)	
Cost savings 2016/2015 (€)	51/58	(1,610,336)	(97,691)	(67,652)	(1,318,975)	63,720	6,234	389,524	(585,495)	

MPI: Energy efficiency per building usage (kWh/visit/year for Shopping Centres, kWh/occupant/year for Offices, kWh/m² DOP/ year for Convention & Exhibition centres) [G4-EN5]

Numerator: Energy Consumption MPI.

Denominator: usage indicator per business activity (see Reporting Methodology, Reporting values page 77).

Portfolio coverage in gross market value: 89%.

	Shopping Centres (kWh/visit)										Offices (kWh/occupant)		Convention & Exhibition (kWh/m ² DOP)	
	Scope	Total Retail	Austria	Central Europe	France	Germany	The Netherlands	Nordics	Spain	Scope	France	Scope	France	
2014 Total	57/59	0,69	1,11	1,25	0,44	0,81	0,30	1,42	0,50	12/14	2,248	9/9	4,80	
2015 Total	55/56	0,69	1,16	1,15	0,50	0,75	0,21	1,33	0,51	14/14	2,028	9/9	5,37	
2016 Total	57/58	0,67	1,15	1,13	0,45	0,79	0,20	1,40	0,46	13/13	2,040	8/9	3,55	
2015 Like-for-like	50/58	0,68	1,16	1,18	0,49	0,71	0,22	1,33	0,51	10/13	2,065	8/9	4,45	
2016 Like-for-like	50/58	0,66	1,15	1,14	0,43	0,73	0,22	1,40	0,46	10/13	2,102	8/9	3,55	
Evolution 2016/2015 (%)	50/58	-3%	-1%	-3%	-12%	3%	0%	5%	-10%	10/13	2%	8/9	-20%	
CUMULATIVE EVOLUTION 2016/2012 (%)		-16%	-21%	-14%	-15%	-37%	-26%	-19%	-16%		-20%		-17%	
Past cumulated Evolution 2012/2006 (%)		-23%	17%	-29%	-29%	/	-26%	-14%	-25%		-18%		/	

CNIT, Shopping Carré Sénart, DUX and MUX are excluded.

MPI: Energy efficiency per m² (kWh/m²/year) [G4-EN5]

Numerator: Energy Consumption MPI.

Denominator: m² (see Reporting Methodology, Reporting values page 77).

Portfolio coverage in gross market value: 89%.

	Shopping Centres (gCO ₂ e/visit)										Offices (gCO ₂ e/occupant)	
	Scope	Total Retail	Austria	Central Europe	France	Germany	The Netherlands	Nordics	Spain	Scope	France	
2014 Total	59/59	141	157	225	121	90	82	160	143	13/14	138	
2015 Total	56/56	146	168	250	133	100	82	131	161	14/14	133	
2016 Total	58/58	139	163	250	119	107	71	140	131	13/13	127	
2015 Like-for-like	51/58	143	168	269	125	91	74	131	161	10/13	141	
2016 Like-for-like	51/58	135	163	262	110	94	69	140	131	10/13	133	
Evolution 2016/2015 (%)	51/58	-6%	-3%	-3%	-12%	3%	-7%	7%	-19%	10/13	-6%	
CUMULATIVE EVOLUTION 2016/2012 (%)		-16%	-9%	0%	-19%	-21%	-23%	-24%	-13%		-10%	

3.3.4.4. Energy mix

Unibail-Rodamco works at reducing the environmental impact of the energy it consumes by purchasing low-carbon or renewable energy from suppliers and generating low-carbon/renewable energy on site. The energy mix is a key focus in regions with carbon-intensive national energy infrastructure, such as Central Europe or Spain. This is why the Spanish portfolio has been sourcing "green" electricity (entirely renewable sources) since January 2016.

The Group's policy of purchasing low-carbon energy from suppliers offers two key benefits. First, it reduces the carbon intensity of the Group's operations. Second, it encourages producers to invest in "green" power-generation technologies by contributing to the strong and growing market demand for low-carbon and renewable energies.

Since 2009, Unibail-Rodamco has progressively expanded its "green" electricity purchasing policy to 6 out of 7 regions, which have now shifted to a full or partial green electricity supply. In 2016, "green" electricity supply contracts were maintained as in 2015. As part of "Better Places 2030", the Group is committed to sourcing renewable electricity for 100% of the assets it manages between now and 2018. This measure extends to shopping centre tenants, who will also have to sign renewable electricity contracts for all leases signed from 2020 onwards.

Some assets are equipped with systems to generate low-carbon or renewable energy. For example, solar panels are installed in 9 assets in Spain, Austria, and the Netherlands and produce renewable electricity for sale to the national grid. In Spain, two shopping centres are also equipped with tri-generation systems. For its heating and cooling needs Aéroville in France also uses geothermal energy.

KPI: Carbon weight of energy mix (gCO₂e/kWh) [G4-EN15, EN16]

Numerator: CO₂ emissions MPI.

Denominator: Energy Consumption MPI.

	Shopping Centres										Offices		Convention & Exhibition	
	Scope	Total Retail	Austria	Central Europe	France	Germany	The Netherlands	Nordics	Spain	Scope	France	Scope	France	
2014 Total	59/59	144	47	337	46	144	102	15	254	13/14	72	9/9	64	
2015 Total	56/56	146	61	348	45	133	97	22	276	14/14	61	9/9	66	
2016 Total	58/58	114	74	289	42	92	88	33	127	13/13	63	9/9	58	
Evolution 2016/2015 (%)	51/58	-36%	21%	-21%	-2%	-41%	-16%	50%	-54%	10/13	7%	9/9	-12%	
CUMULATIVE EVOLUTION 2016/2012 (%)		-39%	-93%	-24%	-18%	-45%	-6%	42%	-45%		-17%		-28%	

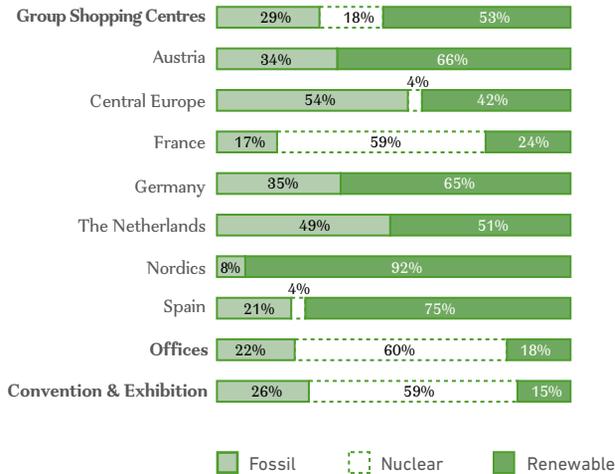
MPI: Direct and indirect final energy consumption by primary energy source (%) [G4-EN3, EN4]

Direct energy refers to the primary source of energy which is purchased and consumed on site (e.g. gas). Indirect energy refers to energy which was generated by and purchased from a third party in the form of electricity, heat or steam.

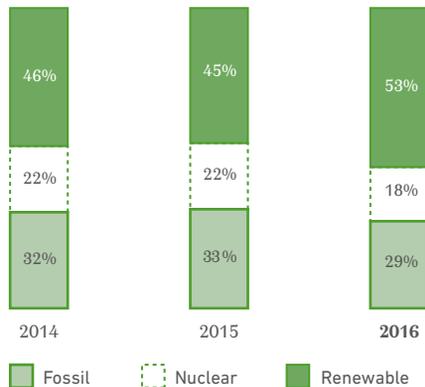
Portfolio coverage in gross market value: 89%.

2016	Shopping Centres										Offices		Convention & Exhibition	
	Total Retail	Austria	Central Europe	France	Germany	The Netherlands	Nordics	Spain	France	France				
NUCLEAR	18%	0%	4%	59%	0%	0%	0%	4%	60%	59%				
Direct natural gas	11%	33%	9%	8%	17%	39%	0%	4%	3%	12%				
Indirect natural gas	6%	0%	2%	7%	9%	10%	2%	13%	16%	12%				
Fuel oil	0%	0%	0%	0%	0%	0%	1%	0%	2%	1%				
Coal	11%	0%	42%	1%	8%	0%	1%	3%	1%	1%				
Other fossil fuels	1%	1%	1%	0%	0%	0%	5%	0%	0%	0%				
SUB-TOTAL: FOSSIL	29%	34%	54%	17%	35%	49%	8%	21%	22%	26%				
Hydro power	25%	49%	14%	18%	48%	51%	2%	42%	10%	9%				
Wind power	12%	3%	1%	3%	2%	0%	59%	23%	3%	3%				
Solar power	0%	0%	0%	1%	0%	0%	0%	0%	1%	1%				
Geothermal power	1%	0%	0%	0%	0%	0%	5%	0%	0%	0%				
Biomass based intermediate energy	11%	13%	26%	2%	12%	0%	10%	3%	1%	0%				
Other renewable sources	4%	1%	1%	0%	2%	0%	15%	7%	3%	1%				
SUB-TOTAL: RENEWABLE	53%	66%	42%	24%	65%	51%	92%	75%	18%	15%				
TOTAL FINAL ENERGY (KWH)	447,146,026	50,628,978	94,413,112	122,699,695	63,240,278	7,072,551	60,582,710	48,508,702	37,309,121	129,218,554				
of which direct energy	49,564,902	15,317,513	8,202,796	10,329,559	10,839,164	2,757,648	0	2,118,222	1,028,977	15,830,052				
of which indirect energy	397,581,124	35,311,465	86,210,315	112,370,136	52,401,114	4,314,903	60,582,710	46,390,480	36,280,144	113,388,501				

2016 DIRECT AND INDIRECT ENERGY MIX BY REGION (ALL MANAGED ASSETS)



DIRECT AND INDIRECT ENERGY BY PRIMARY SOURCE AT MANAGED SHOPPING CENTRES



The primary energy mix varies from country to country and is mainly influenced by national electricity generation industry. The voluntary low-carbon energy purchasing policy lowered the share of fossil energy from 42% in 2011 to 29% in 2016.

MPI: Renewable energy produced and CO₂ emissions saved [G4-EN3, EN4, EN7]

Energy output from photovoltaic plants installed at nine assets in Spain, Austria, and the Netherlands.

Renewable electricity produced on site is sold to the public network and not consumed on site. CO₂ emissions avoided due

to this production represent the emissions that would have been generated by the production of the same amount of electricity in a non-renewable way. These assets permit the electricity supplier not to produce this quantity of electricity and therefore the equivalent CO₂ emissions are indirectly saved.

	2014	2015	2016
Renewable energy produced on site (kWh)	1,062,878	1,121,441	1,026,965
CO ₂ emissions saved (kgCO ₂ e)	220,799	284,633	61,191

3.3.5. Transport and connectivity

The CO₂ emissions from visitor or tenant transport are significantly higher than CO₂ emissions from the operation of the buildings themselves. Buildings reached mainly by car have an indirect carbon footprint greater than those well connected to public transport networks. Moreover, the relative impact of visitors' modes of transport on total CO₂ emissions will continue to increase as the buildings become more energy-efficient.

The results of the Group's 2012 carbon assessment, published in this report, demonstrate the high level of CO₂ emissions due to visitors' travel to Unibail-Rodamco sites. It accounts for more than 50% of the total CO₂ footprint of the Group. These results are an endorsement of Unibail-Rodamco's strategy: single assets located in major European cities which are extremely well connected to the public transport network are more environmentally friendly and more resilient.

In the "Better Places 2030" CSR program, Unibail-Rodamco wants to initiate a new momentum regarding sustainable transport in the regions where the Group operates. The Group is thereby committing to sustainable transport solutions and to improving the accessibility of all of its assets. This involves working on each aspect of the Group's business, from designing to operating sites, and envisaging new partnerships with the various mobility and transport providers, including public authorities. This approach targets as a priority the major sources of transport-related emissions and breaks down into three main objectives:

- ◆ connect future development projects with their cities. 100% of new development projects integrated into the portfolio from 2020 will offer at least one mode of sustainable transport;
- ◆ for assets in operation, develop the broadest possible range of sustainable transport solutions;
- ◆ offer pooled logistical arrangements for deliveries to retailers.

3.3.5.1. Transport of visitors and occupants

The Group is focusing on assets that are especially well located within major European cities and have excellent connections to the public transport network. All of the Group's assets are connected to the public transport network. Surveys show that around 50% of customers travelled by foot or by public transport to the Group's shopping centres in 2016. 70% of the assets managed by the Group are connected to a cycle lane. The Offices portfolio is also quite well connected to the main transport networks.

Since 2006, in close conjunction with local authorities, a growing number of Unibail-Rodamco assets have benefited from being directly linked to tram services (Carré Sénart, Lyon Part-Dieu, Lyon Confluence, Toison d'Or, Vélizy 2, Porte de Versailles, Mall of Scandinavia). The Mall of Scandinavia, opened in November 2015 in Stockholm, received 92% of credits available in the transport category in its design-phase BREEAM certification, making it the first commercial development project in Sweden to be certified "Excellent". Mall of Scandinavia has excellent links to public transport (train: Solna station, bus, underground and tram). In 2016, 54% of visitors to Mall of Scandinavia walked or used public transport.

The Group is encouraging the use of electric vehicles by installing recharging stations at its shopping centres throughout Europe. As of the end of 2016, 62 assets (Shopping Centres, Offices, Conventions & Exhibition) were equipped with free electric-vehicle charging stations. A European partnership was signed at the end of 2016 with Tesla for installing "destination charging" stations at shopping centres managed by the Group. 20 shopping centres are planning to install this recharging infrastructure in 2017. In February 2017, the Group will open the first "supercharger" station at one of its shopping centres, Polygone Riviera.

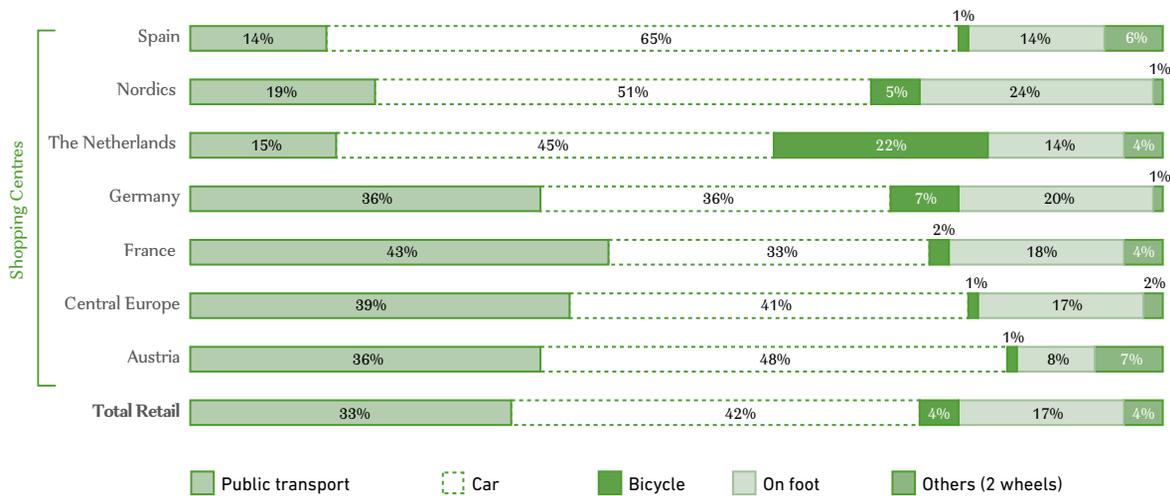
Since September 2016, the Confluence leisure and commerce hub in Lyon has been participating in the Navya Arma project. Navya Arma is a mass transit vehicle that is 100% electric and fully self-driving. This innovative smart driverless shuttle can transport up to 15 people and travel safely at up to 45 km/h.

Finally, the start-up Karos has been selected for the season two of the "UR Link" start-up accelerator program. A pioneer in short-distance carpooling which puts mobile technologies, big data and machine learning at the service of everyday mobility, Karos is testing a short-distance carpooling service aimed at visitors and employees of the Group's shopping centres.

MPI: Split of Shopping Centre visits by means of transport (%) [G4-EN17, EN30]

Visits split by means of transport in percentages. The split of transport modes is based on marketing surveys conducted in 2016. In 2016, the figures were updated for 100% of the total number of assets.

Portfolio coverage in gross market value: 89%.



KPI: Access to public transport (%) [G4-EN30]

Share of assets with excellent connections to public transport.

Definition:

- ◆ Assets located less than 200 metres from public transport.
- ◆ Assets with public transport connections, with intervals not exceeding 15 minutes, during weekdays and office hours.

2016	Shopping Centres									Offices		Convention & Exhibition	
	Scope	Total Retail	Austria	Central Europe	France	Germany	The Netherlands	Nordics	Spain	Scope	All assets	Scope	All assets
Percentage of assets located less than 200 metres from a public transport connection	58/58	93%	100%	100%	95%	100%	100%	86%	83%	13/13	77%	9/9	89%
Percentage of assets served at least every 15 minutes during weekday office hours	58/58	82%	100%	83%	78%	100%	100%	57%	83%	13/13	100%	9/9	89%

3.3.5.2. Tenant logistics

Unibail-Rodamco is aiming to reduce the impact of deliveries to retailers in urban centres by optimising the load carried by delivery vehicles, reducing the number of round trips and using low-emission vehicles.

In order to meet these challenges, the Group has launched the "UR Delivery" project, a pooled logistics service for the tenants of small stores in downtown shopping centres. Deliveries are pooled at a logistics base located outside the city centre; shared trucks then deliver from this remote logistics base to the shopping centre.

The ongoing Gaité redevelopment project in Paris has already integrated this ambition in its plans and has made a commitment to the city to roll-out this pooled logistics service for retailers.

To rapidly identify the best urban logistics arrangements, in December 2016 the Group signed a technical partnership with the logistics company Deret. This partnership will offer retailers in the shopping centres developed, owned and managed by Unibail-Rodamco, an efficient pooled logistics service that minimises the impact (traffic congestion, carbon footprint, noise disturbance, pollution, etc.).

3.3.5.3. Business travel of employees

The Group's policy regarding staff business travel aims to reduce the carbon footprint associated with transport. All employees are encouraged to travel by train when possible and give preference to videoconferencing rather than physical meetings involving travel. Unibail-Rodamco has not set a target for reducing emissions associated with business travel, as it is highly dependent on the company's level of activity and can fluctuate significantly from one year to the next (prospection, acquisitions, sales, meetings with international retailers, etc.).

Unibail-Rodamco gathers data on CO₂ emissions from the business travel of its employees by plane and by train for each region.

In November 2016, in line with the new "Better Places 2030" CSR program, Unibail-Rodamco tightened its guidelines for ensuring that its vehicle fleet is environmentally friendly:

- ◆ the Group's car fleet will consist only of vehicles whose rate of CO₂ emissions is lower than 120 g/km, compared to 150 g/km in 2015 (the former policy);
- ◆ whenever a new car is ordered, the model chosen will be hybrid or electric.

As at the end of 2016, 11% of the Group's vehicle fleet was hybrid or electric.

With the aim of educating the employees about the carbon impact of emissions from business travel and thus limiting that impact, the Group has decided to:

- ◆ use the Skype for Business application starting in January 2017, which will give all staff direct and efficient access to enhanced videoconferencing; and
- ◆ engage in a five-year program (starting in 2016) of carbon offsetting for business travel emissions, based on the emissions reported in the present CSR report for 2016. The Group has selected a mixed program of reforestation and forest conservation which has been certified REDD+ since 2014 and registered with UNESCO as a biosphere reserve.

Finally, a car sharing service with electric vehicles has been in operation since 2013 in the car park of the Group's headquarters. Any staff member can reserve and use one of these vehicles for his or her professional needs in and around Paris. This service will be extended in 2017.

KPI: CO₂ emissions from employees' business travel by train and plane (tonnes CO₂e) [G4-EN30]

The indicator is given both as an absolute value and as the ratio between CO₂ emissions from business travel and the average number of employees in 2016. Data and methodology are provided by referenced travel agencies for each region.

2016	Total	Austria	Central Europe	Headquarters & France	Germany	The Netherlands	Nordics	Spain
TOTAL EMISSIONS (TCO₂E)	2,815	90	377	1,054	565	148	165	415
kg CO ₂ e/employee	1,414	1,604	3,168	1,032	1,211	2,173	1,574	2,714

Emissions due to business travel in Germany are estimated for the year (data unavailable); the country will use specific reporting software in 2017.

3.3.6. Use of resources

Unibail-Rodamco's resource use policy covers materials, water, waste and biodiversity. In-house Environmental Management Systems for new developments and existing assets provide clear, comprehensive guidelines on the use of resources. Third-party certification systems and audits are used to validate these guidelines and ensure that imposed standards are met.

3.3.6.1. Materials

With the launch of "Better Places 2030", Unibail-Rodamco is the first commercial real estate company to commit to making significant and wide-scale reductions in its carbon footprint related to construction. Its commitment to reducing its construction carbon footprint by 35% between 2015 and 2030 means that as from 2016 the Group will focus on the choice and use of the materials used in Group projects. Specifically, this will involve:

- ◆ adopting a "lean construction" approach right from the design phase (structure, façade, false ceilings, fixtures and fittings, etc.);
- ◆ using new solutions and optimised low-carbon materials (low-carbon cement, bio-sourced materials, recycled materials, etc.);
- ◆ insisting that subcontractors put forward alternative solutions optimised in terms of their carbon content;
- ◆ adopting a purchasing policy which includes criteria for the carbon content of products and construction materials (requiring environmental and health and safety certification from public authorities) and energy mix in the countries where the materials are manufactured.

In 2017, the Group's Development teams will be trained to ensure that, right from the design phase, these new requirements are fully met by all general contractors and subcontractors. This policy will ensure that materials are matching the carbon goals, that reused or existing structures and materials will be examined, and that preference will be given to materials with low environmental impact and to recycled products.

The materials should not exceed the emission thresholds for volatile organic compounds set by the European Union.

In addition to the in-house Design Guidelines covering the choice of materials, a review of operations is systematically conducted at the end of each design phase (program, pre-project summary and contractor consultations) to monitor every one of the Group's real estate projects and ensure that it meets the desired levels of sustainability, maintainability, accessibility and safety. New guidelines for materials will be communicated within the Group in 2017 and the carbon criterion will be integrated into the process of reviewing project operations, in order to ensure that the trade-offs made are in keeping with the multiple-criteria approach. Pilot Life Cycle Analysis projects will be undertaken to determine the carbon impact of certain materials and equipment for which there is no Environmental Product Declaration (EPD).

In line with the "BREEAM" certification requirements, the Group's materials policy specifies that 80% of wood used in development, extension and renovation projects must be responsibly sourced (*i.e.* from certified, managed forests with FSC for example) and that 100% must be legally sourced. This policy is systematically specified in tender documents for construction projects and all contractors are asked to abide by its terms. The Group works with reputable construction companies. In-house project managers are asked to pay closer attention to this contractual requirement. Nevertheless, given the low volumes involved and the nature of the manufactured products purchased, it is not possible to monitor the weight, nor the origins of the wood used in all projects. The Group aims to obtain post-construction "BREEAM" final certification for projects assessed using the "BREEAM" referential; certification is in progress for a number of projects. As part of this certification process, the sourcing of wood used during construction is verified and validated.

In line with "BREEAM In-Use" certification requirements and for shopping centres being certified, the Group deploys a specific addendum regarding materials in the purchasing contracts signed with the main service providers.

3.3.6.2. Water

The materiality study pointed out that water is not a key environmental issue for Unibail-Rodamco. Indeed, the Group's portfolio is not considered as being a significant consumer of water. Moreover, its location in continental European countries means that water scarcity is not a risk, except for three shopping centres located in Spain. In 2012, with the support of the WBSCD Global Water Tool, the Group simulated its exposure to water scarcity for its entire portfolio. In 2015, the analysis was updated according to the "Mean Annual Relative Water Stress Index" and showed that 85% of the Group's assets are located in areas with no or limited water scarcity issues.

As a consequence, the Group has not maintained water in its new disclosed long-term targets. However, as part of monitoring policy of its resource use, reducing water consumption is still an operational target on sites and continues to be tracked and reported.

Based on environmental best practice, the Group is taking active steps to limit water consumption, reduce waste and maintain water quality. Special efforts are made to install water-efficient equipment, optimise operating practices, and ensure that leaks are detected and repaired rapidly. Run-off water collected from car parks is treated before being disposed of through municipal networks. Closed-circuit systems are being favored to reuse water during the testing of sprinkler equipment.

KPI: Water consumption (m³) [G4-EN8]

Water purchased for common and private use (restrooms, cleaning, heating & cooling systems, sprinkler systems, watering of green spaces, etc.). Water consumption in tenants' premises is indicated as a percentage when consumption can be measured.

	Shopping Centres									Offices		Convention & Exhibition	
	Scope	Total Retail	Austria	Central Europe	France	Germany	The Netherlands	Nordics	Spain	Scope	France	Scope	France
2014 Total	59/59	2,806,033	234,205	441,718	1,004,479	189,456	29,957	308,479	597,739	12/14	107,512	8/9	341,424
2015 Total	56/56	2,783,073	241,738	464,972	974,166	208,641	17,614	290,651	585,292	14/14	140,195	9/9	546,067
2016 Total ⁽¹⁾	57/58	2,870,132	255,600	474,049	919,939	261,075	20,764	288,793	649,911	13/13	121,689	9/9	414,961
<i>of which tenants' consumptions 2016</i>		52	53	50	57	66	45	/	55	13/13	/	9/9	/
2015 Like-for-like	51/58	2,587,944	241,738	383,722	917,280	154,793	14,469	290,651	585,292	10/13	112,246	9/9	546,067
2016 Like-for-like	51/58	2,641,941	255,600	396,057	872,848	162,852	15,880	288,793	649,911	10/13	116,012	9/9	414,961
Evolution 2016/2015 (%)	51/58	2%	6%	3%	-5%	5%	10%	-1%	11%	10/13	3%	9/9	-24%
CUMULATED EVOLUTION 2016/2015 (%)		-19%	10%	-6%	-30%	-1%	-40%	-22%	-10%		18%		-36%

(1) Polygone Riviera is excluded from total 2016 due to pending invoicing issue.

At existing assets, the Group relies on a close cooperation with tenants to reduce water consumption of standing assets. "Green leases" and tenant sustainability committees are used to help raise awareness and assist with water management. At new developments and during renovations and upgrades, efficiency is a determining factor in the choice of technical equipment (toilets, urinals, taps, sprinkler systems, cooling systems, etc.). The Design Guidelines for new developments, renovation and extension projects provide clear steps on how to achieve water efficiency.

In 2016, water efficiency at managed Shopping Centres increased by 1% on a like-for-like basis compared with 2015. This accounts for a cumulative trend of -20% in litre/visit since 2012.

The variability of invoicing frequency and meter readings for billing adjustment by water suppliers, occurring mainly in France, introduces some uncertainty into the data reported.

Reused water

In 2016, the shopping centres Donau Zentrum, Centrum Cerny Most and Centrum Chodov, Stadshart Almere and La Maquinista collected 168,960 m³ of rainwater and ground water on site, re-used for cleaning and watering of green spaces.

22 shopping centres across the Group reuse the water from the periodic regulatory sprinkler tests.

KPI: Financial impact resulting from variations in water consumption (K€) [G4-EN8]

Total cost saved thanks to the reduction of water consumption as measured by the Water Consumption indicator, estimated with an average water cost per supplier.

Definition:

- ◆ Difference in water consumption year-on-year, "like-for-like scope".
- ◆ Water consumption difference multiplied by water cost, per supplier, per asset and consolidated per region.

	Shopping Centres								
	Scope	Total Retail	Austria	Central Europe	France	Germany	The Netherlands	Nordics	Spain
Water consumptions evolutions 2016/2015 (m ³)	48/56	53,998	13,862	12,335	-44,432	8,059	1,411	-1,858	64,619
Costs savings 2016/2015 (€)	48/56	8	-15	28	-223	47	4	12	91

KPI: Intensity of water use (litre/visit/year for Shopping Centres, litre/occupant/year for Offices, litre/m² DOP/year for Convention & Exhibition centres) [G4-EN8]

Numerator: Water Consumption KPI.

Denominator: usage indicator per business activity (see Reporting Methodology, Reporting values page 77).

	Shopping Centres (litre/visit)									Offices (litre/occupant)		Convention & Exhibition (litre/m ² DOP)	
	Scope	Total Retail	Austria	Central Europe	France	Germany	The Netherlands	Nordics	Spain	Scope	France	Scope	France
2014 Total	57/59	4,44	6,74	5,46	3,71	3,28	0,80	6,88	5,59	12/14	6,320	8/9	11,30
2015 Total	55/56	4,27	4,78	5,66	3,71	2,99	0,48	6,76	5,52	14/14	7,216	9/9	19,10
2016 Total ⁽¹⁾	57/58	4,32	4,85	5,69	3,49	3,27	0,58	6,66	6,17	13/13	6,650	8/9	11,04
2015 Like-for-like	50/58	4,28	4,78	5,55	3,74	2,54	0,50	6,76	5,52	10/13	7,134	8/9	13,33
2016 Like-for-like	50/58	4,34	4,85	5,62	3,55	2,67	0,55	6,66	6,17	10/13	8,554	8/9	11,04
Evolution 2016/2015 (%)	50/58	1%	1%	1%	-5%	5%	10%	-1%	12%	10/13	20%	8/9	-17%
CUMULATED EVOLUTION													
2016/2012 (%)		-20%	-27%	-1%	-28%	/	-42%	-29%	-15%		14%	0%	-24%
Past cumulated Evolution 2012/2006 (%)		-16%	9%	-22%	-29%	/	-35%	-1%	-14%		-14%		/

(1) Polygone Riviera is excluded from total 2016 due to pending invoicing issue.
CNIT, Shopping Carré Sénart, DUX and MUX are excluded.

KPI: Water consumption per m² (litre/m²/year) [G4-EN8]

Numerator: Water Consumption KPI.

Denominator: m² (see Reporting Methodology, Reporting values page 77).

	Shopping Centres									Offices	
	Scope	Total Retail	Austria	Central Europe	France	Germany	The Netherlands	Nordics	Spain	Scope	France
2014 Total	59/59	855	790	997	944	397	397	757	1,052	12/14	386
2015 Total	56/56	838	855	1,069	903	482	482	667	1,127	14/14	474
2016 Total ⁽¹⁾	57/58	823	858	1,093	848	415	438	669	1,152	13/13	413
2015 Like-for-like	51/58	824	965	1,064	874	320	617	667	1,127	10/13	484
2016 Like-for-like	51/58	822	975	1,090	827	339	463	669	1,152	10/13	538
Evolution 2016/2015 (%)	51/58	-0,2%	1%	2%	-5%	6%	-25%	0,2%	2%	10/13	11%
CUMULATED EVOLUTION											
2016/2012 (%)		-25%	-7%	-6%	-34%	/	-50%	-33%	-25%		27%

(1) Polygone Riviera is excluded from total 2016 due to pending invoicing issue.

3.3.6.3. Waste

Unibail-Rodamco's waste management approach is designed to maximise recycling and minimise disposal to landfill.

In all existing assets, tenants are regularly informed and made aware of local on-site waste management policies and processes. Both supplier purchasing contracts and tenant "green leases" establish the minimum requirements to be met for waste-sorting and recycling. Suitable waste segregation facilities are in place in all assets. Unibail-Rodamco's waste management responsibilities and reporting scopes may vary by region. At some assets, local authorities are responsible for waste management: in this case the Group does not control the final destination of the waste produced at these assets.

The total volume of waste generated in a building, whatever its usage, is mostly dependent on the level of activity of the tenants, *i.e.* sales for Shopping Centres and occupancy for Office buildings. This means that the Group has a limited impact on the total volume of waste generated on site. Nevertheless, the Group is committed to waste management efficiency measures.

In 2016, 34% of waste was recycled and 38% recovered either by composting, methanation, or incineration with energy recovery. In total, 72% of the waste generated in the Group's managed Shopping Centres is recycled, compared to only 61% in 2012.

An increasing number of shopping centres are equipped with an advanced waste management system which consists of weighing the waste of each tenants separately in order to invoice them on the actual tonnes they generate. A better waste selection enables tenants to reduce the tons of residual waste for which the final disposal is more expensive. It offers them the opportunity to minimise their charges. This system contributes efficiently to improving the recycling rate.

The Group's development projects are built in line with in-house Design Guidelines and "BREEAM" certification, both of which require waste management plans and specific reduction/reuse/recycling targets as standard practice. The Unibail-Rodamco Considerate Construction Charter sets waste recycling targets and incentives for contractors. The Charter sets out the Group's requirements and recommendations for optimising the environmental quality of its construction sites in order to create a positive experience for the workforce, local communities, and the environment. It includes all applicable local regulations and is aligned with "BREEAM" requirements. Signing the Charter is a pre-requisite for companies signing construction contracts. It should be noted that Unibail-Rodamco works with large, reputable construction firms, which also apply their own certified construction waste management schemes.

In 2017, the Group will launch a pilot project to reinforce its waste management, demolition and dismantling policy. This pilot will make it possible to determine more accurately the waste due to demolition, in particular site preparation work on commercial spaces leased to retailers, and will contribute to an effort to recycle this waste in conjunction with the best companies available in a given geographic area. On a wider scale, future expansion, redevelopment and renovation projects will fit into a circular economy approach that aims to identify opportunities for recycling demolition waste right in the local area, in close cooperation with local stakeholders (local authorities, urban planners, industrial companies, local associations, etc.).

Offices and Convention & Exhibition business units are excluded from the scope of waste indicators. At Convention & Exhibition venues, waste is managed by exhibition planners and exhibitors rather than the Group's team. At Offices, a waste collection service, whether ensured by a private company or the local authority, is shared with other buildings and owners in order to optimise waste disposal truck routes. Consistent and separate data tracking for the Group is therefore not yet available.

KPI: Total waste (tonnes) and share of recycled waste (%) [G4-EN23]

Total waste collected on site. Recycled waste includes compost, incineration and landfill with energy recovery.

	Shopping Centres								
	Scope	Total Retail	Austria	Central Europe	France	Germany	The Netherlands	Nordics	Spain
2014 Total	54/59	51,692	5,264	4,842	21,389	3,425	919	5,968	9,884
of which recycled waste 2014 (%)	54/59	31%	42%	29%	27%	49%	32%	35%	27%
of which valued waste 2014 (%)	54/59	49%	58%	19%	63%	46%	30%	65%	23%
2015 Total	56/56	58,388	5,561	5,144	23,256	4,261	829	6,895	12,441
of which recycled waste 2015 (%)	52/56	32%	40%	20%	26%	53%	35%	37%	33%
of which valued waste 2015 (%)	52/56	50%	60%	28%	62%	42%	23%	63%	26%
2016 Total	55/58	63,201	5,904	7,575	23,942	5,173	626	6,724	13,257
of which recycled waste 2016 (%)	55/58	34%	42%	18%	28%	66%	63%	40%	34%
of which valued waste 2016 (%)	55/58	38%	58%	17%	51%	22%	37%	60%	14%

Scope: 55 out of 58 Shopping Centres.

KPI: Split of total waste by manner of disposal route (%) [G4-EN23]

Hazardous and non-hazardous waste by disposal method.

Hazardous waste is disposed of by the waste management suppliers and treated.

2016	Shopping Centres							
	Total Retail	Austria	Central Europe	France	Germany	The Netherlands	Nordics	Spain
TOTAL WASTE (in tonnes)	63,201	5,904	7,575	23,942	5,173	626	6,724	13,257
Recycling/Reuse/Compost	37%	42%	29%	31%	67%	63%	40%	34%
Incineration with Energy recovery	31%	33%	13%	39%	17%	37%	60%	14%
Incineration without Energy recovery	1%	0%	0%	0%	6%	0%	0%	3%
Landfill with Energy recovery	6%	25%	4%	9%	3%	0%	0%	0%
Landfill without Energy recovery	18%	0%	9%	20%	0%	0%	0%	45%
Managed by local authority*	5%	0%	37%	0%	0%	0%	0%	5%
Other	2%	0%	9%	0%	6%	0%	0%	0%

Scope: 55 out of 58 Shopping Centres.

* Information on how local authorities manage the waste they collect is not available.

KPI: Split of total waste by type (tonnes) [G4-EN23]

	Shopping Centres							
	Total Retail	Austria	Central Europe	France	Germany	The Netherlands	Nordics	Spain
TOTAL WASTE (in tonnes)	65,244	5,904	9,464	23,942	5,173	626	6,763	13,372
Cardboard	15,439	1,618	1,240	5,710	1,717	296	1,671	3,186
Pallet & Wood	1,389	113	7	313	19	2	484	453
Plastic	1,179	176	64	225	121	0	54	539
Glass	989	149	39	165	108	12	117	399
Ordinary Industrial Waste/Mixed waste	35,200	1,938	6,576	14,960	1,986	314	1,081	8,344
Organic Bio Waste	4,492	1,469	161	1,747	608	0	246	261
Cooking oil	132	108	0	1	7	0	14	2
Green waste	33	0	0	19	14	0	0	0
Metals	253	35	3	79	28	0	77	32
Batteries	4	0	0	2	0	0	1	1
Electrical and electronic equipment	28	0	1	2	1	0	22	2
Bulky waste	629	36	22	381	15	0	114	61
Others	5,291	263	1,352	155	549	1	2,879	93

Scope: 58 out of 58 Shopping Centres.

3.3.6.4. Biodiversity

Unibail-Rodamco has developed a clear strategy and methodology for integrating biodiversity and ecology into its activities. The Group worked closely with a biodiversity expert to define and implement its approach to these issues and has integrated it into the Retail Design Guidelines. Unibail-Rodamco's corporate policy measures the potential biodiversity impact and the way it is addressed and managed through the "BREEAM" certification for all new development projects and is being extended to "BREEAM In-Use" for existing assets.

For all development projects involved in a "BREEAM" certification process (*i.e.* projects over 10,000 m²), an ecologist is systematically appointed to the design team. The ecologist advises the architects and designers on the most appropriate species to choose for the development project, taking into account their relevance to local habitats and their potential to create a positive ecological impact by enhancing and/or conserving local fauna and flora. For all other development projects, the site is checked to estimate its potential and ensure that all opportunities to foster biodiversity are explored. An impact assessment, which includes an environmental/biodiversity component, is a pre-requisite for obtaining a building permit and commercial planning permission in France. A public consultation is also carried out as part of this process.

Under the supervision of the international landscape artist Jean Mus, more than 1,000 trees were planted at Polygone Riviera the first lifestyle open-air mall in France, located in the French Riviera (Cagnes-sur-Mer), which was inaugurated in October 2015. The Mall of Scandinavia shopping centre (Stockholm), inaugurated in November 2015, achieved 70% of credits in the "Land Use and Ecology" section in the "BREEAM" interim certification, helping it in 2014 to become the first retail development in Sweden to obtain an overall "Excellent" rating (design stage). The development projects (new projects and extensions) to be delivered in 2017 have also adopted this approach.

Existing assets benefit from an equally pragmatic approach as far as biodiversity and ecology are concerned, even though the very dense urban locations of most assets severely limit the potential to enhance biodiversity. As a result, Unibail-Rodamco's main focus is on creating "green" spaces, such as green roofs and green walls, and carefully selecting the plant species. The Group undertakes a biodiversity study prior to major renovations and/or extensions. Gap analysis methodology is used to measure the site's ecological potential against its initial status.

In 2016 as part of the UR Link program, the Group selected the start-up "Sous les Fraises" as a way of testing urban farming solutions on its building roofs.

The "BREEAM In-Use" certification policy ensures that, biodiversity issues are well addressed and promoted to achieve high standards. Design and development teams at Unibail-Rodamco are responsible for ensuring that "BREEAM" biodiversity impact assessments are commissioned and that the biodiversity expert's recommendations are implemented (e.g. choice of plant species). Once the project has been built and delivered, the Group's operating management team, particularly the on-site teams that manage each asset, are responsible for maintaining and monitoring biodiversity. The Corporate Sustainability team monitors the application of the Group's biodiversity policy and is there to provide additional support to operating teams if necessary.

3.3.7. Health & safety and environmental risks and pollution

With a standing portfolio of over 4.64 million consolidated m² GLA, welcoming hundreds of millions of visitors each year and with a development pipeline of over 1.6 million m² of additional GLA, Unibail-Rodamco is fully aware and mobilised regarding the health and safety of its employees, customers, tenants, suppliers, contractors and local communities. The Group's main concern is to prevent potential risks to people and the environment. The Group complies of course with all applicable health and safety legislation and often exceeds minimum standards required by laws to ensure a higher standard of health and safety in its assets. On-site teams are trained in first aid techniques and maintain close relationships with local emergency services (fire brigade, paramedics and police). Defibrillators made available for security staff have been installed in all Shopping Centres across Europe.

The Group has drawn up an extensive, comprehensive in-house risk management policy to ensure that risks are mitigated and managed. The risk management process also provides a framework for responding to exceptional risks and crises. Unibail-Rodamco's due diligence process for acquisition includes a complete audit of technical, regulatory, environmental, and health and safety procedures and risks, including soil pollution and climate change.

As an example, in line with the Group's Health & Safety policy, the Group aims to replace evaporative cooling towers by "dry systems" allowing the eradication of the legionella risk on concerned sites. As at December 31, 2016, 19 managed shopping centres are equipped with evaporative cooling towers under the Group's responsibility.

In 2016, Unibail-Rodamco continued to perform Health & Safety audits conducted by an independent third party for all managed assets in each country where the Group operates. An auditor visits each asset undergoing an annual assessment of health and safety risks so as to ensure compliance with applicable regulations and the Group's policies. In addition to delivering a rating and an assessment report for each asset, a customised action plan is implemented to continuously improve the quality of the risk management for each managed asset. The main subjects covered by this risk management process are air quality, water quality, asbestos, ground water and air pollution, legionella, electromagnetic radiation, IPPC⁽¹⁾ installations, technical equipment such as elevators and escalators, and fire prevention. Monitoring is conducted by on-site teams and checked every year by external auditors.

This in-house Health & Safety management system enables the Group to monitor and assess the risk performance on a day-to-day basis, and maintains a high level of Health & Safety culture embedded within operating and shopping centre management teams. In 2016, 78% of audited sites (Shopping Centres, Offices, Convention & Exhibition) improved or maintained their annual score compared with 2015 and 75% obtained an "A" level (best rating). Only 3 sites out of 72 obtained a "C" rating. No D rating has been delivered for the last four years.

Health & Safety audits are rated from A to D, meaning:

- A.** Good overall management and monitoring of the H&S risks;
- B.** H&S approach is generally monitored, indicators of risk monitoring are satisfactory over the past year, however improvements are still needed to sustain the process;
- C.** Good management with the exception of some issues;
- D.** H&S management is insufficient and corrective actions are required before a new audit.

For new developments, the Group complies with all applicable regulation regarding health, safety and environmental matters. An Environmental Impact Assessment (EIA) is carried out at the earliest stage, a soil remediation is performed when necessary, and the Group ensures that the Health & Safety plan and rules are applied by contractors during the construction phase.

There is no provision for environmental risk in the Group's accounting in 2016.

(1) European Directive for Integrated Pollution Prevention and Control.

KPI: Annual risk management assessment [G4-PR1]

Total number of owned and managed assets that have carried out an annual risk assessment conducted by a third party and the coverage it represents regarding the total Group owned and managed portfolio.

2016	Shopping Centres								Offices	Convention & Exhibition
	Total Retail	Austria	Central Europe	France	Germany	The Netherlands	Nordics	Spain	France	France
Total number of managed assets	59	2	6	18	9	4	8	12	9	7
Number of assets audited ⁽¹⁾	58	2	6	18	9	4	7	12	7	7
ASSESSMENT COVERAGE (%)	98%	100%	100%	100%	100%	100%	88%	100%	78%	100%
% of audited sites in improvement or stable regarding 2014	93%	100%	100%	88%	100%	75%	86%	100%	100%	100%
% of audited sites obtaining a A or B annual score	93%	100%	100%	94%	100%	50%	100%	100%	100%	100%

(1) Non-audited sites in 2016: Eurostop Örebro (disposal), Issy Guynemer (large works) and So Ouest Plaza (recent operation).

KPI: Soil pollution and site remediation [G4-EN27]

Annual (for current year) monetary expenses for soil detoxification/site remediation and equivalent areas (volumes that have been detoxified).

	2016
Monetary expenses in depollution (€)	306,000
Volumes concerned (m ³)	5,024

KPI: Fines for environmental breaches [G4-EN29]

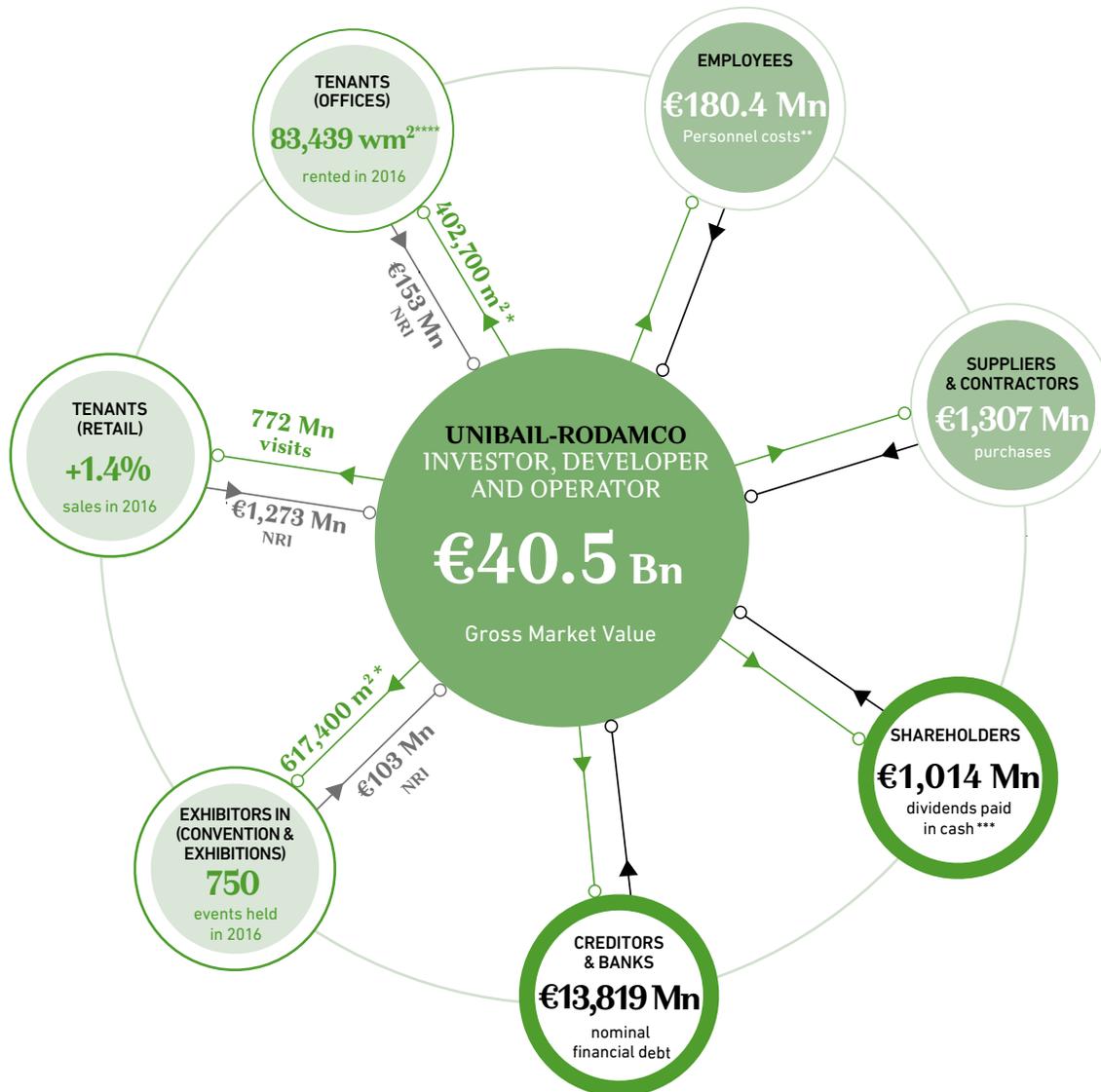
Annual monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations.

	2014	2015	2016
Monetary value of significant fines (€)	1,341	3,720	2,012
Total number of non-monetary sanctions	0	6	10

3.4. Stakeholders

The Group's economic success is based on the strength of its relationships with stakeholders: tenants, customers, investors, local communities, suppliers and contractors, and employees. The need to develop and operate assets that meet stakeholders' expectations in terms of shopping experience, financial return and environmental performance is core to the Group's strategy. These areas are embedded in the Group's operating structure and product development process. They are regularly discussed at Supervisory Board and Management Board level, and are subject to careful analysis and monitoring. Relevant tools have been developed to identify and respond to the expectations of each stakeholder community and communicate this information to all teams, including on-site.

DRIVING VALUE FOR STAKEHOLDERS



Figures based on 2016 fiscal year.

* Total space according to consolidation.

** Refer to personnel costs (page 215).

*** Subject to the approval of the Annual General Meeting.

**** Weighted Square meters.

3.4.1. Communities and local authorities

With a €8 Bn prime quality development pipeline, and a total portfolio valued at €40.5 Bn as at December 31, 2016, Unibail-Rodamco as a leader in the real estate market plays an important social and economic role for local communities where the Group operates. The Group's activities generate economic and social growth through employees' salaries, payments to suppliers, infrastructure investments, taxes paid and social initiatives implemented by the Group. It contributes directly and indirectly to job creation and urban renewal and also more globally to the European economy in the countries where the Group operates.

Unibail-Rodamco's key roles in the local economy are as:

- ◆ an economic driver: direct employment through construction and operational spending, indirect employment by tenants' sales and activities, suppliers' activities, local taxes;
- ◆ a social integrator: services offered to visitors, charities, employment promotion initiatives, partnerships with local communities, places for a unique experience (events, entertainment, shopping, etc.);
- ◆ an urban planner: high connectivity, iconic architecture, brownfield requalification, provision of public facilities.

In order to ensure that neighbouring communities fully benefit from its investments, developments and operations and that their expectations are met, the Group works to build and maintain strong relationships with the territory's stakeholders (local residents, public authorities and associations). Extensive public consultations are held for all development and extension projects.

In 2016, the Group strengthened its commitment to job opportunities for young people by launching the "UR for Jobs" initiative. This program is based on strong partnerships with all stakeholders who contribute to the local development: elected officials and public bodies, the business world and the not-for-profit sector. Three pilot programs were launched at the Group's centres: Almere, Parquesur and Rosny 2. The objective of these pilots was to bring young jobseekers in contact with job opportunities provided by retailers and services providers within the Group's Shopping Centres. Various levers of employment were tested: a skills match platform was launched in Spain, a network bringing together various local stakeholders was created to help

with recruitment in the Netherlands, and a training module was designed in France. In total, 126 Group employees were involved in running the program and in supporting and coaching young people. In 2016, "UR for Jobs" coached 137 young people and helped 35 people to be recruited and given fixed-term contracts of over six months or to be trained in order to gain a qualification degree.

In 2017, "UR for Jobs" will be deployed at 15 shopping centres with the objective of providing a job for 225 young people in 2017. The Group aims to support the recruitment of 1,000 young people per year by 2020 for the retailers and service providers in all shopping centres welcoming 6 million or more visits per year.

Many shopping centres managed by the Group are already organising events and launching awareness-raising campaigns to promote environmentally friendly behaviour on the part of visitors and to inform people about the Group's environmental commitments and achievements. As part of the commitments of the "Better Places 2030" program, 13 of the Group's shopping centres will organise in 2017 an event in partnership with an NGO or local association themed around youth issues.

The Group's Shopping Centres provide opportunities to socialise, relax and be entertained as well as an extensive, high-quality retail offering. In addition to their commercial leisure services (from pony clubs to cinemas), all assets regularly organise free events, such as fashion shows, concerts and programs for children. Shopping centre managers are committed to developing as many local cultural, charitable and environmental initiatives as possible with local or international associations.

Unibail-Rodamco works hard to ensure its assets are welcoming and accessible to all members of the community. Special provisions are made for customers with disabilities, as well as for elderly customers and families. In France, for example, the Group is building a close partnership with UNAPEI, a NGO dedicated to people with mental disabilities. In 2016, shopping centres staff working with the public (retail employees, security staff, cleaning contractors, etc.) received a special training program to welcome customers with mental disabilities in order to accommodate their special needs. These shopping centres display the "S3A" label as a permanent sign of their commitment to the 700,000 people and their families who are affected in France by mental disability.

3.4.1.1. Economic impact

In 2013, the Group decided to consult an independent external advisor, Beyond Financials, to perform a review of the economic contribution of its French-owned and managed Shopping Centres to the French economy, both directly through shopping centre operations and indirectly through tenants' business activities. The aim of the study was to design a comprehensive methodology to assess the economic impact generated locally (in the immediate vicinity and the local region) and at national level. The study estimated the total amount of salaries paid related to shopping centre activities, the number of jobs created within the area and the taxes paid through the activities of the shopping centres.

In 2014, the Group decided to update the 2013 French economic footprint by taking into account the 2014 disposal provisions (12 shopping centres); and extend the economic footprint assessment to Spanish and Swedish regions. The study is based on the 2013 fiscal year for France and the 2014 fiscal year for Spain and Sweden. It only focuses on the operation of shopping centres (previous construction phases have been excluded from the study).

The study takes into account the following financial flows: Unibail-Rodamco employees' salaries, the salaries of the tenants' employees, the salaries of suppliers' staff working on site, the shopping centre suppliers' salaries, the tax revenue generated locally by the shopping centres and potential local spending of shopping centres' employees.

All impacts are gross rather than net terms, meaning that the results are expressed in terms of created or maintained jobs excluding "non-additional" effects and that some jobs would have existed even in the absence of a shopping centre in the area.

In 2015, the previous studies were extended to the 21 shopping centres not measured yet with the aim of evaluating the total number of jobs hosted across the entire managed shopping centres portfolio. This mission focuses on the hosted jobs, including Unibail-Rodamco's employees, tenants' employees, and suppliers working on site, considered as full-time employees.

In 2016 an economic impact study was carried out at the Mall of Scandinavia (MoS) shopping centre and the results of this study have been included in the 2016 data published in the present report. The impact study was updated in 2016 by including the following sites:

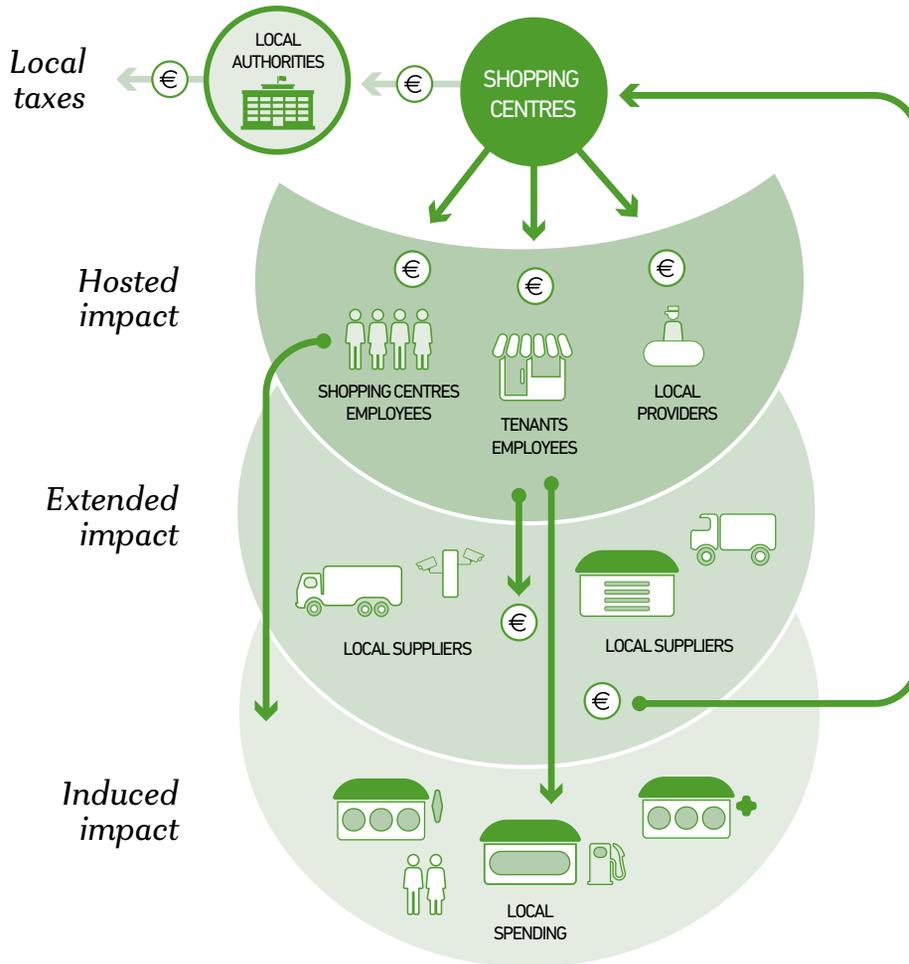
- ◆ Mall of Scandinavia;
- ◆ Polygone Riviera;
- ◆ CentrO.

Definition

Unibail-Rodamco's local economic footprint has been assessed as follows:

- ◆ hosted impact: the hosted impact analysis measures the economic flows to employees (salaried staff) working at the shopping centre (the management staff at the Unibail-Rodamco Shopping Centres, tenants and on-site suppliers' staff);
- ◆ extended impact: the extended impact analysis measures the economic flows generated by the shopping centre (Unibail-Rodamco and tenants) through purchases from their different suppliers (contracts converted into salaries; rank 1 suppliers only, not the entire supply chain, including goods and services) and the tenants' suppliers (jobs converted into salaries; generic services: security, cleaning and maintenance (not products for sale through the outlets) and Unibail-Rodamco's purchases as part of the shopping centre's daily operations);
- ◆ induced impact: the induced impact analysis estimates the potential local spending of all employees working within the shopping centre (Unibail-Rodamco shopping centre's management staff, tenants' staff and suppliers' staff);
- ◆ taxes: landlords' and tenants' local taxes paid to local authorities:
 - ◆ for the landlord: Land tax, Waste tax, Added-Value tax (Corporate tax), Office tax,
 - ◆ for the tenant: Commercial tax, Added-Value tax (Corporate tax).

3.4.1.2. The Group's local economic footprint



Methodology

- ◆ Overall economic impact at national level has been assessed using a bottom-up approach: the results of empirical shopping centre economic studies⁽¹⁾ for each region (local method) have been used to estimate the national economic impact of Unibail-Rodamco's Shopping Centre activities based on available data (accounting, surfaces, tenants, taxes).
- ◆ Extension to the total managed Shopping Centres portfolio: the 2016 and 2015's extrapolation applies 2014's ratios to evaluate hosted jobs for the others shopping centres.

Scope

2015: 57 shopping centres

- ◆ France: 18 managed shopping centres;
- ◆ Spain: 12 managed shopping centres;
- ◆ Sweden: 6 managed shopping centres;
- ◆ Austria, the Czech Republic, Germany, Poland, Slovakia, the Netherlands, Denmark: 21 managed shopping centres.

The economic footprint assessment performed in 2015 covers 71% of existing portfolio of shopping centres in value (consolidated gross market value as at December 31, 2015).

(1) Economic impact of shopping centre Carré Sénart in 2013, So Ouest, Aéroville, Confluence, Taby and Maquinista in 2014.

2016: 60 shopping centres

- ◆ France: 19 owned and managed shopping centres (including Polygone Riviera);
- ◆ Spain: 12 owned and managed shopping centres;
- ◆ Sweden: 7 owned and managed shopping centres (including Mall of Scandinavia);
- ◆ Austria, the Czech Republic, Denmark, Germany (including Centro), Poland, Slovakia, the Netherlands: 22 owned and managed shopping centres.

The economic impact study conducted in 2016 covers 95% of existing portfolio of Shopping Centres in value (consolidated gross market value as at December 31, 2016).

2015

	Total Group hosted jobs (FTE)	Spain ⁽¹⁾	Sweden ⁽¹⁾	France ⁽¹⁾	Others (Austria, the Czech Republic, Germany, Poland, Slovakia, the Netherlands, Denmark) ⁽²⁾
Unibail-Rodamco employees (FTE)	305	41	17	88	159
Tenants' employees (FTE)	57,387	9,899	3,305	21,106	23,078
Suppliers' employees	2,155	201	54	1,185	716
Total Hosted Jobs (FTE)	59,848	10,141	3,376	22,379	23,952

(1) 2014 Study.

(2) Extrapolation conducted in 2015 to the entire Group portfolio.

2016

	Total Group hosted jobs (FTE)	Spain ⁽¹⁾	Sweden ⁽¹⁾	France ⁽¹⁾⁽²⁾	Others (Austria, the Czech Republic, Germany, Poland, Slovakia, the Netherlands, Denmark) ⁽²⁾
Unibail-Rodamco employees (FTE)	341	41	24	97	179
Tenants' employees (FTE)	62,594	9,899	4,944	22,140	25,611
Suppliers' employees	2,326	201	105	1,267	754
Total Hosted Jobs (FTE)	65,262	10,141	5,073	23,504	26,544

(1) From 2014 study, completed in 2016 with the economic footprint of Mall of Scandinavia.

(2) Extrapolation conducted in 2015 to the entire managed Group portfolio and extended in 2016 to Polygone Riviera and Centro

Conclusion

The analysis of Unibail-Rodamco's economic footprint confirms the significant economic contribution of the Group and its stakeholders (tenants, suppliers and local authorities) in the economy of each region both at local and national levels.

The survey has also allowed the Group to establish a transparent method to assess in detail the economic impact of its Shopping

Results

Results are based on an analysis performed by Beyond Financials. Beyond Financials estimated employment, salaries and occupiers' tax contribution figures using modelling techniques, data provided by Unibail-Rodamco and assessment methods and simulation based upon the National statistical database. Unibail-Rodamco's total tax contribution was based on data provided by the Group.

Centre operations, which helps the Group to address the material issues identified for the Company:

- ◆ supply chain: enhanced capability to assess more precisely the economic and social value of the Group's supply chain;
- ◆ operating license and local authorities: evaluate the current and future economic impact of development projects.

3.4.2. Tax authorities and taxation

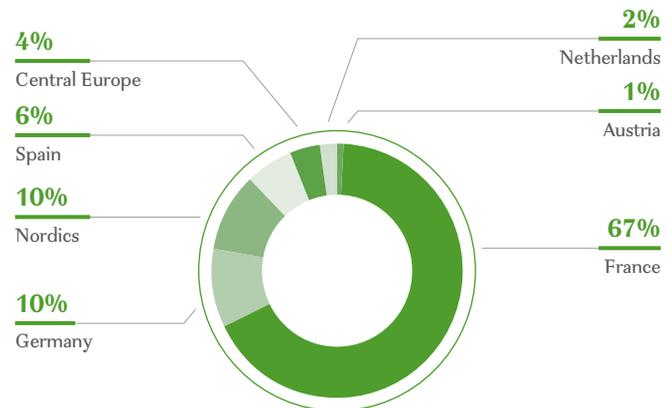
Unibail-Rodamco is a publicly traded company dedicated to investing in commercial real estate across Europe. Many countries in Europe have adopted laws on local tax transparency to encourage long-term investment in real estate. These regimes subject the Group to distribution obligations⁽¹⁾. The Group distributed 93% of its 2015 recurring earning per share as a dividend in 2016. Based on these tax transparency regimes, the profits made are taxed at the shareholder level directly, instead of at the level of the Group. Unibail-Rodamco promotes the concept of a European real estate investment regime that would allow for mutual recognition and a fair share of tax revenues between the countries where the properties are located, through withholding tax payments, and the countries where shareholders are resident, through income tax payments.

Unibail-Rodamco also believes that the tax transparency regimes for real estate contribute to a responsible and sustainable approach to taxation by creating conditions for long-term investment and win-win partnerships between local communities and the real estate industry.

The tax position of Unibail-Rodamco reflects the geographical location of its activities. The Group declares profits and pays taxes where its activities are carried out. This translates into payments to local or national tax authorities of corporate income tax, business taxes and taxes withheld on dividend payments⁽²⁾.

The Group's tax position mirrors the location of its investments across Europe. Considering its €40.5Bn portfolio and the fact that holding real estate assets triggers an obligation to pay property taxes, Unibail-Rodamco pays significant amounts of taxes. Significant tax payments are also made to local authorities upon investment and divestment transactions, although this will vary as it depends on the number and size of transactions completed during a particular year. In addition, tenants in the Group's shopping centres employ many people and contribute significant amounts in taxes and social charges.

In 2016, Unibail-Rodamco paid €160 Mn of local taxes and social contributions.



Furthermore, the €963 Mn dividend payment made by Unibail-Rodamco in 2016 gave rise to an immediate payment of withholding tax, the cost of which is borne by shareholders, with an estimated amount of €120 Mn paid to French tax authorities.

The business strategy of Unibail-Rodamco consists in creating value with its real estate portfolio over the long term. On average, the Group has invested €1.3 Bn per year over the last 10 years in capital expenditure. The tax policy of the Group is completely integrated into this long-term plan and is consistent with the normal course of its business operations.

In 2016, the Group operated in 11 different countries in continental Europe. The Group does not use investment routes through non-cooperative⁽³⁾ countries or territories. As a matter of principle, Unibail-Rodamco complies with the letter and the spirit of tax laws and regulations. Tax risks are followed and monitored by a team of internal and external tax experts and discussed with an internal committee whose members include the Chief Executive Officer and the Chief Financial Officer, the Group's auditors, the Group's Audit Committee and Supervisory Board. Unibail-Rodamco complies with tax transparency regulations such as the United States FATCA (Foreign Account Tax Compliance Act) and CSR (Common Reporting Standard) and is preparing the filing of its first fiscal Country-By-Country-Report in 2017.

(1) Refer to Note 8 to the consolidated financial information, section 8.1.3, page 211, for an overview on these regimes.

(2) Refer to Note 8 to the consolidated financial information, section 8.2, page 212, for the Group's income tax expense.

(3) Non-cooperative countries or territories are usually defined as countries or territories refusing to adhere to international tax good governance standards.

3.4.3. Visitors & customers

The quality of the customer experience is central to the economic sustainability of Unibail-Rodamco's business as it attracts visitors and encourages loyalty. Innovation in this area results from the hard work of the Group's different teams and the diversity of their skills as well as their ability to work together towards a common goal, continuously striving for a better, and more distinctive customer experience. The variety of the Group's skills can be seen in its outstanding architecture and design (development), a distinctive tenant mix (leasing), the focus on comfort and safety (property management), roll-out of great events and innovative customers relationship management (marketing), an excellent welcome attitude and quality services to our visitors and customers (on-site teams).

The Group continuously improves its customer service strategy for retail assets, known as the Welcome Attitude. In 2012, the Group launched the "4 Star label" initiative to increase customer experience and ensure consistency of quality and services within the Group's managed centres. It is intended to provide customers with a unique shopping experience through a welcoming atmosphere, quality management and a set of "hotel-like" services: reception desk, valet parking, personal shopper, free Wi-Fi, free newspapers, etc. This label is based on a 684-point referential and an external audit conducted by the world leader in certification, SGS. At the end of 2016, 26 shopping centres complied with the "4 Star label". In 2016, Hofe am Brühl was added to the list, following a comprehensive quality audit performed by SGS. The new target is to audit successfully at least 31 managed shopping centres according to the "4 Star label" by the end of 2017, of which 25 will be new labels and 26 will be renewals.

To ensure customer satisfaction, improve their shopping experience and increase the length of their customer journey, the Group is introducing new offers and destinations in its centres, such as the Dining Experience™ or Designer Gallery™ concepts, and is investing in services such as rest areas and smart Traffic Management Systems (parking which guides cars in real-time towards free slots allowing time and fuel savings). By organising distinctive events across its shopping centres through exclusive partnerships, the Group is also able to enhance the attractiveness of these assets for visitors.

In addition, the promotion of loyalty cards, a booming "digital marketing" approach based on Facebook recruitment, smartphone apps and websites for individual shopping centres, contribute to the Group's permanent interactive dialogue with its customers and aims at enhancing in-store shopping. The Group is constantly consolidating its large and growing digital audience. As at December 2016, now that the German portfolio has been integrated, smartphone application downloads increased by 20% (to 4.2 M), website visits grew by 15% (to 51.9 M visits) and on Facebook, the Group's shopping centres now have 6.4 M fans (+23% compared to the same period in 2015). Lastly, the number of loyalty cardholders rose by 41% to 2.4 M.

To continuously improve the quality of service to its customers and measure progress in this area, the Group conducts annual customer satisfaction surveys and two internal quality audits per year for each of its shopping centres. Customer satisfaction surveys were conducted in 65 assets in 2016 with 29,700 interviews; the average score across the Group was 8.0/10. Internal quality audits were used to assess 224 services and comfort criteria for each centre, with 94/100 as the average score across the Group. These audits help to ensure that the Group's assets maintain their prime position on the market.

KPI: CUSTOMER SATISFACTION

	2014	2015	2016
Average score in internal quality audit	93/100	92/100	94/100

Finally, the critical risk of terrorist attacks faced by several European countries has prompted the Group to develop a resolute, responsible policy for providing protection and preventing the risk of attacks, with the chief aim of reassuring the tenants' and service providers' employees who work at sites managed by the Group as well as providing a safe environment for customers and visitors. These plans, worked out in close cooperation with local authorities and the enforcement authorities combine surveillance and detection equipment, heightened security measures, information-sharing and the training of tenants' staff in order to increase the vigilance of all site personnel and to react effectively in case of a threat. Such plans help maintain the appeal of shopping centres for their customers.

3.4.4. Tenants & retailers

Strong, mutually beneficial relationships with tenants are crucial to the Group's long-term success and sustainability. Unibail-Rodamco devotes considerable energy to attracting premium retailers and supporting their national and international expansion *via* its extensive network of well-located, prime shopping centres. The prime and relevant tenant mix offer is a key driver for attractiveness, differentiation from competitors, and therefore customer retention for the Group. With a strong focus on differentiating and exclusive retail concepts, generating traffic and customer preference, 196 leases were signed with international premium retailers in 2016. "Retailer open house" events are regularly held in different regions to present the Group's portfolio of existing assets and new developments to current and potential tenants. The Group is also committed to leasing space and providing support to entrepreneurs and smaller national and local retailers.

To strengthen the dialogue with tenants, the Group conducts annual tenant satisfaction surveys in each shopping centre, holds one-on-one meetings with tenants, and participates in retail industry round tables and conferences. In 2016, 5,989 tenants responded to the Group's satisfaction survey which represents a global response rate of 67%.

Tenants are the Group's most important partners when it comes to reducing the global environmental footprint of its assets. A proactive "green lease" policy, launched in late 2009 and founded on dialogue, information and the sharing of best practices, is encouraging tenants to play an active role in on-site environmental management. As well as contributing to lower common and private service charges through decreasing energy and utilities consumption, these efforts are helping all parties to prepare for a tougher regulatory environment in the future.

Since 2010, ahead of all existing regulations, all new leases and renewals signed with retail and office tenants have been containing environmental clauses. These "green leases" cover the issues that are most relevant to improving environmental awareness and performance among tenants, such as the sharing of energy consumption data, technical specifications for fitting -out projects (especially maximum power for private lighting), and measures to save energy, water and the waste recycling. 1,755 of these "green leases" were signed in 2016 for the existing or development portfolio as well as for the Retail and Office portfolio. As of the end of 2016, 77% of the Group's active leases include "green lease" clauses. Unibail-Rodamco should reach in 2018 the ambitious target set of 90% of contracts with "green lease" clauses for the total active Retail and Office portfolio.

As part of the "Better Places 2030" commitments, the environmental appendix on leases will be strengthened in 2017 to reflect the Group's new ambitions in terms of environmental performance and contributions to the community. These include in particular the obligation to install LED lighting solutions in any new private tenant space from 2020 onwards and to sign a supply contract guaranteeing that electricity is procured from renewable sources, again from 2020, as well as voluntary participation in the "UR for Jobs" program as soon as it is introduced in a shopping centre.

Finally, Unibail-Rodamco builds upon technology and digital resources as a means of working with the community of staff and of retailers at each of its centres. A smartphone application called Connect, which was tested at three shopping centres in Spain in 2016, is currently being rapidly deployed at all the Group's centres. It will be introduced in 27 additional shopping centres in 2017. The objectives of this roll-out are to facilitate communication and interaction between the centre management team and the

retailers, to encourage employment by communicating in real time job offers from the retailers and service providers in the centre, and lastly to strengthen the sense of a community of employees working at the same site by improving the quality of life and the services provided to customers.

MPI: "GREEN LEASES"

	2014	2015	2016
Number of "green leases" signed	1,982	1,664	1,755
Share of "green leases" signed among office/ retail leases (including renewals)	92%	92%	91%
Share of "green leases" within Group's total active leases (cumulated)	62%	72%	77%

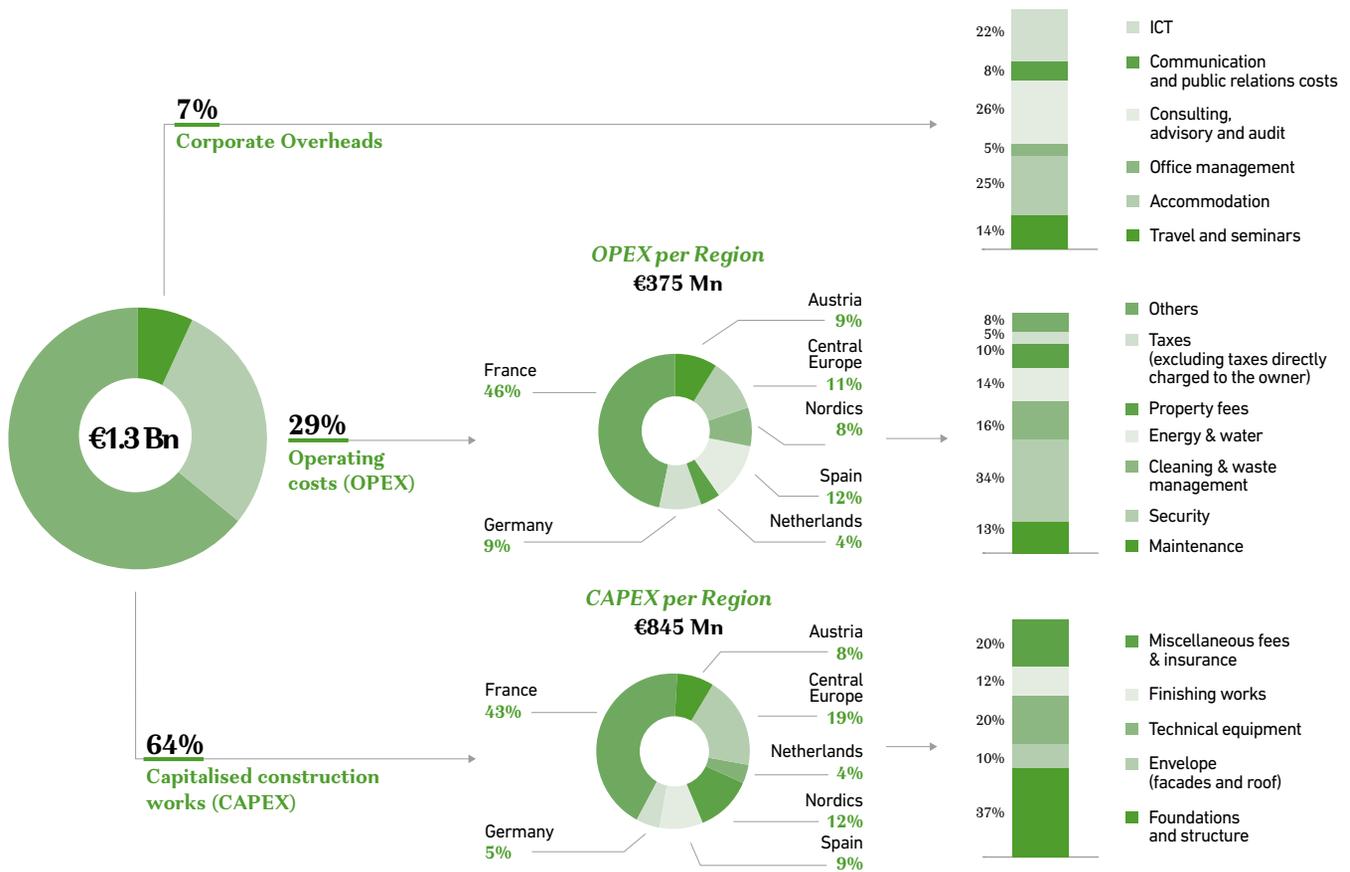
3.4.5. Suppliers and contractors: Supply Chain Management

With a procurement volume of €1.3 Bn for the entire Group in 2016, Unibail-Rodamco plays a substantial buyer role at the European market level. Given the size of its portfolio, the varied nature of procurements and the diverse locations of its properties, Unibail-Rodamco works with a large number of suppliers and contractors, most of them being local companies or subsidiaries that support the local economy where the Group operates.

Purchasing Mapping

Purchases at Unibail-Rodamco can be split into three categories:

- ◆ corporate overheads, including office management, business travel and seminars, accommodation, consultancy and audit fees, corporate communication and public relations costs, ICT – for the entire Group's staff and regional headquarters;
- ◆ operating costs, services provided to properties for daily on-site operations, such as cleaning, maintenance, security, waste management, energy and fluid provision, and marketing expenses (OPEX paid by the property owner and mostly passed onto tenants as service charges);
- ◆ capitalised construction works invested in properties for three main purposes: new development or enhancement works, maintenance works, or re-letting works (CAPEX paid by the property owner); these include mainly purchases from constructors, fees for architects, designers and engineering firms, and insurance premiums.



Overheads being a small part of the overall expenses, purchases are mainly made up of OPEX and CAPEX for the operation and development of properties. Therefore, 93% of the purchases are services on assets provided by the local workforce. These expenses are locally labour-intensive and to that extent are purchases that cannot be relocated.

Capitalised construction works are non-recurring expenses depending on development activity. The Group also measures the breakdown of its construction costs (CAPEX) using the following five components: foundations and structure, envelope (facades and roof), technical equipment, finishing works for decoration, and fees related to the project. This confirms that the largest share of purchases relates to labour-intensive works.

In total, purchases are split between a very large number of suppliers ensuring the Group is not exposed to the risk of depending on only a few main strategic suppliers. Wherever possible, the purchasing policy favours local purchases in the catchment area of the Group's assets in order to contribute to employment and local economic development.

Procurement Policy

The procurement strategy of the Group is designed to comply with the following rules: fairness, focus on quality, long-term partnerships, reduced risk and the respect for both applicable regulations and the trust given to Unibail-Rodamco through property management contracts which aim to be transparent and cost-efficient.

In 2014, the Group voluntarily signed the "Responsible Procurement Charter" in France, which is an initiative led by the French authorities. This charter, structured around 10 commitments, aims to promote best practices for more responsible purchases and a more balanced and cooperative relationship between large companies towards their providers.

Unibail-Rodamco chooses its contractors with great care and ensures they comply with the Group's procurement policy. This is why the Group has started implementing since 2010 a Group-wide Purchasing Procedure in order to guarantee an optimised price for the best level of service, to encourage equal treatment among providers/suppliers (transparency), to protect owners' interests, and to respect the approved budget per property. The tender process and the use of standard contracts ensure fairness. General Purchasing Conditions apply for all the countries in which the Group operates and also includes social and environmental requirements.

In addition to the principles and rules detailed in this procedure, all purchases must respect the Group's Compliance Book, the applicable country laws and regulations, especially labour laws, and the use of standard contracts, in particular in terms of sustainability clauses. The Group-wide purchasing policy and processes in place enable a better identification of supply chain risks. Each purchasing step is duly documented for traceability. Internal compliance rules state that the suppliers of all goods and services must be selected fairly on the basis of objective, comparable criteria and, when relevant, according to procedures relating to invitations to tender. In the event of a complaint against the Group, the supplier can contact the Group's Compliance Officer to discuss and resolve the issue. Unibail-Rodamco's Corporate Internal Audit carries out regular audits across the Group to validate the thorough application of the Group's procurement policy and Compliance Book.

A solution for online management of procurement will be introduced in 2017. The use of this purchasing platform, which fully integrates service providers and suppliers, will make Group procedures more robust and also facilitate new and direct collaboration between all stakeholders. The transparency required for all purchasing decisions will also be improved and the sharing of best practices and risks mitigations will be facilitated. The solution will also generate productivity gains in administrative management for the whole purchasing cycle.

Responsible supply chain

The CSR approach is fully integrated at each step of the procurement process and for all procurement staff (project managers for construction works, and on-site technical managers), who have been trained to respect the Group's rules and purchasing procedures. When referencing a new supplier, a detailed list of

information is required, which includes the main environmental and social policies that they identify as a priority. CSR issues are part of the selection criteria, both for tenders and for appointments.

To encourage existing suppliers and contractors to adopt sustainable operating practices and use environmentally sustainable materials, Unibail-Rodamco communicates with key suppliers about its environmental and social targets and asks them to share their CSR policies and practices. Service providers in existing assets, primarily cleaning, facilities management and security providers, are also asked to sign a contract addendum. The addendum covers a range of issues, including energy efficiency, waste, use of environmentally sound products and materials, and social and ethical behaviour, notably an engagement to comply with International Labour Organization (ILO) conventions and local labour laws and regulations.

Initiatives are also in place concerning incentives for energy savings and waste selection performance. These site-by-site practices challenge suppliers and serve as a basis to involve them in a process of continuous improvement for all managed assets.

Measuring performance:

- ◆ in 2016, an annual supplier assessment was performed for 318 contracts on key services (multi-technical, health and safety, mechanical transport, cleaning, and waste management) in 76 Shopping Centres, Offices and Convention & Exhibition venues for a total contractual purchased amount of €147 Mn;
- ◆ in 2016, as part of the Group's "4 Star" criteria, Unibail-Rodamco continued to deliver trainings in "customer-service" skills to supplier staff involved in the roles of security and cleaning across all shopping centre's labelled "4 Star". In France, maintenance suppliers are trained in the Group's Environmental and Health & Safety processes, free of charge.

KPI: ASSESSMENT OF SERVICE PROVIDERS [G4-HR1-S09]

Assessment of compliance with environmental rules, modes of management and quality of service associated with contracts for maintenance services covering a range of techniques, security, mechanical transportation, cleaning and waste management.

	2014	2015	2016
Total number of contracts in force in the area managed*	347	311	324
Number of contracts assessed	315	293	318
COVERAGE OF THE ASSESSMENT (%)	91%	94%	98%
Value of contract, equals expenditures measured (€)	128,067,611	117,939,265	147,036,033

* Contracts for maintenance services covering a range of techniques, security, mechanical transportation, cleaning and waste management at 76 managed assets (Shopping Centres, Offices, Conventions & Exhibition).

3.4.6. Professional organisations

As the leading European listed commercial real estate company, Unibail-Rodamco has the responsibility to encourage the industry as a whole to adopt more sustainable operating practices.

Within the European Public Real Estate Association (EPRA), Unibail-Rodamco has made a significant contribution to the definition of consistent, shared KPIs for the industry. The indicators reported in this 2016 Annual and Sustainable Development Report complies with the 2nd edition of the Best Practice Recommendations on sustainability reporting (sBPR), published by EPRA in September 2014 (see pages 147-150). Christophe Cu villier, Chairman of the Management Board has chaired the EPRA since September 2016. The Group is an active member in the EU Public Affairs Committee (EPAC) and the sustainability group of the International Council of Shopping Centres (ICSC). In France, the Group chairs the Sustainability Committee of the French Council of Shopping Centres (CNCC) and is a member of the Sustainability Committee of the Property Real Estate Association (FSIF).

3.4.7. Investor and shareholder transparency

3.4.7.1. Investor Relations

Unibail-Rodamco is listed on a number of famous SRI indexes (see pages 120-121 for details). The Group shares its CSR strategy and achievements with investors in dedicated sessions. In 2016, the Board Members and the team in charge of investor relations met 57.4% of its shareholders in 352 meetings, events and site visits. 18 investors were met specifically on the subject of sustainable development, representing 6.7% of shares outstanding. These meetings also enable Unibail-Rodamco to learn more about the vision of sustainability in the real estate sector on the part of mainstream and SRI investors and to improve its yearly ratings in the different SRI indexes.

The CSR policy and vision for sustainable development is regularly communicated to corporate and SRI investors in the Group (annual results, periodic publications and newsletters).

The aim of the UN Global Compact is to promote ethical practices and basic moral values in business enterprises. As a signatory to the Compact since 2004, Unibail-Rodamco is committed to adopting, promoting and applying within its scope the ten fundamental values relating to human rights, labour laws, environmental protection and anti-corruption.

3.4.7.2. ESG (Environmental, Social and Governance) ratings and awards

ESG Profiles: the Group's ESG Profiles have been updated by the following agencies:

- ◆ Oekom research AG is one of the world's leading rating agencies and provides the crucial head start in the segment of sustainable investments. In 2016 (as at January 13 2017), the Group was ranked 3rd out of 226 real estate companies rated by Oekom research. It achieved a C+ (Prime status);
- ◆ Sustainalytics is a global leader in sustainability research and analysis, serving investors and financial institutions around the world. The Group was ranked 3rd out of 283 companies and named "industry leader" at the end of 2016;
- ◆ Vigeo is a European expert in the assessment of companies and organisations with regard to their practices and performance on environmental, social and governance ("ESG") issues. In 2016, the Group was ranked 3rd out of 33 companies within the financial services – real estate sector.

ESG Indexes: in 2016, Unibail-Rodamco's ESG accomplishments were recognised by its continued inclusion in a number of prestigious SRI (Socially Responsible Investment) indexes:

- ◆ FTSE4Good (since 2005): the FTSE4Good Index series is made up of companies that meet globally recognised corporate responsibility standards. In 2016, Unibail-Rodamco was confirmed as a member of the FTSE4Good Index series;
- ◆ Euronext Vigeo indices (since 2013): Vigeo's indices are composed of the highest-ranking listed companies as evaluated by the agency in terms of their performance in corporate responsibility. In 2016, the Group was confirmed in the Euronext Vigeo World 120, Euronext Vigeo Eurozone 120 and Euronext Vigeo France 20;
- ◆ Ethibel Sustainability Index (Excellence since 2011, Pioneer since 2013): the ESI Excellence Europe includes companies that show a better than average performance in terms of corporate sustainability and responsibility in their respective sector. Unibail-Rodamco has been reconfirmed as a member of the Ethibel Sustainability Index (ESI) Excellence Europe and the Ethibel Sustainability Index (ESI) Excellence Global since March 23, 2015;
- ◆ STOXX® Global ESG Leaders Index (since 2011): the STOXX Global ESG Leaders index is composed of the leading global companies in terms of environmental, social and governance (ESG) criteria. Unibail-Rodamco is included in all STOXX ESG Leaders indexes and also in three specific sub-indexes STOXX ESG Social Leaders, Governance Leaders and Leaders. In 2016, Unibail-Rodamco remained a member of the STOXX® Global ESG Leaders indices for the fifth consecutive year and was named sector leader;
- ◆ ECPI Index (since 2007): ECPI is a leading rating and index company dedicated to ESG Research (Environmental, Social and Governance). Unibail-Rodamco has been confirmed for inclusion in the following ECPI® Indices: ECPI Ethical EMU Equity, ECPI Global Eco Real Estate and Building Equity and ECPI Global Megatrend Equity;

- ◆ Dow Jones Sustainability (DJSI): since the Group had not responded since 2015, it was excluded from the World and Europe indexes in September 2016.

ESG benchmarks: the Group's sustainability commitment has been recognised through different benchmarks:

- ◆ Global Real Estate Sustainability Benchmark (GRESB) is an industry-driven organisation committed to assessing the sustainability performance of real estate portfolios (public, private and direct) around the globe. In 2016, Unibail-Rodamco was accorded the "Green Star" for the sixth consecutive year;
- ◆ Universum: Unibail-Rodamco was confirmed in 2016 as one of the most attractive employers in France;
- ◆ Happy at Work: In 2016, Unibail-Rodamco obtained the "Happy Trainees 2016-2017" label;
- ◆ Absolventa Graduate Trainee: this award recognises the quality of the Group European Graduate Programme (EGP), included among the 135 certified programmes in Germany.

In 2017 Unibail-Rodamco will exclusively contribute to ESG analysis and ratings based on the Group's public documentation. The Group will concentrate its efforts on dedicated SRI roadshows and Investor Days. For more detailed information about Unibail-Rodamco's ESG scores, contact the Investor Relations team: investors@unibail-rodamco.com.

Sustainability and CSR Awards: Unibail-Rodamco's assets also received awards demonstrating their successful role in their respective local communities:

- ◆ "BREEAM In-Use" celebration at Mapic (November 2016, Cannes): Centrum Chodov located in Prague achieved an "Outstanding" rating for both Parts 1 & 2 of "BREEAM In-Use International 2015", establishing a new benchmark for retail real estate across Europe.

3.4.7.3. Green Bonds Framework and Reporting

With its clear sustainability policy and its recognised ESG performance within the real estate sector over many years, the Group has decided to develop the framework of a "Unibail-Rodamco Green Bond" to finance brownfield and/or existing assets which meet strong and selective criteria in social, environmental and sustainable areas both during the construction and the operating phases of these eligible assets. As part of its innovative and diversified funding sources, Unibail-Rodamco issued the 1st Green Bond for a real estate company on the Euro market in February 2014 and the 1st Green Bond on the SEK market in May 2014 for a non-Swedish corporate. In April 2015, the Group issued its second Green Bond on the Euro market. These issues demonstrate the successful team work between Unibail-Rodamco's sustainability, legal, finance and communication departments and the capacity for the Group to turn individual strengths into collective power.

Use of Proceeds of the "Unibail-Rodamco Green Bond"

- ◆ Strict limitation of proceeds to the "best-in-class" sustainable assets: the net proceeds from issuing the Unibail-Rodamco "Green Bond" is used to finance (through loans or equity) the construction and/or the development of Eligible Assets as defined below:

- 1) new or ongoing projects (including brownfield, greenfield and/or extension/renovation projects),
- 2) and/or existing assets under management by Unibail-Rodamco SE or any of its subsidiaries, which:
 - (a) have received a BREEAM⁽¹⁾ Certificate Design Stage (or any equivalent certification) of at least (and including) "Very Good" (i.e. a minimum score of 55/100),
 - (b) and which have obtained or will obtain a BREEAM⁽¹⁾ In-Use Certificate (or any equivalent certification) in respect of the asset and building management under Part 1 (Asset) and Part 2 (Building Management) respectively, the BREEAM⁽¹⁾ assessment (www.breeam.org) of at least (and including) "Very Good" as soon as reasonably possible after the commencement of operations.

Eligible Assets will also meet the additional social and environmental criteria developed with and validated by Vigeo (or any other third party appointed by the Issuer as a successor to Vigeo in the future), to be published on the Issuer's website (the "Additional Criteria") (www.unibail-rodamco.com).

- ◆ Third-party auditor: EY (or any other third party appointed by the Issuer as a successor to EY in the future) is expected to issue a report each year in the Issuer's Annual & Sustainable Development Report on the compliance, in all material respects, of the Eligible Assets with the eligibility criteria described above.
- ◆ Annual release: Unibail-Rodamco SE is also expected to indicate each year in its Annual & Sustainable Development Report the list of Eligible Assets financed by the net proceeds of the issuing of the Notes with indicators on these Eligible Assets regarding environmental impact, energy performance and impact on the local area and the well-being of visitors and tenants, to be published on the Issuer's website (the "Indicators") at www.unibail-rodamco.com.

(1) BREEAM is an environmental assessment method and rating system for buildings launched in 1990. BREEAM sets a standard for best practice in sustainable building design, construction and operation and a measure of a building's environmental performance. It encourages designers, clients and others to think about low-carbon and low-impact design, minimising the energy demands created by a building before considering energy efficiency and low-carbon technologies (please see www.breeam.org for more information).

Relevant and ambitious social and environmental criteria

The social and environmental criteria developed with and validated by Vigeo. Criteria are aligned with (i) the "Green Bond Principles" (GBP) updated in March 2015 and (ii) relevant to the Group's sustainability strategy, which has been in force for several years and has structured long-term targets.

Prerequisite	BREEAM certifications	
	Construction	Operation
New development: BREEAM certification with a minimum "Very Good" score	√	N/A
Existing: BREEAM In-Use with a minimum "Very Good" score for both Asset (Part 1) and Building Management (Part 2)	N/A	√

Criteria in five additional domains	Subcriteria to meet	
	Construction	Operation
I - Select the countries in which Eligible assets are located based on human rights and governance	2	/
II - Contribution of the Eligible assets to the development and well-being of the communities in which they are located	4	1
III - Monitoring the environmental impacts of the Eligible assets	6	3
IV - Promoting sustainable and enduring relationships with tenants and visitors	1	5
V - Promoting social and environmental factors with suppliers	4	4
TOTAL OF SUB CRITERIA	17	13

Green bonds issued by Unibail-Rodamco⁽¹⁾

Unibail-Rodamco has issued three "green bonds" as at December 31 2016:

- ◆ February 19, 2014, 1st real estate company to issue a "green bond" on the Euro market;
- ◆ May 23, 2014, 1st international non-Swedish corporate to issue a "green bond" on the SEK market;
- ◆ April 8, 2015, third "green bond", (and second on the Euro market).

	Euro	SEK	Euro
	GB I	GB II	GB III
Issuer (legal entity name)	Unibail-Rodamco SE	Rodamco Sverige	Unibail-Rodamco SE
Date	February 19, 2014	May 23, 2014	April 8, 2015
Size	750 Mn	1.5 Bn	500 Mn
Maturity	10 years	5 years	10 years
Coupon	2.5%	3 – month STIBOR +78 bps	1.0%

(1) Issuing of Green Bonds and allocation of funds are validated by the ALM Committee (see page 357 for details) following a specific procedure that has been formalized internally.

Current allocation of Unibail-Rodamco's Green Bond proceeds

	GB I €750 Mn			GB II SEK 1.5 Bn		GB III €500 Mn	
	Lyon Confluence	So Ouest	Aéroville	Mall of Scandinavia	Majunga	So Ouest Plaza	Carré Sénart ext
Business	Shopping Centre	Shopping Centre	Shopping Centre	Shopping Centre	Office	Office	Shopping Centre
Funds allocated to projects (%) ⁽¹⁾	20%	40%	40%	100%	68%	24%	8%
2016 GLA scope of consolidation (m ²)	53,500	54,300	83,300	103,200	65,600	36,600	31,448
2016 Visit (Mn)	9.3	8.3	8.9	13.2	N/A	N/A	Under construction
Opening date to public	April 4, 2012	October 16, 2012	October 16, 2013	November 11, 2015	Delivered in July 2014	Delivered in May 2015	H2-2017 ⁽²⁾

(1) Allocation done through internal loans, except for So Ouest Plaza.

(2) Under construction, expected opening in H2-2017, €238 Mn expected cost (scope of consolidation, excluding financial costs and internal costs capitalised; the costs are discounted as at December 31, 2016).

Annual report on the “Unibail-Rodamco Green Bond” and Use of Proceeds
(for GB I and GB II issued in 2014)

CONSTRUCTION PHASE

BREEAM prerequisite

Prerequisite	Criteria	Commitment	GB I €750 Mn			GB II SEK 1.5 Bn
			Lyon Confluence	So Ouest	Aéroville	Mall of Scandinavia
Environmental certification	BREEAM	BREEAM score minimum “Very Good”	Very Good ⁽³⁾	Excellent ⁽⁴⁾	Excellent ⁽⁵⁾	Excellent ⁽⁶⁾

(3) Has achieved an interim overall score of 59.92% and a BREEAM rating of “Very Good” under the 2008 version of BREEAM international.

(4) Has achieved a final overall score of 78.4% and a BREEAM rating of “Excellent” under the 2009 version of BREEAM Europe commercial retail.

(5) Has achieved a final overall score of 70.5% and a BREEAM rating of “Excellent” under the 2009 version of BREEAM Europe commercial retail.

(6) Has achieved an interim overall score of 77.4% and a BREEAM rating of “Excellent” under the 2008 version of BREEAM Europe commercial retail.

17 sub criteria

Domains	Criteria	Subcriteria	GB I €750 Mn		GB II SEK 1.5 Bn	
			Lyon Confluence	So Ouest	Aéroville	Mall of Scandinavia
I – Select the countries in which Eligible assets are located based on human rights and governance	Respect, protection and promotion of freedom and human rights	Integration, signature or ratification of conventions related to (i) Human Rights, and (ii) Labour Rights KPI: country score Vigeo (out of 100)		97.22/100 ⁽¹⁾		97.22/100 ⁽¹⁾
	Democratic institutions	Performance indicators on: Political Freedom and Stability; Prevention of corruption; Press freedom; Independence of the judicial system; Legal certainty KPI: country score Vigeo (out of 100)		88.64/100 ⁽¹⁾		99.09/100 ⁽¹⁾
II – Contribution of the Eligible assets to the development and well-being of the communities in which they are located	Sustainable insertion and local consultation	Existence of information on projects to neighbours	✓	✓	✓	✓
		Absence of material public recourse on the project preventing the completion of the project	✓	✓	✓	✓
	Development of sustainable transport and connectivity	Accessibility of the asset by public transport (within 500 metres) KPI: Distance to a public transport mode (m)	30 m tramway	45 m bus line	40 m bus line	120 m train
		Promote the potential use of alternative transport solution and sustainable mobility	✓	✓	✓	✓
III – Monitoring the environmental impacts of the Eligible assets	Environmental Management Systems ("Sustainable Design Attitude")	Involvement of an external environmental consultant	✓	✓	✓	✓
		Commissioning Report	✓	✓	✓	Ongoing ⁽²⁾
	Pollution prevention and control	Environmental impact assessment and implementation of appropriate measures if necessary	✓	✓	✓	✓
		Promote applicable considerate construction charter to minimise environmental impact of building sites during construction phase	✓	✓	✓	✓
	Carbon intensity management	Optimise intrinsic energy performance of the asset in view of applicable regulatory constraints KPI: Percentage improvement over national standard building energy performance (%)	-34% ⁽³⁾	-57.7% ⁽³⁾	-55% ⁽³⁾	-32% ⁽⁴⁾
	Biodiversity conservation and landscape integration	Involvement of an ecologist during the Project Phase	✓	✓	✓	✓
IV – Promoting sustainable and enduring relationships with tenants and visitors	Sustainable relations with tenants	Promote "Green Leases" signature before opening KPI: Percentage of "green lease" signed (%)	91%	86%	98%	100%
V – Promoting social and environmental factors with suppliers	Social responsibility towards suppliers' workers	Promote if possible health & safety coordinator contract (or equivalent)	✓	✓	✓	✓
		Promote access control to building site	✓	✓	✓	✓
	Integration of environmental and social factor in the supply chain	Promote considerate construction charter to minimise environmental impact of building sites	✓	✓	✓	✓
	Sustainable relations with suppliers	E-learning for Unibail-Rodamco's employees on its Code of Ethics	✓	✓	✓	✓

(1) Source: Country score Vigeo – February 2017.

(2) Commissioning report expected to be completed in 2017.

(3) According to dynamic thermal simulation aligned with RT 2005 requirements.

(4) According to Swedish building regulation (BBR 17).

OPERATION PHASE

BREEAM In-Use prerequisite

Prerequisite	Criteria	Commitments/ supporting elements	GBI €750 Mn			GB II SEK 1.5 Bn
			Lyon Confluence	So Ouest	Aéroville	Mall of Scandinavia
Environmental certification	BREEAM In-Use	BREEAM In-Use scores minimum "Very Good" for Asset (P1) and Building Management (P2) ⁽¹⁾	(P1): Excellent (P2): Outstanding Obtained on Dec. 19, 2013 Recertified: Dec 22, 2016 ⁽²⁾	(P1): Excellent (P2): Outstanding Obtained on Dec. 11, 2014	(P1): Excellent (P2): Outstanding Obtained on July. 28, 2015	Expected in 2017 Annual Report

(1) According to "BREEAM In-Use International" schemes.

(2) According to "BREEAM In-Use International 2015", scores maintained

13 sub criteria

Domains	Criteria	Evidences	GBI €750 Mn			GB II SEK 1.5 Bn
			Lyon Confluence	So Ouest	Aéroville	Mall of Scandinavia
II – Contribution of the Eligible assets to the development and wellbeing of the communities in which they are located	Assess the local social and economic development	Assess local employment through tenants' activities (e.g. follow-up of number of jobs created in the catchment area) KPI: Total tenants supported job (FTE)	869 ⁽³⁾	735 ⁽³⁾	1,387 ⁽³⁾	1,639 ⁽³⁾
	Environmental Management Systems ("Sustainable Management Attitude")	Environmental action plan and follow-up with regular reporting (from 1 year after opening)	✓	✓	✓	✓
III – Monitoring the environmental impacts of the Eligible assets	Pollution prevention and control	Annual audit of health and safety risks (from 2 year after opening) KPI: Annual health & safety audit (rating from A to D)	A ⁽⁴⁾	A ⁽⁴⁾	A ⁽⁴⁾	B ⁽⁴⁾
	Carbon intensity management	Assess energy consumption and CO ₂ emissions with potential action plan if needed KPI: Carbon intensity trend (in CO₂/visit) since measured baseline	-40.9% kWh/visit -64.8% CO ₂ /visit (2016/2013)	-18.4% kWh/visit -20.4% CO ₂ /visit (2016/2014)	-22.8% kWh/visit -27.5% CO ₂ /visit (2016/2015)	Expected in 2018 Annual Report ⁽⁵⁾
IV – Promoting sustainable and enduring relationships with tenants and visitors	Sustainable relations with tenants	Organise on site Sustainability Committee	✓	✓	✓	✓
		Conduct satisfaction survey with retailers KPI: Overall satisfaction score (out of 100)	67/100	61/100	64/100	73/100
	Sustainable relations with visitors	4-Star Labelling or equivalent if applicable	✓	✓	✓	✓
		Conduct satisfaction survey KPI: Overall satisfaction score (out of 100)	89/100	84/100	83/100	87/100
V – Promoting social and environmental factors with suppliers	Social responsibility towards suppliers' workers	Relevant safety management (e.g. video protection plan)	✓	✓	✓	✓
		Promote labour rights to suppliers via contractual documentation	✓	✓	✓	✓
	Integration of Environmental and social factor in the supply chain	Promote environmental and social factors to suppliers via contractual documentation	✓	✓	✓	✓
		Promote ethics to suppliers via contractual documentation	✓	✓	✓	✓
Sustainable relations with suppliers	Assess regularly compliance with contractual clause by the main suppliers	✓	✓	✓	✓	

(3) Source: shopping centre economic footprint study performed by Beyond Financial firm.

(4) In-house Health & Safety audit – methodology and rating detailed in the Financial Report pages 108-109.

(5) No data available due to an opening to public in November 2015, energy consumption and CO₂ emissions have been tracked since the opening and the evolution of these indicators will be published in the 2018 Annual Report.

Annual report on the “Unibail-Rodamco Green Bond” and the Use of Proceeds (for GB III issued in 2015)

CONSTRUCTION PHASE

BREEAM prerequisite

Prerequisite	Criteria	Commitment	GB III €500 Mn		
			Majunga	So Ouest Plaza	Carré Sénart Ext
Environmental certification	BREEAM	BREEAM score minimum “Very Good”	Excellent ⁽¹⁾	Excellent ⁽²⁾	Excellent ⁽³⁾

(1) Has achieved a final overall score of 76.2% and a BREEAM rating of “Excellent” under the BREEAM 2009 Europe commercial office.
(2) Has achieved a final overall score of 71.2% and a BREEAM rating of “Excellent” under the BREEAM 2009 Europe commercial office.
(3) Has achieved an interim overall score of 78.1% and a BREEAM rating of “Excellent” under the 2009 version of BREEAM Europe commercial retail.

17 sub criteria

Domains	Criteria	Sub criteria	GB III €500 Mn		
			Majunga	So Ouest Plaza	Carré Sénart Ext
I – Select the countries in which Eligible assets are located based on human rights and governance	Respect, protection and promotion of freedom and human rights	Integration, signature or ratification of conventions related to (i) Human Rights, and (ii) Labour Rights KPI: country score Vigeo (out of 100)		97.22/100 ⁽¹⁾	
	Democratic institutions	Performance indicators on: Political Freedom and Stability; Prevention of corruption; Press freedom; Independence of the judicial system; Legal certainty KPI: country score Vigeo (out of 100)		88.64/100 ⁽¹⁾	
II – Contribution of the Eligible assets to the development and well-being of the communities in which they are located	Sustainable insertion and local consultation	Existence of information on projects to neighbours	✓	✓	✓
		Absence of material public recourse on the project preventing the completion of the project	✓	✓	✓
	Development of sustainable transport and connectivity	Accessibility of the asset by public transports (within 500 metres) KPI: Distance to a public transport mode (m)	440 m Defense Hub	300 m bus line	150 m bus line
		Promote the potential use of alternative transport solution and sustainable mobility	✓	✓	✓
III – Monitoring the environmental impacts of the Eligible assets	Environmental Management Systems (“Sustainable Design Attitude”)	Involvement of an external environmental consultant	✓	✓	✓
	Pollution prevention and control	Commissioning Report	✓	Ongoing ⁽²⁾	Ongoing ⁽²⁾
		Environmental impact assessment and implementation of appropriate measures if necessary	✓	✓	✓
	Carbon intensity management	Promote applicable considerate construction charter to minimise environmental impact of building sites during construction phase	✓	✓	✓
		Optimise intrinsic energy performance of the asset in view of applicable regulatory constraints KPI: Percentage improvement over national standard building energy performance (%)	-58.7% ⁽³⁾	-53.8% ⁽³⁾	-53.1% ⁽⁴⁾
Biodiversity conservation and landscape integration	Involvement of an ecologist during the Project Phase	✓	✓	✓	
IV – Promoting sustainable and enduring relationships with tenants and visitors	Sustainable relations with tenants	Promote “Green Leases” signature before opening KPI: Percentage of “green lease” signed (%)	100%	100%	100% ⁽⁵⁾
V – Promoting social and environmental factors with suppliers	Social responsibility towards suppliers’ workers	Promote if possible health & safety coordinator contract (or equivalent)	✓	✓	✓
		Promote access control to building site	✓	✓	✓
	Integration of environmental and social factor in the supply chain	Promote considerate construction charter to minimise environmental impact of building sites	✓	✓	✓
		Sustainable relations with suppliers	E-learning for Unibail-Rodamco’s employees on its Code of Ethics	✓	✓

(1) Source: Country score Vigeo – February 2017.

(2) Commissioning report expected to be completed in 2017 for So Ouest Plaza and 2018 for Carré Sénart extension.

(3) According to RT 2005 modelling.

(4) According to dynamic thermal simulation aligned with RT 2012 requirements.

(5) As at December 31 2016.

OPERATION PHASE

BREEAM In-Use prerequisite

Prerequisite	Criteria	Commitments/supporting elements	GB III €500 Mn		
			Majunga	So Ouest Plaza	Carré Sénart Ext
Environmental certification	BREEAM In-Use	BREEAM In-Use scores minimum "Very Good" for Asset (P1) and Building Management (P2) ⁽¹⁾	Expected in 2017 Annual Report	Expected in 2017 Annual Report	Expected in 2019 Annual Report

(1) According to "BREEAM In-Use International" schemes.

13 sub criteria

Domains	Criteria	Evidences	GB III €500 Mn		
			Majunga	So Ouest Plaza	Carré Sénart Ext
II – Contribution of the Eligible assets to the development and well-being of the communities in which they are located	Assess the local social and economic development	Assess local employment through tenants' activities (e.g. follow-up of number of jobs created in the catchment area) KPI: Total tenants supported job (FTE)	Not concerned	Not concerned	Expected in 2019 Annual Report
	Environmental Management Systems ("Sustainable Management Attitude")	Environmental action plan and follow-up with regular reporting (from 1 year after opening)	✓	✓	Expected in 2018 Annual Report
III – Monitoring the environmental impacts of the Eligible assets	Pollution prevention and control	Annual audit of health and safety risks (from 2 years after opening) KPI: Annual health & safety audit (rating from A to D)	A ⁽²⁾	Expected in 2017 Annual Report	Expected in 2019 Annual Report
	Carbon intensity management	Assess energy consumption and CO ₂ emissions with potential action plan if needed KPI: Carbon intensity trend (in CO₂/visit) since measured baseline	Expected in 2017 Annual Report ⁽³⁾	Expected in 2017 Annual Report ⁽³⁾	Expected in 2019 Annual Report ⁽³⁾
IV – Promoting sustainable and enduring relationships with tenants and visitors	Sustainable relations with tenants	Organise on-site Sustainability Committee	Expected in 2017 Annual Report	Expected in 2017 Annual Report	Expected in 2018 Annual Report
		Conduct satisfaction survey with retailers KPI: Overall satisfaction score (out of 100)	Not concerned	Not concerned	Expected in 2018 Annual Report
	Sustainable relations with visitors	4-Star Labelling or equivalent if applicable	Not concerned	Not concerned	Expected in 2018 Annual Report
		Conduct satisfaction survey KPI: Overall satisfaction score (out of 100)	Not concerned	Not concerned	Expected in 2018 Annual Report
V – Promoting social and environmental factors with suppliers	Social responsibility towards suppliers' workers	Relevant safety management (e.g. video protection plan)	Not concerned	Not concerned	Expected in 2018 Annual Report
		Promote labour rights to suppliers via contractual documentation	✓	✓	Expected in 2018 Annual Report
	Integration of Environmental and social factor in the supply chain	Promote environmental and social factor to suppliers via contractual documentation	✓	✓	Expected in 2018 Annual Report
		Promote ethics to suppliers via contractual documentation	✓	✓	Expected in 2018 Annual Report
Sustainable relations with suppliers	Assess regularly compliance with contractual clause by the main suppliers	Assess regularly compliance with contractual clause by the main suppliers	✓	✓	Expected in 2018 Annual Report

(2) In-house Health & Safety audit – methodology and rating detailed in the Financial Report pages 108-109.

(3) No data available for Majunga and So Ouest Plaza due to a tenant's ongoing fitting works and ongoing works on Carré Sénart extension.

Independent verifier's report on Green Bond criteria and indicators

Unibail-Rodamco has commissioned the EY firm as a third-party auditor to check the compliance of the financed assets with the eligibility criteria set and reported above. This verification included an in-depth review of the documentary evidence for each domain and criteria (for each phase) and detailed on-site audits including Carré Sénart and Tour Majunga. The EY reasonable assurance report is available below (pages 128-129).

Independent report of one of the statutory auditors on compliance with environmental and social criteria for selection and monitoring of assets eligible for Green Bonds and the allocation of funds raised under these obligations

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 applicable regulations in France.

Year ended December 31st, 2016

To Mr. Christophe Cuvillier, Chairman of the Management Board,

In our capacity as statutory auditor of the company, we hereby present our report on environmental and social criteria for selection and monitoring processes, defined in the "Use of Proceeds"⁽¹⁾ requirements of Green Bonds "Selection and Monitoring Criteria" for the assets selected for Green Bonds in effect on December 31st 2016.

We conducted the work described below in accordance with the international standard ISAE 3000 (International Standard on Assurance Engagements) and the professional doctrine of the French Compagnie Nationale des Commissaires aux Comptes in relation to this intervention. We called, to assist us in performing our work, on our experts in sustainable development, under the responsibility of Mr. Eric Duvaud, Partner.

Responsibility of the company

It is the responsibility of the Company's Chairman to establish the Selection and Monitoring Criteria and ensure their implementation.

Independence and quality control

Our independence is defined by regulatory requirements and the Code of Ethics of our profession and the conditions laid down by Article L. 822-11 of the French Commercial Code. In addition, we have implemented a quality control system, including documented policies and procedures to ensure compliance with ethical standards and applicable laws and regulations.

Responsibility of the statutory auditor

- ◆ It is our role, based on our work to express a reasonable assurance as to whether the assets selected for Green Bonds in effect on December 31st 2016 comply, in all material aspects, with the Selection and Monitoring Criteria (reasonable assurance report).
- ◆ To attest to the allocation of funds raised under Green Bonds to the selected assets and attest to the concordance of funds allocated to these assets with the amount in the accounts, knowing that no new "Green Bond" was issued in 2016.

I. Reasonable assurance report on environmental and social criteria for selection and monitoring

Nature and scope of work

In order to be able to express our conclusion, we undertook the following work, between November 2016 and March 2017:

- ◆ we assessed the suitability of the Selection and Monitoring Criteria regarding their relevance, completeness, clarity, neutrality and reliability, taking into consideration the "Green Bonds Principles"⁽²⁾;
- ◆ we undertook interviews at the main office of the Company in order to understand selection and monitoring procedures and to verify the compliance with Selection and Monitoring Criteria, based on the documentary evidence available at the company main office relating to the seven assets monitored in the framework of bonds issued during the previous financial years (Lyon Confluence, So Ouest, Aéroville, Mall of Scandinavia, Majunga, So Ouest Plaza and Carré Sénart Extension).

(1) "Criteria" and "Indicators" press releases published on February 19th 2014, about Selection criteria ("Additional criteria") and Monitoring Criteria (Indicators) for Green Bonds, available at www.unbail-rodamco.fr.

(2) The Green Bonds Principles (updated version of June 2016) are available on the website of the ICMA (International Capital Market Association) <http://www.icmagroup.org>.

Information or explanations on the Selection and Monitoring Criteria

- ◆ The Selection and Monitoring Criteria only cover environmental and social aspects of eligible assets, and exclude their economic aspects. These criteria are the minimum requirements to be met by eligible assets in order to be considered as Green Bonds. They are related to construction and operating phases and the monitoring of assets. The company also publishes the justification or the confirmation of the compliance with each criterion for the selected assets in the chapter "3.4.7.3 Green Bonds Framework and Reporting" of the Management Report.
- ◆ For the operating phase, part of the criteria cannot be applied and verified before one or several years of operation (e.g. certification BREAM-In-Use). For assets still under construction (e.g. Carré Sénart extension) or recently delivered (e.g. Majunga, So Ouest Plaza), the expected date of compliance with these criteria is specified in the detailed table by asset in the chapter 3.4.7.3 of the Management Report.

Conclusion

In our opinion, the assets selected for Green Bonds in effect on December 31st, 2016 comply, in all material aspects, with the Selection and Monitoring Criteria.

II. Attestation on funds allocation

It is also our responsibility to express our conclusion on the funds allocated to the assets that were selected and on the consistency between the amount of funds allocated to these assets within the framework of the Green Bonds issuance and the accounting records and their underlying data, knowing that no new "Green Bond" was issued in 2016.

However, it is not our responsibility to express a conclusion on the use of the funds allocated to the eligible assets following their allocation.

In our capacity as statutory auditor of Unibail-Rodamco, we conducted jointly with the co-statutory auditor, the audit of the consolidated financial statements of the company for the year ended December 31st, 2016. Our audit aimed at expressing an opinion on the consolidated financial statements considered globally and not on specific elements of these statements used to establish this information. Therefore, we did not perform any audit tests or sampling to this purpose and we do not express any opinion on these isolated elements.

Our intervention, which is neither an audit nor a limited review, was performed in accordance with the professional doctrine of the French Compagnie Nationale des Commissaires aux Comptes in relation to this intervention, in order to:

- ◆ understand the procedures that the company put in place so as to determine the information provided in chapter "3.4.7.3 Green Bonds Framework and Reporting" in the 2016 Management Report;
- ◆ verify that the internal loans or financing contracts signed with the subsidiaries owning Lyon Confluence, So Ouest, Aéroville, Mall of Scandinavia, Majunga, So Ouest Plaza and Carré Sénart extension are still running on 31 December 2016, knowing that in date of the issuance of our report on 16 march 2016, on the respect of environmental and social **Selection and Monitoring Criteria** for the selected assets for "Green Bonds" and on the allocation of funds raised for these obligations in date of 31 December 2015, we verified that these contracts mention the source of the funds;
- ◆ verify the consistency between the information provided in the introduction of chapter "3.4.7.3 Green Bonds Framework and Reporting" of the 2016 Management Report for the year ended December 31st, 2016 and the data from the consolidated financial statements of the company for the same year.

Based on our work, in the context of the Green Bonds issuance, we have nothing to report with regard to the allocation of the funds to the assets selected or to the consistency of the amount of funds allocated to these eligible assets with the accounting records and underlying data, knowing that no new "Green Bond" was issued in 2016.

Paris-La Défense, the 20th of March 2017,

One of the Statutory Auditors

French original signed by:

ERNST & YOUNG Audit

Christian Mouillon

Éric Duvaud
Sustainability Expert

3.5. People @ Unibail-Rodamco

Unibail-Rodamco's recruitment and career development policies are designed to attract and retain the best talent on the market. The Group is committed to offering employees a working environment that fosters equal opportunities and talent diversity to enable each individual to acquire the skills and opportunities needed to build exciting careers that also create value for the Company.

3.5.1. Reporting methodology

Throughout the year, Unibail-Rodamco uses Key Performance Indicators (KPI) to collect and analyse the main human resources data and help implement Group policies in this regard.

Reporting scope

Human Resources KPI are based on specific data references for each country where the Group is present. The reporting is based on data provided by all the countries and addresses its three asset types, namely Shopping Centres, Offices and Convention & Exhibition venues over the period from January 1 to December 31, 2016. Many of these KPI are outlined in the tables below, preceded by a short definition.

Each region controls and collects data relevant to its own operations, which are integrated into a common database – the Human Resources Information System (HRIS), accessible by head office HR teams, in accordance with Data Protection laws and authorities. The HRIS installed in 2016 includes an HR administrative database, a training platform (Learning Management System) and a new payroll tool for France. A recruitment management module will be added in 2017.

3.5.2. Talent management and engagement

Employees receive regular support and advice on career development. They meet with their managers at least twice a year for mid-year and year-end appraisals, which gives them the opportunity to discuss their performance, objectives, career advancement and possible training needs. A 360° review each year provides employees and managers with comprehensive feedback on their strengths, development areas, training needs and career planning. Employees also have the opportunity to discuss contributions they have made to Group initiatives and projects outside their direct scope of responsibility. Each employee's performance is reviewed annually by a Talent Review Committee in the presence of HR staff, a number of managers and often members of the Management Board.

Unibail-Rodamco's competency model was updated in 2014 to include the six values and expected behaviours outlined in the UR Experience in the appraisal methodology. This gave all employees

the opportunity to understand the mindset and skills expected in the UR Experience. The internal Job Grading system enhances communication, consistency and transparency in managing mobility across the Group. Internal mobility between functions is strongly encouraged and is conceived as a collaborative process involving employees, managers and HR department. It gives employees a more in-depth understanding of the Group's various activities and priorities at each stage in the lifecycle of its assets. Internal mobility also helps employees to build and consolidate networks and share best practices among the various regions. The international mobility policy has been re-designed to cover all mobility schemes, increase awareness of the related benefits and provide full support to expatriate employees and their families. In 2016, 240 employees made a lateral or geographical career move within the Group, 291 employees (14.62% on average) were promoted and 44 conducted an international mobility (compared with 46 in 2015).

Several talent development initiatives took place in 2016:

- ◆ a two-day Summer Campus (initiated in 2015), attended by 50 young talents who were provided with various leadership training sessions and the opportunity to attend seminars led by Group senior managers and external speakers;
- ◆ a "Next Leaders" programme targeting experienced managers with a view to ensuring ongoing skills development and preparing them to become the future leaders of Unibail-Rodamco;
- ◆ finally, to harness collective intelligence and innovation, the Group also continued to develop its Innovation Champions network, which in 2015 became the "Innovation Champion Graduate Programme". There are several ways to participate in this programme, with most Innovation Champions remaining in their operational role and dedicating up to 20% of their time to innovation projects for which they receive specific training and coaching in areas such as brainstorming and design thinking. Their role is to complete one phase of an innovation project and support innovation within their teams and the Group at large. Other Innovation Champions work on a full time basis for six- to nine-month for the UR Lab, the Group's dedicated R&D team of 12 employees (as at December 31, 2016). This program aims to increase the Group's overall innovation capacity, open new career perspectives and promote diversity within teams.

To encourage employees' mobility, a new procedure for making public internal vacancies was implemented in 2015.

2016 saw the second edition of the UR Experience Survey which, like the first survey in 2014, was aimed at monitoring the implementation of UR Experience pillars for the Group's employees, it was also the first survey on employee engagement for Unibail-Rodamco. The 2016 edition received a particularly high 81% response rate. It led to over 50 interactive sessions to discuss the results across the Group. Action plan roll-outs were announced early 2017, including homeworking and improved tools and processes.

3.5.3. UR Academy – Developing people

In 2016, talent development is at the heart of the Academy's action, with a particular focus on innovation and increased internationalisation.

The training platform was rolled out across the Group's regions in early 2016. Employees take ownership of their training, moving from a top-down approach to a more participative approach at their own initiative. This has enabled the Group to set up online training initiatives, simplify the follow-up process and centralise the training offered.

To ensure that the needs identified are quickly met via PC, iPad and iPhone, the Academy has brought the production of online training modules in-house. Four new soft skills modules were designed over the course of several days.

To promote a more interactive approach, the Academy has also put its classroom-based training sessions online, with more than 20 sessions available. This acts as a real ice-breaker for employees, allowing them to swap ideas and even take part in quizzes via their smartphone.

In 2016, Business training represented almost 63% of training delivered and 83% of trainees. It shows the importance of Unibail-Rodamco expertise and is linked to its capacity to deliver internal training led by experts of the Group.

Internationalisation and the promotion of diversity are two of Unibail-Rodamco's key objectives. In this respect, the Academy has organised international training sessions and launched the Gender Balanced Leadership training programme to raise awareness of diversity issues among the top 100 managers.



Unibail-Rodamco values authentic leadership and supports future managers by developing an international training path tailored to their particular management environment. A total of 9,900 personal development training hours were provided in 2016, including 2,000 hours dedicated to leadership.

Similarly, to ensure the best possible preparation for future Group leaders, UR Academy held several major international events in 2016:

	Number of people trained in 2016	Total hours in 2016
Summer Campus	80	1,214
Gender Balanced Leadership	41	184
Unlocking Potential of Leaders/Women @ UR	45	353

The UR Academy received four awards in 2016



U-SPRING
French Ministry of Labour



U-SPRING
French Ministry of Labour



HR&M/Google



ANDRH (French national
association of HR directors)

UR Academy also provided dedicated corporate social responsibility training sessions during the year. Specific training was developed for shopping centre employees, to prepare them for potentially challenging situations. In France, first aid training was offered in conjunction with the Red Cross and was taken up by 54 employees.

KPI: TRAINING [G4-LA9]

Total training hours attended by employees on permanent and fixed-term contracts:

	2014 ⁽²⁾	2015	2016
Total hours attended	30,978	41,023	43,404
Average number of hours per employee ⁽¹⁾	14.8	20.6	21.8

(1) Based on average headcount for the year.

(2) 2014 includes mfi integration.

3.5.4. Attracting the best

The Group consolidated its partnership with the CEMS Global Alliance in 2016, by organising twice as many activities for students as during the previous academic year.

Within the scope of the European Graduate Programme (EGP), the Group recruited 60 young graduates from among Europe's most prestigious universities and business schools, 9% more than in 2015. In all, 15 of these graduates hold a CEMS Master's degree, ranked by the Financial Times as the fourth best Master's degree in Management in the world. The Group led a total of 157 EGP assignments during the year, with new policy in terms of international mobility.

The *urMall* business game was held for the third time in 2016, and attracted 360 candidates. As in 2015, 60 students were chosen during a regional selection phase held in eight European capital cities. In all, 31 finalists were given the opportunity to travel to Paris to perform a business case study and present it to the Management Board. They also got the chance to visit to the newly-renovated Forum des Halles shopping centre. Almost a third of the finalists accepted a permanent contract to join the EGP in 2016 or 2017.

The Human Resources teams launched a major project to formalise and harmonise the Group's employer brand, notably through the preparation of a new corporate website, to which an integrated recruitment module will be added in 2017.



Unibail-Rodamco reiterated its commitment to training young talent when it was selected from among 1,500 companies to receive the Happy Trainees prize for the second year in a row. This prize recognises companies in which trainees or apprentices feel happiest. Some 88% of our trainees responded, giving us an overall score of 4.17/5 as regards their experience with the Group.



In 2016, Unibail-Rodamco once again ranked as one of the most attractive companies for students from French business schools (Universum survey 2016). For the first year the Group was also awarded in the category of experienced professionals in Austria, France and Sweden.



In Germany, the European Graduate Programme won the 2016 graduate trainee award in recognition of its status as one of the best programmes of this type.

While maintaining the focus on internal mobility, several key management-level hires were made in 2016, bringing the Group new experience and a more international profile. At Group level, 18 people were hired with the grade of Principal or above.

To continue expanding its international scope, the Group paid special attention to the recruitment of candidates in countries other than their country of origin. For example, 17% of candidates hired in France in 2016 on corporate positions had another nationality than French⁽¹⁾.

To speed up recruitment, the Group launched a referral programme called *coopt @ ur* among employees. Vacant positions are published on the Company's social networking site (UR World) and employees can each put forward one professional acquaintance. If

the recommended person is hired, the referring employee receives €1,000, with an additional €1,000 given to a charity of their choice. Over the last quarter of 2016, more than 15% of eligible hires were carried out through this programme.

Finally, Unibail-Rodamco strengthened its presence on professional social networks such as LinkedIn, where it now has almost 30,000 followers, representing a jump of 38% compared to 2015.

Employee turnover in 2016, as measured by dividing the total number of resignations, dismissals, departures under mutual agreement, retirements, departures during trial periods and deaths by the number of permanent employees at the end of 2015, stood at 17.1% (compared with 19.3% in 2015).

KPI: RECRUITMENT [G4-10, G4-LA1]

Total new employees (excluding trainees)

Employees by contract type	2015	2016
Permanent contracts	325	357
Fixed-term contracts	62	55
Apprenticeships ⁽¹⁾	15	19
TOTAL	402	431

(1) Excluding traineeships.

KPI: DEPARTURES [G4-LA1]

Total number of departures (excluding trainees)

Reasons for departure	2015	2016
Resignations	190	163
Dismissals	103	66
Mutual agreements	55	57
Retirements	23	14
Departures during trial period	15	25
Expiry of fixed-term contracts	56	46
Outsourcing	46	26
Death	1	2
TOTAL	489	399

(1) Excluding EGP.

3.5.5. Equal opportunity and inclusion

Average headcount for the Group in 2016 was 1,990 employees. Unibail-Rodamco maintained its positive track record for gender and age diversity with an almost equal split between men and women and a well-balanced age pyramid.

Diversity in all forms in the workplace is of prime importance for Unibail-Rodamco. The Group strongly advocates trust, professionalism, efficiency, integrity, transparency, team work and mutual respect, regardless of gender, age, disability, sexual orientation or religion.

In 2014, the Group developed the UR Experience with the aim of:

- ◆ reasserting the fundamental values at the heart of Unibail-Rodamco's success and culture;
- ◆ enhancing the Group's performance.

The Management Board captured the essence of Unibail-Rodamco's culture in six specific, unique and guiding pillars, referred to as the UR Experience. These pillars are:

- ◆ We work harder, we deliver faster;
- ◆ We create unique opportunities;
- ◆ We only play to win;
- ◆ We never compromise on ethics;
- ◆ We turn individual strengths into collective power;
- ◆ We trust our people, we empower them to dare.

These were then classified into expected behaviours. The UR Experience has been part of the competency model used in the Group bi-yearly evaluation since 2014 and is now firmly embedded in the mindset and day-to-day activities of all employees.

These principles are also highlighted in the Group's Code of Ethics and in its Compliance Book. In 2012, a European Diversity Charter was promoted throughout the Group to fight all discrimination and harassment. Candidates are encouraged to submit anonymous CVs through the Group's corporate website. In 2013, the Group signed the parenthood charter.

Since 2015, the Group has been developing its Equal Opportunities project to promote diversity in its Talent Management policy. Actions plans involving KPI monitoring have been launched on a region-by-region basis under the sponsorship of the Human Resources department.

In 2016, 28.4% of positions at Principal grade and above were held by women, compared with 27.3% in 2015. The Women@UR network continues to expand at local and Group level. It includes a mentoring programme, events with well known guest speakers. A two-day leadership development course designed in conjunction with McKinsey was held for the fifth consecutive year and led by three female executive employees from Unibail-Rodamco.

In November 2016, Unibail-Rodamco France once again signed the charter for diversity and inclusion of disabled persons in the workplace. The Group ensures that the standards set out in these charters are enforced in all countries in which it has operations. Each year, the team responsible for recruitment in France participates in forums on the employment of people with disabilities. All job offers are opened to people with disabilities and feature a special logo on websites offering this possibility. The Group (including Viparis) had 23 disabled employees in 2016. An action plan entitled "Handicap and Performance" was put in place in France, which included a conference on this topic in November 2016 given by a racing driver with ankylosing spondylitis, a chronic spine inflammation. In several countries, the Group also purchases office supplies from companies that employ disabled people and works with companies with sheltered workshop status.

KPI: EMPLOYMENT BY COUNTRY [G4-10, G4-LA12]

Average monthly headcount (total employees on the last day of each month divided by 12)

	2015	%	2016	%
Austria	55	2.8%	56	2.8%
Czech Republic	44	2.2%	47	2.4%
Denmark	8	0.4%	8	0.4%
France ⁽¹⁾	1,017	51.0%	1,022	51.3%
Germany	500	25.0%	467	23.5%
Netherlands	66	3.3%	68	3.4%
Poland	53	2.6%	62	3.1%
Slovakia	12	0.6%	10	0.5%
Spain	148	7.4%	153	7.7%
Sweden	93	4.7%	97	4.9%
TOTAL	1,996	100.0%	1,990	100.0%

(1) Including all Viparis employees (383 in 2015 and 379 in 2016)/employees seconded to CAML (1 in 2015 and 1 in 2016). Since January 1, 2015, members of the Management Board are not included in Group headcount.

KPI: EMPLOYMENT BY ACTIVITY [G4-10, G4-LA12]

Workforce as at December 31

	2015	2016
Offices	0.8%	1.1%
Shopping Centres	32.1%	23.3%
Convention & Exhibition venues ⁽¹⁾	19.3%	19.0%
Development ⁽²⁾	7.9%	7.7%
Shared services	25.1%	28.2%
Headquarters	14.8%	20.7%

(1) Including all Viparis employees.

(2) Offices and shopping centres.

KPI: EMPLOYMENT BY AGE [G4-10, G4-LA12]

Workforce as at December 31

	2015	2016
< 30 years old	26.8%	29.5%
30-40 years old	32.2%	32.7%
40-50 years old	23.6%	20.7%
> 50 years old	17.4%	17.1%

KPI: EMPLOYMENT BY GENDER [G4-10, G4-LA12]

Workforce as at December 31

	2015	2016
Women	49.6%	50.1%
Men	50.4%	49.9%

3.5.6. Corporate citizenship**“Better Places 2030” strategy**

The Unibail-Rodamco Group participates in the creation of cities and has a major influence on how cities residents live, work, shop and are entertained. Because of this, the Group has a clear social responsibility towards the local communities in which it operates. On September 22, 2016, Christophe Cuvillier, Chairman of the Management Board, unveiled the Group's new corporate social responsibility (CSR) strategy, “Better Places 2030”. This ambitious strategy commits the Group to a series of challenges in the commercial real estate sector, with the aim of playing a pioneering role in helping to transform the Group's businesses and industry for the next 15 years.

“Better Places 2030” reaffirms the Group's determination to support the development of the communities with two focuses: local economic development and youth employment. Given the average age of its employees, young people are the lifeblood of the Company, with around 50% of staff aged 35 or under. Youth unemployment is a major challenge within the European Union, standing at 20.4% in 2015 (source: OECD). The commerce, catering and retail industries are among the biggest recruiters of young people, and the Group has chosen to step up its commitment to helping young people train and find work. Specific initiatives were rolled out in this field in 2015, with the creation of the *UR for Jobs*

programme. In 2016, a total of 35 young people were recruited under this programme and given fixed-term contracts of over six months with our tenants and service providers in three pilot shopping centres, or were able to return to training in order to gain a qualification. In France, the *École de la Deuxième Chance* was also a key partner of this initiative.

“Better Places 2030” aims by 2020, to help each year 1,000 young people find jobs among our tenants and service providers in our shopping centres or integrate a graduating training program each year.

Partnerships with local non-profit organisations will also be strengthened thanks to solidarity events with a charity supporting youth. In 2017, each of the Group's regions, representing 13 shopping centres, will test a new event pilot in partnership with local non-profit organisations (such as the *Szkola na wielcu* Foundation in Poland or *Passeport Avenir* in France), in order to engage visitors and employees in solving some of the difficulties faced by local youth.

The *UR for Jobs* and *Solidarity Events* initiatives will be supported by volunteering Group employees, who will be given the opportunity to use their worktime to support the Group's corporate citizenship initiatives. All employees will hence be given the chance to take concrete action through one of Unibail-Rodamco's social initiatives and therefore support the young people of today build the world of tomorrow.



UR for jobs initiatives

The goal is to match up young job seekers with job opportunities in shopping centres and the surrounding environment

In 2016, **3** of the Group's shopping centres met the youth employment challenge



By putting in place...

Training



137 young people trained

Coaching
and mentoring



126 employees involved

With exposure
to recruiters
(job dating, matching
platform)



70 retailers
19 service providers
and partners involved

... first results are encouraging

2016



35
job
matched*

2020

In 2020, this initiative will be rolled out by **100%** of shopping centres with over 6 million visitors per year. By 2020, the aim is to have

1,000
job matched*/
year

* job matched: permanent contract, fixed-term contract of over six months, integration within a training course leading to a diploma at 31 December 2016.

Philanthropy

The Group gave a total of €3.7 million in cash and in kind to a variety of charities in 2016. €1.6 million of these donations were made by shopping centres, which meet local needs through charitable donations or by making a facility or employees available for a given project. The Group also took a direct role through donations or top-up contributions totalling €0.7 million. The Group donated a total of €1.35 million to the *Grand Prix des Jeunes Créateurs du Commerce* (Grand Prize for Young Retail Entrepreneurs) to fund the development of three new local businesses.

In 2016, the Group's employees organised 322 charitable and awareness-raising initiatives in the Group's shopping centres.

Entrepreneurship and business creation

Unibail-Rodamco continued to support the local economy and business creation through two flagship initiatives in 2016.

In September 2016, the *Grand Prix des Jeunes Créateurs du Commerce* celebrated its 10th anniversary. Launched by Unibail-Rodamco in 2007, this competition aims to showcase the creativity and innovative acumen of tomorrow's retail talents by providing them with the financial and operational support they need to start up their business. The 10th anniversary edition rewarded the three most innovative ideas of 2016. The Grand Prix was awarded to *Lunettes pour Tous*, a store where customers can purchase high-quality vision glasses for €10 in ten minutes. *Lunettes pour Tous* won the €1 million award which will help it pay for the lease of premises within one of the Group's commercial buildings. The two other prize-winners were *Déclic et des Trucs* which offers an innovative learning experience for children through recreational manual activities, and *Tediber*, France's leading purely-digital supplier of mattresses, which each picked up €175,000 to launch their business model with a pop-up store in one of the Group's shopping centres.

These awards are the largest initiative in France supporting the creation of new businesses, with financial support totalling €1.35 million.

UR Link, the Group's start-up accelerator programme was launched in 2016 and also works to promote entrepreneurship.

The first UR Link' season led to a partnership with Dress in the City. This start-up sells second-hand branded clothes and increase customers' purchasing power. It was given the opportunity to launch two flagship events in the Quatre Temps shopping centre and to access a product storage warehouse.

For its second season launched in November 2016 and in line with the Group's CSR goals, three of the five start-ups selected address social or environmental concerns: *Merito* has developed an application to meet retailers' recruitment needs by putting them in touch with local job seekers, *Sous les fraises* develops urban farming, and *Karos* provides car-sharing solutions for short journeys.

UR Link has also started to identify start-ups for its third season in 2017.

Education and promotion of the real estate sector

As industry leader, Unibail-Rodamco also wishes to promote and drive forward education and research in the fields of real estate and urban planning.

Unibail-Rodamco is a founding member of the Palladio Foundation which together with the biggest players in the French real estate industry is striving to help build the city of the future by answering the major challenges facing contemporary societies.

In 2016, the Group took part in the Palladio Institute's annual cycle of conferences sponsored by the Mayor of Paris and on the topic "looking at future cities in the age of corporate social responsibility". In 2017, the Group also hosted the Real Estate Career Forum organised by the Foundation which attracted over 2,000 visitors.

In addition to these working groups and task forces, the Foundation also finances the brightest students in the real estate field, helping them to continue their higher education or pursue research projects. In 2016, the Foundation granted 11 scholarships and organised the ninth consecutive *Prix Junior de l'Immobilier* (Junior Prize for Real Estate).

In parallel, the Group organised a series of lectures on architecture, inviting well-known architects such as Philippe Chiambaretta and Denis Valode as guest speakers. These conferences are open to a broad public audience and look to encourage debate among students, architects and the Group's employees on the future of towns and cities and urban planning.

3.5.7. Well-being at work

Launched in 2014, the *WorkSmarter* initiative aims to improve the day-to-day life of the Group's employees. Along the lines of WorkSmarter, in 2015 several of the countries in which the Group operates provided their employees with "Ureka!" rooms to encourage creativity. Fitted out in an unconventional style (post-it walls, digital tablets), the rooms encourage teamwork and brainstorming. Some of the countries concerned have also relocated or refurbished their offices, offering their employees modern work spaces featuring company restaurants, cafés and multi-purpose rooms, as well as easier access on foot, by bike or public transportation.

The Mixer was unveiled at the Group's head office in 2016 and is a 900 m² space dedicated to innovation, where Unibail-Rodamco teams, start-ups and partners work together to create the shopping centres and offices of tomorrow. Each week, meetings and conferences are organised on architecture, retail, digital revolution, co-working and sustainable development.

As part of its ongoing drive to improve working environments, the Group also pursued its efforts to provide its employees with the latest technological innovations such as multi-function printers, Single Sign-On connections for all sites and internal apps, Apple TV, UR Services and so on. Skype for Business was set up in January 2017 to facilitate online meetings and communication in real time, either internally or with parties outside the Group.

In 2016, various countries also endeavoured to put one of the components of the *WorkSmarter* programme into practice, promoting a host of initiatives focused on sport and vitality. In France for example, a local football team trains once a week, and in the Czech Republic, employees can choose from a broad spectrum of leisure activities including punch-ball, table football and golf.

Local initiatives in all regions encourage sports activities and development. In Poland for example, weekly beach volleyball sessions are offered to employees during the summer months. Similarly, all employees can choose to participate in Warsaw's Business Run. In France, 58 employees took part in the *Foulées de l'Immobilier* sports event in aid of the Abbé Pierre Foundation, where Unibail-Rodamco finished in first place for the third year running.

In France, a new "vitality room" was opened in 2016 at the head office premises, offering sports classes and relaxation sessions including yoga, free balance, pilates and cross-training. Around 70 employees signed up for this new service.

In the Netherlands, a workshop was held for all employees on work-life balance, as well as a reduced-price subscription to two sports organisations.

Most countries in which the Group operates offer their employees fresh fruit or complimentary drinks. The Group organises Christmas parties for its employees and also invites them to openings of new shopping centres such as Forum des Halles or Mall of Scandinavia.

In France, the Health, Safety and Working Conditions Committee ("CHSCT") helps promote good working conditions.

The Group continued its risk prevention training strategy in 2016, through "HR toolbox" sessions to raise new managers' awareness of fundamental working rights in France (paid leave, working hours, etc.) and of internal HR processes, or through training on psychosocial risks, first launched in 2013.

KPI: ABSENTEEISM [G4-LA6]

Accident type	2015 Number of incidents	2016 Number of incidents
Work-related accidents causing injury	21	11
Commuting accidents causing injury	12	13
Work-related/commuting accidents causing death	0	0

	2015 Number of working days ⁽¹⁾	2015 Ratio ⁽¹⁾	2016 Number of working days	2016 Ratio ⁽²⁾
Lost days for work-related/commuting accidents	252	0.06%	629	0.1%
Lost days for work-related illness	0	0.00%	0	0.0%
Lost days for sick leave	15,393	3.50%	12,925	3%
Lost days for personal/family events	1,124	0.26%	1,263	0.3%
TOTAL	16,769	3.82%	14,817	3.4%

(1) 2015 includes Unibail-Rodamco Germany GmbH.

(2) The absenteeism ratio is calculated in working days: total number of days absent in 2016 divided by the average number of working days in 2016 multiplied by average headcount in 2016.

The absenteeism ratio does not include absence for maternity/paternity/parental leave, representing 15,410 working days (3.52% of total working days).

The absenteeism ratio does not include other absences such as sabbatical leave, which represents 1,069 working days (0.24% of total working days).

A homeworking pilot initiative was tested in 2016 with 37 employees of support functions in France. The results were very encouraging and the Group has decided to sign in France an agreement with trade unions on this subject. Furthermore, in 2017, the Group will offer the possibility for other countries to conduct homeworking pilots for support functions and to propose a flexwork pilot initiative for some core functions in France.

KPI: EMPLOYMENT CONTRACTS [G4-10]

Headcount as at December 31

Employees by contract type	2015	2016
Permanent contract	96.7%	96.9%
Fixed-term contract	3.3%	3.1%

Employees by contracted hours	2015	2016
Full-time contract	95.2%	96.9%
Part-time contract	4.8%	3.1%

In 2016, sick leave represented 12,925 working days (3% of total working days) and days of absence for work-related accidents or illness represented 629 working days (0.1% of total working days):

- ◆ absenteeism is monitored in each region and information is sent to management on a regular basis;
- ◆ causes of work-related accidents are analysed and measures are taken to prevent them recurring. Injury frequency and severity rates in 2016 were 3.34% and 0.03%, respectively⁽¹⁾.

(1) The frequency rate is the number of work-related accidents in 2016 multiplied by 1,000,000 and divided by the number of hours worked. The injury severity rate is the number of days lost due to work-related accidents in 2016 multiplied by 1,000 and then divided by the number of hours worked.

3.5.8. Rewards & recognition

Unibail-Rodamco's remuneration policy is defined at Group level, taking into account the specificities of local markets.

It is designed to encourage individual achievements and contribution to collective results, supporting the long-term growth of the Group.

The remuneration policy aims to attract, motivate, reward and retain the best talent on the market, with strong drive, engagement and loyalty.

The founding principles of Unibail-Rodamco's remuneration policy are:



A competitive total remuneration
based on a global approach, combining fixed salary, Short-Term Incentive (STI), Long-Term Incentive (LTI) and benefits



A differentiated and selective rewarding approach
based on merit and individual performance



A non-discrimination policy
(race, gender, nationality or any other personal criteria)



A structured validation process
common to all Regions to ensure fairness and accurate comparisons

In 2016, 73.2% of the Group's employees were awarded a short-term incentive (STI). On a like-for-like headcount basis, total remuneration (including STI) increased by 3.85% on average between 2015 and 2016.

KPI: BREAKDOWN OF REMUNERATION [G4-LA13, G4-EC1]

Comparison of remuneration for similar positions across the Group in 2016 ⁽¹⁾ (€)	Women		Men	
	% per category	Average gross monthly salary ⁽²⁾	% per category	Average gross monthly salary ⁽²⁾
Accountants	70%	3,410	30%	3,328
Analysts ⁽³⁾	58%	3,526	42%	3,608
Controllers	50%	4,204	50%	5,315
Development/Investment	29%	6,120	71%	9,758
Leasing	62%	6,990	38%	7,317
Operating managers	50%	4,822	50%	5,488
Property maintenance and purchasing (PMP)	18%	3,685	82%	4,076
Shopping centre managers	38%	5,659	62%	6,010

(1) Positions concerning at least 12 of the Group's employees, excluding Viparis.

(2) The gross average monthly salary equals annual fixed salary plus the individual STI, divided by 12.

(3) The "Analysts" category includes all employees graded "Analyst".

Total remuneration ⁽¹⁾	2013/2014	2014/2015	2015/2016
Annual increase in average salary, including STI	4.7%	3.20%	3.85%

(1) Based on like-for-like headcount.

Variable remuneration	2014	2015	2016
STI beneficiaries ⁽¹⁾	67.3%	66.4%	73.2%
Stock option and Performance Shares beneficiaries	17.9%	15.2%	16.3%

(1) STI paid in year Y to employees on the payroll at December 31 of year Y-1.

In 2016, 611,608 options and 36,745 Performance Shares were awarded to 16.3% of employees and members of the Management Board, with no discount on the share price at the grant date. These options and performance shares were all subject to conditions based on Unibail-Rodamco share price performance compared with that of the EPRA *Eurozone* index, being the benchmark for the sector's performance.

The Group employer contribution to the employee savings plan in 2016 was € 658,000.

As at December 31, 2016, 73.9% of eligible employees (excluding Viparis) were Unibail-Rodamco shareholders through the Group's Savings Plan.

3.5.9. Labour relations

Unibail-Rodamco complies with the labour standards set by the International Labour Organization (ILO). Unibail-Rodamco only operates in the European Union where social regulations are well developed through democratic frameworks. Internally, specific frameworks set up by Unibail-Rodamco define and manage additional regulations that reinforce employee rights and strongly endorse respect and ethical conduct in business dealings (collective agreements, Code of Ethics, Compliance Book, anti-corruption program, etc.).

Since 2004, Unibail-Rodamco has been a member of the UN's Global Compact, which promotes ethical conduct and fundamental moral values in businesses. Unibail-Rodamco strives to adopt, support and apply in its particular sphere of influence the ten principles of the Global Compact concerning human rights, labour, environment and anti-corruption.

Unibail-Rodamco works with employee representatives in each of the European countries in which it operates and respects local labour laws. In 2009, Unibail-Rodamco became a European company following the creation of a European representative body, the European Employees Committee (EEC). The EEC meets twice a year and each year is informed of issues relating to the market at large and to the Group's economic situation (presentation of the Group's earnings, development and investment projects, etc.). This Committee also discusses all issues concerning the Group's employees with resonance at EU level. Through workshops, it regularly contributes to the exchange of best practices or Group projects concerning employment issues. For example, the Committee helped define the Group's CSR strategy. It is also consulted when a given measure is likely to significantly impact two or more countries. EEC members were renewed in June 2016.

The Group also organises various meetings on different topics with works councils, the CHSCT (in France), and the trade union organisations representing each region.

A total of 52 agreements are currently signed or in force with trade unions in France (including Viparis). These agreements cover a variety of topics such as equal opportunities for men and women, senior and youth employment, working time flexibility and the mandatory annual collective bargaining round.

As at December 31, 2016, 68.48% of employees were covered by a collective agreement.

KPI: COLLECTIVE AGREEMENTS [G4-11]

Labour relations	2015	2016
Employees covered by a collective agreement	66.30%	68.48%

3.6. 2016 Achievements & "Better Places 2030" objectives

3.6.1. 2016 Achievements

2016 Achievements	Material issue	Target/engagement	Scope ⁽¹⁾	Target date	Progress	Comments
Cooperating with cities and communities	Transport connectivity & accessibility	Promote alternative transport means to reduce the share of visitors coming by individual car to 35% by 2020 for managed Retail portfolio (like-for-like)	R	2020	See new target "Better Places 2030" (Pillar 2)	In 2016, 42% of visitors came to the Group's managed shopping centres by car
	Community well-being	Deploy the Group's "UR for Jobs" program on 10 managed Shopping Centres by 2016	R	2016	 33%	The "UR for Jobs" program was launched in 3 managed Shopping Centres in 2016: Rosny 2, Parquesur and Almere. In 2016, UR for Jobs enabled 35 young people cut of the job market to find a long term job or to integrate a graduating training program. In addition, 137 young persons were trained, 70 tenants engaged for local employment and 126 Unibail-Rodamco employees coached or mentored young person with disadvantaged background
	Local economic development	Maintain the Group's commitments in supporting its main philanthropic causes towards entrepreneurship, social and young talents (with special focus on impact)	G	2016	 100%	In 2016, with a total of €4 Mn donated in cash and in kind, the Group enabled more than 340 local charity fundraising and awareness events in its shopping centres
	Local economic development	Define the Group's circular economy policy	R	2016	 0%	This target was postponed due to the new CSR strategy "Better Places 2030" announced in September 2016
	Crime & Safety	Implement an awareness program towards tenants & providers' staff in order to improve security of people in case of serious incident (fire safety, security, attack)	R+O	2016 France	 100%	In the context of terrorist threat in France, an information/awareness program for the retailers' staff was implemented in the French portfolio of managed shopping centres, in order to better prevent and react in case of attacks
	Sustainable procurement	Carry out a life-cycle assessment (LCA) for a development project in order to identify the most relevant levers for reducing the embodied carbon (materials and construction)	R/O	2017	See new target "Better Places 2030" (Pillar 1)	See the specific "Better Places 2030" target set

(1) Scope – R = Retail; O = Offices; C = Convention & Exhibition; G = the whole Group.

2016 Achievements	Material issue	Target/engagement	Scope ⁽¹⁾	Target date	Progress	Comments
Energy and carbon		Reduce carbon intensity (CO_2 emissions/visit) at managed Shopping Centres down to 30% in 2020 relative to 2012	R	2020	100%	Carbon intensity decreased by 40% in 2016 compared with 2012. The Group will determine a new long-term target in 2017 aligned with the "Better Places 2030" plan
		Increase energy efficiency (kWh/visit) at managed Shopping Centres by 25% in 2020 relative to 2012	R	2020	64%	Energy intensity decreased by 16% in 2016 compared with 2012
		Increase energy efficiency (kWh/occupant) at managed Offices by 35% in 2020 relative to 2012	O	2020	57%	Energy intensity decreased by 20% in 2016 compared with 2012
		Increase energy efficiency (kWh/m ² JOCC) at managed Viparis sites by 25% in 2020 relative to 2014	C	2020	13%	Energy intensity decreased by 3,2% in 2016 compared with 2014
INTEGRATING building & users		Define the Group's low carbon vision and action plan for new development project	R	2018	100%	"Better Places 2030": The Group has set its vision and priorities with a -35% reduction of the carbon footprint from the construction of new development projects in 2030 (relative to 2015)
		Obtain a "BREEAM In-Use" certification for at least 80% of the managed Retail portfolio with a minimum of "Outstanding" for "Building Management" (part 2) by 2020 (in number assets)	R	2020	98%	As at December 31, 2016, 48 shopping centres were "BREEAM In-Use" certified in Europe, corresponding to 79% of the total managed portfolio (in number) with 71% were certified "Outstanding" for "Building Management"
	Product labelling	Obtain a "BREEAM In-Use" certification for at least 90% of the French Offices portfolio with a minimum of "Excellent" for Building Management (Part 2) by 2020 (in number of assets)	O	2020	68%	As at December 31, 2016, 5 Offices were "BREEAM In-Use" certified in Europe, corresponding to 62% of the total managed portfolio (in number) and 80% were certified "Excellent" for Building Management"
	Complete a BREEAM certification of minimum "Very Good" for extension and an "Excellent" rating for all new developments (over 10,000 m ²)	R/O	Ongoing	100%	100% of 2016 major projects underwent BREEAM assessments. In 2016, Carré Sénart project was certified BREEAM "Excellent" at design stage. So Ouest Plaza obtained its final BREEAM "Excellent" certificate	

(1) Scope – R = Retail; O = Offices; C = Convention & Exhibition; G = the whole Group.

2016 Achievements	Material issue	Target/engagement	Scope ⁽¹⁾	Target date	Progress	Comments
INTEGRATING building & users	Waste	Aim to send zero waste to landfill by 2020	R	2020	82%	In 2016 18% of waste were sent to landfill without any valorization
		Reach a waste recycling rate of at least 80% by 2020, thanks to individual tenants sorting and invoicing	R	2020	43%	In 2016 the waste recycling rate reached 34%
	Visitors & Customers	Extend the service quality program within the Group and achieve at least 48 managed Shopping Centres successfully audited according to the "4 Star" label by 2016	R	2016	85%	End of 2016, 41 shopping centres complied the "4 Star label". In 2016, Forum des Halles, Centro and Hofe am Brühl were added to the list, following a comprehensive quality audit performed by SGS.
		Obtain minimum B score for all managed asset in "health & safety risks" assessment measured through the annual third-party audits	G	2016	95%	In 2016, an annual health and safety risk audit was performed by a third-party on 96% of the managed portfolio in Europe, corresponding to 72 assets audited. 78% of audited sites improved or maintained their annual score compared with 2015, and 95% reached a minimum B
	Suppliers	Assess suppliers' compliance with environmental clauses at each shopping centre (target relates to security, cleaning and maintenance contracts)	R	2016	100%	In 2016, 318 assessments of key maintenance, security, cleaning, waste and mechanical transports suppliers were performed corresponding to 98% of services provided in total managed assets in Europe (Retail, Offices and Convention & Exhibition)
		Carry out a pilot for a web-solution supporting the Group's purchasing processes and policy	G	2016	50%	A web solution for purchasing management was developed, set up and initialized in 2016. One pilot per region was launched in January 2017 and this tendering management solution will be deployed in all regions in 2017

(1) Scope – R = Retail; O = Offices; C = Convention & Exhibition; G = the whole Group.

2016 Achievements	Material issue	Target/engagement	Scope ⁽¹⁾	Target date	Progress	Comments
ENGAGING business & people	Technology/ digital	Launch the new incubator program UR>Link with the selection and active support of 6 innovative start-ups	G	2016	100%	UR Link was officially launched on March 14, 2016 with the selection of 5 startups that joined the first season of the program. 5 pilots have been implemented in UR Shopping Centres during the 4 months program and an active support have been provided by UR teams and its partners. The second season, welcoming 6 new startups within the incubator, have been launched on November 7, 2016.
		Design and roll-out an employee engagement survey on all employees in the Group	G	2016	100%	The engagement survey was deployed in 2016 on all Group's employees. The participation rate reached 81%.
	Employees attraction, retention & engagement	Launch an enterprise social network to strengthen links and communication between teams	G	2016	100%	The Enterprise social network "UR World" has been opened to all Unibail-Rodamco employees in Europe since January 2016
		Increase and nurture our innovative culture and community of innovative champions	G	2017	100%	In 2016, 28 employees took part in the ICGP program, the Group organised in each region the "innovation days" to raise employees' awareness of innovation
		Take advantage of our new Learning Management System to reach everyone in the Group with: on-site trainings, e-learnings and videos (partnership with TED Talks)	G	2016	86%	The official launch of the new training platform in the last Region (Germany) will be deployed during the 3 rd quarter of 2017
	Tenants attraction, retention & engagement	Exceed 90% of "green lease" for total active Retail and Offices portfolio by 2016	R/O	2016	85%	1,755 of these "green leases" were signed in 2016 for both existing or development portfolio and for both the Retail and Office portfolio, representing 91% of the total signed leases. At the end of 2016, 77% of Group's active leases includes "green lease" clauses.

(1) Scope – R = Retail; O = Offices; C = Convention & Exhibition; G = the whole Group.

3.6.2. Long term objectives: "Better Places 2030" a 2030 vision

Since 2013, the Group has decided to concentrate its efforts and resources on the issues that count, based on the material survey performed in 2012 and updated in 2015, revealing a list of top priorities named "material issues". At the end of 2016, the Group announced its new strategy named "Better Places 2030". The Group has therefore revised and aligned its CSR long-term targets in line with these top material issues. The Group will continue to address and manage internal targets for each operational core function (such as water, biodiversity, bribery and corruption, land pollution).

Pillars	Priority theme for the Group	Objective/Commitment	Scope ⁽¹⁾	Deadline
1 Less carbon emissions, better buildings	Construction and carbon	Reduce by 35% the construction carbon footprint (CO_2/m^2) by 2030 compared to the 2015 level	R + 0	2030
		Implement low-carbon solutions in all new projects	R + 0	2020
		Define the Group methodology for measuring the carbon footprint of a construction project and train the development teams	R + 0	2017
		Perform a Life Cycle Analysis (LCA) at design stage for all extension and new projects (over 10,000 m ²) in order to identify the levers for reducing their carbon footprint ⁽²⁾	R + 0	2017
		Systematically select LED lighting for the common areas of construction projects	R	2017
		Define and integrate carbon performance indicators into Group and decision-making processes (6A, BP)	R + 0	2017
		Obtain minimum "Very Good" "BREEAM" certification for extension projects and minimum "Excellent" for new projects (over 10,000 m ²)	R/O	Permanent
	Energy, carbon and certifications	Reduce by 70% the carbon footprint associated with operations by 2030 compared with the 2015 level	R + 0	2030
		Improve the energy efficiency ($kWh/visit$) at managed shopping centres by 25% by 2020 compared to the 2012 level (managed scope)	R	2020
		Improve the energy efficiency ($kWh/occupant$) at managed office buildings by 35% by 2020 compared to the 2012 level (managed scope)	O	2020
		Improve the energy efficiency ($kWh/m^2/JOOC$) at managed Viparis sites by 25% by 2020 compared to the 2014 level (managed scope)	C	2020
		Promote the installation of 100% LED lighting systems by retailers and the purchase of electricity from renewable sources via the rolling out of the Group's new green lease from 2017 (LED and Green electricity mandatory from 2020)	R	2020
		Obtain the "BREEAM In-Use" certification for at least 80% of the managed shopping centre portfolio with a minimum level of "Outstanding" for the "management" part by 2020 (in number of assets)	R	2020
		Obtain the "BREEAM In-Use" certification for at least 90% of the managed office portfolio with a minimum level of "Excellent" for the "management" part by 2020 (in number of assets)	O	2020
2 Less polluting transport, better connectivity	Sustainable mobility and transport	Purchase 100% of electricity from renewable sources for all assets owned and managed by the Group (common energy)	G	2018
		Systematically use LED lighting solutions for the common areas of shopping centres owned and managed by the Group	R	2017
		Roll-out the new version of the "green lease" incorporating mandatory use of LED lighting and electricity from renewable sources	R	2017
		Sign 30 LED partnerships with international retailers	R	2017
		Reduce by 50% the transport carbon footprint by 2030 compared to the 2015 level	R	2030
		Increase to 75% the proportion of visitors travelling to managed shopping centres by a sustainable means of transport (like-for-like scope)	R	2030
		Ensure that all new development projects include at least one sustainable transport solution	R	2020
Create an action plan for each centre which encourages the deployment of "soft" transport solutions (carsharing, bicycle access, electric shuttles, etc.)	R	2020		
Deploy a recharging infrastructure specifically designed for electric vehicles in 100% of shopping centre car parks owned and managed by the Group	R	2020		
Develop partnerships with sustainable mobility and transport operators	R + 0	2020		
Test at one site a pilot shared urban logistics solution for deliveries to retailers ("UR Delivery")	R	2017		

(1) Scope: R = Retail; O = Offices; C = Convention & Exhibition; G = Whole Group.

(2) Excluding projects whose design is completed or whose work is in progress.

Pillars	Priority theme for the Group	Objective/Commitment	Scope ⁽¹⁾	Deadline	
3 Less local unemployment, better communities	Support for employment and local economic initiatives	Enable 1,000 young people every year to integrate a long-term job or a graduating training program through the "UR for Jobs" program for 100% of shopping centres which welcome 6 million visits	R	2020	
		Organise an annual event in partnership with local and national associations at 100% of owned and managed shopping centres	R	2018	
		Roll-out the "UR for Jobs" program in 15 shopping centres with the objective of providing a job or a course leading to a qualification for 225 young people in 2017	R	2017	
		Deploy DEX in 12 owned and managed shopping centres	R	2019	
	Development of services	Equip 100% of owned and managed shopping centres with the "Connect" application	R	2019	
		Roll-out the "Connect" application in 30 owned and managed shopping centres in 2017	R	2017	
		Governance and performance	Define an individual contribution or CSR objectives for all Group employees	G	2018
			Implement the new Group CSR Governance (Committees and CSR referents)	G	2017
Define CSR quantitative objectives for the Management Board, the Group Management Team and Country Management teams in all the regions where the Group operates	G		2017		
4 Less top down, better collective power	Involving and raising awareness of staff	Reduce staff paper consumption (annual processes digitalised)	G	2020	
		100% of the Group's company car fleet hybrid or electric	G	2020	
		100% of staff take part in the Annual Day of Solidarity	G	2018	
		Involve 40% of Group staff in the Annual Solidarity Day, which will be inaugurated in 2017	G	2017	
		Offset 100% of staff business travel (plane and train) through a carbon offset program	G	2017	
	Partnerships	Develop partnerships with our stakeholders (large companies, start-ups and research centres)	G	Permanent	
	Innovation	Continue the start-up incubation program (UR-Link) and incubate at least 10 start-ups a year	G	2017	

(1) Scope: R = Retail; O = Offices; C = Convention & Exhibition; G = Whole Group.

(2) Excluding projects whose design is completed or whose work is in progress.

3.7. Content indexes

3.7.1. EPRA Sustainability Performance Measures

In 2016, Unibail-Rodamco received the EPRA Gold Award, for its exceptional compliance in its sustainability reporting 2015 with the EPRA Best Practice Recommendations on sustainability reporting (EPRA sBPR).

The indicators reported in the 2016 Annual and Sustainable Development Report complies with the 2nd edition of the EPRA (sBPR) published in September 2014. The table below shows the cross-check results between the EPRA guidelines and Unibail-Rodamco report.

Code	Indicator	Type	Definition	Reported	Cross reference	Pages	External assurance
PERFORMANCE MEASURES							
Elec-Abs	Total electricity consumption (annual kWh)	Core	Total amount of electricity consumed from renewable and non-renewables sources, whether imported and generated onsite	■	MPI: Energy consumption (kWh)	96	✓
					kWh of green electricity 2016	93	✓
					MPI: Direct and indirect final energy consumption by primary energy source (%)	98	✓
					MPI: Renewable energy produced and CO ₂ emissions saved	99	✓
Elec-Lfl	Like-for-like total electricity consumption (annual kWh)	Core	Total electricity consumed	■	MPI: Energy consumption (kWh)	96	✓
DH&C-Abs	Total district heating & cooling consumption (annual kWh)	Core	Total amount of indirect energy consumed from district heating & cooling systems	■	MPI: Energy consumption (kWh)	96	✓
DH&C-Lfl	Like-for-like total district heating & cooling consumption (annual kWh)	Core	Total amount of district heating & r cooling consumed	■	MPI: Energy consumption (kWh)	96	✓
Fuel-Abs	Total fuel consumption (annual kWh)	Core	Total amount of fuel used from direct (renewable and non-renewable) sources	■	Not applicable		
Fuel-Lfl	Like-for-like total fuel consumption (annual kWh)	Core	Total amount of fuels consumed	■	Not applicable		
Energy-Int	Building energy intensity (kWh/person/year or kWh/m ² /year or kWh/revenue/year)	Core	Total amount of direct and indirect energy used by renewable and non-renewable sources in a building	■	MPI: Energy efficiency per building usage (kWh/visit/year for Shopping Centres, kWh/occupant/year for Offices, kWh/m ² DOP/year for Convention & Exhibition Centres)	97	✓
					MPI: Energy efficiency per m ² (kWh/m ² /year)	97	✓
GHG-Dir-Abs	Total direct greenhouse gas (GHG) emissions (annual metric tonnes CO ₂ e)	Core	Total amount of direct greenhouse gas emissions	■	MPI: CO ₂ emissions (kgCO ₂ e)	92	✓
		Additional	Fugitive emissions		MPI: Refrigerant leaks and waste disposal CO ₂ emission (kgCO ₂ e)	92	✓

■ Reported

■ Not Reported

Code	Indicator	Type	Definition	Reported	Cross reference	Pages	External assurance
GHG-Indir-Abs	Total indirect greenhouse gas (GHG) emissions <i>(annual metric tonnes CO₂e)</i>	Core	Total amount of indirect greenhouse gas emissions		MPI: CO ₂ emissions (kgCO ₂ e)	92	✓
GHG-Dir-Lfl	Like-for-like total direct greenhouse gas (GHG) emissions <i>(annual metric tonnes CO₂e)</i>	Core	Total amount of direct greenhouse gas emissions emitted		MPI: CO ₂ emissions (kgCO ₂ e)	92	✓
GHG-Indir-Lfl	Like-for-like total indirect greenhouse gas (GHG) emissions <i>(annual metric tonnes CO₂e)</i>	Core	Total amount of indirect greenhouse gas emissions produced		MPI: CO ₂ emissions (kgCO ₂ e)	92	✓
GHG-Int	Greenhouse gas (GHG) intensity from building energy consumption <i>(kg CO₂e/m²/year, kg CO₂e/person/year, kg CO₂e/revenue/year)</i>	Core	Total amount of direct and indirect GHG emissions generated from energy consumption		MPI: Carbon intensity of use <i>(gCO₂e/visit/year for Shopping Centres, gCO₂e/occupant/year for Offices, gCO₂e/m² DOP/year for Convention & Exhibition Centres)</i>	93	✓
					MPI: Carbon intensity per m ² <i>(kgCO₂e/m²/year)</i>	94	✓
Water-Abs	Total water consumption <i>(annual m³)</i>	Core	Total amount of water consumed		KPI: Water consumption (m ³)	103	✓
		Additional	Water sources (surface, ground, grey, black, etc.)		3.3.6.2. Water > Reused water	103	✓
Water-Lfl	Like-for-like total water consumption <i>(annual m³)</i>	Core	Total amount of water consumed		KPI: Water consumption (m ³)	103	✓
Water-Int	Building water intensity <i>(litres/person/day or m³/m²/year) OR (litres/m³/revenue/year)</i>	Core	Total amount of water consumed normalised by an appropriate denominator		KPI: Water intensity of use <i>(litre/visit/year for Shopping Centres, litre/occupant/year for Offices, litre/m² DOP/year for Convention & Exhibition centres)</i>	104	✓
					KPI: Water consumption per m ² <i>(litre/m²/year)</i>	103	✓
Waste-Abs	Total weight of waste by disposal route <i>(annual metric tonnes and proportion by disposal route)</i>	Core	Total amount of waste produced and disposed of via various disposal methods routes		KPI: Total waste (tonnes) and percentages of recycled and valued waste (%)	106	✓
					KPI: Split of total waste by disposal route (%)	106	✓
Waste-Lfl	Like-for-like total weight of waste by disposal route <i>(annual metric tonnes and proportion by disposal route)</i>	Core	Total amount of waste created				

■ Reported

■ Not Reported

Code	Indicator	Type	Definition	Reported	Cross reference	Pages	External assurance
Cert-Tot	Type and number of sustainability certified assets <i>(Total number by certification/ rating/labelling scheme)</i>	Core	Total number of assets within a portfolio that have formally obtained sustainability certification, rating or labelling		Penetration rate (%) within the total standing Retail portfolio in value	82	✓
			Penetration rate (%) within the total standing Office portfolio in value	82	✓		
		Additional	Total number of assets certified and level of certification obtained, as well as percentage of assets certified within the portfolio		MPI: Environmental certification of new developments	83	✓
			MPI: Environmental certification of standing assets	86	✓		
OVERARCHING RECOMMENDATIONS							
5.1	Organisational boundaries	Core	Organisational structure by type of asset (subsidiaries, associates, etc.) and financial/ operational leases		I. Portfolio	3-13	✓
5.2	Coverage	Core	Percentage of assets within the organisational boundary included in data disclosed for each sustainability performance measure		Coverage given in every KPI and MPI tables	92-109	✓
5.3	Estimation of Landlord-obtained utility consumption	Core	Methodology used to estimate utility consumption		3.3.2. Reporting methodology for environmental data	77-81	✓
5.4	Third Party Assurance	Core	Level of third party assurance according to AA1000 or ISAE3000		3.3.2.8. Third-party Independent verification	81	✓
					3.8. Independent verifier's report on consolidated social, environmental and societal information in the management report	165-167	✓
5.5	Boundaries reporting on landlord and tenant consumption	Core	Absolute consumption (only Landlord-obtained energy/water)		3.3.2.3. Reporting scope	78	✓
					MPI: Energy consumption (kWh)	96	✓
		Additional	Private consumption (tenant-obtained consumption) collected by the Landlord		KPI: Water consumption (m ³)	103	✓
5.6	Normalisation	Core	Intensity sustainability performance measures (denominators: managed floor area or occupancy)		Tenants' collected electricity consumption (kWh)	96	✓
					KPI: Water consumption (m ³)	103	✓
5.7	Analysis –Segmental analysis <i>(by property type, geography)</i>	Core	Concordance with property typology adopted in financial reporting		3.3.2.2. Reporting values	78	✓
5.8	Disclosure on own offices	Core	Own office performance measure		3.3.2.4. Changes in reporting scope	78	✓
					I. Portfolio	3-13	✓
5.9	Narrative on performance	Core	Commentaries/ explanations on environmental performance		Unibail-Rodamco's headquarters is reported within the Offices portfolio – France	77-81	✓
5.10	Location of EPRA Sustainability Performance Measures in companies' report	Core	Epra and environmental measures included in the annual report		3.3. Environment	75-109	✓
					3.7. Content indexes > 3.7.1. EPRA Sustainability Performance Measures	147-150	✓

■ Reported ■ Not Reported

Code	Indicator	Type	Definition	Reported	Cross reference	Pages	External assurance
OTHER ISSUES TO CONSIDER							
6.1	Materiality	/	External materiality survey and GRI G4 adherence		3.1.6. Integration of "Better Places 2030" within the Group's activities and core processes	68-70	✓
					3.7. Content indexes > 3.7.2. GRI G4	151-160	✓
6.2	Return on Carbon Emissions (ROCE)	/	Financial return on each tones of carbon emitted				
6.3	Socio-Economic Indicators related to Sustainability Performance	/	Local economic contribution of the Company's operations and surrounding communities		3.4.1.1. Economic Impact	112-114	✓
6.4	Transport	/	Emissions from employees commuting and business travel and from the end users of assets		KPI: CO₂ emissions from employees' business travel by train and plane (tonnes CO_{2,e})	102	✓
6.5	Refrigerant gases	/	Fugitive emissions arising from the Company's activities		KPI: Refrigerant leaks and waste disposal CO₂ emissions (kgCO_{2,e})	92	✓
■ Reported ■ Not Reported							

3.7.2. GRI G4

In its 2013 annual report, the Group made the transition from the Application level B+ of the Global Reporting Initiative Construction & Real Estate Sector Supplement reporting framework (GRI 3.1 CRESS published in 2011) to the G4 new Guidelines, deeply modified and published in May 2013.

The Core Approach has been maintained for the third year, reporting under G4 guidelines. The concordance table below shows where the information has been disclosed in this 2016 Annual and sustainable development report. The "Reported" column indicates the level of reporting for each indicator.

Unibail-Rodamco fully reports all Profile (53) disclosures and selected 18 topics as being material to its sector's activity.

36 material performance indicators and four additional indicators (not related to material topics) are reported.

Items	Description	Reported	Cross-reference	Pages	External assurance
1. Profile					
STRATEGY AND ANALYSIS					
G4-1	Statement by the organisation's decision-maker organisation with the highest seniority		Annual and sustainable development report/ Message from the CEO & Chairman of the Management Board	8-9	
G4-2	Key impacts, risks, and opportunities		Annual and sustainable development report/ Corporate	8-25	
			3.1.6. Integration of "Better Places 2030" within the Group's activities and core process	68	✓
			3.6. 2016 Achievements and "Better Places 2030" objectives	141	✓
			8. Risk factors and Compliance Programme	351-365	✓
			6. Corporate Governance/Internal control system	288-291	✓
ORGANISATIONAL PROFILE					
G4-3	Name of the organisation		Annual and sustainable development report 7. Information on the company, share capital and shareholding/ General information	2-3 333-334	✓
G4-4	Primary brands, products, and services		Annual and sustainable development report/ Message from the CEO & Chairman of the Management Board	8-9	
			Annual and sustainable development report/ Strategy	6-7	
			Annual and sustainable development report/ Across the portfolio	46-65	
			Annual and sustainable development report/ Building unique destinations	26-31	
G4-5	Location of the organisation's headquarters		7. Information on the company, share capital and shareholding/ General information	333-334	✓
G4-6	Number of countries where the organisation operates, and countries names where either the organisation has significant operations or operations that are specifically relevant to the sustainability topics covered in the report		Annual and sustainable development report/ Profile	2-3	
			3.3.2. Reporting methodology for environmental data	77-81	✓
G4-7	Nature of ownership and legal form		7. Information on the company, share capital and shareholding/ General information	333-334	✓
			Annual and sustainable development report/ Profile	2-3	
G4-8	Markets served		Annual and sustainable development report/ Strategy	6-7	
			1. Portfolio	3-13	✓
			3.4. Stakeholders	110-129	✓
G4-9	Scale of the organisation		2. Business review and 2016 Results	15-60	✓
			3.5. People @ Unibail-Rodamco	130-160	✓
			4.1. Consolidated financial statements	169-173	✓

■ Reported ■ Partially Reported

Items	Description	Reported	Cross-reference	Pages	External assurance
G4-10	Total number of employees by employment contract and gender		KPI: Employment by country	134	✓
			KPI: Employment by activity	135	✓
			KPI: Employment by age	135	✓
			KPI: Employment by gender	135	✓
			KPI: Recruitment	133	✓
			KPI: Labour contracts	138	✓
G4-11	Share of total employees covered by collective bargaining agreements		KPI: Collective bargaining	140	✓
G4-12	Description of the organisation's supply chain		3.4.5. Suppliers and contractors: Supply Chain Management – Purchasing mapping	117-119	✓
G4-13	Significant changes during the reporting period in terms of size of the organisation's, structure, ownership, or supply chain		1. Portfolio	3-13	✓
			2. Business review and 2016 Results	15-60	✓
			4. Consolidated financial statements as at Dec. 31, 2016	169-173	✓
G4-14	How the precautionary approach or principle is addressed by the organisation		8. Risk factors and Compliance Programme	350-365	✓
			3.3.1. Environmental Management Systems (EMS)	75-76	✓
			3.3.4. Climate change	87-88	✓
G4-15	Externally developed economic, environmental and social charters, principles, or other initiatives to which the organisation subscribes or which it endorses		A comprehensive strategy (signatory of the UN Global Compact)	120	
			3.1.7. Governance and Corporate Social Responsibility	70-72	✓
			3.4.7.2. ESG (Environmental, Social and Governance) ratings and awards	120-121	✓
			6. Corporate Governance	267-329	✓
G4-16	Memberships of associations (such as industry associations) and national or international advocacy organisations in which the organisation: <ul style="list-style-type: none"> ● holds a position on the governance body; ● participates in projects or committees; ● provides substantive funding beyond routine membership dues; ● views membership as strategic 		3.7. Content indexes	147-164	
			3.4.6. Professional organisations	120	
IDENTIFIED MATERIAL ASPECTS AND BOUDARIES					
G4-17	List all entities included in the organisation's consolidated financial statements or equivalent documents Report whether any entity included in the organisation's consolidated financial statements or equivalent documents is not covered by the report		Annual and sustainable development report	2-3	
			1. Portfolio	3-13	✓
			2. Business review and 2016 Results	15-60	✓
			3.3.2. Reporting methodology for environmental data	77-81	✓
G4-18	Process for defining the report content and the Aspect Boundaries		4. Consolidated financial statements as at Dec 31, 2016	169-231	✓
			3.1. "Better Places 2030": a new frontier	63-72	✓
			3.3.2. Reporting methodology for environmental data	77-81	✓
G4-19	Material Aspects identified in the process defining report content		3.4. Stakeholders	110-129	✓
			3.1.6. Integration with business & strategy > Material issues to create sustainable value	65-70	✓
G4-20	Aspect materiality for all entities within the organisation		3.1.6. Integration with business & strategy > Material issues to create sustainable value	68-70	✓
			3.6. 2016 Achievements and "Better Places 2030" objectives	141-146	✓
G4-21	Aspect materiality outside of the organisation		3.1.6. Integration with business & strategy > Material issues to create sustainable value	68-70	✓

■ Reported

■ Partially Reported

Items	Description	Reported	Cross-reference	Pages	External assurance
G4-22	Effect of any restatements of information provided in previous reports, and the reasons for such restatements		2. Business review and 2016 Results	15-60	✓
			3.3.2. Reporting methodology for environmental data	77-81	✓
			4.1. Consolidated financial statements	169-173	✓
G4-23	Significant changes from previous reporting periods in the Scope and Aspect Boundaries		2. Business review and 2016 Results	15-60	✓
			3.3.2. Reporting methodology for environmental data	77-81	✓
			4.1. Consolidated financial statements	169-173	✓
STAKEHOLDERS ENGAGEMENT					
G4-24	List of stakeholder groups engaged by the organisation		3.4. Stakeholders	110-129	✓
G4-25	Basis for identification and selection of stakeholders with whom to engage		Annual and sustainable development report/ Message from the CEO & Chairman of the Management Board	8-9	
			3.1.6. Integration with business & strategy > Material issues to create sustainable value	68-70	✓
			3.4. Stakeholders	110-129	✓
G4-26	Organisation's approach to stakeholder engagement, including frequency of engagement by type and by stakeholder group, and an indication of whether any of the engagement was undertaken specifically as part of the report preparation process		3.1.7. Governance and Corporate Social Responsibility	70-72	✓
			3.4. Stakeholders	110-129	✓
			3.6. 2016 Achievements and "Better Places 2030" objectives	141-146	✓
G4-27	Key topics and concerns that have been raised through stakeholder engagement, and how the organisation has responded to those key topics and concerns, including through its reporting. Stakeholder groups that raised each of the key topics and concerns		Annual and sustainable development report	34-35	
			3.4. Stakeholders	110-129	✓
			3.6. 2016 Achievements and "Better Places 2030" objectives	141-146	✓
REPORT PROFILE					
G4-28	Reporting period (such as fiscal or calendar year) for information provided		1. Portfolio	3-13	✓
			2. Business review and 2016 Results	15-60	✓
			3.3.2. Reporting methodology for environmental data	77-81	✓
			4.1. Consolidated financial statements	169-173	✓
G4-29	Date of the most recent report, prior to the current one		3.3.2. Reporting methodology for environmental data	77-81	✓
G4-30	Reporting cycle (annual, biennial, etc.)		3.3.2. Reporting methodology for environmental data	77-81	✓
G4-31	Contact point for questions regarding the report or its contents		Persons responsible for this document, for the financial information and auditing the accounts	367-371	✓
G4-32	"In accordance" option chosen by the organisation GRI Content Index for the chosen option Reference to the External Assurance Report		3.3.2. Reporting methodology for environmental data	77-81	✓
			3.7.2. GRI G4	151-160	
			3.3.2.8. Third-party independent verification	81	✓
G4-33	Organisation's policy and current practice with regard to seeking external assurance for the report Scope and basis of any external assurance provided Relationship between the organisation and the assurance providers Highest governance body or senior executives involved in seeking assurance for the organisation's sustainability report		3.3.2.8. Third-party independent verification	81	✓
			4.1. Consolidated financial statements	169-173	✓
			6.2. Report of the Chairman of the Supervisory Board	279-291	✓

■ Reported

■ Partially Reported

Items	Description	Reported	Cross-reference	Pages	External assurance
GOVERNANCE					
G4-34	Governance structure of the organisation, including committees of the highest governance body. Identify committees responsible for decision-making on economic, environmental and social impacts		Annual and sustainable development report/ Message from the Chairman of the Supervisory Board	14-15	
			3.1. "Better Places 2030": a new frontier	63-72	✓
			3.2. Corporate Governance, ethical conduct and risk management	73-74	✓
			6.1. Corporate Governance/Management Board and Supervisory Board	269-278	✓
			6.2. Report of the Chairman of the Supervisory Board	279-291	✓
G4-35	Process for delegating authority for economic, environmental and social topics from the highest governance body to senior executives and other employees		3.1.7. Governance and Corporate Social Responsibility	70-72	✓
G4-36	Top managers appointed by the organisation with responsibility for economic, environmental and social topics, and whether post holders report directly to the highest governance body		3.1.6. Integration of "Better Places 2030" within the Group's activities and core processes	68-70	✓
G4-38	Composition of the highest governance body and its committees		Annual and sustainable development report/ Message from the Chairman of the Management Board	8-9	
			3.1. "Better Places 2030": a new frontier	63-72	✓
			3.2. Corporate Governance, ethical conduct and risk management	73-74	✓
			3.1.7. Governance and Corporate Social Responsibility	70-72	✓
			6.1. Corporate Governance/Management Board and Supervisory Board	269-278	✓
			6.2. Report of the Chairman of the Supervisory Board	279-291	✓
G4-39	Is the Chair of the highest governance body also an executive officer		6.1. Corporate Governance/Management Board and Supervisory Board	269-278	✓
G4-40	Nomination and selection of processes for the highest governance body and its committees, criteria used for nominating and selecting highest governance body members		6.1. Corporate Governance/Management Board and Supervisory Board	269-278	✓
			6.2. Report of the Chairman of the Supervisory Board	279-291	✓
G4-41	Processes for the highest governance body to ensure conflicts of interest are avoided and managed. Report on whether conflicts of interest are disclosed to stakeholders		6. Corporate Governance	269-331	✓
G4-42	Highest governance body's and senior executives' roles in the development, approval, and updating of the organisation's purpose, value or mission statements, strategies, policies, and goals related to economic, environmental and social impacts		3.1.7. Governance and Corporate Social Responsibility	70-72	✓
			3.1.6. Integration of "Better Places 2030" within the Group's activities and core process	68-70	✓
G4-44	Evaluation Processes of the highest governance body's performance with respect to governance of economic, environmental and social topics. Self-assessment, or independent evaluation, and frequency. Actions taken in response to evaluation of the highest governance body's performance with respect to governance of economic, environmental and social topics		6. Corporate Governance	269-331	✓
			6.2. Report of the Chairman of the Supervisory Board	279-291	✓

■ Reported

■ Partially Reported

Items	Description	Reported	Cross-reference	Pages	External assurance
G4-45	Highest governance body's role in the identification and management of economic, environmental and social impacts, risks, and opportunities. Include the highest governance body's role in the implementation of due diligence processes Stakeholder consultation used to support the highest governance body's identification and management of economic, environmental and social impacts, risks, and opportunities		6. Corporate Governance	269-331	✓
			6.2. Report of the Chairman of the Supervisory Board	279-291	✓
G4-46	Highest governance body's role in reviewing the effectiveness of the organisation's risk management processes for economic, environmental and social topics		3.1.7. Governance and Corporate Social Responsibility	70-72	✓
			6. Corporate Governance	269-331	✓
G4-47	Frequency of the highest governance body's review of economic, environmental and social impacts, risks, and opportunities		6.1. Corporate Governance/Management Board and Supervisory Board	269-278	✓
			3.1.7. Governance and Corporate Social Responsibility	70-72	✓
G4-48	Highest committee or position that formally reviews and approves the organisation's sustainability report and ensures that all material aspects are covered		3.1.7. Governance and Corporate Social Responsibility	70-72	✓
G4-49	Process for communicating critical concerns to the highest governance body		6. Corporate Governance	269-331	✓
G4-51	Remuneration policies for the highest governance body and senior executives. Performance criteria in the remuneration policy related to the highest governance body's and senior executives' economic environmental and social targets		3.5.8. Rewards & recognition	139-140	✓
			6.3. Supervisory Board Report on the Remuneration Policy/Remuneration of Management Board and Supervisory Board members	292-328	✓
			6.2.2. Report of the Chairman of the Supervisory Board/Remuneration of the Management Board	287	✓
G4-52	Process for determining remuneration		6.3. Supervisory Board Report on the Remuneration Policy/Remuneration of Management Board and Supervisory Board members	292-328	✓
G4-53	How stakeholders' views are sought and taken into account regarding remuneration		6.2.2. Report of the Chairman of the Supervisory Board/Remuneration of the Management Board	287	✓
			7.2. Share capital – General Information/Share capital and voting rights	335-346	✓
G4-53			6.3. Supervisory Board Report on the Remuneration Policy/Remuneration of Management Board and Supervisory Board members	292-328	✓
ETHICS AND INTEGRITY					
G4-56	Organisation's values, principles, standards and behaviour standards such as codes of conduct and codes of ethics		3.2. Corporate Governance, ethical conduct and risk management	73-74	✓
			6. Corporate Governance	269-331	✓
			6.2. Report of the Chairman of the Supervisory Board	279-291	✓
G4-57	Internal and external mechanisms for seeking advice on ethical and lawful behaviour, and matters related to organisational integrity		6. Corporate Governance	269-331	✓
			3.2. Corporate Governance, ethical conduct and risk management	73-74	✓
G4-58	Internal and external mechanisms for reporting concerns about unethical or unlawful behaviour, and matters related to organisational integrity		6. Corporate Governance	269-331	✓
			3.2. Corporate Governance, ethical conduct and risk management	73-74	✓

■ Reported ■ Partially Reported

Items	Description	Reported	Cross-reference	Pages	External assurance
II. Management approach					
ECONOMIC					
EC	Economic performance		Annual and sustainable development report/ Corporate 2. Business review and 2016 Results	8-25 15-60	✓
			4.1. Consolidated financial statements	169-173	✓
EC	Market presence		Annual and sustainable development report Annual and sustainable development report/ Strategy	2-3 6-7	
			1. Portfolio	3-13	✓
EC	Indirect economic impacts		3.4.1. Communities and local authorities 3.4.1.1. Economic impact 3.4.1.2. The Group's local economic footprint	111 111-114 113-114	✓ ✓ ✓
ENVIRONMENTAL					
EN	Energy		3.3.4.3. Energy consumption	94-95	✓
EN	Emissions		3.3.4. Climate Change 3.3.4.1. Carbon footprint 3.3.4.2. CO₂ emissions	87-88 88-90 90-91	✓ ✓ ✓
EN	Products and services		Annual and sustainable development report/ Building unique destinations 3.3.3. Product labelling: Environmental certification	26-31 81-87	✓
EN	Compliance		3.3.2.8. Third-party independent verification 3.8. Independent verifier's report on consolated social, environmental and societal information presented in the management report	81 165-167	✓ ✓
EN	Transport		3.3.5. Transport and connectivity	99	✓
SOCIAL					
LABOUR AND DECENT WORK PRACTICES					
LA	Employment		3.5.5. Equal opportunity and inclusion	134-135	✓
LA	Occupational health and safety		3.3.7. Health & Safety and environmental risks and pollution 3.5.7. Well-being at work	108-109 137-138	✓ ✓
LA	Training and education		3.1.7. Governance and Corporate Social Responsibility 3.5.3. UR Academy-Developing people	70-72 131-132	✓ ✓
LA	Diversity and equal opportunity		3.5.5. Equal opportunity and inclusion	134-136	✓
LA	Equal remuneration for women and men		3.5.8. Rewards & recognition	139	✓
SOCIETY					
SO	Local communities		3.4.1. Communities and local authorities	111	✓
SO	Anti-corruption		3.2.2. Ethical conduct 3.2.2. Ethical conduct/Group Compliance Book and Code of Ethics	73-74 73-74	✓ ✓
SO	Supplier assessment for impacts on society		3.4.5. Suppliers and contractors: Supply Chain Management	117	✓
SO	Grievance mechanisms for impacts on society		3.3.1.1. Sustainable Design Attitude : an EMS for development projects	75-76	✓
PRODUCT RESPONSIBILITY					
PR	Customer health and safety		3.3.7. Health & Safety and environmental risks and pollution 3.4.3. Visitors & Customers	108 116	✓ ✓
PR	Product and service labelling		Annual and sustainable development report/ Building unique destinations 3.3.3. Product labelling: Environmental certification	26-31 81-87	✓

■ Reported

■ Partially Reported

Items	Description	Reported	Cross-reference	Pages	External assurance
III. Material key performance indicators					
ECONOMIC					
ECONOMIC PERFORMANCE					
G4-EC1	Direct economic value generated and distributed	■	3.4. Stakeholders	110-129	✓
			3.5.6. Corporate citizenship	135-136	✓
			KPI: Recruitment	133	✓
			KPI: Remuneration breakdown	139	✓
			4. Consolidated Financial Statements/ Consolidated financial KPIs	169-230	✓
G4-EC2	Financial implications and other risks and opportunities for the organisation due to climate change	■	4. Consolidated Financial Statements/ Employee remuneration and benefits	214-218	✓
			3.3.4. Climate change	87-88	✓
G4-EC3	Coverage of the organisation's defined benefit plan obligations	■	8. Risk factors and Compliance Programme/ Risk factors	351-362	✓
			3.5.8. Rewards & recognition	139	✓
			4. Consolidated Financial Statements/ Employee remuneration and benefits	214-218	✓
MARKET PRESENCE					
G4-EC6	Senior management members hired locally at significant locations of operation	■	4. Consolidated Financial Statements	168-231	✓
			KPI: Employment by country	134	✓
			KPI: Employment by age	135	✓
			3.4.1. Communities and local authorities	111	✓
			3.4.1.1. Economic impact	112-114	✓
			3.4.1.2. The Group's local economic footprint	113-114	✓
G4-EC7	Development and impact of infrastructure investments and services supported	■	3.4.5. Suppliers and contractors: Supply Chain Management – Purchases mapping	117-119	✓
			INDIRECT ECONOMIC IMPACTS		
			3.4.1.1. Economic impact	112-114	✓
			3.4.1.2. The Group's local economic footprint	113-114	✓
			3.3.5. Transport and connectivity	99-101	✓
G4-EC8	Significant indirect economic impacts, including the extent of impacts	■	3.4.1. Communities and local authorities	111	✓
			Annual and sustainable development report/ Fostering local communities	37	
			3.4.1.1. Economic impact	112-114	✓
ENVIRONMENTAL					
ENERGY					
G4-EN3	Energy consumption within the organisation	■	MPI: Energy consumption (kWh)	96	✓
			MPI: Direct and indirect final energy consumption by primary energy source (%)	98	✓
			MPI: Renewable energy produced and CO ₂ emissions saved	99	✓
G4-EN4	Energy consumption outside of the organisation	■	3.3.4.3. Energy consumption – Tenants' electricity consumption collected (kWh)	94	✓
			MPI: Energy consumption (kWh)	96	✓
			MPI: Direct and indirect final energy consumption by primary energy source (%)	98	✓
			MPI: Renewable energy produced and CO ₂ emissions saved	99	✓
G4-EN5	Energy intensity	■	MPI: Energy efficiency per building usage (kWh/visit/year for Shopping Centres, kWh/occupant/year for Offices, kWh/m ² DOP/year for Convention & Exhibition centres)	97	✓
			MPI: Energy efficiency per m ² (kWh/m ² /year)	97	✓

■ Reported ■ Partially Reported

Items	Description	Reported	Cross-reference	Pages	External assurance
G4-EN6	Reduction of energy consumption		MPI: Energy consumption (kWh)	96	✓
			KPI: Financial impact resulting from variation in energy consumption (€)	96	✓
			3.3.4.3. Energy consumption	94-95	✓
G4-EN7	Reductions in energy requirements of products and services		3.3.4.3. Energy consumption	94-95	✓
			MPI: Energy consumption (kWh)	96	✓
			MPI: Renewable energy produced and CO ₂ emissions saved	99	✓
EMISSIONS					
G4-EN15	Direct greenhouse gas (ghg) emissions (scope 1)		MPI: CO ₂ emissions (kgCO ₂ e)	92	✓
			KPI: Carbon weight of energy mix (gCO ₂ e/kWh)	98	✓
G4-EN16	Energy indirect greenhouse gas (ghg) emissions (scope 2)		MPI: CO ₂ emissions (kgCO ₂ e)	92	✓
			KPI: Carbon weight of energy mix (gCO ₂ e/kWh)	98	✓
G4-EN17	Other indirect greenhouse gas (ghg) emissions (scope 3)		MPI: Split of Shopping Centres' visits by transportation means (%)	100	✓
G4-EN18	Greenhouse gas (ghg) emissions intensity		MPI: Carbon intensity of use (gCO ₂ e/visit/year for Shopping Centres, gCO ₂ e/occupant/year for Offices, gCO ₂ e/m ² DOP/year for Convention & Exhibition centres)	93	✓
			MPI: Carbon intensity per m ² (kgCO ₂ e/m ² /year)	94	✓
			3.3.4.2. CO ₂ emissions	90-93	✓
G4-EN19	Reduction of greenhouse gas (ghg) emissions		MPI: CO ₂ emissions (kgCO ₂ e)	92	✓
			KPI: Refrigerants leaks and waste disposal CO ₂ emissions (kgCO ₂ e)	92	✓
G4-EN20	Emissions of ozone-depleting substances (ods)		KPI: Refrigerants leaks and waste disposal CO ₂ emissions (kgCO ₂ e)	92	✓
PRODUCTS AND SERVICES					
G4-EN27	Extent of impact mitigation of environmental impacts of products and services		3.3.1. Environmental Management Systems	75-76	✓
			3.3.3. Product labelling: Environmental certification	81-86	✓
			3.3.7. Health & Safety and environmental risks and pollution	108-109	✓
			KPI: Soil pollution and site remediation	109	✓
COMPLIANCE					
G4-EN29	Monetary value of significant fines and total number of non-monetary sanctions for noncompliance with environmental laws and regulations		KPI: Fines for environmental breaches	109	
TRANSPORT					
G4-EN30	Significant environmental impacts of products and other goods and materials as well as members of the workforce transport required for the organisation's operations		KPI: Access to public transport (%)	101	✓
			MPI: Split of Shopping Centres' visits by transport means (%)	100	✓
			KPI: CO ₂ emissions from employees' business travel by train and plane (tonnes CO ₂ e)	102	✓
SOCIAL					
LABOUR PRACTICES AND DECENT WORK					
Employment					
G4-LA1	Total number and rates of new employee hires and employee turnover by age group, gender and region		KPI: Recruitment	133	✓
			KPI: Departures	133	✓
			3.5.4. Attracting the best - Turnover	132-134	✓
G4-LA2	Benefits provided to full-time employees only and not provided to temporary or part-time employees, by significant locations of operation		3.5.8. Rewards & recognition	139	✓
			4. Consolidated Financial Statements/ Employee remuneration and benefits	214-218	✓
Occupational health and safety					
G4-LA6	Type of injury and rates of injury, occupational diseases, lost days, and absenteeism, and total number of work-related fatalities, by region and by gender		KPI: Absenteeism	138	✓
■ Reported ■ Partially Reported					

Items	Description	Reported	Cross-reference	Pages	External assurance
Training and education					
G4-LA9	Average hours of training per year per employee by gender, and by employee category		3.5.3. UR Academy-Developing people	131-132	✓
			KPI: Training	132	✓
G4-LA10	Programmes for skills management and lifelong learning that support the continued employability of staff and assist them in managing career endings		3.5.3. UR Academy-Developing people	131-132	✓
			3.5.2. Talent Management and engagement	130-131	✓
G4-LA11	Share of employees receiving regular performance and career development reviews, by gender and by employee category		3.5.2. Talent Management and engagement	130-131	✓
Diversity and equal opportunity					
G4-LA12	Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other diversity indicators		KPI: Employment by country	134	✓
			KPI: Employment by activity	135	✓
			KPI: Employment by age	135	✓
			KPI: Employment by gender	135	✓
			3.5.5. Equal opportunity and inclusion/% of women in management position	134	✓
			6.1. Corporate Governance/Composition of the Management Board and the Supervisory Board	269-278	✓
Equal remuneration for women and men					
G4-LA13	Ratio of basic salary and remuneration for women and men by employee category, by significant locations of operation		KPI: Remuneration breakdown	139	✓
SOCIETY					
Local communities					
G4-S01	Share of operations with implemented local community engagement, impact assessments, and development programmes		3.3.3.1. New development projects	82-83	✓
			3.4.1. Communities and local authorities	111	✓
			3.5.6. Corporate citizenship – Social	130-140	✓
G4-S02	Operations with significant actual and potential negative impacts on local communities		3.4.1. Communities and local authorities	111	✓
			3.4.1.1. Economic impact	112-114	✓
			3.4.1.2. The Group's local economic footprint	113-114	✓
Anti-corruption					
G4-S03	Total number and share of operations assessed for risks related to corruption and identified significant risks		3.2.2. Ethical conduct/Group Compliance Book and Code of Ethics	73-74	✓
			6.2. Report of the Chairman of the Supervisory Board/Internal control system	279-291	✓
G4-S04	Communication and training on anti-corruption policies and procedures		3.2.2. Ethical conduct	73	✓
			3.2.2. Ethical conduct/Group Compliance Book and Code of Ethics	73	✓
Supplier assessment for impacts on society					
G4-S09	Share of new suppliers that were screened using criteria for impacts on society		3.4.5. Suppliers and contractors: Supply Chain Management	116	✓
			KPI: Suppliers assessment	119	✓
PRODUCT RESPONSIBILITY					
Customer health and safety					
G4-PR1	Share of significant product and service categories for which health and safety impacts are assessed for improvement		3.2.3. Risk and crisis management	74	✓
			3.3.7. Health & Safety and environmental risks and pollution	108	✓
			KPI: Annual risk management assessment	109	✓

■ Reported ■ Partially Reported

Items	Description	Reported	Cross-reference	Pages	External assurance
Product and service labelling					
G4-PR3	Type of product and service information required by the organisation's procedures for product and service information and labelling, and share of significant product and service categories subject to such information requirements		3.3.1. Environmental Management Systems (EMS)	75-76	✓
			3.3.3. Product labelling: Environmental certification	81-82	✓
			MPI: Environmental certification of new developments	83	✓
			MPI: Environmental certification of standing assets	86	✓
			3.3.7. Health & Safety and environmental risks and pollution	108	✓
G4-PR5	Results of surveys measuring customer satisfaction		3.3.6.1. Materials	102	
			3.4.3. Visitors & Customers	116	✓
			3.4.4. Tenants and retailers	116	✓
IV. Additional key performance indicators reported					
ENVIRONMENTAL					
WATER					
G4-EN8	Total water withdrawal by source		KPI: Water consumption (m³)	103	✓
			KPI: Water intensity of use <i>(litre/visit/year for Shopping Centres, litre/occupant/year for Offices, litre/m² DOP/year for Convention & Exhibition centres)</i>	104	✓
			KPI: Financial impact resulting from variation in water consumption (€)	104	✓
			KPI: Water consumption per m² (litre/m²/year)	104	✓
G4-EN10	Share and total volume of recycled and reused water		3.3.6.2. Water	103	✓
EFFLUENTS AND WASTE					
G4-EN23	Total weight of waste by type and disposal method		KPI: Total waste (tonnes) and shares of recycled and valued waste (%)	106	✓
			KPI: Split of total waste by disposal route (%)	106	✓
			KPI: Split of total waste by type (tonnes)	107	✓
HUMAN RIGHTS					
INVESTMENT					
G4-HR1	Total number and share of significant investment agreements and contracts that include human rights clauses or that underwent human rights screening		3.2.2. Ethical conduct	73	
			3.4.5. Suppliers and contractors: Supply Chain Management	117-119	✓
			KPI: Suppliers assessment	119	✓
■ Reported ■ Partially Reported					

3.7.3. Grenelle II, Article 225

Decree No. 2012-557 of April 24, 2012 relative to companies' transparency obligations on Corporate social and environmental matters.

Unibail-Rodamco has commissioned a third-party audit for its sustainability data since 2009. The Group has extended the scope of external verification through the years. In 2016, and according to Article 225 requirements (French Grenelle law), EY audit firm performed an in-depth review of the Group's disclosures regarding Article, 42 items and 38 key performance indicators for which an independent verifier's attestation and assurance report has been delivered (see assurance statement pages 165-167). The table below shows the concordance between legal requirements and Unibail-Rodamco's audited disclosures.

In order to comply with the Decree of August 19, 2016 (No 2016-1138 amending Article L. 225-102-1 of the Commercial Code) adopted pursuant to the Energy Growth Transition Law for Green Growth (Article 173, Law No. 2015-992 of August 17, 2015) Unibail-Rodamco calculates its carbon footprint on an extended Scope 3, measuring significant indirect emissions over the entire value chain (see chapter 3.3.4.1. Carbon footprint). However, the Group is not directly concerned with the theme of "action to fight against food waste".

Nomenclature Grenelle Article 225	Description	References	Pages	Materiality ⁽¹⁾
I. SOCIAL INFORMATION				
I.A – Employment	Total number and breakdown of employees by gender, age, and geographical zone	KPI: Employment by gender KPI: Employment by age KPI: Employment by country	135 135 134	M
I.A – Employment	New hires and dismissals	KPI: Recruitment KPI: Departures 3.5.4. Attracting the best - Turnnover 3.5.8. Rewards & recognition	133 133 132 139	P
I.A – Employment	Salaries and their evolution	KPI: Remuneration – Total remuneration KPI: Remuneration – Variable remuneration	139 139	P
I.B – Labour organisation	Working time organisation	3.5.7. Well-being at work	137	P
I.B – Labour organisation	Absenteeism	KPI: Absenteeism 3.5.9. Labour relations – Core principles and presentation of the European Employees' Committee	138 140	M P
I.C – Social Relations	Organisation of social dialogue (procedures for consultation and negotiation)	3.5.9. Labour relations – Number of social relation meetings conducted with representative employee committees and Unions on various subjects	140	P
I.C – Social Relations	Review of collective agreements	KPI: Collective bargaining	140	P
I.D – Health & Safety	Health and safety conditions at work	3.5.7. Well-being at work	137	P
I.D – Health & Safety	Review of the agreements signed with trade unions or staff representatives on health and safety at work	No agreement has been signed with trade unions. However a 40 actions plan dedicated to psycho-social risks and well being at work has been implemented in France since July 2013		P
I.D – Health & Safety	Occupational accidents, including the frequency and severity rates, and occupational diseases	KPI: Absenteeism	138	P
I.E – Training	Implemented training policies	3.5.3. UR Academy-Developing people	131	P
I.E – Training	Total number of hours trained	KPI: Training	132	M
I.F – Equality of treatment	Implemented policies and measures in favour of equality between women and men	3.5.5. Equal opportunity and inclusion KPI: Breakdown of remuneration	134 139	P
I.F – Equality of treatment	Implemented policies and measures for employment and integration of disabled people	3.5.5. Equal opportunity and inclusion	134	P
I.F – Equality of treatment	Implemented policies and measures to fight discrimination	3.1. "Better Places 2030": a new frontier 3.2. Corporate Governance, ethical conduct and risk management 3.5.5. Equal opportunity and inclusion	63 73-74 134	P
I.G – Respect/Promotion of ILO Principles	For freedom of association respect and right to collective bargaining	N/A		N/A

(1) "Annual and sustainable development report": please refer to this section of the annual report.

M = Material; **P** = Potentially material; **N/A** = Non applicable.

Nomenclature Grenelle Article 225	Description	References	Pages	Materiality ⁽¹⁾
I.G – Respect/Promotion of ILO Principles	To the elimination of discrimination in matters of employment and profession	3.4.5. Suppliers and contractors: Supply Chain Management – Promotion of ILO's core principles	117	P
		3.5.9. Labour relations – Compliance by the labour standards outlined by the ILO	140	
I.G – Respect/Promotion of ILO Principles	To the elimination of forced or compulsory labour	N/A		N/A
I.G – Respect/Promotion of ILO Principles	To the effective abolition of child labour	N/A		N/A
II. ENVIRONMENTAL INFORMATION				
II.A – Overall environmental policy	Group's organisation to take into account environmental matters and environmental assessment approaches or certification	3.1. "Better Places 2030": a new frontier	63-72	M
		3.3.1. Environmental Management Systems (EMS)	75-76	
		3.3.2. Reporting methodology for environmental data	77-80	
		3.3.3. Product labelling: Environmental certification	81-87	
		MPI: Environmental certification of new developments	83	
		MPI: Environmental certification of standing assets	86	
II.A – Overall environmental policy	Training and informing activities conducted on employees for the protection of the environment	3.5.3. UR Academy-Developing people Training indicator	131	P
		3.5.3. UR Academy-Developing people Training indicator	131	
II.A – Overall environmental policy	Resources devoted to the prevention of environmental risks and pollution	3.3.7. Health & Safety and environmental risks and pollution	108	P
		KPI: Annual risk management assessment	109	
II.A – Overall environmental policy	Amount of provisions and guarantees for environmental risks (if the information is not likely to cause serious harm to society in a pending litigation)	3.3.7. Health & Safety and environmental risks and pollution "No amount of provisions for environmental risks"	108	P
II.B – Pollution	Prevention, reduction or compensation measures for air rejections, water and soil discharge that seriously harm the environment	3.3.4. Climate change	87	P
		3.3.6.3. Waste	105	
II.B – Pollution	Consideration of noise pollution and any other form of pollution specific to an activity	3.4.5. Suppliers and contractors: Supply Chain Management – Compulsory contract addendum on environmental and social matters	117	P
		3.3.6.3. Waste – Considerate Construction Charter	105	
II.C – Circular economy	Actions taken in support for the prevention, recycling and waste disposal	3.3.7. Health & Safety and environmental risks and pollution	108	P
		3.3.6.3. Waste	105-107	
		KPI: Total waste (tonnes) and shares of recycled and valued waste (%)	106	
		KPI: Split of total waste by disposal route (%)	106	
II.C – Circular economy	Actions to combat food waste	Not disclosed – not under the direct responsibility of the Group		N/A
		3.3.6.2. Water	103	
II.C – Circular economy	Water consumption and supply according to local regulations	KPI: Water consumption (m ³)	103	P
		KPI: Water intensity of use (litre/visit/year for shopping centres, litre/occupant/year for Offices, litre/m ² DOP/year for Convention & Exhibition centres)	104	
		KPI: Water consumption per m ² (litre/m ² /year)	103	
II.C – Circular economy	Consumption of raw material and measures taken to improve their use efficiency	3.3.6.1. Materials	102	P

(1) "Annual and sustainable development report": please refer to this section of the annual report.

M = Material; P = Potentially material; N/A = Non applicable.

Nomenclature Grenelle Article 225	Description	References	Pages	Materiality ⁽¹⁾
		MPI: Energy consumption (kWh)	96	
		MPI: Energy efficiency per building usage (kWh/visit/year for Shopping Centres, kWh/occupant/year for Offices, kWh/m ² DOP/year for Convention & Exhibition centres)	97	
	Energy consumption	MPI: Energy efficiency per m² (kWh/m²/year)	97	
II.C – Circular economy		MPI: Direct and indirect final energy consumption by primary energy source (%)	98	
		3.3.4.3. Energy consumption – Tenants' collected electricity consumption (kWh)	96	M
	Use of renewable energies	3.3.4.2. CO₂ emissions – Focus on green electricity supply	96	
		MPI: Renewable energy produced and CO₂ emissions saved	99	
	Measures taken to improve energy efficiency	3.3.4.3. Energy consumption	94-95	
		3.6. 2016 Achievements and "Better Places 2030" objectives	141-146	
II.C – Circular economy	Land use	3.3.7. Health & Safety and environmental risks and pollution – Pollution prevention policy on existing sites and acquisitions (due diligence)	108	P
		KPI: Soil pollution and site remediation	109	
		3.3.4. Climate change	87-98	
		3.3.4.1. Carbon footprint	88-91	
		3.3.4.2. CO₂ emissions	90-91	
		MPI: CO₂ emissions (kgCO₂e)	92	
II.D – Climate change	Significant items of Green House Gases emissions (GHG) generated as a result of the Company's activity, in particular the goods and services it produces	MPI: Carbon intensity of use (gCO ₂ e/visit/year for Shopping Centres, gCO ₂ e/occupant/year for Offices, gCO ₂ e/m ² DOP/year for Convention & Exhibition centres)	93	M
		MPI: Renewable energy produced and CO₂ emissions saved	99	
		MPI: Carbon intensity per m² (kgCO₂e/m²/year)	93	
		MPI: Split of Shopping Centres' visits by means of transport (%)	100	
II.D – Climate change	Adaptation to climate change impacts	3.3.4. Climate Change – Due diligence taking potential climate change impacts into account	87-88	P
		3.3.4. Climate Change – Analysis of possible impacts of climate change on existing assets	87-88	
II.E – Biodiversity protection	Measures taken to preserve or develop biodiversity	3.3.6.4. Biodiversity	107-108	P
III. SOCIETAL INFORMATION				
III.A – Territorial, economic and social impact of the Company	In terms of employment and regional development	3.4.1. Communities and local authorities	111	
		3.4.1.1. Economic impact	112-114	M
		3.4.1.2. The Group's local economic footprint	113-114	
III.A – Territorial, economic and social impact of the Company	On local population	3.5.6. Corporate citizenship	135-136	P
		3.4. Stakeholders	110-129	
		3.4.3. Visitors & Customers	116	
III.B – Relationships with persons or organisations interested in the Company's business	Dialogue conditions with said persons or organisations	KPI: Customer satisfaction	116	M
		3.4.4. Tenants and retailers	116	
		KPI: Green leases	117	
		3.6. 2016 Achievements and "Better Places 2030" objectives – Green lease	141-146	

(1) "Annual and sustainable development report": please refer to this section of the annual report.

M = Material; **P** = Potentially material; **N/A** = Non applicable.

Nomenclature Grenelle Article 225	Description	References	Pages	Materiality ⁽¹⁾
III.B – Relationships with persons or organisations interested in the Company's business	Partnerships or sponsorships	3.5.6. Corporate citizenship – Total donations amount	135-137	P
		3.5.6. Corporate citizenship – Education through Architecture	137	
		3.5.6. Corporate citizenship – Social	135-136	
III.C – Subcontractors and suppliers	Consideration of social and environmental issues in the procurement policy of the Company	3.4.5. Suppliers and contractors: Supply Chain Management – Purchasing policy	117-119	M
		3.4.5. Suppliers and contractors: Supply Chain Management – Purchases mapping	119	
		KPI: Suppliers assessment	119	
III.C – Subcontractors and suppliers	The importance of subcontracting and addressing suppliers' social and environmental responsibility	3.4.5. Suppliers and contractors: Supply Chain Management	117	M
		3.6. 2016 Achievements and "Better Places 2030" objectives	141-146	
III.D – Fair practices	Actions taken against corruption	3.2.2. Ethical conduct	73	M
		3.1.7. Governance and Corporate Social Responsibility	72	
III.D – Fair practices	Actions taken in favour of customers' health and safety	3.4.5. Suppliers and contractors: Supply Chain Management	118-119	M
		3.6. 2016 Achievements and "Better Places 2030" objectives	141-146	
		3.3.7. Health & Safety and environmental risks and pollution	108	
III.E – Human Rights	Other actions taken in favour of Human Rights	KPI: Annual risk management assessment	109	P
		As a signatory of the UN Global Compact, Unibail-Rodamco promotes the application of fundamental values with respect to human rights, labour, environment and the fight against corruption.	120	

(1) "Annual and sustainable development report"; please refer to this section of the annual report.

M = Material; **P** = Potentially material; **N/A** = Non applicable.

Disclaimer

Some statements contained in this document are of future expectations and other forward-looking statements. These expectations are based on management's current views and assumptions and involve known risks and uncertainties that could cause actual results and/or data to differ materially from those expressed or implied in the said statements. Statements are based on the current property portfolio and disregard potential effects of external factors including, but not limited to, climate change, local energy policy or regulatory or legal developments.

The 2006-2008 data that is provided in this report was collected and consolidated for the first time in 2008. The data provided since 2009 was collected on a quarterly and/or annual basis, using internal management tools. The accuracy of this data may be affected by a number of variables, including but not limited to, the heterogeneity of the assets in Unibail-Rodamco's portfolio,

the specific characteristics of certain assets, and the differences in data collection systems and perimeters at different assets. Since the 2014 annual and sustainable development report, the environmental data, KPIs and measured performances are consolidated by the Corporate Sustainability team through the Enablon reporting software, in-house named "Unism@rt".

Readers should not place undue reliance on forward-looking statements. Unibail-Rodamco assumes no obligation to update any forward-looking information contained in this document subject to legal requirement. Data is subject to change without notice.

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.

3.8. Independent verifier's report on consolidated social, environmental and societal information presented in the management report

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.

Year ended the December 31, 2016

To the Shareholders,

In our quality as an independent verifier accredited by the COFRAC⁽¹⁾, under the number n° 3-1050, and as a member of the network of one of the Statutory Auditors of the company Unibail-Rodamco SE, we present our report on the consolidated social, environmental and societal information established for the year ended on the December 31st 2016, presented in the "Sustainable Development" section of the management report, hereafter referred to as the "CSR Information," pursuant to the provisions of the article L. 225-102-1 of the French Commercial code (*Code de commerce*).

Responsibility of the Company

It is the responsibility of the management board to establish a management report including CSR Information referred to in the article R. 225-105 of the French Commercial code (*Code de commerce*), in accordance with the environmental and social protocols in their versions updated in 2013 for environmental data and in 2015 for social data (hereafter referred to as the "Criteria"), of which a summary is included in introduction to chapter 3.3.2 and 3.5.1 of the management report (the "Methodological note") and available on request at the Company's headquarters.

Independence and quality control

Our independence is defined by regulatory requirements, the Code of Ethics of our profession as well as the provisions in the article L. 822-11 of the French Commercial code (*Code de commerce*). In addition, we have implemented a quality control system, including documented policies and procedures to ensure compliance with ethical standards, professional standards and applicable laws and regulations.

Responsibility of the independent verifier

It is our role, based on our work:

- ◆ to attest whether the required CSR Information is present in the management report or, in the case of its omission, that an appropriate explanation has been provided, in accordance with the third paragraph of R. 225-105 of the French Commercial code (*Code de commerce*) (Attestation of presence of CSR Information);
- ◆ to express a limited assurance conclusion, that the CSR Information, overall, is fairly presented, in all material aspects, in according with the Criteria;

Our verification work was undertaken by a team of six people between September 2016 and March 2017 for an estimated duration of ten weeks.

We conducted the work described below in accordance with the professional standards applicables in France and the Order of May 13, 2013 determining the conditions under which an independent third-party verifier conducts its mission, and in relation to the opinion of fairness, in accordance with the international standard ISAE 3000⁽²⁾.

(1) Scope available at www.cofrac.fr

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

1. Attestation of presence of CSR Information

Nature and scope of the work

We obtained an understanding of the Company's CSR issues, based on interviews with the management of relevant departments, a presentation of the Company's strategy on sustainable development based on the social and environmental consequences linked to the activities of the Company and its societal commitments, as well as, where appropriate, resulting actions or programmes.

We compared the information presented in the management report with the list provided in the Article R. 225-105-1 of the French Commercial code (*Code de commerce*).

In the absence of certain consolidated information, we verified that the explanations were provided in accordance with the provisions in Article R. 225-105-1, paragraph 3, of the French Commercial code (*Code de commerce*).

We verified that the information covers the consolidated perimeter, namely the entity and its subsidiaries, as aligned with the meaning of the Article L. 233-1 and the entities which it controls, as aligned with the meaning of the Article L. 233-3 of the French Commercial code (*Code de commerce*), with the limitations specified in the Methodological Note in chapter 3.3.2 and 3.5.1 of the management report.

Conclusion

Based on this work, and given the limitations mentioned above, we confirm the presence in the management report of the required CSR information.

2. Limited assurance on CSR Information

Nature and scope of the work

We undertook about ten interviews with people responsible for the preparation of the CSR Information in the PMPS (Property Maintenance, Purchasing and Sustainability), Sustainable Development, UR Lab and Human Resources departments, in charge of the data collection process and, if applicable, the people responsible for internal control processes and risk management, in order to:

- ◆ Assess the suitability of the Criteria for reporting, in relation to their relevance, completeness, reliability, neutrality, and legibility, taking into consideration industry standards, especially the sectorial recommendation of the EPRA (European Real Estate Association) as well as the environmental and societal Guidelines of the National Council of Shopping Centres (CNCC) issued in July 2013;
- ◆ Verify the implementation of the process for the collection, compilation, processing and control for completeness and consistency of the CSR Information and identify the procedures for internal control and risk management related to the preparation of the CSR Information.

We determined the nature and extent of our tests and inspections based on the nature and importance of the CSR Information, in relation to the characteristics of the Company, its social and environmental issues, its strategy in relation to sustainable development and industry best practices.

For the CSR Information which we considered the most important⁽³⁾:

- ◆ At the level of the consolidated entity and of the controlled entities, we consulted documentary sources and conducted interviews to corroborate the qualitative information (organisation, policies, actions, etc.), we implemented analytical procedures on the quantitative information and verified, on a test basis, the calculations and the compilation of the information, and also verified their coherence and consistency with the other information presented in the management report;
- ◆ At the level of the representative selection of sites that we selected⁽⁴⁾, based on their activity, their contribution to the consolidated indicators, their location and a risk analysis, we undertook interviews to verify the correct application of the procedures and undertook detailed tests on the basis of samples, consisting in verifying the calculations made and linking them with supporting documentation. The sample selected therefore represents 14% of the gross market value of the Group's assets, 12% of the total surface and 10% of the energy consumption of the 2016 reporting scope (assets owned and managed as of the December 31st, 2016).

For the other consolidated CSR information, we assessed their consistency in relation to our knowledge of the Company.

(3) **KPIs (Environmental, societal and social):** environmental certifications of new developments and standing assets, waste disposal and recycling, energy consumption and greenhouse gases emissions per m² and per visit, water consumption, economic footprint (direct and indirect jobs), share of "green" leases among tenants signed leases, accessibility by public transportation, 4 Star label, total number and breakdown of employees by geographical zone, absenteeism, total number of hours of training.

Qualitative information: Company's organisation to take into account environmental matters and environmental assessment approaches or certification, measures taken to improve energy efficiency and reduce greenhouse gas emissions, territorial, economic and social impact of the Company in terms of employment and regional development, mapping of purchases, measures taken in favor of customers health and safety, HR and training policy.

(4) Ruhr Park (Shopping Center – Germany), La Maquinista (Shopping Center – Spain), Fisketorvet (Shopping Center – Denmark), Carré Sénart (Shopping Center – France), La Part Dieu (Shopping Center – France), Polygone Riviera (Shopping Center – France), Majunga (Offices – France).

Independent verifier's report on consolidated social, environmental and societal information presented in the management report

Finally, we assessed the relevance of the explanations provided, if appropriate, in the partial or total absence of certain information taking into account, if relevant, professional best practices formalised in the CSR reporting sectorial Guide of the National Council of Shopping Centre. According to this Guide, the environmental impacts (energy, water and waste) of shopping centres are monitored for the volumes that are managed and procured (*i.e.* volumes used for common areas and private areas connected to the common network), except those procured directly by tenants.

We consider that the sample methods and sizes of the samples that we considered by exercising our professional judgment allow us to express a limited assurance conclusion; an assurance of a higher level would have required more extensive verification work. Due to the necessary use of sampling techniques and other limitations inherent in the functioning of any information and internal control system, the risk of non-detection of a significant anomaly in the CSR Information cannot be entirely eliminated.

Conclusion

Based on our work, we have not identified any significant misstatement that causes us to believe that the CSR Information, taken together, has not been fairly presented, in compliance with the Criteria.

Paris-La Défense, the March 1st, 2017

French original signed by:

Independent Verifier

ERNST & YOUNG et Associés

Partner, Sustainable Development
Éric Duvaud

Partner
Bruno Perrin