

# 2.

## CORPORATE SOCIAL RESPONSIBILITY

<b>2.1</b>	<b>OUR SUSTAINABILITY STRATEGY</b>	<b>35</b>	<b>2.4</b>	<b>EMBED SUSTAINABILITY IN OUR ORGANIZATION AND NURTURE RESPONSIBLE TALENT</b>	<b>104</b>
2.1.1	Editorial	35			
2.1.2	Business model	35	2.4.1	Empower talent	107
2.1.3	CSR priorities and opportunities	35	2.4.2	Rethink the possible	111
2.1.4	Priorities of the CSR strategy	44	2.4.3	Inspire our people	113
2.1.5	Summary of the Group's CSR achievements	47			
2.1.6	Governance and CSR	56	<b>2.5</b>	<b>APPENDICES</b>	<b>118</b>
<b>2.2</b>	<b>REDUCE CARBON EMISSIONS ACROSS OUR VALUE CHAIN BY BUILDING &amp; OPERATING INNOVATIVE, CIRCULAR, EFFICIENT, AND CONNECTED SPACES</b>	<b>59</b>	2.5.1	Unibail-Rodamco-Westfield's reporting methodology in Continental Europe	118
2.2.1	Responding to climate change	59	2.5.2	Unibail-Rodamco-Westfield indicators for the non-continental Europe scope: the United Kingdom and United States	124
2.2.2	Designing sustainable buildings	65	2.5.3	Supplementary information on Green Bonds	130
2.2.3	Improving in-use environmental efficiency	71	2.5.4	Independant verifier's report on consolidated non-financial statement presented in the management report	136
2.2.4	Develop connectivity & sustainable mobility	86			
2.2.5	Integrate nature and biodiversity	88			
<b>2.3</b>	<b>CONTRIBUTE TO THE INCLUSIVE AND SUSTAINABLE GROWTH OF COMMUNITIES</b>	<b>90</b>			
2.3.1	Boosting the local economy	91			
2.3.2	Working with local stakeholders	97			
2.3.3	Promoting sustainable consumption	102			

## 2.1 OUR SUSTAINABILITY STRATEGY

### 2.1.1 EDITORIAL

Corporate Social Responsibility (CSR) is at the very heart of Unibail Rodamco Westfield's strategy, as an accelerator of progress and innovation. In 2016, the Group launched its "Better places 2030" CSR programme, building on the objectives outlined in the Paris Climate Agreement and taking them one step further. "Better places 2030" combines both an ambitious objective to reduce the environmental footprint and increased social engagement, integrating CSR into the Group's entire value chain.

As the first listed real estate company to engage in such a comprehensive strategy, Unibail-Rodamco-Westfield is a leader of change. The Group's CSR ambition subscribes to a larger global vision, adapted to the challenges of the industry and to the various activities and locations in which it operates. The Group relies on both the quality of its assets and collective power of its teams to raise awareness, mobilise and provide practical solutions that will facilitate the transition towards a low carbon economy. Through its civic engagement and job creation initiatives, the Group is actively involved in the communities in which it operates.

2018 was a good year for Unibail-Rodamco-Westfield: many CSR objectives linked to the "Better Places 2030" programme in continental Europe were achieved (as presented in Section 2.1.5.2 Summary of the Group's CSR performance), and the Group's industry leadership was acknowledged by rating agencies. Key steps in the implementation of "Better Places 2030" included the launch of major operational projects, such as the commissioning of phase 2 of the solar power plant on the roof of Topanga in the United States, and the extension of our Too Good to Go<sup>(1)</sup> partnership in 18 French shopping centres. Furthermore, the Group's commitment and the engagement of the teams has enabled the development of mobility action plans for almost 40 of the Group's assets, with the aim of reducing the carbon footprint of visitors. Finally, the Group's employees have dedicated a cumulative 1,200 days to social initiatives in the communities where it operates.

The Group's CSR strategy, which was updated in 2018 following the acquisition of Westfield to include the UK and US assets in its portfolio, has embraced the United Nations Sustainable Development Goals, particularly SDG 11: "Sustainable Cities and Communities". This new strategy confirms Unibail-Rodamco-Westfield's ambitious CSR objectives, and provides the roadmap to achieving them. The teams' daily engagement and ownership of environmental and social challenges now plays a more prominent role. For the first time, important topics such as sustainable consumption have been included in the global ambitions, in response to the constantly-changing expectations and needs expressed by the stakeholders of the Group's assets.

Thanks to the day to day engagement of all of the teams, Unibail-Rodamco-Westfield is regularly ranked amongst the most sustainable companies in the industry.

### 2.1.2 BUSINESS MODEL

The Unibail-Rodamco-Westfield business model is presented in Sections 1.3 Business model and 1.4 Business overview.

### 2.1.3 CSR PRIORITIES AND OPPORTUNITIES

#### 2.1.3.1 Materiality matrix

Between June and October 2018, Unibail-Rodamco-Westfield updated its materiality matrix to identify its main priorities and rank the importance of its objectives and associated action plans. An external advisory firm supported the Group in this process to ensure the robustness and neutrality of the methodology.

This work was done on the basis of a detailed analysis of the main CSR reporting standards<sup>(2)</sup>, investor expectations<sup>(3)</sup>, underlying market trends, industry practice, work already done by companies with a pioneering CSR approach and the opinions of NGOs and experts.

In total, over thirty external and internal stakeholders, representative of the Group's different regions and businesses, were consulted to rank the CSR topics, according to their level of expectation around these topics (for the external stakeholders) and the impact on the Unibail-Rodamco-Westfield business model (for the internal stakeholders). Discussions with external stakeholders highlighted the importance of the circular economy, biodiversity, the impact and sustainability of the value chain, diversity and local economic impact. This new materiality matrix was also shared with the representatives of the operational teams and the CSR referents of the countries.

This new matrix builds on previous years' work, most recently in 2015 in continental Europe, and in 2016 in the United States and the United Kingdom. In the course of these updates, new themes were introduced, such as sustainable consumption, and some matters, such as biodiversity, were given a higher priority.

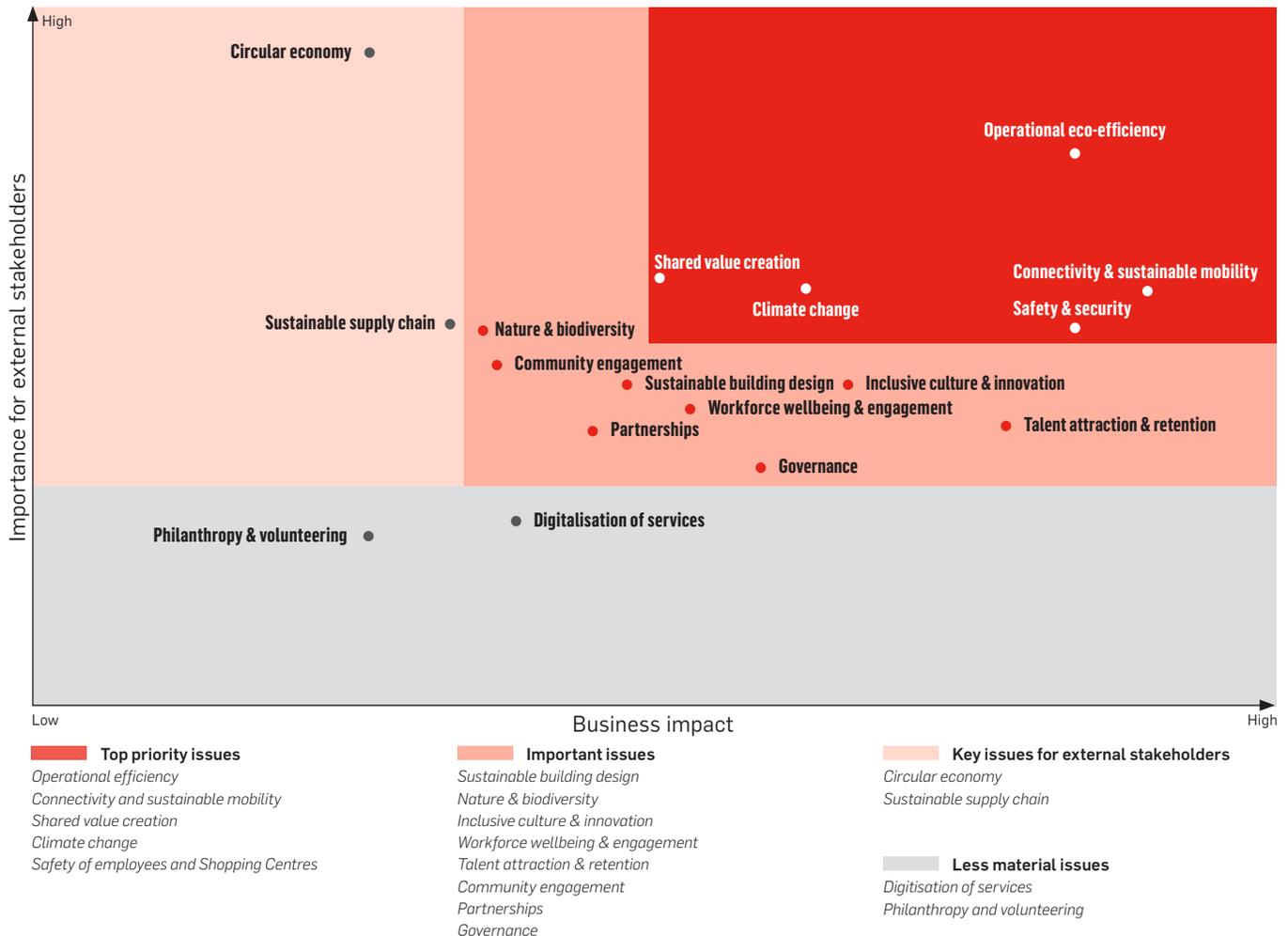
The main priorities identified as being key, in line with market trends up to 2030 and the parallel work done on risks (see Section 2.1.3.2 CSR risks and opportunities), resulted in three new CSR focus areas being determined for the Group (see Section 2.1.4 Priorities of the CSR strategy).

(1) Too Good To Go is a start-up which works to prevent food waste, see Section 2.2.3.6 Waste management.

(2) Global Reporting Initiative Construction and Real Estate Supplement, Sustainability Accounting Standards Board.

(3) Dow Jones Sustainability Index, MSCI, Vigeo, Oekom, GRESB, FTSE4Good.

UNIBAIL-RODAMCO-WESTFIELD'S MATERIALITY MATRIX



2.1.3.2 CSR risks and opportunities

In 2018, in response to the new directive on the publication of non-financial information<sup>(1)</sup>, Unibail-Rodamco-Westfield identified and assessed its main CSR risks, using the assessment methodology for the Group’s risks and taking into account three impact criteria: financial, legal, and reputational. This analysis differed from the Group’s methodology, in that it assessed gross risks (before the implementation of corrective measures) and not net risks.

The Scope of the CSR risk was defined on the basis of both the CSR priorities highlighted by the Group’s new materiality analysis (see Section 2.1.3.1 Materiality matrix) and the scope of the sector-based CSR risk highlighted by the work done in 2018 in partnership with the French Council of Shopping Centres (CNCC).

In total, 30 risks were identified and classified into 11 categories; 20 were identified as main CSR risks due to their level of impact.

The risk analysis and ranking work was undertaken jointly by the Group’s CSR and Risk Department, with the involvement of the local risk teams. The results were shared with the Group’s Senior

Management teams responsible for Risk Management and CSR, notably the Chief Resources Officer.

The table below summarises the main CSR risks, and the opportunities, policies, action plans and performance indicators associated with their Management. In particular, the action plans described refer to the actions effective within the Group in 2018 and, as such, they do not yet cover the wide range of actions planned in response to some of the CSR Risks; some of these actions will be implemented as the Group’s new CSR strategy is introduced. This applies to actions concerning the resilience of assets to climate change and the sustainability of our tenant mix (see Section 2.1.4 Priorities of the CSR strategy). The results of the performance indicators for each action plan are presented either directly within this table, either within the body of this report (see reference in the “Further information” column of the table).

(1) European directive of October 22, 2014 on the publication of non-financial information.

Themes	Opportunities	Risks	Summary of associated policies & actions plans	Associated main performance indicators	Further information
Business Ethics	Improve the corporate image	<ul style="list-style-type: none"> <li>Corruption, agreements or fraud (business relationships, relationships with public officials)</li> <li>Money laundering and financing of terrorism</li> </ul>	<ul style="list-style-type: none"> <li>Anti-corruption programme in compliance with Sapin II law (France), the Foreign Corrupt Practices Act "FCPA" (US) or the UK Bribery Act "UKBA" (UK);</li> <li>Group Code of Ethics with compulsory yearly e-learning module;</li> <li>Procedure for screening of business partners;</li> <li>Whistleblowing procedure;</li> <li>Appointment of Compliance Officers across the regions where the Group operates;</li> <li>Insider Trading Rules procedure;</li> <li>Focused in-person anti-corruption training conducted in the US and the UK.</li> </ul>	<ul style="list-style-type: none"> <li>Number of sanctions imposed by regulators linked to corruption incidents: 0;</li> <li>Percentage of employees trained to the Group Code of Ethics: 96%<sup>(1)</sup>;</li> <li>Number of employees of most exposed departments trained on corruption during the year: 74.</li> </ul>	6.2.2.10 Corruption, Money laundering & Fraud
		<ul style="list-style-type: none"> <li>Non-transparency in the reporting of lobbying activities</li> </ul>	<ul style="list-style-type: none"> <li>Annual reporting of lobbying activities to the French High Authority for Transparency in Public Affairs;</li> <li>Internal policy on Interest Representatives.</li> </ul>	<ul style="list-style-type: none"> <li>Timely reporting of lobbying activities to the French High Authority for Transparency in Public Affairs: 3 reported actions (<a href="https://www.hatvp.fr/fiche-organisation/?organisation=414878389##">https://www.hatvp.fr/fiche-organisation/?organisation=414878389##</a>).</li> </ul>	6.2.2.10 Corruption, Money laundering & Fraud
		<ul style="list-style-type: none"> <li>Breach of customers' personal data</li> </ul>	<ul style="list-style-type: none"> <li>Creation of a General Data Protection Regulation (GDPR) procedure;</li> <li>Review of current legal scheme and requirements in all countries where the Group operates;</li> <li>Follow-up of the Data Protection Authority requirements;</li> <li>Cybersecurity awareness programme implemented, including a mandatory e-learning module on IT security awareness and mock-phishing campaigns;</li> <li>IT Group Policy reviewed and harmonized at Group level (employee binding document with rules for using the Information System and sanctions for breaches);</li> <li>Dedicated internal privacy counsel that consults and reviews on data privacy matter in the US.</li> </ul>	<ul style="list-style-type: none"> <li>Share of employees that followed mandatory e-learning module on IT security awareness: 91%;</li> <li>Share of employees that followed e-learning module on General Data Protection Regulation (GDPR) since May 2018: 57%.</li> </ul>	6.2.2.12 Legal & Regulatory 6.2.2.7 IT System & Data: Continuity and integrity
		<ul style="list-style-type: none"> <li>Non-compliance with anti-trust regulation</li> </ul>	<ul style="list-style-type: none"> <li>Part of the due-diligence process in case of acquisitions;</li> <li>Close monitoring of Viparis activities in relation with the French General Directorate for Fair Trading, Consumer Affairs and Fraud Control (DGCCRF).</li> </ul>	NA	6.2.2.10 Corruption, Money laundering & Fraud 6.2.2.12 Legal & Regulatory

(1) Figure as at 05/02/2019.

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Themes	Opportunities	Risks	Summary of associated policies & actions plans	Associated main performance indicators	Further information
Health & Safety, Security and Well-being of people in our properties	Lead the industry in health, safety and security to reduce incident levels	<ul style="list-style-type: none"> <li>• Threats or attacks on sites</li> </ul>	<ul style="list-style-type: none"> <li>• Mastering and strict application of security regulations;</li> <li>• Strong relationships with police authorities, regional authorities and intelligence agencies;</li> <li>• Access guidelines for strategic areas and other non-public accesses;</li> <li>• External assessments of security efficiency when necessary and future integration of security topics in H&amp;S audits, starting in 2019;</li> <li>• Training of Shopping Centre management teams on identifying and managing situations linked to terrorism;</li> <li>• Raising awareness of tenants on security framework and evacuation plans;</li> <li>• Crisis Management Procedure available in each managed asset of the Group;</li> <li>• Group Security Committee to manage and standardize group practices in line with local regulations (Continental Europe).</li> </ul>	<ul style="list-style-type: none"> <li>• Percentage of Shopping Centre Management teams trained on crisis management.</li> </ul>	<p>6.2.2.1 Terrorism &amp; Major security Incident</p> <p>2.2.3.7 Health &amp; Safety and environmental risks and pollution</p>
		<ul style="list-style-type: none"> <li>• Failure to provide a safe and healthy environment for employees, tenants, contractors and visitors/ occupants according to Health &amp; Safety procedures and regional legislation (external or internal factors, operations and developments)</li> </ul>	<p><u>Operations:</u></p> <ul style="list-style-type: none"> <li>• In Continental Europe, external audits on Health &amp; safety risks (taking into account local regulations) are carried out every year on each asset owned and managed by Unibail-Rodamco-Westfield. Internal audits are performed every 2/3 years. An annual review is undertaken by the PMPs (Property Maintenance, Purchasing and Sustainability) team with each region on Health &amp; Safety risks and environmental issues. External experts/building controllers in maintenance and security are identified on each site of the Group to help preventing any damage and to provide a quick answer in case of incident. Crisis management procedure is available in each managed asset of the Group;</li> <li>• In the US and in the UK, health and safety regulations are also reviewed, audited, and complied with. Appropriate security protocols including physical security guards and security cameras are in place. Compliance reviews with regulations related to Americans with Disabilities Act (ADA) are conducted every three years to confirm compliance and take any corrective actions to comply with new regulations.</li> </ul> <p><u>Developments:</u></p> <ul style="list-style-type: none"> <li>• Worksites are managed to avoid any risk to the health and safety of the workers and people living nearby: they are monitored by a Health and Safety Co-ordinator with whom all the data of such a nature as to have an impact on the worksite's hygiene and safety is examined. This principle is stated in the Considerate Construction Charter. A project is underway in the US to update the design and construction standards to better incorporate life safety considerations.</li> </ul>	<ul style="list-style-type: none"> <li>• Share of assets in operation that obtained an A or B annual score in their Health &amp; Safety and Environmental third party risk assessment (% assets).</li> </ul>	<p>2.2.3.7 Health &amp; Safety and environmental risks and pollution</p> <p>2.2.2.1 Environmental Management Systems (EMS) - Sustainable construction</p>

Themes	Opportunities	Risks	Summary of associated policies & actions plans	Associated main performance indicators	Further information
Health & Safety, Security and Well-being of people in our properties	Enhance resilience of buildings against climate change impacts	<ul style="list-style-type: none"> <li>Non-resilience of assets facing physical phenomena (acute and chronic climate events...)</li> </ul>	<ul style="list-style-type: none"> <li>Following the analysis of the impact of global warming on Unibail-Rodamco-Westfield potential losses, a mapping of the assets most exposed to natural disasters was completed in January 2016 (flooding, storm, earthquake) by PMPs (Property Maintenance, Purchasing and Sustainability) and Insurance departments for Continental Europe;</li> <li>French and Spanish assets are covered for 100% of their insured values according to the local regulation (CATNAT for France and Consortio for Spain). Assets in other regions are covered in the limit of €100 Mn annually for natural disasters (specific sublimit of €25 Mn for flood damages in the Netherlands);</li> <li>Compliance with regulatory requirements in each region regarding flooding risks, water management, and drainage systems for exceptionally heavy rainfall;</li> <li>Due diligence process for acquisitions and new development projects also covers the risks associated with climate change;</li> <li>Environmental certification policy for all assets in both development and operation phases: BREEAM and BREEAM In Use certifications schemes covering among others physical resilience and energy aspects;</li> <li>In the US and in the UK, exposure to nature disasters of flood, earthquake, and hurricane is assessed annually. Centres located in these areas conduct appropriate emergency response exercises annually and have written emergency response and mitigation procedures. An analysis of the “probable maximum loss” on the perils of earthquake, hurricane, and flood is conducted annually and appropriate limits of insurance coverage are purchased. All Shopping Centres are stock emergency supplies to deal with a catastrophe; all centres have redundant communication capabilities including satellite phones.</li> </ul>	<ul style="list-style-type: none"> <li>Share of retail and office assets BREEAM In Use certified (in GMV);</li> <li>Retail and office floor area BREEAM certified (m<sup>2</sup> GLA);</li> <li>Share of standing portfolio certified in development (in GMV);</li> <li>Conditions of asset insurance for natural disasters.</li> </ul>	<ul style="list-style-type: none"> <li>2.2.1.3 Risk management and adaptation to climate change</li> <li>2.2.2.2 Environmental certification of buildings under development</li> <li>2.2.3.2 Environmental certification of buildings during the operation phase</li> <li>6.3 Transferring risk to the insurance market</li> </ul>
“Green”/ sustainable value of assets and of the Company	<ul style="list-style-type: none"> <li>Obtain access to green financing instruments for asset development</li> <li>Improve and demonstrate the environmental quality of assets (environmental certifications, carbon footprint, accessibility, etc.)</li> </ul>	<ul style="list-style-type: none"> <li>Loss of access to green financing instruments and low ESG ratings</li> </ul>	<ul style="list-style-type: none"> <li>Answering to the most recognized non financial rating agencies, Monitoring questionnaire evolutions and benchmarking of scores;</li> <li>Organization of specific ESG roadshows and meetings with investors; Close direct dialogue on sustainability issues with investors by e-mail;</li> <li>Formalized Use of Proceeds for green bond allocation; Formalized procedure for analysing, selecting and monitoring assets under the Green Bond instrument; Regular back-testing of asset eligibility to green bond criteria; Monitoring performance of green loan KPIs.</li> </ul>	<ul style="list-style-type: none"> <li>Reporting on green bond allocation and amount of green bonds allocated (monetary value);</li> <li>Scores of extra-financial ratings (GRESB, CDP, OEKOM, MSCI, Sustainability, FTSE4Good, Vigeo Eiris).</li> </ul>	<ul style="list-style-type: none"> <li>2.1.5.4 Green bonds and green loans</li> <li>2.5.3 Supplementary information on green bonds</li> <li>2.1.5.3 Results of non-financial evaluations and rankings</li> <li>2.1.6.5 Relations with investors and professional organisations</li> </ul>

Themes	Opportunities	Risks	Summary of associated policies & actions plans	Associated main performance indicators	Further information
Responsible Supply chain	Onboard stakeholders along the Group's value chain in its CSR strategy	<ul style="list-style-type: none"> <li>Contracting with service providers, suppliers or sub-contractors not complying with regulations and standards of their profession (e.g. fundamental human and labour rights) or having a negative CSR image/performance</li> </ul>	<ul style="list-style-type: none"> <li>Global Group purchasing conditions and standard contracts including environmental and social terms, such as complying with ILO conventions and local labour laws (Continental Europe);</li> <li>Procedure for screening of business partners (Continental Europe);</li> <li>Supplier assessments for main service contracts (maintenance, safety, mechanical transportation, cleaning and waste management): management, quality of service, and respect of environmental terms (Continental Europe);</li> <li>Collection of CSR information for contractors referenced in the purchasing database (Continental Europe);</li> <li>Whistleblowing procedure made accessible to all contractors;</li> <li>For development projects, the compliance of providers to professional standards is ensured through the tender process, the contract documents, and the monitoring of compliance by the operations supervisor. Non-compliance is sanctioned according to severity through formal notice, penalties or change of provider.</li> </ul>	<ul style="list-style-type: none"> <li>Share of supplier contracts (operations) assessed on compliance with environmental rules, modes of management, and quality of service.</li> </ul>	2.3.1.2 Supply chain management
		<ul style="list-style-type: none"> <li>Controversies linked with the activity of one or several tenants affecting the asset image</li> </ul>	<ul style="list-style-type: none"> <li>Engagement to diversify the retailer mix (new Group CSR Strategy), commitment to promote national and local retailers;</li> <li>Supporting entrepreneurship and local concepts; Organization of the grand Prix des Jeunes Créateurs de Commerce;</li> <li>Participation in retail industry roundtables and conferences; Engagement in Better Retailer's Club;</li> <li>Signing voluntary and contractual agreements on sustainability issues with tenants; Organizing sustainability meetings with tenants.</li> </ul>	<ul style="list-style-type: none"> <li>Amount spent in the "Grand Prix des Jeunes Créateurs de Commerce";</li> <li>Number of voluntary agreements on LED signed with retailers;</li> <li>Share of Green Lease V2 signed among new leases and active leases.</li> </ul>	2.3.2.3 Engaging with tenants and visitors 2.3.3.2 An attractive, distinctive offering 2.2.3.3 Green leases and tenant commitments
Human Capital	Engage employees in the Group's strategy	<ul style="list-style-type: none"> <li>Non-engagement of employees and employee turnover rate increase</li> </ul>	<ul style="list-style-type: none"> <li>Yearly 360° review of each employee (Group &amp; country levels) in Continental Europe;</li> <li>Development of internal mobility &amp; career paths (Talent management programs, women@UR), Designed Carrier Paths by functions;</li> <li>Engagement survey with action plan on the main improvements identified. Communicating follow-up every 6 months to all employees, including development of work life balance initiatives;</li> <li>Structured and comprehensive benefits policy (stock-options and performance shares, company saving plan, health plans) in line with market practice;</li> <li>More trainings on soft skills (management, feedback, empowerment), ongoing development of URW Academy (training department): new learning management system (LMS), new training contents performed by internal and external experts, URW fundamentals training for all newcomers;</li> <li>More focus on international talent (culture, corporate centre, international mobility) to increase retention among international teams;</li> <li>Systematic exit interview to identify causes of departure.</li> </ul>	<ul style="list-style-type: none"> <li>Turnover rate;</li> <li>Participation rate to the employee engagement survey (UR Experience Survey);</li> <li>Share of employees that were promoted (on average);</li> <li>Employee engagement rate in the Group volunteering programme UR Involved!</li> </ul>	2.4.1.1 Talent management and engagement 2.4.3 Inspire our people 2.4.3.1 Employee commitments and CSR 2.4.1.2 Training and career development 2.4.3.2 Wellbeing 2.4.1.3 Compensation and benefits

Themes	Opportunities	Risks	Summary of associated policies & actions plans	Associated main performance indicators	Further information
Human Capital	Attract the best talents for the Company	<ul style="list-style-type: none"> <li>Lack of attractiveness for employees/loss of critical competencies for the execution of the Group's strategy</li> </ul>	<ul style="list-style-type: none"> <li>Yearly 360° review of each employee (Group &amp; country levels) in Continental Europe, with identification of key experts, key managers and future talent;</li> <li>Development of a leadership program for high potentials in different grades and soft skill trainings to managers;</li> <li>Definition of business needs by operational teams reviewed by HR and management. Team sizing with comparable companies (banks, consulting, real estate,...) and internal benchmarks;</li> <li>Development of the International Graduate Programme. Development of co-optation programs geared toward more senior talents. Market watch monitoring of key positions/talents/alumni. Use of external head-hunters for key or high qualified positions. Development of a new employer brand including campus presence;</li> <li>Succession plan for the replacement of members of the Management Board, Senior Management Team and Top management in case of departure/accident (review by the CRO and the CEO);</li> <li>Ongoing development of URW Academy (training department): new learning management system (LMS), new training contents performed by internal and external experts. "Train the trainers" program to facilitate the knowledge management and skills transfer at Group level.</li> </ul>	<ul style="list-style-type: none"> <li>Average number of training hours per employee;</li> <li>Recruitment: new employees by contract type;</li> <li>Number of employees that conducted an international mobility.</li> </ul>	<p>2.4.1.2 Training and career development</p> <p>2.4.1.1 Talent management and engagement</p> <p>3.1.2.1 Supervisory Board composition and diversity - Succession Planning</p>
	Diversify skills and competency profiles in the Company	<ul style="list-style-type: none"> <li>Lack of profile diversity (innovation, long-term management and decision-making)</li> </ul>	<ul style="list-style-type: none"> <li>Equal opportunities project to promote diversity in the Talent management policy, Diversity Charter, Policy against discrimination, Women@URW network, Comprehensive unconscious bias training for all top managers across the Group;</li> <li>Development of internal mobility &amp; career paths (Talent management programs, women@URW);</li> <li>More focus on international talent (culture, corporate centre, international mobility);</li> <li>French action plan "Handicap et performance", All positions opened to people with disabilities.</li> </ul>	<ul style="list-style-type: none"> <li>Share of women in headcount;</li> <li>Share of positions at Principal grade and above held by women;</li> <li>Number of disabled employees in France.</li> </ul>	<p>2.4. Embed sustainability in our organization and nurture responsible talent - Key figures</p> <p>2.4.2.1 Diversity</p> <p>2.4.2.2 Inclusion</p> <p>2.4.1.2 Training and career development</p>
Local acceptability	<ul style="list-style-type: none"> <li>Create local jobs</li> <li>Foster local economic development</li> <li>Create social link</li> </ul>	<ul style="list-style-type: none"> <li>Slowing local economic development and destroying local jobs</li> </ul>	<ul style="list-style-type: none"> <li>Extensive public consultations held for all development and extension projects;</li> <li>Building long-term partnerships with the territory's stakeholders (residents, public authorities, and associations);</li> <li>Frequent measurement of the social-economic impact of the Group assets (direct and direct employment) (Continental Europe);</li> <li>UR for Jobs programme (Continental Europe);</li> <li>Services offered to visitors, charities and places for experience (shopping, entertainment, events...);</li> <li>In the US, the UK and Italy, a permitting and plan approval process for every municipality is part of any development project. Part of that process involves an assessment of the economic impact of the project.</li> </ul>	<ul style="list-style-type: none"> <li>Number of initial placements linked with the UR for Jobs programme;</li> <li>Share of Shopping Centres participating in the UR for Jobs programme;</li> <li>Total hosted jobs (socio-economic footprint study).</li> </ul>	<p>2.3.2.1 Supporting the community</p> <p>2.3.1.1 Socioeconomic impact</p> <p>2.3 Contribute to the inclusive and sustainable growth of communities</p> <p>2.3.2.2 Promoting social resilience</p> <p>2.3.3.2 An attractive, distinctive offering</p>



Themes	Opportunities	Risks	Summary of associated policies & actions plans	Associated main performance indicators	Further information
Environmental pollution	Contribute to optimizing the exploitation of material flows on assets when they are built/expanded and operated	<ul style="list-style-type: none"> <li>Water, soil and air pollution linked with the development and operation of assets</li> </ul>	<ul style="list-style-type: none"> <li>Soil remediation for works on development and existing sites;</li> <li>Group Considerate Construction Charter applicable to all new development, renovation and extension projects in Continental Europe with requirements to minimize pollution for the contractors working on site, the neighbouring area and the natural environment;</li> <li>Inspection and continuous improvement of existing buildings and technical equipment liable to have an impact on the environment or on personal safety (including air and water quality, soil and air pollution, and installations classified under the European Directive for Pollution Prevention and Control when applicable): monitoring conducted by on-site teams, internal reviews, and annual external audits on Health &amp; safety and environmental risks (taking into account local regulations) carried out every year on each asset owned and managed by the Group.</li> </ul>	<ul style="list-style-type: none"> <li>Monetary value of significant fines for environmental breaches (operations) (€);</li> <li>Total number of non-monetary sanctions for environmental breaches (operations);</li> <li>Share of assets in operation that conducted a Health &amp; Safety and environmental third party risk assessment.</li> </ul>	<p>2.2.3.7 Health &amp; Safety and environmental risks and pollution</p> <p>2.2.2.1 Environmental Management Systems (EMS) - Sustainable construction</p>
		<ul style="list-style-type: none"> <li>Not identifying/controlling existing pollution in development projects (remediation costs and legal responsibility)</li> </ul>	<ul style="list-style-type: none"> <li>Pre-acquisition due diligence process including environmental risks and soil pollution;</li> <li>Soil remediation for works on development and existing sites.</li> </ul>	<ul style="list-style-type: none"> <li>Monetary expenses in site decontamination (€) and volumes concerned (m<sup>3</sup>).</li> </ul>	<p>2.2.2.1 Environmental Management Systems (EMS) - Pollution and environmental risk management</p> <p>2.2.2.1. Environmental Management Systems (EMS) - Pollution Prevention</p>
Energy and greenhouse gases	Improve energy efficiency and develop renewable energy use	<ul style="list-style-type: none"> <li>Limited availability and increase in prices of fossil fuels</li> </ul>	<ul style="list-style-type: none"> <li>Energy efficiency targets, Environmental management systems to improve environmental performance of assets;</li> <li>Investments in energy efficient equipment when replacing existing facilities;</li> <li>Long-term contracts with energy suppliers;</li> <li>Shift towards green electricity supply for all assets, Development of on-site renewable energy production;</li> <li>Reduced weight of materials used in projects as well as of their carbon footprint (Continental Europe);</li> <li>Energy performance contracts with suppliers, Engagement of tenants in energy/carbon reduction actions (Continental Europe).</li> </ul>	<ul style="list-style-type: none"> <li>Energy intensity by visitor;</li> <li>Energy intensity by square meter;</li> <li>Carbon intensity by visitor (Scope 1 &amp; 2);</li> <li>Carbon intensity by square meter (Scope 1&amp;2).</li> </ul>	<p>2.2.3.4 Energy management</p> <p>2.2.1.2. Carbon assessment - focus on Scope 1 and 2 emissions from the operation of the buildings</p> <p>2.2.3.3 Green leases and tenant commitments</p> <p>2.2.3.1 Environmental Management Systems (EMS) - Sustainable Management Attitude : an EMS for existing assets</p> <p>2.2.2.1 Environmental Management Systems (EMS) - notably Energy &amp; Carbon</p> <p>2.2.2.3 Construction materials</p>

Themes	Opportunities	Risks	Summary of associated policies & actions plans	Associated main performance indicators	Further information
Energy and greenhouse gases	Increase operational efficiency through improved energy efficiency	<ul style="list-style-type: none"> <li>Increased coercive regulation on building energy efficiency</li> </ul>	<ul style="list-style-type: none"> <li>Energy efficiency targets, environmental management systems to improve environmental performance of assets;</li> <li>Investments in energy efficient equipment when replacing existing facilities;</li> <li>Energy performance contracts with suppliers, engagement of tenants in energy/carbon reduction actions (continental Europe).</li> </ul>	<ul style="list-style-type: none"> <li>Energy intensity by visitor;</li> <li>Energy intensity by square meter;</li> <li>Financial impact resulting from variations in energy consumption (€);</li> <li>OPEX energy costs (€).</li> </ul>	<ul style="list-style-type: none"> <li>2.2.3.4 Energy management</li> <li>2.2.3.3 Green leases and tenant commitments</li> <li>2.3.1.2 Supply chain management</li> <li>2.2.3.1 Environmental Management Systems (EMS) - Sustainable Management Attitude : an EMS for existing assets</li> <li>2.2.2.1 Systèmes de management environnemental (SME) - notably Sustainable Design Attitude : an EMS for development projects</li> </ul>
Governance	Enhance our reputation as a trusted and responsible partner and seize CSR opportunities	<ul style="list-style-type: none"> <li>Lack of budget for managing CSR risks or lack of steering/poor organization for managing CSR topics</li> </ul>	<ul style="list-style-type: none"> <li>CSR agenda defined and carried at the highest governance level (CEO);</li> <li>Integration of the CSR agenda in core business processes due diligence process, environmental management systems for both development projects and existing assets, CSR information integrated in asset budget reviews, CSR objectives set for all employees in the assessment process of individual performance, CSR training module rolled-out to all employees);</li> <li>Alignment of initiatives, action plans and targets with the CSR program in all departments (leasing, HR, development, operations, etc.);</li> <li>Dedicated CSR team responsible for overseeing and supporting the implementation of the Group CSR strategy;</li> <li>Specific Group CSR governance with committees involving top management and operational managers in all business lines;</li> <li>Effective implementation verified through external audits and certification schemes.</li> </ul>	<ul style="list-style-type: none"> <li>Share of employees with CSR objectives in their annual objectives.</li> </ul>	<ul style="list-style-type: none"> <li>2.4.3 Inspire our people</li> <li>2.1.6 Governance and CSR</li> <li>2.1.5.6 External assurance</li> <li>2.2.2.2 Environmental certification of buildings under development</li> <li>2.2.3.2 Environmental certification of buildings during the operation phase</li> </ul>



## 2.1.4 PRIORITIES OF THE CSR STRATEGY

### “Better Places 2030<sup>(1)</sup>”

Since 2007, Unibail-Rodamco-Westfield has defined an ambitious Corporate Social Responsibility (CSR) strategy in continental Europe, which is based on transparent governance and strong representation of these topics in the businesses.

Between 2006 and 2015, Unibail-Rodamco-Westfield had already achieved a cumulative reduction of 33.8% of its energy intensity and 65.1% of its carbon intensity. In 2016, Unibail-Rodamco-Westfield decided to accelerate its CSR commitment by setting a new long-term ambition, “Better Places 2030”. The roadmap for this is structured around the target of cutting the Group’s carbon footprint by 50% by 2030 (relative to 2015 levels).

Unibail-Rodamco-Westfield is now the first listed commercial property group to have applied its objectives across its entire value chain, by entering into commitments to reduce its indirect greenhouse gas emissions, covering for example, visitor transport,

energy consumption of retailers in its shopping centres and the construction of its greenfield/brownfield projects.

“Better Places 2030” meets the main challenges of the property industry: the transition to a low-carbon economy, anticipation of new modes of sustainable mobility and full integration of the Group’s operations in their locations, in partnership with local communities.

To ensure the success of “Better Places 2030”, clear governance has been introduced, at a strategic and operational level (presented in Section 2.1.6.2. Governance of CSR and the “Better Places 2030” programme).

This strategy is recognised by key non-financial rating agencies, which rank the Group among the most sustainable companies in commercial real estate (see Section 2.1.5.3 Results of non-financial evaluations and rankings).

The “Better Places 2030” targets and results are detailed in Section 2.1.5.2 Summary of the Group’s CSR performance.

### VIPARIS CSR STRATEGY – “BETTER EVENTS VIPARIS 2030”

With 10 million visitors annually, 1,000 events and 10 sites, Viparis integrates sustainable development in its values and strategy. This commitment is acknowledged in its ISO 20121 certification, the leading international standard for the events sector, which is enforced on all its sites since 2014. In 2017, in line with the “Better Places 2030” programme, Viparis decided to step up its CSR policy by launching its “Better Events Viparis 2030” strategic plan. This new CSR policy outlines Viparis’s major issues and commitments for the coming years and revolves around four key themes:

1. **A reduced environmental footprint**, with a target of **cutting Viparis’s carbon** footprint by 50% compared to 2016;
2. **Better mobility**: Viparis is dedicated to working with its partners to boost the accessibility of its sites by sustainable transport means and optimise the logistics flows related to its business;

3. **Sustainable partners**: Viparis teams up with all the players in its value chain to fully integrate its activities into the local communities;

4. **Collective involvement**: Viparis’s CSR initiative engages all employees.

With this new ambition, Viparis aims, as an industry leader, to play a key role in transforming industry practices to achieve greater sustainability. To harmonise the vision and share CSR best practices within the Group, Viparis was included in the Group CSR governance bodies as of the 1<sup>st</sup> of January 2018 (refer to Section 2.1.6.2 Governance of CSR and the “Better Places 2030” programme). The Viparis CSR policy is set out in a dedicated document, which can be viewed at the following link: <https://www.viparis.com/en/developpement-durable>.

## New CSR strategy for the Unibail-Rodamco-Westfield Group

In 2018, the Group updated its CSR strategy to incorporate priorities linked to its new operational Scope following the acquisition of the Westfield Group in June. The Group’s CSR Department held workshops in each region with representatives of the operational teams and the CSR referents of the countries to formulate this strategy, which was then approved by the Group’s Management Board. The Group’s new CSR strategy is based on Group-wide CSR

progress, the conclusions of the materiality analysis, market trends to 2030 and the analysis of CSR risks in conjunction with the Risk Department. The strategy now has three focus areas, in keeping with “Better Places 2030”. New medium- and long-term Group targets have been set, incorporating the US and UK operations, and the action plans will be rolled out or improved in the various countries in which Unibail-Rodamco-Westfield operates.

(1) Unibail-Rodamco-Westfield in Continental Europe.

SUMMARY OF THE COMMITMENTS OF THE GROUP'S NEW CSR STRATEGY

REDUCE CARBON EMISSIONS ACROSS OUR VALUE CHAIN BY BUILDING & OPERATING INNOVATIVE, CIRCULAR, EFFICIENT, AND CONNECTED SPACES

-50% carbon emissions across our value chain by 2030 <sup>(1)</sup>

**Design sustainable buildings**

Improve user wellbeing and minimize our places' environmental impact through innovative design and construction solutions

**Improve eco-efficiency**

Collaborate with our tenants and contractors to reduce operating costs and ensure the sustainability of our operations through efficient resource use

**Develop connectivity & sustainable mobility**

Ensure traffic by connecting our assets to collective transport and promoting sustainable mobility habits with customers

**Integrate nature & biodiversity**

Contribute to greener cities by protecting and enhancing biodiversity

CONTRIBUTE TO THE INCLUSIVE AND SUSTAINABLE GROWTH OF COMMUNITIES

100% of owned & managed assets with a community resilience plan by 2025

**Expand local economies**

Foster sustainable local economic development by creating new professional opportunities

**Engage with local communities**

Collaborate with local partners and support local initiatives

**Promote responsible consumption**

Inspire behavioural change by promoting healthier and more responsible consumption

EMBED SUSTAINABILITY IN OUR ORGANIZATION AND NURTURE RESPONSIBLE TALENT

100% Group employees have an individual CSR objective included in annual 360° reviews by 2020

**Rethink the possible**

Promote diversity and innovation throughout the organization

**Empower talent**

Develop and train responsible talents

**Boost employee wellbeing**

Design a positive work environment

**Inspire our people**

Make sustainability essential to our corporate culture



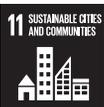
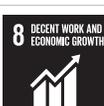
*Essential to the success of this strategy are good governance, partnerships with stakeholders, and the leveraging of technological transformations*

(1) Compared to 2015

This new strategy, effective as of January 2019, will continue to be based on robust governance, partnerships with key stakeholders and suitable technology solutions. Further details of the targets of this new strategy will be provided in 2019. Results regarding attainment of these targets will be included in the 2019 Registration Document.

The new strategy contributes to the United Nations Sustainable Development Goals and especially to the following targets:

CONTRIBUTION OF THE GROUP'S NEW CSR STRATEGY TO THE UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS

Pillar	Aspirational goal	Ambition	SDG - Goals
1 - Better Buildings	Reduce carbon emissions across our value chain by building innovative, circular, efficient, and connected spaces	<b>Design sustainable buildings -</b> Minimise our places' environmental impact and improve user wellbeing through innovative design and construction solutions	  
		<b>Improve operational eco-efficiency -</b> Collaborate with our tenants and contractors to reduce operating costs and ensure the sustainability of our operations through efficient resource use	   
		<b>Develop connectivity &amp; sustainable mobility -</b> Ensure accessibility by connecting our assets to collective transport and promoting sustainable mobility habits with customers	 
		<b>Integrate nature &amp; biodiversity -</b> Contribute to greener cities by protecting and enhancing biodiversity	 
2 - Better Communities	Contribute to the growth of dynamic, strong, and conscious communities in and around all of our assets	<b>Expand local economies -</b> Foster sustainable local economic development by creating new opportunities	
		<b>Engage with local stakeholders -</b> Support thriving and inclusive communities by collaborating with local partners and supporting local initiatives	
		<b>Promote conscious consumption -</b> Inspire behavioural change by promoting healthier and more responsible consumption	
3 - Better Collective Power	Embed sustainability in our organisation and nurture responsible talents	<b>Rethink the possible -</b> Promote diversity and innovation throughout the organisation	 
		<b>Empower talent -</b> Develop and nurture responsible talents	
		<b>Boost employee experience -</b> Design positive work experiences	 
		<b>Inspire our people -</b> Make sustainability essential to our corporate culture	

In the rest of this document, the results and actions presented concern “Better Places 2030”, the Unibail-Rodamco-Westfield CSR strategy effective in 2018 in continental Europe.

## 2.1.5 SUMMARY OF THE GROUP'S CSR ACHIEVEMENTS

### 2.1.5.1 Summary of the reporting methodology

The information presented in Section 2.1.5.2 Summary of the Group's CSR performance and in the following sections (2.2, 2.3, 2.4) only covers Unibail-Rodamco-Westfield in Continental Europe - unless it is explicitly stated that the indicators are consolidated at Group level ("Indicators consolidated across the whole Unibail-Rodamco-Westfield scope") as well as certain initiatives in the United States and United Kingdom presented in separate text boxes. The CSR information will be presented on a fully consolidated scope as of 2019, after a full year of operating under the new reporting scope.

All of the environmental, social and societal indicators monitored are reported in accordance with specific frameworks, which are the same for all countries within the scope, and regularly updated.

The environmental and societal indicators relating to operations cover a scope of assets owned and managed by the Group, over which the Group has operational control and for which the data can be measured and verified. By default, this information covers all of the Group's asset categories: Shopping Centres, Offices and Convention and Exhibition venues, unless it is explicitly stated that one or more asset category has been excluded. Most of this information is reported as of December 31 of the past year, on the scope of a calendar year. However, given the time constraints for publishing this Registration Document, some environmental data is reported on a "rolling year" basis, covering a period of 12 months

including the first three quarters of the preceding year and the 4<sup>th</sup> quarter of the year before that: information on operational consumption of energy (and the associated greenhouse gas emissions) and water.

The environmental and societal indicators linked to operations published over a calendar year (environmental certifications, mobility and modal shares, health & safety and environmental and compliance audits, and all societal indicators) cover a Scope representing 93% of the total consolidated portfolio value in continental Europe as at December 31, 2018. Indicators consolidated over a rolling year (energy and water consumption, Scope 1 & 2 carbon emissions) cover a scope representing 92% of the total consolidated portfolio value in continental Europe as at December 31, 2018.

Human resource indicators cover all Group employees in Continental Europe, for the three asset types: Shopping Centres, Offices and Convention & Exhibition venues, from January 1 to December 31, 2018.

The detailed reporting methodology is presented in Section 2.5.1 Unibail-Rodamco-Westfield's reporting methodology for continental Europe. All indicators for the United States and the United Kingdom are presented in Section 2.5.2 Unibail-Rodamco-Westfield indicators for the non-Continental Europe scope: the United Kingdom and United States.

### 2.1.5.2 Summary of the Group's CSR performance

#### — CSR indicators consolidated across the entire Unibail-Rodamco-Westfield scope

Group<sup>(1)</sup> consolidated data at 12/31/2018:

Energy consumption (in MWh)	885,277
Production of renewable energy (in MWh)	5,946
Percentage of electricity used generated from renewable sources	56%
Greenhouse gas emissions (Scopes 1 & 2, tonnes CO <sub>2</sub> eq) - Location Based Methodology <sup>(1)</sup>	174,005
Greenhouse gas emissions (Scopes 1 & 2, tonnes CO <sub>2</sub> eq) - Market Based Methodology <sup>(1)</sup>	126,003
Water consumption (in m <sup>3</sup> )	7,719,556
Non-hazardous waste generated (in tonnes)	139,033
Percentage of non-hazardous waste valorised	70%
Investments in the community (in Million Euros)	5.42
Number of organisations supported via investments in the community	747
Number of employees involved in community initiatives	1,439
Total number of employees	3,639

<sup>(1)</sup> Consolidated emissions with the "Location Based" and "Market Based" Methodologies exclude Viparis.

#### — Monitoring of "Better Places 2030" key performance indicators

Note: this paragraph no longer includes historic targets prior to "Better Places 2030":

- attained in 2017 or earlier (see CSR section of the 2017 Registration Document);
- included in the "Better Places 2030" strategy;

- on waste management: two operational targets by 2020; the monitoring of these is directly included in Section 2.2.3.6 Waste management;
- on the management of health and safety risks: a permanent operational target; its monitoring is directly included in Section 2.2.3.7 Health, safety and environmental risks and pollution of the Registration Document

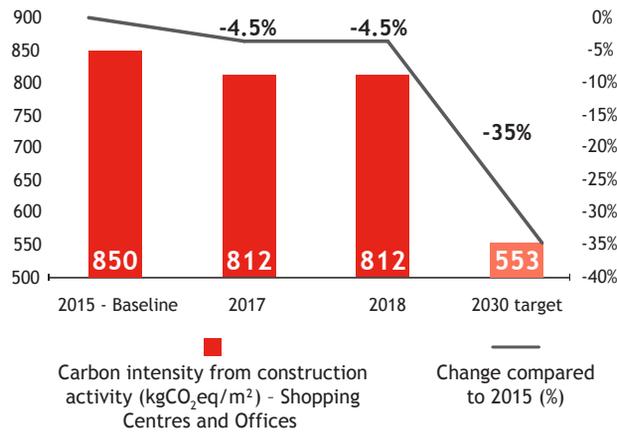
(1) The scope of US data excludes World Trade Center Shopping Centre.

MONITORING DASHBOARD FOR THE "BETTER PLACES 2030" OBJECTIVES: KEY PERFORMANCE INDICATORS

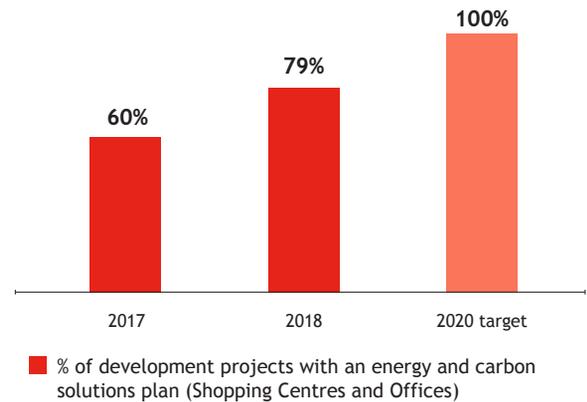
**PILLAR 1: "BETTER BUILDINGS"**

- **2017 targets achieved:**
  - define the Group methodology for measuring the carbon footprint of a construction project and train the development teams by 2017 (Shopping Centres and Offices);
  - define and include carbon performance indicators in the Group's decision-making processes by 2017 (Shopping Centres and Offices);
  - roll out the new version of the "green lease" incorporating mandatory use of LED lighting and electricity from renewable sources by 2017 (Shopping Centres);
  - sign 30 LED partnerships with international retailers by 2017 (Shopping Centres).
- **Targets in progress:**

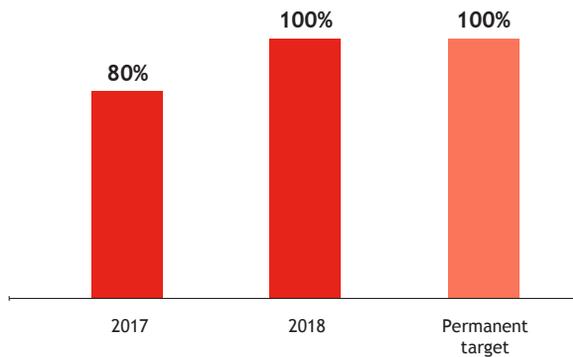
**CHANGE IN CARBON INTENSITY FROM CONSTRUCTION (KGCO<sub>2</sub>EQ/M<sup>2</sup>)**



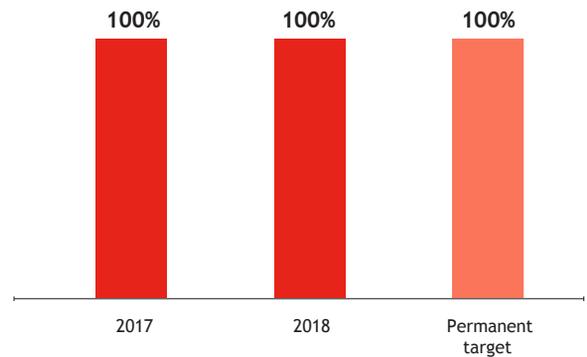
**PERCENTAGE OF PROJECTS UNDER DEVELOPMENT WHICH USE LOW-CARBON SOLUTIONS (%)<sup>(1)</sup>**



**PERCENTAGE OF PROJECTS UNDER DEVELOPMENT FOR WHICH A LIFE CYCLE ANALYSIS (LCA) WAS PERFORMED FROM THE DESIGN PHASE ONWARDS (%)<sup>(1)</sup>**



**PERCENTAGE OF CONSTRUCTION PROJECTS FULLY EQUIPPED WITH LEDS IN COMMON AREAS (%)<sup>(1)</sup>**



■ Share of extension and greenfield/brownfield projects over 10,000 m<sup>2</sup> having conducted a life cycle analysis (LCA) from concept design stage - Shopping Centres and Offices (%)

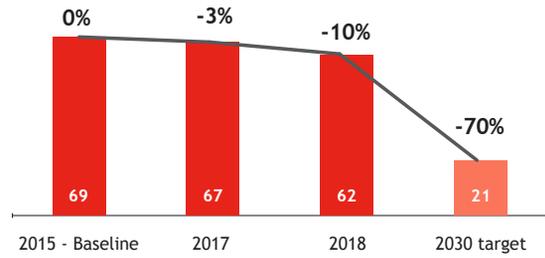
■ % of Shopping Centres under development fully equipped with LED lighting in common areas

(1) For further details on the Scope of this indicator, please refer to Section 2.2.2 Designing sustainable buildings - Energy & carbon.

PROPORTION OF EXTENSION PROJECTS AND GREENFIELD/BROWNFIELD PROJECTS DELIVERED OVER 10,000 M2 WITH BREEAM CERTIFICATION OF AT LEAST "VERY GOOD" (FOR EXTENSIONS) AND "EXCELLENT" (FOR GREENFIELD/BROWNFIELD PROJECTS) (SHOPPING CENTRES AND OFFICES) (%)<sup>(1)</sup>



CHANGE IN CARBON INTENSITY FROM OPERATION (KGCO<sub>2</sub>EQ/M<sup>2</sup>)

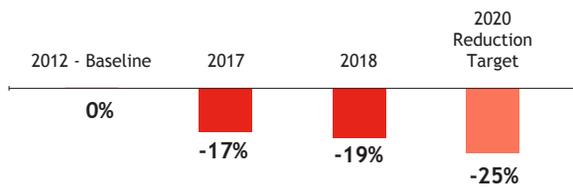


■ Carbon intensity linked to energy consumption (managed and tenants) under operation (kg CO<sub>2</sub>eq/m<sup>2</sup>) - Shopping Centres and Offices

— Change compared to 2015 (%)

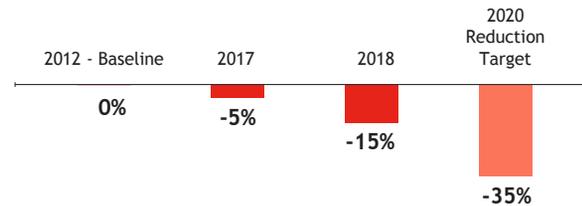


CHANGE IN ENERGY INTENSITY COMPARED TO 2012 - SHOPPING CENTRES OWNED AND MANAGED (%)



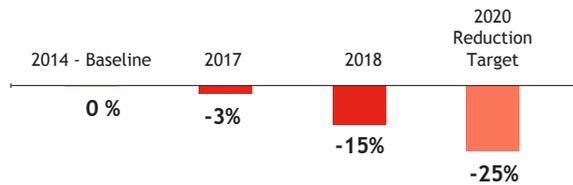
■ Cumulative reduction in energy intensity (kWh/visit) as a % compared to 2012

CHANGE IN ENERGY INTENSITY COMPARED TO 2012 - OFFICES OWNED AND MANAGED (%)



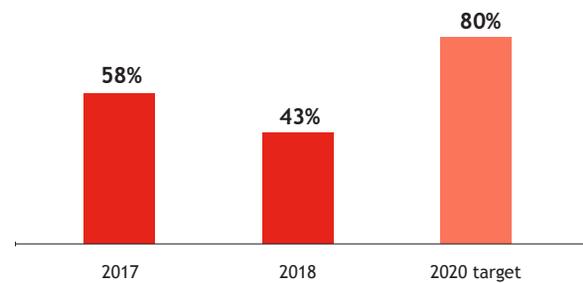
■ Cumulative reduction in energy intensity (kWh/occupant) as a % compared to 2012

CHANGE IN ENERGY INTENSITY COMPARED TO 2014 - CONVENTION & EXHIBITION VENUES (VIPARIS) OWNED AND MANAGED (%)



■ Cumulative reduction in energy intensity (kWh/m<sup>2</sup> DOC) as a % compared to 2014

PERCENTAGE OF SHOPPING CENTRES WITH BREEAM IN-USE CERTIFICATION OF AT LEAST "OUTSTANDING" LEVEL (%)

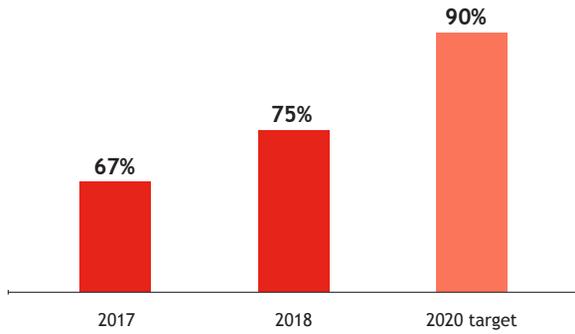


■ % of owned and managed Shopping Centres which are BREEAM In-Use certified to at least "Outstanding" level for the "management" part (Part 2) in number of assets

(1) Permanent target: obtain minimum "Very Good" BREEAM certification for extension projects and minimum "Excellent" for greenfield/brownfield projects (over 10,000 m<sup>2</sup>).

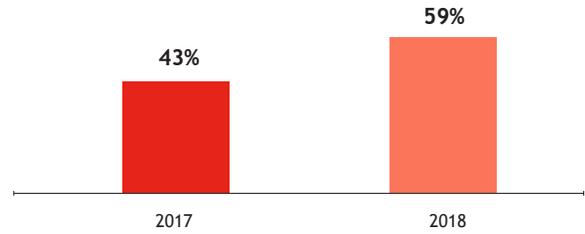
(2) As the Group did not deliver any new projects in 2018, this figure corresponds to the 2017 figure: 4 projects delivered of which 1 pending BREEAM certificate.

**PERCENTAGE OF OFFICES WITH BREEAM IN-USE CERTIFICATION OF AT LEAST "EXCELLENT" LEVEL (%)**



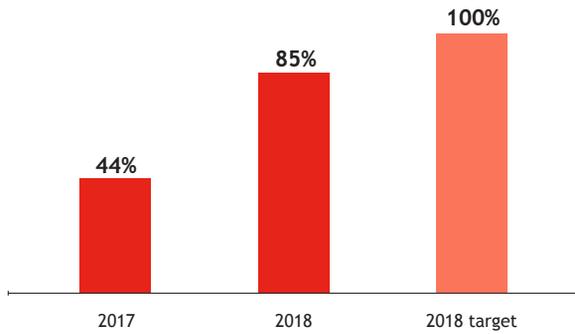
■ % of Offices owned and managed which are BREEAM In-Use certified to at least "Excellent" level for the "management" part (Part 2) in number of assets

**PERCENTAGE OF DEPLOYMENT OF LED LIGHTING SOLUTIONS IN COMMON AREAS OF OWNED AND MANAGED SHOPPING CENTRES (%)<sup>(1)</sup>**



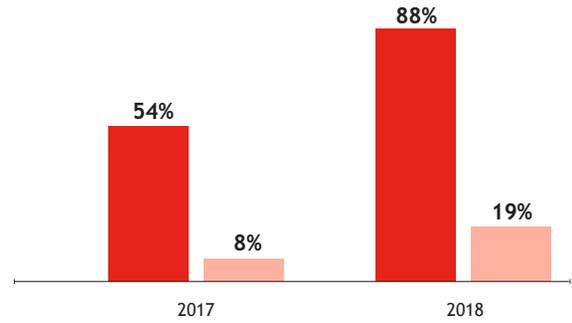
■ % deployment of LED lighting solutions in COMMON AREAS of owned and managed Shopping Centres

**PERCENTAGE OF RENEWABLE ELECTRICITY PURCHASED BY OWNED AND MANAGED ASSETS (%)**



■ % of electricity purchased by owned and managed assets (Shopping Centres, Offices and Convention and Exhibition venues) that is of renewable origin

**PENETRATION RATE OF THE GROUP'S NEW GREEN LEASE (%)<sup>(2)</sup>**



■ % penetration of leases version 2 among leases signed over the year in existing Shopping Centres and those under development

■ % penetration of the green lease version 2 among the active leases for existing Shopping Centres and those under development

(1) Permanent target: systematically use LED lighting solutions in the common areas of Shopping Centres owned and managed by the Group.

(2) 2020 target: promote the installation of 100% LED lighting systems by retailers and the purchase of electricity from renewable sources by rolling out the Group's new green lease from 2017 (LED and green electricity mandatory from 2020).



**PILLAR 2: "BETTER CONNECTIVITY"**

● **2017 targets achieved:**

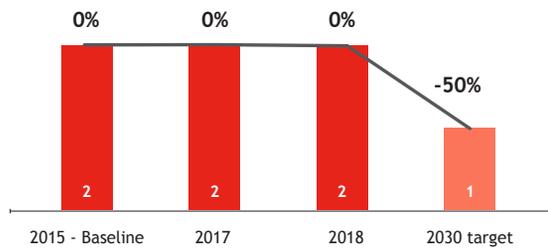
- build partnerships with sustainable mobility and transport operators by 2020 (Shopping Centres and Offices).

● **Targets in progress:**

● **2017 – targets in progress:**

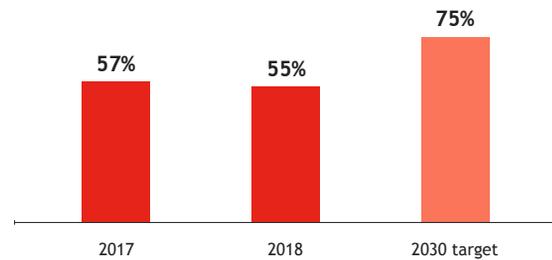
- test at one site a pilot shared urban logistics solution for deliveries to retailers ("UR Delivery"), see Section 2.2.4. develop connectivity & sustainable mobility.

**CHANGE IN THE CARBON INTENSITY RELATED TO VISITOR TRANSPORT (KGCO<sub>2</sub>EQ/VISIT)**



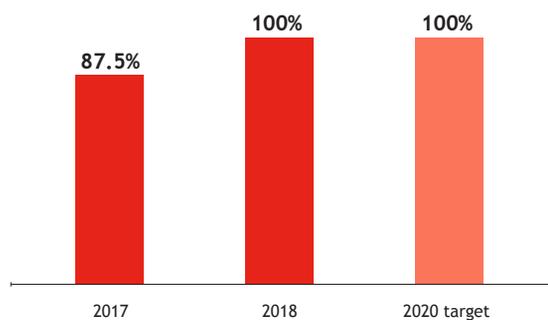
■ Carbon intensity associated with the travel of Shopping Centre visitors and employees (kgCO<sub>2</sub>eq/visit)  
 — Change compared to 2015 (%)

**PROPORTION OF VISITORS WHO USE A SUSTAINABLE MEANS OF TRANSPORT TO VISIT SHOPPING CENTRES (%)<sup>(1)</sup>**



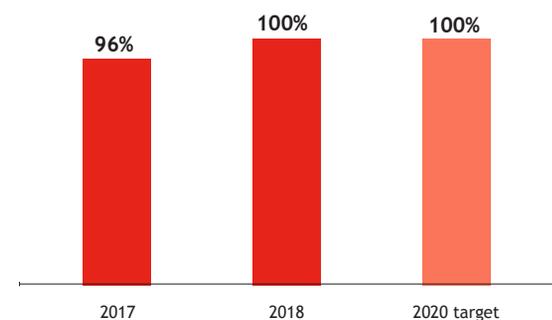
■ % of visitors who use a sustainable means of transport (public transport, bicycle, walking) to visit owned and managed Shopping Centres

**PROPORTION OF PROJECTS UNDER DEVELOPMENT WITH CONNECTIONS TO MAJOR SUSTAINABLE TRANSPORT NETWORKS (%)**



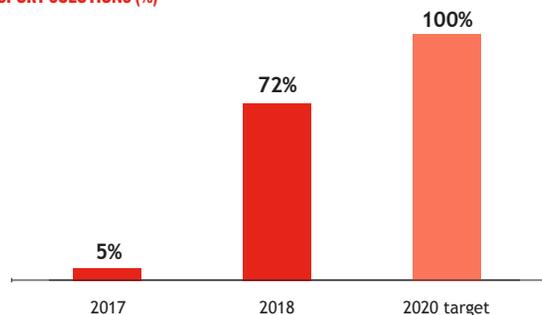
■ % of projects under development (Shopping Centres) connected to significant sustainable transport solutions (public transport)

**PROPORTION OF SHOPPING CENTRES WITH CHARGING FACILITIES FOR ELECTRIC VEHICLES (%)**



■ % of owned and managed Shopping Centre car parks with charging facilities for electric vehicles

**PROPORTION OF SHOPPING CENTRES WITH AN ACTION PLAN TO STIMULATE USE OF SOFT TRANSPORT SOLUTIONS (%)**



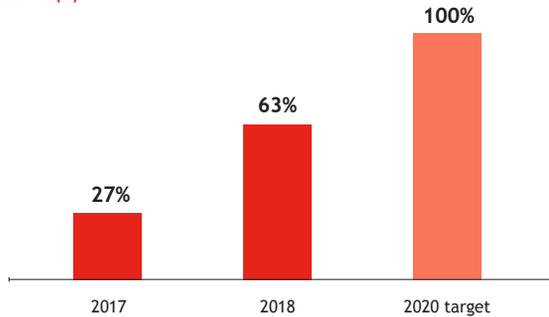
■ % of Shopping Centres with an action plan which encourages the deployment of "soft" transport solutions (carsharing, bicycle access, electric shuttles, etc.) - "Mobility action plan" or "MOBAP"

(1) This objective continues and extends the engagement taken prior to "Better Places 2030": "Transport connectivity & accessibility".

**PILLAR 3: BETTER COMMUNITIES**

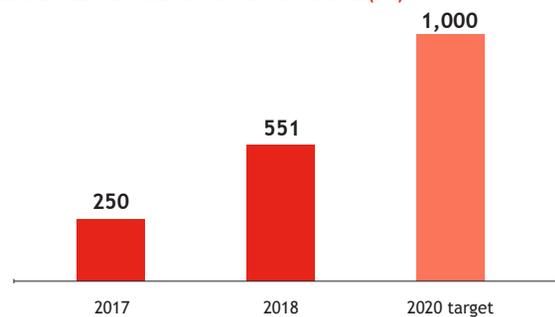
- **2017 targets achieved:**
  - roll-out the “UR for Jobs” programme in 15 shopping centres with the objective of providing a job or enabling the integration into a certifying training program for 225 young people in 2017;
  - roll-out the “Connect” application in 30 owned and managed shopping centres by 2017.
- **Targets in progress:**

**PERCENTAGE OF SHOPPING CENTRES THAT HAVE IMPLEMENTED THE UR FOR JOBS PROGRAMME (%)**



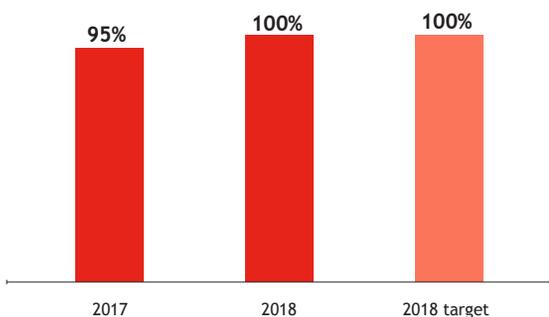
■ % of owned and managed Shopping Centres welcoming over 6 million visits which have implemented the UR for Jobs programme

**NUMBER OF CANDIDATES HIRED OR HAVING INTEGRATED A CERTIFYING TRAINING PROGRAMME FOLLOWING THE UR FOR JOBS PROGRAMME (NO.)**



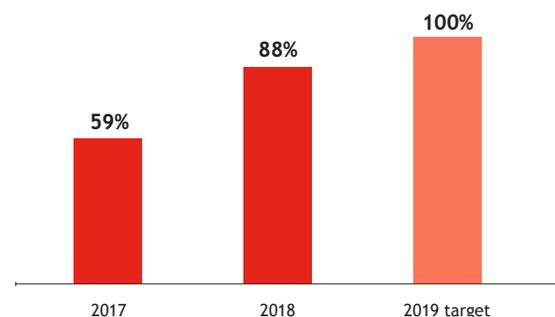
■ Number of candidates trained during, or having had access to the UR for Jobs initiative, who have obtained a job or integrated a graduating training programme following the initiative (initial placements)

**PERCENTAGE OF SHOPPING CENTRES THAT HAVE HELD AT LEAST ONE ANNUAL SOCIAL OR ENVIRONMENTAL EVENT INVOLVING LOCAL OR NATIONAL CHARITIES (%)**



■ % of owned and managed Shopping Centres which have held at least one social or environmental initiative during the year in partnership with local or national non-profit organisations

**PERCENTAGE OF SHOPPING CENTRES THAT HAVE ROLLED OUT THE 'CONNECT' APPLICATION (%)**



■ % of owned and managed Shopping Centres which have rolled-out the “Connect” application

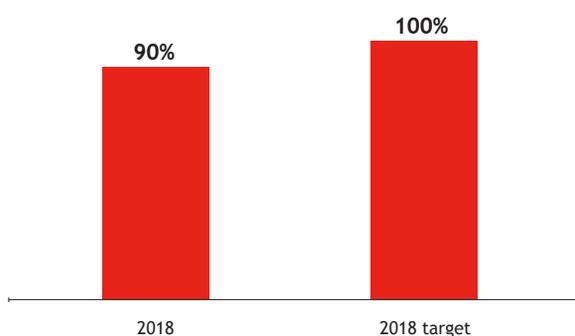
## PILLAR 4: BETTER COLLECTIVE POWER

### 2017 Targets achieved:

- implement the new CSR governance (CSR Committee and referents) by 2017;
- set precise, quantifiable CSR objectives for the Group's Senior Management and management teams and for all regions in continental Europe by 2017;
- involve 40% of employees in the launch of "UR Involved" in 2017;
- continue the start-up incubation programme ("URW-Link") and incubate at least 10 start-ups a year by 2017;
- offset 100% of employee business travel (plane and train) through a carbon offset programme by 2017.

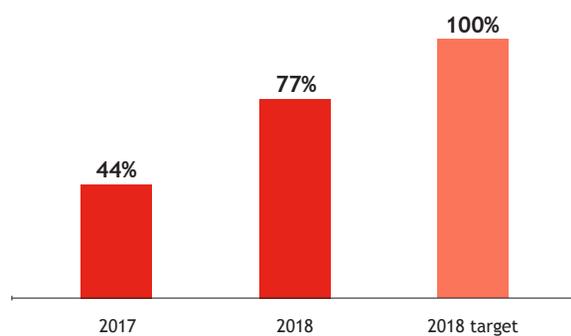
### Targets in progress:

#### PERCENTAGE OF GROUP EMPLOYEES WITH INDIVIDUAL CSR TARGETS (%)<sup>(1)</sup>



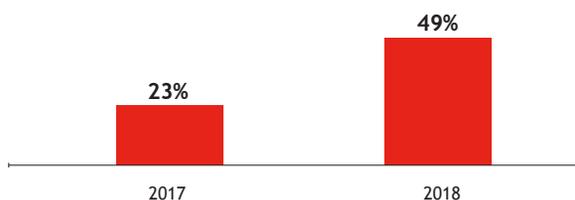
■ % of Group employees with individual CSR targets set in the HR performance management tool (Continental Europe)

#### PERCENTAGE OF EMPLOYEES WHO HAVE TAKEN PART IN THE GROUP'S VOLUNTEER PROGRAMME "UR INVOLVED!" (%)<sup>(1)</sup>



■ % of employees in Continental Europe who have taken part in the ("UR Involved!" Group) volunteering programme to support jobseekers (UR for Jobs programme) or support non-profit organisations (Solidarity Day initiatives)

#### PERCENTAGE OF THE GROUP'S COMPANY CAR FLEET THAT IS HYBRID OR ELECTRIC (%)



■ % of the Group's company cars in Continental Europe that are hybrid or electric

#### PERCENTAGE OF REGIONS THAT HAVE INTRODUCED INITIATIVES TO PROMOTE ENVIRONMENTALLY RESPONSIBLE BEHAVIOUR ON A DAY-TO-DAY BASIS, THE MAIN AIM BEING TO REDUCE PAPER USE IN OFFICES (%)<sup>(2)</sup>

100%

#### ECOSYSTEM OF INNOVATIVE PARTNERS<sup>(3)</sup>

The Group is developing an ecosystem of partners via **UR Link**, its open innovation platform, to identify innovative sustainability solutions via start-ups (for example: Phenix, Sous les fraises, Too Good To Go) and large Groups: Engie, and Via ID Mobility Club.

(1) For further details on the Scope of this indicator, please refer to Section 2.4.3 Inspire our people.

(2) 2020 Target: Reduce paper consumption by employees (annual processes digitised), Continental Europe.

(3) Permanent target: Develop partnerships with our stakeholders (large Groups, start-ups and research centres).

### 2.1.5.3 Results of non-financial evaluations and rankings

Unibail-Rodamco-Westfield features on recognised non-financial performance indices and evaluations, confirming its position as an industry leader in 2018.

#### — Non-financial evaluations

The Group's ESG assessments by extra-financial rating agencies have been updated in 2018:

- in June 2018, for its first post-closing ESG rating by ISS-Oekom as Unibail-Rodamco-Westfield, the combined Group was rated B-, the highest rating level achieved among the real estate companies assessed worldwide. Furthermore, Unibail-Rodamco-Westfield received again the Prime status awarded through this score;
- in June 2018, the Group Unibail-Rodamco-Westfield (Continental Europe) reached the first place in the real estate industry ranking of Sustainalytics (out of 316 companies);
- in the 2018 GRESB Assessment (Global Real Estate Sustainability Benchmark - the only sustainability benchmark dedicated to the real estate sector), Unibail-Rodamco-Westfield (Continental Europe) received a 'Green Star' rating for the eighth year in a row, with a rating of five stars (highest performance level), and ranked first among Global retail real estate companies and among listed European real estate companies;
- Unibail-Rodamco-Westfield (Continental Europe) was included in the A list 2018 of CDP rating, which recognizes corporate pioneers acting on climate change;
- in 2018 and for the fifth year in a row, Unibail-Rodamco-Westfield obtained a rating of AAA (on a scale of AAA-CCC) in the MSCI ESG ratings assessment;
- in the last Vigeo Eiris ESG rating performed in 2017, Unibail-Rodamco-Westfield (Continental Europe) ranked first among the Financial Services - Real Estate sector.

#### — Non-financial indices

In 2018, Unibail-Rodamco-Westfield (Continental Europe) again features in a number of renowned SRI indices, including:

- Euronext Vigeo indices: World 120, Eurozone 120, Europe 120 and France 20 (since 2013, reconfirmed in December 2018);
- the FTSE4Good Index series (since 2005, FTSE4Good Index Review in June 2018);
- the Ethibel Sustainability Index (ESI) Excellence Europe and the Ethibel Sustainability Index (ESI) Excellence Global (since 2011, and reconfirmed since 21/09/2018);
- the list of "Top 10 Performers" of the CAC 40<sup>®</sup> Governance index (since the creation of the index in 2017, renewed in December 2018);
- ECPI<sup>®</sup> indices (combined Group): ECPI Global Eco Real Estate & Building Liquid, ECPI World ESG Equity, ECPI Euro ESG Equity, ECPI Global Ethical Equity, ECPI EMU Ethical Equity, and ECPI Euro Ethical Equity.

### 2.1.5.4 Green bonds and green loans

#### — Green Bonds

The Unibail-Rodamco-Westfield CSR performance strategy has been recognised by the industry for many years now, and as part of its strategy to diversify its financing sources, the Group has decided to develop a stringent "Green Bond" framework in continental Europe to finance new development projects, and/or standing assets which meet all social and environmental criteria for the construction and operational phases defined in the "Use of Proceeds" procedure, and specified hereafter. Green bonds are only used to finance resilient "best in class" assets, in line with a clear procedure for allocating funds (asset analysis, selection and monitoring procedure under the "green bonds" system).

Unibail-Rodamco-Westfield (continental Europe) issued the industry's 1<sup>st</sup> green bond on the Euro market in February 2014, and was the 1<sup>st</sup> international non-Swedish corporate to issue a "green bond" on the SEK market in May 2014. In April 2015, the Group issued its second Green Bond on the Euro market. These issuances are testament to the success of the teamwork between the Group's departments: CSR, legal, finance and communications. In total, the three issuances raised €1.25 billion and 1.5 billion SEK.

#### GREEN BONDS ISSUED BY UNIBAIL-RODAMCO-WESTFIELD (CONTINENTAL EUROPE)<sup>(1)</sup>

	Green Bond I (EURO)	Green Bond II (SEK)	Green Bond III (EURO)
Issuer (legal entity name)	Unibail-Rodamco SE	Rodamco Sverige	Unibail-Rodamco SE
Date	February 19, 2014	May 23, 2014	April 8, 2015
Size	750 m	1.5 bn	500 m
Maturity	10 years	5 years	10 years
Coupon	2.5%	Stibor 3 million +78 bps	1%

#### — Relevant and ambitious social and environmental criteria

The social and environmental criteria associated with the green bonds were developed and approved by Vigeo. They are aligned with (i) the "Green Bond Principles" (GBP) updated in March 2015 and (ii) fit in with the Group's sustainable development policy. The funds raised from green bond issuances are used to finance (via loan or investment) construction work and/or development projects. The

environmental and social performance requirements for the assets apply to both the construction and operation phases. The following criteria are used to define "eligible assets":

- i. Greenfield/Brownfield project or projects under construction (redevelopment and/or extension/renovation project) and/or standing asset managed by Unibail-Rodamco SE or its subsidiaries which:

(1) Green bond issuances and the allocation of funds are approved by the Group's ALM Committee (see Section 6.2.1.2 Risks associated with access to capital and financial market disruption), using a specific procedure formalised internally.

- a. achieved BREEAM certification<sup>(1)</sup> (or any other equivalent certification) at a level of “Very Good” or higher in the design phase,
- b. and have been or will be awarded “BREEAM In-Use” (or any other equivalent certification) for the intrinsic part (“Part 1”) and the building operations part (“Part 2”) according to the BREEAM evaluation framework, at a level of “Very Good” or above within a reasonable time after the start of operation;
- ii. in addition to the certification (which is a prerequisite), eligible assets must meet additional criteria structured into five domains: respect for human rights, contribution to local development, monitoring of environmental impacts, promotion of sustainable relations with tenants and visitors, and consideration of social and environmental factors by suppliers/service providers. In total, 17 sub-criteria are analysed for the construction aspect, and 13 sub-criteria are analysed for the operation aspect.

Additional criteria and indicators to be monitored for eligible assets are published on the issuer’s website at the following link: <https://www.urw.com/Website-o-content/Document/Document-o-data/HomepageDocument/INVESTORS/Financial-Information/Press-Releases/Green-o-Bonds/Green-o-bond-o--o-2014>

#### — Current allocation of Green Bond proceeds

In line with the Group’s internal green bond analysis, selection and monitoring procedure, the funds generated by green bonds issuances are allocated to the selected assets based on the previously-defined list of “eligible assets” (criteria presented in the previous paragraph). In the case of an asset disposal during the funding period (i.e. prior to the bond issue maturity), the proceeds initially allocated to the disposed asset shall be reallocated to another “eligible asset” held by the Group, based on the same process. This was the case in 2017: on October 2, 2017, the Group disposed of the So Ouest Plaza asset, to which 24% of the Green Bond III proceeds had been allocated for a funding period lasting until 2025. Therefore, the partner proceeds were reallocated to the extension of Carré Sénart.

2.

The allocation of the proceeds from the three Green Bonds is illustrated below:

	GB I €750 Mn			GB II SEK 1.5 Bn		GB III €500 Mn	
	Lyon Confluence (Lyon)	So Ouest	Aéroville	Mall of Scandinavia	Majunga	Carré Sénart ext	
Business	Shopping Centre	Shopping Centre	Shopping Centre	Shopping Centre	Offices	Shopping Centre	
Proceeds allocated to projects <sup>(1)</sup>	20%	40%	40%	100%	68%	8% +24%	
GLA Scope of consolidation (m <sup>2</sup> )	53,200	52,200	84,700	103,000	65,600	31,310	
Opening date to public	April 4, 2012	October 16, 2012	October 16, 2013	November 11, 2015	Delivered in July 2014	October 25, 2017	

(1) Allocation carried out through internal loans.

#### — Audited criteria

Unibail-Rodamco-Westfield engaged an independent auditor to verify that the assets financed meet the eligibility criteria. The reporting on these criteria and the independent auditor’s reasonable assurance report are presented in Section 2.5.3 Supplementary information on green bonds.

#### — Green Loans

In April 2017, Unibail-Rodamco-Westfield (continental Europe) took out a green loan of €650 million with a banking syndicate. This was the first “green” syndicated credit facility in Europe. In addition to the usual credit rating, the credit margin for the facility is dependent on the green covenants entered into by the Group. If the green covenants are adhered to, the “green” margin, which is lower, will be applied, whereas in the case of a failure to adhere to the covenants the penalty margin will be applied. This is an innovative system whereby environmental performance has a direct impact on the price of the credit facility. This approach also entails an obligation of transparency for the Group, as monitoring indicators for these green commitments must be reviewed by an independent verifier. In May 2018, and in accordance with the same principles, the Group took out a new €400 million “green” revolving credit facility, bringing the Group’s total green loans to €1.05 billion.

#### 2.1.5.5 Alignment with CSR reporting standards and frameworks

Since 2012, Unibail-Rodamco-Westfield has complied with Article 225 of the French Grenelle II law on businesses’ transparency obligation regarding social and environmental reporting, and on the law’s implementing measures. The transposition into French law of the European directive of October 22, 2014 on the publication of non-financial information (via order no. 2017-1180 of July 19, 2017 and decree no. 2017-1265 of August 9, 2017) determines the content and scope of application of the new CSR reporting system in place of the Grenelle 2 system: statement on non-financial performance. In accordance with this new regulation, in 2018 the Group published its statement on non-financial performance (French *Déclaration de Performance extra-financière* - DPEF) for the first time. It consists mainly of this “Corporate Social Responsibility” section of the Registration Document, completed with elements in chapters 1 and 6 (business model and business ethics policies). Detailed components of the DPEF are presented in a correspondence table in chapter 8.6 Cross-references table of the present Registration Document (Cross reference table of the management report).

(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](http://www.breeam.org) for more information).

In June 2013, the Group adopted the CNCC's sector-specific guidelines for reporting under the terms of "Article 225" in the Shopping Centre industry. In 2018, the guide was updated by the French Council of Shopping Centres, to ensure that the reporting done by commercial real estate companies complied with the statement on non-financial performance: the Group continues to ensure its alignment with this new industry practice.

The 2018 Unibail-Rodamco-Westfield Registration Document also complies with the Best Practices Recommendations on Sustainability Reporting established by EPRA, which were updated in September 2017. For the seventh time in a row, Unibail-Rodamco-Westfield received the EPRA Gold Award in 2018 for completing its 2017 reporting (continental Europe) in accordance with the EPRA Sustainability BPR.

Unibail-Rodamco-Westfield, which was a trailblazer in 2013 for being among the first entities to follow the new GRI (Global Reporting Initiative) guidelines, has continued to comply with the updated versions of these standards. In 2016, the Group took the so-called core approach to publishing its reporting in line with the GRI G4 framework, and in 2017 it (continental Europe) began to comply with the new GRI Standards, which were published in October 2016.

The Group's new strategy is also aligned with the United Nations Sustainable Development Goals (see Section 2.1.4 Priorities of the CSR strategy).

Cross-references tables with EPRA and GRI indicators are available on the Group's website using the following link: <https://www.urw.com/en/sustainability/csr-documents>

### 2.1.5.6 External assurance

In line with the transposition of the requirements of the new European directive on the publication of non-financial information, the data and key performance indicators of the Group's statement on non-financial performance are audited by an independent verifier: see assurance report at 2.5.4 Independent verifier's report on the consolidated statement on non-financial performance presented in the management report.

In 2018, the audit on the information included a comprehensive on-site review of the data reported by seven of the Group's main assets: CNIT (including offices), the Palais des Congrès (including the retail units), Rosny 2, Parquesur, Equinoccio, Topanga and Culver City. The consolidated Unibail-Rodamco-Westfield indicators were audited on the Group scope, while the historic indicators were audited on the Continental Europe scope for Unibail-Rodamco-Westfield. The indicators were audited with a limited level of assurance. A list of the indicators audited can be found in the auditor's report (Section 2.5.4 Independent verifier's report on consolidated non-financial statement presented in the management report).

The auditor was also commissioned to carry out an audit on the annual reporting for the green bonds issued in 2014 and 2015. This

audit consists of verifying compliance of funded assets with a set of eligibility criteria. It includes a review of the evidence for each domain and criterion, for each asset concerned every year (for both the construction and operation phase). In 2018, the audit covered: Aéroville, Lyon Confluence, So Ouest, Mall of Scandinavia, Carré Sénart extension and Majunga (see Section 2.5.3 Supplementary information on green bonds).

## 2.1.6 GOVERNANCE AND CSR

### 2.1.6.1 Ethics and integrity

Unibail-Rodamco-Westfield's corporate governance, ethical conduct and risk management policies provide the necessary stability and reliability required for sustainable growth and performance. The goal of the UN Global Compact is to promote corporate social responsibility. As a signatory to the Compact since 2004, the Group is committed to adopting, upholding and enacting within its sphere of influence the ten universally recognised principles relating to human rights, labour laws, environmental protection and anti-corruption. Unibail-Rodamco-Westfield's governance structure and Compliance Book are presented in Chapter 3. Corporate governance and remuneration. The Unibail-Rodamco-Westfield Code of Ethics is presented in Chapter 6. Risk factors and internal control.

### 2.1.6.2 Governance of CSR and the "Better Places 2030" programme

Since January 1, 2017, the monitoring and operational implementation of the "Better Places 2030" programme have been based on a governance model constructed around two priorities:

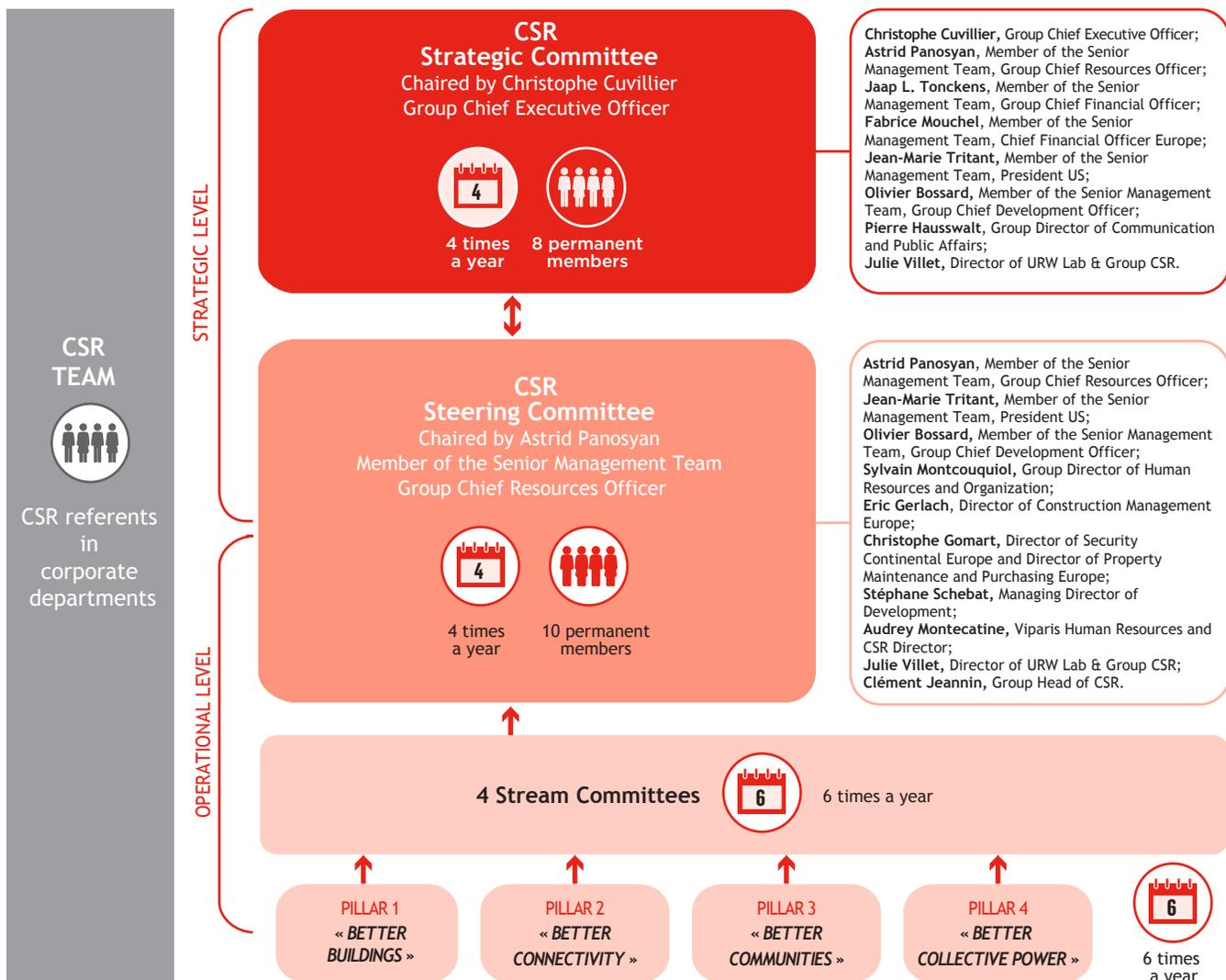
- monitoring CSR performance by ensuring that the new objectives of the "Better Places 2030" programme are fully integrated into the Group's business and decision-making processes;
- including, engaging and uniting all stakeholders and employees of the Group in order to collectively achieve the objectives of the "Better Places 2030" programme.

A dedicated CSR team is responsible for overseeing and supporting the implementation of the Group's CSR strategy. This team coordinates the CSR referents in the business departments, develops tools and methodologies, supports and trains the regional teams, identifies and shares best practices, and measures CSR performance to regularly report on results and progress achieved. The team is led by Julie Villet, Group Director of UR Lab & CSR, steered by Clément Jeannin, Group Head of CSR, and overseen by Astrid Panosyan<sup>(1)</sup>, Member of the Senior Management Team and Group Chief Resources Officer.

During integration of the Westfield Group, a Group CSR Integration Committee was set up to coordinate the materiality work, update the Group's CSR strategy and define the governance to implement to implement this strategy in 2019.

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

## OVERVIEW OF UNIBAIL-RODAMCO-WESTFIELD CSR GOVERNANCE IN 2018



The **CSR Strategic Committee** defines the strategy, sets targets, arbitrates and monitors the implementation of the CSR programme. Composed of eight members, including all the Senior Management Team 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 **CSR Steering Committee** oversees implementation of the CSR programme, defines the strategic directions and key priorities of the CSR programme and approves and prepares the decisions which require arbitration from the CSR Strategic Committee. It is made up of 10 members, three of whom are also members of the Senior Management Team. It meets four times a year and reports on its progress and results to the Senior Management Team each quarter at the Unibail-Rodamco-Westfield CSR Strategic Committee (continental Europe) meetings. This committee is chaired by Astrid Panosyan, Member of the Senior Management Team and Group Chief Resources Officer.

The **Stream Committees**, with the support of the CSR team, organise, coordinate and monitor the strategic actions associated with the four pillars of the “Better Places 2030” programme. These committees are chaired by two Directors of different Group operational departments and meet six times a year with the **CSR referents** and the project managers involved in the strategic initiatives undertaken for each pillar.

Guest members of the CSR Strategic Committee are:

- employees involved in a project associated with the key actions of the pillars;
- the CSR referents appointed in 2018 in each of the Group’s regions in continental Europe, responsible for coordinating the implementation of the CSR strategy within their region.

### 2.1.6.3 Integration within core processes and activities

The CSR approach is fully embedded into the key processes of Unibail-Rodamco-Westfield in continental Europe, in line with the Company's strategic priorities and operational concerns. Relevant management processes have been set up at each stage of the business cycle, along with appropriate key performance indicators. For example:

- the Unibail-Rodamco-Westfield due diligence process for asset acquisitions includes a complete audit of technical, regulatory, environmental and health and safety risks, including soil contamination;
- development projects are regularly reviewed in light of the Design Guidelines in order to deliver the highest standards (environmental performance criteria as well as criteria based on BREEAM certification operational feedback);
- each managed asset has a customised Environmental Action Plan and performance targets, which are assessed at least once a year;
- the Internal Audit Department conducts regular assessments of the management and compliance processes in accordance with the rules set by Unibail-Rodamco-Westfield within each business unit. Final audit reports are addressed to the Management Board and to the departments involved in the audit;
- recruitment and career development procedures ensure the promotion of equality and diversity, and provide Unibail-Rodamco-Westfield employees with the skills and opportunities required to build attractive careers;
- decision-making processes incorporate CSR performance indicators in line with the "Better Places 2030" programme. Since 2017, all budget reviews performed on assets, either when selecting investments in the standing portfolio, keeping track of construction projects or making new property investment decisions, include criteria such as energy efficiency, carbon footprint and sustainable mobility.

The effective implementation of these processes is verified by external audits and certification schemes on an annual basis.

### 2.1.6.4 CSR commitment and awareness

When setting the 2018 targets, like in 2017, quantifiable CSR targets were included in the short term variable Remuneration Policy of members of the Group's Senior Management Team and Group top management teams and those of the countries in which Unibail-Rodamco-Westfield operates in continental Europe. These CSR targets were set using specific CSR criteria, as stated in Section 3.2.3. Remuneration Report for 2018 Financial Year - Say on Pay. The relevant member of the Senior Management Team is fully responsible for reaching the CSR objectives and delegates that responsibility to the Managing Director of each region of Unibail-Rodamco-Westfield, who in turn ensures the smooth integration of the tools and processes required in the operations of the regional teams. The Supervisory Board also decided upon recommendation from the Remunerations Committee to introduce CSR in the Long Term Incentives of top management and employees starting with 2018 allocations.

Appropriate initiatives and targets aligned with "Better Places 2030" are being identified and implemented in close cooperation with each department within the Group: Investment, Development, Finance, Operations, Technical Management, Marketing, Leasing, Legal and Human Resources. The new CSR targets for Unibail-Rodamco-Westfield employees in continental Europe are presented in Section 2.4.3 Inspire our people of this Registration Document.

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 in line with Unibail-Rodamco-Westfield's "Better Places 2030" targets.

When responsibility for obtaining results is shared with other partners, especially with the co-owners of the managed assets, the Group anticipates and cooperates with them in order to meet the set targets. 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.

To ensure the Group's CSR strategy and processes are being correctly applied, regular training sessions are held; an overview can be found in Section 2.4.3 Inspire our people of this Registration Document.

### 2.1.6.5 Relations with investors and professional organisations

#### — Relations with investors

Unibail-Rodamco-Westfield reports to investors on its Environmental, Social and Governance (ESG) strategy and achievements via regular publications to its institutional and SRI<sup>(1)</sup> investors (annual results, periodical publications and newsletters), via written answers to direct information requests and to a number of questionnaires sent by non-financial ratings agencies, and by holding and taking part in dedicated meetings or exchanges on sustainable development (SRI meetings, one-to-one meetings, SRI roadshows and Investor Days). In 2018, Unibail-Rodamco-Westfield took part in meetings with investors focusing on ESG matters, essentially on a face-to-face basis during conferences or direct discussions. The main concerns mentioned by investors over the year were IT security, climate change and the circular economy. These meetings also enable Unibail-Rodamco-Westfield to learn more about the vision of sustainability of investors and to improve its yearly ratings in the different SRI indexes. The Group's position in the various ESG indices and evaluations is outlined in Section 2.1.5.3 Results of non-financial evaluations and rankings of this 2018 Registration Document.

(1) Socially-Responsible Investment.

## — Relations with professional organisations

As one of the leading listed commercial real estate companies worldwide, Unibail-Rodamco-Westfield 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-Westfield has made a significant contribution to the definition and the update of consistent, shared KPIs for the industry. Christophe Cuvillier, Chairman of the Management Board, is a member of the EPRA Board of Directors in

2018, after having chaired it for two years. Unibail-Rodamco-Westfield is also a member of the EU Public Affairs Committee (EPAC) and the sustainability group of the International Council of Shopping Centers (ICSC). In France, Unibail-Rodamco-Westfield is a member of the sustainability group of the French Council of Shopping Centres (CNCC), with which it worked in 2018 to update the industry CSR reporting guide, which sets out the requirements of the new European non-financial directive. Unibail-Rodamco-Westfield is also a member of the French Association of Private Businesses (AFEP).

## 2.2 REDUCE CARBON EMISSIONS ACROSS OUR VALUE CHAIN BY BUILDING & OPERATING INNOVATIVE, CIRCULAR, EFFICIENT, AND CONNECTED SPACES

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As a reminder, the performance indicators and policies presented in this Chapter (2.2, 2.3, and 2.4) only cover Unibail-Rodamco-Westfield in continental Europe, unless explicitly stated otherwise (certain policies and initiatives presented for the United States and the United Kingdom in the form of text boxes). The CSR information will be presented on a consolidated Group Scope as of 2019, after a full year under the new scope.

### 2.2.1 RESPONDING TO CLIMATE CHANGE

#### 2.2.1.1 2°C initiative

As part of its CSR strategy, “Better Places 2030”, the Group commits to cutting its total carbon footprint by 50% between 2015 and 2030, encompassing its entire value chain. This is the most representative and the most proactive commitment of its programme, with a ground-breaking position in the listed commercial property industry. This marks the first time that this commitment applies to a complete Scope of actions that cover greenhouse gas emissions related to both the Group’s activities and those of its stakeholders on which the Group believes it can have an influence.

The Group’s objective covers not only the emissions from common energies that it purchases to power its real estate complexes (Scopes 1 and 2), but particularly Scope 3 emissions, which account for the majority of corporate greenhouse gas emissions, particularly the following key items (see Section 2.2.1.2 Carbon assessment - “Results: Group carbon footprint” below):

- greenhouse gas emissions generated in the construction of its development projects, due to the energy required for the extraction, manufacturing, transport and use of construction materials;
- greenhouse gas emissions due to the private energy consumption of its tenants;

- and finally, emissions due to travel by building occupants and, in particular, visitors to shopping centres, regardless of the modes of transport used.

In that respect, the reduction objective of the Group’s carbon footprint between 2015 and 2030 breaks down into three complementary low-carbon objectives addressing emissions from construction, building operations and travel by visitors:

- -35% in the carbon intensity from constructing greenfield/brownfield development projects;
- -70% in the carbon intensity from operating the standing assets which are owned and managed;
- -50% in the carbon intensity from shopping centre visitors’ transportation.

In 2018, with the support of independent experts, the Group was able to verify that its strategy to reduce greenhouse gas emissions is in line with the global initiatives necessary to keep global warming below 2°C. This modelling work is based on the Sectorial Decarbonisation Approach, and also includes a scenario-based approach which takes into account changes in the various contextual parameters (such as changes to markets and government policies) but also parameters inherent to the Group’s action. This study mainly used IEA<sup>(1)</sup> modelling scenarios.

The Group’s CSR strategy illustrates its willingness to commit 100% of its standing assets and new development projects to reducing its carbon footprint. These commitments will step up the development of a new generation of more environmentally-friendly buildings, in line with the Group’s ambition of excellence and in line with market demand.

Achieving these low-carbon objectives involves the active participation of all the Group’s employees within their areas of responsibility and the contribution of the Group’s stakeholders in driving change, mainly tenants, suppliers and service providers. It also relies on strong partnerships with manufacturers and start-ups in order to accelerate the pace of transformation, particularly in the fields of low-carbon construction and new sustainable mobility solutions.

(1) International Energy Agency.

Reduce carbon emissions across our value chain by building & operating innovative, circular, efficient, and connected spaces

### — Reducing by 35% the carbon footprint from the construction of greenfield/brownfield development projects

Unibail-Rodamco-Westfield is the first company in commercial real estate to commit to significantly shrinking its carbon emissions from construction on a broad scope. In concrete terms, reducing its carbon intensity by 35% means dropping from an average of 850 kg CO<sub>2</sub>eq/m<sup>2</sup> <sup>(1)</sup> constructed in 2015 to less than 552.5 kg CO<sub>2</sub>eq/m<sup>2</sup> on average by the end of 2030. The carbon intensity of greenfield/brownfield projects for 2015 was refined in 2017 due to carbon assessments being conducted on several of the Group's greenfield/brownfield projects under construction or delivered between 2012 and 2015: Trinity (France), Wroclavia (Poland), Aéroville (France), Majunga (France), Mall of Scandinavia (Sweden).

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

- a “lean building” approach from the design phase using fewer materials, through optimised design choices: structure, fixtures and fittings, façades, suspended ceilings, reducing number of parking spaces, etc.;
- using new solutions for construction and choice of alternative and low-carbon materials: low-carbon concrete and cement, wood, recycled products, etc., including the choice of suppliers or products based on their location of manufacture (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.

For 2016, 2017 and 2018, the Wroclavia shopping centre in Poland and the Trinity office tower in France are the new projects included in the reporting scope. For 2018, the carbon intensity of these projects was 812 kg CO<sub>2</sub>eq/m<sup>2</sup>, which corresponds to a 4% reduction compared to 2015.

These projects were already under construction when the “Better Places 2030” strategy was announced. As such, their carbon management options are limited. Notwithstanding, the Trinity project employs as of now low-carbon cement for its foundations and floors.

Changes in carbon performance with regard to the targets is presented in a progress graph in Section 2.1.5.2 Summary of the Group's CSR performance.

### — Reducing the carbon footprint from operating the standing assets by 70%

When it comes to standing assets, the carbon footprint consists mainly of greenhouse gas emissions from energy consumed as part of the operation of the buildings. This substantial reduction target draws on two levers simultaneously:

- accelerating the reduction of energy consumption: the main commitment of the Group with regards to energy efficiency is the 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;

- completing a fast transition to lower-carbon or carbon-free energies. Concerning low-carbon energy, Unibail-Rodamco-Westfield is committed to using 100% electricity from renewable sources (100% green electricity), both for the consumption of its assets (used in shared areas and facilities), starting in 2018, and for the private electricity consumption of its tenants, starting in 2020.

Meeting this reduction target requires heavy involvement of tenants, given the scale of their electricity use (73% of the carbon footprint from asset operation for the “Better Places 2030” benchmark year, 2015). To accomplish this, these two levers are also implemented in the private parts of the assets, in cooperation with the tenants:

- since May 1, 2017, all standard leases that are proposed to the tenants stipulate that LED lighting must be used for all lighting renewals and that 100% electricity from renewable sources must be supplied, taking effect in 2020;
- between now and 2020, Unibail-Rodamco-Westfield is committed to signing partnerships with pioneering international retailers in order to speed up this transformation and spur the other tenants to adopt and roll out these solutions in their stores.

In 2018, the carbon intensity from energy use by assets in operation was 62 kg CO<sub>2</sub>eq/m<sup>2</sup>, corresponding to a reduction of 10% since 2015. This reduction is driven primarily by an improvement in energy mix (steady increase in the proportion of electricity generated from renewable sources), this affects both managed<sup>(2)</sup> and tenants' energy. Was taken into account the fact that some tenants are already committed to supplying their stores with 100% renewable energy (as formulated through their own CSR strategies).

Changes in carbon performance with regard to the targets is presented in a progress graph in Section 2.1.5.2 Summary of the Group's CSR performance.

### — Cut the carbon intensity from shopping centre visitors' transportation by 50%.

The Group's greenhouse gas emissions from the transportation of visitors or occupants are markedly higher than emissions from the operation of the buildings themselves (see Section 2.2.1.2 Carbon footprint - “Results: Group Carbon footprint” part). Unibail-Rodamco-Westfield is committed to improving sustainable mobility and has set itself an ambitious target to cut its carbon footprint from visitor transport by 50%.

This reduction target is supported by the availability and promotion of sustainable mobility solutions for users of standing assets and the good public transport connections of greenfield/brownfield projects under development (see Section 2.2.4 Develop connectivity and sustainable mobility).

In 2018, the carbon intensity from shopping centre visitors' transportation was 2.1 kgCO<sub>2</sub>eq/visit.

(1) m<sup>2</sup> constructed corresponds to gross floor area (excluding gross floor area from parkings and lift shafts).

(2) See Section 2.2.3.4 Energy Management.

In 2018 the marketing survey methodology which informs the visitor modal transport figures for shopping centres has changed. The new data does not provide an accurate picture of changing trends when compared to the baseline. After correcting high deviations with baseline data, the variation measured in carbon emissions for transport between 2017 and 2018 remained stable. In 2019 the focus will lie on modifying the 2015 baseline to account for UK and US assets, as well as fine tuning the methodology to track consistently visitors' mode of transport and lead targeted actions.

Regarding visitors, global footfall remained stable between 2017 and 2018 leading to a flat evolution in carbon intensity of transport.

Changes in carbon performance with regard to the targets is presented in a progress graph in Section 2.1.5.2 Summary of the Group's CSR performance.

### 2.2.1.2 Carbon assessment

The carbon footprint facilitates better measurement of the entire Scope of emissions linked with the Group activities and to identify the responsibilities of the different players and the levers to enhance the Group's carbon impact. As part of the "Better Places 2030" programme, the Group updated its carbon footprint measurements for 2015 (benchmark year), 2017 and 2018.

### — Methodology

The method used for quantifying emissions is based on the ISO 14064-1 standard, the GHG Protocol guidelines and the Bilan Carbone® methodology of ADEME (*Agence de l'Environnement et de la Maîtrise de l'Énergie*, or French Environment and Energy Management Agency), and is subject to specific methodological guidelines (see Section 2.5.1 Unibail-Rodamco-Westfield's reporting methodology in continental Europe).

The sources of emissions included in the Group's total carbon footprint are broken down per Scope and entity in the table below. The Group calculates its carbon footprint on an extended Scope 3 basis which is outlined in the table below, measuring the major indirect emissions across its entire value chain. 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-Westfield's operational control;
- Scope 3 related - Responsibility of stakeholders that Unibail-Rodamco-Westfield can influence but does not control directly.

#### SCOPES 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 vehicles
	Direct fugitive emissions: leaks of refrigerant gas
Scope 2	Indirect emissions linked to electricity consumption in common areas (production included, transportation and upstream 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-Westfield's operational control	Emissions from energy production not included in Scopes 1 and 2 (extraction, production and transport of fuel, electricity, hot and cold steam): transport and upstream distribution of energy consumed by common areas
	Purchased products and services: expenses for daily operation of sites, such as cleaning, maintenance, security, waste management, energy and fluid provision, marketing expenses (OPEX), office supplies (headquarters)
	Capital equipment: IT equipment on-site, company vehicles
	Waste: on-site waste management
	Employee commuting: Unibail-Rodamco-Westfield employees' transportation from home to work
	Business travel: Unibail-Rodamco-Westfield employees' business travel by plane, train and taxi
	Greenfield/brownfield development projects/cost incurred during the current year: brownfield/greenfield and extension/refurbishment
Scope 3 related Stakeholders' responsibility	Visitor and customer transport: upstream and downstream travel of visitors, customers and/or occupants to the Group's shopping centres and offices
	Downstream leased assets: electricity consumption of private areas (production, transportation and distribution)

## 2.

### Corporate social responsibility

Reduce carbon emissions across our value chain by building & operating innovative, circular, efficient, and connected spaces

The following items are excluded from the carbon footprint, either because they do not apply to the Group's business, or because the Group cannot influence them significantly: direct emissions from processes excluding energy; biomass emissions (soil and forests); upstream transport of goods; upstream leased assets; downstream transport of goods; use of sold products; end of life of sold products; downstream franchised assets; and other indirect emissions.

#### — Results: Group carbon footprint

Greenhouse gas emissions are preferably expressed according to the "Market-Based" approach (suppliers' emissions factors) in order to

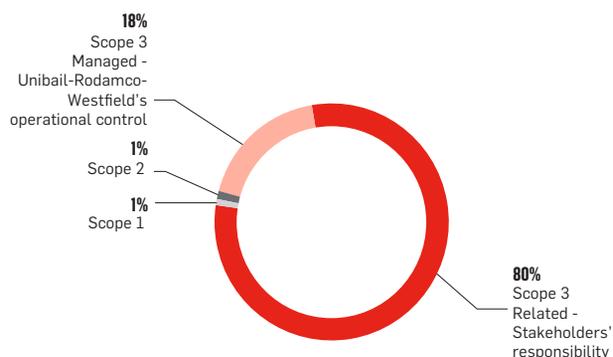
highlight the efforts made in selecting the Group's energy suppliers. However, to take into account the expectations of various stakeholders, results are also expressed according to the "Location-Based" approach (countries' emissions factors) in this section. Further in the document, all results related to greenhouse gas emissions will then be presented according to the "Market-Based" method, unless explicitly stated otherwise.

The carbon footprint for 2015 is the point of reference for the "Better Places 2030" strategy. The latter is presented in detail in the Group's 2017 Registration Document.

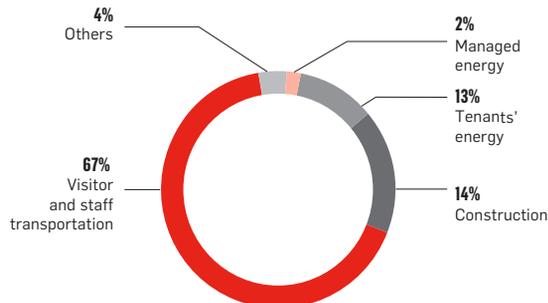
#### 2018 GROUP CARBON FOOTPRINT FOLLOWING "MARKET-BASED" AND "LOCATION-BASED" METHODS

	Carbon footprint (TCO <sub>2</sub> eq)	
	"Market-Based" method	"Location-Based" method
Scope 1	12,033	12,033
Scope 2	25,867	92,838
Scope 3 Managed - Operational control by the Group	363,675	363,774
Scope 3 Related - Stakeholders' responsibility	1,617,146	1,594,620
<b>TOTAL</b>	<b>2,018,721</b>	<b>2,063,264</b>

#### SPLIT OF THE GROUP'S 2018 CARBON FOOTPRINT BY SCOPE



#### SPLIT OF THE GROUP'S 2018 CARBON FOOTPRINT BY ACTIVITY



#### GROUP CARBON FOOTPRINT: 2018 CHANGE COMPARED TO 2015 <sup>(1)</sup>

	2018	2015	2018 comparable to 2015 <sup>(1)</sup>	Change in 2018 comparable to 2015 <sup>(1)</sup> vs. 2015
	Thousands TCO <sub>2</sub> eq			%
Total energy (managed energy + tenant energy)	317	308	277	-10%
Construction	283	324	310	-4%
Visitor and staff transportation	1,349	1,300	1,300	0%
Others	70	62	62	0%
<b>TOTAL</b>	<b>2,019</b>	<b>1,994</b>	<b>1,949</b>	<b>-2%</b>

These results confirm the need to factor in an expanded Scope of emissions, not limited to the emissions from Group energy consumptions, and especially to act on the key Scope 3 carbon priorities.

## — Focus on Scope 1 and 2 emissions from the operation of the buildings

As part of its proactive policy on efficient building operation, building on its long-standing commitments in this field and in line with its “Better Places 2030” programme, the Group is monitoring greenhouse gas (GHG) emissions from the downstream energy consumption of shared areas and facilities of its owned and managed buildings.

To manage the carbon performance of its operational activities, the Group has set indicators for the intensity of greenhouse gas emissions per visit for each centre operated. This makes it possible to analyse a building’s overall carbon efficiency on a like-for-like basis depending on its purpose and scope. These indicators trace the combined performance of the following main components:

- energy efficiency of the building (i.e. less consumption) (kWh/m<sup>2</sup>);
- carbon dependency of the primary energy mix (changes in greenhouse gas emissions rates, in CO<sub>2</sub>eq/kWh);
- and the intensity of usage of the building (increased footfall expressed as visit/m<sup>2</sup>).

After surpassing its target of 30% cumulative reduction in carbon intensity in CO<sub>2</sub>eq/visit for its portfolio of owned and managed

shopping centres ahead of schedule in 2016 (41% cumulative reduction between 2012 and 2016), in 2018, the carbon intensity of the Group’s shopping centres portfolio (CO<sub>2</sub>eq/visit) continued to decrease significantly: -47% compared to 2017 on a like-for like basis. This strong performance was due to:

- the accomplished transition towards electricity from renewable sources under the “Better Places 2030” programme, which largely contributed to this decline: starting in 2018, shopping centres, offices and convention and exhibition centres in France are 100% powered by electricity from renewable sources over a full calendar year, as for the 2 last shopping centres in Central Europe that were not yet fully supplied with renewable electricity in 2017;
- a continued improvement in the energy efficiency level of the owned and managed assets portfolio between 2017 and 2018: -2% in energy consumptions on a like-for-like basis from 2017 to 2018;
- the improvement of 26% of the emission factors of various energy suppliers (heating & cooling district networks) from 2017 to 2018, reflecting the ongoing effort agreed to by energy producers to improve their energy mix.

As visitors’ footfall in the owned and managed shopping centres stayed relatively stable from 2017 to 2018 on a like-for-like basis, visits did not have an impact on the carbon intensity indicator this year.

### GREENHOUSE GAS EMISSIONS FROM ENERGY CONSUMPTION OF STANDING ASSETS (SCOPES 1 & 2) (TONNES OF CO<sub>2</sub>EQ)<sup>(1)</sup>

Greenhouse gas emissions (CO<sub>2</sub>, CH<sub>4</sub>, N<sub>2</sub>O, etc.) converted into CO<sub>2</sub> equivalent (“CO<sub>2</sub>eq”) generated by the energy purchased and managed by the site manager over the year (Scope 1: natural gas, Scope 2: electricity, urban heat and cooling networks).

	Retail		Office		Convention & Exhibition	
	Scope	Total (Europe)	Scope	Total (France)	Scope	Total (France)
<b>2018 Total</b>	<b>49/49</b>	<b>32,588</b>	<b>6/6</b>	<b>2,097</b>	<b>5/6 <sup>(1)</sup></b>	<b>4,537</b>
<i>of which direct emissions - Scope 1</i>	<i>49/49</i>	<i>8,628</i>	<i>6/6</i>	<i>211</i>	<i>5/6 <sup>(1)</sup></i>	<i>2,592</i>
<i>of which indirect emissions - Scope 2</i>	<i>49/49</i>	<i>23,959</i>	<i>6/6</i>	<i>1,887</i>	<i>5/6 <sup>(1)</sup></i>	<i>1,945</i>
2017 Like-for-like	42/43 <sup>(2)</sup>	41,753	5/5	740	4/5 <sup>(2)</sup>	5,118
2018 Like-for-like	42/43 <sup>(2)</sup>	23,423	5/5	1,002	4/5 <sup>(2)</sup>	3,718
2018/2017 change (%)	42/43 <sup>(2)</sup>	-44%	5/5	-22%	4/5 <sup>(2)</sup>	-27%
<b>2018/2015 CUMULATIVE CHANGE (%)</b>		<b>-62%</b>		<b>-77%</b>		<b>-46%</b>

(1) 2018 Total excludes Espace Grande Arche (metering incomplete for electricity consumption).

(2) Like-for-like scope excludes Ulis 2 (metering incomplete for district heating consumption in 2017) and Espace Grande Arche.

The Group policy regarding renewable electricity purchase enables it to reduce its operations carbon footprint year over year. It also allows the Group to encourage producers to invest in the development of clean technologies by increasing market demand for these energy sources. Had the Group not introduced its policy of buying electricity from renewable sources, the greenhouse gas emissions from the energy consumption of its standing shopping

centre and office assets would be 101,669 tonnes of CO<sub>2</sub>eq for 2018<sup>(2)</sup> (Scopes 1 & 2), which is 2.9 times more than with the green electricity purchasing contracts in place (emissions calculated using the GHG protocol’s “location based” method of measuring greenhouse gas emissions for Scope 2, whereby the emission factors used depend solely on the type of energy consumed and the country of consumption).

(1) These emissions are expressed based on emission factors for each source of energy using the “market-based” method of the GHG protocol, according to which these factors depend on the type of energy consumed (electricity, natural gas, etc.), the country, the supplier and the nature of the energy product (energy from fossil fuels or renewable sources). These are specific factors associated with the contractual commitments between the supplier and property manager which do not necessarily reflect emissions from energy delivered by the grid but valorize and focus on the production and purchase of energy that is certified as generated from renewable sources.

(2) Scope: owned and managed Shopping Centres and Offices.

## Corporate social responsibility

Reduce carbon emissions across our value chain by building & operating innovative, circular, efficient, and connected spaces

### CARBON INTENSITY LINKED TO THE ENERGY CONSUMPTION OF STANDING ASSETS (SCOPES 1 & 2) BY USAGE<sup>(1)</sup> FOR SHOPPING CENTRES (gCO<sub>2</sub>EQ/VISIT/YEAR), FOR OFFICES (gCO<sub>2</sub>EQ/OCCUPANT/YEAR), AND FOR CONVENTION & EXHIBITION VENUES (gCO<sub>2</sub>EQ/M<sup>2</sup> DOP/YEAR)

	Shopping Centres (gCO <sub>2</sub> eq/Visit)		Office (gCO <sub>2</sub> eq/occupant)		Convention & Exhibition venues (g CO <sub>2</sub> eq/m <sup>2</sup> DOP)	
	Scope	Total (Europe)	Scope	Total (France)	Scope	Total (France)
<b>2018 TOTAL</b>	<b>49/49</b>	<b>50</b>	<b>6/6</b>	<b>136,198</b>	<b>5/6<sup>(1)</sup></b>	<b>168</b>
2017 Like-for-like	36/43 <sup>(3)(2)</sup>	87	5/5	184,789	4/5 <sup>(2)</sup>	344
2018 Like-for-like	36/43 <sup>(3)(2)</sup>	46	5/5	119,776	4/5 <sup>(2)</sup>	265
<b>2018/2017 CHANGE (%)</b>	<b>36/43<sup>(3)(2)</sup></b>	<b>-47%</b>	<b>5/5</b>	<b>-35%</b>	<b>4/5<sup>(2)</sup></b>	<b>-23%</b>

(1) 2018 Total excludes Espace Grande Arche (metering incomplete for electricity consumption).

(2) Like-for-Like excludes Espace Grande Arche and Ulis 2 (metering incomplete for district heating consumption in 2017).

(3) Excluding Fisketorvet, Galeria Mokotów, La Part Dieu, Cour Oxygène, Pasing Arcaden, Höfe am Brühl and Palais Vest (erroneous footfall count in 2017).

### CARBON INTENSITY FROM THE ENERGY CONSUMPTION OF STANDING ASSETS (SCOPES 1 & 2) BY FLOOR AREA<sup>(1)</sup> (KG OF CO<sub>2</sub>EQ/M<sup>2</sup>/YEAR)

	Shopping Centres		Office	
	Scope	Total (Europe)	Scope	Total (France)
<b>2018 Total</b>	<b>49/49</b>	<b>10</b>	<b>6/6</b>	<b>8</b>
2017 Like-for-like	42/43 <sup>(1)</sup>	17	5/5	11
2018 Like-for-like	42/43 <sup>(1)</sup>	9	5/5	8
<b>2018/2017 CHANGE (%)</b>	<b>42/43<sup>(1)</sup></b>	<b>-48%</b>	<b>5/5</b>	<b>-22%</b>

(1) Like-for-Like scope excludes Ulis 2 (metering incomplete for district heating consumption in 2017).

Other than greenhouse gas emissions from the energy consumption of its buildings, the main item of the Group's greenhouse gas emissions related to the operation of its buildings is from the leak of refrigerants from heating and refrigeration appliances maintained by the property manager of sites owned and managed by the Group.

### GREENHOUSE GAS EMISSIONS GENERATED BY LEAKS OF REFRIGERANT FLUIDS (TONNES OF CO<sub>2</sub>EQ)

2018	Total Shopping Centres (Europe)
Refrigerants' emissions	2,329

#### 2.2.1.3 Risk management and adaptation to climate change

The Group's risk management framework is presented in Section 6. Risk factors and internal control.

CSR risks were analysed at Group level (see Section 2.1.3.2 CSR risks and opportunities); this section presents a detailed analysis of the climate change risks.

As well as gearing its portfolio to limit its exposure to the potential effects of climate change, the Group is working to reduce the impact of its activities on the climate, through the commitments made under "Better Places 2030".

The effects of climate change on Unibail-Rodamco-Westfield's portfolio will vary depending on the region and the 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.

The risks incurred by the Group's business activities could potentially expose it to the following issues: 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-Westfield's strategic focus on major cities, there is a low likelihood that the Group's activities in continental Europe will be affected by tidal flooding, extreme temperature variations, aridity, population displacement, etc., given the low exposure of these locations to those risks. In 2012, a specific study was commissioned in order to assess the Group's exposure (continental Europe) to flood and earthquake risks. It was concluded that very few assets are located in areas exposed to such risks.

In 2016, the Group commissioned a new study of the potential impacts of global warming on insurance losses by its assets in continental Europe. This study mapped the assets with the greatest exposure to three main climate risks: flooding and marine submersion, storms and drought. In particular, it assesses the potential financial impact of global warming on these assets, so that they have the proper level of insurance cover.

(1) See Reporting Methodology, Section 2.5.1.1 Definitions and reporting values.

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

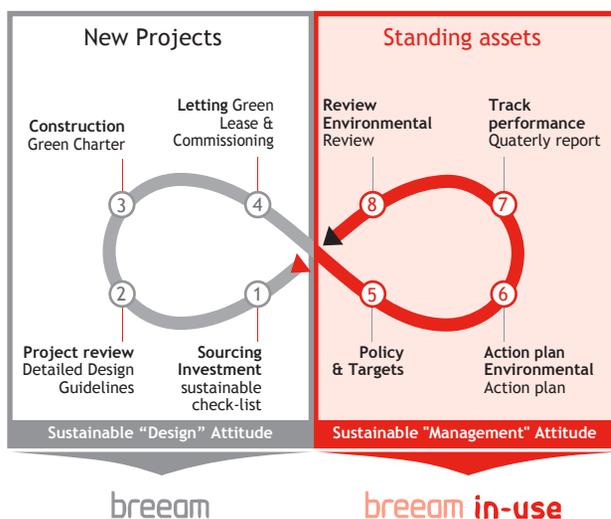
Unibail-Rodamco-Westfield's due diligence process for acquisitions and greenfield/brownfield development projects covers the analysis of risks and opportunities related to financial and operational issues.

## 2.2.2 DESIGNING SUSTAINABLE BUILDINGS

### 2.2.2.1 Environmental Management Systems (EMS)

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-Westfield's EMS for sustainable design and construction is called the "Sustainable Design Attitude" (SDA), while its EMS for sustainable management of operations is known as the "Sustainable Management Attitude" (SMA). Best practices from the Sustainable Design Attitude are leveraged to improve the Sustainable Management Attitude and vice versa.

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



These two complementary EMSs help the Group to:

- deliver sustainable and flexible projects with the highest "BREEAM" certification levels;
- 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 its environmental awareness and create a positive trend amongst employees involved in the design, development, management and redevelopment of the Group's assets;
- ensure a high level of transparency and security to the Group's shareholders and investors.

For example, the process includes a complete audit of technical, regulatory, environmental, and health & safety performance. The potential financial impact of identified risks is taken into account during the due diligence phase. Issues covered include risks associated with climate change, soil pollution, protection of wetlands, asbestos, legionella and electromagnetic radiation.

The Group has defined and monitors several indicators to manage the environmental performance of its standing assets and development projects, in line with the objectives of its CSR strategy. Some of them are incorporated into five-year budget review processes for standing assets and development projects to ensure that they are managed efficiently.

Unibail-Rodamco-Westfield relies on external environmental certifications to validate the environmental performance of its assets. The Group deploys an active certification policy for both greenfield/brownfield projects and standing assets based on its two in-house Environmental Management Systems (EMS). This serves as evidence to the Group's stakeholders that the buildings as well as their responsible management processes respect the highest environmental standards available in the Real Estate sector.

#### — Sustainable Design Attitude: an EMS for development projects

The Sustainable Design Attitude ensures that all development projects, whatever their size or type, are designed in the most sustainable way in the long-term in order to minimise their environmental impact. It also ensures that every development project larger than 10,000 m<sup>2</sup> obtains the highest levels of environmental certification (BREEAM or HQE) in line with the Group's targets: at a minimum, the BREEAM "Excellent" certification for greenfield/brownfield projects and "Very Good" for extension projects.

For each project, the "Sustainable Design Attitude" covers all four stages in the development process and involves several departments, notably Development, Security & PMPs (Property, Maintenance, Purchasing and Sustainability), Operations, Leasing, and on-site Shopping Centre Management teams:

- acquisition audit: sustainability and risks related to climate change are analysed and evaluated during the Group's due diligence process;
- project reviews: at the design stage, each project is assessed using the Group's in-house "Design Guidelines" to ensure the optimisation of the building and to prepare for its "BREEAM" certification. In addition, a Life Cycle Assessment (LCA) is systematically conducted on projects, right from the design phase, to identify levers for reducing their carbon footprint;

Reduce carbon emissions across our value chain by building & operating innovative, circular, efficient, and connected spaces

- construction: the contractor agrees to abide by the Group's Considerate Construction Charter, which is designed to limit the social and environmental effects of the construction process;
- commissioning: a commissioning process is followed to ensure that building's technical installations perform efficiently (settings and operating instructions), and that maintenance suppliers in charge of operations and running technical installations as well as shopping centre management teams are properly trained.

#### — **Flagship Centres - Design and Operational Requirements (DOR)**

The key objective of the DOR project was to define a set of 'End User' requirements for all future Flagship centres, to be included in the development 'Client Brief Basic Scope' to the Design & Construction teams. 68 category headings were compiled including environmental and technical specificities from 'Access Equipment' through to 'Wind & Thermal Management' and subject expert 'Champions' were identified from all areas of the business to assist in compiling the data. Each category includes an introduction, with best practice and lessons learnt where applicable, space requirements, technical & equipment requirements, risk management & operational requirements, service & maintenance requirements and innovation & future systems/technology requirements. Each requirement was then categorised as a 'Must Have' base build requirement, or a 'Should Have' for innovation and future proofing requirements.

The DOR has been included in the 'Client Brief' for Milano, Westfield Stratford City Phase 2 and Croydon, and a gap analysis has been produced for each development project, to ascertain any omitted items to be included for scoping and costing.

In terms of business benefits, the implementation of the DOR will ensure that we deliver real value to the Development, Design & Construction and Centre Management Operational processes, and provide the platform to drive continuous improvements.

#### — **Project design and review stage**

Since 2009 the Group's "Design Guidelines" have been applied to all greenfield/brownfield development, renovation and extension projects. The "Design Guidelines" aligned with the BREEAM certification requirements ensure that the Group's projects, whatever their size or scope, will be designed to ensure the highest attractiveness, flexibility and to be the most sustainable, with a low energy intensity and reduced GHG emissions. Best practices from the "Design Guidelines" are also leveraged to improve the energy efficiency of standing 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 of a building (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. 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 regularly updated taking into account new studies, technologies and operational feedback from standing assets across the Group. New studies have been conducted to enrich the "Design Guidelines" with innovative solutions such as geothermal systems, lighting, materials and a revolutionary approach regarding sound design.

#### — **Energy & carbon**

Unibail-Rodamco-Westfield is the first commercial real estate company to commit to wide-scale reduction of its carbon footprint, including development projects. As part of its "Better Places 2030" strategy, from 2017, the Group systematised the measuring of the carbon footprint of its projects from the design phase via a dynamic approach, based on a Life Cycle Assessment (LCA) combined with the Thermal Simulations that have historically been performed on the projects. Due to the lack of specific European guidelines, with the assistance of an independent expert, Unibail-Rodamco-Westfield created a customised methodology and tools to assess the carbon footprint of its development projects that was based on existing standards and adapted to correspond to the specific attributes of the Shopping Centres and Offices developed by the Group.

Beginning in September 2017, the Group's Development teams all received training in using this methodology and applying these targets in order to ensure that these new requirements are fully taken into account at design stage by the design team as well as all construction companies.

In this respect, 100% of development projects<sup>(1)</sup> had conducted a Life Cycle Assessment analysis in the design phase as at end 2018.

(1) Controlled development projects as at 01/01/2018 over 10,000 m<sup>2</sup> GLA, excluding renovations with no floor area extension.

This comprehensive approach to assessing projects throughout their entire life cycle (construction and operation) supports the policy of reducing the carbon footprint of the Group's projects and helps making the best construction, technical and energy choices through a multi-criteria approach (capital expenditures, costs, carbon emissions in construction and in operation, aesthetics and sustainability).

It is an approach that is especially needed for in-situ renewable energy projects and, more broadly, for any energy efficiency solution. It is important to make sure that the carbon emissions avoided in the operation phase are not offset by a larger carbon footprint for the construction phase.

New key performance indicators for the energy and carbon performance of projects have been introduced and are presented to the Management Board members during budget reviews and Development Project Investment Committee meetings. Low-carbon solutions specific to each project are proposed and validated on that occasion. In 2018, 79% of development projects<sup>(1)</sup> have defined an Energy and Carbon solutions plan that includes additional solutions to the minimal requirements applicable to all projects. Among these requirements, energy efficiency solutions such as LED lighting are consistently implemented for shopping centres in development. In 2018, 100% of shopping centres<sup>(2)</sup> in development are entirely equipped with LEDs in the common areas.

The Sisters project is a natural extension of the Group's ambitious environmental performance goals, guaranteed by Exceptional HQE, Outstanding BREEAM, and Effinergie + certifications and labels. This project has also been selected by ADEME to participate in the E+C- (Energy + Carbon -) pilot study to provide credible answers to the question of how high-rise buildings can transition to carbon neutrality. The E+C- framework is a precursor to future energy regulation, the aim being to design buildings that will be both positive energy and low carbon.

#### — Water and Waste

The Group's development projects are built in line with in-house Design Guidelines, the Considerate Construction Charter and BREEAM certification water and waste management requirements.

In particular, these recommendations include:

- good practice and clear technical steps on how to achieve water efficiency right from the design stage, in particular, in the choice of equipment installed (toilets, urinals, fire extinguishers, sprinkler systems, cooling systems, etc.);
- the production of waste management plans and project-specific reduction/reuse/recycling targets as standard practice;
- waste recycling targets and financial incentives for construction contractors defined in the Unibail-Rodamco-Westfield Considerate Construction Charter. Signing the charter is a pre-requisite for companies signing construction contracts. It should be noted that Unibail-Rodamco-Westfield works with large, reputable construction firms, which also apply their own certified construction and demolition waste management schemes.

#### — Pollution and environmental risk management

The Group complies with all applicable environmental legislation across all its activities. The Group's acquisitions and developments are covered by the policy of risk management and subject to health and safety and environmental risk analysis.

As such, the Group's acquisition process incorporates an assessment of technical, regulatory, health and safety and environmental risks, including soil pollution, wetland protection and climate change, as part of its pre-acquisition due diligence. For greenfield/brownfield projects, the Group complies with all applicable regulation regarding health, safety and environmental matters. An assessment of the environmental impact of each project is carried out at a very early stage. In the event that a health issue is identified (land degradation, pollution and asbestos in particular) this assessment may result in works to ensure the site is suitable for future use in order to ensure a safe environment for users, retailers and visitors.

There is no provision for environmental risk in the Group's accounting in 2018.

#### — Sustainable construction

Since 2011, the Group's Considerate Construction Charter is applied to all greenfield/brownfield construction, renovation and extension projects. It describes the Group's requirements and recommendations intended to optimise its worksites' environmental quality whilst minimising pollution for the contractors working on site, the neighbouring area and the natural environment. It integrates in every respect all the requirements set by the relevant local and national urban planning regulations, as well as the provisions related to the BREEAM certification. Since 2014, the construction contractors are obliged to adhere to the Group's Considerate Construction Charter when signing any contracts with Unibail-Rodamco-Westfield in every region where the Group operates.

The Considerate Construction Charter includes the following requirements:

- providing information to people living nearby and limiting traffic disruptions;
- training and informing employees of construction companies;
- ensuring a proper management of risk and of hazardous products' handling;
- ensuring a 50% minimum of waste recycling (material recovery) 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;
- monitoring resources in order to reduce resource consumption.

(1) Committed and controlled development projects as at 01/01/2018 over 10,000 m<sup>2</sup> GLA, excluding renovations with no floor area extension.

(2) Committed development projects as at 01/01/2018 over 10,000 m<sup>2</sup> GLA, shopping centres only.

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### — Pollution Prevention

Moreover, the Group ensures that the action plans and preventative measures are implemented by contractors during construction.

#### SOIL POLLUTION AND SITE REMEDIATION

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

	2017	2018
Monetary expenses in decontamination (k€)	9,275	8,267
Volumes concerned (m <sup>3</sup> )	214,438	267,629

The volume of soil decontamination undertaken for development projects in 2018 has increased slightly with respect to last year, primarily driven by the continuation of groundworks from ongoing projects (Porte de Versailles Hall 6 and Hamburg), as well as works started in 2018 at Benidorm. On balance soil remediation works per m<sup>3</sup> have been cheaper than in 2017.

### — Health and Safety on work sites

The construction contractors overseen by the Construction Management Contractor are contractually required to make the necessary provisions for site safety and comply with the relevant Health and Safety legislation.

The Management Contractor's teams develops the technical requirements provided to contractors within the tendering process. These include specific safety requirements, as well as the applicable health and safety standard a successful bidder must comply with. Tender submissions that do not comply with either the technical requirements and the applicable Health and Safety standards are disqualified from the tendering process.

During the construction phase site Health, Safety and Security is continuously monitored by the Management Contractor's teams.

Health and Safety Coordinators are appointed in various countries where the Group is active. They are employed by the Construction Manager, with as principal function to coordinate health and safety matters between the various stakeholders.

### 2.2.2.2 Environmental certification of buildings under development

Unibail-Rodamco-Westfield targets a BREEAM certification for all of its new European greenfield/brownfield construction and extension projects of more than 10,000 m<sup>2</sup>. BREEAM is the most widely used environmental building certification framework in Europe. Unibail-Rodamco-Westfield has aimed to achieve a ranking of "Excellent", or better, for greenfield/brownfield projects delivered, and a ranking of "Very Good" for extension projects, since 2016.

BREEAM certification acknowledges the project's environmental efforts, the proactive nature of the policy implemented and the contractor's technical ability. Right from the design stage, this framework can guide and manage efforts across a series of environmental initiatives relating to energy, resource management, health and wellbeing, water management, pollution control, transport, waste, innovation and the management of the global environmental impact via the use of life cycle assessment tools.

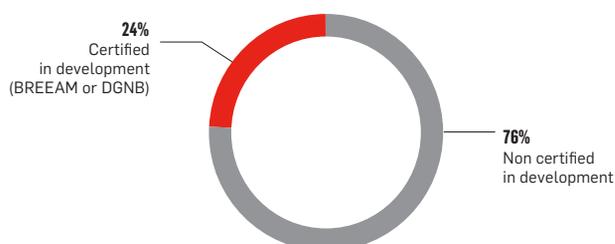
Other environmental certifications are obtained, when relevant to the real estate leasing or investment markets, such as HQE certification in France (High Environmental Quality, the French standard certification scheme for sustainable constructions) or DGNB (Deutsche Gesellschaft für Nachhaltiges Bauen) in Germany for the Offices portfolio.

The Docks 76 project was the first shopping centre in Europe to receive the BREEAM certification. Since, the Group has continued to set the benchmark within the sector in Europe. In 2018 notably, the Group confirmed its leading position in terms of environmental certification by obtaining the following certificates:

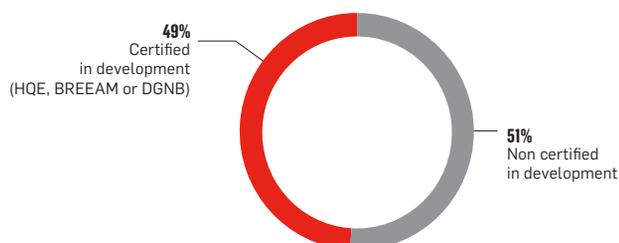
- four BREEAM certifications with an "Excellent" rating for the design phase: two for the Gaité Montparnasse project (one for the offices and one for the shopping centre), one for the Trinity project and one for Versailles Chantier;
- one final BREEAM certification with an "Excellent" rating for the Mall of Scandinavia.

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**ENVIRONMENTAL CERTIFICATION PENETRATION RATE UNDER DEVELOPMENT WITHIN THE TOTAL SHOPPING CENTRE PORTFOLIO IN VALUE<sup>(1)</sup> (%)**



**ENVIRONMENTAL CERTIFICATION PENETRATION RATE UNDER DEVELOPMENT WITHIN THE TOTAL OFFICE PORTFOLIO IN VALUE<sup>(1)</sup> (%)**



**KPI: BREEAM ENVIRONMENTAL CERTIFICATION OF NEW DEVELOPMENTS – SHOPPING CENTRES**

In 2018, 100% of the projects over 10,000 m<sup>2</sup> that were delivered or under construction were in a BREEAM certification process.

Project type	Certified projects	m <sup>2</sup> certified (2018 consolidated GLA)	Group's average <sup>(1)</sup> score	
New development	7	465,748	Excellent	71%
Extension	9	461,800	Very Good	62%
<b>TOTAL</b>	<b>16</b>	<b>927,548</b>	<b>VERY GOOD</b>	<b>66%</b>

(1) Average of scores obtained for each certificate weighted per floor area certified.

**KPI: BREEAM ENVIRONMENTAL CERTIFICATION OF NEW DEVELOPMENTS - OFFICES**

In 2018, 100% of the projects over 10,000 m<sup>2</sup> that were delivered or under construction were in a “BREEAM” and/or HQE certification process.

Project type	Certified projects	m <sup>2</sup> certified (2018 consolidated GLA)	Group's average <sup>(1)</sup> score	
New development	4	139,286	Excellent	76%
Refurbishment	4	37,024	Very Good	66%
<b>TOTAL</b>	<b>8</b>	<b>176,310</b>	<b>EXCELLENT</b>	<b>74%</b>

(1) Average of scores obtained for each certificate weighted per floor area certified.

**HQE ENVIRONMENTAL CERTIFICATION OF NEW DEVELOPMENTS – OFFICES**

Project type	Certified projects	m <sup>2</sup> certified (2018 consolidated GLA)	Group's average level
New development	3	126,389	Outstanding Passport
Refurbishment	1	44,566	Outstanding Passport
<b>TOTAL</b>	<b>4</b>	<b>170,955</b>	<b>OUTSTANDING PASSPORT</b>

Concerning the convention and exhibition assets (Viparis), the Hall 7 of the Paris Nord Villepinte exhibition centre is HQE (High Environmental Quality) certified, accounting for 35,000 m<sup>2</sup> of floor area. Palais des Congrès in Paris has obtained a BREEAM in use “Excellent” certification, corresponding to 29,000 m<sup>2</sup> of floor area.

**— Development certifications on the US Scope**

In the United States, two development projects were certified according to the LEED standard: Westfield Century City (Gold) and Westfield UTC (Gold). Leadership in Energy and Environmental Design (LEED) is the North American system for certifying high environmental quality buildings, created by the US Green Building Council. The LEED assessment system

encourages sustainable construction by taking a comprehensive approach to sustainability which acknowledges performance across 8 areas with positive environmental (site ecology, energy, water management, materials, air quality) and social (location, regional priority) impacts.

(1) In terms of Gross Market Values as at December 31 2018, excluding values of shares in assets accounted for using the equity method, except for CentrO and Paunsdorf (included in the reporting scope).

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### 2.2.2.3 Construction materials

#### — Reducing carbon impact of construction materials

As part of its pioneering commitment to reducing its construction carbon footprint by 35% between 2015 and 2030, the Group focusses on the choice and use of the materials used in its development projects. Specifically, it involves:

- adopting a “lean material 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 - Environmental Product Declarations and “Fiches de Déclaration Environnementale et Sanitaire” in France) and energy mix in the countries where the materials are manufactured.

In 2017 a methodology for measuring the carbon footprint of new development projects was developed and rolled out by the Group particularly in order to promote the use of optimal materials with a view to moving towards a smaller carbon footprint for each project (see Section 2.2.2.1 Environmental Management Systems (EMS), Energy and Carbon section).

This policy ensures that materials are matching the carbon goals, that reuse of existing structures and materials is examined, and that preference is given to materials with low environmental impact and to recycled products. The Group began work on identifying and ranking materials as well as seeking alternative solutions so as to produce guidelines for development teams and suppliers (list of preferred materials and those to be avoided). Similarly, the Group is working on the last of the projects to produce guidelines on low-carbon interior design.

In the case of a conventional shopping centre project the carbon impact follows the Pareto principle: around 20% of construction materials account for 80% of the construction carbon impact of a project. Most of the carbon impact is generated by the structure of the building (around 50%). This is followed by technical equipment (12.5%), earthwork and road systems (9%) and building insulation (facade and waterproofing, 7.5%). On average, fixtures, fittings and finishing works account for less than 3% of carbon impact.

With this in mind, the Group’s priority is to work towards reducing the carbon impact of the most significant items, beginning with the structure and foundations of the building.

For example, the Group now uses low-carbon cements, notably in the foundations of the Trinity office project, covering infrastructure of Avenue de la Division Leclerc, and composite floors of the office spaces. The applicability of this type of low carbon cement incorporating industrial by-products is currently being studied for other development projects.

On the greenfield/brownfield mixed use project, Ateliers Gaité, Unibail-Rodamco-Westfield is working closely with Hoffman Green Cement Technologies to incorporate an innovative cement which could result in a carbon footprint reduction of more than 50% compared with traditional concrete. The project will also include a residential property utilising timber construction, using bio-sourced materials to reduce indirect construction-related emissions.

The Group is also interested in circular economy initiatives, and measures to reuse materials and recycle site waste.

#### — A responsible supply chain

In line with BREEAM certification requirements, the Group’s materials policy specifies that at least 80% of timber used in development, extension and renovation projects must be from certified, sustainably managed forests with FSC or PEFC for example.

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” final certification according to the BREEAM standard for as many projects as possible. 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 for its managed assets, the Group deploys a specific addendum regarding materials in the purchasing contracts signed with the main service providers (use of less polluting materials, use of certified timbers, etc.).

### 2.2.2.4 Comfort, health, well-being and productivity for users of our buildings

Comfort and well-being issues are a determining factor in our technical and architectural choices for development, refurbishment and extension projects (e.g. facades, glassroof, interior finishes, heating, ventilation and air-conditioning equipment, lighting, occupant control methods, etc.). The Design Guidelines for new developments, renovation and extension projects provide clear steps on how to achieve comfortable and safe spaces, based on thermal comfort, visual comfort, acoustic comfort and interior air quality.

In our new development projects, facades are designed to achieve a balance between thermal performance rating (insulation value, solar factor) and visual comfort (daylight illumination, glare control). Therefore, the Majunga Tower, widely glazed, has a double-skin facade with blinds built into the ventilated air gap for its south orientation. This provides protection from sunlight and avoids glare, while providing improved insulation and high levels of natural daylight. Workspace comfort is also a consideration when designing Office projects which incorporate systems enabling occupants to directly manage comfort settings from their workstations or within their working environment, depending on the space planning chosen, including local control of artificial lighting, blinds, air temperature and ventilation flow.

The acoustics of our spaces are also designed to provide the best solutions to reduce technical equipment noise levels, to reduce noise levels passing through facades, to improve interior sound absorption and insulation between premises. Interior surfaces were selected on the basis of their volatile organic compound emissions thresholds, as set by BREEAM certification which requires the use of construction products that abide by the best practices in each country, (for example, A and A+ labelling in France). These recommendations also appear in the specifications for developing stores in shopping centres.

The Group works in close cooperation with tenants to provide comfortable and safe spaces. Green Leases and Sustainable Development Committees set up with tenants raise awareness of issues amongst the various stakeholders, and set out tenants' responsibilities for the final fitting out of the spaces provided by the landlord.

In subscribing to the WELL certification process, the sisters tower project centres its design around the health, comfort and well-being of its occupants. WELL is the first construction certification in the world to base its rankings exclusively on the health and well-being of office staff and incorporates themes such as air quality, food, physical activity and the comfort and physical well-being of its occupants.

## 2.2.3 IMPROVING IN-USE ENVIRONMENTAL EFFICIENCY

### 2.2.3.1 Environmental Management Systems (EMS)

#### — Sustainable Management Attitude: an EMS for existing assets

The Sustainable Management Attitude (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-Westfield's continuous improvement policy for each area covered by the Group's CSR policy, including climate change, resource use and stakeholders. It supplements the Sustainable Design Attitude, the development project EMS, as part of the overall policy of managing the environmental quality of the Group's assets throughout their life cycle (see Section 2.2.2.1 Environmental Management Systems (EMS) - Sustainable Design Attitude: an EMS for development projects).

The Sustainable Management Attitude system is based on four steps of the environmental performance management process: targets' setting, establishing an environmental action plan, measuring results and reviewing the performance:

- 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 action plan covering key topics such as energy, greenhouse gas emissions, water, waste, transport and stakeholders is implemented and challenged for each managed site;
- quarterly report and Registration Document: performance is measured and assessed on a quarterly basis at the site, region and Group levels. A corrective action plan is implemented in case of deviation;
- review: the Security & PMPS (Property, Maintenance, Purchasing and Sustainability) team holds sustainability reviews at least once a year for each managed asset to check their performance and progress and to prepare the environmental action plan for the year to come.

The SMA helps ensure that the Group's standing assets will obtain the highest level of in-use certification according to the BREEAM In-Use standards. The Group sets itself ambitious targets in terms of asset certification under this standard (see Section 2.2.3.2 Environmental certification of buildings during the operation phase). This international standard was applied to the Group's assets in 2011 to promote the quality of their environmental management and related performances in terms of visitors, tenants and local communities. The SMA is fully integrated into the daily operations of teams such as Operating, Leasing, Marketing, Security & PMPS (Property, Maintenance, Purchasing and Sustainability) and Shopping Centre Management.

#### — SMA certifications

In order to demonstrate the environmental performance of its assets, Unibail-Rodamco-Westfield commissioned an independent verifier for each country in which it operates to assess the implementation of the Group's internal Environmental Management System by its standing assets and the certification of the compliance of these systems with the "Sustainable Management Attitude" guidelines, when it was created.

Furthermore, all 8 of the assets that are owned and managed by the Group in Spain, including the headquarters, were ISO 14001 certified until July 31, 2018.

#### — ISO 14 001 Certifications in the United Kingdom

The two London shopping centres, Westfield Stratford City and Westfield London Centre, have both been certified under the ISO 14001 environmental management standard since 2013 and 2015, respectively.

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### — ISO 20121 Process - Convention & Exhibition (Viparis Group)

The Viparis Group is engaged in the ISO 20121 certification process which recognises Social and Environmental Responsibility management systems for events businesses. Viparis' ISO 20121 certification, which began in 2013 and resulted in the certification of all of its sites in 2014, perfectly illustrates the Group's trailblazing and proactive CSR commitment. The Viparis group became one of the first global players in the events industry to win this stringent certification for all 10 of its sites and all of its business activities. This significant achievement constitutes a distinctive competitive advantage, which is further improving its profile legibility and its business practices. In October 2017, Viparis' ISO 20121 certification was renewed by Bureau Veritas Certification for another three years. Viparis has a common, structured management system which is consistent with key international principles: due diligence, diversity and inclusion, integrity and transparency.

### 2.2.3.2 Environmental certification of buildings during the operation phase

Unibail-Rodamco-Westfield aims to obtain BREEAM "In-Use" certification for all its new owned and managed assets in Europe and has set the goals of obtaining by 2020 the BREEAM "In-Use" certification with, at a minimum, a rating of "Outstanding" for the "management" part for at least 80% of its portfolio of Shopping Centres (number of assets owned & managed), and of achieving the "BREEAM" In-Use certification with, at a minimum, a rating of "Excellent" for the "management" part for at least 90% of its portfolio of offices (number of assets owned & managed). Progress with these targets is shown in Section 2.1.5.2 "Summary of the Group's CSR performance".

At the end of 2018, the Group had 51 assets certified under the management section (Part 2) of BREEAM In-Use certification (47 Shopping Centres and 4 Office buildings) accounting for a certified area of over 3.4 million m<sup>2</sup>.

### — Retail

2018 was a particularly active year in terms of BREEAM "In-Use" certification with 16 Shopping Centres obtaining re-certification. This concerned the following assets certified in 2015 for which the certificates expired in 2018: Les Quatre Temps, Aéroville, Almere, Amstelveen, Arkadia, Centrum Chodov, Cnit, Donauzentrum, Euralille, La Maquinista, Palais Vest, Parly 2, Parquesur, Part-Dieu, Splau and Zoetermeer.

The Group has performed highly, and established local market benchmarks in a number of countries. 8 out of the 16 centers certified in 2018 have achieved an "Outstanding" rating for building management (part 2). Of these, Aéroville and Centrum Chodov also obtained an "Outstanding" certification for both the intrinsic quality (part 1) and the building management (part 2).

Centrum Chodov achieved the highest score in the portfolio of standing commercial centers for building management (part 2), making it the commercial center with the highest overall score in the Czech Republic as per the BREEAM In-Use international 2015 criteria. Aéroville Shopping Centre in France achieved the highest level double "outstanding" certification, making it the 7<sup>th</sup> Shopping Centre within the Group's portfolio to do so.

As at December 31, 2018, the Group had 47 owned and managed Shopping Centres certified under BREEAM "In-Use" in Europe, of which 22 were rated "Outstanding". Certified Shopping Centres account for over 3.3 million m<sup>2</sup> consolidated GLA and correspond to 90% of the owned and managed Shopping Centres portfolio (in terms of certified assets' value).

47% of the BREEAM "In-Use" certificates awarded to the Group's Shopping Centres achieved the "Outstanding" level for the "Building Management" (part 2) component, compared to an average of just 11% for the European Retail Real Estate market<sup>(1)</sup>, confirming the superior environmental performance of the Group's assets despite the diversity of the portfolio in terms of size, age and location.

#### KPI: BREEAM IN-USE ENVIRONMENTAL CERTIFICATION FOR STANDING ASSETS – SHOPPING CENTRES (GROUP TOTAL IN CONTINENTAL EUROPE)

	2018	Cumulated (as at December 31, 2018)
Number of owned & managed assets certified <sup>(1)</sup>	16	47
Floor area certified <sup>(1)</sup> (m <sup>2</sup> GLA)	1,296,600	3,286,400
Average <sup>(2)</sup> score "Asset" (Part 1)	76.90% - Excellent	75.90% - Excellent
Average <sup>(2)</sup> score "Building Management" (Part 2)	83.25% - Excellent	81.68% - Excellent

(1) A single Breeam In Use certification covering the entire asset Scope is accredited to the Cnit asset, which has both office and retail space. Cnit office space is excluded from the certified floor area presented in this table and accounted for in the next table "KPI: Breeam in-use environmental certification for standing assets - Offices".

(2) Arithmetic average of scores obtained for each certificate.

(1) Source: BRE Global "BREEAM In-Use" data (all countries in Europe except Germany, Austria, Spain & The Netherlands), DIFNI/ TÜV SÜD NSO data (Austria, Germany), BREEAM ES/ITG NSO data (Spain), DGBC data (The Netherlands), as at December 31, 2018 - 371 retail assets certified under BREEAM In-Use International 2015 (Part 2).

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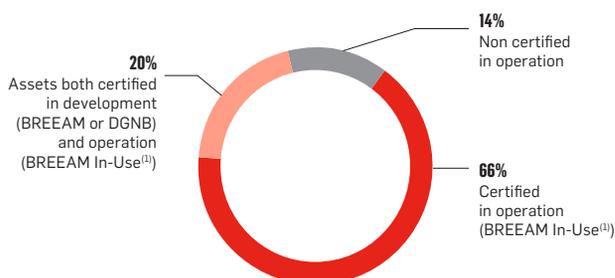
**RATE OF BREEAM IN-USE ENVIRONMENTAL CERTIFICATION FOR SHOPPING CENTRES BY NUMBER OF ASSETS AND FLOOR AREA (GROUP TOTAL IN CONTINENTAL EUROPE)**

Shopping Centres (Europe)	Owned and managed portfolio <sup>(2)</sup>	Total 2017 consolidated m <sup>2</sup> GLA in 2017 <sup>(1)</sup>	Assets Certified <sup>(2)</sup>	Certification coverage	
				% (in number)	% (in m <sup>2</sup> GLA)
<b>TOTAL</b>	<b>51</b>	<b>3,570,700</b>	<b>47</b>	<b>92%</b>	<b>92%</b>

(1) Total GLA consolidated (owned and managed assets).

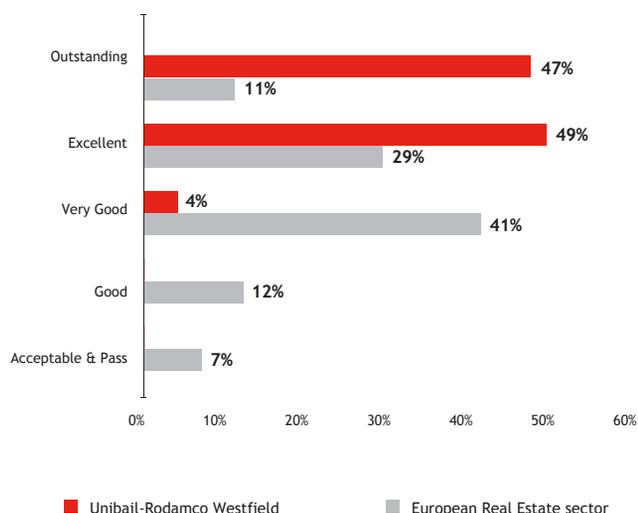
(2) In number of owned and managed assets.

**ENVIRONMENTAL CERTIFICATION RATE IN OPERATION PHASE WITHIN THE TOTAL STANDING SHOPPING CENTRE PORTFOLIO IN VALUE<sup>(1)</sup> (%)**



(1) Part 2: Building Management

**BREAKDOWN OF BREEAM IN-USE SHOPPING CENTRE CERTIFICATIONS BY SCORE<sup>(2)</sup> (IN NUMBER OF ASSETS)<sup>(3)</sup> IN COMPARISON WITH THE EUROPEAN RETAIL REAL ESTATE SECTOR<sup>(4)</sup>**



**— Office**

7 Adenauer, Unibail-Rodamco-Westfield’s corporate headquarters in Paris, was the first office building within continental Europe to be rated “Excellent” for both the “Asset” and “Building Management” components of the BREEAM In-Use International pilot scheme in 2012. In 2018 the office section of Cnit was recertified under BREEAM In-Use International 2015 criteria. It achieved an “Excellent” rating

for both the asset component (part 1), and the building management component (part 2).

As at December 31, 2018, 100% of the owned and managed Office portfolio was certified.

**KPI: BREEAM IN-USE ENVIRONMENTAL CERTIFICATION FOR STANDING ASSETS – OFFICES (GROUP TOTAL IN CONTINENTAL EUROPE)**

	2018	Cumulated (as at December 31, 2018)
Number of owned & managed assets certified <sup>(1)</sup>	-	4
Floor area certified <sup>(1)</sup> (m <sup>2</sup> GLA)	37,100	170,300
Average <sup>(2)</sup> score “Asset” (Part 1)	76.20% - Very Good	65.15% - Very Good
Average <sup>(2)</sup> score “Building Management” (Part 2)	75.80% - Excellent	71.33% - Excellent

(1) The Cnit asset, which contains both retail and office space has received a single Breeam In Use certification covering the entire asset scope. To avoid duplication with the retail count, Cnit is excluded from the certified asset count above, being already accounted for in the table “KPI: Breeam In-Use environmental certification for standing assets - Shopping Centres”, but it is included to determine certified GLA and average accreditation scores in this table.

(2) Arithmetic average of scores obtained for each certificate.

(1) In terms of Gross Market Values as at December 31 2018, excluding values of shares in assets accounted for using the equity method except for CentrO and Paunsdorf (included in the reporting scope).

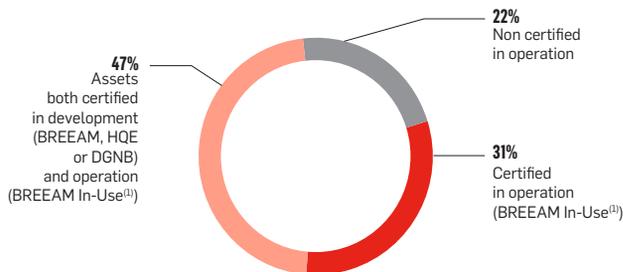
(2) Score of retail assets in Building Management (Part 2).

(3) 51 owned and managed Shopping Centres as at December 31, 2018.

(4) Source: BRE Global “BREEAM In-Use” data (all countries in Europe except Germany, Austria, Spain & The Netherlands), DIFNI/ TÜV SÜD NSO data (Austria, Germany), BREEAM ES/ITG NSO data (Spain), DGBC data (The Netherlands), as at December 31, 2018 - 371 retail assets certified under BREEAM In-Use International 2015 (Part 2).

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#### ENVIRONMENTAL CERTIFICATION PENETRATION RATE IN OPERATION PHASE WITHIN THE TOTAL STANDING OFFICE PORTFOLIO IN VALUE <sup>(1)</sup> (%)



(1) Part 2: Building Management

### 2.2.3.3 Green leases and tenant commitments

Since the end of 2009, the Group has been committed to an active policy of promoting “green leases”. This approach is based on dialogue, information and sharing of best practices, and encourages tenants to play a role in the environmental performance of the sites. As well as contributing to lower common and private service charges through decreasing energy and utilities consumption, this change in behaviours is helping the Group and its stakeholders to prepare for

increased constraints (regulatory, availability, etc.) on resource management.

In that respect, since 2010 and ahead of all existing regulations, all new leases and renewals signed with Retail and Office tenants have been containing environmental clauses. These first versions of “green leases” cover those aspects that are most likely to improve tenants’ environmental behaviours and performances, such as, commitment to sharing energy consumption data, technical specifications for fitting-out projects (especially maximum power for private lighting), and various measures to save energy and water and sort waste.

As part of the “Better Places 2030” commitments, this environmental appendix on leases has been strengthened in 2017 to reflect the Group’s new ambitions in terms of environmental performance and contributions to the community. Clauses have been added to the first version and include in particular the obligation to install LED lighting solutions in any new private tenant space from 2020 onwards and the obligation to sign a supply contract guaranteeing that electricity is procured from renewable sources, again from 2020, as well as supporting initiatives organised by the Group to promote local employment.

This new version of the environmental appendix of leases (version 2), systematically offered to tenants since May 1, 2017, has a penetration rate of 88% among all leases signed in both existing and pipeline shopping centres in 2018.

#### KPI: NUMBER AND PERCENTAGE OF GREEN LEASES V2 AMONG SIGNED AND ACTIVE LEASES (SHOPPING CENTRES)

Year	2018
Number of green leases version 2 signed during the year	1,128
% of green leases version 2 signed during the year	88%
% of green leases version 2 signed vs total active leases in the Group	19%

Version 2 Green Leases are since the start of 2018 applied to Offices as well as Shopping Centres. For this reason Version 1 Green Leases still make up 72%<sup>(2)</sup> of all active leases for Offices at the end of 2018.

#### — LED and “green” electricity partnerships

Implemented as part of the “Better Places 2030” programme, LED and “green” electricity partnerships, or “Memorandums of Understanding” (MoUs) are voluntary agreements entered into by the Group with retailers within its Shopping Centres (existing and future stores) to accelerate the transition towards a lower carbon footprint related with operations. LED lighting partnership clauses require retailers to fit out any new stores in the Shopping Centres held and

managed by the Group with LED lighting from the signing date, and to gradually fit out existing stores with LED lighting when undertaking refurbishment works. Some partnerships include a clause on renewable electricity supply (“green” electricity). These partnerships with retailers are usually effective for the whole Group or one of the regions. At the end of 2018, the Group had already committed 254 Group retailers to signing these voluntary agreements.

#### KPI: NUMBER AND PERCENTAGE OF GREEN LEASES V2 AMONG SIGNED AND ACTIVE LEASES (OFFICES)

Year	2018
Number of green leases version 2 signed during the year	5
% of green leases version 2 signed during the year	83%
% of green leases version 2 signed vs total active leases in the Group	13%

(1) In terms of Gross Market Values as at December 31 2018, excluding values of shares in assets accounted for using the equity method except for CentrO and Paunsdorf (included in the reporting scope).

(2) Excluding leases that were signed by other parties for Rosny 2 lots prior acquisition (lots not owned at signature date).

### 2.2.3.4 Energy management

#### — Energy consumption

As part of its operational environmental performance management process, the Group is continuing to measure improvements in its energy efficiency by segment against its historical 2020 targets which involve reducing energy intensity by 25% (kWh/visit) and 35% (kWh/occupant) for owned & managed Shopping Centres and Offices respectively compared with 2012 levels, and by 25% (kWh/m<sup>2</sup> JOOC) for Conference and exhibition venues compared with 2014 levels (see Section 2.1.5.2 Summary of the Group's CSR performance).

In 2018, Shopping Centres owned & managed by the Group achieved a 2% reduction in absolute energy consumption (MWh) on a like-for-like basis, compared with 2017. Energy efficiency efforts deployed since 2012 have led to a cumulative reduction of 19% (kWh/visit) since 2012 and of 7% since 2015.

An energy efficiency attitude is well embedded in all existing processes relating to the technical management of each asset by gradually ensuring (see "A gradual and pragmatic approach to energy savings" 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).

In order to get the best ROI on energy efficiency solutions, the Group sets daily energy optimisation as its priority. Thus, actions to optimise operations in order to improve energy efficiency 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: daily monitoring of each asset's energy consumption; identification of factors that affect energy consumption; optimisation of the running hours for each piece of equipment; seasonal action plans to adjust temperatures in line with weather conditions; strong focus on behavioural changes (for example turning out lights and using natural ventilation); and regular checks to ensure that technical equipment is working properly.

At December 31, 2018, four assets owned and managed by the Group (both Shopping Centres and Offices) had an Energy Performance Contract (EPC) and two additional EPCs were being rolled out. These EPCs are a contractual arrangement between Unibail-Rodamco-Westfield and the maintenance contractor under which the latter makes firm commitments to improve the energy efficiency of a property asset. The commitments are underpinned by bonus-malus incentive clauses/and an explicit description of influencing factors that are unrelated to the contractor's performance (weather factors, variations in activity, comfort conditions, etc.). These contracts encourage the supplier to commit to reducing energy consumption on site in order to promote its energy efficiency and manage the associated costs.

In 2016 the Group also launched a series of systematic, results-based energy audits on the basis of specifications tailored to the shopping centre sector with reports identifying quick wins in terms of improving energy efficiency as well as longer-term actions aimed at feeding into investment plans for assets. An energy audit had already been conducted on the bulk of the portfolio by the end of 2018 and these assessments will be updated on an ongoing basis for as long as is necessary.

#### — Energy efficiency of UK assets

The Group's UK assets implemented several of these levers, such as the introduction, in 2015, of a programme to curtail energy consumption, reducing electricity consumption at peak times and making cost savings. An energy management contract was also introduced at Westfield London in 2017, with a real-time management system including the target of reducing annual electricity consumption in the shopping centre's common areas by 6%.

In terms of the upgrading technical equipment, the Group is systematically outfitting its assets with Building Management Systems (BMS), so on-site teams can easily monitor and manage energy performance. 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. Energy audits on certain sites resulted in the identification and implementation of good practices to significantly improve energy efficiency, such as refurbishing old air conditioning units to limit loss and ensuring that new air flow is tailored to measured footfall, particularly for a number of assets in Germany and Sweden.

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In line with the objectives of its new “Better Places 2030” CSR programme, in 2018 the Group continued to implement LED lighting technology across its existing portfolio (common and private areas). Two actions continued in this respect in 2018:

- budgets were set aside in the Group assets’ 2018 action plans to support the gradual replacement of existing light sources with LED (common areas, including car parks);
- retailers have been gradually made aware of the LED installation programme in shopping centres owned and managed by the Group, through voluntary partnership agreements signed with international retailers and new tenancy agreements with provision for the systematic installation of LED lighting when renewing their concept, opening new stores or replacing their lighting. The breakdown of agreements between the Group and its tenants on arrangements for the installation of LED lighting is set out in Section 2.2.3.3 Green leases and tenant commitments.

According to the LED mapping performed in 2018 in the common areas of the Group’s owned and managed shopping centres, the LED equipment rate amounts to 59% in these areas. The Group also conducted a survey for the second time in 2018, to determine the progress of LED rollout in private areas in 100% of the owned and managed Shopping Centres.

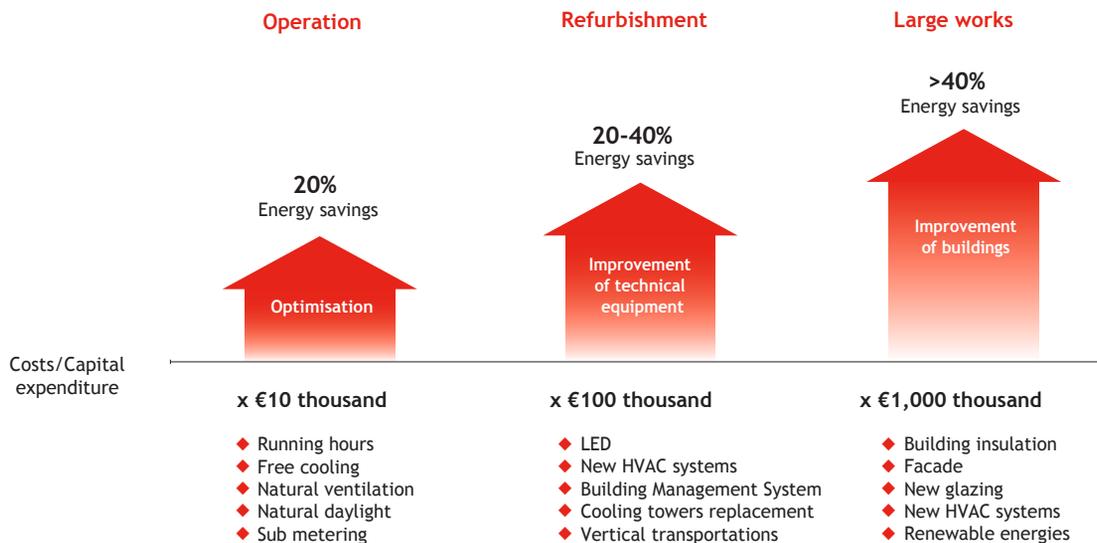
Targets for implementing LED lighting in the Group’s assets took the energy saving process a step further by updating lighting studies to optimise the number of lighting units, their zoning, brightness, management and timer programming. In-house technical guidelines were also introduced in 2018 to guarantee users an equivalent level of comfort (brightness, colour, glare, diffusion area, etc.) when lighting units are replaced by LEDs.

— **Plan to roll out LED lighting in the United States**  
 In the United States, improving lighting units’ energy efficiency is considered a major lever for reducing indirect energy consumption (Scope 2). The roll-out of LED lighting in US shopping centres continues, in order to improve the performance of lighting units both in malls as well as in external spaces and back rooms. In 2018, 5 LED lighting projects were successfully completed, with estimated related energy savings of 3,400 MWh per year. 37 new projects to implement LED lighting, which will unlock savings of more than 14,000 MWh of electricity a year are being looked into for future years. This does not include greenfield/brownfield construction and major development projects in which LED lighting will be used as standard.

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 (see Section 2.2.2.1 Environmental Management Systems (EMS)).

Through increased energy efficiency together with its work with retailers, Unibail-Rodamco-Westfield limits its exposure to rising energy prices and it builds protection against the risks of supply shocks.

**A GRADUAL AND PRAGMATIC APPROACH TO ENERGY SAVINGS**



Reduce carbon emissions across our value chain by building &amp; operating innovative, circular, efficient, and connected spaces

**ENERGY CONSUMPTION (MWH)**

Final energy purchased by site managers for use in common areas and common equipment, and provided to tenants for heating and/or cooling. Electricity purchased by tenants is not included.

Energy consumption includes direct and indirect energy. Direct energy refers to the primary source of energy which is purchased and consumed on site in the same form (e.g. natural gas). Indirect energy refers to energy which was generated from various energy sources by and purchased from a third party in the form of electricity or fluids (heating and cooling networks).

	Retail		Office		Convention & Exhibition	
	Scope	Total (Europe)	Scope	Total (France)	Scope	Total (France)
<b>2018 TOTAL</b>	<b>49/49</b>	<b>498,069</b>	<b>6/6</b>	<b>38,158</b>	<b>5/6 <sup>(1)</sup></b>	<b>98,950</b>
of which direct energy (Scope 1)	49/49	46,678	6/6	1,140	5/6 <sup>(1)</sup>	14,024
of which indirect energy (Scope 2)	49/49	451,391	6/6	37,018	5/6 <sup>(1)</sup>	84,926
2017 Like-for-like	42/43 <sup>(2)</sup>	403,992	5/5	31,570	4/5 <sup>(2)</sup>	68,980
2018 Like-for-like	42/43 <sup>(2)</sup>	395,950	5/5	34,263	4/5 <sup>(2)</sup>	65,493
<b>2018/2017 CHANGE (%)</b>	<b>42/43 <sup>(2)</sup></b>	<b>-2%</b>	<b>5/5</b>	<b>11%</b>	<b>4/5 <sup>(2)</sup></b>	<b>-19%</b>

(1) 2018 Total excludes Espace Grande Arche (metering incomplete for electricity consumption).

(2) Like-for-Like scope excludes Ulis 2 (metering incomplete for district heating consumption in 2017) and Espace Grande Arche.

**KPI: TENANTS' PRIVATE ELECTRICITY CONSUMPTION (MWH)**

Electricity purchased by the site manager and distributed to private parts for the personal use of tenants in the case of owned and managed shopping centres that distribute electricity to tenants and bill them for it.

2018	Shopping Centres <sup>(1)</sup>			
	Landlord: managed common electricity consumption (MWh)	Tenants: private electricity consumption (MWh)	Number of tenants	Floor area (GLA)
Split of electricity consumptions	65,904	80,977	1,140	532,000

(1) Scope: 5 Shopping Centres.

**FINANCIAL IMPACT RESULTING FROM CHANGES IN ENERGY CONSUMPTION (€)**

Total cost saved due to the reduction of energy consumption estimated on a like-for-like basis.

	Retail	
	Scope	Total (Europe)
2018/2017 change in energy consumption (MWh)	42/43 <sup>(1)</sup>	-8,042
Financial savings 2018/2017 (€)	42/43 <sup>(1)</sup>	-875,929

(1) On a Like-for-Like Scope basis, excluding Ulis 2 (metering incomplete for district heating consumption in 2017).

**KPI: ENERGY EFFICIENCY PER USAGE<sup>(1)</sup> FOR SHOPPING CENTRES (KWH/VISIT/YEAR), FOR OFFICES (KWH/OCCUPANT/YEAR), AND FOR CONVENTION & EXHIBITION CENTRES (KWH/M<sup>2</sup> DOP/YEAR)**

	Retail		Office		Convention & Exhibition	
	Scope	Total (Europe)	Scope	Total (France)	Scope	Total (France)
<b>2018 Total</b>	<b>49/49</b>	<b>0.77</b>	<b>6/6</b>	<b>2,502</b>	<b>5/6 <sup>(1)</sup></b>	<b>3,66</b>
2017 Like-for-like	36/43 <sup>(2)(3)</sup>	0.77	5/5	2,734	4/5 <sup>(2)</sup>	4,63
2018 Like-for-like	36/43 <sup>(2)(3)</sup>	0.75	5/5	2,458	4/5 <sup>(2)</sup>	4,67
<b>2018/2017 CHANGE (%)</b>	<b>36/43 <sup>(2)(3)</sup></b>	<b>-3%</b>	<b>5/5</b>	<b>-10%</b>	<b>4/5 <sup>(2)</sup></b>	<b>1%</b>

(1) 2018 Total excludes Espace Grande Arche (metering incomplete for electricity consumption).

(2) Like-for-Like scope excludes Ulis 2 (metering incomplete for district heating consumption in 2017) and Espace Grande Arche.

(3) Excluding Fisketorvet, Galeria Mokotów, La Part Dieu, Cour Oxygène, Pasing Arcaden, Höfe am Brühl and Palais Vest (erroneous footfall count in 2017).

(1) See Reporting Methodology, Section 2.5.1.1 Definitions and Reporting values.

## Corporate social responsibility

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### ENERGY EFFICIENCY BY FLOOR AREA<sup>(1)</sup> (KWH/M<sup>2</sup>/YEAR)

	Shopping Centres		Office	
	Scope	Total (Europe)	Scope	Total (France)
<b>2018 Total</b>	<b>49/49</b>	<b>151</b>	<b>6/6</b>	<b>158</b>
2017 Like-for-like	42/43 <sup>(1)</sup>	163	5/5	158
2018 Like-for-like	42/43 <sup>(1)</sup>	149	5/5	171
<b>2018/2017 CHANGE (%)</b>	<b>42/43<sup>(1)</sup></b>	<b>-9%</b>	<b>5/5</b>	<b>4%</b>

(1) Like-for-Like scope excludes Ulis 2 (metering incomplete for district heating consumption in 2017).

### KPI: INSTALLATION OF LED LIGHTING IN COMMON AREAS OF EXISTING SHOPPING CENTRES (%)

	Scope (in number of shopping centres)	Percentage of LED units in common areas of the Group's standing Shopping Centres (%)
2017	53/55	43%
<b>2018</b>	<b>51/51</b>	<b>59%</b>

### INSTALLATION OF LED LIGHTING IN PRIVATE AREAS OF EXISTING SHOPPING CENTRES (%)

	Scope (in number of shopping centres)	Share of private areas fully fitted with LEDs (%)
<b>2017</b>		
<i>In number of retail units</i>	53/55	24%
<i>In gross lettable floor area</i>	53/55	22%
<b>2018</b>		
<i>In number of retail units</i>	51/51	35%
<i>In gross lettable floor area</i>	51/51	33%

## — Energy mix

Unibail-Rodamco-Westfield 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 electricity derived from renewable sources is covered by mechanisms of Guaranty of Origin as defined by the 2009/28/EC European Directive. It can be for instance be sourced from solar, wind, oceanic, hydroelectric, biomass or geothermic resources.

Within its “Better Places 2030” strategy, the Group has in particular accelerated its transition towards sourcing its electricity from renewable sources (“green electricity”) in order to meet its target of having in 2018 all of its owned and managed assets in continental Europe (shopping centres, offices and conference and exhibition centres) run on green electricity. Thus, in 2018, “green” electricity contracts in place in 2017 were maintained by the Group, Central Europe extended the coverage of its renewable electricity supply to all of its Shopping Centres, and, from January 1, 2018, France joined the list of countries in which all of the Group’s assets (Shopping Centres, Offices and Convention & Exhibition Centres) are running entirely on electricity from renewable sources, thus leading to all seven regions and 100% Group assets in Continental Europe running entirely on electricity from renewable sources in 2018.

The energy mix is a key focus. For example, the Group chooses district systems rather than natural gas to heat its buildings wherever possible. In Germany, the natural gas supplier of Minto shopping centre furthermore commits to compensate the greenhouse gas emissions linked to this energy supply to the Group.

The Group’s policy of purchasing low-carbon emission energy from its 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.

This is why the Group wanted to extend this measure to Shopping Centre tenants who will have to sign renewable electricity supply contracts by 2020 at the latest. This commitment has been incorporated as a contractual requirement in all new tenancy standard agreements proposed by the Group since May 1, 2017. Moreover, ahead of this, in order to lay the groundwork for and accelerate this transformation, the Group has also been offering those tenants who wish to do so the opportunity to commit to using renewable electricity in the stores in its centres by signing targeted partnership agreements with leading international retailers since 2016 (refer to Section 2.2.3.3 Green leases and tenant commitments).

(1) See Reporting Methodology, Section 2.5.1.1 Definitions and Reporting values.

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Finally, some of the Group's Assets are fitted with systems to generate low-carbon or renewable energy. For example, solar panels are installed in 10 assets in France, Spain, Austria, Poland and the Netherlands and a wind turbine installed in Carré Sénart Shopping centre in France produce renewable electricity for sale to the

national grid. Furthermore, In France, Aéroville uses geothermal energy to meet its heating and cooling needs.

The current total installed renewable energy capacity of the Group's shopping centres in continental Europe is 870 kW.

**Solar Programme in the US and in the UK**

Since 2010, the Group has been rolling out a photovoltaic installation programme across its UK and US sites to generate onsite solar electricity. Thanks to a strong commitment from top management coupled with the benefits of reduced and stabilised billing, the installed capacity of the Group's systems has increased continuously since the rollout began, improving costs savings whilst also acting as a point of difference between the Group and market peers. In the year 2018, an additional 3.7 MW of photovoltaic solar

capacity has been installed across Topanga, Valley Fair, bringing the total capacity up to 7 MW. In 2019, the US plans to install an additional 3.8 MW at Valley Fair, Garden State Plaza, and UTC. Additionally, there are ongoing feasibility studies at the two UK centres, which could add a further 1 MW of capacity. With the clear commercial and sustainability benefits of the systems, there are plans to continue the rollout of this solar programme over the coming years.



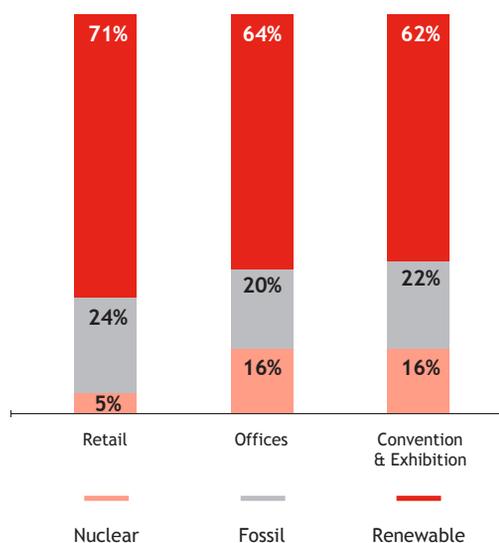
**CARBON WEIGHT OF ENERGY MIX OF STANDING ASSETS (gCO<sub>2</sub>EQ/KWH)**

	Retail		Office		Convention & Exhibition	
	Scope	Total (Europe)	Scope	Total (France)	Scope	Total (France)
<b>2018 TOTAL</b>	<b>49/49</b>	<b>65</b>	<b>6/6</b>	<b>55</b>	<b>5/6<sup>(1)</sup></b>	<b>46</b>
<b>2018/2017 CHANGE (%)</b>	<b>42/43<sup>(2)</sup></b>	<b>-37%</b>	<b>5/5</b>	<b>12%</b>	<b>4/5<sup>(2)</sup></b>	<b>-19%</b>

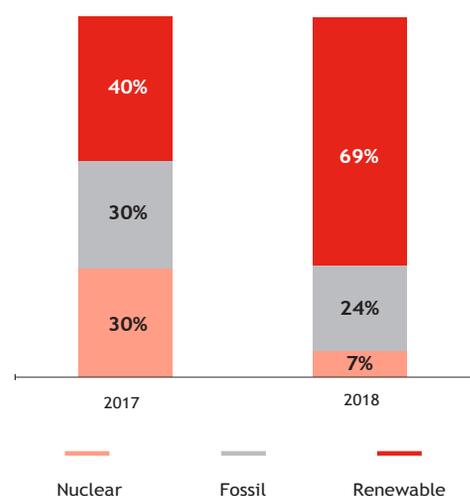
(1) 2018 Total excludes Espace Grande Arche (metering incomplete for electricity consumption).

(2) Like-for-Like excludes Ulis 2 (metering incomplete for district heating consumption in 2017) and Espace Grande Arche.

**2018 ENERGY MIX (ALL OWNED AND MANAGED ASSETS)**



**CHANGE IN ENERGY MIX OF OWNED AND MANAGED ASSETS**



The primary energy mix varies from country to country and is mainly influenced by national electricity generation industries. The Group's voluntary low-carbon energy purchasing policy lowered the share of fossil energy in the final energy mix purchased by the shopping centres owned and managed by the Group from 42% in 2011 to 24% in 2018.

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### KPI: ELECTRICITY FROM RENEWABLE SOURCES AS A PROPORTION OF TOTAL ELECTRICITY CONSUMPTION OF COMMON AREAS AND INSTALLATIONS OF ASSETS MANAGED BY THE GROUP (%)

	Retail		Office		Convention & Exhibition	
	Scope	Total (Europe)	Scope	Total (France)	Scope	Total (France)
Total electricity consumption 2017 (MWh)	58/58	275,708	13/13	21,370	9/9	76,683
of which green electricity purchase 2017 (%)	58/58	59%	13/13	0%	9/9	0%
Total electricity consumption 2018 (MWh)	49/49	285,540	6/6	21,347	5/6 <sup>(1)</sup>	72,350
of which green electricity purchase 2018 (MWh)	49/49	253,115	6/6	16,442	5/6 <sup>(1)</sup>	52,399
of which green electricity purchase 2018 (%)	49/49	89% <sup>(2)</sup>	6/6	77% <sup>(2)</sup>	5/6 <sup>(1)</sup>	72% <sup>(2)</sup>

(1) 2018 Total excludes Espace Grande Arche (metering incomplete for electricity consumption).

(2) Rates below 100% due to a reporting on a rolling year basis including the last quarter of 2017 (see section 2.1.5.1 Summary of the reporting methodology). In 2018 (calendar year), 100% of the Group assets (shopping centres, offices and convention and exhibition centres) in continental Europe are fully supplied in electricity from renewable sources.

### ENERGY FROM RENEWABLE SOURCES AS A PROPORTION OF TOTAL CONSUMPTION FROM HEATING AND COOLING NETWORKS OF ASSETS MANAGED BY THE GROUP (%)

2018	Retail		Office		Convention & Exhibition	
	Scope	Total (Europe)	Scope	Total (France)	Scope	Total (France)
Consumption of energy from district heating and cooling networks (kWh)	49/49	165,851	6/6	15,671	5/6 <sup>(1)</sup>	12,059
of which share generated by renewable sources (kWh)	49/49	60,405	6/6	819	5/6 <sup>(1)</sup>	0
of which share generated by renewable sources (%)	49/49	36%	6/6	5%	5/6 <sup>(1)</sup>	0%

(1) 2018 Total Excludes Espace Grande Arche (metering incomplete for electricity consumption).

### ENERGY FROM RENEWABLE SOURCES AS A PROPORTION OF TOTAL DIRECT ENERGY CONSUMPTION OF ASSETS MANAGED BY THE GROUP (%)

Energy from renewable sources as a share of the energy mix of direct energy purchased and consumed by sites (natural gas, fuel oil) was negligible in 2018 owing to high prices and the low penetration rate of these types of energy in this segment.

### RENEWABLE ELECTRICITY PRODUCED (MWH) AND GREENHOUSE GAS EMISSIONS AVOIDED (TCO<sub>2</sub>EQ)

Electricity output from photovoltaic plants installed at ten shopping centres in France, Spain, Austria, and the Netherlands.

Renewable electricity produced on site is sold to the public network and not consumed on site. The greenhouse gas emissions avoided as a result of this production are the emissions that would have been generated by the production of the same quantity of final electricity based on the electricity mix in the country in question. These assets mean that the electricity supplier does not have to produce this amount of electricity and therefore the equivalent CO<sub>2</sub> emissions are indirectly saved.

	2016	2017	2018
Renewable energies produced on site (MWh)	1,027	1,092	831
Corresponding greenhouse gas emissions avoided (TCO <sub>2</sub> eq)	248	264	230

## 2.2.3.5 Water management

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

Consequently, the Group has not set any long-term water target published in its CSR Strategy, "Better Places 2030". However, as part

of monitoring policy of its resource use, reducing water consumption is still an operational target on sites and continues to be closely tracked and managed.

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.

At existing assets, the Group relies on a close cooperation with tenants to reduce water consumption. "Green leases" and tenants' on-site Sustainability Committees are used to help raise awareness amongst the various stakeholders and to get them on Board with water management.

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In 2018, water efficiency in litres/visit at owned and managed Shopping Centres increased by 2% compared with 2017 on a like-for-like basis. This nevertheless accounts for a cumulative reduction of 19% in litres/visit since 2012 and the cumulative trend remained stable since 2015.

The variability of billing frequency and the reading of meters to allow water companies to make adjustments, which is mainly an issue in France, also introduces a degree of variability in the data reported and a possible delay in recording actual consumption.

To optimise the use of resources and cost savings, Unibail-Rodamco-Westfield prioritises the use of reused water wherever possible. In 2018, the shopping centres Donau Zentrum, Centrum Černý Most, Centrum Chodov, Stadshart Almere and La Maquinista collected 98,114 m<sup>3</sup> of rainwater and ground water on site, which were re-used for cleaning and watering green spaces.

Closed-circuit systems are being favoured to reuse water during the testing of sprinkler equipment. 22 Shopping Centres across the Group collect and re-use water from regulatory sprinkler tests.

2.

### — The Hydropoint Watercompass™ system

This specific piece of leak and flow monitoring equipment was installed for the first time in 2017 on two of the Group's assets in the United States (Garden Sate Plaza and Valley Fair) to monitor all aspects of its buildings' water consumption and to improve water management. This tool provides detailed data and consumption analyses and alerts operators to leaks. As a result, a number of leaks from pipes, valves and sanitary equipment were identified and repaired. Due to the water and money saved, and the ability to proactively maintain equipment for tenants and shared facilities, the Group intends to continue rolling out this system to other assets in the near future.

### WATER CONSUMPTION (M<sup>3</sup>) BROKEN DOWN BY USE (%) AND BY SOURCE

Water purchased from the district network for use in common and private areas. Water consumption in tenants' premises is indicated as a percentage when consumption can be measured.

	Retail		Office		Convention & Exhibition	
	Scope	Total (Europe)	Scope	Total (France)	Scope	Total (France)
Consumption of water from the district network						
<b>2018 TOTAL</b>	<b>49/49</b>	<b>3,014,120</b>	<b>6/6</b>	<b>107,830</b>	<b>6/6</b>	<b>311,348</b>
<i>of which tenant consumption 2018 (%)</i>	<i>49/49</i>	<i>49</i>	<i>6/6</i>	<i>/</i>	<i>6/6</i>	<i>/</i>
2017 Like-for-like	43/43	2,512,576	5/5	80,231	5/5	197,173
2018 Like-for-like	43/43	2,558,054	5/5	97,532	5/5	167,711
<b>2018/2017 CHANGE (%)</b>	<b>43/43</b>	<b>2%</b>	<b>5/5</b>	<b>22%</b>	<b>5/5</b>	<b>-15%</b>

The table below shows water withdrawals at sites from other sources (off-network) for Group assets that are diversifying their supply (rainwater, ground water, etc.) and are able to account for the volumes withdrawn.

Consumption of water from other sources in 2018 (m <sup>3</sup> )	Scope	Shopping Centres <sup>(1)</sup>
Rainwater	49/49	98,114
Groundwater (water table)	49/49	3,273
Other sources <sup>(2)</sup>	49/49	314,493
<b>Total water withdrawals other than water purchased from the local network</b>	<b>49/49</b>	<b>415,880</b>

(1) The French assets included in the reporting Scope only draw water from the district network, so there are no additional water sources for offices and convention and exhibition centres.

(2) Surface water including marshes, rivers, lakes and sea/Waste water disposed of by another organisation (grey water)/Desalination of sea water, etc.

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### FINANCIAL IMPACT DUE TO CHANGES IN WATER CONSUMPTION (€)

Total cost saved thanks to the reduction of water consumption, estimated on a like-for-like basis.

	Retail	
	Scope	Total (Europe)
2018/2017 change in water consumption (m <sup>3</sup> )	43/43	237
<b>FINANCIAL SAVINGS 2018/2017 (K€)</b>	<b>43/43</b>	<b>(81)</b>

### WATER INTENSITY PER USAGE<sup>(1)</sup> FOR SHOPPING CENTRES (LITRE/VISIT/YEAR), FOR OFFICES (LITRE/OCCUPANT/YEAR), AND FOR CONVENTION & EXHIBITION CENTRES (LITRE/M<sup>2</sup>DOP/YEAR)

	Shopping Centres (litre/visit)		Office (litre/occupant)		Convention & Exhibition venues (litre/m <sup>2</sup> DOP)	
	Scope	Total (Europe)	Scope	Total (France)	Scope	Total (France)
<b>2018 TOTAL</b>	<b>49/49</b>	<b>4.65</b>	<b>6/6</b>	<b>7,107</b>	<b>6/6</b>	<b>11.38</b>
2017 Like-for-like	37/43 <sup>(1)</sup>	4,91	5/5	6,955	5/5	13
2018 Like-for-like	37/43 <sup>(1)</sup>	5.02	5/5	7,002	5/5	11.68
<b>2018/2017 CHANGE (%)</b>	<b>37/43 <sup>(1)</sup></b>	<b>2%</b>	<b>5/5</b>	<b>1%</b>	<b>5/5</b>	<b>-10%</b>

(1) Excluding Fisketorvet, Galeria Mokotów, La Part Dieu, Cour Oxygène, Pasing Arcaden, Höfe am Brühl and Palais Vest (erroneous footfall count in 2017).

### WATER CONSUMPTION BY FLOOR AREA<sup>(1)</sup> (LITRE/M<sup>2</sup>/YEAR)

	Shopping Centres		Office	
	Scope	Total (Europe)	Scope	Total (France)
<b>2018 Total</b>	<b>49/49</b>	<b>844</b>	<b>6/6</b>	<b>447</b>
2017 Like-for-like	43/43	860	5/5	401
2018 Like-for-like	43/43	876	5/5	488
<b>2018/2017 CHANGE (%)</b>	<b>43/43</b>	<b>2%</b>	<b>5/5</b>	<b>22%</b>

#### 2.2.3.6 Waste management

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

The Group has set itself the target of sending no waste to landfill by 2020 and to recycle at least 80% of waste, thanks to waste sorting and individual re-invoicing of retailers.

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.

Suitable waste segregation facilities are in place in all assets. Tenants are regularly informed and made aware of local on-site waste management policies and processes and of the importance of sorting waste, via for example, the development of waste sorting guidelines reminding tenants of what to do with different types of waste. Both supplier purchasing contracts and tenant "green leases" establish the minimum requirements to be met for waste-sorting and recycling. Waste management service providers must monitor and

submit a monthly progress report with details of tonnages collected, by type of waste, and recycling percentages achieved, as well as submitting a waste management improvement plan to site management every six months. Shopping centre technical managers meet with service providers on a monthly basis to monitor progress and performance. All the Group's shopping centres also hold yearly meetings with their shareholders (tenants and treatment providers) with a detailed account of the site's waste management outcomes.

An increasing number of shopping centres are equipped with an advanced waste management system which consists of weighing the waste of each tenant separately in order to invoice them on the actual tonnes they generate. This encourages better waste sorting, enabling tenants to reduce the tonnage 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.

In 2018, 40% of waste was valorised through reuse, recycling, composting, or methanisation and 50% were valorised through energy recovery. In total, 90% of the waste generated in the Group's managed Shopping Centres is recycled, reused or valorised, compared to only 61% in 2012.

(1) See Reporting Methodology, Section 2.5.1.1 Definitions and Reporting values.

### — Zero waste to landfill in the UK

Since 2012, the two London centres have outsourced waste management to a specialist onsite contractor, who have consistently delivered positive results and maintained a total recycling rate that is well above industry average. Performance is monitored through KPIs against each waste stream. The waste solution provider's remit extends beyond just management and reporting however, focusing heavily on tenant engagement and communications also. Close relationships are maintained with all tenants to maximise the recycling process and optimise separation, whilst educational sessions with retailers are also held regularly via the waste contractor's 'Green Academy' programme. The two UK sites have been zero waste to landfill since 2012, with all non-recycled waste being sent for energy recovery. Innovative solutions help the centres increase the amount of onsite recycling/recovery, and the installation of an onsite EcoDigester is a recent example of this, as it converts food waste into inert greywater which can then be flushed into a standard drain. The performance of the UK centres has been recognised throughout the industry, with most recently a shortlist for an Edie award in the 'Waste Management and Resource Efficiency' category.

To continually increase the percentage of waste produced by its assets that is recycled, and as part of its start-up support programme, the Group developed two innovative corporate partnerships to work on optimising waste recovery.

The first partnership, initiated in 2017 with Phénix, saw the introduction of two pilot projects to identify and create new functions in order to recycle waste from shopping centres that would otherwise be destined for disposal: a full waste management audit of one shopping centre to understand recycling levers and the introduction of a partnership with retailers to recycle organic waste. Following on from the success of these pilot projects, in 2018, the Group signed a contract with Phenix which had been selected, via a tender process, as the new waste management provider for Rosny 2 from early 2019. The aim for the future is to be able to recycle all the waste produced. Phenix draws on its waste recycling expertise and implements a performance-related remuneration system which rewards effective waste processing.

The Group launched the second partnership in April 2018 with the Too Good To Go start-up, which offers a means of recycling unsold food and preventing waste by putting consumers in touch with retailers offering baskets of unsold products at reduced prices at the

end of the day. After the success of an initial pilot project launched at the Euralille shopping centre, involving 8 restaurant chains and saving nearly 2,000 meals, or 1.2 tonnes of waste, in just 4 months, in the last quarter of 2018, the Group launched the large-scale roll out of this partnership across all its French shopping centres. By inviting restaurateurs to reduce their food waste, the Group aims to save 50,000 meals in 2019. Expansion of the project to other countries where the Group operates are under discussion.

In December 2017, the Group also entered into a partnership with the Paris&Co Circular Economy platform. Under this partnership, teams can access dedicated start-up sourcing and innovative solutions for all circular economy issues, including biomethanisation. This enables the Group to stay current and to benefit from the latest related technological advancements on the market.

The Group's waste management responsibilities and reporting scopes are guided by specific national requirements. 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 disposal of most hazardous waste is managed directly by the maintenance contractors who are responsible for it, using the appropriate disposal route. Offices and Convention & Exhibition business units are excluded from the Scope of waste indicators. At Convention & Exhibition venues (business operated by the Viparis subsidiary), 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. Separate data tracking for the Group is therefore not yet available.

### — The circular economy at Viparis

As part of its "Better Events - Viparis 2030" strategy, Viparis has created a new dynamic in the events industry by focusing on the circular economy. These joint discussions with various events operators, events organisers, standholders and cleaning services, led to three tests at three different-sized exhibitions at the Paris Nord Villepinte site. The initial results of these tests were encouraging, with as much as 65% waste sorting for one of the exhibitions tested. In addition to flow management, issues relating to recycling functions, eco-design and waste figures were discussed. This circular economy work will continue in 2019 with the aim of identifying practical solutions.

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### KPI: TOTAL WASTE GENERATED (TONNES), AND SHARE OF RECYCLED AND VALORISED WASTE <sup>(1)</sup>(%)

Non-hazardous and hazardous waste<sup>(2)</sup> collected on site (common areas and tenants).

	Retail	
	Scope	Total (Europe)
2017 Total	56/57	70,832
of which recycled waste 2017 (%)	56/57	37%
of which valued waste 2017 (%)	56/57	40%
<b>2018 TOTAL</b>	<b>48/49 <sup>(1)(2)</sup></b>	<b>70,139</b>
of which recycled waste 2018 (%)	48/49 <sup>(1)(2)</sup>	36%
of which valued waste 2018 (%)	48/49 <sup>(1)(2)</sup>	54%

(1) Stadshart Almere Shopping Centre is excluded from the scope of this indicator because its waste is directly managed by the municipality.

(2) The waste from the Shopping Centre Galeria Mokotów is reported over a 7 months period and a part of the waste from Shopping Parc Carré Sénart Shopping Centre, which is managed by the local authority, is not included.

### KPI: BREAKDOWN OF TOTAL WASTE BY DISPOSAL ROUTE (%)

2018	Total retail
<b>TOTAL WASTE (IN TONNES) <sup>(1)(2)</sup></b>	<b>70,139</b>
Recycling/Reuse/Compost/Methanisation (%)	40%
Incineration with Energy recovery (%)	36%
Incineration without Energy recovery (%)	2%
Landfill with energy recovery (%)	14%
Landfill without energy recovery (%)	6%
Managed by local authority <sup>(3)</sup> (%)	0%
Other (%)	2%

(1) Stadshart Almere Shopping Centre is excluded from the scope of this indicator because its waste is directly managed by the municipality.

(2) The waste from the Shopping Centre Galeria Mokotów is reported over a 7 months period and a part of the waste from Shopping Parc Carré Sénart, Shopping Centre, which is managed by the local authority, is not included.

(3) Information on how local authorities manage the waste they collect is not available.

### 2.2.3.7 Health & Safety and environmental risks and pollution

The prevention of health, safety and security risks for all those involved in the operation of its assets (employees, customers, tenants, suppliers, subcontractors and local communities) and of environmental risks, forms an integral part of the Group's risk management policy. The Group complies with all applicable legislation in this regard and often exceeds minimum standards required by laws to ensure a higher standard of health, safety and security in its assets.

As such the Group has drawn up an appropriate Health, Safety and Environment (HSE) risk management policy which includes rules and guiding principles at Group level, supplemented on a local level by procedures that comply with local regulations. The main areas

covered by the Group's HSE risk management policy are air and water quality, asbestos, soil and air pollution, legionnaires' disease, electromagnetic radiation, installations classified under the European Directive for Pollution Prevention and Control, technical and safety installations and measures such as lifts and escalators and fire extinguishing and alarm systems.

This Group policy includes, in particular, an annual review of HSE risks at standing assets and the inspection and continuous improvement of these buildings and their technical equipment liable to have an impact on the environment or on personal safety. Technical documentation on regulatory maintenance and testing is also kept up-to-date and made available at each site. Policy monitoring is conducted by on-site teams and checked every year by external auditors.

(1) Recycled waste includes compost, methanisation, incineration with energy recovery and landfill with energy recovery of biogas.

(2) Hazardous waste collected on site as part of standard operations managed by the asset property manager (e.g. batteries and waste from electrical and electronic equipment (WEEE)).

An independent third-party audit was carried out in 2018, as it is every year, to assess HSE risks for visitors to, and occupants of, all buildings (shopping centres, offices, convention & exhibition centres) and countries in which the Group operates in continental Europe, based on a framework that incorporates Group regulations and policies. This audit awards the site one of four overall scores which reflect the extent to which health, safety and environmental are being controlled:

- A. satisfactory risk management and control;
- B. satisfactory risk management and control, with improvements still needed for certain indicators;

- C. records of areas of non-compliance requiring the implementation of corrective actions;
- D. unsatisfactory risk management and control.

The Group's target is to obtain at least a "B" ranking for all its owned and managed assets for the assessment of these risks. In 2018, 97% of scores obtained by audited sites were improved or remained stable compared with 2017. 92% of audited sites obtained an "A" level (best rating). No asset obtained a "C" rating. No "D" rating has been given for the last seven years.

2.

#### KPI: ANNUAL HEALTH, SAFETY, AND ENVIRONMENTAL RISK MANAGEMENT ASSESSMENT

2018	Group total (Continental Europe)	Shopping Centres (Europe)	France: Offices	Convention & Exhibition (France)
<b>HSE ASSESSMENT COVERAGE (%)</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>
% of audited sites in improvement or stable regarding 2017	97%	96%	100%	100%
% of audited sites obtaining an A or B annual score	100%	100%	100%	100%

In addition to the risk rating and the assessment report for each owned and managed asset, a personalised action plan, monitored on a daily basis by operational teams, is systematically updated following each assessment in order to improve the quality of risk control as part of a process of continuous improvement. If a D rating is given a second assessment is carried out in the month following the audit to check that any corrective actions identified have been implemented.

Internally, every year the Security & PMPS (Property Maintenance, Purchasing and Sustainability) department holds reviews across all the Groups regions in continental Europe. This exercise is a means of taking stock, on a site-by-site basis, of the actions implemented over the previous year and also of presenting and validating the action plan arising from assessments carried out in the current year and to be carried out in the year to come and setting out the related budget. For example: in order to reduce its exposure to the risk of legionnaires' disease, as soon as possible the Group will be replacing "open" cooling towers with systems which will permanently eradicate this risk on the sites in question.

One of the keystones of the Group's risk prevention approach is staff training. As such, all new employees of the Group's Purchasing, Maintenance, Property & Sustainability Department attend an introductory two-day course on risk control policies and tools. On-site

teams are trained in first aid techniques and maintain close relationships with local emergency services (fire brigade, paramedics and police) as well as with the relevant administrative departments. Defibrillators made available for security staff have been installed in all Shopping Centres across Europe.

This HSE risk control policy was supplemented, in 2018, with a section on the management of security risk, in particular, terrorist risk, which ramps up existing procedures applied by local teams. This security section sets out, in addition to close collaboration with local authorities, police and information services, the reinforcement of on-site security teams and the training and education of shopping centre management teams and tenants as well as alignment with Group procedures on HSE risk management. In 2018, all Group assets assessed their exposure to security risk according to a pre-established grid, and set out annual actions plans which were built into their budgets. In 2018, the issue was included in internal health and safety risk control reviews. From 2019, security risk assessments will form part of the annual HSE assessments conducted by external third parties.

This HSE and Security management system enables the Group to monitor and assess its risk performance on a day-to-day basis, and maintains a strong risk management culture embedded within operating and shopping centre management teams.

#### FINES FOR ENVIRONMENTAL BREACHES

Penalties for non-compliance with environmental legislation and regulations.

	2017	2018
Monetary value of significant fines (€)	2,660	4,085
Total number of non-monetary sanctions	11	3

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## 2.2.4 DEVELOP CONNECTIVITY & SUSTAINABLE MOBILITY

As part of the “Better Places 2030” programme, Unibail-Rodamco-Westfield is driving sustainable transport solutions in the regions where the Group operates. By committing to transport and working to both anticipate changes in the transportation used by visitors and by actively encouraging new sustainable transport solutions, the Group seeks to enhance the attractiveness and improve accessibility of its properties. These are long term success criteria. This approach also covers two major transport-related emissions and nuisance factors: visitor travel and the logistical activity of retailers.

Today, the Group’s greenhouse gas emissions from the transportation of visitors or occupants are markedly higher than the emissions from the operation of the buildings themselves (see Section 2.2.1.2 Carbon assessment). On average 43% of visitors travel by car to the Group’s shopping centres. Unibail-Rodamco-Westfield is committed to developing sustainable mobility and has set itself the challenging target of, by 2030, having all visitors use sustainable transport methods to come to its centres. This is reflected in the objective of reducing visitors’ transport-related carbon footprint by 50%.

This requirement applies to 100% of greenfield/brownfield projects coming into the portfolio in 2020 and beyond, which will have to provide for at least one significant sustainable mode of transport (public 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 territories.

### KPI: PUBLIC TRANSPORT LINKS: ASSETS WITH AN EXCELLENT SERVICE (%)

	Retail		Office		Convention & Exhibition	
	Scope	Total (Europe)	Scope	Total (France)	Scope	Total (France)
Percentage of assets located less than 200 metres from a public transport connection	49/49	80%	6/6	27%	6/6	80%
Percentage of assets served at least every 15 minutes <sup>(1)</sup>	49/49	80%	6/6	100%	6/6	100%

(1) During weekdays and office hours.

Since 2006, in close conjunction with local authorities, a growing number of Unibail-Rodamco-Westfield assets have benefited from having a direct link to tram services (Carré Sénart, La Part-Dieu, Lyon Confluence, Toison d’Or, Vélizy 2, Porte de Versailles, Mall of Scandinavia). Wrocław, which opened in October 2017, is located close to Wrocław train station, 13 tram lines and to 15 bus routes. The centre has 400 bicycle parking spaces. Moreover, as at the end of

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

Unibail-Rodamco-Westfield is also aiming to reduce the impact of deliveries to retailers in urban centres by developing pooled logistics solutions enabling to optimise the load carried by delivery vehicles, reducing the number of round trips and using low-emission vehicles.

The Group is convinced that its objectives can only be achieved by working with players in the transport sector and as such has entered into external partnerships to offer innovative and sustainable transport solutions for visitors.

### 2.2.4.1 Connectivity to transport links

The Group is focusing on assets that are well connected to public transport networks and are located within major European cities. All of the Group’s assets in Continental Europe are connected to the public transport network. 62% of the Group’s owned and managed assets are accessible via a cycle lane. The Offices portfolio is also well connected to the main transport networks.

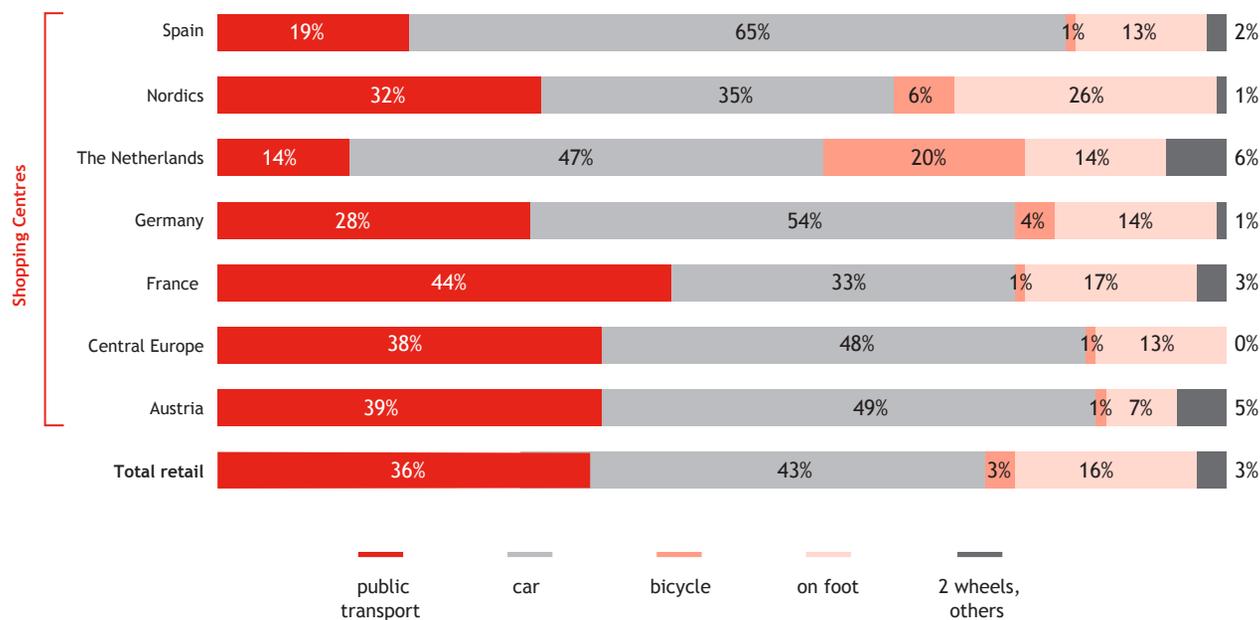
2018, 100% of development projects are connected to significant sustainable transport solutions (public transport).

The marketing surveys conducted on a regular basis on the Group’s shopping centres indicate that around 55% of customers travelled on foot, by public transport, or by bike to the Group’s shopping centres in 2018.

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#### KPI: BREAKDOWN OF SHOPPING CENTRES' VISITS BY TRANSPORT MEANS (%)

In 2018, the methodology of the marketing surveys changed and the new data does not allow yet to provide an accurate picture of the modal shares for all Centres. The following graph is hence based on 2017 modal shares data but adjusted using the 2018 footfall. 100% of the owned and managed Shopping Centres in Continental Europe are included.



The Group is determined to improve every aspect of its customers' Mobility experience (time taken, cost, environmental impact, etc.). In 2018, it used two main tools to achieve this end:

- the Group developed an internal tool for working on all its shopping centres' transport issues: the Mobility Action Plan or MOBAP. 36 centres in Europe, or 72% of shopping centres owned and managed by the Group, successfully implemented their Mobility Action Plan in 2018. This 360° tool aims to improve the accessibility of the shopping centres managed by the Group by conducting an exhaustive assessment of the methods of transport on offer and used by the asset's visitors (car, public transport, on-foot, bicycle), which then enabled centre management teams to devise a practical and detailed action plan to improve their centres' connectivity in the years to come. Some short/medium-term actions that can be directly implemented by the Group were identified, such as modifying the circulation of internal car park traffic or adding dynamic signage on shopping centre approaches to improve traffic management, as well as more long-term measures mainly involving relations and partnerships with local authorities, such as, for example, guaranteeing that the centre has excellent links to planned cycle lanes;

- just under half of our visitors used their car to visit the Group's shopping centres in continental Europe in 2018. Shopping centre car parks and the way in which their accessibility, their internal traffic flow and even their scenography are handled has a big impact on customer experience during this mobility phase. In 2018, the Group circulated a comprehensive overview of these issues entitled Car Park Guidelines - Strategy & Design, to direct the design and management of these spaces, both for its development projects and its standing assets, so as to optimise use of the Group's car parks.

#### 2.2.4.2 Innovative sustainable transport solutions

##### — Promotion of electric transport

As part of the green transport commitment in its CSR strategy, the Group is encouraging the use of electric vehicles by installing recharging stations at its shopping centres throughout Europe. The Group's "Better Places 2030" programme on electric transport issues was put into practice in 2018 with the launch of the three-year plan to introduce electric vehicle charging stations. In 2018, nearly 200 (184) charging stations were installed or modernised in Continental Europe.

#### KPIs: PROPORTION OF EXISTING SHOPPING CENTRES AND SHOPPING CENTRES IN DEVELOPMENT EQUIPPED WITH CHARGING FACILITIES FOR ELECTRIC VEHICLES

Proportion of owned and managed car parks in existing shopping centres equipped with charging facilities for electric vehicles	100%
Proportion of shopping centres in development equipped with charging facilities for electric vehicles	100%

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A European partnership was signed with Tesla at the end of 2016 to roll out a specific charging solution in Shopping Centres managed by the Group. At the end of 2018, 13 of the Group's owned and managed Shopping Centres with owned and managed car parks had rolled out this type of charging infrastructure. Following the inauguration of the first two supercharger stations in the Group's shopping centres in 2017, the Group commissioned four new supercharger stations at Polygone Riviera (France).

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, fully electric and self driving. This innovative smart driverless shuttle can transport up to 15 people and travel safely at up to 45 km/h.

### — Innovative partnerships looking ahead to the future mobility solutions

With a view to trialling carsharing options with the general public, a pilot project has been set up with BlaBlaLines, a subsidiary of BlaBlaCar which specialises in short-distance carsharing. This is in the optic of offering shopping centre visitors an alternative to the personal vehicle. A free service for passengers and drivers was advertised to visitors and employees in two shopping centres in France (Rosny 2 and Aéroville) via totems installed in centres, marked parking spaces in car parks, social networks and other online channels. This, made it easier to connect with the centres' retail employees and to offer them a new mobility service, particularly during transport strikes.

In partnership with the Uber Group, in 2018, Unibail-Rodamco-Westfield also launched a trial at the Forum des Halles to support the development of the UberGREEN service, by offering the Company to lease 10 electric vehicle charging spaces in the centre's car park for the trips of Uber drivers. This initiative is helping to make the fleet of chauffeur-driven passenger vehicles more environmentally friendly. This project is part of a partnership launched over a year ago with Uber to explore the future of mobility.

In 2018, through its innovation department, the URW Lab, the Group also joined Via ID's Mobility Club. This partnership enables the Group to exchange ideas with other industry operators and learn from trend analyses and new market operators in order to prepare for the mobility solutions of the future. The Group also carried out a forward-looking study on mobility and its impact on the future of shopping centres which was shared internally with all Group employees in 2018.

### — Logistics solutions for retailers

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

During the public enquiry for the Gaité Montparnasse project, the Unibail-Rodamco-Westfield Group was involved in devising solutions to reduce the impact of traffic related to future deliveries to the centre and the hotel. The challenge was to pool deliveries before entering Paris, in remote logistics depots. An additional challenge associated with this same project arose with the creation of the Food Society, the largest Food Hall in Europe, and the desire to secure a constant supply of fresh products, under controlled temperatures, from the Rungis national interest market or from all over France.

## 2.2.5 INTEGRATE NATURE AND BIODIVERSITY

Unibail-Rodamco-Westfield has developed a clear strategy and methodology for integrating biodiversity and ecology into its activities. The Group worked closely with biodiversity experts to define and implement its approach to these issues and has incorporated these principles in the "Design Guidelines". Unibail-Rodamco-Westfield'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 greenfield/brownfield projects involved in a BREEAM certification process (i.e. projects exceeding 10,000 m<sup>2</sup>), an ecologist is systematically appointed to the design team. The ecologist advises the architects and designers on the most appropriate plant 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 open-air lifestyle mall in France, opened 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 shopping centre in Sweden to obtain an overall "Excellent" rating (design stage). The development projects (greenfield/brownfield projects and extensions) delivered in 2017 have also adopted this approach, as in the case of the Chodov and Carré Sénart extensions which have achieved 90% and 70% of credits in the "Land Use and Ecology" category. Other current development projects have a specific biodiversity component with the use of green roofs in the heart of the city, such as the Gaité Montparnasse project in Paris and the project to extend La Part-Dieu in Lyon.

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-Westfield'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.

#### — *A biodiversity plan at Westfield UK*

The Group's sites are committed to retaining and improving local biodiversity. Nowhere is this more evident than at the two UK centres, which exhibit over 1,500 m<sup>2</sup> of living walls containing close to 50,000 individual plants of over 20 varying species. Westfield London planted 73 mature and semi mature trees across the estate, as well as 27,000 mixed bulbs across the external shrub land. Westfield Stratford City installed 15 insect hotels to promote diverse ecology of the plant beds, and also erected internal plant displays to improve the inside air quality and add to the environment for the general public.

In keeping with its commitment to turn its assets into better living spaces, the Group has begun research and development into urban agriculture and beekeeping projects at a number of its assets. Other than the benefits incurred from diversifying usage and consumption patterns, this type of project also has a positive impact on promoting biodiversity in cities. The Group trialled urban agricultural production on the roofs of its assets: the first pilot urban agriculture project on one of the Group's shopping centres was launched in spring 2018, on the roof of So Ouest in Levallois-Perret (France). This project was developed in partnership with the start-up, Sous les Fraises, which was selected in 2016 as part of the Group's URW Link acceleration programme. This vertical city farm with over 650 m<sup>2</sup> of cultivated space can produce fresh fruit and vegetables, and flowers, as well as welcoming small groups

for educational workshops. Some of the farm's produce is turned into gourmet products and distributed to restaurateurs as well as to a pop-up store in the shopping mall. This project followed on from a conclusive initial pilot scheme developed with Sous les Fraises on the roof of Unibail-Rodamco-Westfield's headquarters in Paris. Moreover, a number of the Group's shopping centres already have beehives and produce their own honey. One such example is the shopping centre Mall of Scandinavia which has a green roof and an urban beekeeping centre which has housed beehives with over 250,000 bees since Spring 2016. Another is the Minto shopping centre which introduced beehives and bee-attracting plants on its roof in 2017 and which sells its own honey. In 2018, the Group also launched an internal study to identify potential future urban agriculture projects and to define its strategic vision on this issue.

#### — *Urban Farm project @ Viparis*

As part of the plan to modernise the Paris Expo Porte de Versailles site, launched in May 2015 and divided into 3 main phases over more than 10 years, Viparis undertook to develop the largest city farm in Europe on the roof of one of the site's buildings, covering a floor area of 12,000 m<sup>2</sup> and helping to develop and maintain the city's biodiversity.

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 biodiversity impact assessments are commissioned and that the biodiversity expert's recommendations (e.g. choice of plant species) are implemented. 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 provides operating teams with the necessary support.

## 2.3 CONTRIBUTE TO THE INCLUSIVE AND SUSTAINABLE GROWTH OF COMMUNITIES

The Group's economic success is based on the strength of its relationships with stakeholders: tenants, customers, investors, local communities, suppliers and contractors, as well as 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 regularly discussed at Supervisory Board and Senior Management Team 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.

Unibail-Rodamco-Westfield is aware of the leading economic role its real estate properties play in the regions where it operates. The Group's key roles in the local economy are:

- economic driver: offering direct employment through construction and operational spending, indirect employment by tenants' sales and activities, suppliers' activities and local taxes;
- social integrator: services offered to visitors, charities, employment promotion initiatives, partnerships with local communities and NGOs, places for a unique experience (events, entertainment, shopping, etc.);
- 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 long-term partnerships with the territory's stakeholders (local residents, public authorities and associations). Extensive public consultations are held for all development and extension projects.

Considering the still difficult employment situation in many regions where the Group operates, Unibail-Rodamco-Westfield has chosen to promote and implement "UR for Jobs", a programme aimed at training and supporting the recruitment of young people cut off from the job market: the Group commits to supporting the recruitment by retailers and service providers, of 1,000 young people per year by 2020 through the programme in all shopping centres welcoming 6 million or more visits per year.

The Group is committed to supporting the development of local economic players by fostering new local retail concepts through partnerships with entrepreneurs and regional networks, by supporting initiatives that promote short channels, particularly for restaurants, or activities connected with the circular economy.

In addition, as part of reinforcing its partnerships with local associations, Unibail-Rodamco-Westfield has made a commitment that, starting in 2018, 100% of its centres will organise an event at least once each year in partnership with a non-profit organisation.

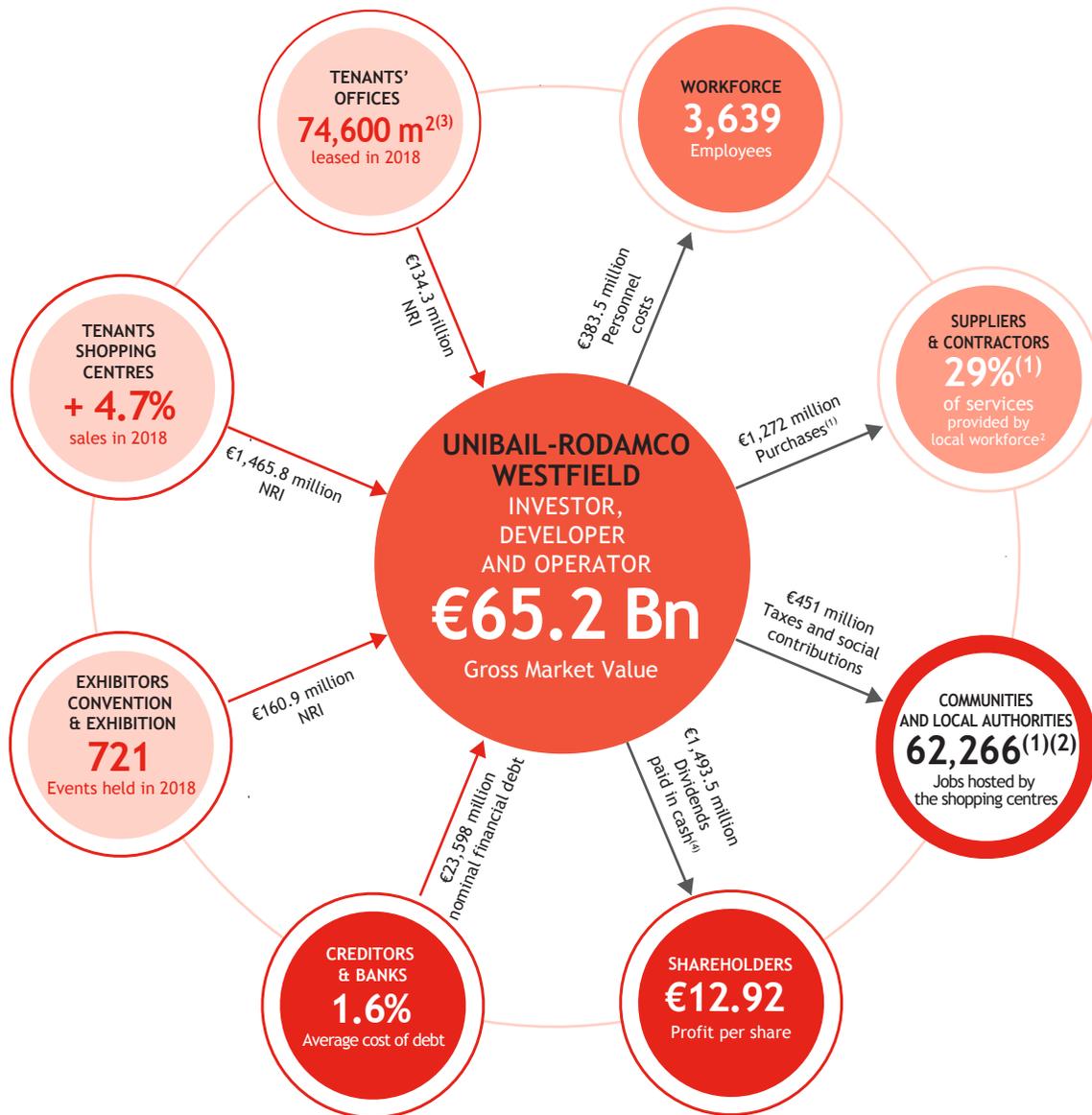
Finally, Unibail-Rodamco-Westfield has made a commitment with regards to the community of employees who work in the Group's centres (Group staff, retailers and service providers) to take advantage of technology and digital resources. The smartphone application, Connect, is being implemented in order 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, while improving services provided in the centre. The goal is for 100% of Group operated shopping centres to use this solution by the end of 2019.

## 2.3.1 BOOSTING THE LOCAL ECONOMY

### 2.3.1.1 Socio-economic impact

— Creating value for stakeholders

VALUE CREATOR FOR STAKEHOLDERS<sup>(1)</sup>



(1) Unibail-Rodamco-Westfield in Continental Europe and excluding Viparis

(2) Economic impact study updated in 2018, Beyond Financials

(3) Weighted square meters

(4) Subject to the approval of the AGM

(1) The figures presented in this graphic cover the whole scope of the Unibail-Rodamco-Westfield Group, except for ones indicated in footnote (1): figures on the Continental Europe scope only.

Corporate social responsibility

Contribute to the inclusive and sustainable growth of communities

Socio-economic footprint

The Group first began to work on quantifying the socio-economic footprint of its assets in 2013 by assessing the contribution of French owned and managed Shopping Centres to the French economy. In subsequent years the Group has progressively expanded the Scope of this review to encompass all the Shopping Centres in continental Europe. In 2018, the picture of the socio economic impact of managed and owned centres was updated to reflect the position as at 12/31/17. This encompasses 55 centres, with a detailed study for the Carré Sénart Shopping Centre.

This study allows for the estimation of the following economic impacts:

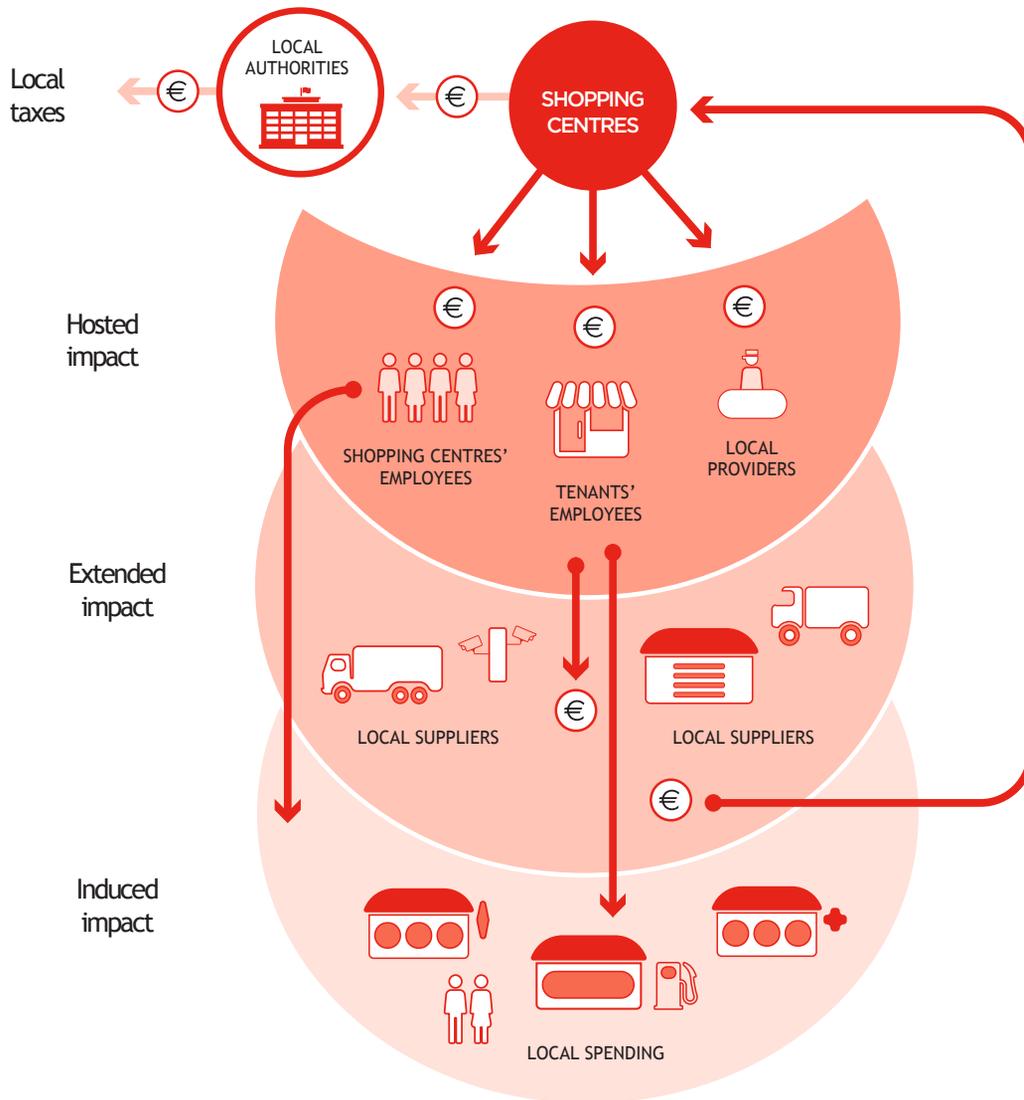
- Local Impacts (ranging from the city to the local region level); by estimating the total paid out salaries which are tied to activities

of the Shopping Centres, the number of jobs created area as well as local taxes paid in relation to operational activities;

- National impact; by estimating the FTEs associated with all jobs provided by the Shopping Centres. This includes Unibail-Rodamco-Westfield employees, tenant employees, and those of onsite service providers.

All results are expressed in terms of created or maintained jobs excluding "additional" effects; some jobs would have existed even in the absence of a shopping centre in the area. For further detail on the methodology employed, including the Scope and definitions, refer to 2.5.1.1 Definitions and Reporting values - Focus on the socio-economic footprint assessment methodology.

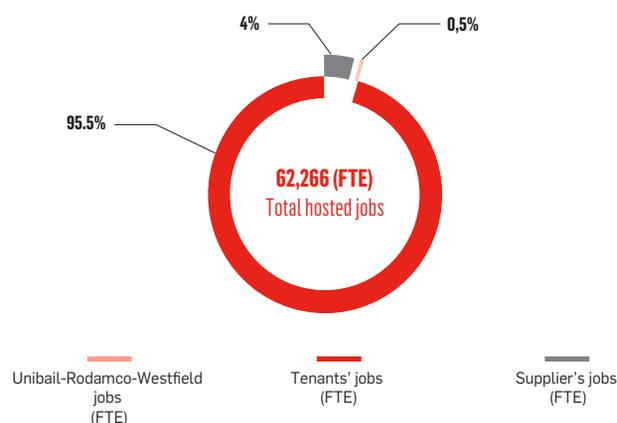
SOCIO-ECONOMIC VALUE CREATED BY GROUP SHOPPING CENTRES



## — Results

Beyond Financials estimated employment, salaries and tax contribution figures using economic modelling techniques, data provided by Unibail-Rodamco-Westfield and assessment methods and simulation based upon national statistical databases. Unibail-Rodamco-Westfield's total tax contribution was based on data provided by the Group.

### TOTAL NUMBER OF HOSTED JOBS IN 2017 IN THE GROUP'S SHOPPING CENTRES IN CONTINENTAL EUROPE AND BREAKDOWN



In 2017, 62,266 hosted jobs were created or maintained within the Group's Shopping Centres in Continental Europe (including retail spaces within those shopping centres not owned by these groups). Tenants' employees accounted for 95.5% of the Group's footprint in terms of direct employment in Continental Europe, with suppliers and sub-contractors accounting for 4% of this footprint and Unibail-Rodamco-Westfield employees on-site accounting for 0.5%. France, Spain and Germany are the three main contributors to direct employment created or maintained by the Group in Continental Europe.

The results of Unibail-Rodamco-Westfield's economic footprint study in Continental Europe confirm the significant economic contribution of the Group and its suppliers to their stakeholders (tenants, suppliers and local authorities) in the economy of each region both at local and national levels.

This study and its results are used daily by the Group in its operations for:

- assessing more precisely the economic and social impact of the Group on its supply chain and its suppliers during the purchasing process;
- evaluating the current and future socio-economic impact of development projects in the context of administrative authorisation and discussions with local authorities.

## — Tax transparency

Unibail-Rodamco-Westfield is a publicly traded Group dedicated to investing in commercial real estate across Europe and the US. Many countries have adopted laws on local tax transparency to encourage long-term investment in real estate. These regimes subject the Group to distribution obligations<sup>(1)</sup>. The Group distributed 90% of its 2017 recurring earnings per share as a dividend in 2018. In 2019, subject to approval of the AGM, 94% of the Group's adjusted net recurring result will be distributed as a dividend. Based on the tax transparency regimes, the profits made are taxed at the shareholder level directly, instead of at the level of the Group. Unibail-Rodamco-Westfield promotes the concept of a global 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-Westfield 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-Westfield 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<sup>(2)</sup>.

The Group's tax position mirrors the location of its investments. Considering its €65.2 Bn portfolio and the fact that holding real estate assets requires it to pay property taxes, Unibail-Rodamco-Westfield 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 locally and contribute significant amounts in taxes and social charges.

(1) See note 8 to the consolidated financial information in chapter 5.2 Notes to the consolidated financial statements, section 8.1.3. Tax regimes, for an overview on these regimes.

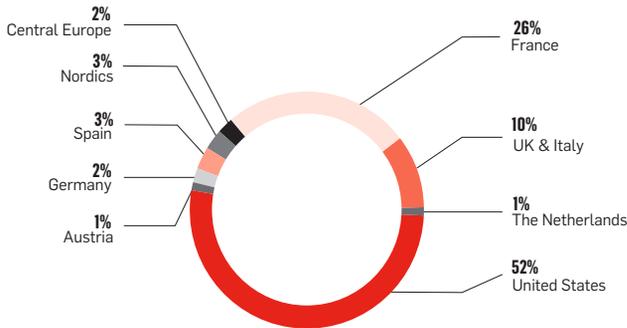
(2) See note 8 to the consolidated financial information in Chapter 5.2 notes to the consolidated financial statements, Section 8.2. Income tax expenses, for the Group's income tax expense.

Contribute to the inclusive and sustainable growth of communities

### — Taxes and social security contributions

In 2018 (full year), on a proportionate basis, the subsidiaries of the Unibail-Rodamco-Westfield group paid €451 Mn of local taxes and social contributions.

#### GEOGRAPHIC BREAKDOWN OF TAXES AND SOCIAL CONTRIBUTIONS PAID IN 2018



Furthermore, the €1.079 Bn dividend payment made by Unibail-Rodamco SE in 2018 gave rise to an immediate payment of withholding tax, the cost of which is borne by shareholders, with an estimated amount of €142 Mn paid to French tax authorities.

The business strategy of Unibail-Rodamco-Westfield consists in creating value with its real estate portfolio over the long term. 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 2018, the Group operated in 12 different countries in continental Europe, the UK and the US. The Group does not use investment routes through non-cooperative countries or territories<sup>(1)</sup> to locate income in low tax jurisdictions. As a matter of principle, Unibail-Rodamco-Westfield 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 Group Chief Executive Officer and the Group Chief Financial Officer, the Group's auditors, the Group's Audit Committee and Supervisory Board.

Unibail-Rodamco-Westfield complies with tax transparency regulations such as the United States FATCA (Foreign Account Tax

Compliance Act) and CRS (Common Reporting Standard) and files its fiscal Country-By-Country-Report with the French tax authorities.

Further information on Unibail-Rodamco-Westfield's approach to tax is available on our website at the following link: <https://www.urw.com/en/investors/taxation-information>.

While the Group currently believes that the fight against tax evasion does not represent a major risk, it will address this matter in 2019 (French anti-fraud act - n° 2018-898 - published on October 24, 2018).

### 2.3.1.2 Supply chain management

With a procurement volume of €1.3 billion for the entire Group in 2018, Unibail-Rodamco-Westfield (Continental Europe) is a substantial buyer within European market. Given the size of its portfolio, the varied nature of procurements and the diverse locations of its properties, the Group works with a large number of suppliers and contractors, most of them being local companies or subsidiaries that support the local economy where the Unibail-Rodamco-Westfield (Continental Europe) operates.

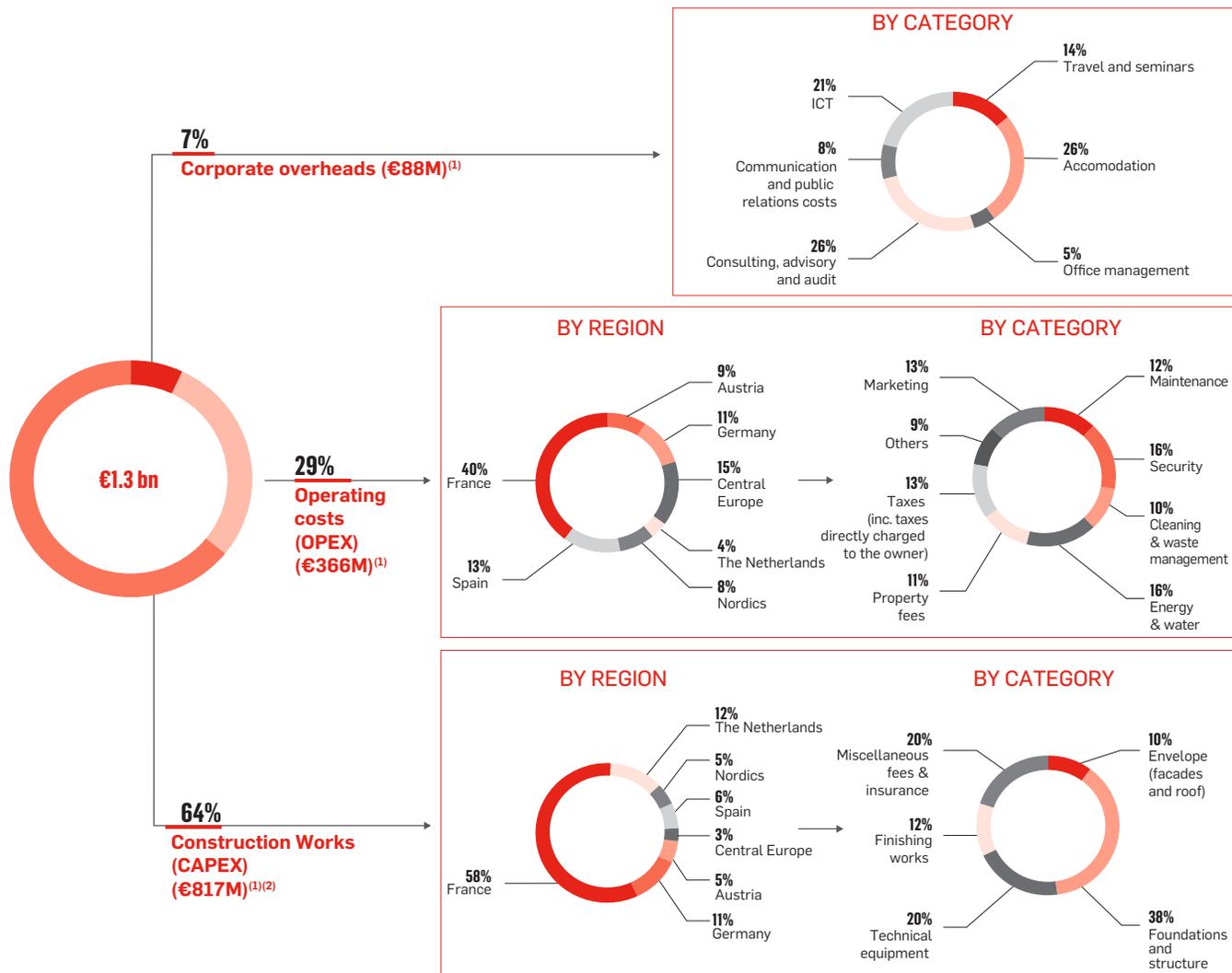
### — Purchasing mapping

Purchases at Unibail-Rodamco-Westfield (Continental Europe) can be split into three categories:

- corporate overheads, including office management, business travel, consultancy and audit fees, corporate communication and public relations costs, ICT and other administrative costs. This covers all Group 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.

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

PURCHASING MAPPING



2.

(1) All costs are reported for Continental Europe only and exclude costs associated with Convention and Exhibition. Affiliates are reported on a proportionate basis, (costs attributed as a proportion of ownership of the asset), in line with financial reporting.

(2) To reflect the amount spent on supply chain, construction, labour and local communities, the capex costs here reported excludes Financing Costs, new acquisitions, other miscellaneous costs, and eviction costs.

Purchases consist principally of OPEX and CAPEX for the operation and development of properties (Overheads being a small part of the overall expenses). Therefore, 29% of the purchases are services on assets provided by the local workforce. These operating expenses are locally labour-intensive and to that extent are purchases that cannot be relocated. Regarding construction expenses, Unibail-Rodamco-Westfield (Continental Europe) encourages its suppliers and providers to hire a local workforce, notably through social integration clauses inserted in the contracts.

Capitalised construction works are non-recurring expenses depending on development activity.

Unibail-Rodamco-Westfield (Continental Europe) also monitors the breakdown of its construction costs (CAPEX) split according to the following sub components: foundations and structure, building insulation (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 that Unibail-Rodamco-Westfield (Continental Europe) 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 practices

Unibail-Rodamco-Westfield's procurement strategy is designed to comply with the following rules: fairness, focus on quality, long-term partnerships, reduced risk and the respect for applicable regulations. Moreover, the Group must honour the trust placed in it through property management contracts which aim to be transparent and cost-efficient.

In 2014, the Group voluntarily signed the "Responsible Procurement Charter" in France, 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.

In Continental Europe Unibail-Rodamco-Westfield chooses its contractors with great care and ensures they comply with its 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 Unibail-Rodamco-Westfield operates in Continental Europe and also include social and environmental requirements.

In addition to the principles and rules detailed in the Group procedures, all purchases must comply with the Unibail-Rodamco-Westfield Compliance Book (and specifically the Deontological Code), the applicable local laws and regulations, especially labour laws, and the use of Unibail-Rodamco-Westfield in Continental Europe standard contracts which include sustainable development and ethics 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 case of a tender process and over the term of a contract, the supplier can contact the Unibail-Rodamco-Westfield (Continental Europe) Compliance Officer at any time to raise and submit a complaint. The Unibail-Rodamco-Westfield Corporate internal audit team carries out regular audits across the Group to validate the thorough application of the Group's procurement policy and of the Group's Compliance Book, including the Code of Ethics. The anti-corruption policy set up in 2017 is detailed in Section 6.2.2.10 Corruption, Money Laundering & Fraud.

A web based solution for purchasing management was launched in the Autumn of 2017, for the European services procurement Scope in the standing portfolio. The use of this purchasing platform, which integrates service providers and suppliers, makes the procedures of Unibail-Rodamco-Westfield in Continental Europe more robust, facilitates new and direct collaboration between all stakeholders, ensures the transparency required for all purchasing decisions, helps operational teams to select providers, and facilitates the sharing of best practices and risks mitigations. This solution secures the administrative management for the whole purchasing cycle and generates productivity gains.

### — Sustainable procurement

#### — *Raising awareness and selecting suppliers*

The CSR approach is fully integrated at each step of the supplier procurement and referencing process of Unibail-Rodamco-Westfield in Continental Europe. Each employee, project manager for construction works, and on-site technical manager in Continental Europe receives training on adherence to the Group's purchasing rules and procedures. Before a new service provider joins the approved list, a substantial amount of information is required, including an overview of its CSR strategy and practices. These environmental and social factors are of particular importance in the Group's information on its choice of suppliers: they form part of the criteria considered in any tender process used to select suppliers.

To encourage existing suppliers and contractors to adopt sustainable operating practices and use environmentally sustainable materials, the Group shares and communicates its CSR policy and related environmental and social targets with key suppliers in Continental Europe.

In 2018, as in 2017, as part of the Group's "4 Star" label criteria, Unibail-Rodamco-Westfield introduced dedicated training in customer service skills for the staff of security and cleaning suppliers at all shopping centres with the "4 Star" label in Continental Europe. In France, maintenance suppliers are trained in the Group's Environmental and Health & Safety processes, free of charge.

#### — *Inclusion of CSR criteria in contractual clauses*

For standing assets, service providers, particularly cleaning, multi-technical maintenance and security companies, are asked to sign the General Purchasing Conditions (CGA) attached to each contract, which include a sustainability clause covering all environmental issues, notably improved energy efficiency, responsible waste management, and the use of environmentally-friendly products and materials, and which ensure the protection of social rights, including a commitment to adhere to the conventions of the International Labour Organisation (ILO) and local employment legislation. An ethics clause is also automatically included in these CGA, requiring suppliers to abide by the Group's Code of Ethics, prevent all forms of corruption, and to report all practices that are in breach of these principles using the contact procedure provided by the Group. The Group has also introduced initiatives 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.

In France, two addenda included in the Group General Purchasing Conditions reinforce the existing sustainability provisions, specifying the efforts and results expected in terms of environmental and social performance: an "environmental clauses addendum", and a "professional integration clauses addendum". The latter, which was introduced in July 2018, engages service providers to fostering the professional integration of people with a distance to the job market. It requires service providers to commit and make major efforts in this field when providing services within the Group's assets. Specific targets are set in association with the Group, to adapt professional integration ambitions to the Scope and business of each supplier, to secure genuine pathways leading to careers or qualifications and diversified recruitment channels. In this addendum, providers also agree to recruit most of their staff from communities located close to the place where the contract is being fulfilled, and to take part in the Group's "UR for Jobs" recruitment events (see Section 2.3.2 Working with local stakeholders). Finally, signatory providers agree to prepare and send to the Group a summary of the professional integration actions implemented and results obtained in each of the Group asset in which they operate. At the end of 2018, the

“professional integration clauses addendum” had been signed by 11 of the Group’s key suppliers.

For projects under construction, the contracts signed with suppliers state that the Group and the companies it controls are committed to reducing their carbon footprint, particularly during the development phase of the assets. A clause indicates that the construction companies involved in the Group’s projects must take this into account when selecting construction techniques, materials and technical solutions. After each project review and at all project stage, an arbitrage should be taken for carbon footprint impact for the proposed solution to be submitted to the Customer. The principles and action plans used to select the most sustainable materials with a reduced carbon content are specified in Section 2.2.2.3 Construction materials in this report.

### — Assessing the CSR performance of suppliers

In 2018, an internal annual supplier assessment of compliance with environmental clauses, management modes and service quality was performed for 248 contracts on key services (multi-technical, health and safety, mechanical transport, cleaning, and waste management) in 54 shopping centres, and offices for a total contractual purchased amount of €139 million.

The supplier assessment process allows for the evaluation of supplier compliance with contractual requirements and to anticipate tender needs. Data collected through these assessments, once consolidated, are also shared with contractors during Steering Committees.

2.

### COVERAGE OF THE ASSESSMENT OF SUPPLIER PERFORMANCES, AND TOTAL AMOUNT OF CONTRACTS ASSESSED

	2016 <sup>(1)</sup>	2017 <sup>(1)</sup>	2018 Shopping Centres and Offices	2018 Conventions & Exhibition Centres <sup>(2)</sup>
Total number of contracts in force on the managed scope <sup>(1)</sup>	324	304	260	98
Number of contracts assessed	318	295	248	58
<b>COVERAGE OF THE ASSESSMENT (%)</b>	<b>98%</b>	<b>97%</b>	<b>95%</b>	<b>59%</b>
Value of contract, equals expenditures measured (€)	147,929,265	149,622,448	139,072,335	61,628,435

(1) Service contracts for multi-technical maintenance, safety and security, mechanical transportation, cleaning and waste management (Shopping Centres, Offices, Conventions & Exhibition centres), and for logistics, telecom, and audiovisual (Conventions & Exhibition centres) at managed assets.

(2) In 2018, Viparis conducted a specific assessment of the positioning of suppliers of Convention and Exhibition Centres in relation to all the pillars of the CSR strategy Better Events 2030, on the basis of a declarative questionnaire.

## 2.3.2 WORKING WITH LOCAL STAKEHOLDERS

### 2.3.2.1 Supporting the community

Each of the Group’s assets is fully committed to contribute to the sustainable economic development of its immediate area and the creation of social value for the communities in which it operates. This commitment is made real through the implementation of community oriented activities, using the levers available to the Group and its assets to raise awareness, mobilise and actively provide tangible solutions to local area needs. UR for Jobs and Solidarity Day are two far-reaching social initiatives developed by the Group in Continental Europe: these two major initiatives are held every year in collaboration with public partners and local charities. These initiatives are supported by the commitment of Group’s employees who volunteer during their working hours (see Section 2.4.3 Inspire our people).

In 2018, 84 of the owned and managed shopping centres in Continental Europe (i.e. 42 Shopping Centres) implemented one of these two social initiatives.

### — UR for Jobs (“Unibail-Rodamco-Westfield for Jobs”)

UR for Jobs (“Unibail-Rodamco-Westfield for Jobs”) is one of the Group’s major social initiatives in Continental Europe. It aims to tackle unemployment of people with a distance to the labour market.

Its goal is to create job opportunities within the Group’s assets for people living close to the shopping centres being unemployed, for lack of qualifications or other personal situation (financial, medical, family circumstances) raising in barriers to employment.

Beneficiaries who join the programme receive free support designed to meet the requirements of retailers in the Group’s shopping centres. They integrate a training programme, and receive coaching from Group employees. At the end of this process they are introduced to recruiters from the Shopping Centre and surrounding area through job interviews, and through completing real job applications.

These actions are systematically delivered in conjunction with the local public employment services and charities with which the Group builds long-term partnerships. In Spain, for example, the partnership with McKinsey Generation Foundation was successfully rolled out to other Spanish centres, and 2 French centres, thus enabling the Foundation to take its first steps in the country. Similarly the German charity Joblinge has expanded its activities within UR for jobs thanks to the strong links established with the Group’s assets and employees.

Contribute to the inclusive and sustainable growth of communities

Within the “Better Places 2030” programme, the Group’s long-term goal in Continental Europe is to enable 1,000 people per year who have a distance to be hired or integrate a certifying training programme thanks to UR for Jobs by 2020.

In 2018, the UR for Jobs programme was implemented by 30 centres across all the regions in Continental Europe, corresponding to 63% of owned and managed shopping centres with over 6 million visits. These 30 centres have helped to train 719 beneficiaries. Through over 29,000 training hours (i.e. on average 5 days training per candidate), the beneficiaries were able to rebuild self-confidence, crystallise their career plans and learn or develop hard and soft skills in the customer service sector.

To boost the performance of young people supported through UR for Jobs, innovative training models were introduced in 2018. In partnership with Fondation d’Auteuil and 22 retailers, two centres in France implemented the SKOLA scheme, a “schoolshop” in which 32 young beneficiaries received on the job training for the profession of store assistant.

In 2018, the 3<sup>rd</sup> running year of the initiative, 53% of supported beneficiaries (i.e 381 people) were hired or enrolled in a certifying training course in the 2 months following the programme. More than a further 1,000 candidates were able to gain entry to the initiative without prior training and at least 170 of these found a job thanks to the shopping centres’ job fairs. In total, this initiative has resulted in 551 placements. In parallel, the shopping centre retailers found in this programme a suitable response to one of their major issues: recruitment.

In order to ensure the lasting impact of the initiative, the Group monitors the career progression of the beneficiary during six-months from the programme’s end. Thus, in the case of the 18 initiatives for which the data is available, the integration rate at over 6 months is 46%, which corresponds to over 228 beneficiaries who have found long-term employment or training. In September 2018, the Group was granted of the EPRA’s “Outstanding Contribution to Society” award which recognised the positive social impact that this initiative has on local communities.

### — Solidarity Day

The Solidarity Day is also a major social initiative of the Group. It engages a large number of employees volunteering for a local charity in the vicinity of an asset. As such, over 700 Group employees in continental Europe were involved in some 17 initiatives (See

Section 2.4.3 Inspire our people to find out more about the Group’s volunteering programme) through the following activities:

- refurbishment of the facilities of 10 social structures such as emergency shelters, hospitals or orphanages thus enabling over 9,800 people to benefit from the best services, accommodations and support;
- support for fundraising for organisations such as UNICEF or CHILDHOOD offering humanitarian and medical assistance to over 480 vulnerable children worldwide;
- environmental initiatives: cleaning of natural or urban spaces, or urban farming projects so as to contribute to protecting the environment next to the Group assets.

These actions have made a significant contribution to the long-term development of the structures supported for several years, like Lichtblicke in Germany or Childhood in Sweden. Through Solidarity Days in 2018, new partnerships were established with charities and public community oriented structures in each of the Group’s regions in Continental Europe. These partnerships were forged mainly at a local level with hospitals, schools and nurseries, accommodation centres for vulnerable children and families, and environmental charities. More iconic partnerships have also been established with larger scale non-profit organisations such as with UNICEF and Aurore in France and SOS Kindersdorf in Austria.

### — Strong partnerships

In addition to the UR for Jobs or Solidarity Days initiatives, each asset is establishing local partnerships and initiatives with non-profit organisations locally. As such, this year 100% of the Group centres organised at least one initiative in partnership with a non-profit organisation. In total, 928 social and environmental initiatives were executed through the provision of spaces, donations, collect of materials or donations, volunteering and educational events. They benefitted to 747 partners of which, 514 non profit and 233 public community partners such as schools, nurseries, sports clubs, etc. These contributions amount to €5.4 million.

In this context, in 2018, French Shopping Centres celebrated the 10<sup>th</sup> consecutive year of partnering with the network of Écoles de la 2<sup>e</sup> chance (“second-chance schools”) which, aside from financial support, benefited from operational support to enable their young beneficiaries to secure their social and professional integration.

— **The Veteran initiative at Unibail-Rodamco-Westfield US:**

In the US, the Unibail-Rodamco-Westfield team strongly engages to support military veterans and their families in their reintegration into civilian life:

- in 2018, Group volunteers dedicated more than 500 hours supporting veterans with counselling and assistance on career development (CV writing, networking with peers and prospection of employers) and entrepreneurial opportunities (writing a business plan, raising capital and attracting investors...);
- for the third consecutive year, the Group sponsored the “Old Glory Relay” with the non profit Team Red White & Blue: a 4,600 mile journey in which military veterans and their civilian supporters carry a single American flag across the entire United States, to raise awareness on the socio economic and psychological issues faced by military heroes while returning home. In addition to providing race stops along the route in the Group assets, the Group’s teams stepped up in supporting design, finance, logistics, IT, marketing and more...;
- on 3 separate occasions in 2018, 45 Group team members volunteered to help build homes to improve living conditions for underserved military families in need of financial support with the charity Habitat for Humanity;
- Westfield World Trade Center and Westfield UTC hosted collaborative sessions organized by the Infinite Hero Foundation with leaders, business executives and military heroes to overcome debilitating mental and physical issues relating to frontline service in order to find innovative solutions.

At a corporate or national level, the Group has also directly participated in philanthropic projects through donations and contributions totalling €0.8 million in Continental Europe. For the twelfth year of the Grand Prix des Jeunes Créateurs du Commerce (“Grand Prize for Young Retail Entrepreneurs”), the Group increased its investment to €1.5 million (see Section 2.3.3.2 An attractive, distinctive offering) in order to support 4 young entrepreneurs.

As industry leader, alongside the main stakeholders of the French real estate sector, Unibail-Rodamco-Westfield is involved in promoting and driving forward education and research in the fields of real estate and urban planning. As a founding member of the Palladio Foundation, the Group has taken part in its annual programme of conferences sponsored by the Mayor of Nantes on the topic of “Living in the Towns/Cities of Tomorrow” aimed at identifying the major challenges of contemporary societies to invent the town/city of tomorrow.

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 2018, 12 students were awarded grants by the Foundation. Finally, this year the foundation also awarded the Junior Real Estate Prize (“Prix junior de l’immobilier”) during the Business Real Estate Trade Fair (SIMI) hosted in one of the Group’s assets which welcomed more than 30,000 visitors in 2018.

In parallel, the Group organised a conference series on architecture open to the general public in order to exchange with top class architect and debate the major issues facing towns and cities and town planning with students, architects and the Group’s employees. This year’s special guests at these “Architecture Tuesdays” were Dominique Perrault and Laurent Castro.

COMMUNITY ENGAGEMENT<sup>(1)</sup>



Our centres creating better communities



Creating job opportunities for people seeking employment



**63%**

of the Group shopping centres

719 candidates trained  
551 candidates found a job or joined a certified training programme

Supporting non profit active in our territories



**32%**

of the Group shopping centres

Renovation, ecology, fund raising  
22 non profit organisations supported  
More than 10.000 beneficiaries helped

Getting involved locally



**100%**

of the Group shopping centres

428 organisations supported  
531 community-oriented actions conducted



Supported by the Group volunteering programme and the collective power of 1210 URW volunteers

(1) Figures presented on a Continental Europe scope.

### 2.3.2.2 Promoting social resilience

The Community resilience is the ability of a community (which is made up of people, private businesses, government and non-profit organizations) to mitigate the probability of occurrence of incidents, uphold a favourable socio-economic climate or respond to unplanned events. It is based on building strong local relationships to

understand and share issues and risks faced by communities surrounding our assets. By generating social capital and reducing risks in and from the community, resilience performance is a part of the business performance and essential for the long term growth of the assets in their territories.

2.

In ten years, Westfield London and Westfield Stratford City have demonstrated their major contribution to the socio-economic development of London. Unibail-Rodamco-Westfield's global flagships are among the most vibrant destinations to meet, work, shop, connect and be entertained in the British capital. Westfield London and Westfield Stratford City over ten years have attracted 590 Mn visitors and generated over £16.7 Bn in sales. Through the creation of mixed-use developments which feature the best in retail, dining and leisure alongside offices, hotels and residential, our centres have acted as catalysts to further inward investment and have contributed to placemaking in key areas of London.

A new independent report by Volterra, released in November 2018, outlines Unibail-Rodamco-Westfield's contributions including:

- over £200 Mn on improving infrastructure and connectivity;
- over £13.6 Mn in education and training; Unibail-Rodamco-Westfield centres now support 32,000 jobs in the capital with over 12,000 being created through developments in Stratford and Croydon;
- Westfield London and Westfield Stratford City are estimated to directly generate £22 Bn-£30 Bn worth of gross economic activity (GVA) over the next 20 years;

Read the full 2018 report:

[https://www.urw.com/en/portfolio/standing-assets/standing-portfolio/shopping-centres//-/media/Corporate-o-Sites/Unibail-Rodamco-Corporate/Files/Homepage/PORTFOLIO/Standing-Portfolio/Shopping-Centre/Westfield-London/URW-10\\_Years\\_in\\_the\\_Making.ashx](https://www.urw.com/en/portfolio/standing-assets/standing-portfolio/shopping-centres//-/media/Corporate-o-Sites/Unibail-Rodamco-Corporate/Files/Homepage/PORTFOLIO/Standing-Portfolio/Shopping-Centre/Westfield-London/URW-10_Years_in_the_Making.ashx)

- the two centres generate significant additional expenditure for the benefit of local businesses, including an estimated £18 Mn-£25 Mn annual spend by centre employees and an expected £16.5 Mn total spend by construction workers;
- the Group's plans for close to 4,000 new London homes are expected to generate £58.5 Mn in annual residential spend in local areas.

Future developments include the opening of a new retail, dining and leisure destination in Croydon, new residential homes and the expansion of Westfield Stratford City.

### 2.3.2.3 Engaging with tenants and visitors

To strengthen the dialogue with tenants, Unibail-Rodamco-Westfield (Continental Europe) 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 2018, 5,883 tenants responded to the Group's satisfaction survey which represents a global response rate of 68%. The findings of the

survey reflect the overall satisfaction rate of tenants scored at 72.0/100 in 2018, compared with 71.8/100 in 2017. These surveys help implement improvements in the shopping centres and continuously improve the customer journey together with retailers.

To improve day-to-day relations between centre staff and tenants and suppliers, the "Connect" application was launched in 2016 and is currently used in 44 of the Group's shopping centres.

#### KPI: PERCENTAGE OF SHOPPING CENTRES WHICH HAVE ROLLED OUT THE 'CONNECT' APPLICATION

	2016	2017	2018
Number of shopping centres which have rolled out the 'Connect' application	3	32	44
Percentage of shopping centres which have rolled out the 'Connect' application	5%	59%	88%

Contribute to the inclusive and sustainable growth of communities

Moreover, internal quality audits were used to assess 386 services and comfort criteria twice a year: in 2018 the average score for Unbail-Rodamco-Westfield (Continental Europe) was 90.6/100. These

audits help to ensure that the Group's assets maintain their prime position on the market.

#### AVERAGE SCORE IN INTERNAL QUALITY AUDIT

	2015	2016	2017 <sup>(1)</sup>	2018
Average score in internal quality audit	92/100	94/100	87/100	90.6

(1) The decrease in the score in 2017 is due to an evolution of the audit grid, enabling to set ever more demanding quality standards.

The Group is continuously adding to and adapting its customer service strategy for its shopping centres, known as the Welcome Attitude, which is reflecting in its "4 Star" label launched in 2012. This label improves the customer experience and ensures improved quality and services within all of the shopping centres managed by the Group. 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 680-point reference system and an external audit conducted by the world leader in certification, SGS.

In June 2018, an updated version of the "4 Star" label was released to tie in with innovation and commitments of Unbail-Rodamco-Westfield (Continental Europe), specifically in relation to services, digital tools and sustainable development. As of the end of 2018, 16 shopping centres have adopted the new "4 Star Experience" rating system.

In Continental Europe, Unbail-Rodamco-Westfield is also doing its utmost to ensure its assets are welcoming and accessible to all citizens. 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. Since 2016, all customer-facing shopping centre staff (store employees, security staff, cleaning contractor staff, etc.) receives specific training on how to interact with customers with a mental disability. 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.

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 being to reassure 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 attractiveness of shopping centres for their customers.

### 2.3.3 PROMOTING SUSTAINABLE CONSUMPTION

#### 2.3.3.1 CSR as perceived by shopping centres

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 55 assets in 2018 with 23,473 respondents; the average score across the Group was 8,2/10. Since 2017, the satisfaction questionnaire introduced specific questions on sustainable development for the first time. In each Shopping Centre in which the survey was carried out, customers were asked about their views on the centre in the areas of energy consumption, sustainable mobility, economic development and social diversity.

#### CSR PERFORMANCE RATING OF SHOPPING CENTRES AS PERCEIVED BY VISITORS

CSR Criteria	% Visitor satisfaction in 2018
The centres aim to optimise their energy consumption	38%
The centres are easily-accessible using non-polluting methods of transport	45%
The centres promote economic development and support local employment	38%
The centres are part of life in the region and promote social diversity	34%

#### 2.3.3.2 An attractive, distinctive offering

Unbail-Rodamco-Westfield 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. In 2018, 175 leases were signed with "premium" international retailers (such as Polo Ralph Lauren, Mercedes-Benz and Daniel Wellington) with a strong focus on differentiation and exclusive retail concepts which generate traffic and customer preference. "Retailer open house" events are regularly

held in different regions to present the Group's portfolio of existing assets and greenfield/brownfield development projects to current and potential tenants.

Unbail-Rodamco-Westfield in Continental Europe has attempted to meet the increasing needs of its visitors and the communities in which its shopping centres operate by creating Destinations, which aim to offer a wider range of services by prioritising new partnerships, smart design, high-impact marketing events and exclusive services. As such, 13 Dining Experiences™ offer visitors a wide range of dining options, from the simplest food break, to gourmet bistro dinners, thanks to a partnership of local and

international stakeholders, the appeal of which is strengthened by a dedicated programme of entertainment and events. Foodhalls will also be introduced soon, in line with new consumer patterns and experiences. Also this year we offered Fresh! again in Mall of the Netherlands, a combination of fresh and luxury products in a warm social space. Moreover, two new Family Experiences (bringing the number to 4 at Group-level) were introduced in Arkadia (Poland) and at CentrO (Germany); they give families and full and attractive experience with our shopping centres, offering parents the necessary comfort during their visit and creating an unforgettable experience for children. Finally, the fashion destination is illustrated by our Designer Galleries™. The Group is also committed to leasing space and providing support to entrepreneurs and smaller national and local retailers. In 2007, Unibail-Rodamco-Westfield created the Grand Prix des Jeunes Créateurs du Commerce (Grand Prize for Young Retail Entrepreneurs) to foster, add value to and support retail innovation and business creation. In its 12<sup>th</sup> year, exceptionally, four concepts received awards. They were awarded a total of €1,500,000 towards their lease in one of the shopping centres of the Unibail-Rodamco-Westfield Group. The Unibail-Rodamco-Westfield Grand Prize was awarded to Freddy's BBQ and Mersea, ex aequo. It rewards a retail concept that is already established and ready to pen a store in a shopping centre within a short time-scale. They are each awarded €500,000 in prize money.

Moreover, in 2018, the Group worked on developing projects aimed at collecting and recycling textiles in partnership with its visitors and retailers. This work should result in pilots in 2019.

Finally, by way of an example, in 2018 4 young entrepreneurs from the 1<sup>st</sup> class of l'Ouvre-Boîte Paris demonstrated their concepts in a pop-up store located in the Forum des Halles. An incubator for young talent developed by fondation Apprentis d'Auteuil, l'Ouvre-Boîte Paris supports young entrepreneurs, aged 18 to 30, with their business creation plans. After several months of training delivered by business leaders and experts, 4 young entrepreneurs, operating in a "street" setting, tested their products and services with the general public for one week in July 2018. They took turns in the "Ouvre-Boîte" pop-up store in the Forum des Halles, loaned free of charge by the Group.

The Group is also testing innovative retail formats including, for example, opening KaDeTe in Wilmersdorfer Adkaden in Berlin in March 2018, a concept store with a focus on completely new brands and products, enabling them to meet their market, test their products and find the retail concept that best suits their needs, and develop their credibility vis-a-vis investors.

Although Unibail-Rodamco-Westfield is not primarily concerned by the sustainable food topic due to its real estate activity, the Group accompanies the evolution of customer demand for a more healthy and diversified food offer, by introducing in its shopping centres more sustainable food offers, for instance vegetarian, organic, local, etc.

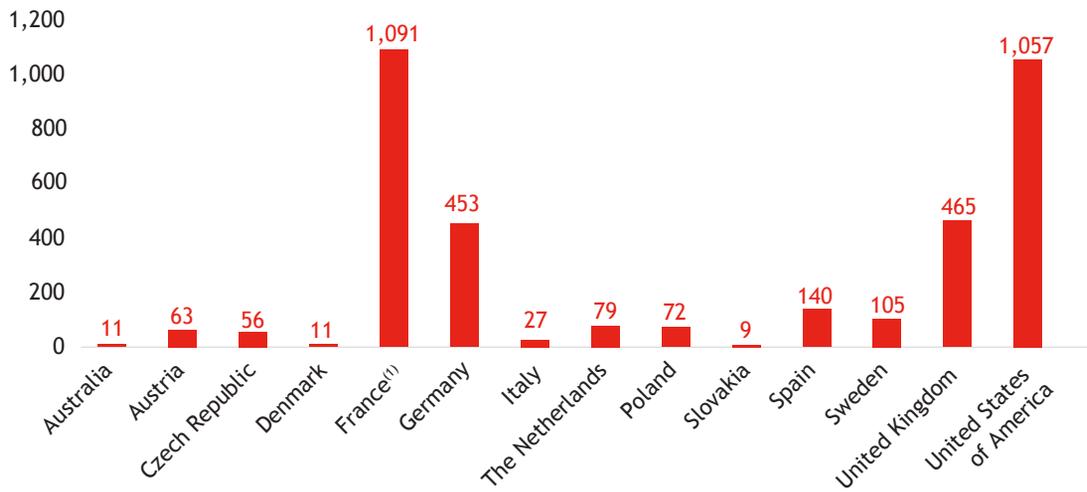
## 2.4 EMBED SUSTAINABILITY IN OUR ORGANIZATION AND NURTURE RESPONSIBLE TALENT

### KEY FIGURES

#### Employment by country

Following the integration of Westfield the Group has 3,639 employees as at December 31, 2018.

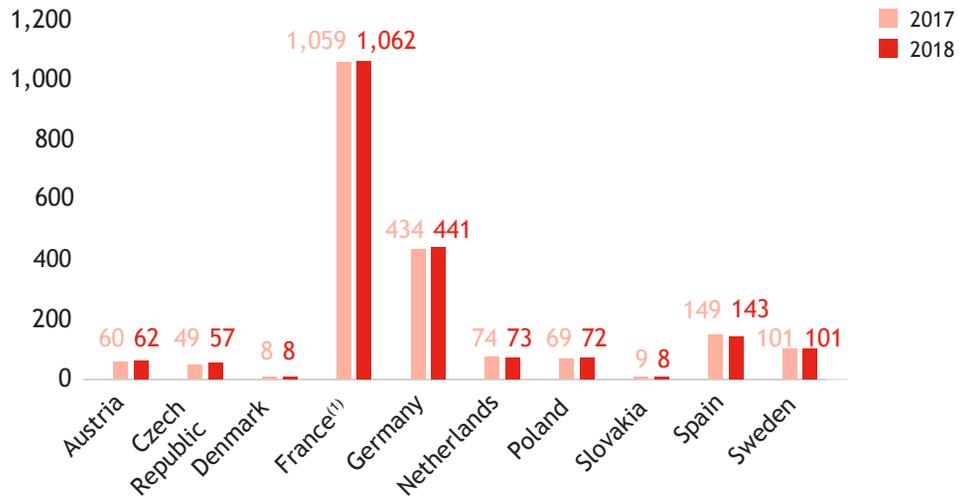
Workforce as at December 31, 2018



(1) Including all Viparis employees (376 as at December 31, 2018)

**EMPLOYMENT BY COUNTRY**

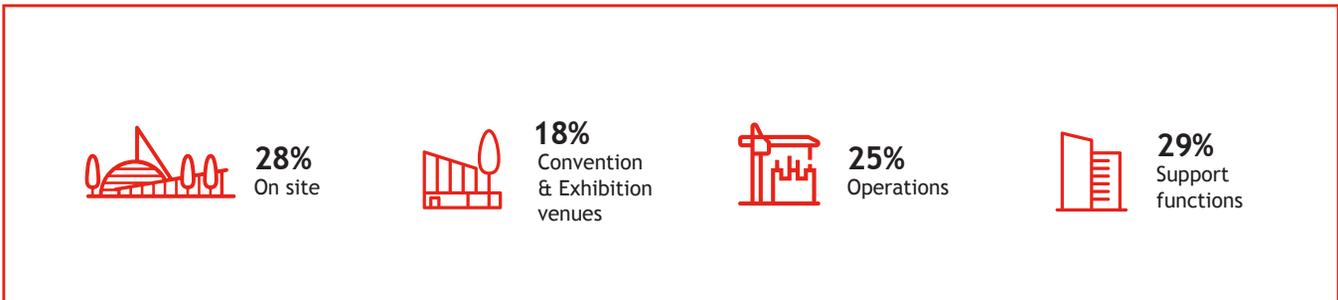
Average monthly headcount (total employees on the last day of each month divided by 12)



(1) Including in 2017, 376 Viparis employees and 1 employe seconded to CAML and in 2018, 362 Viparis employees. Since 2018, CAML is included in the UK. Since January 1, 2015, members of the Management Board are not included in Group headcount.

**EMPLOYMENT BY ACTIVITY**

Workforce as at December 31, 2018



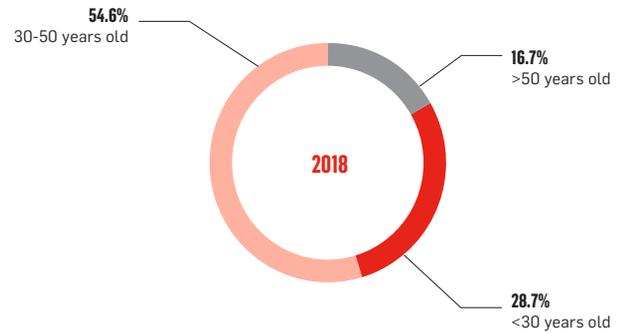
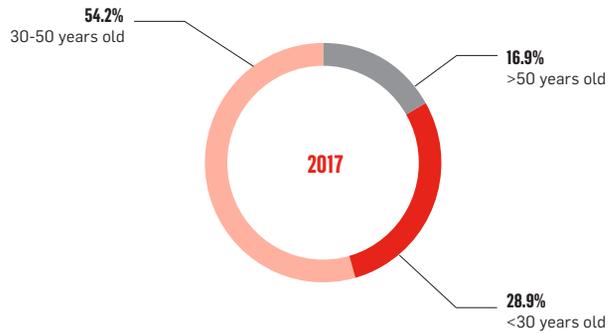
# 2.

## Corporate social responsibility

Embed sustainability in our organization and nurture responsible talent

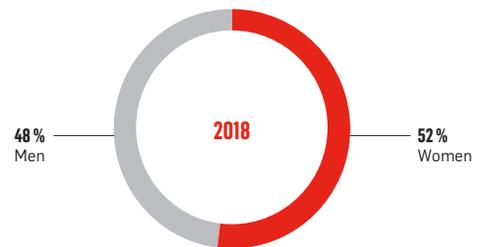
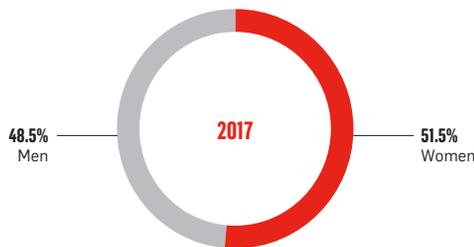
### EMPLOYMENT BY AGE

Workforce as at December 31, 2018



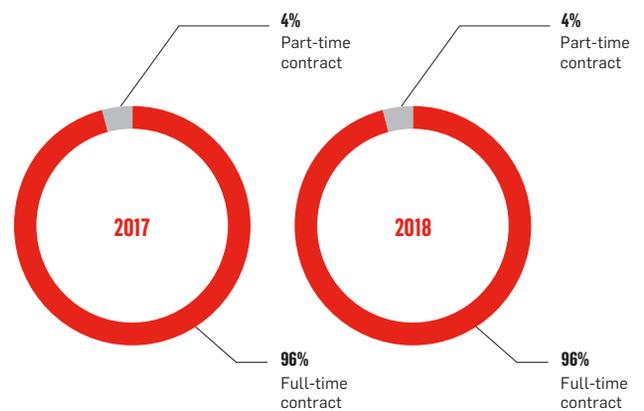
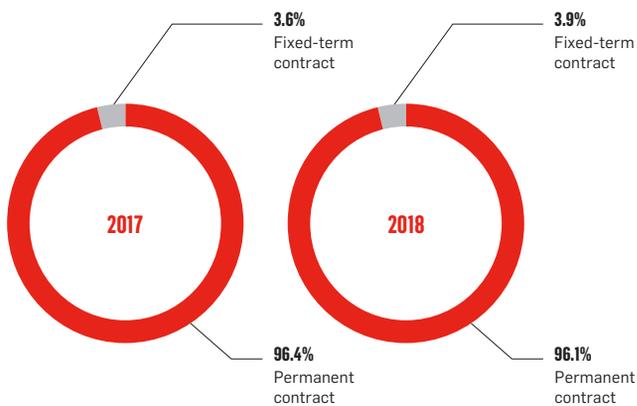
### EMPLOYMENT BY GENDER

Workforce as at December 31, 2018



### EMPLOYMENT CONTRACTS

Workforce as at December 31, 201



## 2.4.1 EMPOWER TALENT

### 2.4.1.1 Talent management and engagement

#### — Talent Management

Unibail-Rodamco-Westfield'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 diversity and equal opportunities to enable each individual to acquire the experience needed to build an exciting career that creates value for the Company.

Employees receive regular support and advice on career development. They meet with their managers once a year for year-end appraisals, have the opportunity to provide and receive ongoing feedback through a specific process put in place in 2017, which gives them the opportunity to discuss their performance, objectives, career advancement and training needs.

#### — Culture and values of Unibail-Rodamco-Westfield

The Company's competency model (for ex-Unibail-Rodamco scope) was updated in 2014. Six specific, unique and guiding pillars under the "UR Experience":

- 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.

The UR Experience has been part of the competency model used in the Group's year end appraisal and is firmly embedded in the mindset and day-to-day activities of all employees.

#### — The Westfield EDGE

Westfield's employee cultural behaviour framework, known as the Westfield "EDGE", was launched in 2015. With three years of positive outcomes, the EDGE framework encourages employees in the US and in the UK to achieve great results through innovation, collaboration, building teams and communities. Employee performance objectives and KPIs are linked to the EDGE cultural behaviours as there is a key focus on how employees achieve and work collaboration. In addition to what is achieved, 25% of all employees annual reviews is based on how employees have delivered their objectives through the EDGE.

In 2018, following the acquisition of Westfield, a project was launched to co-create a set of new values across the organization, through a company wide survey and workshops. These values represent the excellence in Unibail-Rodamco-Westfield's standards as a high performance company and culture. These values will help everyone understand how they should lead and behave at work and how they should interact with customers, partners, communities and visitors.

The new corporate set of values for Unibail-Rodamco-Westfield will be unveiled first quarter of 2019.

#### — Internal mobility and career evolution

The job grading system is an important part of career development. The internal Job Grading system not only enhances communication, consistency and transparency in managing mobility across the Group, it also recognizes the experience and expertise employees are developing on their position. Internal mobility between functions is strongly encouraged and is conceived as a collaborative process involving employees, managers and the HR department. It gives employees a more in-depth understanding of the Group's various activities and priorities. International mobility also helps employees to build and consolidate networks and share best practices among the various regions.

The international mobility policy has been enriched to cover all mobility schemes, increase awareness of the related benefits and provide full support to expatriate employees and their families. In 2018, 242 employees made a lateral or geographical career move within the Group, 418 employees (20.6% on average) were promoted and 54<sup>(1)</sup> employees conducted an international mobility (compared to 43 in 2017).

Several talent development initiatives took place in 2018:

- a Leadership Programme was rolled out to support the professional development of managers in the "Principal" grade, and to build their European network within the Group. In 2018, 12 Principals from 8 countries participated to the Programme including a training "From Management to Leadership". They worked jointly on three strategic projects for the Group. The participants to the Programme presented the outcome of their work to the European Regional Managing Directors;
- the Group continued to develop its Innovation Champions network through its internal "Innovation Champion Graduate Programme" to harness collective intelligence and innovation, open new career perspectives and promote diversity within teams, either remaining in their operational roles and dedicating up to 20% of their time to innovation projects, or being involved in the URW Lab, the Group's dedicated R&D team on a full-time basis. Participants received specific training and coaching in areas such as brainstorming and design thinking, and pitched their project outcomes at various innovation meetings and workshops.

(1) Including international mobilities from and to ex-Westfield's entities

Embed sustainability in our organization and nurture responsible talent

### — European Graduate Program (EGP)

The Group led a total of 142 assignments during the year. Among these assignments, 4 EGPs had the opportunity to work in the US and in the UK for the first time. In 2018, 5 other EGPs were confirmed for missions in the US and in the UK for 2019.

### — Employee engagement survey

Aimed at ensuring high engagement of employees, the Group conducted the 3<sup>rd</sup> edition of its employee engagement survey in the Spring of 2018 with a participation rate of 93%. The survey assessed embedment of the Group's values in daily work, key areas of employee experience and feedback on over 60 actions implemented in various countries since the previous survey in 2016.

### — Attracting the best talent

The Group consolidated its partnership with the CEMS (Community of European Management Schools) Global Alliance. In 2018, 21% of graduates recruited through the EGP hold a CEMS Master's degree.

Overall, through the EGP, the Group recruited 48 young graduates in 2018 from among Europe's most prestigious universities, engineering and business schools. The EGP was launched in the UK. A similar programme in the US will be rolled out in 2019.

Rewarding the quality of the Group's career opportunities and attractiveness, Unibail-Rodamco-Westfield received a number of awards in 2018:

- it was certified once again as one of the “most attractive employer” for French students. In a similar survey for experienced professionals, Unibail-Rodamco-Westfield was recognized among one of the most attractive employers in France and the Netherlands;
- for the fourth year in a row in Germany, the EGP programme won the 2018 Graduate Trainee Award in recognition of its status as one of the best programmes of this type;
- in Sweden, the Group landed in a top 20 position in 4 potentials Best Talent Company. Swedish companies were evaluated by 6,000 candidates to determine the top 30 companies in the country for recruiting, retaining and developing talent. This is the first time Unibail-Rodamco-Westfield appears on the list;
- the Group received the Top Employers Certification for Germany for 2019;

- Unibail-Rodamco-Westfield reiterated its commitment to training young talent when it was selected among 2,000 companies to receive the Happy Trainees label for the fifth year in a row in France. Some 84% of our trainees recommend the Company, giving the Company an overall score of 4.22/5 in regards to their experience with the Group.



While maintaining the focus on internal mobility, several key senior management-level recruitments were made in 2018, bringing to the Group more professional experience and international diversity. At Group level, 26 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.

Vacant positions are published on the Company's social networking site and employees can each put forward one professional referral. If the recommended person is hired, the referring employee receives €1,000, with an additional €1,000 given to a charity of her/his choice. Since the launch of this referral programme in 2016, around 300 eligible candidates were referred in all countries and 45 were successfully recruited. €45,000 were donated all over Europe to charities.

In June 2018, Unibail-Rodamco-Westfield launched its new LinkedIn page, establishing a strong presence and gaining over 10,000 followers in 6 months. From the launch date to December 31, 2018, the Group actively developed its editorial line. Unibail-Rodamco-Westfield effectively engages its followers, nearly doubling the rate of engagement and number of likes on its posts in the second half of 2018.

Employee turnover in 2018, 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 2017, stood at 16.6% (compared with 17.3% in 2017).

## RECRUITMENT

Total new employees (excluding trainees)

Employees by contract type	2017	2018
Permanent contracts <sup>(1)</sup>	315	396
Fixed-term contracts	51	64
Apprenticeships <sup>(2)</sup>	25	28
<b>TOTAL</b>	<b>391</b>	<b>488</b>

(1) Including 3 Group transfers from ex-Westfield entities.

(2) Excluding traineeships.

**DEPARTURES**

Total number of departures (excluding trainees)

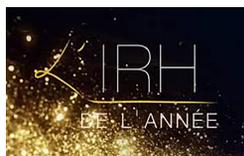
Reasons for departure	2017	2018
Resignations	171	188
Dismissals	58	54
Mutual agreements	57	38
Retirements	11	11
Departures during trial period	38	29
Expiry of fixed-term contracts	53	60
Outsourcing	4	24
Death	1	0
Others <sup>(1)</sup>	0	9
<b>TOTAL</b>	<b>393</b>	<b>413</b>

(1) Including Group transfers to ex-Westfield entities.

**2.4.1.2 Training and career development**

With the Westfield acquisition, the Academy has an important role to play. Its actions this year were focused on accompanying the changes by facilitating business knowledge sharing and building common ground around diversity, inclusiveness and internationalization.

Today, the Learning Management System Cornerstone (LMS) is available for Continental Europe and will be made available worldwide in 2020. This LMS allows employees to access the training offer of the Academy and plan and register accordingly. Training paths are attributed to each employee related to their function and seniority. The Academy monitors usage and access, the tool was used by 91% of employees in the last six months of the year. To continuously improve learner experience, a survey was released for feedback and teasing videos have been implemented to introduce training topics in a short and playful way to better attract.



The Academy won the Initiative HR prize 2018 organized by Cadremploi, Hudson and le Figaro Économie praising: Innovation, Transferability, ROI, Engagement, Courage and Boldness.

In 2018, Business training represented almost 65% of training hours delivered to 82% of participants to a training. These trainings are

delivered by internal experts and senior Managers of the Group and emphasize the importance of Unibail-Rodamco-Westfield's know-how. This community of over 100 internal trainers met during their yearly Trainers Club event. Business knowledge is delivered quarterly by the URW Fundamentals dedicated to all new comers, and throughout the year based on demand and relevance. E-learning are highly in demand, with 35 different modules now available. The yearly iconic event called the EGP Seminar, during which all new Graduate Programme Trainees of the Group spend one week meeting some executives, learning important soft skills, visiting key assets and creating a career network with their fellow graduates, was once again a significant success.

The URW Academy plays a key role in accelerating the internationalization of the Group, by fostering networking between European participants in class room programs, and through specific intercultural training delivered in all countries of the new group, including the UK and the US.

A total of 14,211 personal development training hours were provided in 2018 (vs 14,646 hours in 2017), including 2,374 hours dedicated to leadership.

Similarly, to ensure the best possible preparation for future Group leaders and to support diversity, the URW Academy held several major international training events in 2018:

Name	Number of participants in 2018	Total hours in 2018
NEW - Inclusive leadership and unconscious bias	87	239
Unlocking Potential of Leaders/Women @ UR	40	554
From Management to Leadership	30	900
Intercultural Training	256	1,355

Embed sustainability in our organization and nurture responsible talent

**TRAINING**

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

	2016	2017	2018
Total hours attended	43,404	45,832	42,070
Average number of hours per employee <sup>(1)</sup>	21.8	22.8	20.8
<b>TOTAL OF PEOPLE TRAINED</b>	<b>1,893</b>	<b>2,028</b>	<b>2,252</b>

(1) Based on average headcount for the year.

— **Learning and training actions for UK/US in 2018**

During the summer, several participants from the US and the UK joined the URW Fundamentals training on value creation. It was also an opportunity to network with people across the Group.

Also, trainings were delivered to the new Operating Managers and Analysts to help them understand the purpose of the 5 Year Business Plan budgeting process and the value creation process. Similar initiatives were delivered for other functions through training bootcamps. Other training initiatives focused on Unconscious bias, Management seminars, Health and Safety programs and Well-being with a focus on parenthood.

In the US, a Leadership program called ‘All-In Leadership’ was designed and delivered to the top 300 managers.

**2.4.1.3 Compensation and benefits**

Unibail-Rodamco-Westfield’s rewards and recognition 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-Westfield’s Remuneration Policy are:

 <p><b>Competitive total remuneration</b> based on a global approach, combining fixed salary, Short-Term Incentive (STI), Long-Term Incentive (LTI) and benefits</p>	 <p><b>Differentiated and selective rewarding</b> approach based on merit and individual performance</p>	 <p><b>Non-discrimination policy</b> (race, gender, nationality or any other personal criteria)</p>	 <p><b>Structured validation process</b> common to all Regions to ensure fairness and accurate comparisons</p>
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## — A competitive total remuneration

Group Compensation and Benefits team and Regional Directors of Human Resources use benchmarks from established external professionals and ad-hoc studies to ensure the competitiveness of

Unibail-Rodamco-Westfield's compensation package compared to relevant markets.

Total remuneration <sup>(1)</sup>	2015/2016	2016/2017	2017/2018
Annual increase in average salary, including STI	3.85%	5.03%	6.39%

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

## — Differentiated and selective incentives

The STI (Short Term Incentives) rewards individual annual performance, personal engagement, team spirit, and consistency with the Group's values.

The LTI (Long Term Incentive) aims to attract, reward and retain key talent for the future of the Group, engaging beneficiaries with Unibail-Rodamco-Westfield's long-term performance.

Variable remuneration	2016	2017	2018
STI beneficiaries <sup>(1)</sup>	73.2%	78.3%	79.9%
LTI beneficiaries	16.3%	16.3%	17.3%

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

In addition, the Group employer contribution to the employee savings plan in 2018 was €936,852. As at December 31, 2018, 80.8% of eligible employees (excluding Viparis) were Unibail-Rodamco-Westfield shareholders through the Group's Savings Plan.

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 forms of discrimination and harassment.

## — Collegial decision making process

Fixed salaries and STI are decided year end for all employees. Every decision carefully balances the role, seniority, performance, and contribution to Group initiatives and the Group's values. The Group assesses achievements, and also how they are carried out.

Pursuant to Sapin II law regarding whistleblowing policy, Unibail-Rodamco-Westfield has completed its reporting system by encouraging company staff across the world and contractors to reveal or report any fact relating to a crime, offense or a serious and manifest violation of French law or regulation to the Compliance Hotline.

Unibail-Rodamco-Westfield's compensation policy is applied consistently, through a thorough process, with no compensation decision taken by only one person. Once a year, a 360° review 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 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, managers across functions and often members of the Management Board.

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

## 2.4.2 RETHINK THE POSSIBLE

### 2.4.2.1 Diversity

Unibail-Rodamco-Westfield 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.

In 2018 in ex-Unibail-Rodamco scope, 31.8% of positions at Principal grade and above were held by women, compared to 30.4% in 2017.

The Women@URW Network is present in all regions. It includes a mentoring programme and events with guest speakers. The Regional Managing Director for Central Europe and the Director of Human Resources for Spain are sponsors for the Women@URW initiative in Europe. The plan is now to extend to the entire organization leveraging best practices in Europe and the US.

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

Parenthood and leadership seminars were held in France and Spain.

A two-day leadership development course designed in conjunction with McKinsey was held for the seventh consecutive year and 42 women were trained in 2018.

A new training on Inclusive Leadership & Unconscious Bias was designed. 7 sessions were delivered in 5 regions. 87 top managers, all Country Management Team members or key HR stakeholders were trained, as well as 2 Senior Management Team members.

Embed sustainability in our organization and nurture responsible talent

Unibail-Rodamco-Westfield has a strong commitment to diversity and to promoting an inclusive culture where people are encouraged to succeed to the best of their ability.

In the UK, ensuring diversity starts with the recruitment stage, for which the Company included a formal requirement from its partnering agencies to consider and present a diverse pool of candidates in all executive searches



URW UK is an active Real Estate Balance member and has signed the CEO commitments for diversity to not only deliver change internally but across the industry. URW UK has also signed the EW Inclusive Employer's Pledge which is a public commitment to build our diversity maturity over the next 12 months. Pledging

organisations will receive a year-long support package from EW Group, backed up by 25 years of expertise and experience as equality, diversity and inclusion consultants.

The five areas that make up the Inclusive Culture Pledge are:

- leadership - Our leaders know and communicate why diversity and inclusion matters to them;
- people - Our people know how to work towards an inclusive culture;
- brand - We are known to be inclusive, by our employees and our customers;
- data - We have the data we need to measure how inclusive our culture is;
- future - We will sustain and strengthen the culture we have built.



Unibail-Rodamco-Westfield UK was awarded a Gold Branding for gender in the UK's "Business in the Community Benchmark". This is the UK's most comprehensive benchmark for workplace gender diversity. In 2017 and 2016 a Silver Branding was awarded.

— **STEMbassadors**



In the UK, Unibail-Rodamco-Westfield partners with WISE and Stemettes, 2 organizations which enable and inspire gender balance from education to business in science, technology, engineering and mathematics. UK volunteers regularly engage in school to demystify and inspire young women about STEM career opportunities in these field. They support the program through pedagogical workshop ("Draw me a scientist"), success stories telling and long term mentorship, thus committing to building a diverse and inclusive culture.

The Group stands for a fair overall outcome that rewards individual and collective performance and does not discriminate on race, gender, nationality or any other personal criteria.

	2016/2017		2017/2018	
	Female	Male	Female	Male
Salary increase beneficiaries <sup>(1)</sup>	51.9%	52.0%	53.6%	49.6%
STI beneficiaries <sup>(2)</sup>	78.8%	77.7%	80.5%	79.3%

(1) Based on like-for-like headcount

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

### 2.4.2.2 Inclusion

In 2016, Unibail-Rodamco-Westfield France once again signed the charter for diversity and inclusion of disabled persons in the workplace and ensures that these standards are enforced across the Group. Each year, the French recruitment team participates in forums on 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 2018.

Different actions were put in place in France, which included raising employee's awareness with a disability quiz call "Handicap et Cinéma", a solidarity market during the European disability employment week with products made by disabled people, a participation to a French public initiative "Duoday" to help disabled people discover a company. In several countries, the Group also purchases office supplies manufactured by people with disabilities.

In 2018, Unibail-Rodamco-Westfield France committed in the PAQTE, a government initiative promoting inclusion by supporting young people coming from disadvantaged neighbourhoods in their study and career path.



le Paqte Avec les Quartiers  
pour Toutes les Entreprises

### 2.4.2.3 Foster innovation

One of the 3 missions of the URW lab, which is responsible for innovation at Unibail-Rodamco-Westfield is to engage and involve all stakeholders within the Group with an innovation culture. This is achieved primarily through the "Ureka!" programme, which consists of:

- the organization of Innovation Days in each of the regions, which provide an opportunity for all employees to remain up to date with internal innovation projects, or to benefit from keynotes on inspiring current subjects;
- the "Innovation Champion Graduate Programme", described in Section 2.4.1.1;
- the making available of spaces dedicated to Innovation, such as the Mixer (the Group's "innovation centre"), or various spaces designated for creativity in the Group's region;
- a courses offering on innovation topics accessible to all employees;
- the organization of Learning Expeditions, in order to meet certain teams' need to explore new environments.

The 2 remaining missions of the URW Lab are focused firstly, on developing understanding of the world in which URW operates, as well as the high level trends that will impact the Group's business in the years to come. Secondly, to bring about internal transformation in response to these trends, through piloting strategic projects and collaboration with startups. Since its creation, URW link (URW Lab's open innovation platform) has accompanied 23 startups. Ten of these have CSR ambitions: Blablalines, Combo Solutions, GreenCitySolutions, Karos, Dress In the City, Merito, Mutum, PHENIX, Sous Les Fraises, Too Good To Go. Others themes of focus include: circular economies, mobility, urban farming and reemployment.

More than 100 collaborators have been involved with URW Link since its creation, and have dedicated between 10% and 20% of their time to following a startup in a 4 month period.

## 2.4.3 INSPIRE OUR PEOPLE

### 2.4.3.1 Employee commitments and CSR

A CSR strategy is fully effective only if supported by all employees and stakeholders.

#### — Individual CSR targets

Being committed to accelerating its CSR strategy, the Group aims at setting individual CSR targets for 100% of its employees in Continental Europe in 2018, to make each and every employee accountable for their own contribution to collective success of the CSR ambition.

- in 2017, all members of the Management Board, Group Management Team, Country Management teams, were assigned CSR objectives, used to determine their year-end Short-Term Incentive;
- employees of Unibail-Rodamco-Westfield are actively involved, accountable for their own contribution to collective success through individual CSR objectives. In 2018, 90% of employees<sup>(1)</sup> in all countries of Continental Europe have been assigned at least one CSR objective. The gap to the objective of 100% is mainly due to new comers, who joined the Company during the year for whom at least one CSR objective will be set for the next full year;
- A number of (both general and specialist) training courses have been updated through URW Academy to raise employees' awareness of the importance of their actions and the relevance of the strategy on a day-to-day basis (see CSR Trainings and education paragraph below).

(1) All employees having formalized objectives in the Group Human Resources performance assessment tool.

Embed sustainability in our organization and nurture responsible talent

— The Group volunteering programme

In 2018, one year after the launch of the volunteering programme, all employees in Continental Europe were offered the opportunity to dedicate one workday to support one of the two social initiatives developed by the Group throughout its portfolio.

Employees were able to choose between the 47 initiatives implemented this year in all regions of the Group to match their interest (support young people with a distance to the job market in their professional integration through UR for Jobs or local non-profits through the Solidarity Days - See Section 2.3.2.1 Supporting the community), geographical preferences.

At the end of the year, 77% of the Group employees<sup>(1)</sup> volunteered to support the local social and environmental development of the territories, in which the Group operates. It represents more than 9,200 hours (representing more than 1,200 days) offered by the Group to actively contribute building Better Communities.

— Business travel of employees

In Continental Europe, the Group travel policy aims to reduce the associated carbon footprint. Employees are encouraged to travel by train when possible and give preference to videoconferencing rather than physical meetings involving travel. In addition, since October 2016, all new company vehicles must either be hybrid or electric. As at the end of 2018, 49% of the Group’s vehicle fleet was hybrid or electric in Continental Europe.

Moreover, the carbon emissions from business travel by train or plane are offset through carbon credits generated either via a reforestation or ecosystem preservation programmes.

Unibail-Rodamco-Westfield has not set a quantitative target for reducing emissions associated with business travel, as this 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.).

**CO2 EMISSIONS FROM EMPLOYEES' BUSINESS TRAVEL BY TRAIN AND PLANE (TONNES CO2EQ)**

The indicator is given both as an absolute value and as the ratio between CO<sub>2</sub> emissions from business travel and the average number of employees in 2018. Data and methodology are provided by referenced travel agencies for each region.

	Total 2017	Total 2018
<b>TOTAL EMISSIONS (TCO<sub>2</sub>EQ)</b>	<b>3,749</b>	<b>3,949</b>
kg CO <sub>2</sub> eq/employee	1,864	1,948

— Promoting Eco-gestures at Work

Change is also driven by offering all the Group’s employees in Continental Europe the work environment and tools to reduce the environmental impact of their day to day work. In order to make offices more sustainable and environmentally friendly, each of the Group’s regions implemented an action plan in 2018 with a view to tackling waste management, and promote responsible consumption, less paper and plastic or sustainable mobility, resulting in:

- Awareness programmes among employees: in Spain, “Workgreener” ambassadors created the “12 steps to 0” programme and animated monthly eco-challenges such as bicycle run, “black month”, “speed recycling”, “flying to zero” etc. The sustainability week in June formed part of the Group’s drive on Eco-gestures at work. This particular event involved a posting competition on the Company’s social network, of all actions undertaken and a number of events at local level (collect, conferences,);
- Infrastructure improvements to enable more eco-friendly behaviour: an electrical bike sharing program and new car electrical charging points were implemented in the Headquarters parking, the progressive reduction of the number of individual printers or removal of plastic cups and plastic bottles was pursued in all offices, and lighting equipment is being progressively replaced by LED lighting with intelligent detectors;
- Process digitalization to reduce the amount of paper: a pilot on an e-invoicing process was launched in 2018 and will be progressively rolled out. Likewise, an e-signature solution was initiated for several activities. Finally, other measures such as electronic pre-paid lunch cards and electronic pay slips are continuously being implemented in all regions;
- Formalized engagement: to encourage employees to adopt an eco-friendlier behaviour in the office, Viparis implemented an “eco-gestures” charter on waste sorting, energy savings, paper and business travels through employee commitments.

(1) All employees excluding employees in leaves of more than 6 months and newcomers (having joined after 30/09/2018).

### — *CSR Champions @Westfield UK & Italy*

At Westfield UK, an internal Environmental Champion Working Group was created in 2014 and extended in 2018 to mobilize the entire team to reduce its environmental footprint by implementing simple environmental nudges such as:

- waste recycling;
- glass bottles and glasses to remove the need for single-use plastic bottles and cups;
- ID cards to reduce paper wastage from indiscriminate physical printing;
- heating and lighting sensors to automatically control temperature and lighting levels based on occupancy;
- Cycle to Work' initiatives to favour soft mobility media;
- reusable bags for staff to use in place of plastic bags.

### — *CSR trainings and education*

In order to ensure the implementation of the Group's CSR strategy and processes, training sessions are regularly organised. The CSR ambition and related action plan are systematically introduced to newcomers in the "URW Fundamentals" training. In addition, dedicated technical trainings are offered to all relevant staff members. These trainings cover for example environmental certification, regulations and the carbon footprint assessment methodology for development projects (for more information, refer to the Energy & Carbon Paragraph in Section 2.2.2.1 Environmental Management Systems (EMS)). Notes, manuals and training materials related to new CSR topics are also drafted regularly, shared with the relevant teams, and made freely accessible on the Group's training platform ("Carbon for Dummies" presentation, instructions on "the reporting of green leases V2", etc.).

In total, more than 680 employees participated in 2018 CSR related trainings.

### — *Building ecosystems*

URW Lab facilitates internal knowledge sharing on technology and Startup solutions related to the CSR ambitions. In 2018 URW Lab established a partnership with the Mobility Club from the incubator Via ID, providing employees with access to events and talks which explore the future of mobility. With a view to raising awareness, an information pack providing an outlook on the future of mobility and its implications for the Group has been distributed. In 2018 URW Lab equally partnered with the circular economy platform Paris&co, again with a view to providing teams with access and exposure and share alternative solutions. Refer also to Section 2.4.2.3 Foster Innovation.

### 2.4.3.2 Wellbeing

Better collaboration and work-life balance have been identified as areas of improvement in the 2018 UR Experience survey. In a fast-paced and stimulating work environment, the Group always pays attention to the way its employees work together and keeps improving it. The Together@Work charter, launched in 2017, defines six smart behaviours in the workplace. From valuing everyone's time to being tech smart, they focus on what each employee can do individually and collectively to encourage work-life balance in a productive and sustainable work environment. To raise awareness on these smart behaviours, the Together@Work charter has been included in the newcomers' presentation and in managerial trainings.

In addition flex-work initiatives have been rolled out in Europe since 2016.

### — *Working Environment*

Three areas of focus are addressed in our well-being initiatives:

#### — *Parenthood*

France put in place a working parenthood training pilot and financial contribution programme for nursery and emergency day-care service for children under 3. The Group signed the parenthood charter in 2013. In Austria, childcare vouchers were implemented. They can be used with more than 100 institutions who offer childcare during the year.

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In the UK, coaching sessions for new parents were implemented in addition to family/personal days (school start, sick child day, personal family event, etc.). Additionally, a family buddy programme was introduced to mentor new parents through their parental leave.



URW has a well-established Employee Benefits program across UK and US operations.

URW UK was recognized as a Top 30 Employer by the UK's "Working Families Top Employers Benchmark" for a third consecutive year. This benchmark measures the full range of flexible

working and work-life balance practices.

In the UK, URW has implemented a Working Families Guide to support both female and male employees before, during and after a period of parental leave, which includes additional support information and checklists for both employees and managers. As part of this, the Group introduced:

- 1-2-1 coaching sessions for mothers before maternity leave and when they return;

As a result of extension of paternity support, embedded in numerous policies and facilitated by Working Families EDGE Group formed in 2018, URW UK has received Best for Fathers award from Working Families association.

- A group workshop for new parents;
- A return to work induction plan;
- A family buddy scheme which sees current parents providing support for new parents before, during and after a period of leave;
- A support network of parents within our business;
- A working families policy handbook;
- A working families section on the intranet so all the information is in one place and easily accessible.

— Health

For the first time in France, in 2018 a prevention week was organized to promote safety, security and health. Spots classes are running in France, in Germany and the Czech Republic.

First aid training sessions were also conducted in France, the Czech Republic and Slovakia.

Most countries in which the Group operates offer their employees fresh fruit or complimentary drinks.

Health days with workshops, key-notes and events are offered in Germany, the Netherlands, Nordics and in France.

In the UK, a number of initiatives focusing on health have been organized all year round in two main areas:

- Physical wellbeing with health checks, flu vaccinations CPR training, sports events and healthcare presentations.
- Mental wellbeing with mental health first aid training, National Mental Health Awareness Week, flourish sessions, and employee assistance programme presentations.

— Innovation

As part of its ongoing drive to improve working environment, the Group also pursued its efforts to provide its employees with the latest technological innovations. Office 365 was deployed in all locations in Europe during summer 2018. The deployment of Windows 10 has started and will be finalized in 2019. Corporate WIFI was deployed in all Shopping Centers in Europe for the URW employees. A Single Point of Contact to facilitate communication between end users and IT was deployed end of 2018. Yammer as URW social network and Sharepoint as URW web based collaborative platform both enable the Group's employees to share information and documents in an easy and efficient way. Skype for Business was also implemented to allow easier communication across the Group.



A comprehensive wellbeing programme called THRIVE is implemented in the US, including offerings on health, stress management and working culture change managements among others. The 2018 THRIVE Programme was honoured with the American Heart Association Workplace Health Solutions award recognizing the company's steps towards building a culture of wellness in the workplace.

### 2.4.3.3 Occupational health and safety

The Group pursued its risk prevention training strategy in 2018, with a focus on “HR toolbox” trainings. These sessions enable to raise new managers’ awareness of working regulations in France (paid leave, working hours, etc.) and of internal HR processes. Trainings on psychosocial risks, first launched in 2013, have also been provided to new managers all year long.

In 2018, sick leave represented 11,377 working days (2.6% of total working days) and days of absence for work-related/commuting accidents or illness represented 721 working days (0.2% of total working days):

- absenteeism is monitored in each region and information is reported 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 2018 were 3.29 and 0.04 respectively<sup>(1)</sup>.

#### ABSENTEEISM

Accident type	2017 Number of incidents	2018 Number of incidents
Work-related accidents causing injury	11	11
Commuting accidents causing injury	15	4
Work-related/commuting accidents causing death	0	0

	2017 Number of working days	2017 Ratio <sup>(1)</sup>	2018 Number of working days	2018 Ratio <sup>(1)</sup>
Lost days for work-related/commuting accidents	694	0.2%	721	0.2%
Lost days for work-related illness	0	0.0%	0	0.0%
Lost days for sick leave	10,305	2.4%	11,377	2.6%
Lost days for personal/family events	1,388	0.3%	1,516	0.3%
<b>TOTAL</b>	<b>12,387</b>	<b>2.8%</b>	<b>13,613</b>	<b>3.1%</b>

(1) The absenteeism ratio is calculated in working days: total number of days absent in 2018 divided by the average number of working days in 2018 multiplied by average headcount in 2018.

The absenteeism ratio does not include other absences such as sabbatical leave, which represents 15,102 working days (3.40% of total working days).

The absenteeism ratio does not include other absences such as sabbatical leave, which represents 2,005 working days (0.45% of total working days).

### 2.4.3.4 Human rights and labour conditions

Unibail-Rodamco-Westfield complies with the labour standards set by the International Labour Organization (ILO). The Group only operates in countries where social regulations are well developed through democratic frameworks. Internally, specific frameworks set up by the Group 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 programme, etc.).

Since 2004, Unibail-Rodamco-Westfield has been a member of the UN’s Global Compact, which promotes ethical conduct and fundamental moral values in business. Unibail-Rodamco-Westfield 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-Westfield works with employee representatives in each of the European countries in which it operates and respects local labour laws. In 2009, Unibail-Rodamco-Westfield became a European company following the creation of a European representative body, the European Employees Committee (EEC). The EEC meets twice a year and is provided annually with information regarding the market at large and the Group’s economic situation (presentation of the Group’s financial results, development and

investment projects, etc.). This committee also discusses all issues regarding the Group’s employees with implication at EU level. For example, the EEC Committee was informed and consulted twice in 2018 regarding the Westfield acquisition. Through workshops, it regularly contributes to the exchange of best practices related to employment issues. For example, the committee helped define the new URW employee values. For the first time this year, the UK and Italy will be included in the election process and will have representatives in the EEC.

The Group also organized various meetings on different topics with works councils, the CHSCT (in France), and the trade union organisations representing each region. Recently, a part of the French Group combined work council with CHSCT to become a unique staff representative entity. To fulfil this statutory requirement, professional elections have been organized to elect the new work council’s members with a participation rate of 70%.

A total of 66 agreements are currently signed or in force with trade unions in France (including Viparis). These agreements cover a variety of topics like gender equality, senior and youth employment, working time flexibility and mandatory annual collective bargaining.

As at December 31, 2018, 67.7% of employees were covered by a collective agreement.

(1) The frequency rate is the number of work-related accidents in 2018 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 2018 multiplied by 1,000 and then divided by the number of hours worked.

## 2.5 APPENDICES

### 2.5.1 UNIBAIL-RODAMCO-WESTFIELD'S REPORTING METHODOLOGY IN CONTINENTAL EUROPE

Unibail-Rodamco-Westfield uses a variety of tools, processes and indicators to monitor the performance of the assets owned and managed by the Group. These methods are used to structure an environmental, social and societal management approach, track results and to inform its stakeholders about performance.

The Group continuously improves its 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 five years, in continental Europe, Unibail-Rodamco-Westfield has been using and developing a new reporting tool in order to gather and standardise all processes and indicators for all the regions affected. 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 in continental Europe have been reporting the majority of their environmental and societal data using this unique tool within a workflow. The tool is now an integral part of environmental and societal performance management at sites owned and managed by Unibail-Rodamco-Westfield in Continental Europe.

In 2018, some environmental and societal data were tracked and managed through special reporting tools other than this tool. This was the case for data related to the roll-out of the Group's CSR strategy, "Better Places 2030". These data will be phased in to Unibail-Rodamco-Westfield Continental Europe's main reporting tool.

Unibail-Rodamco-Westfield also uses Key Performance Indicators (KPI) to collect and analyse throughout the year the main human resources data and help implement Group policies in this regard. Social information is tracked through a new human resources management tool, shared between all Group regions in continental Europe.

#### 2.5.1.1 Definitions and Reporting values

Indicators are expressed in absolute value (e.g., energy and water consumption, CO<sub>2</sub> emissions, amount of waste) or in the form of ratios to express efficiency and comparable trends.

In addition to the standard intensity that gives the ratio between information used and the corresponding floor area (i.e. energy consumption, CO<sub>2</sub> emissions, water consumption/m<sup>2</sup>), Unibail-Rodamco-Westfield promotes indicators that reflect the intensity of use relating to a building's specific activity.

For standard intensity indicators, denominators are related to floor area (m<sup>2</sup>) and defined as:

- for Shopping Centres: with the maximum floor area of all the publicly accessible common areas (including the shopping centre's management offices) and the gross lettable floor area (GLA) delivered with common utilities such as energy or water depending on the indicator;
- for Offices: with total occupied 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 consumption, CO<sub>2</sub> emissions, and water consumption/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) by the maximum capacity (number of occupants allowed simultaneously in the asset according to current French regulations) and number of working stations in the building (i.e. energy consumption, CO<sub>2</sub> emissions, and water consumption/occupant);
- for Convention & Exhibition venues: the annual total surface occupied when the spaces are open to the public is tracked based on the leases for the spaces (i.e. energy consumption, CO<sub>2</sub> emissions, water consumption/m<sup>2</sup> on days when open to the public).

All reported environmental, social and societal indicators are defined based on specific frameworks, which are the same for all countries where the Group operates in continental Europe. These frameworks are regularly updated: the reporting framework for environmental and societal indicators and the one for social indicators have both been updated in 2018. In addition, a specific framework has been defined in 2018 to report for the first time on indicators consolidated over the whole Group perimeter, including the United-States and the United-Kingdom, see Section 2.1.5.2 Summary of the Group's CSR performance.

## — Focus on the socio-economic footprint assessment methodology

Unibail-Rodamco-Westfield's local economic footprint in Continental Europe has been assessed as follows:

- hosted impact: the direct impact analysis takes into account the number of employees (and salaries paid) working at the shopping centre (Unibail-Rodamco-Westfield's staff at the shopping centres, tenants and on-site suppliers' staff);
- extended impact: the local indirect impact analysis measures the economic flows generated by Unibail-Rodamco-Westfield through purchases from its different suppliers (amount of purchasing contracts converted into salaries; for rank 1 suppliers only) and those of tenants to their suppliers (converted in jobs and in salaries; generic services: security, cleaning and maintenance). This impact does not include products sold in-store;
- induced impact: the induced impact analysis estimates the potential local spending of all employees working within the shopping centres (Unibail-Rodamco-Westfield shopping centre's staff, tenants' staff and on-site suppliers' staff);
- Furthermore, the local economic studies assess the contribution to local taxes: landlords' and tenants' local taxes paid to local authorities:
  - for the landlord: Land tax, Waste tax, Value-Added Tax (Corporate tax), Office tax,
  - for the tenant: Commercial tax on floor area, Value-Added Tax (Corporate tax).

Overall economic impact at national level has been assessed using a bottom-up approach: the results of Shopping Centre local economic studies<sup>(1)</sup> for each region (local method) have been used in the form of ratios to estimate the global economic impact of Shopping Centre activities (regional portfolio), being applied to current available and yearly updated data (accounting, floor area, tenant information, taxes).

## 2.5.1.2 Reporting scope

The information presented in Section 2.1.5.2 Summary of the Group's CSR performance and in the following sections (2.2, 2.3, 2.4) only covers Unibail-Rodamco-Westfield in continental Europe - unless it is explicitly stated that the indicators are consolidated at Group level ("CSR indicators consolidated across the entire Unibail-Rodamco-Westfield scope") as well as certain initiatives in the United States and United Kingdom presented in separate text boxes. The CSR information will be presented on a fully consolidated Scope as of 2019, after a full year of operating under the new reporting scope.

The environmental and societal indicators relating to operations cover a Scope of assets owned and managed by the Group, over which the Group has operational control and for which the data can be measured and verified. Control of operation and operational management of the data produced take precedence when identifying the Scope of each indicator. By default, this information covers all of the Group's asset categories: Shopping Centres, Offices and Convention and Exhibition venues. When an indicator covers a narrower scope, this is specified in its description.

In 2018, Unibail-Rodamco-Westfield reported energy and water data as well as greenhouse gas emissions linked with operations for all of its owned and managed assets, all asset categories combined: and waste data, mobility indicators and indicators related to stakeholder engagement for all of its owned and managed Shopping Centres, unless otherwise stipulated in the presentation of each indicator.

These environmental and societal indicators linked to operations cover a Scope representing between 92% (indicators consolidated over a rolling year<sup>(2)</sup>) and 93% (indicators consolidated over a calendar year<sup>(2)</sup>) of the total consolidated portfolio value in continental Europe as at December 31, 2018.

Social indicators regarding Human Resources cover all Group employees in all regions where the Group operates in continental Europe, for the three asset types: Shopping Centres, Offices and Convention & Exhibition venues, from January 1 to December 31, 2018.

Exclusions from the reporting Scope are specified in the tables presenting each indicator or in footnotes where applicable.

(1) *Economic Impact of Shopping Centres: Carré Sénart in 2013, So Ouest, Aéroville, Confluence, Täby and Maquinista in 2014.*

(2) *See Section 2.5.1.4 Reporting period and reference year.*

Historical environmental KPIs (energy efficiency, greenhouse gas emissions and resource use) 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 owned and 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 comparable portfolio Scope (particularly in terms of the monitored assets). This Scope includes assets that were owned and managed by the Group over a whole two-year comparison period. To assess the positive impact of its management policy at the earliest opportunity, the Group 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).

As part of its “Better Places 2030” strategy, the Group has also committed to monitoring its environmental and societal performance over and above its owned and managed assets and beyond the direct management of its operational Scope of its performance. This initiative involves formulating commitments that pertain to its expanded accountability, namely, its construction activities (assets under development) and the activities of its stakeholders (tenants, visitors, etc.). Accordingly, some indicators are also tracked in this Scope of expanded accountability. This applies to the Group total carbon footprint, which covers an expanded reporting Scope (cf. Section 2.2.1. Responding to climate change), and indicators on the incorporation of environmental criteria beginning from building design (e.g., certification of assets, fitting assets under development with LEDs, etc.). This is specified in their description.

### — Scope of the Group carbon footprint

In order to define the calculation methodology of its total carbon footprint in Continental Europe, Unibail-Rodamco-Westfield has chosen the so-called “operational control” approach for its entire value chain: consolidation of all the emissions linked with the operations over which the Group has the full authority to implement its operational policies.

The Group’s carbon footprint measure includes the emissions of the following six greenhouse gases designated by the Kyoto protocol: carbon dioxide (CO<sub>2</sub>), methane (CH<sub>4</sub>), nitrous oxide (N<sub>2</sub>O), sulphur hexafluoride (SF<sub>6</sub>), hydrofluorocarbons (HFC) and perfluorinated hydrocarbons (PFC). These greenhouse gas emissions are expressed in carbon equivalent (CO<sub>2</sub>eq).

The Scope of the Group’s carbon footprint is defined as follows:

- organisational scope:
  - owned and managed assets: Shopping Centres and Offices<sup>(1)</sup> (selection rules identical to environmental reporting scope, see above);
  - development projects (greenfield/brownfield, extensions and renovations);
  - Group employees and headquarters.
- operational scope: all the activities over which the Group has direct operational control or that it can influence.

The detailed emission sources accounted for in the Group carbon footprint are presented in Section 2.2.1.2 Carbon assessment.

### 2.5.1.3 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 (Y) remain in the reporting Scope for the year (Y);
- assets whose common floor area 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;
- owned assets in total reconstruction during the year Y (100% of the floor area under works) are excluded from the reporting Scope of year Y.

<sup>(1)</sup> Viparis’s business activities are not included in the Group’s total carbon footprint. Their carbon footprint is calculated separately by Viparis.

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 2018, some changes in the portfolio impacted the reporting Scope as follows:

- asset disposals that occurred during the rolling year 2017-2018 exclude the following assets from the rolling year reporting scope: Barnasud, Bahiasur, El Faro, Los Arcos et Vallsur (shopping centres, Spain), So Ouest Plaza (office, France), Eurostop Örebro (Shopping Centre, Sweden);
- in addition, asset disposals that occurred end of year 2018 (last quarter 2018) exclude the following assets from the 2018 calendar year reporting scope: Capital 8 - Murat and Tour Ariane (Offices, France);
- Wroclavia (Poland), the new shopping centre that opened end of 2017, is incorporated into the calendar year reporting Scope in 2018, and will be incorporated into the rolling year reporting Scope in 2019, when its consumption will be available over 12 rolling months;
- three owned assets in complete restructuring in 2018 (100% of the floor area under works) are excluded from the reporting Scope in 2018: Leidsenhage (future Mall of the Netherlands Shopping Centre, The Netherlands), Gaîté Montparnasse (Shopping Centre, France) and Issy Guynemer (future Shift Office, France).

#### ASSETS INCLUDED IN THE 2018 REPORTING SCOPE FOR ENVIRONMENTAL AND SOCIETAL KPIS

Regions	Number of assets	Assets	Reporting floor areas for standard intensity of energy and carbon indicators <sup>(1)</sup>	Denominators for intensity of use indicators <sup>(3)</sup>	
Austria	2	Donau Zentrum (including Dux), Shopping City Süd (including Mux)	305,590 m <sup>2</sup>	35,035,499 visits	
Central Europe	7	Aupark, Centrum Cerný Most, Centrum Chodov, Arkadia, Galeria Mokotów, Wilenska, Wroclavia <sup>(4)</sup>	462,540 m <sup>2(5)</sup>	87,271,799 visits	
France	18	Aéroville, Carré Sénart (including Shopping Parc), Carrousel du Louvre, CNIT Retail, Euralille, La Part-Dieu (including Cour Oxygène), 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	1,145,219 m <sup>2</sup>	286,702,150 visits	
Germany	8	Gera Arcaden, Höfe am Brühl, Pasing Arcaden, Paunsdorf Center, Ruhr Park, Minto, Palais Vest, CentrO	624,232 m <sup>2</sup>	81,369,282 visits	
The Netherlands	3	Stadshart Almere, Stadshart Amstelveen, Stadshart Zoetermeer	88,648 m <sup>2</sup>	28,164,131 visits	
Nordics	5	Fisketorvet, Nacka Forum, Mall of Scandinavia, Solna Centrum, Täby Centrum	413,081 m <sup>2</sup>	49,431,160 visits	
Spain	7	Bonaire, Equinoccio, Garbera, La Maquinista, Las Glorias, Parquesur, Splau	251,277 m <sup>2</sup>	79,700,287 visits	
Office	France	6	7 Adenauer, Capital 8 <sup>(6)</sup> , Majunga, Tour Ariane <sup>(6)</sup> , Sextant, Espace 21 (Villages 3, 4, 5, 6, 7, Village commerce)	241,155 m <sup>2(2)</sup>	15,173 occupants
Convention & Exhibition	France	6	Espace Champerret, Espace Grande Arche, Palais des Congrès de Paris <sup>(7)</sup> , Paris Nord-Villepinte, Paris Nord-Le Bourget, Porte de Versailles	593,700 m <sup>2(2)</sup>	27,365,455 m <sup>2</sup> occupied per day open to the public (m <sup>2</sup> DOP)

(1) See the definition of reported floor area for Shopping Centres in Section 2.5.1.1 Definitions and Reporting values (standard intensity indicators).

(2) Floor area according to consolidation (see Section 1.5 Portfolio).

(3) See the definition of denominators used for intensity of use calculation in Section 2.5.1.1 Definitions and Reporting values (intensity of use indicators).

(4) Asset included in the calendar year reporting Scope only.

(5) Excluding Wroclavia (which is included in the calendar year reporting scope only).

(6) Assets included in the rolling year reporting scope only.

(7) The retail part "Les boutiques du Palais" of the Palais des Congrès is accounted for in the Shopping Centre Scope for the reporting of BREEAM In use certification indicators.

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

Group's Region	Number of assets	Office	Managed GLA
Austria	1	Shopping City Süd Office	9,100 m <sup>2</sup>
Sweden	3	Nacka Forum Office, Solna Office and residentials, Täby Office	65,000 m <sup>2</sup>
Denmark	1	Fisketorvet Office	857 m <sup>2</sup>

### 2.5.1.4 Reporting period and reference year

Most environmental, social and societal data are reported as at December 31 of the reporting year ended, for one calendar year. However, given the scheduling requirements for the release of the Financial Report (1<sup>st</sup> quarter of the following year), some environmental data are reported for a rolling 12-month period (4<sup>th</sup> quarter of the previous financial year and 1<sup>st</sup>, 2<sup>nd</sup> and 3<sup>rd</sup> quarters of the reporting year ended): data on energy and water consumption.

Unibail-Rodamco-Westfield in continental Europe has traditionally reported its performance as measured over the period from 2012 to 2020, in accordance with the targets set (e.g. energy intensity and carbon intensity indicators). After announcing its CSR strategy, "Better Places 2030", in 2016, the Group introduced new indicators and a new reference year: 2015. 2015 is notably the baseline year for the calculation of the Group carbon footprint. Some of the new indicators that were established have a later reference year, and this is specified in their description. The measurement of historical indicators whose reference year is 2012 and whose target value had not yet been achieved as of 2016 has been continued (energy intensity indicator).

#### Calculation of evolutions:

Two modes of calculations of evolutions have been defined: an annual evolution on 12-months period, applied to all environmental indicators, and a cumulative evolution over several years since the baseline year, applied additionally to the carbon intensity indicator. The annual evolution calculates the relative evolution between the elapsed year and previous year figures. The cumulative evolution rate between the baseline (N0) and the current year (N) is the result of the cumulative annual evolutions on a rolling like-for-like scope. Given the dynamic management of the Group's portfolio (asset acquisitions and disposals), the consideration of a constant Scope on a long period of time would lead to the inclusion of a limited number of assets in the Scope and would not be representative of the overall Group performance. For this reason, the option taken consists in the calculation of this cumulative evolution rate allowing to measure cumulative performance on a larger operational scope.

### 2.5.1.5 Reporting system

Each region is responsible for collecting, checking and validating the data of its assets.

At Group level, in Continental Europe, data is consolidated, analysed and reported:

- quarterly for the consumption of each energy source used, environmental certifications, occupation rate of Offices, and m<sup>2</sup> per days of opening of Convention & Exhibition venues to the public. Energy data is made available monthly as a minimum requirement and can sometimes be measured on a real-time basis. Regular, detailed monitoring of these indicators ensures that performance issues are identified and corrected swiftly at asset level. 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 best practices between the various sites and enables corrective action plans to be implemented swiftly;
- annually or biannually for all other environmental and societal indicators, and for additional data needed to calculate certain indicators, such as greenhouse gas emission factors and footfall in shopping centres.

Social indicators are mainly tracked on a monthly basis, and communicated annually by the Group.

Since 2015, Unibail-Rodamco-Westfield's new reporting tool for environmental and societal indicators has been implemented and made available to end-users across the Group in Continental Europe. The tool has been totally integrated into operational processes on site and allows for efficient monitoring of performance. It is central to the management of the sites by the Technical Managers. To make the most of the tool's many features, two training sessions were given by the Security & PMPS (Property Maintenance, Purchasing and Sustainability) team. New employees also received training in 2018.

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

- contributors: the on-site Technical Managers enter the raw data that are collected into the online tool. They are in charge of the site's environmental action plan and they track and assess their performance compared to their annual target;
- validators: the property managers, responsible at the regional level for several assets, validate the information sent by the contributors and challenge their results;
- administrator: the Security & PMPS (Property Maintenance, Purchasing and Sustainability) Department consolidates the data that have previously been validated, and with assistance from the Group CSR team it measures the Group's performance in Continental Europe compared to the long-term targets.

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

The Group also equipped itself, in Continental Europe, with a new reporting platform for indicators related to employee engagement in Group societal initiatives for communities: UR for Jobs and Solidarity Day (see. Section 2.3.2 Working with local stakeholders). This platform is fully operational since 2018.

Regarding social data, each region controls and collects data relevant to its own operations, which are integrated in real time 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 across the Group) and a new payroll tool for France.

### 2.5.1.6 Continuous improvement of definitions and data quality improvement

Unibail-Rodamco-Westfield in Continental Europe continues to improve the quality and comparability of its data, develop internal benchmarks, introduce sub-metering to collect information for environmental 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.

#### — Continuous updates in environmental reporting and data quality improvement

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 2018, the Asset Booklets of managed shopping centres were updated by the shopping centres' Technical Managers.

On-site internal audits of environmental and societal reporting are done regularly: a sample of assets is audited each year by the Security & PMPS (Property Maintenance and Purchasing) team to check the accuracy and compliance of their reporting with the Group's Reporting Guidelines.

Since 2015, the data quality has improved thanks to the implementation of the new environmental and societal reporting tool. The tool's architecture is programmed to precisely identify the Scope of the reported assets, categorised by business segment: Shopping Centres, Offices, Convention & Exhibition venues, and other

buildings such as hotels and residential. This last category brings more clarity in terms of the historical data that were not previously identified separately.

Moreover, additional features of the tool were activated in 2016: a standard set of key indicators was created and provided to all the Technical Managers to help them analyse their environmental performance in more detail and thereby make it easier to detect potential data-entry errors and significant disparities.

A detailed review of the Scope reported in the portfolio of owned assets financially consolidated and under operational management in Continental Europe was conducted in 2018. It resulted in adjustments of the assets reported historically in order to comply fully with the Group's financial consolidation Scope and Reporting Guidelines.

The application of the methodology for measuring floor areas has been reviewed and fine-tuned in 2018, which led to an evolution in the reported floor areas in comparison with 2017.

#### — Identifying uncertainty as regards the Group carbon footprint

Given the range of topics dealt with and the fact that the processed information can only be partially managed (particularly for Scope 3), with the current knowledges it is impossible to quantify margins of error for the Group total carbon footprint calculations. A qualitative analysis of margins of error is therefore presented hereunder for the three main areas of Construction, Operation and Mobility.

##### — Construction

Margins of error may be related to:

- the quality of the environmental data used (Environmental Product Declaration);
- the quantities of materials used for each new development project;
- the tracking of construction cost trends over time (economic ratios) based on a like-for-like approach.

In order to reduce uncertainty, the calculation methods that the Group developed in 2017 ensure that environmental data (emission factors) cover the entire life cycle. Quantities of materials used are questioned by construction managers during product reviews (to optimize construction costs and carbon impact).

##### — Operation

Margins of error may be primarily linked to energy consumption or to the carbon emission factors.

For managed energy sources:

- energy consumption for managed sources is based on invoices issued by energy suppliers (metered or estimated). Estimated invoices may result in under or over-estimations which are usually resolved during the following year;
- carbon emission factors justified by energy providers thanks to their energy mix.

For non-managed energy sources:

- private energy consumptions are calculated by using ratios from the Group's portfolio, where the landlord provides electricity directly to the tenants. The sample size should be representative of the Group's centres;
- the carbon emission factors are calculated based on conservative assumptions (particularly for Scope 3 energy) as it is impossible to know exactly which energy mix each tenant is using.

### — Mobility

Margins of error may be related to the number of visitors to each site, to the assessment of modal shares, to the assessment of the distances covered by each mode of transport (catchment areas), to the occupancy rate for cars and finally to the emission factors used for each mode of transport.

To strengthen the reliability of the data inputs, the following changes have been applied to marketing surveys (core data source) in 2018: increase of sample size (approximately 20,000 responses instead of the current 500), distance automatically calculated using postcodes rather than the current journey time method. Mobility is going to be part of the work regarding the Group carbon footprint assessment methodology redefinition in 2019, on the occasion of integrating the US and to UK to the reporting scope.

## 2.5.2 UNIBAIL-RODAMCO-WESTFIELD INDICATORS FOR THE NON-CONTINENTAL EUROPE SCOPE: THE UNITED KINGDOM AND UNITED STATES

This section covers the period January 1, 2018 to December 31, 2018, the Scope concerns only UK and US assets.

### 2.5.2.1 Environmental data

#### — Energy consumption

##### DIRECT AND INDIRECT ENERGY CONSUMPTION IN GJ (2018)

	US (GJ)	UK (GJ)	Total GJ
Direct Energy Consumption	132,794	21,734	154,528
Indirect Energy Consumption	593,864	209,919	803,783
<b>TOTAL</b>	<b>726,658</b>	<b>231,653</b>	<b>958,311</b>

##### DIRECT ENERGY CONSUMPTION BY PRIMARY SOURCE IN GJ (2018)

	2018 GJ	% Contribution
<b>Non-renewable sources</b>	<b>121,012</b>	
Natural Gas	96,380	62,37%
Non-transport fuel combustion	193	0,13%
Transport fuels (controlled vehicles)	24,439	15,82%
<b>Renewable sources</b>	<b>33,516</b>	
Solar	33,516	21,69%
<b>TOTAL</b>	<b>154,528</b>	<b>100,00%</b>

##### SUPPLEMENTARY REGIONAL BREAKDOWN—DIRECT ENERGY CONSUMPTION BY COUNTRY (2018)

	US (GJ)	UK (GJ)	Total GJ	Total kWh
Direct Energy Consumption	132,794	21,734	154,528	38,729,519
<b>Non-renewable sources</b>	<b>99,278</b>	<b>21,734</b>	<b>121,012</b>	<b>33,614,562</b>
Natural Gas	74,879	21,501	96,380	26,772,157
Non-transport fuel combustion		193	193	53,724
Transport fuels (controlled vehicles)	24,399	40	24,439	6,788,681
<b>Renewable sources</b>	<b>33,516</b>		<b>33,516</b>	<b>5,114,957</b>
Solar	33,516		33,516	5,114,957
<b>TOTAL</b>	<b>132,794</b>	<b>21,734</b>	<b>154,528</b>	<b>38,729,519</b>

## INDIRECT ENERGY CONSUMPTION BY PRIMARY SOURCE IN GJ (2018)

	2018 GJ	% Contribution
Indirect Energy Consumption	803,783	
Non-renewable sources	803,783	
Heating and cooling	55,411	7%
Purchased Electricity	741,882	92%
Steam	6,490	1%
<b>TOTAL</b>	<b>803,783</b>	<b>100%</b>

All electricity has been classified as non-renewable. However, this is grid electricity, so it will have a mix of renewable and non-renewable sources, that has not been quantified.

## SUPPLEMENTARY REGIONAL BREAKDOWN—INDIRECT ENERGY CONSUMPTION BY COUNTRY (2018)

	US (GJ)	UK (GJ)	Total GJ
Indirect Energy Consumption	593,864	209,919	803,783
Non-renewable sources	593,864	209,919	803,783
Heating and cooling		55,411	55,411
Purchased Electricity	587,374	154,508	741,882
Steam	6,490		6,490
<b>TOTAL</b>	<b>593,864</b>	<b>209,919</b>	<b>803,783</b>

All electricity has been classified as non-renewable. However, this is grid electricity, so it will have a mix of renewable and non-renewable sources, that has not been quantified.

## — GHG emissions

DIRECT AND INDIRECT EMISSIONS (SCOPE 1&2) IN TCO<sub>2</sub>EQ BY SOURCE (2018)

(Scope 1&2)	TCO <sub>2</sub> eq	% Contribution of Direct and Indirect Emissions (Scope 1 & 2) of GHG
Heating and cooling	3,696	5%
Natural Gas	4,869	7%
Non-transport fuel combustion	13	0%
Purchased Electricity	59,153	83%
Steam	403	1%
Synthetic Gases	1,536	2%
Transport fuels (controlled vehicles)	1,867	3%
<b>TOTAL</b>	<b>71,536</b>	<b>100%</b>

GHG EMISSIONS BY SCOPE AND CATEGORY IN TCO<sub>2</sub>EQ (2018)

	Direct Energy Consumption	Indirect Energy Consumption	Other Indirect Energy Consumption	Total
	Scope 1 (TCO <sub>2</sub> eq)	Scope 2 (TCO <sub>2</sub> eq)	Scope 3 (TCO <sub>2</sub> eq)	TCO <sub>2</sub> eq
UK	1,115	15,845	29,443	46,403
US	7,170	47,407	35,664	90,240
<b>TOTAL</b>	<b>8,285</b>	<b>63,251</b>	<b>65,107</b>	<b>136,643</b>

Scope 3 total includes recycling, composting, and recovery.

OTHER INDIRECT EMISSIONS (SCOPE 3) IN TCO<sub>2</sub>EQ (2018)

	TCO <sub>2</sub> eq	% Contribution of Other Indirect Emissions (Scope 3) of GHG
<b>Scope 3</b>	<b>64,378</b>	
Air Travel	289	0%
Employee Commute	85	0%
Heating and cooling	4,003	6%
Mixed Waste to landfill	3,486	5%
Natural Gas	2,993	5%
Purchased Electricity	53,109	82%
Taxi and Car Travel	54	0%
Transport fuels (controlled vehicles)	359	1%
<b>TOTAL</b>	<b>64,378</b>	<b>100%</b>

SUPPLEMENTARY REGIONAL BREAKDOWN – OTHER INDIRECT EMISSIONS IN TCO<sub>2</sub>EQ (SCOPE 3) BY COUNTRY (2018)

	US (TCO <sub>2</sub> eq)	UK (TCO <sub>2</sub> eq)	Total (TCO <sub>2</sub> eq)
<b>Scope 3</b>	<b>35,664</b>	<b>29,443</b>	<b>65,107</b>
Heating and cooling		4,003	4,003
Natural Gas	2,993		2,993
Purchased Electricity	27,803	25,306	53,109
Transport fuels (controlled vehicles)	359		359
Air Travel	232	56	289
Employee Commute	11	74	85
Taxi and Car Travel	51	3	54
Mixed Waste to landfill	3,486		3,486
Recycling	515		515
Recovery	214		214
Hazardous Waste		0	0
<b>TOTAL</b>	<b>35,664</b>	<b>29,443</b>	<b>65,107</b>

## — Waste

## BREAKDOWN OF NON-HAZARDOUS WASTE DISPOSAL BY WASTE CATEGORY IN TONNES (2018)

Type	Tonnes	% of Total Non-Hazardous Waste
Recycling	13,205	23%
Landfill (offsite)	34,878	62%
Recovery (including energy recovery)	8,274	15%
Composting	-	0%
<b>TOTAL</b>	<b>56,358</b>	<b>100%</b>

## BREAKDOWN OF WASTE DISPOSAL IN TONNES (2018)

Type	Tonnes	% of Total Non-hazardous Waste
Hazardous	4	0%
Non-hazardous	68,940	100%
<b>TOTAL</b>	<b>68,944</b>	<b>100%</b>

## — Water

**WATER WITHDRAWN IN M<sup>3</sup> (2018)**

Type	US (m <sup>3</sup> )	UK (m <sup>3</sup> )	Total (m <sup>3</sup> )
Rainwater collected directly and stored by URW		675	675
Municipal Water or other water utilities	4,144,577	141,681	4,286,258
<b>TOTAL</b>	<b>4,144,577</b>	<b>142,356</b>	<b>4,286,933</b>

## 2.5.2.2 Social data

— Workforce<sup>(1)</sup>**WORKFORCE BY AGE AND GENDER**

Region	Category	Headcount as at 12/31/2018
UK & Italy	Male	286
	Female	207
US	Male	518
	Female	539
<b>TOTAL</b>		<b>1,550</b>
UK & Italy	<30 years	83
	30-50 years	334
	>50 years	76
US	<30 years	156
	30-50 years	654
	>50 years	247
<b>TOTAL</b>		<b>1,550</b>

**WORKFORCE BY EMPLOYMENT TYPE**

Region	Type of employment	Headcount as at 12/31/2018
UK & Italy	Full time	420
	Part time	47
	Temporary*	26
US	Full time	1,039
	Part time	11
<b>TOTAL</b>	Temporary*	7
		<b>1,550</b>

\* Temporary employees are considered fixed term contract employees.

**WORKFORCE BY CONTRACT AND GENDER**

Region	Employment contract	Gender	Headcount as at 12/31/2018
UK & Italy	Permanent	Male	277
		Female	190
	Temporary	Male	9
		Female	17
US	Permanent	Male	516
		Female	534
	Temporary	Male	2
		Female	5
<b>TOTAL</b>			<b>1,550</b>

(1) This considers employees on the country's payroll, whether they are permanent or fixed-term, excluding Board Members. Employees are counted in their country's payroll.

## PERMANENT EMPLOYEES BY EMPLOYMENT TYPE AND GENDER

Region	Employment type	Gender	Headcount as at 12/31/2018
UK & Italy	Full time	Male	260
		Female	160
	Part time	Male	17
		Female	30
	Full time	Male	511
		Female	528
US	Part time	Male	5
		Female	6
<b>TOTAL</b>			<b>1,517</b>

## HIRES AND DEPARTURES BY AGE AND GENDER

Region	Category	Hires 2018	Departures 2018
UK & Italy	Male	51	71
	Female	42	69
US	Male	101	158
	Female	99	129
<b>TOTAL</b>		<b>293</b>	<b>427</b>
UK & Italy	<30 years	30	37
	30-50 years	53	86
	>50 years	10	17
	<30 years	66	51
	30-50 years	108	175
	>50 years	26	61
<b>TOTAL</b>		<b>293</b>	<b>427</b>

## — Workplace safety

## NUMBER OF FATALITIES AND SIGNIFICANT INJURIES

Region	Fatalities <sup>(1)</sup> 2018	Significant injuries <sup>(2)</sup> 2018
UK & Italy	0	0
US	0	14

(1) A death from an occupational injury or illness or complications thereof. Deaths by natural causes are not included

(2) Includes fractures (other than to fingers, toes or nose), any amputation, permanent loss of sight or hearing (excluding chronic hearing loss), unconsciousness (excluding fainting), any full thickness burns, permanent loss of use of internal organ (excluding hernias)

## — Training and development

## PERCENTAGE EMPLOYEES WHO RECEIVED TRAINING

Region	% Employees
UK & Italy	100%
US	100%

## NUMBER HOURS OF TRAINING

Region	Total number of hours
UK & Italy	16,750
US	15,241

## — DIVERSITY

## REPRESENTATION OF WOMEN IN THE EXECUTIVE COMMITTEE\*

Region	% Women
UK & Italy	33.3%
US	14.3%

\* Represents the Country Management Team.

## REPRESENTATION OF WOMEN AT SENIOR MANAGEMENT LEVEL\*

Region	% Women
UK & Italy	22.7%
US	30.7%

\*All employees at grade 15 and above.

## REPRESENTATION OF WOMEN IN DEVELOPMENT COURSES

Region	% Women
UK & Italy	65%
US	44%

## NUMBER HIGH POTENTIAL FEMALE WHO ATTENDED A WOMEN IN LEADERSHIP DAY AT LBS\*

Region	Number of women
UK & Italy	60
US	Not applicable

\* A European program for the discussion and progression of gender diversity and inclusivity at London Business School.

2.5.2.3 Societal data<sup>(1)</sup>

Direct economic value generated*	
Revenues	1 245 414 837
Direct economic value distributed	
Operating costs	331 524 783
Employee wages and benefits	210 697 156
Payments direct to government	9 674 093
Payments to government as agent e.g. taxes paid to government but recharged to third party (e.g. property or land taxes recharged to tenants or land owners).	105 421 253
Community investments	
Monetary contribution	663 252
In-kind Contributions	863 085
Paid staff time contributions (time contribution and managements costs)	41 323
Payments to providers of capital	365 007 716
<b>TOTAL ECONOMIC VALUE DISTRIBUTED</b>	<b>658 884 945</b>
Total Economic Value Retained	586 529 892

\* GRI methodology applied

(1) This data only covers the United States scope.

## 2.5.3 SUPPLEMENTARY INFORMATION ON GREEN BONDS

### 2.5.3.1 Registration Document on the Green Bond and Use of Proceeds (for the three emissions of Unibail-Rodamco-Westfield in Continental Europe)

#### — Construction phase criteria

##### PREREQUISITE: MINIMUM BREEAM RATING OF "VERY GOOD"

	Green Bond I		Green Bond II		Green Bond III
Lyon Confluence	So Ouest	Aéroville	Mall of Scandinavia	Majunga	Carré Sénart ext
Very Good <sup>(1)</sup>	Excellent <sup>(2)</sup>	Excellent <sup>(3)</sup>	Excellent <sup>(4)</sup>	Excellent <sup>(5)</sup>	Excellent <sup>(6)</sup>

(1) achieved an interim overall score of 59.92% and a BREEAM rating of "Very Good" under the "2008 version of BREEAM international".

(2) achieved a final overall score of 78.4% and a BREEAM rating of "Excellent" under the "2009 version of BREEAM Europe commercial retail".

(3) achieved a final overall score of 70.5% and a BREEAM rating of "Excellent" under the "2009 version of BREEAM Europe commercial retail".

(4) achieved a final overall score of 71.5% and a BREEAM rating of "Excellent" under the "2008 version of BREEAM Europe commercial retail".

(6) achieved a final overall score of 76.2% and a BREEAM rating of "Excellent" under BREEAM "2009 Europe commercial office".

(7) achieved an overall score (design stage certificate) of 78.1% and a BREEAM rating of "Excellent" under "2009 BREEAM Europe commercial retail".

#### 17 SUB-CRITERIA

Commitments/supporting elements	Criteria	Green Bond I		Green Bond II		Green Bond III	
		Lyon Confluence (Lyon)	So Ouest	Aéroville	Mall of Scandinavia	Majunga	Carré Sénart ext
Select the countries in which eligible assets are located based on human rights and governance	Integration, signature or ratification of conventions related to Human Rights, and Labour Rights. <b>KPI: country score Vigeo (out of 100)</b>		97.22/100 <sup>(1)</sup>		97.22/100 <sup>(1)</sup>	97.22/100 <sup>(1)</sup>	
	KPIs related to: press freedom, stability and political freedom; corruption prevention, independence of the judiciary system and legal certainty. <b>KPI: country score Vigeo (out of 100)</b>		89.70/100 <sup>(1)</sup>		99.09/100 <sup>(1)</sup>	89.70/100 <sup>(1)</sup>	
	Existence of information on projects to neighbours	✓	✓	✓	✓	✓	✓
Contribution of the eligible assets to the development and well-being of communities in which they are located.	Absence of material public recourse on the project preventing the completion of the project	✓	✓	✓	✓	✓	✓
	Accessibility of the asset by public transport (within 500 metres) <b>KPI: Distance to a public transport mode (m)</b>	30 m Tramway	45 m Bus line	40 m Bus line	120 m Train	440 m La Défense Interchange	150 m Bus line
	Promote the potential use of alternative transport solution and sustainable mobility	✓	✓	✓	✓	✓	✓
	Monitoring the environmental impacts of eligible assets	✓	✓	✓	✓	✓	✓
Monitoring the environmental impacts of eligible assets	Involvement of an external environmental consultant	✓	✓	✓	✓	✓	✓
	Commissioning Report	✓	✓	✓	✓	✓	✓
	Environmental impact assessment and implementation of appropriate measures if necessary	✓	✓	✓	✓	✓	✓

Commitments/supporting elements	Criteria	Green Bond I			Green Bond II		Green Bond III
		Lyon Confluence (Lyon)	So Ouest	Aéroville	Mall of Scandinavia	Majunga	Carré Sénart ext
	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 <b>KPI: Percentage improvement over national standard building energy performance (%)</b>	-34% <sup>(2)</sup>	-57.7% <sup>(2)</sup>	-55% <sup>(2)</sup>	-32% <sup>(3)</sup>	-58.7% <sup>(4)</sup>	-53.1% <sup>(5)</sup>
	Involvement of an ecologist during the Project Phase	✓	✓	✓	✓	✓	✓
Promoting sustainable and enduring relationships with tenants and visitors	Promote “Green Leases” signature before opening <b>KPI: Percentage of “green lease” signed (%)</b>	91%	86%	98%	100%	100%	97% <sup>(6)</sup>
Promote social and Environmental factors with suppliers/service providers	Promote if possible health & safety coordinator contract (or equivalent)	✓	✓	✓	✓	✓	✓
	Promote access control to building site	✓	✓	✓	✓	✓	✓
	Promote the application of the Considerate Construction Charter or equivalent to minimise environmental impact of building sites	✓	✓	✓	✓	✓	✓
	E-learning for Unibail-Rodamco-Westfield’s employees on its Code of Ethics	✓	✓	✓	✓	✓	✓

(1) Source: Vigéo country score - January 2019.

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

(3) According to Swedish thermal building regulation (BBR 17).

(4) According to thermal regulation RT 2005.

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

(6) Green leases V1 and V2 signed on as at December 31, 2017 (opening year).

## — Operation phase criteria

PREREQUISITE: MINIMUM BREEAM-IN-USE SCORE "VERY GOOD" FOR ASSET (P1) AND MANAGEMENT (P2)<sup>(1)</sup>

	Green Bond I		Green Bond II		Green Bond III
Lyon Confluence	So Ouest	Aéroville	Mall of Scandinavia	Majunga	Carré Sénart ext
Obtained: 12/19/2013 (P1): Excellent (P2): Outstanding Re-certified: 12/22/2016 <sup>(2)</sup>	Obtained: 12/19/2014 (P1): Excellent (P2): Outstanding Re-certified: 12/21/2017 <sup>(3)</sup> (P1): Outstanding (P2): Outstanding	Obtained: 07/28/2015 (P1): Excellent (P2): Outstanding Re-certified: 12/21/2018 <sup>(3)</sup> (P1): Outstanding (P2): Outstanding	Obtained: 11/29/2017 <sup>(3)</sup> (P1): Excellent (P2): Excellent	Obtained: 11/29/2017 <sup>(3)</sup> (P1): Excellent (P2): Excellent	Obtained: 11/29/2017 <sup>(3)</sup> (P2): Excellent (P1): Expected in the 2020 Registration Document

(1) According to "BREEAM In-Use international".

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

(3) According to "BREEAM In-Use international 2015".

## 13 SUB-CRITERIA

Commitments/supporting elements	Criteria	Green Bond I			Green Bond II	Green Bond III	
		Lyon Confluence (Lyon)	So Ouest	Aéroville	Mall of Scandinavia	Majunga	Carré Sénart ext
Contribution of the eligible assets to the development and well-being of the communities in which they are located	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 <sup>(1)</sup>	735 <sup>(1)</sup>	1,387 <sup>(1)</sup>	1,639 <sup>(1)</sup>	N/A	2,189 <sup>(1)</sup>
Monitor the environmental impacts of eligible assets	Environmental action plan and follow-up with regular reporting (from 1 year after opening)	✓	✓	✓	✓	✓	✓
	Annual audit of health and safety risks (from 2 years after opening) Indicator: annual risk audit (Rating from A to D)	A <sup>(2)</sup>	A <sup>(2)</sup>				
	Assess energy consumption and CO <sub>2</sub> emissions with potential action plan if needed Indicator: energy intensity (kWh/visit or kWh/occupant) since measured baseline Indicator: carbon intensity (gCO <sub>2</sub> eq/visit or gCO <sub>2</sub> eq/occupant since measured baseline)	-47% kWh/visit -78% CO <sub>2</sub> /visit (2018/2013)	-24% kWh/visit -37% CO <sub>2</sub> /visit (2018/2014)	-23% kWh/visit -55% CO <sub>2</sub> /visit (2018/2015)	-15% kWh/visit +75% CO <sub>2</sub> /visit (2018/2017)	+21% kWh/occupant +12% CO <sub>2</sub> /occupant (2018/2016)	Expected in 2020 Registration Document <sup>(3)</sup>
Promote sustainable and enduring relationships with tenants and visitors	Organise on site Sustainability Committee	✓	✓	✓	✓	✓	✓
	Conduct satisfaction survey with retailers KPI: Overall satisfaction score (out of 100)	68/100	63/100	68/100	68/100	N/A	70/100
	4-Star labelling or equivalent if applicable	✓	✓	✓	✓	N/A	✓
	Conduct satisfaction survey KPI: Overall satisfaction score (out of 100)	82/100	81/100	82/100	86/100	N/A	83/100
	Relevant safety management (e.g. video protection plan)	✓	✓	✓	✓	N/A	✓

Commitments/supporting elements	Criteria	Green Bond I			Green Bond II	Green Bond III	
		Lyon Confluence (Lyon)	So Ouest	Aéroville	Mall of Scandinavia	Majunga	Carré Sénart ext
Promote social and environmental factors with suppliers	Promote labour rights to suppliers via contractual documentation	✓	✓	✓	✓	✓	✓
	Promote environmental and social factors to suppliers (via contractual documentation)	✓	✓	✓	✓	✓	✓
	Promote ethics to suppliers	✓	✓	✓	✓	✓	✓
	Assess regularly compliance with contractual clauses by the main suppliers	✓	✓	✓	✓	✓	✓

(1) Source: Shopping centre economic impact study performed by Beyond Financial.

(2) In-house risk audit - methodology and detailed scores in Section 2.2.3.7 Health, safety and environmental risks an pollution of the Registration Document.

(3) Data unavailable for Carré Sénart Extension: energy and CO<sub>2</sub> emission data are calculated since the opening (end 2017) but changes in these indicators will be published in the 2020 Registration Document.

### 2.5.3.2 Independent verifier's report on Green Bond Criteria and indicators

Unibail-Rodamco-Westfield 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 check includes an in-depth review of the documentary evidence for each domain and criteria (for each phase). The EY reasonable assurance report is available below.

#### — 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, 2018

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"<sup>(1)</sup> requirements of Green Bonds "Selection and Monitoring Criteria" for the assets selected for Green Bonds in effect on December 31<sup>st</sup>, 2018.

#### 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. 822-11-3 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, 2018 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 2018.

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.

#### 1. 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 2018 and March 2019:

- 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"<sup>(2)</sup>.
- 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 six assets monitored in the framework of bonds issued during the previous financial years (Lyon Confluence, So Ouest, Aéroville, Mall of Scandinavia, Majunga and Carré Sénart Extension).

##### 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 « 2.5.3 Supplementary Information on Green Bonds » 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 or recently delivered (e.g. Carré Sénart extension), the expected date of compliance with these criteria is specified in the detailed table by asset in the chapter 2.5.3 of the Management Report.

##### Conclusion

In our opinion, the assets selected for Green Bonds in effect on December 31st, 2018 comply, in all material aspects, with the Selection and Monitoring Criteria.

(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.urw.com](http://www.urw.com)

(2) The Green Bonds Principles (updated version of June 2018) are available on the website of the ICMA (International Capital Market Association) <http://www.icmagroup.org>

**2. 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 2018.

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 31<sup>st</sup>, 2018. 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 “2.1.5.4 Green bonds and green loans” in the 2018 Management Report;
- verify that the internal loans or financing contracts signed with the subsidiaries owning Lyon Confluence, So Ouest, Aéroville, Mall of Scandinavia, Majunga, and Carré Sénart Extension are still running on 31 December 2018, knowing that in date of the issuance of our report, 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 “2.1.5.4 Green bonds and green loans” of the 2018 Management Report for the year ended December 31<sup>st</sup>, 2018 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 2018.

Paris-La Défense, the 25th of March 2019,

French original signed by:

One of the Statutory Auditors  
ERNST & YOUNG Audit

Jean-Yves Jégourel

Eric Duvaud  
Sustainability Expert

2.

## 2.5.4 INDEPENDANT VERIFIER'S REPORT ON CONSOLIDATED NON-FINANCIAL STATEMENT 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 December 31<sup>st</sup> 2018

To the General Assembly,

In our quality as an independent verifier, accredited by the COFRAC under the number n° 3-1050 (scope of accreditation available on the website [www.cofrac.fr](http://www.cofrac.fr)), and as a member of the network of one of the statutory auditors of your entity Unibail Rodamco SE (hereafter "entity"), we present our report on the consolidated non-financial statement established for the year ended on December 31<sup>st</sup> 2018 (hereafter referred to as the "Statement"), presented in the management report pursuant to the provisions of the article L. 225 102-1, R. 225-105 et R. 225-105-1 of the French Commercial code (*Code de commerce*).

#### Responsibility of the entity

It is the responsibility of the management board to establish the statement in compliance with the legal and regulatory provisions including a presentation of the business model, a description of the main non-financial risks, a presentation of the policies applied regarding these risks as well as the results of these policies, including key performance indicators.

The Statement has been established by applying the procedures of the entity (hereinafter referred to as the "Criteria"), the significant elements of which are presented in the Statement and available on request at the Entity's headquarters.

#### Independence and quality control

Our independence is defined by regulatory requirements pursuant to the provisions of the article L. 822-11-3 of the French Commercial code (*Code de commerce*) and the Code of Ethics of our profession. 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 express a limited assurance conclusion on:

- the compliance of the Statement with the provisions of Article R. 225-105 of the French Commercial Code;
- the fairness of the information provided pursuant to paragraph 3 of I and II of Article R. 225 105 of the French Commercial Code, namely the results of the policies, including key performance indicators, and the actions related to the main risks, hereinafter the "Information".

Nonetheless, it is not our responsibility to express any form of conclusion on:

- compliance by the entity with other applicable legal and regulatory provisions, particularly regarding the vigilance plan and the fight against corruption and tax evasion;

- compliance of products and services with applicable regulations.

#### Nature and scope of the work

Our work described below has been carried out in accordance with the provisions of articles A. 225 1 et seq. of the French Commercial Code determining the procedures in which the independent third party conducts its mission and according to professional standards as well as to the international ISAE standard 3000 - *Assurance engagements other than audits or reviews of historical financial information*.

The work that we conducted enables us to assess the compliance of the Statement with the regulatory provisions and the fairness of the Information:

- We took note of the activity of all the companies included in the scope of consolidation, the statement of the main social and environmental risks related to this activity, and, if applicable, its effects regarding compliance with human rights, the fight against corruption, tax evasion as well as the resulting policies and their results;
- We assessed the suitability of the Criteria in terms of its relevance, comprehensiveness, reliability, neutrality and understandability by taking into consideration, if relevant, the best practices of the industry;
- We verified that the Statement covers each category of information provided in III of article L. 225-102-1 of the French Commercial Code regarding social and environmental matters, as well as respect of human rights and the fight against corruption and tax evasion;
- We verified that the Statement includes an explanation justifying the absence of the information required by the 2<sup>nd</sup> paragraph of III of Article L. 225-102-1 of the French Commercial Code;
- We verified that the Statement presents the business model and the main risks related to the activity of all the entities included in the scope of consolidation; including if relevant and proportionate, the risks created through its business relationships, products or services, policies, actions and results, including key performance indicators;
- We verified, when relevant to the main risks or the policies presented, that the Statement presents the information provided for II in Article R. 225-105 II of the French Commercial Code;
- We assessed the process of selecting and validating the main risks;
- We inquired about the existence of internal control and risk management procedures put in place by the entity;
- We assessed the consistency of the results and the key performance indicators selected regarding the main risks and policies presented;

- We verified that the Statement includes a clear and reasonable explanation for the absence of a policy regarding one or more of these risks;
- We verified that the Statement covers the consolidated scope, i.e. all the companies included in the scope of consolidation in accordance with Article L. 233-16 of the French Commercial Code, with the limits regarding the integration of Westfield specified in the methodological note of the Statement;
- We assessed the collection process put in place by the entity for the completeness and fairness of the Information;
- We implemented the key performance indicators and other quantitative results that we considered the most important presented in Appendix 1:
  - Analytical procedures to verify the correct consolidation of the collected data as well as the consistency of their evolutions;
  - On the Continental Europe historical scope, detailed tests based on samples, consisting of checking the correct application of the definitions and procedures and reconciling the data with the supporting documents. This work was carried out with a selection of sites and countries listed below: Rosny 2 and CNIT (Shopping Centers, France), Parquesur and Equinoccio (Shopping Centers, Spain) and Palais des Congrès de Paris (Convention and Exhibition, France) which cover between 8% and 10% of consolidated environmental data selected for these tests (8% of the gross leasable area of owned and managed portfolio as of December 31<sup>st</sup>, 2018 and 10% of energy consumption) and Spain that represents 7% of the workforce at the end of the year;
  - On the United States scope, gradually integrated since the acquisition of Westfield in June 2018, detailed tests based on

samples, especially on Topanga and Culver City (Los Angeles) shopping centers, on a selection of information consolidated on the new Unibail-Rodamco-Westfield scope (identified by the sign \* in Appendix 1).

- We consulted documentary sources and conducted interviews to corroborate the qualitative information (actions and results) that we considered the most important presented in Appendix 1;
- We assessed the overall consistency of the Statement with our knowledge of the entity.

We consider that the work we have done by exercising our professional judgment allows us to express a limited assurance conclusion; an assurance of a higher level would have required more extensive verification work.

#### Means and resources

Our verification work mobilized the skills of six people and took place between September 2018 and March 2019 on a total duration of intervention of about eleven weeks.

We conducted six interviews with the persons responsible for the preparation of the Statement including in particular CSR, Synergies and Expertise, Finance and Treasury, Human Resources, Risks and Compliance and Major Construction Projects.

#### Conclusion

Based on our work, we have not identified any significant misstatement that causes us not to believe that the non-financial statement complies with the applicable regulatory provisions and that the Information, taken together, is fairly presented, in compliance with the Criteria.

Paris-La Défense, the 25<sup>th</sup> of March 2019

*French original signed by:*

Independent Verifier  
ERNST & YOUNG et Associés

Eric Duvaud Partner  
Sustainable Development

Jean-François Bélorgey  
Partner

2.

Appendix 1 : The most important information

Social Information

<i>Quantitative Information (including key performance indicators)</i>	<i>Qualitative Information (actions or results)</i>
Total workforce*	
Turnover rate	
Absenteeism rate	Employment (attractiveness, retention)
Average number of training hours per employee	Employees' health and well-being
Women representation in the Group and in the Principal grade	Internal mobility development and professional career path
Share of employees volunteering at UR for Jobs or Solidarity Day events	Employees' commitment to the CSR policy

Environmental Information

<i>Quantitative Information (including key performance indicators)</i>	<i>Qualitative Information (actions or results)</i>
Share of buildings certified or under environmental certification process	
Total energy consumption*	
Energy intensity and greenhouse gases emissions per m <sup>2</sup> and per visitor	Improvement of energy efficiency and development of the use of renewable energies
Production of renewable energy*	Improvement of development projects carbon footprint
Share of electricity used generated from renewable sources*	Environmental certification process of assets in development and operation phases
Greenhouse gases emissions (scopes 1 and 2* and scope 3 assessment)	Implementation of waste sorting and recycling solutions
Total quantity of waste generated (non hazardous*)	Prevention of Health, Safety and Environment risks, including environmental pollution
Share of sorted managed waste and the recovery rate (non hazardous*)	
Deployment rate of LED lamps in common areas	
Water consumption* and ratio by m <sup>2</sup> and by visitor	

Societal Information

<i>Quantitative Information (including key performance indicators)</i>	<i>Qualitative Information (actions or results)</i>
Share of shopping centers of more than 6 million visitors having implemented the UR for Jobs initiative	CSR governance and deployment of Better Places 2030
Number of persons having found a job or having integrated a certifying training program through the UR for Jobs initiative	Reinforcement of green value and environmental quality (certifications, green financing)
Investments in the community*	Promotion of a safe and healthy environment in shopping centers
Number of organizations supported via investments in the community*	Promotion of local economic development
Number of employees involved in community initiatives*	Measures related to business ethics
	Consideration of social and environmental responsibility of suppliers and subcontractors

\* Indicators selected and consolidated on the whole Unibail-Rodamco-Westfield scope.

