



## UNIBAIL-RODAMCO-WESTFIELD

<p style="text-align: center;"><b>COMBINED GENERAL MEETING OF MAY 11, 2022</b> <b>ANSWERS TO SHAREHOLDERS' WRITTEN QUESTIONS</b> (Articles L. 225-108 and R. 225-84 of the French Commercial Code)</p>
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Unibail-Rodamco-Westfield SE (“URW”) received several written questions from one shareholder by email. The full text of the written questions received<sup>1</sup> and the answers provided by the Management Board are included in this document published on the URW’s website.

### **Questions from the *Forum pour l’Investissement Responsable***

#### **Environment**

- 1. Are you explicitly committed to aligning your revenues and investments (CAPEX/OPEX/R&D/Merger & Acquisition...) with the Paris Agreement objective to limit global warming to 1.5°C? How do you ensure that these revenues and investments respect this objective (please describe the methodologies used)? What are the main action plans and, if applicable, the associated investment amounts implemented to achieve this objective in the short, medium and long terms?**

As part of its Better Places 2030 ESG strategy, the Group commits to halving (-50%) its carbon emissions across its value chain between 2015 and 2030. This objective has been approved by the Science Based Targets initiative (SBTi) as consistent with the levels required to achieve the goals of the Paris Agreement:

- The targets related to greenhouse gas emissions from the Group's operations (Scopes 1 and 2) are consistent with the reductions needed to limit warming to 1.5°C, the most ambitious goal of the Paris Agreement; and
- The targets related to emissions from the Group's value chain (Scope 3) meet the SBTi’s criteria for ambitious value chain goals, in line with current best practices.

The 5-year budget reviews of existing assets and development projects incorporate ESG criteria to ensure their compliance with the objectives of the Better Places 2030 programme.

- With regards to the operation of standing assets, to achieve its ambitious objectives of reducing emissions from operations, the Group has set up an energy management policy whereby each asset is required to define an energy management action plan, setting the operational trajectory for reaching the 2030 objective, with levers for improving energy efficiency identified at asset level, their associated budget, and their gradual implementation schedule. These action plans are updated and reviewed annually by the technical teams of each asset, and the required investments over the next 5 years are incorporated into the 5-year budgets of each asset, which are also reviewed annually. This process ensures that the necessary investments are made each year to achieve the Group's objectives. Since 2021, the energy action plans have been integrated into a new customized IT monitoring and reporting tool, enabling to optimise the allocation of resources on this topic. It also enables the aggregation of total investment costs over a specific period.

Examples of actions included in the energy management plans:

- Installation of smart energy meters
  - Optimisation of Building Management System (BMS) and other control systems
  - Optimisation of temperature setpoints
  - Replacement of heating, ventilation, and air conditioning (HVAC) equipment with efficient equipment
  - Replacement of lighting with LEDs
  - Installation of solar panels
- For development and M&A projects, greenhouse gas (GHG) emission criteria are integrated into investment decision-making, through the monitoring of indicators related to our emissions reduction strategy integrated into each investment review process (in particular the carbon intensity of construction

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<sup>1</sup> The questions were submitted in French. The English translation of the written questions is a free translation for information purposes.

for development projects), to ensure that projects are aligned with the Group's greenhouse gas emissions reduction objectives.

**2. What percentage of your business (expressed in sales, net banking income, etc.) directly depends on biodiversity? What are your expenses in favour of biodiversity?**

As part of the design of its biodiversity conservation strategy, the Group conducted a study of its dependencies on ecosystem services. This analysis showed that the Group depends on ecosystem services for the attractiveness of its assets (visitors feel better in green spaces - the biophilia concept), as well as for climate regulation (trees cool spaces and limit the heat island effect) and for the supply of materials. The biodiversity topic is rather an opportunity for the Group's assets, by enabling them to support the development of biodiversity in the dense urban areas in which the Group's assets are located.

The Group has adopted a biodiversity strategy aimed at limiting its direct and indirect impacts on the main drivers of biodiversity loss and improving the ecological value of its assets through specific action plans. The Group is committed to ensuring that by 2022:

- 100% of its new development projects achieve a biodiversity net gain,
- 100% development projects implement a biodiversity action plan, and
- 100% standing assets with high biodiversity stakes implement a biodiversity action plan.

In this context, given the geographic and asset typology disparities in the portfolio, action plans and exact levers used are defined at asset or development project level: the levers recommended by the expertise of an ecologist are then budgeted by asset or project in its 5-year investment plan to ensure their effective implementation.

Finally, the Group has publicly engaged into two major initiatives supporting biodiversity in 2021:

- By communicating and validating its biodiversity commitments as SMART through the Act4Nature international network: <http://www.act4nature.com/wp-content/uploads/2021/11/UNIBAIL-RODAMCO-WESTFIELD-VA.pdf>;
- By contributing to the volunteering companies' working groups around the Science-Based Targets for Nature initiative, notably through the production of a note for the Science Based Targets Network including its feedback on the application of the SBTn framework.

**3. List the strategic natural resources necessary for your activity and/or that of your clients (water, energy, materials, etc.)? How do you assess and calculate the impact of the scarcity of these resources on your business models? What actions are you taking to combat supply difficulties and seize opportunities to develop "circular business models"? What are your objectives in this area?**

The natural resources which are strategic for the Group are the energy used in its operations and construction materials used in its development projects.

In terms of energy, risk management involves developing production from renewable sources at our assets, with 15.7MW of installed capacity at 2021 year end, and securing renewable electricity supply contracts for our assets, with 100% of the Group's electricity supply which is already derived from renewable sources at 2021 year end. The Group has indeed set clear targets as part of its Better Places 2030 strategy to:

- Multiply its renewable energy production capacity five-fold compared to the 2015 baseline;
- Source 100% of its electricity from renewable sources for the consumption of the common areas and equipment of its assets, while encouraging the same transition for the private electricity of its tenants (through the signing of green leases in particular).

Regarding the sourcing of construction materials, the Group has adopted two complementary approaches to reduce its risk exposure through its "Sustainability Brief":

- Optimising the materials' quantities used in our projects, in relationship with our circular economy and greenhouse gas footprint reduction targets for our construction activities,
- Selecting the materials used, targeting the development of biosourced – intrinsically renewable materials, and opting for certified materials or sources (e.g., policy of using wood exclusively from certified and sustainably managed forests, with FSC or PEFC certification, in development, extension and renovation projects, both for the works and for the construction of structures)

These actions are in line with the Group's objectives set out in its Better Places 2030 strategy:

- Reduce greenhouse gas emissions from building construction by -35% by 2030 (base year: 2015)

- 100% of development projects with a circular economy solution by 2025 (from the Group's circular economy framework, based on a technical and economic study)

## Social

- 4. What is the proportion of your corporate officers and employees (broken down by type) concerned by the integration of environmental and social (E&S) criteria in the determination of their variable compensation (bonus, long-term compensation, profit-sharing, etc.)? Which governance bodies are responsible for the selection and validation of these E&S criteria? How do they ensure that these criteria are relevant, sufficiently incentive-based and correlated with the objectives to be reached to carry out the Group's environmental and social strategy? (Please specify the extra-financial criteria used for corporate officers and employees).**

100% of executive officers and members of the Executive Committee have ESG criteria in their short-term (10% of the total) and long-term (20% of the total from 2022) variable compensation. The Governance, Nomination and Remuneration Committee (GNRC) is in charge of deciding the criteria and weightings of these schemes. A meeting took place between the GNRC, the Management Board and the ESG teams in order to select the most appropriate criteria in view of our ESG strategy "Better Places 2030". The criteria used are:

- Gender balance of governing bodies:
  - o Short term: % of women among new entrants in the Executive population (top c.150)
  - o Long term: % of women in the Executive population
- Reduction of our greenhouse gas emissions, in the short- and long-term

In addition, 100% of employees have an E&S annual objective, and, in 2022, the Group has introduced a groupwide factor on sustainability progress applicable on the annual bonuses of all employees.

- 5. What lessons have you learnt from the new work organisation methods linked to the Covid-19 pandemic (remote work, digitalisation of communication methods, increased flexibility, etc.) that have been implemented in your company in terms of impact on working conditions? How does your Human Resources strategy integrate these new organisational methods today? What social dialogue has been conducted on the subject (agreements, shared discussions on the future of work...) in all your lines of business and activity locations?**

The use of remote working has increased significantly since 2020. Human Resources departments took regular actions and communication to adapt the level of remote working required to the evolution of national regulations in this area. Remote working agreements have been negotiated locally in each country, with an adaptation for employees working 'on-site' in shopping centres, and have been approved with relevant employee representative bodies at country level when applicable, and by the European Employee Committee. Actual implementation of this flexworking policy is monitored by the human resources teams, leading to open shared discussions with employees and managers on the future of work. Computer tools have been adapted for all employees. In particular, after the acceleration of virtual learning in 2020 for all URW employees, 2021 efforts were focused on improving our digital learning culture. The role of the URW Academy has evolved. The role of the URW Academy has evolved from being the unique provider of training opportunities, to creating a stimulating environment enabling learning to happen anytime, anyplace, anywhere. Reconnecting people across functions and countries in these times of distancing and homeworking with our online learning has been a key objective. Next to our virtual webinars and trainings, the URW Academy pursued its efforts in increasing the visibility of its digital offer of more than 4,800 "off-the-shelf" online courses on topics ranging from personal development to professional skills.

- 6. In order to be able to evaluate the evolution from one year to the next, we are asking again the question asked in 2021 for which the answers did not reach a satisfactory level. Do you have a definition of "living wage" that is not limited to the local legal minimum wage? If yes, what is it? How does your company ensure that its employees, as well as the employees of its suppliers, receive a living wage?**

At Unibail-Rodamco-Westfield Group, we believe that a living wage should enable an employee and his or her entire family to meet their essential material and social needs in order to live without feeling excluded. This therefore implies being able to access essential goods and services (food, housing, health, clothing), but also other essential services (education, transport), or even more ancillary services (leisure, savings, etc).

This notion is to be assessed in relative terms from one country to another, or even from one region to another. This is why Unibail-Rodamco-Westfield Group relies on local Human Resources teams who have a perfect

understanding of local legislation and contexts to determine in the fairest way the level of salary considered to be decent.

In addition, the compensation (fixed and variable where applicable) of all employees is reviewed each year locally but also at Group level by the Human Resources team and the members of the Management Board to ensure not only compliance with these local thresholds but also internal equity.

Finally, internal analyses are carried out regularly throughout the year in order to identify any biases that could lead to discrepancies between compensations.

**7. France Perimeter: apart from investments in your company's securities, what proportion of the employee savings funds offered to your employees is labelled responsible (SRI, Greenfin, CIES or Finansol labels)? How do you explain the maintenance of non-responsible funds in the absence of a difference in profitability and when the Paris market is a leader in this area?**

**In your other countries of operation: do your savings schemes for your employees (retirement or other) also include ESG criteria?**

**How does the Board of Directors or Supervisory Board encourage the subscription of these types of employee savings funds?**

Among the seven funds of the Group Savings Plan (excluding URW Fund), 2 funds benefit from a responsible label, i.e. almost 30% of the employee savings funds offered to URW employees:

- The 'Amundi Label Equilibre Solidaire ESR – F Fund' is a multi-company employee's mutual fund that combines both SRI and Solidarity principles. It is invested in a balanced way between equities and fixed income (bonds, money market) selected from a set of socially responsible securities (meeting extra-financial ESG criteria). It holds between 5 and 10% of solidarity securities (companies promoting employment and social integration).

- The 'Amundi Label Actions Euroland ESR - F Fund' is a multi-company employee's mutual fund labeled by the CIES ("Comité Intersyndical de l'Epargne Salariale"). It is invested in equity vehicles selected from a set of socially responsible values (meeting extra-financial ESG criteria).

More generally, all the funds available in our Group Savings Plan benefit from an ESG governance in the choice of securities included, through the consideration of sustainable development and long-term issues in business strategy.

## **Governance**

**8. Do you publish a charter detailing your commitments regarding fiscal responsibility? If yes, how is fiscal responsibility integrated more broadly in your social responsibility? Does the Board review and approve this charter? Do you report annually on the application of the charter's principles through a fiscal responsibility report? Does this report detail the taxes paid in each country?**

Fiscal responsibility is one of the components of the URW Group's ESG strategy and is included in its Universal Registration Document (for the fiscal year 2021, page 96 of the Universal Registration Document, "Tax footprint"). Fiscal responsibility also forms an integral part of the Group's Tax Policy, "URW's approach to tax", which is published and updated annually on its website (<https://cdn.urw.com/-/media/Corporate~o~Sites/Unibail-Rodamco-Corporate/Files/Homepage/INVESTORS/Taxation-Information/Other-taxation-document/20220222-Unibail-Rodamco-Westfields~o~approach~o~to~o~tax.ashx?revision=d2122b1c-102b-47bc-ae8b-5549dc6817b5>).

The Group deploys a sustainable Tax Policy which is fully in line with its values and its ESG strategy. The business strategy of URW consists of creating value with its real estate portfolio over the long term and the Tax Policy of the Group is completely integrated into this long-term plan. In this context, the tax position of URW reflects the geographical location of its activities. Considering its €54.5 Bn portfolio and the fact that holding real estate assets requires it to pay taxes locally, URW pays significant amounts of taxes to local communities it operates in. In addition, significant tax payments are made to local tax authorities upon investment and divestment transactions as well as transfer taxes and construction taxes payment for its development projects.

Since 2016, the Group publishes detailed geographical figures relating to tax payments in its annual Corporate and Social Responsibility report. However, the Group does not publish country by country figures as doing so might damage its competitiveness.

The definition and the implementation of the Group's Tax Policy is followed and monitored by a team of internal and external tax expert and discussed with an internal committee whose members include the Chief Executive Officer and the Chief Financial Officer as members of the Management Board, the Group's auditors, the Group's

Audit Committee and Supervisory Board. The execution of the tax strategy and the level of risk is well understood by the senior management of the Group and other staff responsible for managing the Group's tax affairs. Material changes in the Group's tax strategy or Group's risk profile are discussed within the internal committee which meets on a regular basis. The annual update of the Group's Tax Policy is reviewed with the Chief Financial officer, member of the Management Board.

**9. Do you publish a responsible lobbying<sup>2</sup> charter?**

**Are you a member of professional associations with certain positions which are controversial in terms of general interest? If yes, what actions are you taking to reorient the positions of these associations?**

**What consolidated resources (human and financial) (i.e., throughout your geographical perimeter) do you allocate to the representation of interest?**

The Group's lobbying practices are governed by two charters: the Group's code of ethics, which is public and which formalizes the values and principles that each employee must observe to guarantee honest, transparent and responsible practices, and the URW Compliance Book, for internal use by employees, which more specifically governs internal rules and procedures.

Regular exchanges take place between the Group Compliance Officer and the Group's employees carrying out interest representation actions in order to ensure compliance with local rules in parallel with the rules laid down by the Group and to ensure the consistency of its lobbying practices with its ESG policy. Exchanges on institutional matters also serve the Group's ESG strategy called "Better Places 2030", which contributes to the general interest. For example, the Group has had numerous discussions with authorities in 2021 to facilitate opening of vaccination centres in the Group's assets where spaces have been made available free of charge to contribute to the vaccination of 1.5 million people, including more than 930,000 in France.

Finally, any contribution aimed at developing the Group's local footprint, promoting the local economy and/or strengthening the commercial and social network must comply with the objectives in terms of ESG, "Better Places 2030". The Group's control bodies are contacted when donations exceed levels and these controls make it possible to ensure alignment between donations and ESG objectives.

Regarding the reporting of entities and resources, actions are decentralized. In France, the Group's interest representatives, both internal and external (professional associations, consultants, federations, etc.) submit their annual declaration of activity in accordance with the guidelines of the High Authority for Transparency in Public Life: these data (meetings organised, purpose, dedicated resources) are public and available on the authority's website.

In the regions, actions are mainly carried out through the federations to which we are a member.

In the United States, we have a network of lobbyists under the authority of the Business Government Department which also makes some political donations in connection with the US General Counsel and after authorization from the country representative.

All of these players are subject to reputational due diligence and in case of alerts, the Group Compliance Department investigates and escalates material alerts to the Group Compliance Officer for recommendation and, if necessary, to the Group Compliance Committee. In the United States, the Group has a written donation policy.

**10. French Supply Chain Due Diligence regulation requires the creation of the Due Diligence Plan by involving the company's stakeholders, in particular social partners. In addition, one of the measures of this plan consists of the implementation of a mechanism for alerting and collecting reports on the existence or realisation of risks, defined in collaboration with representative trade unions. The trade**

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<sup>2</sup> "Lobbying - or the representation of interests - plays an increasing role in the elaboration of public decisions. The organisations concerned (companies, professional organisations, associations, public players, etc.) devote significant time and budgets to it. When it is conducted with integrity and when its use is made clear and transparent, lobbying can play a positive role and contribute to providing public decision-makers with elements of analysis to feed their reflection. On the other hand, unregulated lobbying can lead to abuses, resulting in decisions that serve private interests rather than the general interest." (Transparency International)

**unions have a field experience and ability to raise alerts and provide precious information to implement due diligence.**

**How does your Group integrate social partners – at local and global levels – in the various stages of the development, evolution and implementation of its due diligence plan?**

**What are the means provided for them to take on this mission? How are social partners involved in the reporting on the effective implementation of the due diligence plan?**

URW is not subject to French Supply Chain Due Diligence regulation but pays nevertheless a specific attention to the topic. URW is committed to protect human rights, health, safety and the environment in its value chain. To strengthen its approach to responsible procurement, URW established a mapping of ESG-related risks mapping in its supply chain in 2021. This mapping allows URW to understand and identify key risks related to sustainability in its upstream value chain and will allow the Group to define and implement action plans to manage these risks. The mapping has been designed with specialised external consultants and involved key representatives of functions with high procurement volumes (such as development teams or technical teams) as well as the Group compliance team. The mapping covers approximately ten key procurement categories under 11 risk categories (resources consumption, pollution, waste generation, climate change, biodiversity, illegal/forced work, discrimination/harassment, working time/salary, health and safety, data protection and corruption), with distinction between countries. This mapping includes mapping of the main existing risk management measures already in place within the Group.

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