



Corporate
Sustainability
Report 2007

Profile

Unibail-Rodamco is the leading listed pan-European commercial property operator, investor and developer. With a property portfolio valued at €25.2 billion as at December 31, 2007, Unibail-Rodamco is a company active in three major business lines: shopping centres, offices and convention-exhibition centres.

A clear focus: the Group has a clear focus on high-quality assets in Europe with a leading competitive edge in their respective markets, in terms of size, technological features, location and reputation.

A value creation approach: for each core business, Unibail-Rodamco aims at maximising shareholder value and return on investment through proactive management, a dynamic acquisition and disposal policy, and a high level of expertise in managing major development and refurbishment projects.

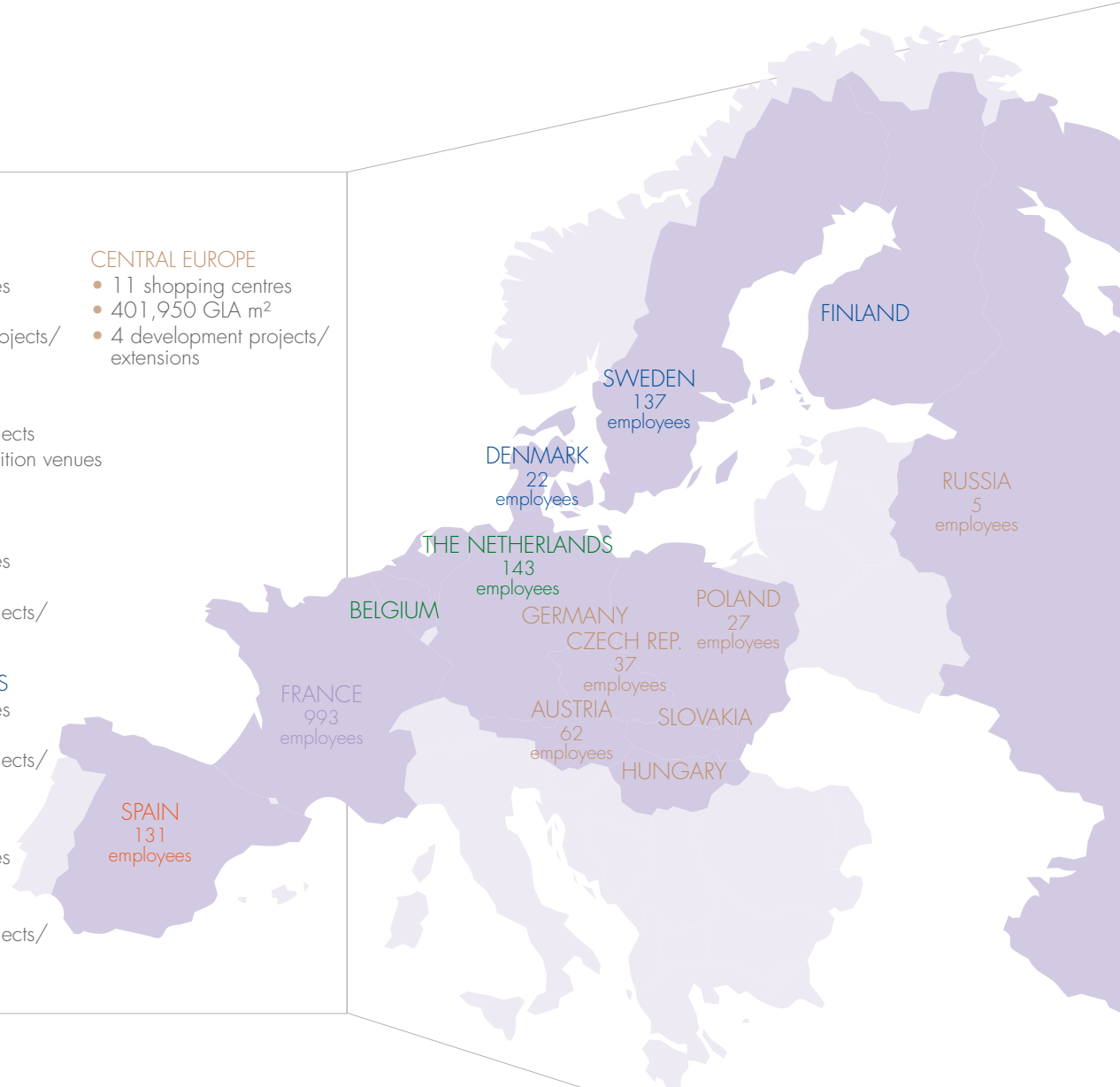
An independent Group: Unibail-Rodamco is an independent Group resulting from the combination between Unibail and Rodamco Europe in June 2007. Unibail-Rodamco is one of the most liquid listed property investment stocks and is part of the French CAC 40, Euronext 100 and Dutch AEX Index.

no.1
in commercial property –
listed in CAC 40

A portfolio valued at
€25.2
billion

Year end 2007
Market Capitalisation
€13.7 billion

- FRANCE**
 - 32 shopping centres
 - 948,200 GLA m²
 - 14 development projects/ extensions
 - 26 offices
 - 436,663 GLA m²
 - 6 development projects
 - 7 Convention-exhibition venues
 - 362,737 GLA m²
- CENTRAL EUROPE**
 - 11 shopping centres
 - 401,950 GLA m²
 - 4 development projects/ extensions
- SPAIN**
 - 12 shopping centres
 - 377,000 GLA m²
 - 2 development projects/ extensions
- NORDIC COUNTRIES**
 - 15 shopping centres
 - 592,900 GLA m²
 - 3 development projects/ extensions
- BENELUX**
 - 27 shopping centres
 - High street shops
 - 963,199 GLA m²
 - 1 development projects/ extensions



Data: 31/12/2007

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La Vaguada - Madrid

Corporate sustainability

Unibail-Rodamco develops, manages and invests in commercial property in major cities in 14 countries in Europe. Its activities require to take a long-term view, and by thinking about the future as well as the more immediate challenges, the Group can ensure the long-term perspectives of its business.

The Group is pleased to present the following Corporate Sustainability Report which explains the Group's new sustainability management process, reviews the specific achievements in 2007 and outlines the main goals for 2008.

Sustainability: a daily commitment

Unibail-Rodamco owns and operates 3.1 million m² of shopping centres and approximately 1 million m² of offices and convention-exhibition centres in 14 countries in Continental Europe. In addition, the Group has close to 1 million m² of shopping centre space and 378,000 m² of offices in its current development pipeline ensuring considerable growth for the future.

Unibail-Rodamco lets units in leading shopping centres at prime locations across continental Europe to tenants who, in turn, provide goods and services to millions of people every year (700 million of visits per year). The tenants of its office buildings provide workplaces for several thousands employees and its seven (as at 31/12/07) convention - exhibition venues in France (Paris and Greater Paris), attract over 11 million visitors annually.

Most of its Unibail-Rodamco's real estate assets are situated in dense urban areas. All of these assets are closely connected to major public transport hubs and form an integral part of the complex economic, social and environmental fabric of the local community. A considerable amount of energy, some of which the Group sources itself, is needed to ensure the comfort and security of visitors and, together with co-owners and tenants, the Group is responsible for managing the CO₂ emissions, energy and water consumption and waste production related to its properties.

This means the Group has a daily commitment, a commitment that never ends. How the Group conducts its activities really does make a difference. Its efforts to save energy, reduce carbon emissions and promote awareness of environmental issues will help to bring Unibail-Rodamco in line with the European Union objectives formulated in Lisbon and the long-term goals of sustainable development. The Group will be able to reach these objectives through increased focus using new lighting technologies, new heating, ventilation techniques, new water treatment and waste management.

Naturally the Group's employees and shareholders have a stake in the Group's sustainability performance, but so do its tenants as well as visitors, suppliers and the residents surrounding the sites. Not to mention the local authorities with whom the Group is closely working on major urban development projects.

Fostering environmental progress

In June 2007, Unibail and Rodamco Europe merged their activities to become the leading listed commercial real estate company in Europe. Each company brought to the new entity its own sustainability culture and history. Many initiatives pertaining to eco-efficiency, natural resources, employees, building standards, etc. had already been launched over the years; some of them are described in this report. The initiatives were developed at the local or regional level, within regulatory frameworks that vary from one country to another. This bottom-up approach was largely a locally driven process, encouraging local teams to harness their goodwill and imagination to produce a wealth of successful projects at shopping centres across Europe.

Today, by leveraging those local successes and implementing a sustainability strategy on a pan-European scale, the Group will increase focus and change gears. The Unibail-Rodamco International Environmental Performance Committee (IEPC) and Regional Environmental Performance committees (REPC) were set up to shape a common environmental performance policy and make sure it is now firmly embedded in all its thinking, planning and operating practices. A Group-wide approach has been adopted to favour the dissemination of knowledge and best practices throughout the 14 countries in seven regional divisions where the Group operates. In a few short months, the Group has laid the groundwork, including an effective governance structure and a system for base-lining present and future performance. Going forward, the Group will further shape the conditions required to embark on a process of continuous improvement and measure progress along the way towards ambitious yet realistic targets.



Message from the CEO



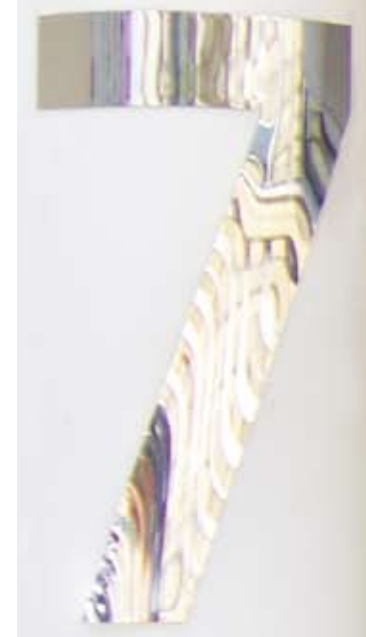
The management of Unibail-Rodamco is pleased to present our first separate corporate sustainability report, intended to provide our stakeholders with an objective assessment of the Group's current performance in the areas of governance, environment and social responsibility and share our vision and concrete plans for the future. The newly formed group has succeeded in creating a solid, transparent corporate governance structure and a set of high standards and uniform policies in human resources to make the company an interesting, rewarding place to work. Unibail-Rodamco's focus is now on its environmental responsibility, an area in which the Group aims to be an industry leader.

Climate change has rightly become a top priority in corporations today, due to its expected impact on the world and society in the coming years. As a major developer, investor and operator of shopping centres, offices and convention-exhibition venues, we can and must do our part to achieve the significant reductions of greenhouse gas emissions needed to bring climate change under control. This means cutting our carbon emissions and making environmental performance a key factor in our business procedures.

Concern about sustainability issues is not a new phenomenon in our regions, as this report amply demonstrates. What has changed is the sense of planetary urgency and the need for pro-active environmental management to ensure that the same exemplary standards are observed throughout the Group. The Group has set up an enthusiastic, pan-European team to encourage imaginative solutions and implement long-term environmental strategy across our core businesses. The Group has introduced pilot projects in renewable energies to be adapted and rolled out wherever possible. And the Group is placing a premium on energy efficiency in its renovations and exciting new building designs.

There is no conflict of interest here. Assuming our corporate responsibility at Unibail-Rodamco is not only an ethical imperative, it is also good for business. The Group realised early on that sustainable development is an important aspect of value creation. For this reason, the Group is eager to embrace eco-friendly ideas and technologies in the construction and operation of our sites, offers a safe, pleasant environment for the people who visit and work in them and contribute to the enrichment of local communities through our activities, sponsorships and environmental awareness campaigns."

Guillaume Poitrinal, Chief Executive Officer



PLACE
DU CHANCE-LIER
ADENAUER



environmental performance

- Environmental assessment of six shopping centres in France (representative of the global portfolio) to evaluate their environmental impact, work out improvement plans and learn lessons that will be applicable elsewhere.
- Consulting with a firm specialising in sustainable development strategy to structure the Group's corporate sustainability strategy, identify key issues for the Group, address specifically all stakeholders, widen its scope by taking into consideration the best practises of companies both inside and outside the Group's industry.
- Creation of a pan-European International Environmental Performance Committee (IEPC) made up of 5 regional branches. This new structure tailors the implementation of Group-wide environmental initiatives to specific country features and regulations and promotes best practices among the Group's operating teams.
- Several pilot projects to embed an EMS (Environmental Management System) in new constructions. The pilot projects are intended to pave the way to introducing EMS in all the buildings in the medium term.

energy reduction

- Assessment of the CO₂ footprint of selected properties of the Group's portfolio by a carbon strategy consulting firm to develop an overall strategy for limiting emissions during the construction of the buildings and the management of their lifecycles.
- Installation of photovoltaic panels at two shopping centres in Spain: the first in Madrid (La Vaguada) providing 138,500 kWh/year, the second in Valencia (Bonaire) providing 472,500 kWh/year.

talent in motion

- Internal survey conducted following the merger to detect the cultural differences between Unibail and Rodamco, identify common values for the Group and build a leadership model throughout the newly merged company.
- Group-wide skills mapping of the Unibail and Rodamco Europe companies to classify key jobs, responsibilities and skills to ensure consistency in jobs scopes and internal equity of remunerations.
- Design and roll-out in all countries of training programmes dealing with all major processes for about 200 managers and staff.

contribution

- Creation of the Grand Prix for young retail entrepreneurs.

Unibail-Rodamco registered office - Paris

Life cycle analysis

Life cycle analysis (sketch) of Unibail-Rodamco's activity, drawing attention to the major business impacts and the associated sustainability issues and challenges.

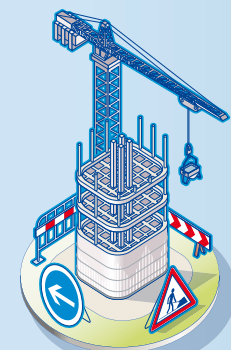
Unibail-Rodamco's properties offer sustainability levers at every stage of their life cycle, from investment and development to operations.



INVESTMENT

SUSTAINABILITY LEVERS

- Environmental due diligence at pre-purchase
- Environmental requirements at pre-purchase
- Green building certification
- Local economic impact survey
- Green procurement



NEW DEVELOPMENT



REFURBISHMENT

SUSTAINABILITY LEVERS

- Brownfield regeneration
- Biodiversity protection measures
- Sustainable construction guidelines
- Requirements for sub-contractors and suppliers (incl. H&S)
- Local sourcing (materials, sub-contractors)
- Integration of renewable energy
- Waste recycling during construction phase
- Natural resources consumption (energy, water, fuel...)
- Stakeholders information/consultation

OPERATIONS



SUSTAINABILITY LEVERS

- Energy consumption
- Water management
- Waste management
- Transport
- Health & safety
- Communication on sustainability topics
- Respect for labour rights
- Employee well-being
- Integration in the community
- Biodiversity

OPERATIONS

Legend

- environmental issues
- social issues

Water management

- Water consumption monitoring
- Water saving devices
- Green lease / Tenants workshop

Transport

- Easy access to public transport
- Green travel plan

Health & safety

For employees, suppliers, tenants and customers

- Rigorous health & safety plan
- On-site control

Biodiversity

- Integration of green spaces
- Biodiversity impact measurement

Energy consumption

- Integration of renewable energy / green electricity
- Energy efficiency devices
- Energy consumption monitoring

Communication on sustainability topics

- Guidelines on sustainability
- Special event on sustainability
- Information disclosure to all stakeholders

Integration in the community

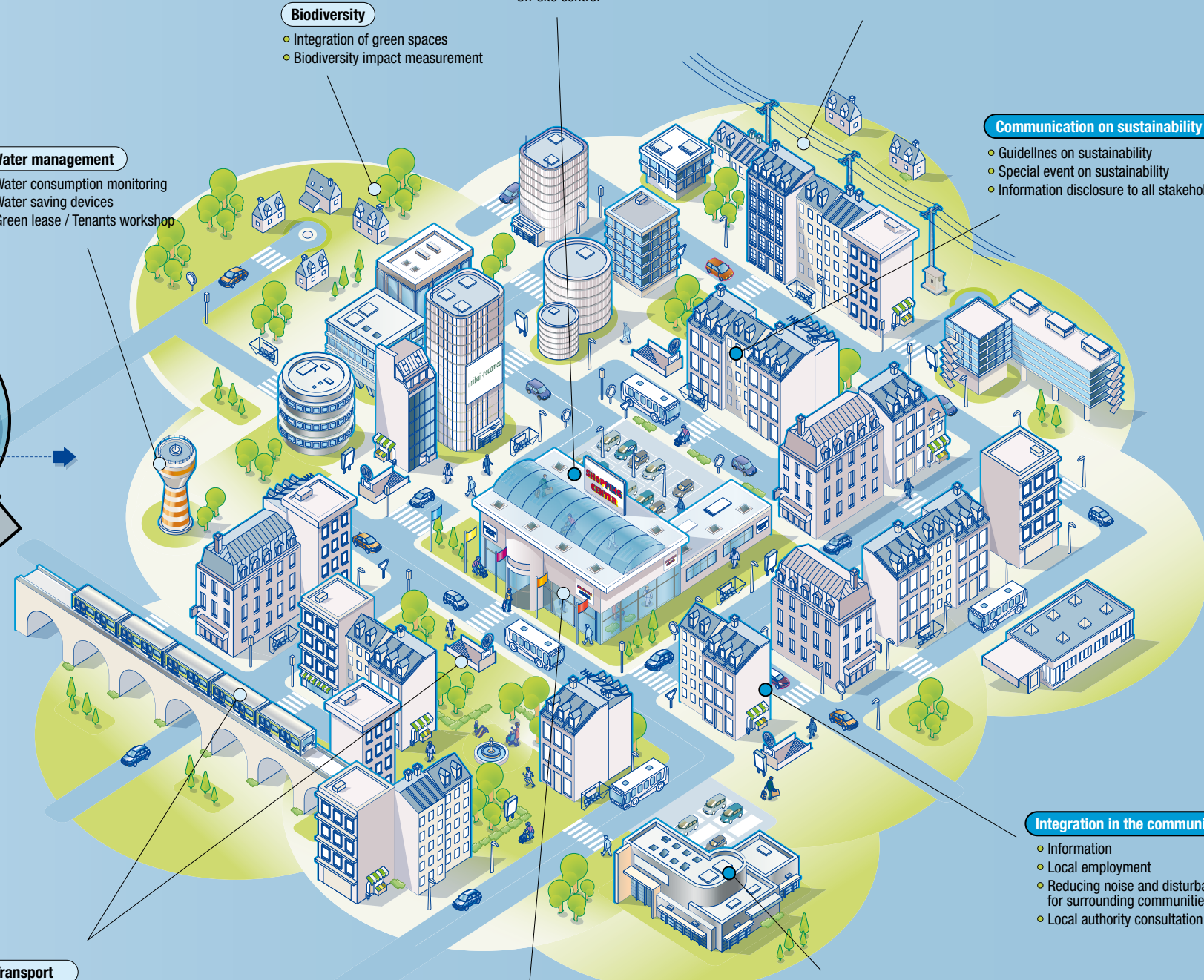
- Information
- Local employment
- Reducing noise and disturbance for surrounding communities
- Local authority consultation

Respect for labour rights

- Sustainability procurement integrated in suppliers contracts
- Promotion of sustainability commitment

Waste management

- Waste recycling facilities
- Waste management plan
- Monitoring
- Tenant workshop



Governance

The concept of governance applies to several areas of decision making. In this report, the Group will clarify governance of its corporate responsibility and corporate governance as set out in the Articles of Association.

CORPORATE SUSTAINABILITY

Unibail-Rodamco's corporate sustainability can be summed up as: creating economic growth and employment whilst reducing its environmental footprint and providing a healthy, safe and stimulating workplace.

CORPORATE GOVERNANCE

Following the merger between Unibail S.A. and Rodamco Europe N.V. in June 2007, a new governance structure was created out of the particular corporate governance arrangements of each company, in keeping with the regulatory requirements of the European Union, the French head office and the individual countries as well as the best practices of French and Dutch listed companies. The shareholders of Unibail-Rodamco S.A. adopted a two-tier governance organisation with a Management Board and a Supervisory Board, ensuring an effective balance between the executive-operational roles and responsibilities of the Management Board and the non-executive advisory and oversight capacities of the Supervisory Board.

For full details on this two-pronged structure, including the roles of the Supervisory Board Committees (the Audit Committee and the Governance, Nomination and Remuneration Committee, see the Corporate Governance section of the Unibail-Rodamco 2007 Annual Report, pp. 35-39. The Supervisory Board and Management Board Charters are available at the Company's website: Unibail-Rodamco.com.

GOVERNANCE OF ENVIRONMENTAL AND SOCIAL RESPONSIBILITY

Two Management Board members have been assigned to propose policies and action plans in this area and drive implementation of the Board's decisions through functional lines:

- Catherine Pourre, Chief Resources Officer, in charge of Corporate Economic and Social Responsibilities.
- Joost Bomhoff, Chief Development Officer, in charge of Corporate Environmental Responsibility in both Business Operations and Development.

These Management Board members are responsible for building a sustainability roadmap in their specific fields, identifying opportunities and risks, and providing the necessary impetus, advice and encouragement to teams on the ground. They will report on a quarterly basis to the Management Board regarding the progress accomplished on CS targets for the present year and set objectives for the coming period.

SOCIAL PERFORMANCE COMMITTEE AT WORK

Once the Unibail-Rodamco governance structure was in place, a new pan-European Human Resources organisation was designed for the Group, building on the complementary structures of both companies.

The objectives of social responsibility are very much in line with human resources activities and have to be managed in harmony. Both are therefore overseen by the same organisational platform to increase their effectiveness and avoid redundant governance structures.

The process of designing a harmonious social blueprint and integrating employees into the new Group was aided by the fact that labour legislation in continental Europe is based on a common spirit and widely shared principles.

GOOD GOVERNANCE STANDARDS

Supervisory Board

Three different nationalities; one female member
New members selected by the GN&R Committee
All members but one meet "Bouton Report" independence criteria
Term: 3 years

Audit Committee

All members are independent

Governance, Nomination and Remuneration Committee

All but one of the members are independent

Management Board

Six members appointed by the Supervisory Board



The Unibail-Rodamco Management Board: from left: Willem Ledebuer (Chief Investment Officer), Joost Bomhoff (Chief Development Officer), Peter van Rossum (Chief Financial Officer), Guillaume Poitral (Chief Executive Officer), Catherine Pourre (Chief Resources Officer), Michel Dessolain (Chief Operating Officer)

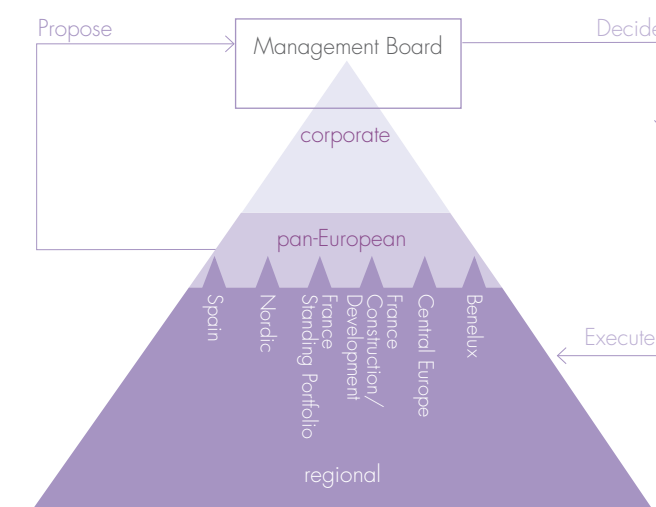
INTERNATIONAL ENVIRONMENTAL PERFORMANCE COMMITTEE AT WORK

Achieving uniform environmental standards proved to be more problematic, as the standards and regulations in force often differ significantly from one region to the next. Some countries have a longstanding record of sustainable development initiatives, while others still have a considerable way to go in making environmental responsibility a top priority.

The Unibail-Rodamco International Environmental Performance Committee (IEPC) is a working group in charge of identifying cross-the-board environmental issues, setting future targets and developing appropriate corporate policies and management tools. The IEPC coordinates the diverse local initiatives towards a Group-wide environmental vision and adopts successful experiences as corporate standards for all Unibail-Rodamco operations and development projects.

The Committee is made up of representatives of the five regions, each one contributing a specific area of competence (a Country Manager, a Technical Manager, an Operations Manager, a Projects, Maintenance and Purchasing Manager and a Shopping Centre Manager), headed by Joost Bomhoff. The group meets every six weeks to discuss local initiatives and achievements, stimulate exchange of best practices and develop pan-European initiatives. The decisions are then conveyed by the members to local IEPC teams, in charge of disseminating and implementing them in the operating units.

This highly effective structure functions as an "idea factory", drawing on the creativity and hands-on experience of local operators and developers, knowledge of technological feasibility and an understanding of regulatory and budget constraints to come up with sustainable policies and innovations that can be rolled out across the regions. This give-and-take approach ensures that IEPC members and their local teams will be fully engaged in improving the Group's environmental performance.



Stakeholders

Employees



Corporate responsibilities to selected stakeholders

- Raise awareness of the relevance of sustainability
- Provide training
- Stimulate desired behaviour
- Ensure the health and safety of staff
- Encourage diversity and equal opportunity in hiring and promotion

Actions

- Develop and implement a training program called "Sustainable Attitude"
- Offer training on environmental ratings: BREEAM
- Develop and implement "green" building design and construction guidelines and introduce sustainability in investments process and business plans
- Road map with clear KPIs and objectives under development,
- Distribute and explain Code of Ethics

Tenants



Corporate responsibilities to selected stakeholders

- Share knowledge within the industry and with key suppliers
- Share knowledge with key tenants and work together towards sustainability improvements

Actions

- Participate in national and international programmes such as CNCC, ICSC, etc.
- Organise workshops with 5-10 major tenants to develop action plans for reducing environmental impact

Visitors



Corporate responsibilities to selected stakeholders

- Improve connections to public transport and promote green travel
- Improve site access for disabled people
- Educate the public on sustainable development issues
- Ensure the health and safety of visitors

Actions

- 90% of the Group's assets are located in urban areas served by public transport
- The Group has signed a disability integration charter
- Sustainable development awareness campaigns and charity operations have been conducted at almost all Group shopping centres
- Cooling systems are closely checked and fire procedures are implemented

Suppliers and contractors



Corporate responsibilities to selected stakeholders

- Share knowledge with key suppliers
- Anticipate risks and prevent accidents

Actions

- Organize workshops with 5-10 major suppliers to develop action plans to reduce the environmental impact

Communities and government authorities



Corporate responsibilities to selected stakeholders

- Communicate the sustainability impact and measurement of Unibail-Rodamco development projects
- Engage in dialogue with local communities concerning new projects

Actions

- Conduct environmental impact assessment at all new projects (> 5,000 m²)
- Large and comprehensive public consultation actions

Unibail-Rodamco, due to its central position in the property sector, has connections with a great diversity of actors, from suppliers along the supply chain to our human capital. We are deeply involved in the communities where we operate, incurring sustainability responsibilities towards our stakeholders.

Shareholders and financial partners



Corporate responsibilities to selected stakeholders

- Provide maximum transparency

Actions

- Publish targets and achievements



2 toilettes nursery mariage espace détente

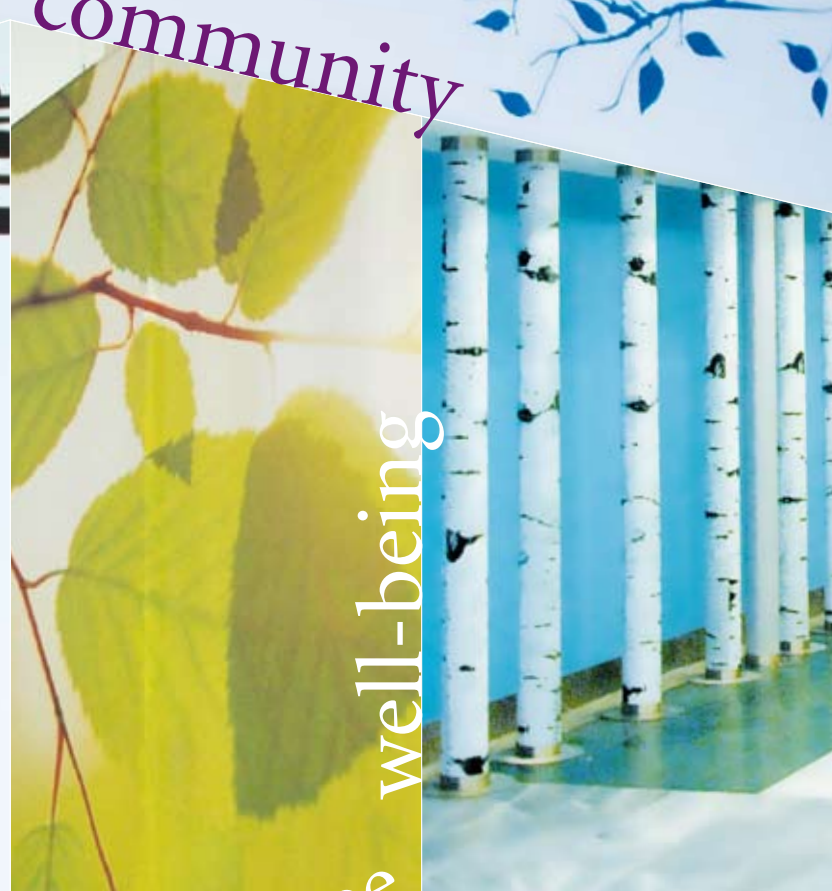
1 espace détente

0 la réception espace services retrait de billets CB

Environmental responsibility



Integration in the community



Employee well-being



Biodiversity impact



niveau

2

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niv.3

niv.3

Environmental performance



“In this report, the Group aims to give our stakeholders an overview of where the Group is now, where it is heading and how it intends to reach its goals. In 2007, the Group set up the International Environmental Performance Committee with the immediate task of determining where the Group should focus our actions and assess our environmental performance in those areas. In tandem with regional committees, the IEPC is laying the foundations for a consistent, long-term sustainability strategy by aligning the approaches and initiatives used across Europe. The Group has defined indicators and is setting targets for our business plans.

For us, sustainable development is not just a slogan. The Group wants our shopping centres, offices and exhibition halls to be models of environmentally friendly practices and innovation. The Group wants to provide a healthy living environment at our sites and contribute to the well-being of our communities. This commitment is both professional and personal. I, for one, would like the staff of Unibail-Rodamco to be proud of what we achieve in the future!

Environmental responsibility has to be an essential component of our decision-making as well as a reflex in our daily lives. This is the spirit in which the Group is taking up the challenge.”

Joost Bomhoff, head of the environmental management team

Most of Unibail-Rodamco's real estate assets are situated in dense urban areas. Most of them are closely connected to major public transport hubs and form an integral part of the complex economic, social and environmental fabric of the local community.

Unquestionably, the business has great impact on the environment. All the Group's activities, from development, planning and construction to site operation and management, carry with them environmental responsibilities as well as opportunities for improvement.

Preserving natural resources and finding ways of reducing greenhouse gas emissions has been a constant preoccupation for the last decade within the Unibail and Rodamco Europe companies.

Nevertheless, the Group must accelerate the pace, and it is time to share and enhance a common and ambitious environmental policy, to transform the daily behaviour in order to save resources and decrease the impact of our business and building the environment. The Group also needs to provide its teams with well-adapted tools, long-term goals and a suitable policy framework.

• Standing Portfolio

Managing existing properties (shopping centres, offices, convention-exhibitions venues) is Unibail-Rodamco's primary, day-to-day activity and hence a main source of environmental responsibility for the Group. It is also the area in which the Group has the most leverage to improve its environmental performance by promoting energy efficiency, reducing water consumption, managing waste and “stimulating” sustainable practices among our tenants. Environmental management has traditionally taken place at the building level, through auditing energy consumption, action plans and monitoring devices that varied from country to country. A Group-wide action plan in favour of energy and water savings as well as efficient waste disposal will be the first step towards a common sustainable development strategy. Indicators include ratios such as:

- Energy in KWh/m² managed area/visitor
- Water in litres/visitor
- Waste in Kg/visitor (recycling, collection)

• Development

Along with everyday management of existing assets, the Group has a large pipeline of extensions, refurbishments and new projects. The challenge of developing a long-range portfolio of eco-friendly properties in line with company strategy on energy efficiency and natural resource protection is of a different nature. Most of the longer-term benefits will have to be considered upstream in the design phase, and the potentially adverse effects on the environment during construction will have to be carefully mitigated.

Therefore, the Group will adapt design guidelines in addition to the mandatory requirements under local regulations and have its projects developed according to BREEAM standards, following the ICSC recommendation in this regard.

The Building Research Environmental Assessment Method (BREEAM) is the leading European system for assessing the range of environmental impacts associated with buildings. BREEAM is used by owners, users and designers to demonstrate their environmental commitment and to reduce the impact that their buildings have on the environment. Development projects are assessed against performance criteria set by the BREEAM and awarded “credits” based on their level of performance. The performance is then rated from one star as Pass up to four stars, Excellent.

• Investment

Prior to any major investment, environmental due diligence is already standard practice, mostly to uncover problems such as asbestos, soil contamination and pending claims. The Group will further expand its investment criteria to include longer-term environmental issues. A more extensive Environmental Impact Analysis will be developed for that purpose and incorporated into the process.

Summary of pan-European actions for the period 2008-2009

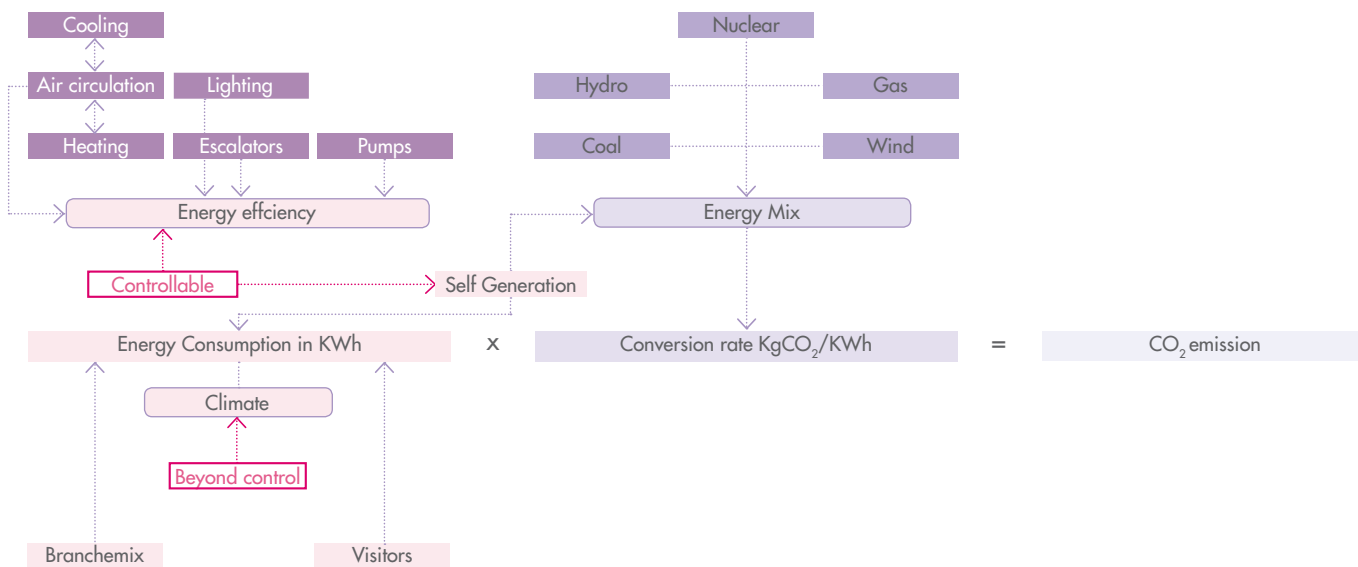
- Develop and implement a training programme called “Sustainable Attitude”
- Develop and implement pan-European “green” building design and construction guidelines
- Include sustainability objectives in all property business plans
- Implement a pan-European database on environmental KPI's
- Participate in national and international programs such as CNCC, ICSC...

Energy and climate change

For years, the former Unibail and Rodamco Europe companies have been working to reduce their energy consumption through an active policy of renovating old buildings, promoting better energy use within managed assets and introducing new, more efficient lighting, cooling, and heating devices. The merger of Unibail and Rodamco Europe naturally widens the scope of action for the Group's energy policy.

To facilitate understanding, the Group has visualised below the various impact areas that together determine the direct CO₂ emissions of the existing properties:

The first step towards reducing energy dependence involves monitoring energy consumption using solid, on-site indicators. This will provide a baseline for comparing the energy performance of all the regions. Because the Group operates in 14 different countries, the Group had to begin by adopting a common language and indicators, i.e. energy per square metre of managed area/visitor and water and waste ratio per visitor.



For a more effective reduction programme, more detailed metering systems will have to be put in place to differentiate and monitor the percentage of energy consumed by lighting, air conditioning, vertical transport and other infrastructure.

The Group is simultaneously in the process of diagnosing and assessing its carbon footprint, starting with 8 assets in France. Unibail-Rodamco's goal is to develop a Group-wide carbon strategy including specific actions, emissions and energy reduction targets and project management tools.

CASE STUDY: PARTNERSHIPS WITH SUPPLIERS LYON PART-DIEU

To support direct action to reduce energy consumption at its centres, the Group has developed and implemented a specific partnership including multi-technique solutions with suppliers. Shopping centres in France such as Lyon Part-Dieu and Rouen St Sever now benefit from this new energy contract called "Energy Savings Performance Contract" since 2005, which provides for consumption monitoring, target setting and performance management. 51% of heating produced at Lyon Part-Dieu shopping centre comes from waste incineration processes.



Donauzentrum - Vienna



Lyon Part-Dieu - Lyon

Introducing renewable energies

Renewable sources – solar, wind, water and geothermal – provide a clean, unlimited supply of energy for the Group's assets and Unibail-Rodamco has long promoted the use of such green energies. In a pragmatic response to the challenges of climate change and energy resource depletion, the Group has launched a number of pilot projects in multi-renewable energy production including solar, wind and tri-generation (the simultaneous production of mechanical power converted to electricity, heat and cooling from a single heat source).

Unibail-Rodamco is aiming to achieve the twofold objective of fostering innovation and building internal expertise in this field. From now on, ways of incorporating renewable energy will be studied for every new building project and implemented wherever possible and relevant in the Group's managed portfolio. Solar energy, for example, offers a significant opportunity to lower the Group's dependence on fossil fuels and hence the impact on global warming. The Group's assets in southern Europe are ideally situated to benefit from this technology and the management has adopted a pro-active approach to its introduction. Solar panels have already been integrated into three of the Group's Spanish assets, and a 3-year programme has been drawn up to equip 100% of the Spanish portfolio with solar panels, thereby reducing its CO₂ emissions by 20%. Wind power is also used in Spain, France and the Netherlands, where the Group is reviewing opportunities to install wind turbines at a few of the shopping centres including Carré Sénart and Vélizy 2 in France. However, the extent of this energy will remain limited due to the urban location of most of the Group's properties. The Nordic properties enjoy a particularly efficient energy mix with 85% of its supply from renewable sources.

9.6% of energy consumed comes from renewable sources

10% CO₂ reduction in Spain in 2007



CASE STUDY: SPANISH SHOPPING CENTRES

In 2007, Unibail-Rodamco built the first photovoltaic energy production system into the architecture of its La Vaguada shopping centre in Madrid. The system's estimated annual output of 141,000 kWh enables a reduction of 141 tonnes of CO₂ emissions and 1.5 tonnes of SO₂ emissions per year. The centre, which receives 24 million visits every year, includes a monitoring system and an information centre where visitors can learn about solar energy and how it works. In December 2007, the Group also equipped the Bonaire shopping centre in Valencia with photovoltaic panels with an annual output of 472,500 kWh. In 2007, the environmental management of Vallsur (Valladolid) obtained ISO 14001 certification. Unibail-Rodamco Spain has also taken a series of initiatives to promote waste recycling and management. In this regard, the Group carried out a feasibility study on introducing a waste collection system at its La Vaguada and Parquesur shopping centres in Madrid. The Group's shopping centres in Spain save energy through automatic timer systems for electricity and air conditioning consumption and rationalise water consumption using similar automatic timers.

Bonaire - Valencia

Resource conservation and resource efficiency

Unibail-Rodamco realised early on that waste and water are strategic areas in which the Group can minimise the environmental impact of its portfolio. Many initiatives have been introduced on a local scale to reduce its consumption.

In 2007, the Group collected all these local initiatives, measured their results and benefited from pilot projects in designing an overall policy to reduce consumption of natural resources.

For the immediate future, the Group has two main objectives:

- monitor asset consumption and identify reduction opportunities,
- develop a Group-wide action plan to lower consumption levels, including tools, training and new devices.

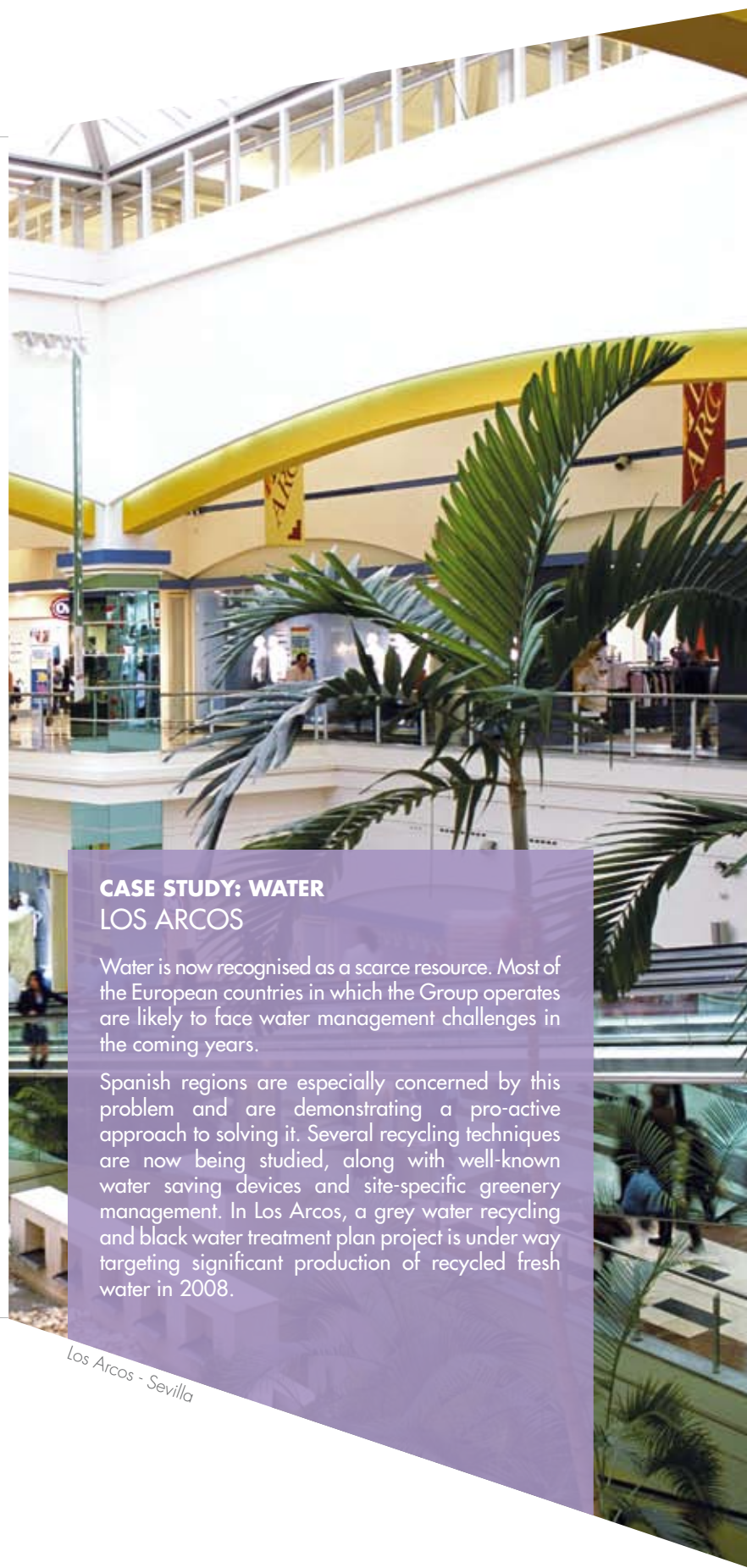
Water

The major lever in this area is to reduce water consumption in common spaces, particularly restroom facilities.

To date, 85% of the total assets already have water saving devices, such as low-flush toilets or rainwater harvesting. A pilot project aimed at creating a water management programme will be developed groupwide in 2008.

Waste

Waste management requires working closely with tenants to reduce the amount of waste and improve the amount of recycled waste. Unibail-Rodamco's role is to provide infrastructures and pro-actively encourage its tenants to adopt best practices in waste management. Unibail-Rodamco is currently planning a workshop with major tenants to come up with common solutions to lower the impact of waste production.

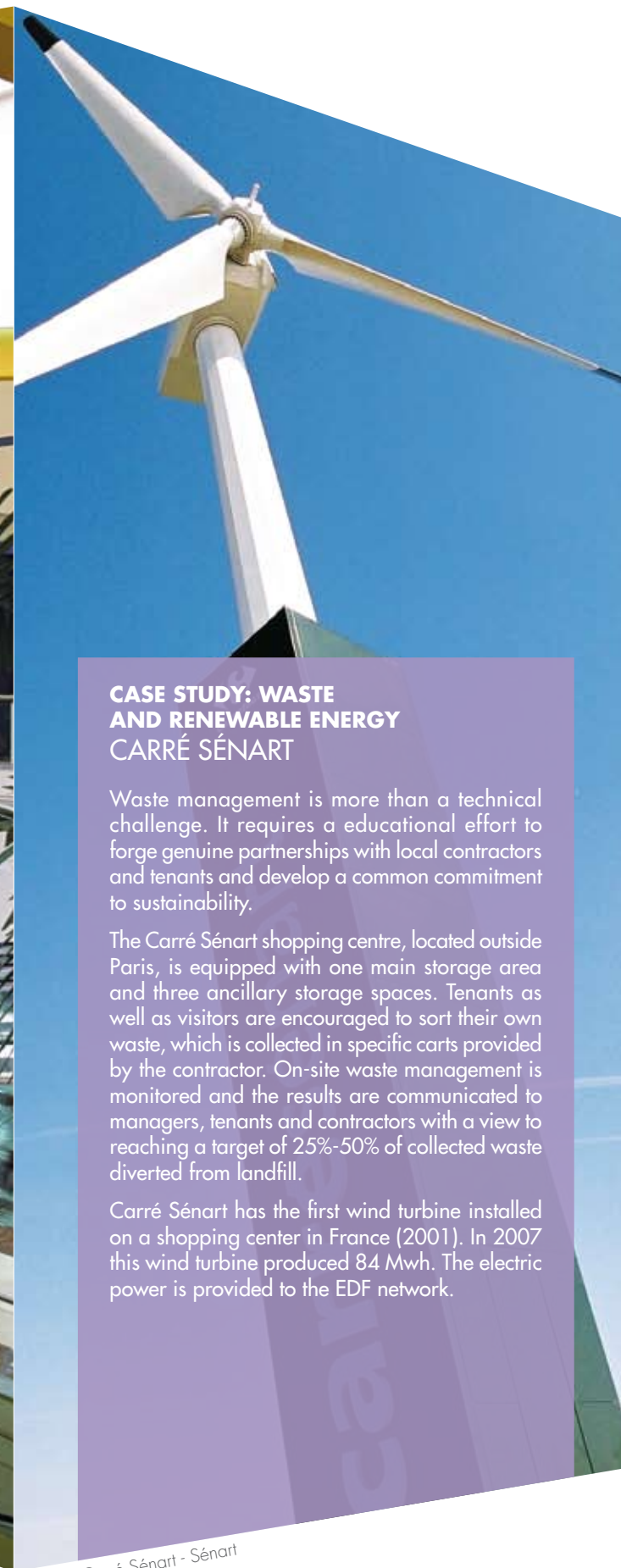


Los Arcos - Sevilla

CASE STUDY: WATER LOS ARCOS

Water is now recognised as a scarce resource. Most of the European countries in which the Group operates are likely to face water management challenges in the coming years.

Spanish regions are especially concerned by this problem and are demonstrating a pro-active approach to solving it. Several recycling techniques are now being studied, along with well-known water saving devices and site-specific greenery management. In Los Arcos, a grey water recycling and black water treatment plan project is under way targeting significant production of recycled fresh water in 2008.



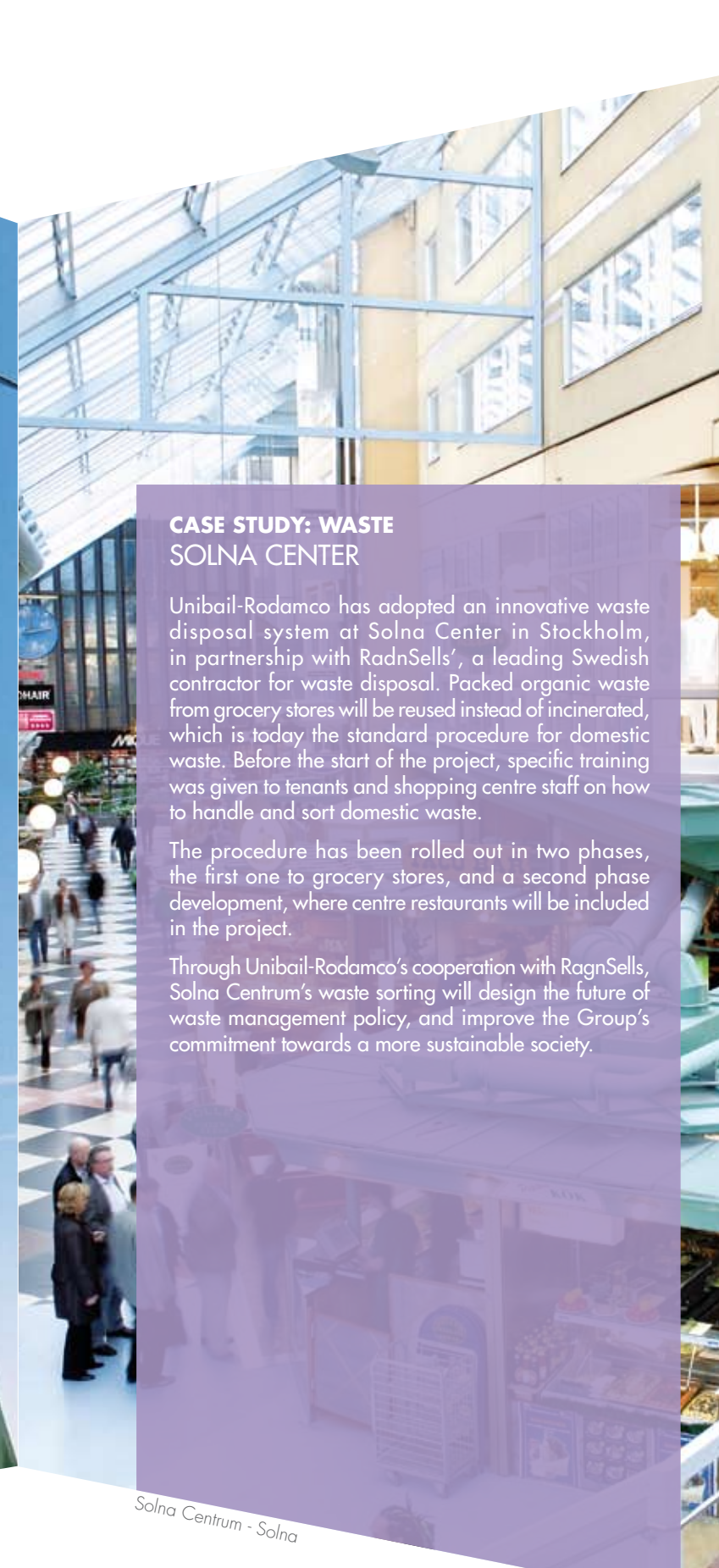
Carré Sénart - Sénart

CASE STUDY: WASTE AND RENEWABLE ENERGY CARRÉ SÉNART

Waste management is more than a technical challenge. It requires an educational effort to forge genuine partnerships with local contractors and tenants and develop a common commitment to sustainability.

The Carré Sénart shopping centre, located outside Paris, is equipped with one main storage area and three ancillary storage spaces. Tenants as well as visitors are encouraged to sort their own waste, which is collected in specific carts provided by the contractor. On-site waste management is monitored and the results are communicated to managers, tenants and contractors with a view to reaching a target of 25%-50% of collected waste diverted from landfill.

Carré Sénart has the first wind turbine installed on a shopping center in France (2001). In 2007 this wind turbine produced 84 Mwh. The electric power is provided to the EDF network.



Solna Centrum - Solna

CASE STUDY: WASTE SOLNA CENTER

Unibail-Rodamco has adopted an innovative waste disposal system at Solna Center in Stockholm, in partnership with RadnSells', a leading Swedish contractor for waste disposal. Packed organic waste from grocery stores will be reused instead of incinerated, which is today the standard procedure for domestic waste. Before the start of the project, specific training was given to tenants and shopping centre staff on how to handle and sort domestic waste.

The procedure has been rolled out in two phases, the first one to grocery stores, and a second phase development, where centre restaurants will be included in the project.

Through Unibail-Rodamco's cooperation with RagnSells, Solna Centrum's waste sorting will design the future of waste management policy, and improve the Group's commitment towards a more sustainable society.

Urban integration and transport

Most Unibail-Rodamco shopping centres are located in the heart of urban communities, attracting more than 700 million visits per year. Promoting the use of public transport is another key consideration for the Group when acquiring, developing an asset or undertaking a shopping centre extension. Consequently, most of its portfolio is made up of shopping centres, offices and convention-exhibition venues located in urban settings with readily accessible public transport as opposed to suburban areas that can be easily reached only by car.

The Rivetoile shopping center, located on the German border near Strasbourg, is a good example of the creation of a next-generation shopping centre on industrial wasteland that was revitalised into a new sustainable urban district. The architecture of Rivetoile emphasises the centre's harmonious inclusion in the city environment. State-of-the-art technology and design has been implemented to save energy and reduce CO₂ emissions.

In 2007, the Group conducted a survey to determine the percentage of assets in each type of location and the mode of transport used by visitors. The results showed that 90% of its properties are inner-city sites with conveniently available public transport and that more than one third of visitors used "green transport". Asset location is therefore one of the Group's strengths and the Group can help reduce carbon emissions indirectly by encouraging visitors to leave their cars at home and come to visit the buildings on foot, by bicycle or by public transport.

Many shopping centres are served by the Underground : Le Carrousel du Louvre, Le Cnit, Le Forum des Halles, Les Quatre Temps, Bobigny 2, Rosny 2, Lyon Part-Dieu, Euralille, V2, Rennes Alma, Rouen Saint-Sever. The Group is cooperating with local authorities and associations to promote and develop public transport for the following existing assets or new projects: La Toison d'Or in Dijon, Nicétoile shopping centre in Nice, Capital 8 in Paris, Viparis Porte de Versailles (Velib public bicycle station), Lyon Confluence (parking places for two-wheel vehicles).

90% of the Group's properties are located in urban centres within easy access of public transport

38% of the Group's visitors use "green transport": walking, bicycles or public transport



CASE STUDY: TRANSPORT DONAUZENTRUM

Donauzentrum, a 112,000-square-metre retail and entertainment centre located in central Vienna, is a major Unibail-Rodamco asset. The site was awarded the "Öko BusinessPlan" prize by the city in 2007 in recognition of its commitment to sustainable environmental practices. Donauzentrum has opted for a highly ambitious approach to energy, water and waste management. Promoting "green transport" is one of its key commitments.

Donauzentrum - Vienna

Summary of actions for the period 2008-2009 - Existing Assets

Activities	2008	2009
Reduce CO ₂ emissions	<ul style="list-style-type: none"> Assess carbon footprint of selected properties 	<ul style="list-style-type: none"> Implement action plans to reduce CO₂ emissions
Improve energy efficiency	<ul style="list-style-type: none"> Develop a uniform energy measurement, monitoring and reporting methodology Implement an energy savings plan at 100% of the Group's properties 	<ul style="list-style-type: none"> Energy monitoring systems in place at 80% of the properties Set targets for energy reduction 2009-2011
Reduce waste production and water consumption	<ul style="list-style-type: none"> Improve water and waste monitoring at 100% of the properties Conduct pilot action plans for separate waste collection and recycling 	<ul style="list-style-type: none"> Implement separated waste collection and recycling at all the properties Implement an action plan to reduce water consumption (<4 l/visitor/year)
"Commit" the Group's main suppliers and tenants	<ul style="list-style-type: none"> Include environmental criteria in all the suppliers' contracts Share best practices with key retailers 	<ul style="list-style-type: none"> Organise workshops with 5-10 major suppliers and tenants to develop action plans to reduce the environmental impact
Promote "green" transport	<ul style="list-style-type: none"> Include mobility analysis in business plans 	<ul style="list-style-type: none"> Implement an action plan to stimulate use of "green" transport



Forum des Halles - Paris

Incorporating innovations into projects

The Group has set its sights on adopting the highest available sustainable construction standards for its new development projects. To achieve this goal, the Group decided, in keeping with ICSC recommendations, to require BREEAM construction ratings on all new projects for all development phases.

The Group's pragmatic approach involves developing dedicated support tools and training for the teams: design guidelines for developments, training for all teams and reaching "very good" or "excellent" BREEAM ratings on a minimum of 3-5 buildings in 2009.

Energy

Unibail-Rodamco has a long-term commitment to implementing new technologies that encourage efficient energy use by its tenants. The Group is gradually equipping its managed portfolio with three types of devices that have a demonstrated effect on energy consumption: efficient air ventilation including "free" cooling, computer-based management systems and energy-saving lighting.

Water and waste

As in the case of energy, plans to reduce waste or facilitate recycling of the future property can be taken into account upstream in the design phase.

However, during the construction phase (including site preparation) waste is also produced related to extension/development activities. In most countries, tight regulations are already in place regarding its removal. The Group will develop additional guidelines if necessary to ensure that in all regions the Group works towards similar standards.

CASE STUDY: TOUR PHARE

The Tour Phare – a pending project – is the newly designed tower slated for inclusion in the renewal plan for La Défense business district. Construction of the 300-metre-high building, offering 130,000 m² GLA, is scheduled to begin in January 2009. The new tower will be highly symbolic, standing as a model of architectural innovation and vision. The project will adopt the French sustainable construction approach HQE® (Haute Qualité Environnementale) to achieve in design and construction standards. Made of glass and metal, the building will present forward-looking energy performance features, with a double skin façade on the south side and maximised natural lighting on the north side. State-of-the-art technologies will be included, strengthening Unibail-Rodamco expertise in sustainable architecture for business.

Tour Phare - La Défense

Summary of actions for the period 2008-2009 - Newly launched - Development/Refurbishment Projects

Activities	2008	2009
Integrate "Green" building criteria	<ul style="list-style-type: none"> Pilot sustainability reviews, BREEAM methodology, for projects at design stage and under construction Improvement of "Green" building design and construction guidelines 	<ul style="list-style-type: none"> Achieve 3-5 BREEAM "Very Good" project ratings Implementation of "green" pan-European building design and construction guidelines
Focus on Energy efficiency solutions	<ul style="list-style-type: none"> Conduct a feasibility studies on integration of efficient energy use 	<ul style="list-style-type: none"> Install computer-based building management systems and efficient metering systems Implementation of innovative energy pilots (including renewable energies)
Reduce the amount of waste disposed to landfill by recycling	<ul style="list-style-type: none"> Introduce waste management and recycling plans during construction 	
Incorporate biodiversity impact assessments	<ul style="list-style-type: none"> Conduct Environmental Impact Assessment on all new projects (> 5,000 m²) 	

Tour Ariane/Cœur Défense - La Défense

Social responsibility



Our Group's key responsibility is to its people. The Group is committed to helping its employees fulfil their potential by developing their knowledge and skills, encouraging ever-higher aspirations and fostering diversity and equal opportunity in the workplace. To back up these commitments, the Group offers performance-based incentives and opportunities for training and mobility.

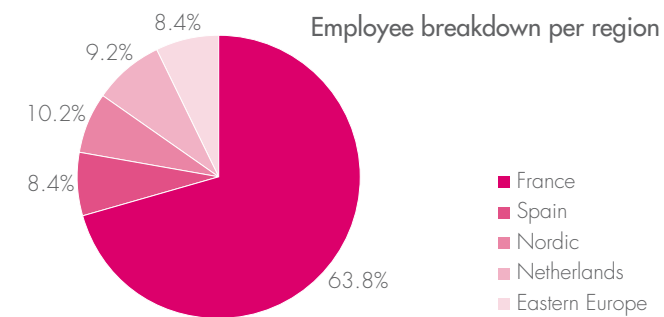
The Unibail-Rodamco merger posed the challenge for our Human Resources Department of designing a pan-European organisation with its own corporate culture, Code of Ethics and harmonised hiring, induction and assessment processes. The Group emphasised seminars and training modules in value creation, leadership and a company-specific style of working. Frequent communication has been essential to achieving these aims.

In addition to providing our employees with a stimulating work environment, our social responsibility extends to the communities the Group serves through our business. At our shopping centres, the Group promotes facilities for people with disabilities, health and education programmes, innovative concepts and outreach activities to make a vibrant contribution to community life."

Catherine Pourre, Chief Resources Officer

Talent in motion: Unibail-Rodamco's people

At Unibail-Rodamco, maintaining the high level of achievement and commitment of the teams is essential to the Group's success. Recognising and rewarding staff and managers are key performance drivers. The Group is pleased that it ranks second in the real estate sector for the quality of its social policy, according to the Vigeo survey on best social practices in European companies¹.



During the year 2007, the foundations were laid for a Group-wide Human Resources management process, based on the approaches already in place at Unibail and Rodamco. Both firms had very strong company cultures that were different in many ways yet complementary. Achieving a harmonious organisation across the divisions and regions means crafting an HR policy that will contribute to the motivation, interest, and development of all the employees. The Group is always striving to provide a safer, healthier working environment, improved incentives and compensation schemes and the assurance that diversity, equal opportunity and social dialogue are based on Unibail-Rodamco core values.

Following the merger, Unibail-Rodamco conducted an employee survey to identify the differences in the cultures of the two organisations. The survey results were used to define four common cultural values: customer-centred strategic thinking; continuously high business aspirations; "hands-on, always-on" achievers; talent in motion.

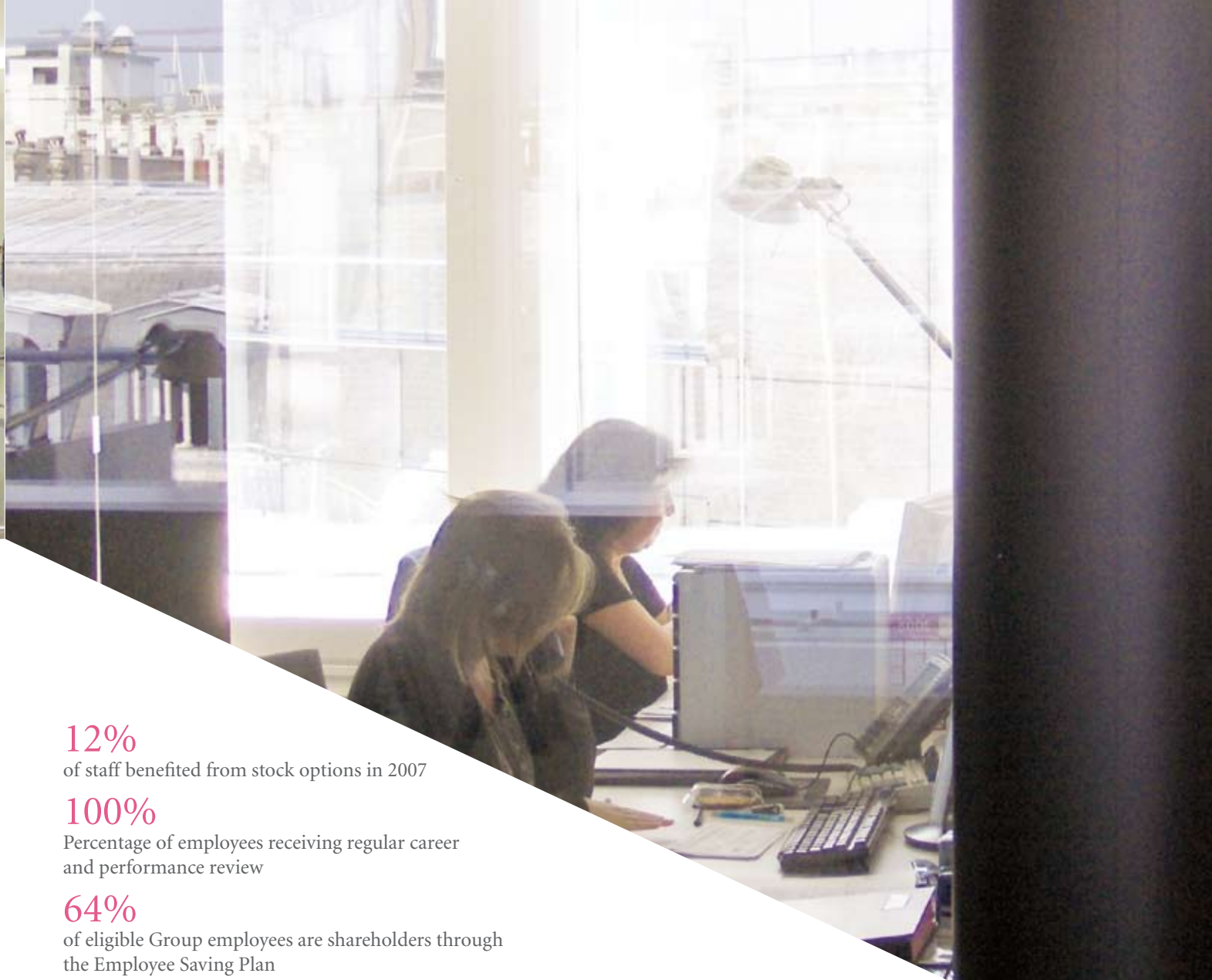
¹Vigeo in La Tribune 30/10/07



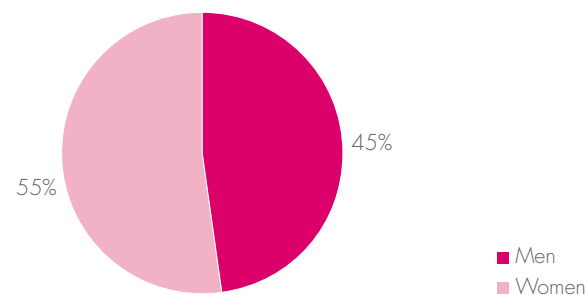
Capital 8 - Paris



Registered office - Paris



Employee breakdown by gender



RESPECTING EACH OTHER IN THE WORKPLACE

At Unibail-Rodamco, diversity and equal opportunity are self-evident components of the Group's social policy.

The Corporate Human Resources Department is responsible for implementing the Group's anti-discrimination policy.

Unibail-Rodamco activities are guided by a series of principles set out in its Code of Ethics and of good conduct. These tools promote a respectful relationship with employees and other Group stakeholders, and ensure that Company actions are effective, compliant and transparent. In the months following the merger, the Group's Code of Ethics was updated and shared with all Unibail-Rodamco staff. Each employee has been asked to acknowledge having read and agreed with the content of the Code of Ethics. The Group's recruitment and promotion policy is based on anti-discrimination principles and aims at promoting equal opportunity for women and men in terms of representation within the Group. Of the young graduates recruited in the last three years from the leading business and engineering schools, 49% are women.

32%
of women in management positions

PURSuing CONSTRUCTIVE DIALOGUE WITH EMPLOYEES AND STAFF REPRESENTATIVES

Creating the most favourable conditions for ongoing dialogue between employees and their managers is a constant focus area at Unibail-Rodamco.

In France, where labour laws are particularly stringent, a specific group of staff representatives meets every month to discuss employee issues with the Human Resources Manager. Complaints or grievances can be presented in an anonymous way and solutions to problems are worked out jointly and tracked.

The internal HR organisation enables local human resources managers to report directly to the Group HR Director, to ensure confidentiality and independence vis-à-vis operational managers.

A new Unibail-Rodamco intranet was launched in October 2007 and a corporate internal communications managerial position will be created in 2008, providing further tools for vertical and horizontal communication within the Group.

12%
of staff benefited from stock options in 2007

100%
Percentage of employees receiving regular career and performance review

64%
of eligible Group employees are shareholders through the Employee Saving Plan

REWARDING COMMITMENT AND PERFORMANCE

Salaries at Unibail-Rodamco rose by an average of 5% in 2008 compared with 2007. The remuneration policy is designed to reward individual achievement and give all employees a vested interest in the company's success. The current remuneration scheme has evolved out of the separate systems formerly in place at Unibail and Rodamco Europe.

A performance-related stock option programme has also been rolled out.

The compensation and benefits packages of both organisations were reviewed and priority was assigned to introducing new short-term and long-term incentives for all employees. The extension in 2009 of an attractive savings plan to all Group subsidiaries to encourage employee investment in Unibail-Rodamco shares with a significant employer top-up contribution is currently under study.



SIEC showroom - France

268
employees made career changes in 2007

HUMAN CAPITAL DEVELOPMENT

Identifying skills and providing guidance

Promoting excellence entails significant investment in developing skills for all employees throughout their working lives. Unibail-Rodamco has introduced various systems to achieve this result.

• Staff induction process

Unibail-Rodamco devotes a great deal of attention to integrating new employees into the organisation and helping them become familiar with its culture as well as its procedures, processes and organisational structure. Each manager is in charge of the induction programme for new recruits, developed from the staff induction systems used in the former Unibail and Rodamco Europe organisations and combining the strong points of both. The Unibail-Rodamco Europe staff induction programme is completed by a follow-up performance evaluation assessment with the new recruit's supervisor half-way through the induction period. This review is summarised in a feedback report and discussed at an interview with the Human Resources Department.

60%
of career changes involved promotions

• Mobility

Internal mobility is promoted to give employees know-how in the Group's various activities, disciplines, fields of operation and geographical location. It enhances their career development and contributes to further dissemination of best practices and knowledge transfer.

• Training programme

Young graduates (i.e. young people coming directly out of school to hold core business jobs - Development, Investment or Operations) recruited by Unibail-Rodamco anywhere in the Group, start their careers at Unibail-Rodamco with 2 or 3 short-term assignments (2 x 6 months or 3 x 4 months) which allow them to build a global view of the Group's various activities before starting their first "real" job.

• Annual evaluation

100% of Unibail-Rodamco's employees benefit from at least one annual face-to-face interview with their manager, a half year interview being also encouraged. This interview enables a review of the employee's achievements of the past period, set objectives, decide on means to address development needs – and in particular training programmes – and discuss further career steps.

€1.9 million
devoted to training in 2007

Building knowledge and know-how

Enabling people to progress in their field of expertise and encouraging them to explore new areas and develop their full potential is a key component of Unibail-Rodamco's value-creation strategy. The training policy therefore pertains to all of the Group's business lines and emphasises the acquisition of new skills.

Training programmes are developed and managed by the Unibail-Rodamco Training School, with maximum input from Group managers and operational staff. The Group organises cross-divisional training courses to pool expertise and knowledge and develop a common training database shared by all its business lines. To ensure the broadest possible coverage, these cross-divisional training programmes are supplemented by specific courses tailored to each business segment and division.

200
professional courses provided

In 2007, training programmes were designed and rolled out in the Group's five regions dealing with all major processes: the 5-Year business plan, investment and asset valuation, operations including shopping centre marketing and brand positioning, KPIs, sales campaigns, etc.

An overall budget of €1.9 million (2.5% of pay-roll, salaries not included) was allocated to training in 2007 covering a total of more than 200 professional courses.

The Group plans to pursue and enhance this training policy in 2008 and launch the Unibail-Rodamco Academy based on this experience.



Registered office - Paris

Summary of objectives for the period 2008-2009

Activities	2008 - 2009
Diversity	<ul style="list-style-type: none"> • Set up partnerships to develop work of disabled people • Maintain the Group's privileged relationship with associations promoting equal opportunities for women and for socially disadvantaged people • Audit internal indicators monitoring male/female equal promotion and remuneration
Talent attraction & retention	<ul style="list-style-type: none"> • Maintain systematic career interviews and follow-ups with HR • Encourage training for all employee groups • Promote mobility
Sustainability	<ul style="list-style-type: none"> • Create a "corporate sustainability" heading in the company's newsletter and instruct all employees on sustainable behaviours

A photograph of a woman with long brown hair, wearing a dark top, looking intently at a book held by a young girl with dark hair. Another young girl is visible in the background, also looking at the book. They are in a classroom setting with colorful educational posters on the wall.

Corporate citizenship & philanthropy

La Rose Marie Claire sponsorship © Grégoire Korganow

An important aspect of the Group's **corporate sustainability** commitment involves funding corporate citizenship initiatives aimed at improving health and social integration and supporting cultural and professional events. To structure its corporate citizenship actions, the Group has set up an Orientation and Selection Committee under the direction of Catherine Pourre, a member of Unibail-Rodamco's Management Board.

SPONSORSHIP ACTIVITIES REVOLVE AROUND THREE MAJOR AREAS:

• Educational initiatives

As a company, the Group is committed to promoting excellence through education. The sponsorship activities therefore emphasise initiatives aimed at providing educational opportunities for disadvantaged populations.

In France, the Group partnered the "Rose Marie Claire" event at the Carrousel du Louvre shopping centre in Paris in 2007. Roses were sold to fund the education of young girls across the globe. This initiative will be duplicated in 2008 at a number of the Group's other shopping centres.

A partnership is under way between Unibail-Rodamco and the "School of second Chance", a programme to train and find employment opportunities for young people who lack skills or qualifications for traditional training and recruitment. The Group aims to become a donor-member for the "School of Second Chance" foundation.

The Group sponsors its own initiative known as the "Grand Prix for young retail entrepreneurs". The winners – all young entrepreneurs – receive financial aid and advice during the launch of their activities at its shopping centres.

The Group supports the launch of new trade shows in both of its convention-exhibition division activities:

Trade show organisers have introduced a design package to set up trade shows, providing logistical support and advice as well as 20%-49% of the financing required to launch the show, in exchange for a share of the capital.

VIPARIS, which owns and manages convention and exhibition venues, assists new trade show creation through its support policy, including:

- an exceptional discount on rental fees for the first and second editions of the trade show;
- an option to enable the trade show creator to test his/her concept to assess its market appeal; a financial commitment with a down payment is required only 6 months prior to the show opening instead of 1 year for established shows.

• Social initiatives

The Group explores opportunities for social initiatives. Consequently, Unibail-Rodamco contributes to "Habitat and Humanism", a French foundation dedicated to providing housing for the disadvantaged.

It is common practice at Unibail-Rodamco shopping centres to lend space free of charge for community-oriented activities and awareness projects. Associations in France, Sweden, Eastern Europe and Spain benefited from this opportunity in 2007, including Emmaüs and the Red Cross.

• Health initiatives

Unibail-Rodamco sponsors the French "Small Change" operation in which money is collected for projects to brighten up the daily lives of hospitalised children and enable their families to be with them.

In Poland, the Group supports programmes such as the "Blood Drive", during which a bus is sent throughout the country to collect blood from individual donors. Financial support is also given to associations working to foster the social integration of disabled people in Poland and Czech Republic, as well as projects specifically targeted to meeting the health needs of underprivileged children.

Grand Prix for young retail entrepreneurs

Unibail-Rodamco supports young entrepreneurs through the Grand Prix for young retail entrepreneurs. The prizes, in the form of financial aid, enable young people to start up their businesses immediately, without having to cope with the problem of initial financing. In September 2007, the first Grand Prix competition in France rewarded 3 teams of young entrepreneurs. The three new business concepts are expected to open at Unibail-Rodamco shopping centres during 2008. This marks a genuine, long-term commitment on the part of Unibail-Rodamco, as the 2nd edition of the Grand Prix for young retail entrepreneurs will be held in September 2008. The competition aims to stimulate, enhance and support business innovation and company start-ups by identifying and aiding young people with innovative retail concepts to allow them to develop tomorrow's successful businesses.

The First Prize is a store made available to the prize winner at a major Unibail-Rodamco shopping centre in Paris or the provinces, including payment of €1 million in entry fees and rent-free occupancy for the first six months of business.

The Second Prize is a store made available to the prize winner at a major Unibail-Rodamco shopping centre in Paris or the provinces, including payment of €500,000 in entry fees and rent-free occupancy for the first six months of business.

The Encouragement Prize is €200,000 to support the start-up of a sales outlet.

The prizes are offered by Unibail-Rodamco.



Picadilles@Concept Store

UNIBAIL-RODAMCO FRANCE

7, place du Chancelier-Adenauer – CS31622 – 75772 Paris Cedex 16

Tel.: +33 (0)1 53 437 437

www.Unibail-Rodamco.com

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