

Corporate Sustainability Report 2008



■ **France**

1,078 employees
34 shopping centres
21 office buildings
10 convention-exhibition centres

■ **Netherlands**

128 employees
27 shopping centres

■ **Nordic Countries**

169 employees
15 shopping centres

■ **Central Europe**

197 employees
12 shopping centres

■ **Spain**

129 employees
14 shopping centres



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Profile

Unibail-Rodamco is the leading listed European commercial property operator, investor and developer.

With a property portfolio valued at €24.6 billion at December 31, 2008, Unibail-Rodamco is 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 which have a leading competitive edge in their respective markets in terms of footfall, size, specifications, location and reputation. The Group targets segments of the real estate market where demand exceeds supply.

A value creation approach

For each core business, Unibail-Rodamco aims to maximise shareholder value and return on investment through proactive management, a dynamic acquisition and disposal policy, and a high level of expertise in the management of major development and refurbishment projects.

An independent group

Unibail-Rodamco is one of Europe's most liquid listed property investment stocks. The Group is part of the French CAC 40, Euronext 100 and Dutch AEX Index, has a solid financial position, and benefits from an "A" rating from Standard & Poor's.

A sustainable group

Unibail-Rodamco is listed in the FTSE4Good and DJSI World indexes and is a signatory of the UN Global Compact. Unibail-Rodamco's 2008 Corporate Sustainability Report explains how the Group manages the social and environmental impact of its activities, describes the steps it took to improve its performance during 2008, and sets out its goals for 2009 and beyond. It covers the Group's activities during the financial year 2008.

Unibail-Rodamco welcomes feedback from its stakeholders. To comment on the information contained in this report, please send an email to Joost Bomhoff, Executive Director in charge of sustainability, at sustainability@unibail-rodamco.com.

UN Global Compact
signatory since 2004

FTSE4Good
listed in 2008

DJSI* World
listed in 2008

*Dow Jones Sustainability World Index

Message from the CEO

Unibail-Rodamco defines sustainability as growth that is economically efficient, socially fair and environmentally sustainable. Although the economic environment became markedly more difficult during 2008, the Group achieved its financial targets while continuing to integrate sustainable practices into its operating models, business strategies and processes. Unibail-Rodamco remains committed to reducing its environmental impact and improving the service it provides to all of its stakeholders.



For Unibail-Rodamco, sustainable development is a commitment shared at every level of responsibility. The Group's sustainability strategy is implemented by the same operational teams who manage its assets on a daily basis and is integrated into the five-year business plans of every asset. Members of the Management Board are responsible for the social, economic and environmental sustainability of activities under their charge, while an Executive Director in charge of sustainability has been appointed to take specific responsibility for the Group's in-house environmental team and structure. The Supervisory Board receives regular updates on sustainability issues.

2008 saw the Group expand and develop its environmental strategy. Each managed asset now has an individual environmental performance plan that takes account of its size, location and energy efficiency. Challenging targets have been set for energy use, waste management and water consumption and the action programmes necessary to achieve these targets are being implemented. One objective, in particular, should be highlighted, namely the Group's aim to reduce the carbon intensity of its managed shopping centres by 25% between 2006 and 2016. This target goes beyond the EU objective of reducing emissions by 20% between 1990 and 2020.

These environmental performance plans and objectives reflect the Group's long-standing commitment to quality and value creation. As the leading listed commercial property company in Europe, Unibail-Rodamco has demonstrated its ability to return growth that is economically efficient. The challenge now is to ensure that social fairness and environmental sustainability are fully embedded into all of our activities.

In 2009, the Group will expand its sustainability approach to make more specific reference to social issues. Regional performance data is being analysed to measure the impact of the Group's activities on customers, tenants, suppliers, employees, local communities and financial partners and identify ways in which Unibail-Rodamco can better serve all of these stakeholders.

I am confident that Unibail-Rodamco is well placed to demonstrate that economic, social and environmental sustainability are, and continue to be, the cornerstones of successful long term growth.

Guillaume Poirinal, CEO & Chairman of the Management Board

752 million
shopping centre visits in 2008*

1,701
employees at year end 2008

€24.6 billion
property portfolio

Highlights in 2008

-5% carbon intensity

Carbon intensity in managed shopping centre assets reduced by 5% since 2006

10 KPIs

Ten relevant environmental Key Performance Indicators implemented at European level

94% of assets

Environmental performance data collected for 94% of managed assets

52% of visits

More than half of visits to shopping centres made by sustainable modes of transport

11 projects

BREEAM assessments in progress for 11 projects in five European countries

65% of employees

Individual performance bonuses distributed to 65% of employees

90% of assets

Sustainability action plans incorporated into five-year business plans for 90% of managed assets

€3.4 million donated

Donations in cash and in kind to educational, cultural, entrepreneurial and social projects



Management Board

From left to right:

Peter van Rossum
Chief Financial Officer

Guillaume Poitrinal
CEO & Chairman of the Management Board

Catherine Pourre
Chief Resources Officer

Bertrand Julien-Laferrière
Chief Development Officer

Willem Ledeboer
Chief Investment Officer

Michel Dessolain
Chief Operating Officer



Supervisory Board

From left to right:

Mr. Robert ter Haar

Mr. Henri Moulard

Mr. Bart R. Okkens

Mrs. Mary Harris

Mr. Jean-Louis Laurens

Mr. Jacques Dermagne

Mr. Yves Lyon-Caen

Mr. Alec Pelmore

Mr. Robert F.W. van Oordt (Chairman, seated)

Mr. Frans J.G.M. Cremers

Mr. Jos W.B. Westerburgen

Mr. François Jaclot

11 out of 12
members of Supervisory Board
are independent*

4

Two-tier
governance structure

96%
attendance rate at Supervisory Board
meetings in 2008

Corporate governance

Unibail-Rodamco's corporate governance structure is designed to ensure balanced, responsible decision-making and sustainable economic growth.

A two-tier governance structure

Unibail-Rodamco has a two-tier governance structure that is in line with the best practices of French and Dutch listed companies. The Management Board, which has six members, has executive responsibilities and manages the Group on a daily basis, while the Supervisory Board has a non-executive advisory and oversight role.

The Supervisory Board exerts permanent oversight and control over the Management Board and the general affairs of the Group. It monitors company strategy and financial performance; business risks; the structure and administration of internal risk management and control systems; financial reporting procedures; and compliance with relevant laws and regulations. The Supervisory Board is assisted by two committees: the Audit Committee and the Governance, Nomination and Remuneration Committee (GN&RC).

In 2008, two new members were appointed to the Supervisory Board and four existing members were reappointed. As a result, the Board now has 12 members, 11 of whom are considered to be independent*. The Supervisory Board meets at least five times a year. In 2008, it met eight times (six ordinary meetings and two extraordinary meetings). The overall attendance rate at these meetings was 96%.

Environmental, social and economic responsibility

All members of the Management Board are responsible for the social, economic and environmental sustainability of their activities. Sustainability issues were discussed by the Management Board on 13 occasions in 2008.

The Group agreed to Mr. Joost Bomhoff's request to focus exclusively on social responsibility, sustainability and the Unibail-Rodamco Academy during his remaining time with the Group. He continues to report directly to the Chief Executive Officer but has stepped down from the Management Board in order to devote his full attention to these significant responsibilities.

2008: further improvements to the Group governance structure

A number of improvements were made to the corporate governance and compliance structure during 2008: the Code of Ethics was updated; new organisational rules and a Group governance framework were approved and implemented; the charters of the Management Board and of the GN&RC were revised to clarify the respective roles and responsibilities of these bodies; and a Compliance Officer with Group-wide responsibilities was appointed. In addition to other topics, the Audit Committee considered Unibail-Rodamco's exposure to and management of risk, paying particular attention to the Group's key risk mapping, the audit plan and the internal audit reports of 2008.

Since December 2008, Unibail-Rodamco's reference in matters of corporate governance and remuneration has been the French Code of Corporate Governance produced by the AFEP-MEDEF, the French employers' federation. Unibail-Rodamco has been in full compliance with all of its recommendations since January 1, 2009. The application of the AFEP-MEDEF Code will be monitored and evaluated annually by the GN&RC and the Supervisory Board.

Transforming Unibail-Rodamco into a Societas Europaea

European legislation now enables companies that are established in more than one member state to apply a common legal structure and unified management and reporting systems across their European activities. A project to convert the Group holding company into a European company (SE, *Societas Europaea*) was launched in 2008.

The project has been approved by employee representatives, but remains subject to approval from the Shareholders' Meeting in May 2009. Turning Unibail-Rodamco into an SE would assert and embody the Group's European status and enable the Group to create a balanced European employee representative body made up of delegates from the member states where the Group has activities. This project is in line with the Group's goals and commitments in terms of social dialogue and reflects its wider approach to sustainable development and social responsibility.

* Based on the criteria of the AFEP-MEDEF's Code of Corporate Governance of December 2008 and the Company's criteria under the Supervisory Board Charter. The Governance, Nomination and Remuneration Committee carries out an annual review of each Supervisory Board member's profile against the independence criteria set out in the Charter and the Code.

Mr. Dermagne is not considered to be independent since his terms as a member of the Boards of Unibail SA and of Unibail-Rodamco SA combined exceeds 12 years. This is the sole criterion of the Code with which Mr. Dermagne does not comply.



The Articles of Association, the Code of Ethics and the charters which govern the behaviour of the Supervisory and Management Boards are available on the Group website: www.unibail-rodamco.com.

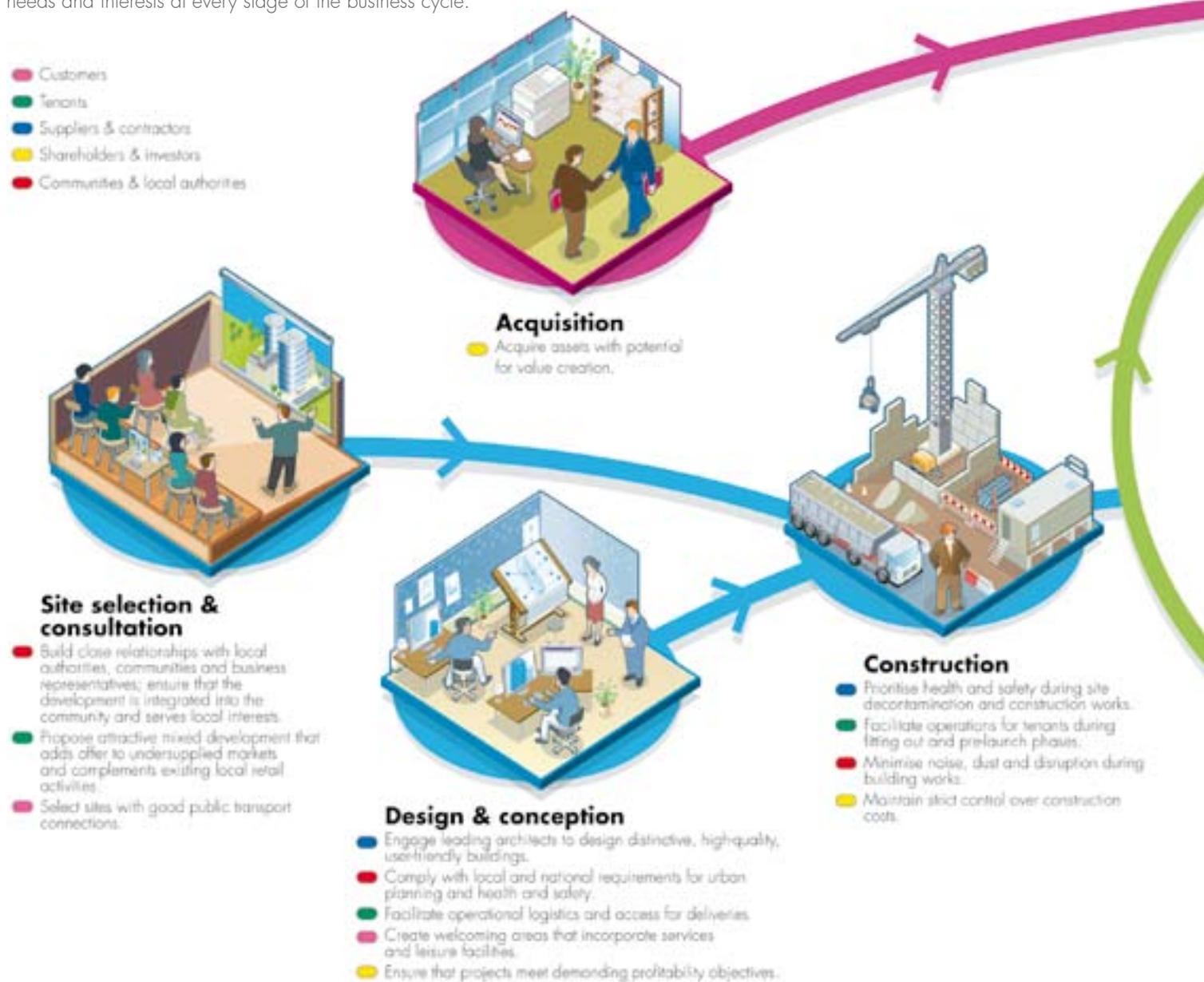
For detailed information on the corporate governance of Unibail-Rodamco, please refer to the Legal Information and Report of the Chairman of the Supervisory Board chapters in the 2008 Annual Report.

The Unibail-Rodamco

At every stage in the business cycle, Unibail-Rodamco's activities have an impact on the wider world.

Unibail-Rodamco aims to create value for its stakeholders and minimise its impact on the environment. The Group understands that sustained, long-term success depends on skilled, dedicated employees, a sound environmental performance and strong relationships with customers, tenants, suppliers, financial partners and local communities.

Unibail-Rodamco is committed to listening to and engaging with all of the Group's stakeholders and responds to their needs and interests at every stage of the business cycle.



Limiting the Group's environmental impact:

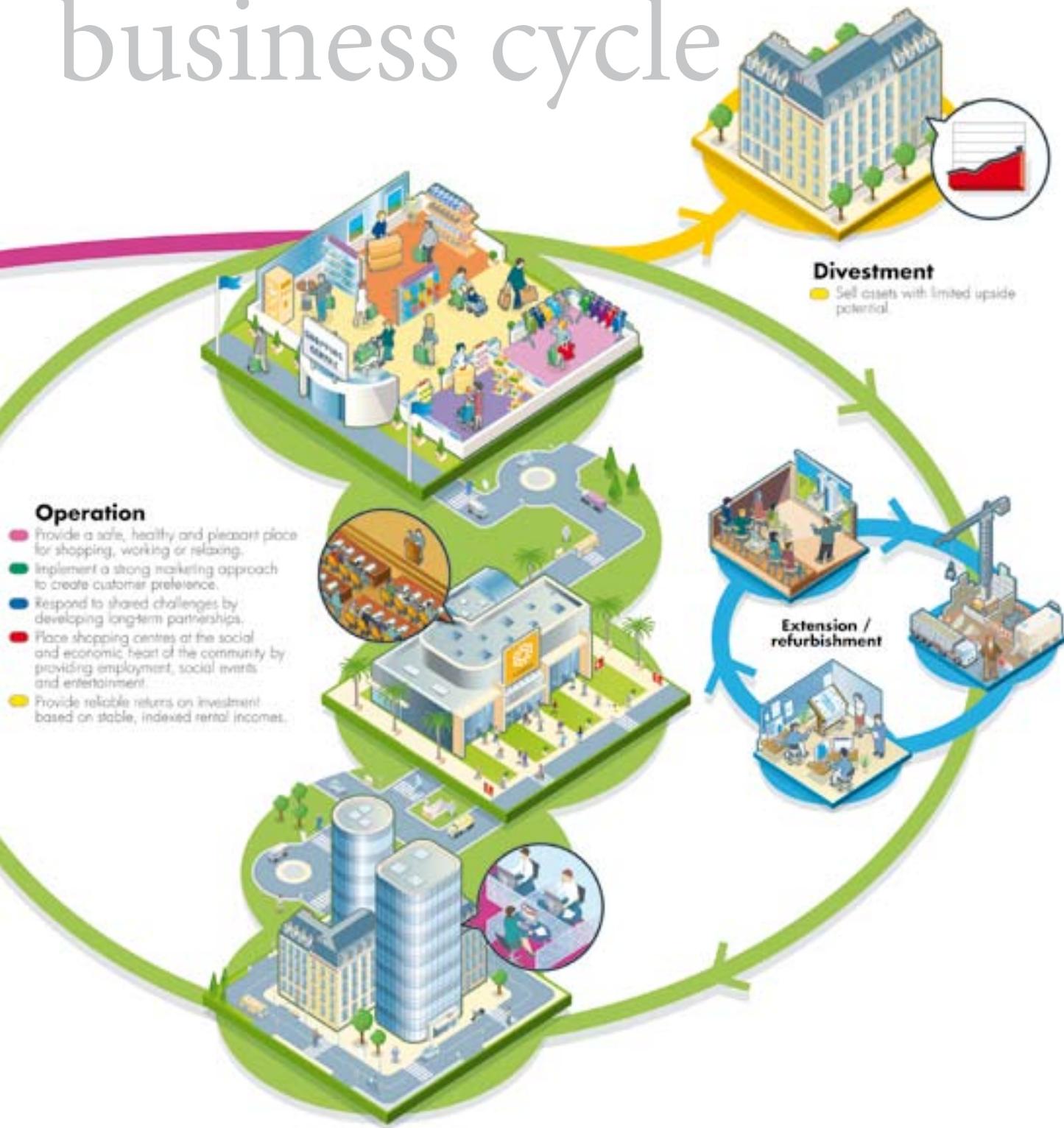
Site selection & consultation

- Choose sites with low or zero ecological value and conduct environmental impact assessments.
- Prefer brownfield sites (e.g. previously developed land, former industrial sites).
- Reuse existing buildings (facades and/or structures) when possible.
- Select sites linked to new or existing public transport networks.

Design & conception

- Integrate buildings into the surrounding environment (sympathetic architecture, links to existing infrastructure, access for cyclists and pedestrians, etc.).
- Design buildings to take advantage of natural daylight, ventilation and cooling.
- Focus on CO₂ emissions and energy efficiency when choosing materials, equipment and technologies.
- Target high standards of health, safety and well-being (optimise thermal and acoustic insulation, minimise the risk of Legionella, etc.).

business cycle



Construction

- Decontaminate site prior to construction, if necessary.
- Reduce CO₂ emissions by optimising the logistics for transporting materials.
- Use renewable or recyclable materials whenever possible, including responsibly-sourced wood.
- Implement a construction waste management policy on site.
- Reduce energy and water consumption and limit dust, noise and disruption in the surrounding area.

Operation

- Monitor consumption and encourage responsible use of energy and water.
- Install energy-efficient equipment.
- Optimise energy use, water consumption and waste management during daily operations.
- Encourage and facilitate environmentally-friendly behaviour among all stakeholders (provide recycling facilities, access to public transport, etc.).

Environmental sustainability

“The Group is working steadily to make its activities as environmentally sustainable as possible, both now and in the future. As well as reducing the immediate environmental impact of each asset under management through the implementation of demanding performance targets, the Group is making significant efforts to identify mechanisms that will make a real difference to its performance over the long term.”

Joost Bomhoff, Executive Director, in charge of Sustainability



Understanding the challenges

As large shopping centres account for 74% of Unibail-Rodamco’s portfolio, the Group is particularly interested in obtaining a thorough understanding of the sustainability issues associated with these assets. A number of studies were undertaken in 2008 to identify the levers that have the greatest effect on environmental performance.

As a result of these investigations, a strategy has been drawn up that will enable the Group to reduce its energy and water consumption and improve its approach to waste management, both for existing assets and for new developments. A similar framework will be applied to the Group’s office and convention-exhibition assets in 2009.

A shared responsibility

In 2008, Unibail-Rodamco worked with Carbone 4 to analyse the direct and indirect CO₂ footprint of a representative sample of four existing assets and one development project. This study highlighted areas where the Group can act to reduce its CO₂ emissions. It also showed that the environmental impact of the Group’s assets is determined by a number of factors, only some of which are under the direct control of Unibail-Rodamco.

The shopping centre owner is generally responsible for heating and cooling the whole of the asset and for the ventilation and lighting of shared areas, such as the mall, public toilets, loading bays and car parks. Tenants are responsible for managing ventilation, lighting, water and waste within the retail space that they lease (see page 34).

Reducing the environmental impact of the Group’s shopping centres is, therefore, heavily dependent on working with tenants, customers and suppliers to encourage them to adopt more sustainable habits. Unibail-Rodamco has chosen to structure its sustainability strategy around the needs and activities of its stakeholders.

An effective operational framework

A dedicated sustainability team was set up in 2008 and charged with improving the environmental performance of the Group’s assets in all regions. The seven employees on the team identify and share best practices and work to ensure that measures are quantifiable, tailored to local conditions, and focused on results.

The members of the sustainability team participate in the IEPC (see “close up”). The IEPC defines the Group’s environmental policy and monitors its implementation. In particular, it ensures that sustainable development and management issues are considered at every stage of the asset business cycle – from investment to operation – through training, communication and the setting of performance objectives.

Active commitments with partners

In 2009, Unibail-Rodamco aims to develop partnerships with environmental institutions and business partners and promote a greater understanding of environmental issues within the commercial real estate industry. The Group already makes an active contribution to the sustainability committees of national and international structures such as the International Council of Shopping Centers (ICSC) and the National Council of French Shopping Centres (CNCC).

10 KPIs

defined and implemented at European level

94%

of the Group’s managed assets monitored for environmental performance

7 members

on dedicated in-house environmental sustainability team



Piazza Center/Eindhoven



close up

The International Environmental Performance Committee (IEPC) is an internal body that develops and monitors the Group's environmental performance. Chaired by Joost Bomhoff, Executive Director in charge of sustainability, the IEPC meets every six weeks by video or conference call. It brings together employees with a particular knowledge of or responsibility for sustainability issues from each region where the Group is present. In 2008, the IEPC:

- identified and shared environmental best practices and objectives,
- defined 10 environmental Key Performance Indicators,
- defined common European environmental targets,
- integrated sustainability reporting and targets into the five-year business plans that are drawn up for each of the Group's assets,
- updated the Group's due diligence checklist for investments and acquisitions to make reference to energy and water use, waste management and social factors,
- adapted the Group's internal processes to reflect BREEAM guidelines.



Porte de Versailles/Paris



Piazza Center/Eindhoven

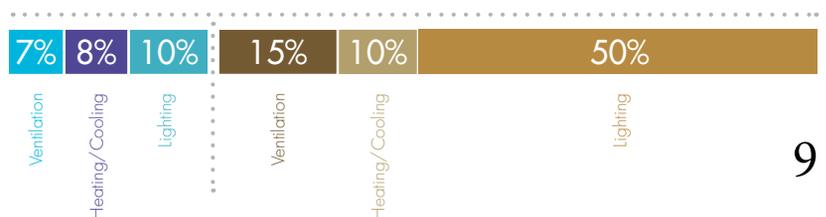
Energy consumption in a typical shopping centre

In a typical Unibail-Rodamco shopping centre, lighting in tenant areas accounts for 50% of total energy consumption. The Group is working to reduce its own energy consumption and that of its tenants. Lighting is particularly important as it dramatically increases the need for cooling.

Common areas

Tenant areas

Source: BET Barbone



Environmental performance: existing assets

Unibail-Rodamco owns, manages and operates real estate assets throughout continental Europe. Although it is challenging to optimise energy consumption and water and waste management across a portfolio that included more than 4.6 million square metres of retail, office and convention-exhibition space at year end 2008*, the Group's efforts are returning measurable improvements in environmental performance.

Setting standards; monitoring results

Unibail-Rodamco has a diverse portfolio: significant differences exist between shopping centres built in the 1960s and those opened in 2008, between the climate in Spain and in Sweden, between a shopping centre built on a city-centre public transport hub and one in an out-of-town location. Nevertheless, in all of its assets, the Group aims to reduce the consumption of energy and water, increase waste separation rates, and reduce the amount of waste that is sent to landfill.

Throughout 2008, Unibail-Rodamco identified and implemented environmental Key Performance Indicators (KPIs) that are relevant to all of the Group's assets across Europe (see pages 34-42). These KPIs will be used to monitor results against environmental objectives. As the Group's assets differ significantly in terms of age, size, location and energy efficiency, individual plans have been drawn up to improve the environmental performance of each asset. These individual plans exist within the framework of a larger set of regional performance objectives which reflect the Group's environmental goals.

Locally, the operational management team on site is responsible for monitoring energy and water consumption and waste levels on a daily basis. Every quarter, the regional environmental management team will consolidate this information, flag any performance issues, and identify and share best practices. Results will also be consolidated at Group level four times a year, again with a view to identifying best practices and monitoring outcomes.

In 2009, Unibail-Rodamco will work to roll out the "Sustainable Attitude" programme, identifying the additional processes, systems and best practices that are necessary to bring all of its shopping centres up to the same level in terms of management and energy efficiency. These actions should help the Group to achieve its sustainability objectives.

Rivéroile/Strasbourg



Carré Sénart/Lieusaint

* Total space according to consolidation. For more information, please refer to the Portfolio chapter of the 2008 Annual Report.

98%

of waste separated in the Nordic Countries region

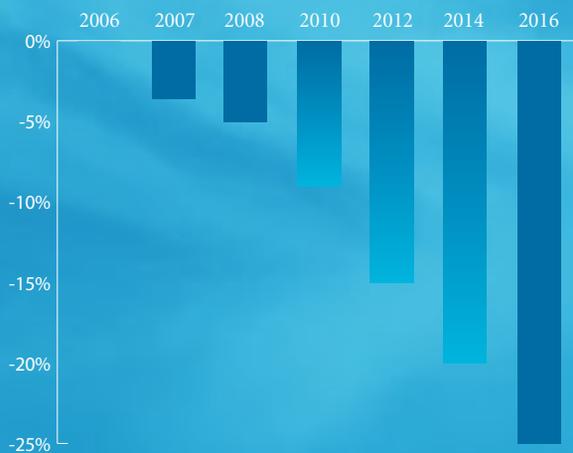
-11%

Energy consumption (kWh) reduced by at least 11% at more than 25% of managed shopping centres between 2006 and 2008

83%

of shopping centres managed by Unibail-Rodamco use less than 4 litres of water per visit

Unibail-Rodamco's long term carbon intensity target



Why focus on carbon intensity?

For a group like Unibail-Rodamco that regularly acquires and divests real estate assets, it makes sense to focus on carbon intensity rather than on absolute total CO₂ emissions. The carbon intensity of the Group's activities is calculated by taking the total weight of CO₂ emitted by the energy the Group manages and dividing it by the area for which that energy is provided. A more complete definition is provided on page 35.

The Group can reduce the carbon intensity of its assets by making more efficient use of energy and/or by purchasing energy from low-carbon sources. The European Union is committed to reducing CO₂ emissions by 20% in 2020 compared to levels recorded in 1990. Unibail-Rodamco has set itself a more ambitious goal: the Group is determined to reduce the carbon intensity of its managed shopping centre portfolio by at least 25% between 2006 and 2016. The Group's performance is calculated by comparing the year-on-year change in carbon intensity at a constant 24-month perimeter.



Sustainable Attitude

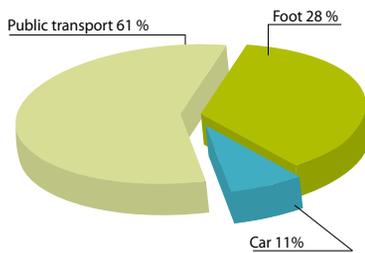
The "Sustainable Attitude" programme, which was drawn up in 2008, is designed to encourage technical managers to define and implement an environmental quick wins checklist in cooperation with their maintenance and technical suppliers. One of the first practical measures taken was the roll out of action plans to reduce energy consumption during the summer months. During the pilot phase at 25 shopping centres in France in 2008, energy use declined by 4% on average. One centre reduced its consumption by 20%.

CO₂ and energy efficiency

To improve energy efficiency and reduce CO₂ emissions, the Group relies on two levers. First, it acts to reduce energy consumption by achieving "quick wins" based on simple, energy-saving best practices and by investing in technical solutions that reduce the energy required for operations and maintenance over the longer term. Second, it works to reduce the upstream CO₂ emissions associated with its activities by purchasing low-carbon energy from renewable or "green" sources.

Transport

As most of the CO₂ emissions associated with a shopping centre are linked to the transport of people and of goods, location and accessibility are major considerations when the Group is deciding to build or acquire a shopping centre. Most of the Group's centres are located in or near major cities and are well connected to transport networks, particularly public transport. When transport infrastructure is insufficient, the Group works closely with local authorities to improve the situation.



Le Forum des Halles, La Part-Dieu, and Les Quatre Temps together account for a third of all visits to Unibail-Rodamco shopping centres in France. In 2008, almost 90% of visitors to these assets came on foot or by public transport.

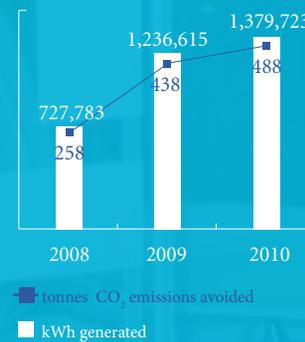
Source: Unibail-Rodamco marketing survey.

Energy management in Spain

Unibail-Rodamco Spain has an active energy reduction programme in place. As all energy meters are managed remotely, the technical team can easily track demand and consumption. Readings are taken every 15 minutes and analysed on a monthly basis. Real consumption is compared to the theoretical power requirements of the shopping centre so that any irregularities can be identified and corrected.

As well as reducing overall consumption, the Group uses renewable energy when possible. In 2008, the 16,715 m² of photovoltaic panels that have been installed in seven shopping centres in Spain (50% of the portfolio) generated 727,783 kWh of green electricity. As a result, 258 tonnes of CO₂* emissions were avoided.

Photovoltaic energy objectives in Spanish shopping centres

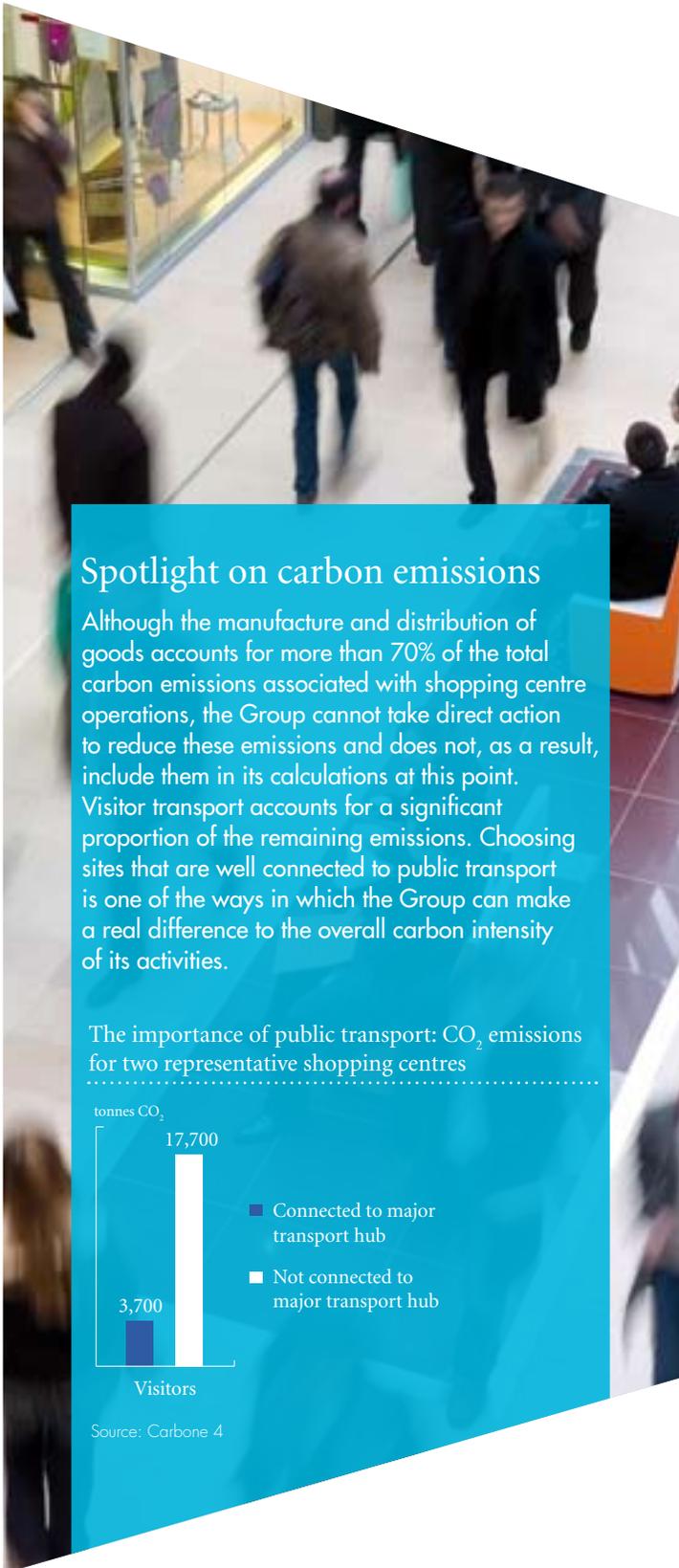


■ tonnes CO₂ emissions avoided

■ kWh generated

*at local conversion rates

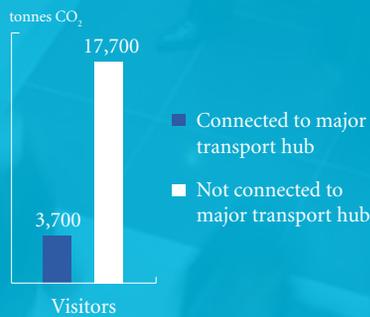




Spotlight on carbon emissions

Although the manufacture and distribution of goods accounts for more than 70% of the total carbon emissions associated with shopping centre operations, the Group cannot take direct action to reduce these emissions and does not, as a result, include them in its calculations at this point. Visitor transport accounts for a significant proportion of the remaining emissions. Choosing sites that are well connected to public transport is one of the ways in which the Group can make a real difference to the overall carbon intensity of its activities.

The importance of public transport: CO₂ emissions for two representative shopping centres



Source: Carbone 4

Waste management

To increase waste separation rates and improve waste management, the Group encourages both tenants and visitors to sort their rubbish by providing separate bins and containers for different materials. Simple measures of this type can provide impressive results. In Sweden, for example, increasing communication with tenants on waste management issues and providing access to suitable sorting facilities has resulted in over 90% of waste being sorted by type. Volumes of unsorted, general waste have fallen by 30% in just one year. The Group aims to have implemented similar programmes at its other shopping centres by 2011 at the latest.

Water management

The Group aims to improve its water management performance in 2009 by implementing systematic leak-detection measures in its shopping centres. Historical water consumption data and KPI results will be analysed to identify problem areas.

Efforts are also being made to reduce consumption at the point of use. For example, cisterns with dual flush systems are installed every time a toilet block is renovated, and modern, water-efficient models are selected whenever a cooling tower needs to be replaced.

Reduce carbon intensity of managed shopping centres by at least 25% in 2016 relative to 2006

Implement or improve energy monitoring systems at all managed shopping centres

Implement separate waste collection in managed shopping centres by 2011

Keep average water consumption in managed shopping centres below 4 litres/visit per year

Develop and implement "Sustainable Attitude", the Group's European environmental training programme

Environmental performance: new developments

Unibail-Rodamco is a leading developer of new retail and office space and also regularly renovates and extends assets in its portfolio. For both economic and environmental reasons, sustainability is an important consideration at every stage in the process, from the initial design through to construction and operation. To reflect its commitment to these issues, the Group is revising its design and construction objectives to bring them into line with the latest environmental standards and BREEAM requirements.

New standards for design and construction

It can take between five and 12 years for a large project to be transformed from initial sketches into a functioning public space. During that time, extensive studies are conducted into environmental, social and economic issues that could affect, or be affected by, the development. Subjects range from biodiversity, energy efficiency and job creation, to transport infrastructure and commercial activity in the catchment area (see pages 24-25).

The environmental impact of new developments is subject to increasing scrutiny. Internal project design and construction processes help the Group to identify and address potential environmental, social and financial issues from the outset. These processes have been updated to take account of industry best practices and new certification programmes that are being developed in Europe, at both national and international levels.

The updated objectives, which are sufficiently flexible to apply to projects of different sizes and specifications, will be rolled out across Europe during 2009. They will ensure that environmental and social issues receive due and complete consideration at every stage of the development process.



Cnit/La Défense



Docks 76 project/Rouen

The Building Research Establishment Environmental Assessment Method (BREEAM) is the world's most widely used sustainable construction certification. BREEAM identifies ways to limit the environmental impact of the construction process and is used to assess the environmental performance of buildings at different phases, from design to operation. The ratings procedure is conducted by an independent, certified assessor.

11 projects
undergoing BREEAM
assessment in 5 countries



Manuelle Gautrand: "Vie en ville"



Guaranteeing high environmental standards

In 2008, Unibail-Rodamco decided to submit its development projects to third-party assessment. Buildings that have an environmental certification tend to have lower running costs and benefit from increased marketing and rental potential.

From now on, all of the Group's projects will be designed and built in line with BREEAM* standards and all major projects will be subject to an independent BREEAM assessment. Unibail-Rodamco aims to achieve a "Good" rating or better. Eleven of the Group's projects are already undergoing assessment or pre-assessment; Docks 76, a new shopping centre in Rouen, France, will be the first Unibail-Rodamco project to receive a BREEAM certificate.

Unibail-Rodamco has chosen to apply the BREEAM standard because the Group has activities across Europe and because this standard has been adopted both by the International Council of Shopping Centers (ICSC) and by a large number of developers. By contributing pilot projects in several European countries, the Group is helping the BRE to adapt its standards to EU and local building and environmental regulations.

It should be noted that the standards required by BREEAM are at least as demanding as those of equivalent local certification processes, such as HQE (High Quality Environmental standard) in France. The Group applies for double certification (BREEAM and HQE) for major French construction projects and for complementary environmental certificates and labels when relevant. For example, the office building at 23, boulevard de Courcelles is expected to receive HQE certification and the "Bâtiment à Basse Consommation" (Low Consumption Building) label, which is awarded to buildings that consume 40% less energy than a typical building in their class.

*To find out more about BREEAM, visit www.breeam.org

The sustainability of new developments isn't simply a matter of choosing the most environmentally-friendly materials and the right physical location. It is also a question of integrating new or renovated assets into their surroundings. In 2008, Unibail-Rodamco unveiled "Vie en ville", a development concept that integrates public and private housing, offices, public services and shops on a compact urban site. Three leading architects – Manuelle Gautrand, Philippe Chiambaretta (PCA) and Winy Maas (MVRDV) – have produced their vision of how this concept would translate to reality.



Reuse of an existing structure: Docks Vauban project/Le Havre



Location on a transport hub: Mall of Scandinavia project/Stockholm



Decontamination of a former industrial site: Lyon Confluence project/Lyon

Selecting and developing new sites and considering biodiversity

Unibail-Rodamco's new developments are generally constructed on brownfield sites. This makes sense for economic, social and environmental reasons. For example, sites that were previously used for industry are often linked to transport networks or existing communities, while decontamination programmes for former industrial sites tend to have a positive impact on soil and air quality and biodiversity. The Group spent almost €7 million to decontaminate the Lyon Confluence site. By reusing the existing facades at the Docks 76 project, it avoided the release of 1,300 tonnes of CO₂ that would have resulted from the manufacture of new construction materials. Transporting new materials to the site would have given rise to further CO₂ emissions.

Even though most of its assets are in urban locations or built on brownfield sites, the Group takes measures to protect biodiversity by commissioning BREEAM-compliant studies and respecting their conclusions.

Tour Phare has received HQE (High Quality Environmental standard) certification in recognition of the attention that has been paid during the planning phase to issues relating to construction, operational management, health and safety, and user comfort. The design and construction phases will be assessed at a later stage. Phare is the first of the planned towers at La Défense to receive this certificate.

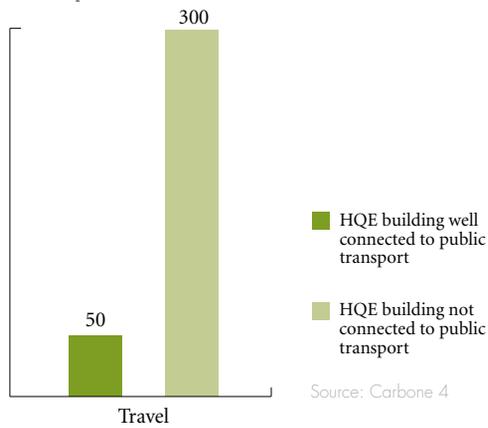
Sustainable skyscrapers

Tour Phare and Tour Majunga are at the forefront of the plan to renovate the La Défense business district on the outskirts of Paris. The Triangle project is set to inject new life into the south of the city. All three of these projects are targeting both BREEAM and HQE (High Quality Environmental standard) certification.

Increasing density on sites that are well connected to public transport has a dramatic impact on CO₂ emissions per person by significantly reducing the use of cars.

The importance of public transport: CO₂ emissions for HQE office buildings

tonnes CO₂/person/year



The south facade of Tour Phare, designed by Thom Mayne, has a curvilinear double skin that minimises heat gain and glare, while the flat, clear-glazed north facade maximises interior exposure to year-round natural daylight. A wind farm on top of the tower would provide clean, renewable energy.

Tour Majunga, designed by Jean-Paul Viguier, also has a high-tech external skin which provides passive solar protection, maximises daylight and comfort for users, and saves energy by reducing the need for artificial lighting. The building uses new energy-efficient lights. The project team aims to obtain a French THPE (Very High Energy Performance) label by demonstrating that the primary energy consumption of the tower is 20% lower than for a standard building.

Tour Triangle, designed by Herzog et de Meuron, aims to be a model of sustainable development in action thanks to its integration into the urban environment and its use of natural daylight. This project could also integrate heat recovery and geothermal/solar energy systems. Alongside the renovation of the Parc des Expositions, Triangle forms part of the ambitious "Plan Climat" that has been drawn up by the City of Paris.

Tour Majunga project/La Défense



Tour Phare project/ La Défense



Triangle project/Paris

Achieve a BREEAM rating of "Good" or better for all major projects

Improve and roll out sustainable building design and construction guidelines across all regions

Install computerised building management systems and efficient metering systems in all new development and refurbishment projects

Customers

Customers are the foundation of Unibail-Rodamco's business. The Group's ability to attract large numbers of customers to its shopping centres makes those centres attractive to retailers, which in turn enables the Group to generate sustainable and growing cash flows. In 2008, more than 750 million customers visited Unibail-Rodamco's shopping centres to shop for pleasure and for everyday necessities, and to relax and socialise with friends and family.

The transport challenge

Customers underpin the economic sustainability of the Group, but also present a major challenge in terms of environmental sustainability.

A carbon analysis of a sample of assets showed that visitor transport accounts for a large proportion of the CO₂ emissions from a typical shopping centre. The Group is working actively to reduce this figure by increasing the availability and visibility of "green" transport options such as public transport, walking and cycling.

Already, more than 50% of customers use sustainable modes of transport to visit Unibail-Rodamco's shopping centres, all of which are located in or near major cities with excellent transport links. To give just one example, Galeria Mokotów in Poland is close to the city centre and is served by six bus lines, three tram lines and the metro. In situations where public transport links could be improved, the Group works closely with local authorities to identify and facilitate infrastructure upgrades. Access for people with reduced mobility is carefully considered during development, refurbishments and operations, and every effort is made to create a user-friendly environment.

Health and safety

To ensure the health and safety of visitors to its centres and to mitigate risks to public health, safety and the environment, the Group is implementing a comprehensive risk management strategy. Risk factors include asbestos, Legionella in refrigeration equipment, electromagnetic waves from radio masts, and natural risks such as parasites.

Since 2003, Unibail-Rodamco has been monitoring and managing risks with the help of standardised checklists and dedicated processes, many of which were drawn up in cooperation with Bureau Veritas, a world-leader in health, safety, security and environmental management and certification. Bureau Veritas conducts annual audits of the Group's French sites to ensure that processes remain relevant and reliable.

Each of the Group's managed French shopping centres, convention-exhibition venues and offices now has a comprehensive health and safety manual that lists all of the technical and operational risks relevant to that asset and identifies how those risks should be managed. In 2009, this system will be rolled out to all of the Group's managed assets across Europe. Particular emphasis is being placed on asbestos and Legionella.

Engaging with customers

The Group encourages customers to adopt sustainable habits and raises their awareness of environmental issues. For example, interactive display boards at the entrance to La Vaguada, in Spain, explain why the Group decided to install solar panels on the roof of this centre and highlight the positive impact on CO₂ emissions. To encourage recycling, many centres offer used battery drop-off points and separate rubbish bins for paper, plastic and mixed waste.

Customers are invited to engage with the Group through the welcome desks at each centre, through the shopping centre web site, and through consumer associations and focus groups. The Group also conducts regular customer satisfaction surveys and quality audits to check that it is responding to the needs and expectations of customers, for example, with regard to opening hours, accessibility and transport, visitor information, the tenant mix, and leisure and dining facilities.

52%

of visits to shopping centres in 2008 made by sustainable modes of transport

752 million

visits to Unibail-Rodamco shopping centres in 2008

61%

of Unibail-Rodamco assets* connected to mass public transport systems

*Shopping centres, offices and convention-exhibition centres



The Welcome Attitude

The Welcome Attitude is designed to create a relaxed, welcoming environment and eliminate the micro-stresses that can arise during a customer journey. For example, user-friendly web sites facilitate pre-trip planning. Car parks are well lit and offer dedicated spaces for disabled visitors and families with children, and special shopping carts are available to help these customers get around inside the centre. Cleanliness, security and maintenance are, of course, a priority in all centres. A standard quality audit process is deployed to ensure that services and facilities meet the Group's exacting standards.



Forum Nacka/Stockholm



Rivétoile/Strasbourg

2008 achievements

2008 Spanish Council of Shopping Centres (AECC) Awards

Parquesur shopping centre in Madrid received the "Best Social Action" prize for installing the "Statio'Pass" car parking system.

If an unauthorised vehicle parks in a space reserved for visitors with reduced mobility, the system alerts the management. Visitors who are entitled to park in these spaces identify themselves with a free pass which is available from the reception desk. The Statio'Pass system is already in place at several other Unibail-Rodamco shopping centres.

Les Quatre Temps: winner of the Oscar for fire safety

Unibail-Rodamco's newly renovated and expanded shopping centre at La Défense, near Paris, was awarded the 2008 Oscar for Fire Safety by the French Federation for Fire Equipment.

Measure and improve customer service and satisfaction levels

Increase customer awareness of sustainable transport options

Extend Group health and safety policy to all regions

2009 objectives

Tenants

Both Unibail-Rodamco and its tenants aim to generate high levels of income and provide excellent levels of customer service. By signing leases with the most successful, desirable retail brands, the Group is able to attract large numbers of visitors to its shopping centres. These high levels of footfall – and the associated revenues – make the Group’s shopping centres particularly attractive to tenants. Unibail-Rodamco works with its tenants to reinforce this virtuous economic cycle while reducing the environmental impact of these activities.



Combining forces to improve environmental performance

The carbon footprint analysis carried out on a representative sample of assets in 2008 (see pages 8-13) highlighted the fact that tenants’ activities account for a significant proportion of shopping centre CO₂ emissions. Although Unibail-Rodamco is not directly responsible for emissions from tenants’ activities, it is taking action to tackle the challenge. In particular, it is developing programmes that will raise tenants’ awareness of energy, water and waste management and of the environmental issues associated with fitting out or renovating retail spaces.

For these programmes to succeed, it is important that they have the support of as many tenants as possible. In existing assets, the Group will ask its key tenants to agree on a memorandum of understanding, which lays out the main environmental challenges associated with operating the asset and defines a common approach to improving performance. In new development projects, the Group will ask its tenants to sign “green clauses” during the leasing phase.

The Group also works to improve and coordinate the industry’s approach to these issues. For example, Unibail-Rodamco chairs the sustainable development committee of the National Council of French Shopping Centres (CNCC), which brings together institutional investors, shopping centre owners and managers, and major supermarket chains and retailers. In 2008, this committee focused on identifying and understanding the issues at stake and defining the tenant-lessor relationship. In 2009, it will work to implement concrete performance measures.

1,097
leases signed in 2008*

<3.3%
No tenant represents more than 3.3%
of Unibail-Rodamco’s total gross rental income**



Encouraging dialogue and cooperation

The Group's tenant strategies are established at corporate level and supported by European action plans that identify and attract major international retail brands to Unibail-Rodamco shopping centres. The ongoing tenant relationship is, however, primarily managed at local level, on a centre-by-centre basis.

Tenants in all of the Group's centres receive regular updates on new openings, events and marketing campaigns. Major events, such as Christmas and the summer and winter sales, are generally planned in cooperation with tenant representatives. The management teams in all of the Group's centres maintain an "open door" policy to encourage dialogue. Extra communication sessions are held as and when necessary. For example, during the current extension and refurbishment works, the management team at Donauzentrum is holding monthly breakfast meetings to inform tenants of progress and ensure that any issues can be resolved rapidly.

Unibail-Rodamco also works to involve its tenants in wider sustainability initiatives. In France, for example, as well as providing financial support to the School of the Second Chance (see page 27), the Group encourages its tenants and suppliers to offer employment or training opportunities to participants in this programme.



2008 achievements

In the Czech Republic, a survey of Prague's shopping centres conducted by GE Money Multiservice showed that Centrum Chodov, one of the Group's assets, had the highest levels of tenant satisfaction.

Cooperate with tenants to implement the memorandum of understanding on improving environmental performance and encouraging the sharing of sustainable best practices

Review and update the tenant manual to include new sustainability guidelines, particularly with regard to the fitting out of shop units and office space

Review and update the terms of standard leases to include new and expanded sustainability clauses for new projects

Develop a pilot for a standard European tenant survey

2009 objectives

Suppliers and contractors

As Europe's leading property investor, developer and operator, Unibail-Rodamco works with a variety of suppliers and contractors. These stakeholders make a significant contribution to the quality and value of the Group's existing assets and its assets under development. They enable Unibail-Rodamco to offer an attractive, clean, safe environment to the people who work in and visit its shopping centres, offices and convention-exhibition centres.

A shared concept of sustainability

The support that the Group receives from architects, construction firms, cleaning and maintenance specialists, utilities and other third parties is key to the performance and long-term success of Unibail-Rodamco's assets.

Unibail-Rodamco's suppliers and contractors are independent companies and are, therefore, responsible for drawing up and implementing their own corporate sustainability and responsibility policies. Unibail-Rodamco selects the reputable contractors who work on its projects in accordance with the Group's procurement procedures and Code of Ethics. This normally involves issuing invitations to tender based on clear specifications. The Code of Ethics also provides employees with clear rules and guidelines regarding conflicts of interest, bribery and other forms of corruption.

As far as is possible, the Group seeks to ensure that the companies that it works with comply with national and international standards, such as those of the International Labour Organization, and respect Unibail-Rodamco's sustainable policy. Sustainability clauses, which provide clear guidelines about the environmental and social standards that suppliers are expected to maintain, are being included in the procurement contracts that the Group signs with its suppliers. In 2008, these clauses were added to the contracts of 69 key French suppliers, who together accounted for more than 70% of the 2008 budget charges for the French managed portfolio. This process will be expanded and reinforced during 2009.

best practice

Energy Performance Contract (EPC)

An EPC is an innovative financing agreement between a landlord and a private energy services company or facilities manager that uses future energy savings to repay the cost of installing energy-efficient systems.

In 2008, Carré Sénart implemented an EPC contract with its multi-technical supplier, DALKIA. This contract, which came into effect on January 1, 2009, guarantees a reduction of at least 5% in the centre's electricity consumption, and at least 10% in gas consumption, compared to levels in 2007. Unibail-Rodamco is working to roll out similar EPC agreements in other shopping centres across Europe.

Energy Saving Certification (White certificate)

To attain a White certificate, the producers, suppliers or distributors of electricity, gas and oil must show that they have implemented energy efficiency measures that reduce the end user's annual energy consumption by a pre-defined percentage.

In 2008, two of the Group's French assets – Vélizy 2 and Porte de Versailles – received White certification as a result of improvement work carried out in partnership with EDF. For example, low-energy light bulbs were installed and ventilation systems were upgraded to use variable-frequency motors. At Porte de Versailles, energy consumption for lighting was reduced by two thirds in one of the main exhibition halls. Further improvement programmes will be carried out during 2009.

Review and update supplier contracts to make more explicit reference to environmental and labour issues

Communicate with key suppliers regarding the Group's sustainability strategy

Assess whether or not key suppliers meet minimum requirements regarding local laws and regulations and Unibail-Rodamco's sustainability clauses

Develop more win-win partnerships with suppliers and contractors

Shareholders and investors

The Group's strategy is designed to generate both strong annual results and sustainable long-term growth. Unibail-Rodamco benefits from a prudent financial strategy, a strong balance sheet, and a conservative risk management philosophy. In today's environment, economic sustainability cannot be separated from environmental and social sustainability, as is demonstrated by the growing influence of socially responsible investment (SRI) indexes such as the Dow Jones Sustainability World Index (DJSI World) and the FTSE4Good Index. Unibail-Rodamco was included in both of these indexes in 2008.

Creating long-term value

The DJSI and the FTSE4Good, the two main global SRI indexes, measure the performance of major companies which are committed to corporate sustainability, specifically to good corporate governance, economic sustainability, social fairness and environmental performance. According to the 2008 European SRI Study by Eurosif, the value of assets under management concerning sustainable and responsible investments (SRI) had reached €2.665 trillion as of December 31, 2007, and represented up to 17.5% of the asset management industry in Europe. This is equivalent to a 102% growth rate since December 31, 2005.

In parallel, analysts are paying increasing attention to third-party corporate social responsibility (CSR) reporting. In 2008, Unibail-Rodamco was identified as one of the best-performing companies in the French real estate sector by Novethic, the leading CSR and SRI research centre in France.

Financial communication

Unibail-Rodamco is committed to communicating with its shareholders and investors. In addition to the Annual Report, the Corporate Sustainability Report, the Annual Shareholders' Meeting and regular investor road shows and results presentations, the Group provides ad hoc updates on its activities through press releases and the corporate web site. In 2008, Unibail-Rodamco reinforced its team with the appointment of a Group Head of Investor Relations.

Investor meetings provide a balanced and complete view of the Group's performance and the issues faced by the business. Members of the Management Board hold regular investor meetings with existing and potential shareholders in key European and North American financial centres. In 2008, more than 150 meetings of this type were held with institutional investors. The Group also organises visits to shopping centres and offices to help shareholders and investors improve their understanding of key business drivers in the commercial real estate sector.



€7.50*
Distribution per share

€151.20
Fully diluted liquidation NAV/share

*Subject to approval by the 2009 Shareholders' Meeting.



For detailed information on Unibail-Rodamco's 2008 financial results and strategy, please refer to the 2008 Annual Report. Regular financial updates are provided on www.unibail-rodamco.com.

Increase the number of fixed income and equity investor meetings by at least 15% compared to 2008

Develop internet content for investors

Conduct a survey to measure the effectiveness of the Group's investor relations policy

Organise investor meetings in financial centres that are new to the Group

Organise a road show specifically aimed at generalist investors

Communities and local authorities

With more than a hundred shopping centres in its portfolio, and more than 750 million visits in 2008, the Group's activities have an effect on communities across Europe. Unibail-Rodamco aims to be a positive presence in the community by providing a carefully selected mix of retailers, a pleasant shopping environment and useful services, as well as by creating employment and supporting worthwhile causes. The Group has chosen to concentrate its community sponsorship efforts in three areas: architecture and culture, education, and entrepreneurship.

Listening to and working with the public

The development, extension or renovation of a large shopping centre or office complex can have a significant impact on the surrounding area. To ensure that the needs of the community are taken into account both prior to and during any major works, Unibail-Rodamco works closely with local associations and authorities and holds public meetings that encourage open debate and information sharing. For example, regular meetings are being held with residents and local representatives to discuss the Triangle project in the south of Paris.

Building a sense of community

Communities thrive when there is the right blend of workplaces and housing, commerce and culture, transport and services. "Vie en ville" is Unibail-Rodamco's vision of how these elements can be combined from scratch in a turnkey city centre development (see page 15). These principles are already being applied in the Group's new projects, many of which form part of wider urban renewal schemes.

In keeping with its philosophy that shopping centres should be more than just great places to shop, the Group works to create environments that people also visit to socialise and be entertained. Restaurants and cinemas are common features, while some centres propose more unusual attractions, such as the pony club at Carré Sénart outside Paris, or the climbing wall in the mall at Lyon Confluence (opening 2011).

All of the Group's centres host free entertainment programmes, particularly during school holidays. These events contribute to the atmosphere of the shopping centre, bring people together, and help to increase footfall.

Rivétoile ►

Strasbourg, opened October 2008

Built alongside the Music and Dance Centre of Strasbourg, the city archives, and a 12,000 m² library and media space on a former industrial site within walking distance of the city centre.

The Manège Carré

This massive carousel lets children and adults ride on giant mechanical ants, fish and buffalos instead of on fairground horses. Designed by the French artist Francois Delaroziere, the Manège Carré made its debut at the Carré Sénart shopping centre and is set to travel throughout Europe.



The Czech Republic National Squash Championships

For a second year, Centrum Chodov in Prague hosted the championships in a glass squash court built directly in the main square of the shopping mall. Participants and onlookers then enjoyed a free concert by popular singers and bands.





Aéroville project/Paris-Charles de Gaulle

case study

Aéroville is a major new shopping centre that Unibail-Rodamco is considering building on a site beside Paris-Charles de Gaulle Airport. Public and private meetings with members of the community, including residents, employees, local authorities, elected representatives and businesses, are helping to shape the project.

A number of studies have been carried out into:

- the need for and provision of services in the area around the airport,
- existing commercial and public infrastructure,
- access to the area around the airport and to the Aéroville site,
- the opinions of employees and residents of the zone (IPSOS survey of more than 1,000 people).

As a result, the original plans have been modified to:

- improve road access and keep shopping centre traffic separate from airport traffic,
- adapt the commercial offer to reduce the potential impact on existing shops (for example, the food hypermarket will be replaced by a smaller supermarket and the complex will not include a cinema),
- ensure that local residents are first in line for new jobs through contracts with local employment agencies and the School of the Second Chance (see page 27).

A Summer of Champions

To celebrate the Olympic Games in Beijing and the opening of a new outdoor terrace, La Vaguada in Madrid organised a series of sporting events and introductory sessions for children. Alongside traditional sports such as football, basketball, archery and table tennis, multimedia sports were on offer in a “Wii Fit” zone.



Star Music

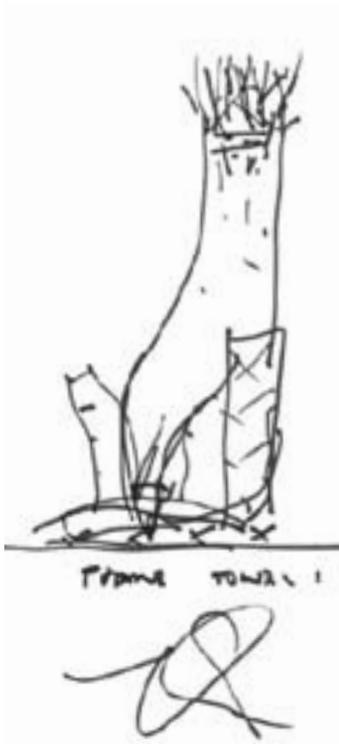
The brilliant Czech violinist Jaroslav Sveceny and the Virtuosi Pragenses orchestra marked the 330th anniversary of Vivaldi’s birth with an open-air concert for almost 300 visitors on the roof of Centrum Chodov.



Sanja Wijenayaka/EMDH



Jean-Michel Wilmotte/EMDH



Thom Mayne/EMDH

Corporate citizenship: architecture and culture

Unibail-Rodamco, a leading developer of urban spaces, works with some of the world's top architects. In 2008, with the Group's support, 28 of these architects came together to support the charity EMDH* (Enfants du Monde – Droits de l'Homme), which provides shelter, training and psychological assistance to children around the world who are homeless, at risk of exploitation or victims of war or poverty. France awarded EMDH the Prize for Human Rights in 2004. Drawings by the architects and some of the children were displayed at the Pavillon de l'Arsenal in Paris and at the Forum des Halles shopping centre before being auctioned to raise money for EMDH.

Unibail-Rodamco sponsors the new permanent exhibition at the Pavillon de l'Arsenal, "Paris, a guided tour". The exhibition explores the historical and contemporary architecture of Paris and presents the city as it might appear in the future through architectural models, animations, interviews and documentary films of completed and planned new developments.

€3.4 million

Donations in cash and in kind to educational, cultural, entrepreneurial and social projects during 2008

> 130 charities

More than 130 local, national and international charities and associations were offered space for fundraising in the Group's centres in 2008



Unibail-Rodamco becomes a donor member of the E2C Foundation (left to right: A. Schajer, President of the E2C Network; F. Amara, Secretary of State for Urban Development; G. Poitrial; E. Cresson, former Prime Minister of France; L. Wauquiez, Secretary of State for Employment).



Salon Planète Durable: first prize, Expocréa

Corporate citizenship: education

As the leading European real estate investor and developer, the Group believes it has a responsibility to promote excellence in its sector through on-going contributions to research and training and through permanent collaboration with schools and universities. In June 2008, Unibail-Rodamco and Morgan Stanley Real Estate joined forces to create the Real Estate Chair at HEC, one of the top business schools in Europe. Unibail-Rodamco maintains long-standing partnerships with major French business and engineering schools and is a partner of the CEMS network of 17 leading European business schools.

Unibail-Rodamco also believes in the value of vocational education and is an active sponsor of programmes which improve the quality of, and increase access to, learning. The Group continues to be an active partner of the "École de la deuxième chance" (E2C, School of the Second Chance) and provides recruitment opportunities in its shopping centres to young people without formal qualifications or initial training. In 2008, Unibail-Rodamco became a donor member of the Foundation, laying the basis for a long term partnership.

Further afield, the Group helps to finance the education of young girls in underprivileged countries through its support for La Rose Marie-Claire. In 2008, as part of Unibail-Rodamco's partnership with this non-profit association, the Group's shopping centres hosted exhibitions and offered space for roses to be sold.

* For more information about EMDH, please visit www.emdh.org

** For more information about the Grand Prize, please visit www.grandprixjeunescreateurs.com

Corporate citizenship: entrepreneurship

The Grand Prize for Young Retail Entrepreneurs** was created by Unibail-Rodamco in 2007 to encourage and reward innovation and support the launch of new businesses. As well as providing marketing, legal and administrative guidance to help the winners fine-tune their concept, the Group gives them access to a retail space in a Unibail-Rodamco shopping centre and waives both entry fees and the first six months' rent. The 2008 Grand Prize was won by Move Me®, a concept for customisable luggage.

Expocréa rewards the most inventive, interesting and promising public and professional exhibitions and shows to make their debut in France during the year. This prize was created in 2008 by VIPARIS (which brings together the Group's convention-exhibition activities and those of the Paris Chamber of Commerce and Industry), Salons et Congrès de France and Heavent Expo. The winners receive financial and operational support to help them organise their second show, including a 30% reduction in rental charges with VIPARIS. The "Salon Planète Durable" (Sustainable Planet Show) won first prize, while the Jury's Prize was awarded to the "Salon Mondial du Cirque" (World Circus Show).

Develop a strategy for community involvement/support for each of the Group's main shopping centres

Evaluate the status and progress of previous winners of the Grand Prize for Young Retail Entrepreneurs

Develop a Spanish edition of the Grand Prize for Young Retail Entrepreneurs

Employees

At year end 2008, Unibail-Rodamco employed 1,701 people across Europe. As the success of its operations depends on the skills and dedication of its employees, the Group devotes considerable resources to attracting, retaining and motivating talented graduates and experienced professionals. The Group values customer-centred strategic thinking, continuously high business aspirations, and “hands-on, always-on” achievers.

Corporate human resources structure

Human resources management is a high priority for the Group. The Human Resources function reports to the Chief Resources Officer, who is a member of the Management Board. The Group HR Director is a member of the Management Team.

The human resources directors of each region report directly and hierarchically to the Group HR Director, guaranteeing their independence vis-à-vis operational managers and ensuring confidentiality for employees.

The Group's employees

Unibail-Rodamco employs equal numbers of men and women and has a balanced age pyramid. The Group's efforts to offer jobs with long-term development potential is shown by the small numbers of employees with part-time and/or fixed-term contracts. The Group also refrains from using too many interim workers, employing a full-time equivalent of 87 throughout 2008.

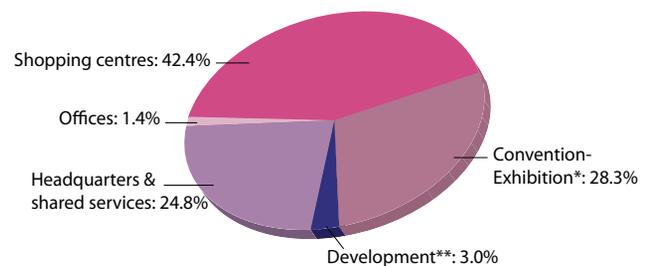
Recruitment

The Group aims to recruit “best in class” young graduates and offer them exciting, challenging and enriching careers. From the outset, new recruits are given the opportunity to manage very large scale projects and take advantage of the many functional and geographical mobility opportunities that exist within the Group.

In 2008, a number of initiatives were deployed to develop the Group's employer image in the leading business and engineering schools and universities of the countries where Unibail-Rodamco is present. Campus events, company presentations and career forums raise the Group's profile and help generate applications from highly qualified, motivated candidates.

Graduates who are fresh out of school are invited to start their career with the European Graduate Programme, a year-long training programme that enables participants to discover the diversity of Unibail-Rodamco's approach to commercial real estate operations, acquire the fundamentals of the business and build a network for their future career. Participants undertake at least one assignment in a foreign country and one in a shopping centre.

In 2008, the Group hired 278 people for permanent positions, including 10 people through the European Graduate Programme, and 85 people on temporary contracts. The Group also offered 66 internships and seven apprenticeships.



Employment by activity

*Including employees of VIPARIS but excluding employees of Expositum
**Office and shopping centre development



49%



51%

Employment by gender

96%

of employees have indefinite/
permanent contracts

94%

of employees work full time

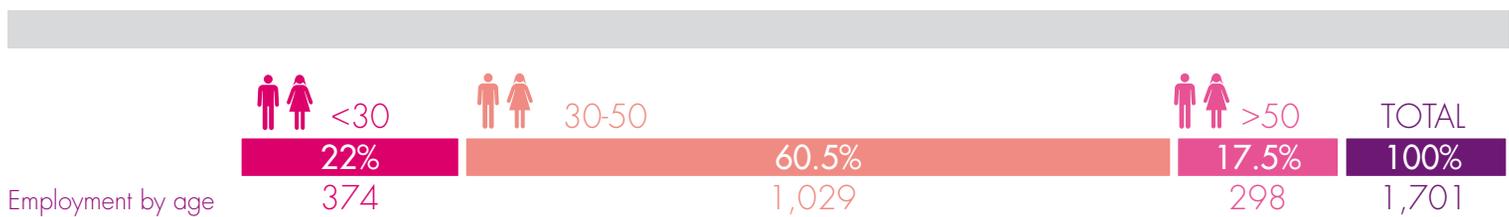


Training and internal mobility

Unibail-Rodamco has a strong training culture. Training is a key tool that accelerates skills acquisition for new recruits, enables career progression and supports transitions to new positions, functions and/or countries. The Group's extensive professional training programme is regularly reviewed and upgraded. In total, over 32,000 hours of training took place, which represents an average of almost 3 days per employee.

The Unibail-Rodamco Academy was launched in 2008 with the goal of making the Group's HR slogan, "Talent in motion", come true. It is designed to create a more direct business impact than a simple training department. Operational managers contribute by designing, developing and teaching internal training courses that are relevant to their line of business. In 2008, the Group training plan included 11 different programmes made up of 58 tailored courses. The Academy links learning goals to long term strategy and uses training to close anticipated skill gaps.

The Group strongly encourages internal mobility, recognising that it is an effective way of sharing knowledge and best practices and building a common corporate culture. Since the merger, in June 2007, 22 employees have moved to work for Unibail-Rodamco in another country.





Career management

Career development is supported by annual hierarchical, functional and peer evaluations that provide feedback on individual progress and help define personal and professional goals. End-of-year talent review committees are held locally and at Group level, with particular attention being given to the quality of individual evaluations by managers. Prior to the talent reviews, all managers within the Group receive appropriate training that emphasises the importance of gathering information, setting SMART (Specific, Measurable, Achievable, Realistic and Time-bound) objectives and giving and receiving feedback.

In 2008, an extensive 360° assessment process was rolled out across the Group for the first time. This process enables team members to give anonymous feedback on the skills and performance of their managers and colleagues. Seventy-two percent of employees took advantage of this opportunity to provide feedback to their managers, while 83% of those asked to provide transverse and project feedback did so.

In 2008, 210 employees made a lateral career shift within the Group and 162 employees were promoted.

Remuneration

Unibail-Rodamco's remuneration policy rewards and encourages individual achievement and supports the long-term growth of the Group. In 2008, the average salary across the Group, including bonus, increased by 4.8% on a like-for-like basis.

In 2008, a new short-term incentive (STI) policy was rolled out. All employees are eligible, including those who did not qualify under the terms of previous policies. The STI is designed to motivate every employee by rewarding them for the contribution that they make to the success of the department and/or region and, as a result, to the Group as a whole. Bonuses are calculated to take account of the person's level of responsibility and their performance throughout the year. In 2008, 65% of the Group's employees received an individual merit-based bonus.

The Group's long-term incentive (LTI) policy is based on the attribution of stock options, which are subject to performance conditions but are independent of tenure or level of responsibility. In 2008, stock options were distributed to 18% of employees on the basis of individual contribution and potential.

Absenteeism and departures

Absenteeism and departures are closely tracked in each region. The causes of work-related injuries are studied, and measures are taken to reduce the likelihood that they will reoccur. Employee turnover, measured by total departures over average headcount, stood at 20.8% in 2008. Resignations represent more than half of departures. The HR department systematically conducts exit interviews to understand why an employee is resigning and take any necessary action.

65%

of employees received an individual merit-based bonus in 2008

34%

of management positions are held by women

4.8%

increase in average salary, including bonus, in 2008



Ethics and equal opportunities

Unibail-Rodamco's business practices and relationships are guided by the principles set out in its Code of Ethics. The Code was revised in 2008 and distributed to the Group's employees, all of whom have been asked to read and abide by its contents. The Group Compliance Officer, who reports directly to the CEO, oversees the implementation of the Code. In 2009, an e-learning programme on the Unibail-Rodamco compliance programme, which includes the Code of Ethics, will be rolled out to embed these principles and raise awareness throughout the Group.

To reduce any risk of discrimination during the recruitment process, the Group asks candidates to submit anonymous CVs. Candidates are selected solely on the basis of their academic profile and proven achievements. Unibail-Rodamco intends to sign the French "Charte de la diversité" (Diversity Charter) in 2009. Signatories promise to reflect the diversity of today's society in the composition of their work force and pursue non-discrimination and diversity at a strategic level.

The Group strives to promote equal opportunities for women and men in terms of representation and salaries. In 2008, 34% of managerial positions were held by women, there was one woman on the Management Board and one on the Supervisory Board.

In each country, HR is asked to report on possible incidents of discrimination or legal disputes arising with employees. In 2008, four incidents were reported, three of which were not recognised as discrimination by employment tribunals. The fourth case is currently being investigated.

Dialogue and communication

To encourage Group-wide communication, a monthly newsletter which provides information on people, events, business activities and sustainable development is published on the intranet. A corporate internal communications position has been created to ensure that information flows effectively across the Group. Video conference facilities are available in all regions to facilitate contact and reduce the need for business travel.

In June 2008, a second edition of the Management Convention was held in Paris. It brought together 200 managers, giving them the opportunity to network and to present their achievements and projects for the coming year.

The Group has been working on a project to transform the holding company into a European company (SE, Societas Europaea). If this project is approved by the Shareholders' Meeting in May 2009, an employee body with representatives from all of the countries in Europe where the Group is present will be created. A consultative body, with employee representatives appointed by the unions or works councils or directly elected by employees, has already given its approval to the project.



For detailed information on Unibail-Rodamco's 2008 human resources policy and activities, please refer to the Financial & Legal Information chapter of the 2008 Annual Report.

Sign the French "Charte de la diversité" (Diversity Charter) and train all managers in recruitment and day-to-day management practices that reduce the risk of discrimination

Increase awareness of the Group's corporate sustainability policy

Roll out a three-part training course in environmental sustainability for employees

Review of 2008 performance against objectives

Environmental objectives 2008-2009: Europe

Activities	Result	Status & Progress
Develop and implement the "Sustainable Attitude" programme		2008: pilot programme in 25 French shopping centres 2009: roll out in all regions
Develop and implement "green" building design and construction guidelines across Europe		2008: first version delivered 2009: roll out and further improvement
Include environmental objectives in five-year business plans for all managed properties		
Set up a European database for environmental KPIs		10 environmental KPIs tracked in 94% of managed assets
Participate in national and international programmes (e.g. CNCC and ICSC*)		

Environmental objectives 2008: existing assets

Activities	Result	Status & Progress
Reduce CO ₂ emissions: <i>- assess carbon footprint of selected properties</i>		Representative assets assessed
Improve energy efficiency: <i>- develop a uniform energy measurement, monitoring and reporting methodology</i> <i>- implement an energy savings plan at 100% of managed shopping centres</i>	 	Implemented at 93% of the shopping centre portfolio under management 2009 target: 100%
Reduce waste production and water consumption: <i>- improve water and waste monitoring at 100% of shopping centres</i>		In place at 62 out of 68 shopping centres
Engage the Group's main suppliers and tenants: <i>- include environmental criteria in suppliers' contracts</i> <i>- share best practices with key retailers</i>	 	2008: achieved in France 2009: roll out in other regions 2008: Memorandum of Understanding drawn up
Promote "green" transport: <i>- include mobility analysis in business plans</i>		2008: data collected for 62 of 68 shopping centres

Environmental objectives 2008: new developments

Activities	Result	Status & Progress
Integrate "green" building criteria: - <i>pilot sustainability and BREEAM methodology reviews for projects at design stage and under construction</i>	✓	In place for all major projects
Focus on energy-efficient solutions: - <i>conduct feasibility studies into energy-efficient technologies</i>	↗	2008: process in place for systematic studies at the beginning of each project
Reduce the amount of waste disposed to landfill: - <i>introduce waste management and recycling plans during construction</i>	↗	Specific waste management and recycling methodology drawn up
Conduct biodiversity impact assessments: - <i>perform Environmental Impact Assessment on all new projects (> 5,000 m²)</i>	↗	Specific biodiversity impact assessment methodology drawn up

Social objectives 2008-2009

Activities	Result	Status & Progress
Encourage diversity: - <i>set up partnerships to support the employment of disabled people</i>	↗	2009
- <i>maintain the Group's privileged relationship with associations promoting equal opportunities for women and for socially disadvantaged people</i>	↗	2009
- <i>audit internal indicators monitoring male/female equal promotion and remuneration</i>	✓	
Attract and retain talent: - <i>maintain systematic career interviews and follow-ups with HR</i>	✓	
- <i>promote training for all employees</i>	✓	
- <i>promote mobility</i>	✓	
Create a corporate sustainability section in the internal newsletter	✓	

*CNCC: Conseil National des Centres Commerciaux (National Council of French Shopping Centres); ICSC: International Council of Shopping Centers



Done



In progress

Key Performance Indicators

As a landlord and asset manager, the Group monitors the overall energy, water and waste situation at its sites. Unibail-Rodamco works both independently and in cooperation with tenants to make more efficient use of resources and achieve its environmental goals.

I. METHODOLOGY AND DATA COLLECTION

In this report, the Group provides performance results for assets that it manages, where energy efficiency and resource use can be monitored and measured, and where future targets can be or have been set. These results have been obtained through the implementation of Key Performance Indicators (KPIs).

Unibail-Rodamco has made every effort to ensure that the environmental data it reports is accurate and to enable comparisons between assets and regions. Nevertheless, the effect of refurbishments and extensions, changes in the reporting perimeter (due to acquisitions and divestments, and other factors such as climate, equipment and opening hours), and the fact that data was not always collected in the same way at different assets prior to 2008, means that it is not possible for the Group to provide direct comparative data for the whole portfolio at present. Efforts to improve data quality and comparability are continuing: a regional benchmarking programme is underway and a European internal benchmark will be developed in 2009.

Interpreting KPIs

KPIs are reported either as absolute figures or as normalised figures.

Absolute data is provided for energy consumption, CO₂ emissions, water consumption and waste separation.

Normalised data is provided to show efficiency. Two denominators are used:

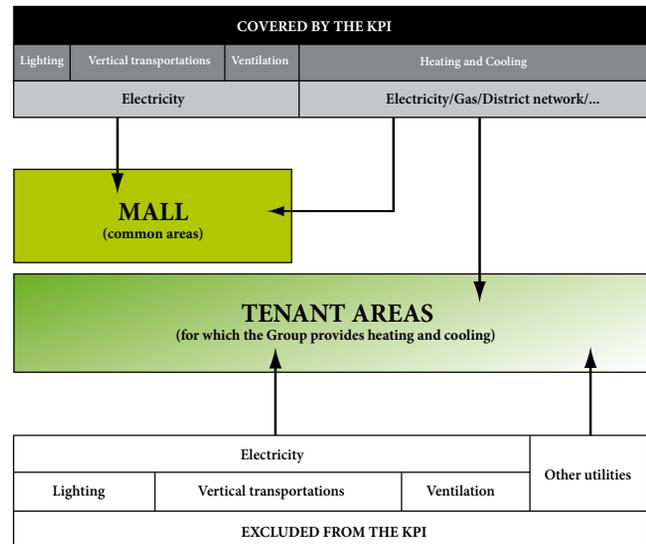
- Size: for shopping centres, this corresponds to the number of square metres of the mall plus any tenant areas for which Unibail-Rodamco provides heating and cooling; for offices, this refers to the total floor area.
- Number of visits: obtained by combining data from traffic counting systems (e.g. Quantaflow) and estimates obtained by market research and random counts in the period 2006-2008.

The Group manages shopping centres, offices and convention-exhibition centres. Results for the period 2006-2008 are reported for two perimeters:

- "All assets": includes all assets that were managed by the Group for the whole of the year in question. Assets undergoing major refurbishment and/or extension are included in the perimeter for the reporting of absolute data, but excluded from the reporting of normalised data.
- "Like-for-like": includes all assets that were managed by Unibail-Rodamco for the whole of 2006-2008, and that remained in operation throughout that period. Assets that underwent major refurbishment and/or extension during that period are excluded.

It is estimated that aggregated data is accurate to within +/- 5% for normalised data and +/- 10% for waste and transport data.

Energy consumption in shopping centres: the difference between common areas and tenant areas



Definitions used in KPIs

KPI	Unit	Definition
Energy consumption (absolute)	GWh	Shopping centres: final energy purchased for use in common areas (heating, cooling, distribution power, ventilation, vertical transportation, compactors) and energy provided to tenants for heating and/or cooling. Electricity consumed in tenant areas and car parks is not included. Offices and Convention-Exhibition centres: final energy purchased by Unibail-Rodamco.
Energy efficiency (normalised)	kWh/m ²	<ul style="list-style-type: none"> • <i>numerator:</i> final energy purchased for use in common areas (heating, cooling, distribution power, ventilation, vertical transportation, compactors) and energy provided to tenants for heating and/or cooling. Electricity consumption in tenant areas and car parks is not included. • <i>denominator:</i> area of mall and Gross Lettable Area (GLA) for which common energy is provided, measured in m².
Energy efficiency per visit (normalised)	kWh/ 100 visits	<ul style="list-style-type: none"> • <i>numerator:</i> final energy purchased for use in common areas (heating, cooling, distribution power, ventilation, vertical transportation, compactors) and energy provided to tenants for heating and/or cooling. Electricity consumption in tenant areas and car parks is not included. • <i>denominator:</i> annual visits.
CO₂ emissions (absolute)	tonnes CO ₂	CO ₂ emissions resulting from energy consumption (KPI). Local conversion rates are used to calculate CO ₂ emissions for each source of energy. These rates can vary depending on the energy source (electricity, gas, etc), country and energy supplier. 1 tonne = 1,000 kg.
Carbon intensity (normalised)	kg CO ₂ /m ²	<ul style="list-style-type: none"> • <i>numerator:</i> CO₂ emissions resulting from energy consumption (KPI). Local conversion rates are used to calculate CO₂ emissions for each source of energy. These rates can vary depending on the energy source (electricity, gas, etc), country and energy supplier. • <i>denominator:</i> area of mall and Gross Lettable Area (GLA) for which common energy is provided, measured in m².
Water consumption (absolute)	m ³	Consumption of purchased water.
Water consumption per visit (normalised)	litre/visit	<ul style="list-style-type: none"> • <i>numerator:</i> consumption of purchased water. • <i>denominator:</i> annual visits.
Total waste (absolute)	tonne	Amount of waste collected.
Percentage of waste separated	%	Amount of waste separated divided by total amount of waste collected.
Percentage split of visit by transport mode	%	Percentage split of visits by mode of transport (based on data collected in the period 2006-2008).

II. SHOPPING CENTRES

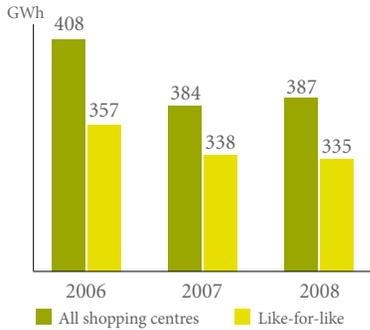
1. Scope: shopping centres included in the KPI database in 2008

		Number of assets
Austria	Südpark [*1*2], Donauzentrum	2
Central Europe	<i>Poland:</i> Galeria Mokotów <i>Czech Republic:</i> Centrum Cerný Most, Centrum Chodov	3
Netherlands	Stadshart Almere [*1*4/waste]; Stadshart Zoetermeer; Stadshart Amstelveen; De Bossche Boulevard [*4/all KPIs]; Vier Meren [*1*4/water]; Piazza Center [*4/water/transport]; Leidsenhage [*4/all KPIs]; Eggert Winkelcentrum; Sint-Jorisplein [*4/water]	10
Spain	Parquesur; Bonaire; La Vaguada; Bahia Sur; Glòries; Barnasud; Los Arcos; Equinoccio; Garbera; Vallsur; Albacenter; Sevilla Factory	12
Nordic Countries	<i>Sweden:</i> Solna Centrum [*1]; Täby Centrum; Väsby Centrum [*1]; Forum Nacka [*1*2*3]; Eurostop Arlandastad; Haninge Centrum; Tyresö Centrum; Nova Lund (1, 2 & 3); Eurostop Örebro; Arninge Centrum; Bålsta Centrum [*1]; Eurostop Jönköping; Eurostop Halmstad	13
France	BAB 2; Bonneveine; Carré Sénart; Carrousel du Louvre [*4/waste]; Cité Europe; Côté Seine; Euralille; Gaité Montparnasse [*4/energy efficiency per visit/water per visit/transport]; Labège 2 [*2*3]; Forum des Halles; Les Quatre Temps; Ulis 2; La Part-Dieu [*4/water]; Saint-Martial; L'Usine Côte d'Opale [*1*2/all KPIs]; Mériadeck; Nice Etoile; Parly 2; Place d'Arc; Rennes Alma [*1]; Rosny 2; Saint-Sever; Etrembières; La Toison d'Or; Vélizy Usines Center; Vélizy 2 [*4/water]; Villeneuve 2; Usine Roubaix [*4/all KPIs]	28
Total		68

[*1] Excluded in 2006 - [*2] Excluded in 2007 - [*3] Excluded in 2008 - [*4/KPI] No data available for KPI specified

2. Europe

2.1. Energy consumption

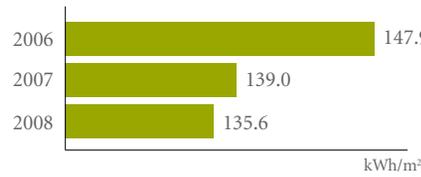


Energy consumption decreased by more than 6% between 2006 and 2008 on a like-for-like basis.

Scope:

- "all assets": 65 of 68 shopping centres (93%)
- "like-for-like": 55 of 68 shopping centres (79%)

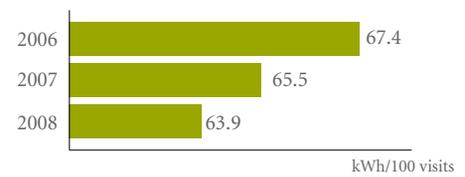
2.2. Energy efficiency



25% of shopping centres reduced their energy consumption by more than 10% between 2006 and 2008.

Scope: 63 of 68 shopping centres (90%).

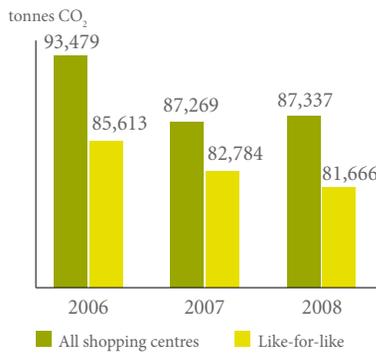
2.3. Energy efficiency per visit



Energy efficiency increased by more than 5% between 2006 and 2008.

Scope: 62 of 68 shopping centres (89%).

2.4. CO₂ emissions

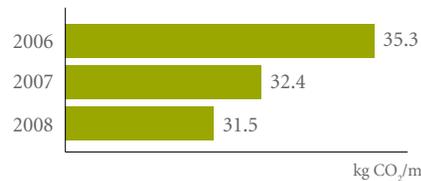


For the "all assets" perimeter, the global footprint decreased by more than 6.5% between 2006 and 2008 even though the number of assets increased by three.

Scope:

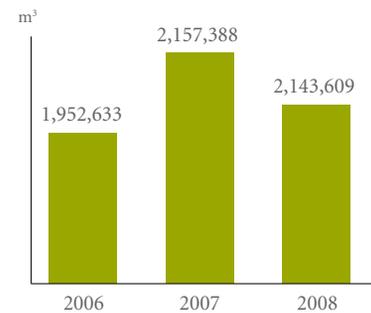
- "all assets": 65 of 68 shopping centres (93%)
- "like-for-like": 55 of 68 shopping centres (79%)

2.5. Carbon intensity



Scope: 63 of 68 shopping centres (90%)

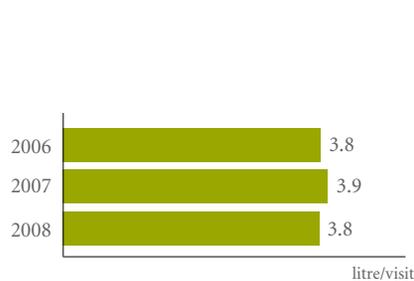
2.6. Water consumption



Three major shopping centres in France were added to the database in 2007.

Scope: 62 of 68 shopping centres (89%)

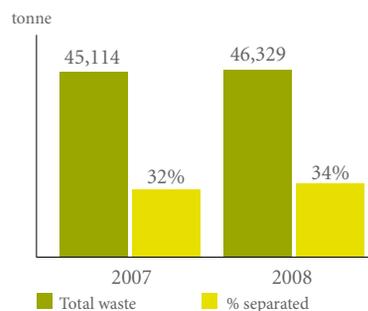
2.7. Water consumption per visit



More than 30% of the Group's shopping centres have a water consumption level below 3 litres/visit.

Scope: 59 of 68 shopping centres (84%)

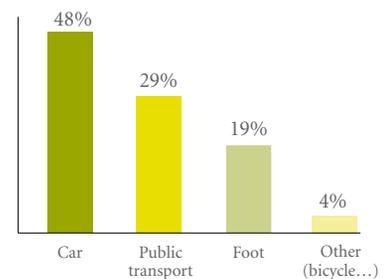
2.8. Waste



More than 34% of waste was separated in 2008. 58 shopping centres have selective waste facilities. 33% of shopping centres separate more than 50% of their waste.

Scope: 62 of 68 shopping centres (89%)

2.9. Percentage split of visit by transport mode



53% of shopping centres are located within 500 metres of public transport (tramway, train, metro or at least four bus lines).

52% of visits are made using sustainable modes of transport (public transport, foot, bicycle, etc.)

At 5 of the Group's 10 largest shopping centres, more than 74% of visits are made by green forms of transport.

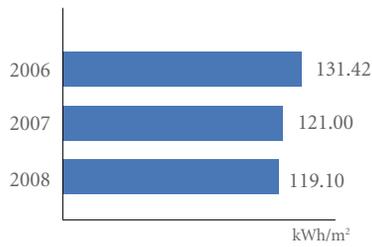
Scope: 61 of 68 shopping centres (86%)

2.10. Consolidated Key Performance Indicators: Europe 2006-2008

Data	Unit	2006	2007	2008
Energy				
Energy consumption (all assets perimeter)	GWh	408.07	384.37	386.63
• Distribution by type of energy:				
Electricity	GWh	257.66	248.49	248.20
Gas		33.65	29.78	33.47
Heating District Network		78.37	72.19	71.44
Cooling District Network		38.40	33.91	33.52
• Distribution per country:				
France	GWh	158.72	147.58	150.49
Netherlands		33.23	28.09	28.38
Nordic Countries		88.48	88.50	86.05
Austria		21.31	19.51	22.22
Central Europe		41.16	38.56	38.37
Spain		65.17	62.13	61.12
Total renewable energy purchased	GWh	3.71	3.64	3.64
Energy efficiency	kWh/ m²	147.9	139.0	135.6
Energy efficiency per visit	kWh/100 visits	67.4	65.5	63.9
Energy consumption (like-for-like perimeter)	GWh	357.32	338.35	334.84
• Distribution per country:				
France	GWh	156.08	143.8	144.05
Netherlands		23.94	24.96	25.12
Nordic Countries		49.66	49.39	47.19
Austria		21.31	19.51	19.00
Central Europe		41.16	38.56	38.37
Spain		65.17	62.13	61.12
CO₂				
CO₂ emissions	tonnes CO₂	93,479	87,269	87,337
CO₂ emissions (like-for-like)	tonnes CO₂	85,613	82,784	81,666
Carbon intensity	kg CO₂/ m²	35.3	32.4	31.5
Water				
Total water consumption	m³	1,952,633	2,157,388	2,143,609
Water efficiency	litre/visit	3.8	3.9	3.8
Waste				
Total waste	tonne	n.a.	45,114	46,329
Waste separated	tonne	n.a.	14,449	15,490
% of waste separated	%	n.a.	32.4	33.8

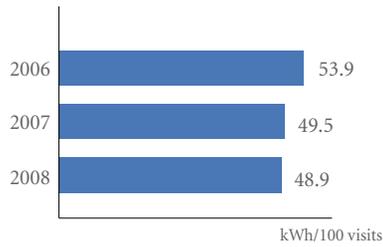
3. France

3.1. Energy efficiency



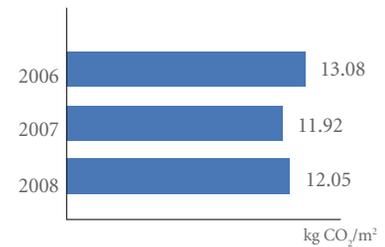
Scope: 26 of 28 shopping centres (93%)

3.2. Energy efficiency per visit



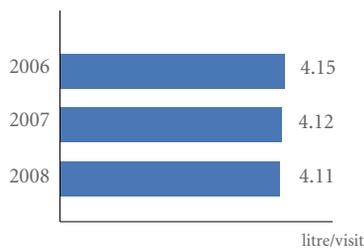
Scope: 25 of 28 shopping centres (89%)

3.3. Carbon intensity



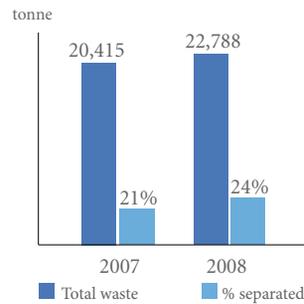
Scope: 26 of 28 shopping centres (93%)

3.4. Water consumption per visit



Scope: 25 of 28 shopping centres (89%)

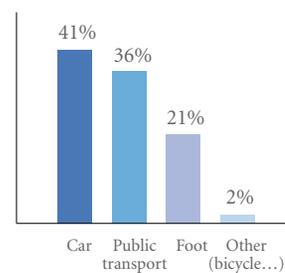
3.5. Waste



Over 24% of waste was separated in 2008. 21 shopping centres have selective waste facilities. Two shopping centres were added to the KPI database in 2008.

Scope: 25 of 28 shopping centres (89%)

3.6. Percentage split of visit by transport mode



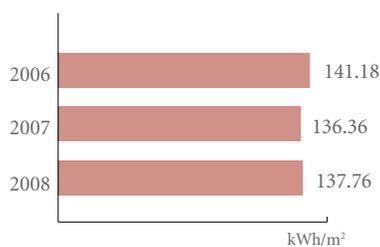
48% of shopping centres are located within 500 metres of public transport (tramway, train, metro or at least four bus lines).

59% of visits are made using sustainable modes of transport (public transport, foot, bicycle, etc.)

Scope: 26 of 28 shopping centres (93%)

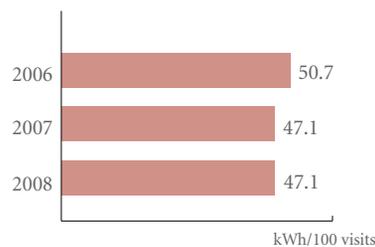
4. The Netherlands

4.1. Energy efficiency



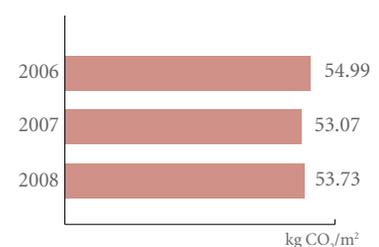
Scope: 8 of 10 shopping centres (80%)

4.2. Energy efficiency per visit



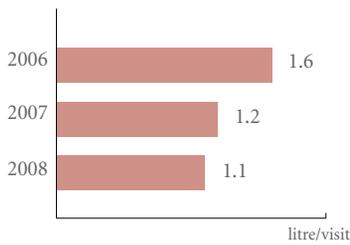
Scope: 8 of 10 shopping centres (80%)

4.3. Carbon intensity



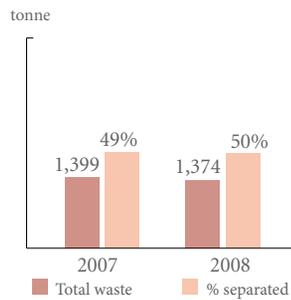
Scope: 8 of 10 shopping centres (80%)

4.4. Water consumption per visit



Scope: 5 of 10 shopping centres (50%)

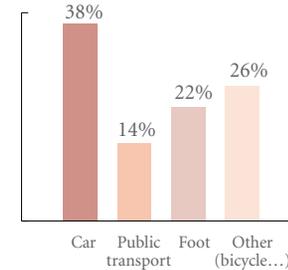
4.5. Waste



50% of waste was separated in 2008.
88% of shopping centres have selective waste facilities.

Scope: 7 of 10 shopping centres (70%)

4.6. Percentage split of visit by transport mode



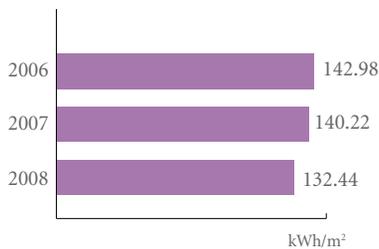
75% of shopping centres are located within 500 metres of public transport (tramway, train, metro or at least four bus lines).

62% of visits are made using sustainable modes of transport (public transport, foot, bicycle, etc.).

Scope: 6 of 10 shopping centres (60%)

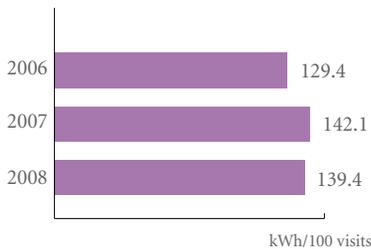
5. Nordic Countries

5.1. Energy efficiency



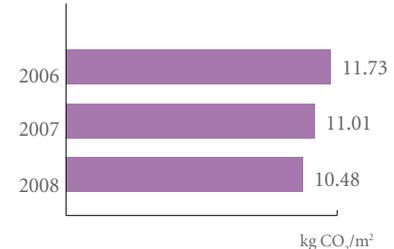
Scope: 12 of 13 shopping centres (92%)

5.2. Energy efficiency per visit



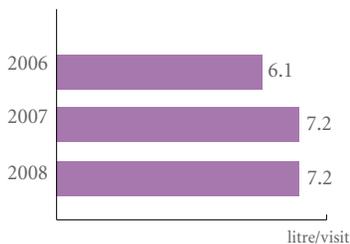
Scope: 12 of 13 shopping centres (92%)

5.3. Carbon intensity



Scope: 12 of 13 shopping centres (92%)

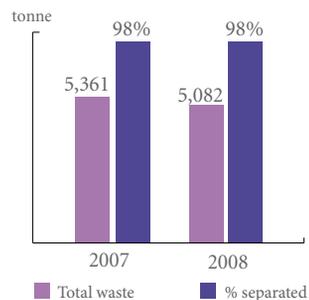
5.4. Water consumption per visit



Including water consumption for 5 hotels.

Scope: 12 of 13 shopping centres (92%)

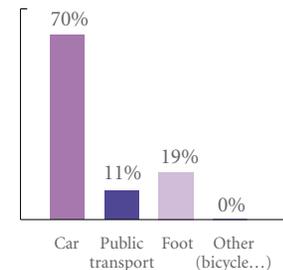
5.5. Waste



98% of waste was separated in 2008.
100% of shopping centres have selective waste facilities.

Scope: 13 of 13 shopping centres (100%)

5.6. Percentage split of visit by transport mode



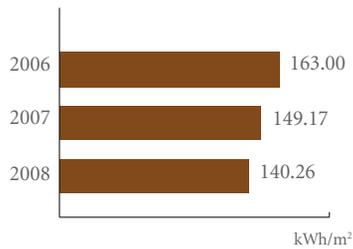
42% of shopping centres are located within 500 metres of public transport (tramway, train, metro or at least four bus lines).

30% of visits are made using sustainable modes of transport (public transport, foot, bicycle, etc.).

Scope: 12 of 13 shopping centres (92%)

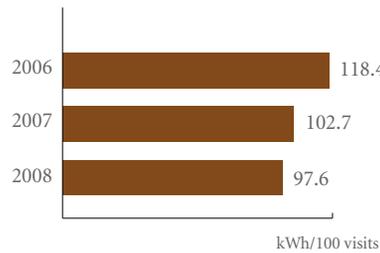
6. Austria

6.1. Energy efficiency



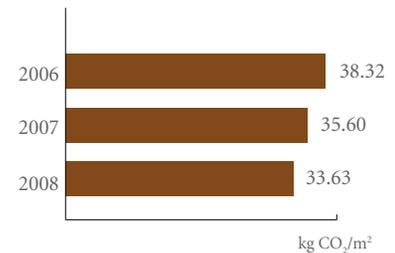
Scope: 2 of 2 shopping centres (100%)

6.2. Energy efficiency per visit



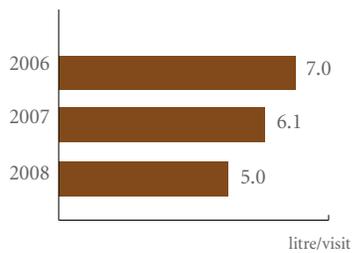
Scope: 2 of 2 shopping centres (100%)

6.3. Carbon intensity



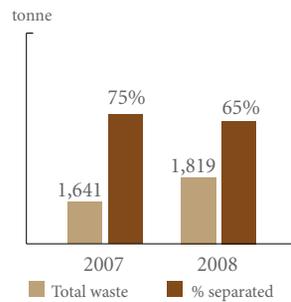
Scope: 2 of 2 shopping centres (100%)

6.4. Water consumption per visit



Scope: 2 of 2 shopping centres (100%)

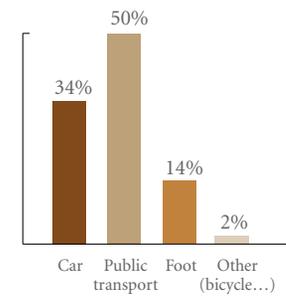
6.5. Waste



65% of waste was separated in 2008.
100% of shopping centres have selective waste facilities

Scope: 2 of 2 shopping centres (100%)

6.6. Percentage split of visit by transport mode



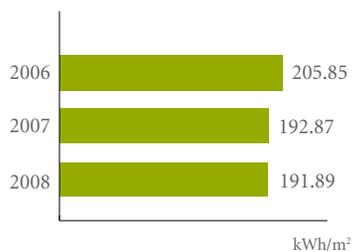
100% of shopping centres are located within 500 metres of public transport (tramway, train, metro or at least four bus lines).

66% of visits are made using sustainable modes of transport (public transport, foot, bicycle, etc.).

Scope: 2 of 2 shopping centres (100%)

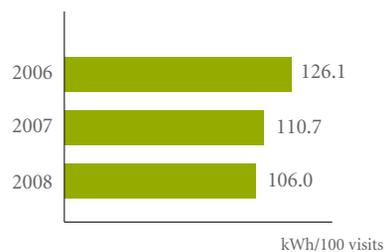
7. Central Europe

7.1. Energy efficiency



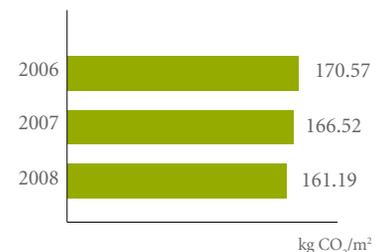
Scope: 3 of 3 shopping centres (100%)

7.2. Energy efficiency per visit



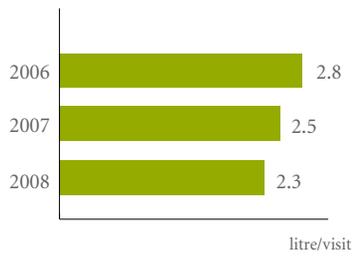
Scope: 3 of 3 shopping centres (100%)

7.3. Carbon intensity



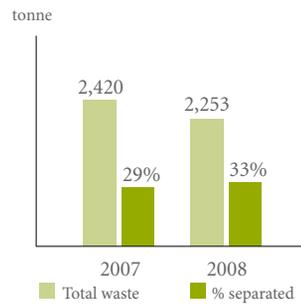
Scope: 3 of 3 shopping centres (100%)

7.4. Water consumption per visit



Scope: 3 of 3 shopping centres (100%)

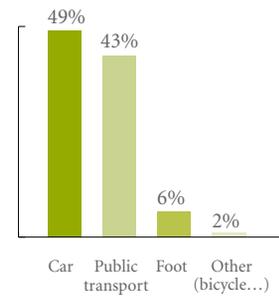
7.5. Waste



33% of waste was separated in 2008.
100% of shopping centres have selective waste facilities.

Scope: 3 of 3 shopping centres (100%)

7.6. Percentage split of visit by transport mode



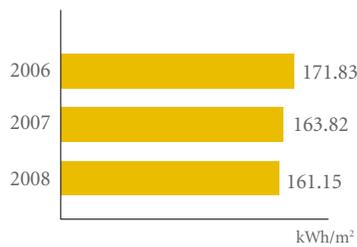
100% of shopping centres are located within 500 metres of public transport (tramway, train, metro or at least four bus lines).

51% of visits are made using sustainable modes of transport (public transport, foot, bicycle, etc.).

Scope: 3 of 3 shopping centres (100%)

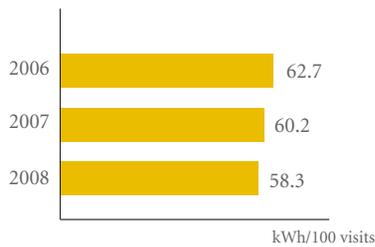
8. Spain

8.1. Energy efficiency



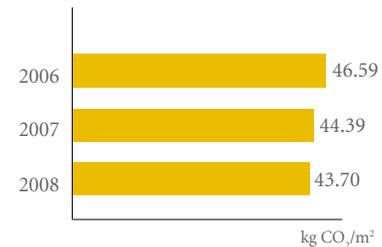
Scope: 12 of 12 shopping centres (100%)

8.2. Energy efficiency per visit



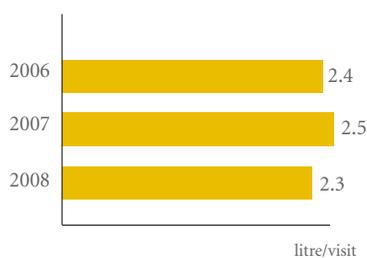
Scope: 12 of 12 shopping centres (100%)

8.3. Carbon intensity



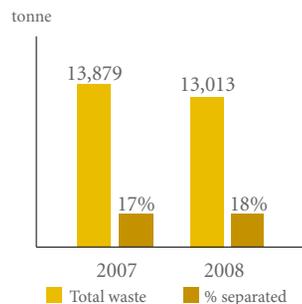
Scope: 12 of 12 shopping centres (100%)

8.4. Water consumption per visit



Scope: 12 of 12 shopping centres (100%)

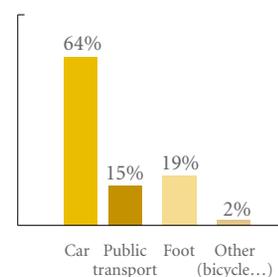
8.5. Waste



18% of waste was separated in 2008.
100% of shopping centres have selective waste facilities

Scope: 12 of 12 shopping centres (100%)

8.6. Percentage split of visit by transport mode



42% of shopping centres are located within 500 metres of public transport (tramway, train, metro or at least four bus lines).

36% of visits are made using sustainable modes of transport (public transport, foot, bicycle, etc.).

Scope: 12 of 12 shopping centres (100%)

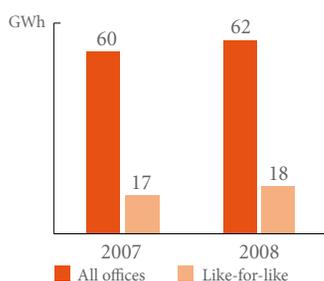
III. OFFICES FRANCE

1. Scope: offices included in the KPI database in 2008

		Number of assets
France	40 ter Suffren, 12 rue du Mail, 42 avenue Iena, 11-15 rue Saint Georges, 168 avenue Charles de Gaulle, 5 boulevard Malesherbes, 2 rue Ancelle, 39-41 rue Cambon, Capital 8, Courcellor 1, 70-80 avenue Wilson, Espace 21 (Les Villages), 34-38 rue Guynemer, Tour Ariane	14

2. Data

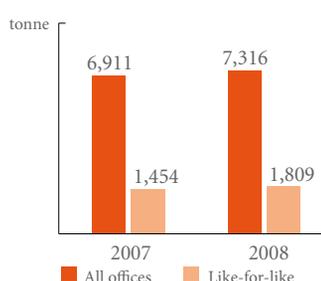
2.1. Energy consumption



Scope:

- "all offices": 14 of 14 offices (100%)
- "like-for-like": 7 of 14 offices (50%)

2.2. CO₂ emissions



Scope:

- "all offices": 14 of 14 offices (100%)
- "like-for-like": 7 of 14 offices (50%)

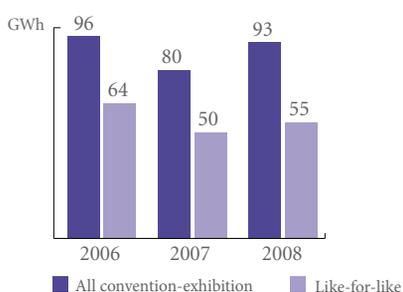
IV. CONVENTION-EXHIBITION

1. Scope: convention-exhibition venues included in the KPI database in 2008

		Number of assets
France	Paris Porte de Versailles, Cnit, Espace Grande Arche, Espace Champerret, Carrousel du Louvre	5

2. Data

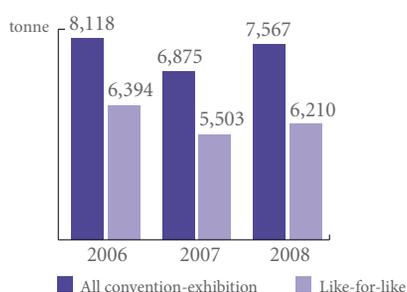
2.1. Energy consumption



Scope:

- "all convention-exhibition": 5 of 5 venues (100%)
- "like-for-like": 4 of 5 venues (80%)

2.2. CO₂ emissions



Scope:

- "all convention-exhibition": 5 of 5 venues (100%)
- "like-for-like": 4 of 5 venues (80%)

Note: many conventions and exhibitions are held on a biannual basis. As a rule, more events are held in even years than in odd years, which explains why energy consumption is higher in these years.

2009 objectives

Existing assets

- Reduce carbon intensity of managed shopping centres by at least 25% in 2016 relative to 2006
- Implement and improve energy monitoring systems at all managed shopping centres
- Implement separate waste collection in managed shopping centres by 2011
- Keep average water consumption in managed shopping centres below 4 litres/visit per year
- Develop and implement "Sustainable Attitude", the Group's European environmental training programme

New developments

- Achieve a BREEAM rating of "Good" or better for all major projects
- Improve and roll out sustainable building design and construction guidelines across all regions
- Install computerised building management systems and efficient metering systems in all new development and refurbishment projects

Customers

- Measure and improve customer service and satisfaction levels
- Increase customer awareness of sustainable transport options
- Extend Group health and safety policy to all regions

Tenants

- Cooperate with tenants to implement the memorandum of understanding on improving environmental performance and encouraging the sharing of best practices
- Review and update the tenant manual to include new sustainability guidelines, particularly with regard to the fitting out of shop units and office space
- Review and update the terms of standard leases to include new and expanded sustainability clauses for new projects
- Develop a pilot for a standard European tenant survey

Suppliers and contractors

- Review and update supplier contracts to make more explicit reference to environmental and labour issues
- Communicate with key suppliers regarding the Group's sustainability strategy
- Assess whether or not key suppliers meet minimum requirements regarding local laws and regulations and Unibail-Rodamco's sustainability clauses
- Develop more win-win partnerships with suppliers and contractors

Shareholders and investors

- Increase the number of fixed income and equity investor meetings by at least 15% compared to 2008
- Develop internet content for investors
- Conduct a survey to measure the effectiveness of the Group's investor relations policy
- Organise investor meetings in financial centres that are new to the Group
- Organise a road show specifically aimed at generalist investors

Communities and local authorities

- Develop a strategy for community involvement/support for each of the Group's main shopping centres
- Evaluate the status and progress of previous winners of the Grand Prize for Young Retail Entrepreneurs
- Develop a Spanish edition of the Grand Prize for Young Retail Entrepreneurs

Employees

- Sign the French "Charte de la diversité" (Diversity Charter) and train all managers in recruitment and day-to-day management practices that reduce the risk of discrimination
- Increase awareness of the Group's corporate sustainability policy
- Roll out a three-part training course in environmental sustainability for employees

Advisors' Statement

The nature of this statement

Upstream Sustainability Services has been working with Unibail-Rodamco as its strategic sustainability advisors since September 2008. We supported Unibail-Rodamco in developing the key performance indicators disclosed in this report and assisted with the company's approach to target-setting and sustainability communications.

Due to the nature of our support and relationship with Unibail-Rodamco, this statement does not represent a fully independent assurance or verification of the report contents, including performance data and review of 2008 objectives. However, the following statement can be understood as an external opinion on the reporting of overall progress that Unibail-Rodamco has made to address sustainability issues within its business operations during 2008.

A step forward in reporting

This, the second sustainability report since the merging of Unibail and Rodamco in June 2007, marks a significant step forward by the company. We consider that this report provides Unibail-Rodamco's stakeholders with an accurate picture of the way that the company has managed sustainability issues in 2008, and is a thorough disclosure of the performance targets and management actions in place to drive sustainability improvements within the business' operations during 2009.

Moving towards a stakeholder-focussed report has allowed Unibail-Rodamco to explore sustainability issues from a broader perspective, and should therefore make the report more accessible to a wider readership. This year's report includes substantially more performance data, demonstrating Unibail-Rodamco's commitment to transparency.

Unibail-Rodamco should be commended for making considerable progress throughout 2008, namely:

- Putting in place a clear sustainability governance structure, with a genuine commitment at a senior level, and a team of seven dedicated sustainability professionals;
- Reporting against environmental Key Performance Indicators, and making significant efforts to collect back-dated performance data, to begin to enable performance trends to be understood;
- Collecting environmental performance data at 94% of managed assets, which will help Unibail-Rodamco to better understand the full extent of their environmental impacts of their assets¹;
- Achieving a reduction in carbon intensity associated with managed shopping centre assets of 5% between 2006 and 2008¹;
- Taking an innovative approach to education and entrepreneurship through, for example, the Grand Prize for Young Retail Entrepreneurs and the 'talent in motion' approach to internal training.

Looking ahead to 2009 and beyond

Whilst Unibail-Rodamco benefits from a strong sustainability team, the key challenge for 2009 is to fully embed sustainability as a way of working throughout the entire organisation. An overarching policy commitment, built around an inclusive stakeholder engagement exercise and incorporating the company's main direct and indirect impacts, would be valuable.

Turning such commitments into reality is key, and efforts should now continue to address the longer term strategic issues facing the organisation, in addition to implementing the 'quick wins' which have formed the basis of the 2008 approach. We would recommend that Unibail-Rodamco continues to use medium to longer term corporate targets, such as the 2016 carbon reduction target made public in this report, to drive forward performance improvements on the ground. Steps need to be taken to ensure that such targets are reviewed regularly to remain abreast of regional and EU legislation, thereby minimising the implications of such risks to its business operations. Integral to this will be tackling the various organisational and legislative challenges posed by working as a large, pan-European organisation, to ensure a stringent and consistent approach across regions.

In common with the European real estate sector as a whole, Unibail-Rodamco now faces the challenge of further exploring the relationship between sustainability and the Group's core business drivers. As a first step towards this, the company would benefit from assessing and measuring its impact upon other stakeholders, following a similarly robust approach to that already put in place for measuring the company's environmental impacts in 2008. Of equal importance and in order to ensure that the environmental KPIs can be used as an effective property management tool, Unibail-Rodamco will also need to ensure that the collection of performance data at a portfolio, country and corporate level occurs on a frequent basis and is fully understood across the business.

In future years, Unibail-Rodamco would also benefit from putting in place a robust, independent target review process, and should consider reporting to global frameworks such as the Global Reporting Initiative and/or AA1000.

A strong foundation to build upon

To summarise, 2008 has been a positive year for Unibail-Rodamco in a difficult context. Whilst the current economic conditions are likely to continue into 2009, we consider that opportunities now exist for the Group to utilise its strong economic position in placing itself alongside the European real estate sector leaders in sustainability.

Rhiannon Lewis
Consultant

Anand Punja
Senior Consultant

Kat Thorne
Associate Director

Upstream Sustainability Services



Real value in a changing world

⁽¹⁾ This is based on internal Unibail Rodamco calculations. Data has not been verified by Upstream Sustainability Services.

Disclaimer

The information in this Corporate Sustainability Report has been provided in good faith. All reasonable care has been taken to ensure that the information contained herein gives an accurate and fair view of the sustainable development situation within the Group and is not untrue or misleading. This report is provided for information purposes only. It should not be relied on for any specific purpose and no representation or warranty is given as regards its accuracy or completeness. Furthermore, no responsibility is accepted by the Unibail-Rodamco Group or its employees for any loss or damage arising from reliance on the information provided by this report.

Certain statements contained in this document are statements of future expectations and other forward-looking statements. These expectations are based on the management's current views and assumptions and involve known and unknown risks and uncertainties that could cause actual results and/or data to differ materially from those expressed or implied in these statements. Statements are based on the current property portfolio and disregard the potential effects of external factors such as climate change, local energy policy or regulatory or legal developments.

The 2006-2008 data that is provided in this report, particularly that which appears on pages 34 to 42, was collected and consolidated for the first time in 2008. The accuracy of this data may be affected by a number of variables, including but not limited to the heterogeneity of the assets in Unibail-Rodamco's portfolio, the specific characteristics of certain assets, and the differences in data collection systems and perimeters at different assets.

Readers should not place undue reliance on forward-looking statements. Unibail-Rodamco assumes no obligation to update any forward-looking information contained in this document.

This document is available on Unibail-Rodamco's website: www.unibail-rodamco.com. Information for the financial year 2007 is contained in the 2007 Corporate Sustainability Report, which can also be downloaded from the Group website. Prior to 2007, Unibail and Rodamco Europe provided corporate sustainability information in their respective annual reports.

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