2023

UNIVERSAL REGISTRATION DOCUMENT

+ Annual financial report

KLEPIERRE

CONTENTS

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KLEPIERRE

UNIVERSAL REGISTRATION DOCUMENT 2023

Including the annual financial report

AUTORITÉ DES MARCHÉS FINANCIERS AMF

This Universal Registration Document was filed on March 27, 2024 with the AMF, as competent authority under Regulation (EU) 2017/1129, without prior approval pursuant to Article 9 of said regulation. This is a translation into English of the Universal Registration Document of the Company issued in French. The universal registration document may be used for the purposes of an offer to the public of securities or admission of securities to trading on a regulated market if supplemented by a securities note and, if applicable, a summary and any amendments to the universal registration document. The whole document is approved by the AMF in accordance with Regulation (EU) 2017/1129. This Universal Registration Document is available on Klepierre's website, **www.klepierre.com** and on the website of the AMF, **www. amf-france.org**.

This Universal Registration Document including the Annual Financial Report is a translation of the official version of the annual financial report which has been prepared in ESEF format in French (European Single Electronic Format) and is available on the issuer's website **www.klepierre.com**.

1

GROUP OVERVIEW

1 GROUP OVERVIEW

KEY DATES in Klépierre's history

1990
Klépierre is created.

1998
Merger with Compagnie Foncière. Portfolio value triples.

2000
Agreement with Carrefour to acquire 160 shopping malls.

2005
Acquisition of a portfolio of shopping centers in Poland and the Czech Republic.

2008
Acquisition of Steen & Strøm, Scandinavia's leading shopping center owner and manager.

2012
Simon Property Group, global leader in the shopping center industry, acquires a 28.7% stake in Klépierre.

2014
Disposal of 126 malls adjoining Carrefour hypermarkets.

2015
Merger with Corio in the Netherlands and acquisition of two shopping centers, Oslo City, in Norway and Plenilunio, in Spain.

2017
Opening of the **Val d'Europe extension.**

2018
Launch of the **Act for Good®** CSR strategy.

2019
Opening of the **Créteil Soleil extension.**

2021
Disposal of assets in Norway, France and Germany.

2022
Success of the Act for Good® strategy, with **99.8% of objectives met. Inauguration** of the Gran Reno extension in Bologna (Italy).

2023
Launch of the new **Act4Good™** CSR plan with the goal of building the most sustainable platform for commerce by 2030. **Inauguration** of the Grand Place extension in Grenoble (France).

Klépierre delivered a record year in 2023, confirming its position as the European leader in shopping malls, with more than 70 premium destinations aligned with the development and positioning needs of expanding retailers.

Located in Europe's biggest cities, in population centers enjoying strong demographic and economic growth, Klépierre malls welcome more than 700 million visitors a year.

As brands refocus on locations offering the highest consumption potential, our dominant malls are continuing to gain market share.

They reflect our baseline, "Shop. Meet. Connect.®," which describes the shopping mall as we see it: a lifestyle environment where you can shop, meet up and share experiences. A sustainable place that expresses our CSR vision.

Thanks to our unrivaled shopping center platform, coupled with our operational excellence and carefully managed risk profile, the Group's net current cash flow rose by 10.7% over the year to €2.48 per share. Our debt ratios rank among the very best in the industry, giving us headroom for development.

JEAN-MARC JESTIN

CHAIRMAN OF THE EXECUTIVE BOARD

These robust operating fundamentals and sound financial discipline are also enabling us to regularly increase the cash dividend we pay to our shareholders. In respect to 2023, it will come to €1.80 a share.

Looking ahead, we will be activating our growth levers and will pursue our commitments, inspired by our ambition to build the most sustainable platform for commerce by 2030.

KLÉPIERRE, THE EUROPEAN LEADER IN SHOPPING MALLS

Klépierre owns and manages the largest portfolio of shopping centers in continental Europe, with more than 70 premium destination malls in ten countries. Its assets are located in Europe's 40 largest cities, in population centers enjoying strong demographic and economic growth. The Company's portfolio was valued at €19.3 billion at December 31, 2023.

The Group is a French REIT (SIIC) included in the SBF 120 index.

Today, Klépierre is one of the few commercial real estate companies with critical mass in continental Europe, which enables it to maintain close ties with leading national and international retailers and to support their growth by offering opportunities to open new stores and expand existing ones.

KLÉPIERRE **AT A GLANCE**

70+
LEADING SHOPPING MALLS IN CONTINENTAL EUROPE

4.0m
SQ.M. GROSS LEASABLE AREA

10+
COUNTRIES IN CONTINENTAL EUROPE

€1.5bn
IN REVENUE

€19.3bn
TOTAL PORTFOLIO VALUE

10,100
LEASES

1,061
EMPLOYEES

3,500
RETAILERS

RETAIL, A CONSTANTLY CHANGING INDUSTRY

The retail industry is largely dominated by physical stores, which account for 85% of retail sales in continental Europe (i.e., the European Union excluding Ireland), compared with 15% for online sales (see chart, right).

After increasing sharply in continental Europe in recent years, by 10% to 18% depending on the country, online sales growth seems to be slowing, rising just 6% in the European Union in 2022, compared with growth of 12% in 2021 according to E-commerce Europe.

In a constantly changing, increasingly polarized retail environment as brands refocus on locations offering the highest consumption potential, Klépierre has successfully posted continuous growth in recent years. This performance primarily reflects the Group's strategic decision to focus on the large shopping mall segment, which is highly popular with international retailer brands.

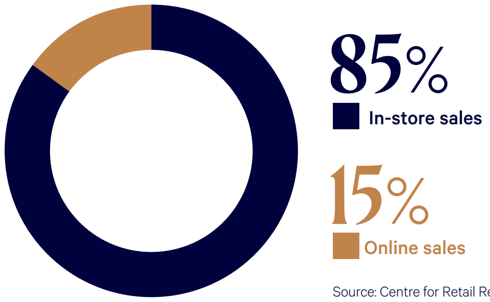
Today's shoppers follow increasingly hybrid buying journeys, mixing online and physical channels, in which brick-and-mortar stores continue to play a central role. Omnichannel shopping lets customers move seamlessly from the physical to the virtual to get ideas, search for and select the right product, buy and collect it and then share the shopping experience.

In this way, physical retail seamlessly supports the performance of online retail, and vice versa. At a time when online customer acquisition costs and the related delivery and returns costs are both rising, physical stores play a decisive role in retailers' profitability and remain a core driver of their growth strategies.

Klépierre offers a unique solution for maximizing synergies between physical and online retail. With more than 700 million visitors a year, its shopping mall platform offers brands an unparalleled channel for reaching consumers. These highly modular retail spaces are also conducive to the deployment of omnichannel strategies and frictionless store logistics.

As a result, the Group is continuing to gain market share in its malls' catchment areas.

Breakdown of the continental European retail industry in 2022(1)



Source: Centre for Retail Research

An end-to-end retail solution

(1) Total retail sales of goods and services, excluding travel services, automobiles, fuel and ticketing.


LA PIADINA
Thai basilic
FIVE GUYS
FIVE GUYS
100 MONTADITOS
Normal
LEGO
100% VEGAN

VISION AND STRATEGY

In a constantly shifting retail environment, our Shop. Meet. Connect.® baseline expresses both our expertise and our vision of a shopping mall.

SHOP.

Because our primary mission is to enhance the retail mix in our malls. Our strength lies in the ability to rethink this offering with agility, to give shoppers an increasingly appealing choice of brands that speak to their desires and needs. That's why we bring all our skills and expertise to bear in supporting brands in their growth and transformation, whatever their size, their concepts or their ambitions.

MEET.

Because shopping centers are destined to play a growing role in weaving the social fabric. Our malls are lifestyle environments where all types of people come together to meet, to discover new things and to enjoy new experiences. By expanding the food & beverage and leisure offering, by carefully guiding the customer journey or by organizing new and unusual events, we are reinventing the shopping experience, with an extra dose of good times and great memories.

CONNECT.

Because our malls are in direct contact with local communities. Connected to transport hubs, to the city and its economic activity, to people. And of course, in the wider world, connected via digital technology to consumers, the stores and all the employees who bring retail to life. All this enables us to offer visitors a one-of-a-kind experience blending the best of physical and online shopping.

THIS VISION IS INSTILLED ACROSS THE ENTIRE PORTFOLIO, **DRIVEN BY OUR FOUR-PRONGED STRATEGY**

SHOP. MEET. CONNECT.®

1
INVESTING IN THE BEST MALLS IN EUROPE

continuously optimizing our portfolio by focusing on top-tier destination shopping centers in leading European cities, in catchment areas enjoying strong demographic and economic growth.

2
CREATING PREFERRED SHOPPING DESTINATIONS

by offering our visitors the most desirable brands and a constantly refreshed customer experience, in an environment *where there is always something to discover.*

3
BUILDING THE MOST SUSTAINABLE PLATFORM FOR COMMERCE

by fulfilling the commitments of our highly ambitious Act4Good™ CSR policy, whose outcomes have been acclaimed by independent agencies and are now positioning us as the industry leader.

4
MAINTAINING STRICT FINANCIAL DISCIPLINE

while upholding some of the industry's most robust debt ratios.

1 INVESTING IN THE BEST MALLS IN EUROPE

Over the past ten years, the Group has refocused its operations on the most dynamic cities in Europe, in resonance with the omnichannel strategy being pursued by the leading national and international brands. These chains are increasingly selective in siting their stores. Their positioning strategy and expansion plans are designed to create a seamless ecosystem between their physical stores and online offerings. That's why the Group targets only the leading Continental European metropolitan areas whose demographic or economic growth exceeds national averages. Klépierre is positioned in:

- the most densely populated European cities;
- large catchment areas home to more than one million people;
- wealthy regions whose GDP per capita is 20% higher than the European average.

VAL D'EUROPE. FRANCE

OSLO CITY. NORWAY

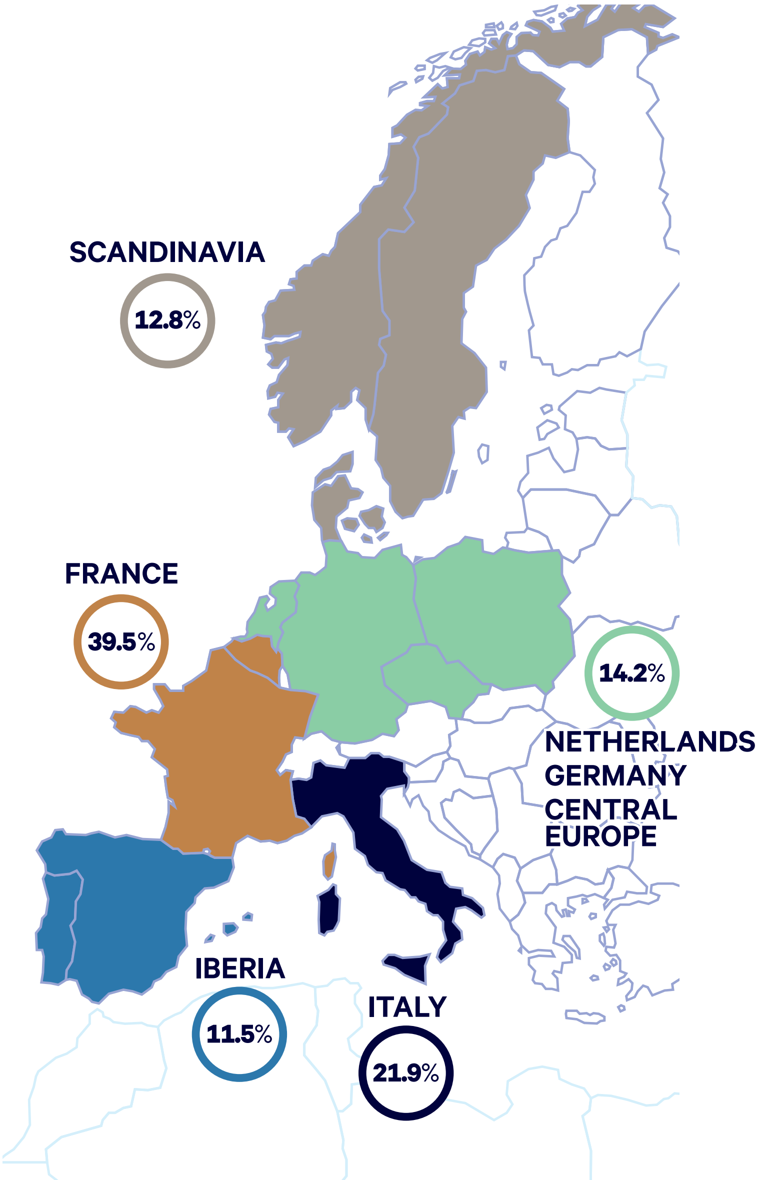
EMPORIA. SWEDEN

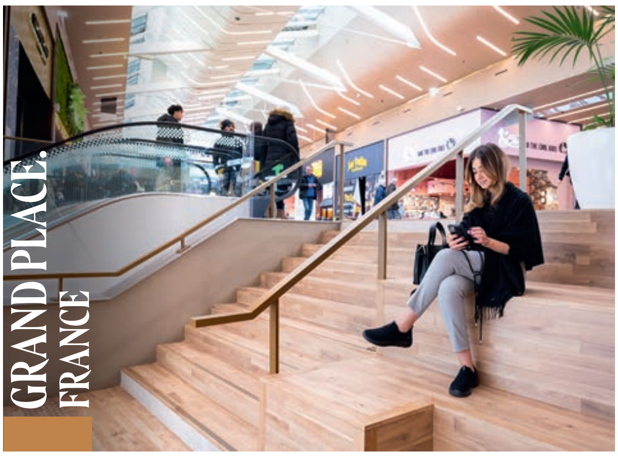
HOOG CATHARIJNE. NETHERLANDS

PLENILUNIO. SPAIN

GRAN RENO. ITALY

Geographic breakdown of Klépierre's portfolio in 2023
(in % of portfolio value, on a total share basis including transfer taxes)





TARGETED, VALUE-CREATING DEVELOPMENT PROJECTS

As part of its growth strategy, Klépierre regularly transforms assets to strengthen their leading positions in their catchment areas.
These projects tend to focus on extending assets crystallizing strong leasing tension.

OUR MAJOR SUCCESS IN 2023

GRAND PLACE

GRENOBLE — *FRANCE*

Grand Place extension and refurbishment

The opening of the 16,200 sq.m. Grand Place extension increased the mall's total floor area to 75,000 sq.m. With a completely revamped retail environment, the extension features 30 new stores and 15 restaurants.

€65m
total investment

16,200 sq.m.
extension

Project delivered on time and on budget

Fully let, with estimated yield on cost of 8%

Sharp increase in footfall up 60% in December versus 2022

THE MAIN **COMMITTED PROJECTS**

MAREMAGNUM

BARCELONA — *SPAIN*

Maremagnum will host the first Time Out Market in Spain and the second in Europe.

Its opening will transform the mall's rooftop into Barcelona's culture and dining hotspot with exclusive views over the Mediterranean sea. The opening is planned for first half 2024, just in time for the America's Cup.

Total investment:
€15m

Estimated yield on cost:
13.5%

Opening:
First half 2024

ODYSSEUM

MONTPELLIER — *FRANCE*

Mall extension

By restructuring existing spaces and adding an extension, Odysseum will welcome a new Primark store and an enhanced food court. Work began in the first quarter of 2024, with delivery scheduled for 2026.

18,500 sq.m.
of which
8,200 sq.m.
of extension

Scheduled delivery in
2025/2026

Investment:
€56m

Estimated yield on cost:
9.0%

> FOR MORE INFORMATION,
SEE CHAPTER 2 "BUSINESS OF THE YEAR".

2

CREATING PREFERRED SHOPPING DESTINATIONS

Our business is not just about investing in the finest real estate assets, it's also about transforming them into our customers' preferred lifestyle environments. This ambition is embraced by Klépierre's talented employees, who leverage their widely acclaimed leasing, operational and management expertise to create preference by making Shop. Meet. Connect.® a reality every day.

SHOP *THE TOP*

For consumers, the quality, diversity and regular renewal of the retail mix are decisive factors in choosing a shopping destination.

That's why we make our malls showcases for the finest national and international retailers in every segment, from fashion, health & beauty, sports and leisure to services and restaurants. We create and nurture a real estate environment where brands can invest in their stores and develop their latest concepts. We are supporting the retail transformation, capitalizing on the power of our European portfolio to introduce exclusive concepts and offer a broad palette of configurations, from pop-ups to flagships.

MEET *FOR REAL*

In the same way as the customer experience has to be impeccable, experiential and enriching, our malls have to act as hubs where people can meet up and discover new experiences.

That's why we see our shopping centers as safe, welcoming, hospitable lifestyle environments, where there's always something to discover with family and friends and where everyone feels at home. We design these spaces to offer an increasing array of services and greater comfort, in a carefully thought-out environment.

CONNECT *IT ALL*

Our malls are positioned at the epicenter of a dense web of people, communities and economic and digital connections.

We create environmentally-sensitive, constantly changing, connected spaces, anchored in close partnerships with local stakeholders. These are places where there's always something going on, where culture, sports, art, entertainment and a host of associative initiatives come together to make a positive contribution to all our host communities.

To keep our customers connected, we focus on supporting omnichannel retailers that offer the most exciting online/off-line experience in their segment.

Robust operational performance

6%
Like-for-like growth in RETAILER SALES vs. 2022

96%
OCCUPANCY RATE up 20 basis points year-on-year

+4.4%
REVERSION

1,658
LEASES SIGNED up 22% year-on-year

12.8%
OCCUPANCY COST RATIO

97.5%
COLLECTION RATE up 110 basis points vs. 2022

A **COMPREHENSIVE, CONSTANTLY REFRESHED** RETAIL MIX

Unlike city-center stores, shopping centers are managed by a single, specialized operator that takes care to ensure both the consistency and the variety of the retail mix.

This is why Klépierre is committed to offering products and services that fully resonate with consumer expectations.

From fashion and beauty to sports and leisure, our shopping center customers enjoy a wide array of the finest concepts in each segment.

Retail mix
(revenue by segment)

Fashion 36%

INDITEX, BESTSELLER, DEICHMANN, PRIMARK, CALZEDONIA, Etam, Levi's, H&M

Culture, sports and leisure 20%

Sporting goods, toys & gifts, jewelry, telephony, cultural products and tobacco

THOM, PANDORA, JD Group, Foot Locker, orange

Health & beauty 16%

Cosmetics, optical, pharmacy, hair & body care, medical centers

GrandVision, SEPHORA, DOUGLAS, RITUALS..., Normal

Food & beverage 11%

McDonald's, BURGER KING, Starbucks, NESPRESSO

Household equipment 11%

Household products, DIY and gardening

MAISONS DU MONDE, FNAC DARTY, MediaMarkt, HEMA

Other 6%

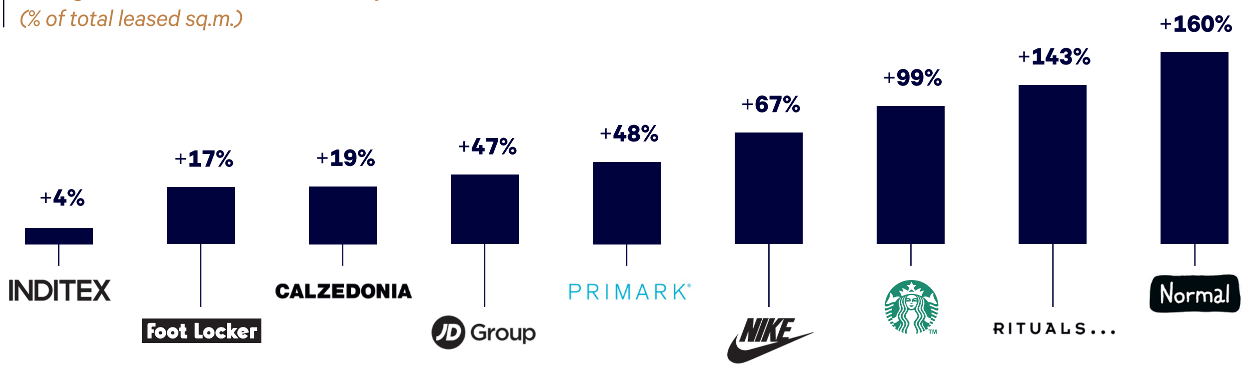
Movie theaters, gyms, department stores and other

ACTION, cineworld, PATHÉ, FITNESS PARK

To drive further market share gains, Klépierre is constantly refreshing its retail mix by:

- Attracting the leading omnichannel retailers and rightsizing store floor space to their needs;
- Supporting the growth of the most dynamic segments, such as health & beauty, sports, services and entertainment, to replace fading concepts.

Change in total store surface area by brand, 2019-2023
(% of total leased sq.m.)



3

BUILDING THE MOST SUSTAINABLE PLATFORM FOR COMMERCE

Klépierre, the global real estate industry leader in sustainability, is pursuing its CSR strategy with the new Act4Good™ plan dedicated to "building the most sustainable platform for commerce by 2030."

act4good with Klépierre

Sustainable commerce first and foremost means operating low-carbon retail spaces that fully contribute to combating climate change. It also means offering places that genuinely serve the community, where people can meet and come together.
It means helping to develop the skills of those around us who visit our centers.
And it means being at the forefront of change, by encouraging more sustainable lifestyles.

Act4Good™ IS BASED ON FOUR MAJOR COMMITMENTS:

ACHIEVING NET ZERO

GROWING PEOPLE

SERVICING COMMUNITIES

PROMOTING SUSTAINABLE LIFESTYLES

A CLOSER LOOK AT THE COMMITMENT TO A NET ZERO CARBON PORTFOLIO BY 2030

ENERGY EFFICIENCY

- Reach average portfolio energy efficiency of **70 kWh/sq.m.**
- Measure our tenants' private area energy consumption in our shopping centers and help them cut their energy consumption by **20%**

RENEWABLE ENERGY GENERATION

- Locally generate enough renewable energy to self-supply up to **30%** of the needs of our Top-40 malls

MOBILITY

- Engage our visitors in reducing carbon emissions related to their transportation by **40%**

CIRCULAR ECONOMY

- Recover and reuse **100%** of our waste, with a focus on materials recovery
- Incorporate low-carbon solutions into all our new development/renovation projects
- Support our tenant retailers in creating low-carbon stores, with both structural work and fittings

BIODIVERSITY

- Commit to **net-zero** land use for all shopping center development projects

WIDELY RECOGNIZED LEADERSHIP IN SUSTAINABILITY

Klépierre, the European leader in shopping malls, has been recognized by a large number of rating agencies for the excellence of its CSR policies.

GRESB is the world's leading environmental, social and governance benchmark for real estate and infrastructure.

In 2023, for the fourth year running, it recognized Klépierre as Europe's leading listed retail real estate company, scoring the Group 93/100 and maintaining its 5-star rating, awarded to the top 20% best-performing companies across all categories.

CDP is an international organization that rates a company's environmental impact from A to D and assists it in tracking and benchmarking its progress.

In a sample of over 21,000 companies that disclosed their data in 2023, Klépierre was one of the 353 companies worldwide to make the prestigious CDP Climate A-list, recognizing the Group's leadership in corporate transparency and climate performance.

MSCI measures a company's long-term resilience to, material environmental, social and governance risks. Its ESG ratings range from leader (AAA, AA) to average (A, BBB, BB) to laggard (B, CCC). In 2023, Klépierre was rated AA.

For the 12th straight year, Klépierre received a Gold Award from EPRA, which promotes, develops and represents the European listed real estate sector.

EPRA actively participates in the debate on sustainability best practices through a variety of initiatives, including the issuance of sustainability best practices recommendations and guidance for European listed real estate companies.

The Group is now included in Euronext's CAC 40 ESG stock market index, which tracks the 40 most responsible French listed companies based on their Moody's ESG rating.

Klépierre was already a member of the CAC SBT 1.5, another Euronext stock market index comprising companies whose greenhouse gas emissions reduction targets contribute to limiting global warming to 1.5°C.

Klépierre's carbon reduction strategy is aligned with the 1.5°C maximum for global warming pathway approved by the Science Based Targets (SBTi) initiative, with the highest possible rating.

4

MAINTAINING STRICT FINANCIAL DISCIPLINE

Klépierre's financial management approach is designed to fund dividend payments and capital expenditure out of operating cash flow. By pursuing a capital rotation policy with proceeds of disposals reinvested in pipeline projects and targeted acquisitions, and combining cash flow growth with moderate leverage, the Group delivers, year after year, solid dividend growth.

A **STRONG GROWTH** TRAJECTORY

Net current cash flow amounted to €811.6 million (total share) in 2023, or €2.48[(1)] per share (Group share), a record 10.7%[(2)] increase over the year.

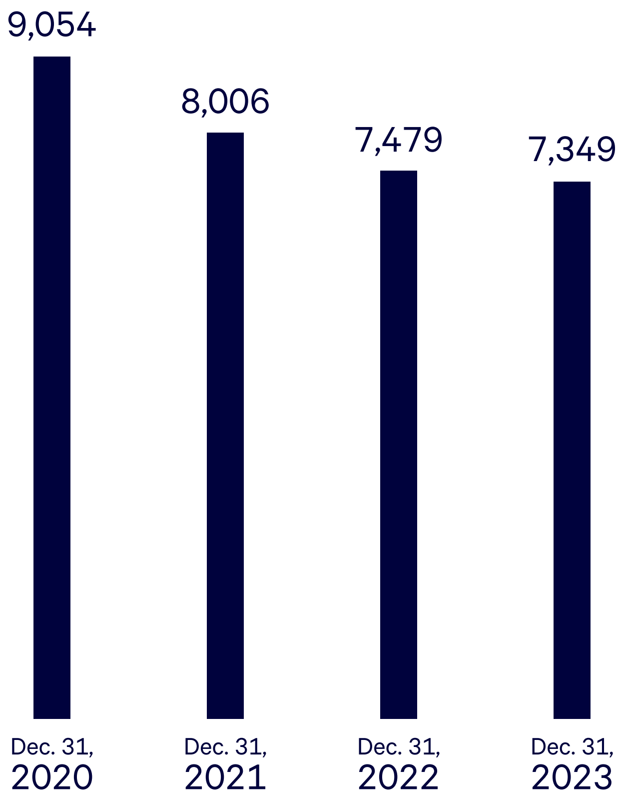
€2.48

2023 net current cash flow per share, up 10.7% vs. 2022

CONTROLLED INDEBTEDNESS

Strong cash flow generation and disposal proceeds have enabled a €1.7 billion reduction in net debt since 2020, including €130 million in 2023.

Change in net debt, end-2020 to end-2023
(In millions of euros)



(1) Excluding the positive non-recurring income statement impact related to 2020 and 2021 receivables.
(2) Excluding the positive non-recurring income statement impact related to 2020 and 2021 receivables (€0.30) and the cash flow of divested assets (€0.08), net current cash flow per share stood at €2.24 in 2022.

SECTOR-LEADING **CREDIT METRICS**

Thanks to the steady improvement in its credit metrics, the Group operates one of the industry's strongest balance sheets, as well as very good credit ratings. In May 2023, Fitch assigned an A- rating with a stable outlook to Klépierre's senior unsecured debt (short-term F1 rating). Standard & Poor's has assigned to Klépierre a long-term BBB+ rating (A2 short-term rating) with a stable outlook.

Average cost of debt

- **1.5%** — Average cost of debt in 2023
- **8.4x** — Interest coverage ratio
- **98%** — 2024 hedging ratio (84% for 2025)

Indicators at December 31, 2023

- **7.4x** — Net debt to EBITDA
- **38%** — Loan-to-value (LTV)
- **6.3 years** — Average debt maturity
- **€3bn** — Liquidity position

RISING DISTRIBUTION

Financial discipline enables Klépierre to pay steadily larger cash dividends.

€1.80[(3)]

Recommended 2023 dividend per share
Payout ratio 73%

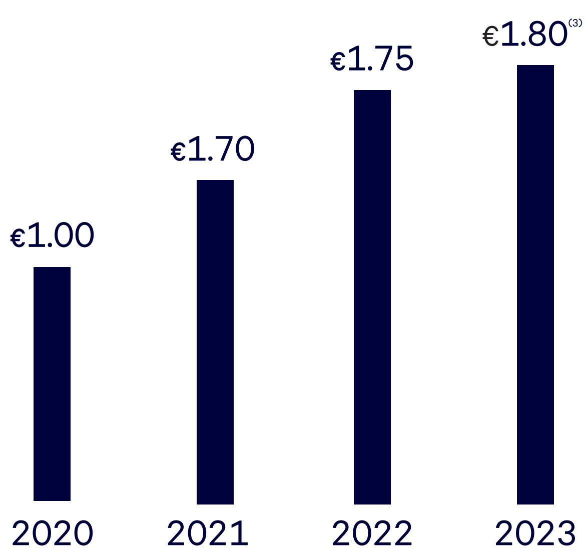
3%

Year-on-year increase in the dividend

8%

Average dividend yield in 2023

Growth in cash dividend per share



(3) Subject to approval by the shareholders present or represented at the Annual General Meeting on May 3, 2024.

A VALUE-CREATING BUSINESS MODEL

TRENDS

Shifting consumer practices

Growing urbanization in Europe

RESOURCES

FINANCIAL

- €19.3bn in assets
- €7.3bn in net debt
- €7.1.bn in market capitalization

BUSINESS & CORPORATE

- 3,500 retailers

HUMAN & INTELLECTUAL

- 1,061 employees
- 40% women in the top 100 senior management positions

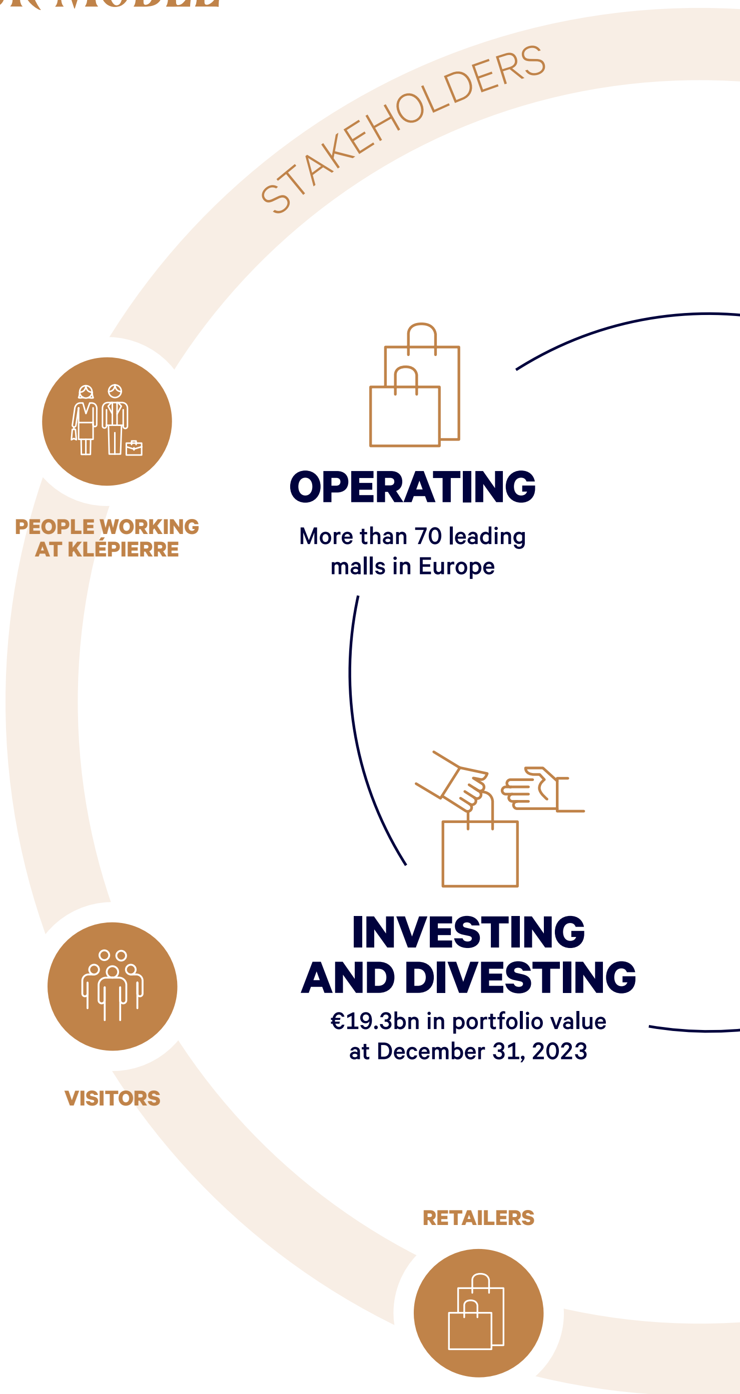
NATURAL

- 74.9 kWh/sq.m. in annual energy use
- 2.5m cu.m. in water consumption
- 100% of electricity from renewable sources

INFRASTRUCTURE & TECHNOLOGY

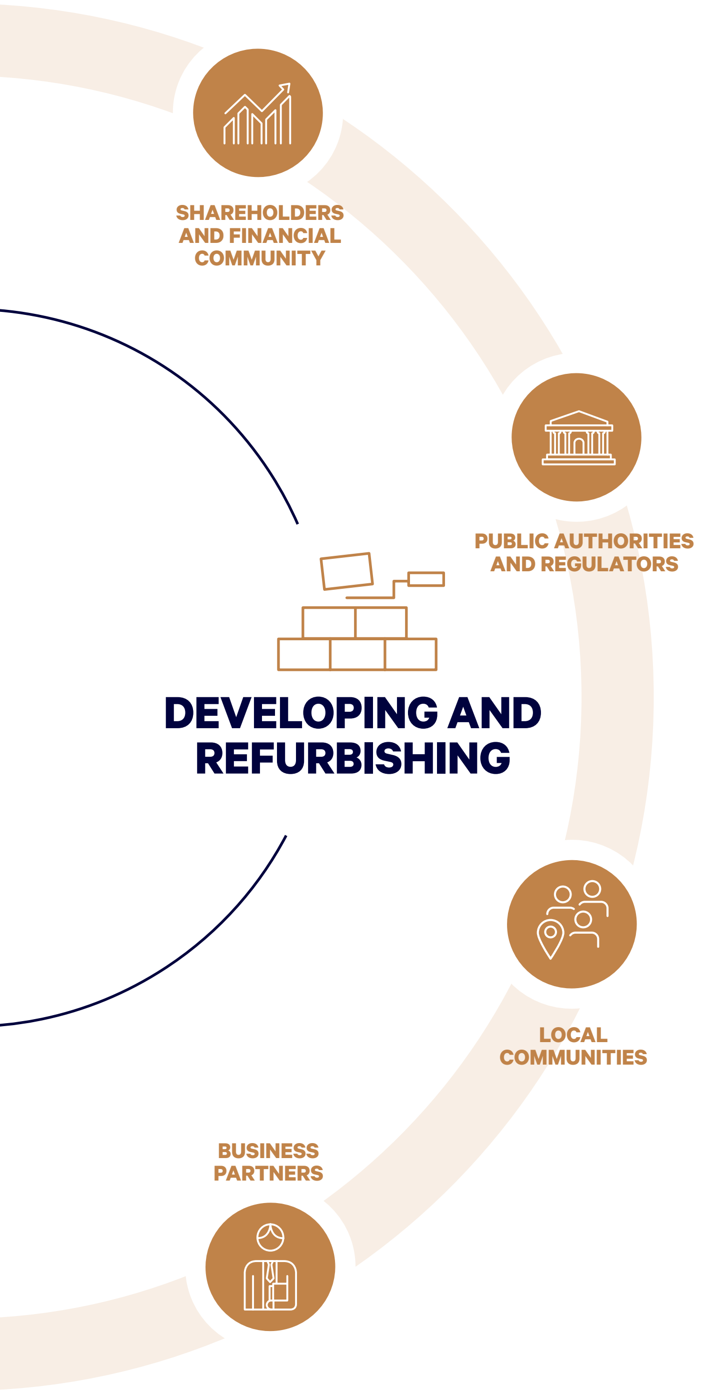
- 100% of assets accessible via public transport
- 253 TB of data (excluding backups)

OUR MODEL



Rising importance of environmental issues

Degree of labor market tightness



VALUE CREATION

FINANCIAL

- €812m in net current cash flow
- €500m distributed to shareholders in respect of fiscal year 2022

BUSINESS AND CORPORATE

- 1,658 new leases
- For every Klépierre job created, 2.2 jobs are created in the local economy
- €89m in local taxes
- Net Promoter Score up 35 points versus 2017

HUMAN AND INTELLECTUAL

- 27% of open positions filled internally
- 100% of employees have access to training

NATURAL

- 84% reduction in carbon intensity versus 2017
- 48% reduction in energy intensity versus 2013
- 100% of shopping centers environmentally certified
- 100% of recovered waste

2

BUSINESS OF THE YEAR

2 BUSINESS OF THE YEAR

2.1 TRADING UPDATE

2.1.1 Retailer sales

On a like-for-like basis, total **retailer sales** at Klépierre malls rose 6% in 2023 compared to 2022.

By **geographic area,** all countries contributed to the growth momentum and significantly exceeded 2022 retailer sales levels. Netherlands/Germany/Central Europe (up 9%) led the way. Similarly, Iberia and Scandinavia were up 8% and 7%, respectively, and France and Italy were up 4%.

Segment-wise, the upward trajectory in retailer sales was mainly fueled by Food & beverage, while movie theaters, fitness centers and travel agencies ("Other" segment) also posted double-digit growth. Health & beauty was on the same outperforming trend while Culture, sports & leisure was up 5%, with a strong increase in the sports sub-segment, benefiting from the deepening interest in "athleisure apparel" and outdoor lifestyles. However, Household equipment was down by a slight 1%.

RETAILER SALES BY GEOGRAPHY COMPARED TO 2022[a]

Geography	Like-for-like change[a]	Share in total reported retailer sales
France	+4%	41%
Italy	+4%	24%
Scandinavia	+7%	11%
Iberia	+8%	11%
Netherlands/Germany/Central Europe	+9%	13%
TOTAL	**+6%**	**100%**

(a) Change on a same-store basis, excluding the impact of asset sales and acquisitions, and excluding Turkey.

RETAILER SALES BY SEGMENT COMPARED TO 2022[a]

Segment	Like-for-like change[a]	Share in total reported retailer sales
Fashion	+4%	36%
Culture, sports & leisure	+5%	20%
Health & beauty	+10%	16%
Food & beverage	+11%	11%
Household equipment	−1%	11%
Other	+11%	6%
TOTAL	**+6%**	**100%**

(a) Change on a same-store basis, excluding the impact of asset sales and acquisitions, and excluding Turkey.

2.1.2 Net rental income

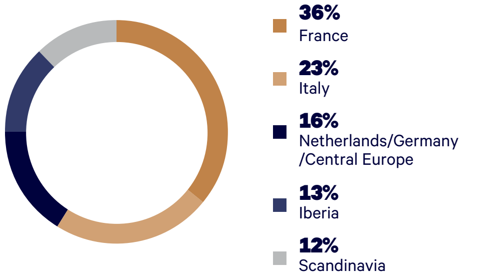
NET RENTAL INCOME *(on a total share basis)*

In millions of euros	12/31/2022	12/31/2022[(a)]	12/31/2023[(b)]	Like-for-like change
France	431.6	361.8	367.0	
Italy	207.4	191.5	228.3	
Scandinavia	122.8	114.0	116.0	
Iberia	119.4	117.6	129.7	
Netherlands/Germany/Central Europe	154.0	141.5	164.0	
TOTAL	**1,035.3**	**926.6**	**1,005.0**	**+8.8%**

(a) Excluding the positive non-recurring income statement impact related to 2020 and 2021 account receivables (€88.6 million) and the net rental income generated by disposed assets (€29.9 million) and adding back the negative impact of Covid-19 rent concessions amortization (IFRS 16, -€9.8 million).
(b) Excluding mainly the positive non-recurring income statement impact related to 2020 and 2021 account receivables (€25.9 million) and other items (€2.7 million).

Net rental income amounted to €1,005 million in 2023, up 8.8% on a like-for-like[(1)] basis, outpacing the positive 5.8% indexation rate by 300 basis points. This record growth was fueled by the combination of a 110 basis-point increase in the collection rate to 97.5%, the delivery of a 21% like-for-like increase in additional revenues (turnover rents, car park revenues and mall income) and disciplined management of property charges, which translated into an improvement in the operating margin.

BREAKDOWN OF NRI BY REGION FOR THE YEAR ENDED DECEMBER 31, 2023
(on a total share basis)



2.1.3 Operating performance

This solid sales performance, coupled with the Group's asset management and development initiatives designed to adapt its offering to a constantly evolving environment, has been driving significant leasing tension for assets identified as key destinations for expanding banners. In 2023, this translated into a 22% increase in the volume of leases signed to 1,658, including 1,317 renewals and re-lettings, generating a positive 4.4% **reversion**.

Meanwhile, Klépierre's operating fundamentals remained robust, with the **occupancy** rate at 96.0%, up 20 basis points over the year and the **occupancy cost ratio** at 12.8% as of December 31, 2023. The average remaining **duration of leases** in Klépierre malls stood at 5.1 years (versus 5.0 years in 2022), reflecting the Group's strategy of favoring long-term leases and providing high visibility on rents.

With a long-term aim of meeting shoppers' expectations, Klépierre has been **proactively curating its tenant mix** by placing greater emphasis on dynamic segments such as sports, health & beauty, entertainment and leisure. In parallel, the Group has been reducing its exposure to fashion boutiques (share in total retailer sales down 300 basis points since 2018) in order to prioritize omnichannel brands better suited to the retail environment.

As a direct result of this strategy and the very high intrinsic value of its portfolio, most of Klépierre's venues have been **strongly gaining market share** in recent years, especially Grand Place (Grenoble, France), Gran Reno (Bologna, Italy), Campania (Naples, Italy), Nueva Condomina (Murcia, Spain), Emporia (Malmö, Sweden) and Centre-Deux (Saint-Étienne, France).

(1) Like-for-like data exclude the contribution of new spaces (acquisitions, greenfield projects and extensions), spaces being restructured and disposals completed since January 2022.

2.2 BUSINESS ACTIVITY BY REGION

2.2.1 France (36% of net rental income)

NET RENTAL INCOME IN FRANCE

	Portfolio NRI			
In millions of euros	12/31/2022	12/31/2022[(a)]	12/31/2023[(b)]	Like-for-like change
FRANCE	**431.6**	**361.8**	**367.0**	**+4.5%**

(a) Excluding the positive non-recurring income statement impact related to 2020 and 2021 account receivables and the net rental income generated by disposed assets.
(b) Excluding the positive non-recurring income statement impact related to 2020 and 2021 account receivables.

In a somewhat subdued environment along with a changing retailer landscape, the French portfolio stood out with retailer sales up 4% on average, outpacing core inflation by 60 basis points, and dominant regional malls posting solid figures, including Val d'Europe (Paris region, up 7%), Blagnac (Toulouse, up 7%) and Créteil Soleil (Paris region, up 5%). Similarly, Saint-Lazare (Paris region) continued to welcome commuters and workers in ever greater numbers with strong footfall increases and retailer sales up 6% over one year.

Retailers' demand for Klépierre's leading destinations remained strong, as witnessed by several deals signed for larger units with Inditex, the expansion of Bestseller and the development of new leisure offers (Otium, La tête dans les Nuages, Fort Boyard) and new supermarkets (Lidl, Grand Frais). As part of its proactive mix curation strategy, the Group is gradually replacing legacy French fashion retailers with dynamic international brands (e.g., Normal, Rituals). With higher rent collection rates, additional revenues and improved occupancy, net rental income was up 4.5% on a like-for-like basis.

Lastly, the highlight of the year was the on-time and on-budget completion of the Grand Place extension in Grenoble in November. With a fully reshaped retail offering, the project is fully let. Further to the opening, footfall jumped 60% in December compared to December 2022. The portfolio transformation also included the disposals of convenience shopping arcades in Valenciennes and Metz as well as 30 other standalone retail assets throughout France.

2.2.2 Italy (23% of net rental income)

NET RENTAL INCOME IN ITALY

	Portfolio NRI			
In millions of euros	12/31/2022	12/31/2022[(a)]	12/31/2023[(b)]	Like-for-like change
ITALY	**207.4**	**191.5**	**228.3**	**+12.7%**

(a) Excluding the positive non-recurring income statement impact related to 2020 and 2021 account receivables and the net rental income generated by disposed assets.
(b) Excluding the positive non-recurring income statement impact related to 2020 and 2021 account receivables.

Klépierre's Italian platform confirmed its dynamism over the course of 2023. Despite protracted weak economic growth at national level, retailer sales increased by 4% compared to 2022, driven chiefly by higher customer numbers, with footfall up 12%.

The local tenant base is very solid and leasing tension has been strong as confirmed by no major bankruptcies and a sharp increase in collection rates coupled with historically high financial occupancy. In 2023, a large number of brands reinforced their presence in Klépierre's dominant assets with, Primark opening its fourth store in Nave de Vero (Venice), JD Sports signing new deals, KFC confirming its development and Primor (cosmetics) completing its first expansion plan in Italy with three new stores. The year was also marked by the unveiling of the first phase of the refurbishment of Le Gru, the dominant mall in Turin, with the rebranding and enlargement of several units such as Rituals, Flying Tiger and Giochi Preziosi.

In this context, net rental income increased by 12.7% on a like-for-like basis.

2.2.3 Scandinavia (12% of net rental income)

NET RENTAL INCOME IN SCANDINAVIA

	Portfolio NRI			
In millions of euros	12/31/2022	12/31/2022[(a)]	12/31/2023[(b)]	Like-for-like change
SCANDINAVIA	**122.8**	**114.0**	**116.0**	**+9.1%**

(a) Excluding the positive non-recurring income statement impact related to 2020 and 2021 account receivables and the net rental income generated by disposed assets.
(b) Excluding the positive non-recurring income statement impact related to 2020 and 2021 account receivables.

In a rather volatile economic environment, Klépierre's Scandinavian portfolio posted solid figures with retailer sales up 7% in 2023, exceeding local average inflation. The relatively strong sales performances were driven by leading malls, namely Emporia in Sweden, which posted double digit sales growth throughout the year (up 19%), while Oslo City in Norway has been returning to normal following the impact of the pandemic and its subsequent effects (up 11%). International retailers have been continuously expanding, demanding larger units, and driving solid market share gains for dominant assets.

This positive trend also fueled an average collection rate of above 99%, and a significant improvement in the operating margin in the region. On a like-for-like basis, net rental income was up 9.1%[(1)].

Lastly, Klépierre signed an agreement for the disposal of its Swedish asset Galleria Boulevard, for well above latest appraisal values. This transaction is fully aligned with the Group's ambition to focus on prime assets in the region.

2.2.4 Iberia (13% of net rental income)

NET RENTAL INCOME IN IBERIA

	Portfolio NRI			
In millions of euros	12/31/2022	12/31/2022[(a)]	12/31/2023[(b)]	Like-for-like change
IBERIA	**119.4**	**117.6**	**129.7**	**+10.8%**

(a) Excluding the positive non-recurring income statement impact related to 2020 and 2021 account receivables and the net rental income generated by disposed assets.
(b) Excluding the positive non-recurring income statement impact related to 2020 and 2021 account receivables.

Retailer sales in Klépierre's Iberian malls grew by 8%, exceeding average inflation by 300 basis points. Against a relatively supportive economic backdrop, the performance was strong over the course of the year and in all segments, especially Food & beverage (up 12%) and Health & beauty (up 9%).

Leasing activity reached an all-time high, confirming the appeal of the Group's assets among retailers in the region. Among newcomers to the Iberian market, Normal – the Danish brand with an ambitious development plan – opened six stores in Iberia, while several top international banners such as Inditex brands in Maremagnum (Barcelona), chose to enlarge their stores. The mall is also set to welcome the first Time Out Market in Spain (second in Europe), a unique food hall concept including top chefs and the leading bartenders. Lastly, among other key transformative operations, a new Primark megastore unit will be handed over in Espaço Guimaraes (north of Portugal) by the end of 2024 for an opening in the first half of 2025. This foundational asset management project will further strengthen the dominant position of this asset in its catchment area.

Iberian net rental income was up 10.8% on a like-for-like basis, outpacing indexation by 430 basis points.

(1) Excluding foreign exchange impact.

2.2.5 Netherlands/Germany/Central Europe (16% of net rental income)

NET RENTAL INCOME IN NETHERLANDS/GERMANY/CENTRAL EUROPE

	Portfolio NRI			
In millions of euros	12/31/2022	12/31/2022[(a)]	12/31/2023[(b)]	Like-for-like change
NETHERLANDS/GERMANY/CENTRAL EUROPE	**154.0**	**141.5**	**164.0**	**+17.3%**

(a) Excluding the positive non-recurring income statement impact related to 2020 and 2021 account receivables and the net rental income generated by disposed assets.
(b) Excluding the positive non-recurring income statement impact related to 2020 and 2021 account receivables.

The **Dutch** portfolio enjoyed upbeat business levels in 2023, characterized by a strong increase in footfall. Highlights included Hoog Catharijne (Utrecht), the most visited mall in the Netherlands, reaching its all-time footfall record with an impressive 33 million visitors in 2023 (up 16%), bearing the fruits of Klépierre's leasing strategy. With the mall welcoming the flagship stores of international retailers, like-for-like growth in retailer sales for the Netherlands came out at 17% and strongly outperformed inflation. This growth allowed retailers to absorb high rental indexation and therefore maintain sustainable levels of occupancy cost ratio.

In **Germany**, the 7% increase in retailer sales also outstripped inflation. This facilitated the success of ongoing renewal campaigns, while strongly contributing to additional revenues, mainly driven by car park revenues and mall income.

In 2023, Klépierre completed the first phase of the refurbishment of Alexandrium in Rotterdam, which got a strong response from both visitors and tenants. It also disposed of a non-core asset in Germany, as the Group pressed ahead with streamlining the portfolio.

Meanwhile, retailer sales in **Central Europe** exceeded 2022 levels by 9%, benefiting from close-to-inflation wage increases in a tight labor market that supported consumption. On the leasing side, dealflow was dense at Nový Smíchov, the leading mall in Prague, which attracted several flagship banners including Nike and Lacoste. Klépierre continued to broaden its offering in the Food & beverage segment by signing up Starbucks for its first point of sale in the Plzeň region.

Net rental income for the region as a whole was up 17.3% on a like-for-like basis, lifted by a high collection rate, an increase in occupancy and strong growth in additional revenues (turnover rents, car park revenues and mall income).

2.3 NET CURRENT CASH FLOW

2.3.1 Net current cash flow

NET CURRENT CASH FLOW[(1)]

Total share *In millions of euros*	12/31/2022	12/31/2023
Gross rental income	1,095.3	1,164.8
Rental and building expenses	(168.7)	(159.9)
Net rental income	**926.6**	**1,005.0**
Management, administrative, related income and other income	77.6	74.6
Payroll expenses and other general expenses	(163.1)	(158.1)
EBITDA[(a)]	**841.1**	**921.4**
Cost of net debt	(113.4)	(131.9)
Cash flow before share in equity method investees and taxes	**727.7**	**789.5**
Share in equity method investees	53.4	56.7
Current tax expenses	(38.7)	(34.7)
NCCF (total share)	**742.4**	**811.6**
NCCF (Group share) *(in millions of euros)*	**641.9**	**709.0**
Average number of shares[(b)]	*286,524,518*	*286,301,949*
NCCF per share *(in euros)*	**2.24**	**2.48**

(a) EBITDA stands for "earnings before interest, taxes, depreciation and amortization" and is a measure of the Group's operating performance.
(b) Excluding treasury shares.

(1) The data used to calculate net current cash flow are obtained by deducting from IFRS aggregates certain non-cash and/or non-recurring effects, mainly related to positive non-recurring income linked to 2020 and 2021 account receivables, changes in the fair value of buildings (net of deferred taxes) of equity-accounted companies, and certain provisions and depreciations.

In 2023, net current cash flow per share increased by 10.7% year on year to €2.48[1]. This recurring performance reflects the combined impact of the following indicators:

- **Net rental income** increased by 8.8% on a like-for-like[2] basis, mainly on the back of the 5.8% positive impact of indexation at Group level, a significant increase in rent collection rate (up 110 basis points) as well as higher additional income and further improvement in property charge management;
- **EBITDA** amounted to €921.4 million, up 9.6% year on year, above growth in net rental income notably thanks to tight control of payroll and general and administrative expenses;
- **The cost of net debt** increased to €131.9 million on a total share basis, mainly impacted by higher rates and spreads. Overall, the average cost of debt remained contained at 1.5% (see section 2.6.3 "Cost of debt");
- **Current tax expenses** amounted to €34.7 million on a total share basis, down €4.0 million year on year.

2.3.2 Contribution of equity-accounted companies

Net rental income *In millions of euros*	**12/31/2022**	**12/31/2022[a]**	**12/31/2023[b]**
France	17.5	17.5	17.4
Italy	35.8	35.8	40.2
Scandinavia[c]	4.9	4.9	4.6
Iberia	3.6	3.6	4.0
Netherlands/Germany/Central Europe	4.4	4.4	4.9
TOTAL	**66.4**	**66.4**	**71.1**

(a) *Excluding the positive non-recurring income statement impact related to 2020 and 2021 account receivables and income generated by disposed assets.*
(b) *Excluding the positive non-recurring income statement impact related to 2020 and 2021 account receivables.*
(c) *To determine the Group's share for Scandinavia, data must be multiplied by 56.1%.*

Net current cash flow *In millions of euros*	**12/31/2022**	**12/31/2022[a]**	**12/31/2023[b]**
France	16.5	16.5	15.5
Italy	28.5	28.5	31.7
Scandinavia[c]	4.9	4.9	4.8
Iberia	(1.4)	(1.4)	(0.8)
Netherlands/Germany/Central Europe	5.0	5.0	5.5
TOTAL	**53.4**	**53.4**	**56.7**

(a) *Excluding the positive non-recurring income statement impact related to 2020 and 2021 account receivables and income generated by disposed assets.*
(b) *Excluding the positive non-recurring income statement impact related to 2020 and 2021 account receivables.*
(c) *To determine the Group's share for Scandinavia, data must be multiplied by 56.1%.*

(1) *Excluding the positive non-recurring income statement impact related to 2020 and 2021 account receivables.*
(2) *Like-for-like data exclude the contribution of new spaces (acquisitions, greenfield projects and extensions), spaces being restructured and disposals completed since January 2022.*

2.4 DEVELOPMENTS, INVESTMENTS AND DISPOSALS

2.4.1 Development pipeline

As part of its development strategy, Klépierre regularly transforms its existing assets to strengthen their leadership in their respective catchment areas. Accordingly, the Group focuses on renovations, extensions or restructuring operations on assets cristallizing a high leasing tension while respecting a controlled level of risk.

In that context, Klépierre progressively rolls out its development projects and usually completes one project per year. As such, in November 2023, the 16,200 sq.m. extension of Grand Place (Grenoble, France) was delivered. In the same vein, the Maremagnum rooftop (Barcelona, Spain) will be finalized in the first half of 2024, while Klépierre recently engaged a new development project with the extension of Odysseum (Montpellier, France). See below for more details.

As of today, before launching any new projects, the Group ensures that the expected yield on cost reaches at least a threshold of 8%.

Klépierre's development pipeline breaks down into two categories:

- Committed projects: projects that are in the process of completion or have been fully approved by the relevant Klépierre governance body; and
- Controlled projects: retail projects that are under advanced review, for which Klépierre has control over the land (acquisition made or under offer, contingent on obtaining the necessary administrative clearance and permits).

DEVELOPMENT PIPELINE AS OF DECEMBER 31, 2023 *(on a total share basis)*

Development projects	Country	Location	Type	Floor area *(in sq.m.)*	Expected opening date	Klépierre equity interest	Estimated cost[a] *(in €m)*	Cost to date *(in €m)*	Net to spend *(in €m)*	Targeted yield on cost[b]
Odysseum[c]	France	Montpellier	Ext. – redev.	18,537	2025-2027	100.0%	56	13	43	
Hoog Catharijne phase 3	Netherlands	Utrecht	Ext. – refurb.	7,512	2025	100.0%	27	9	19	
Maremagnum, Barcelona	Spain	Barcelona	Ext. – refurb.	5,200	2024	100.0%	15	12	3	
Other projects			Ext. – redev.	8,494	2025-2026		27	9	18	
Total retail committed projects				**39,743**			**125**	**42**	**83**	**8%**
France			Extension	33,279			126	2	124	
Italy			Extension	46,566			259	4	255	
Iberia			Extension	49,440			170	4	166	
Netherlands/Germany/Central Europe			Extension	12,600			69	2	67	
Total retail controlled projects				**141,885**	**2026-2030**		**625**	**12**	**613**	
TOTAL				**181,628**			**750**	**54**	**696**	

(a) Estimated cost as of December 31, 2023 including fitting-out costs and excluding step-up rents, internal development fees and financial costs.
(b) Targeted yield on cost as of December 31, 2023, based on targeted NRI with full occupancy and excluding any lease incentives, divided by the estimated cost price as defined above.
(c) Including restructured surfaces: Odysseum for 9,200 sq.m.

As of December 31, 2023, on a total share basis, the total pipeline represented €750 million. Committed retail projects remained limited, representing €83 million to cash out by delivery date.

Over 2023, €79.3 million was spent on the pipeline, mainly in France, Spain and the Netherlands.

Opening of the Grand Place extension (Grenoble, France)

The year's highlights included the delivery in November, on-time and on-budget, of the 16,200 sq.m extension of Grand Place in Grenoble. This leading mall now boasts a total surface area of 75,000 sq.m., hosting an outstanding set of retailers, such as Primark's – first store in the region –, Snipes, Jott, NYX and a state-of-the-art food court, designed in line with the latest standards of Klépierre's Destination Food® strategy. Since opening, footfall jumped by 60% in December compared to the same period in 2022. The yield on cost for this project was around 8%.

Maremagnum (Barcelona, Spain)

In November 2023, Klépierre handed over the newly completed Maremagnum's rooftop unit to Time Out Market, set to open its second location in Europe and first in Spain. The inauguration is scheduled for June, before the beginning of the America's Cup. This food and cultural concept will offer visitors a state-of-the-art food offering, live entertainment with breathtaking views of the Mediterranean Sea as well as providing a new footfall anchor for the mall. This project will also include a renewed retail offering, with enlarged stores for Stradivarius, Pull & Bear, Bershka and Lefties. Projected yield on cost reaches 13.5%.

Extension of Odysseum (Montpellier, France)

In early 2024, Klépierre launched the redevelopment of Odysseum, the unrivaled mall in Montpellier, welcoming more than 12 million visitors per year. This project will mainly consist in the restructuring of a 10,400 sq.m. unit to host a Primark megastore as well as the construction of an 8,200 sq.m. extension to welcome new retail and food & beverage concepts. Works were launched in the first quarter of 2024 and delivery is planned for 2026. Yield on cost for this project is 9.0%.

2.4.2 Investment market

Overall, in 2023, the retail investment market was historically subdued. Strong increases in interest rates enforced by central banks to reduce inflation disrupted financing markets, limited investment capacities for many buyers and reduced the number of products offered on the market. The higher financing costs observed during the year often implied bid-ask price divergences between buyers and sellers and froze transactions to a certain extent.

As such, in 2023 total retail investments reached €25 billion[1] in Europe, down 42% compared to 2022. This trend is similar to other real estate asset classes (real estate investment volume down 48% year on year).

2.4.3 Disposals and acquisitions

2.4.3.1 Disposals

In 2023, Klépierre completed disposals for a total amount of €102.6 million[2]. This amount includes the sale of retail properties across Europe, mainly in France, Spain and Sweden.

Taking into account €66.3 million of sales under promissory agreements, total Group disposals amounted to €168.9 million (excluding transfer taxes).

Overall, assets were sold or signed above appraised values (+20%) for a blended EPRA Net Initial Yield of 5.5%.

With a longer-term view, the Group also has optionality to unlock value and has notably identified land banks around its shopping malls that are not suitable for retail real-estate development. In this context, Klépierre is actively leading rezoning processes to allow the development of programs such as offices, residential housing or hotels with the remaining space allocated to logistics and other uses.

Once the necessary authorizations shall be obtained, these non-core assets could be divested.

As of today, six projects have been identified, for a total amount exceeding €200 million. They could be divested within a five-year timeframe.

2.4.3.2 Acquisitions

In December 2023, Klépierre signed an agreement to acquire a 25% stake in O'Parinor, a 100,000 sq.m. super-regional shopping mall in the Paris region. Klépierre will act as an asset, property and leasing manager with the view to extracting embedded reversion. This investment is expected to generate a strong double digit levered annual cash return from year 1. The closing of this transaction is planned in H1 2024.

(1) Source: CBRE (The scope includes the United Kingdom).
(2) Total share, excluding transfer taxes.

2.5 PORTFOLIO VALUATION

2.5.1 Property portfolio valuation

2.5.1.1 Property portfolio valuation methodology

2.5.1.1.1 Scope of the portfolio as appraised by external appraisers

As of December 31, 2023, 99% of the value of Klépierre's property portfolio, or €19,158 million (including transfer taxes, on a total share basis)(1), was estimated by external appraisers in accordance with the methodology described below. The remainder of the portfolio was valued as follows:

- Projects under development are carried at cost(2); and
- Other non-appraised assets, consisting mainly of assets held for sale, are valued at the agreed transaction price, land is valued at cost (when below €5 million), and some projects under development are measured internally at fair value.

BREAKDOWN OF THE PROPERTY PORTFOLIO BY TYPE OF VALUATION
(on a total share basis)

Type of asset	Value *(in millions of euros)*
Externally-appraised assets	**19,158**
Acquisitions	8
Investment property at cost	122
Other internally-appraised assets (land, assets held for sale, etc.)	43
TOTAL PORTFOLIO	**19,331**

2.5.1.1.2 Methodology used by external appraisers

On December 31 and June 30 of each year, Klépierre updates the fair market value of its properties using valuations provided by independent appraisers.

As at December 31, 2023, the main appraisers were Jones Lang LaSalle and Cushman & Wakefield, who respectively valued 36% and 35% of the Group portfolio, with the remaining asset valuations being allocated to CBRE (26%) and BNP Paribas Real Estate (3%). The fees payable to these companies are set at the time the four-year term is signed and depend on the number and size of property units appraised.

BREAKDOWN BY APPRAISER OF THE APPRAISED PROPERTY PORTFOLIO AS DECEMBER 31, 2023

Appraiser	Countries covered	Share of total portfolio *(in %)*
Jones Lang LaSalle	France, Italy, Spain, Portugal, Turkey and Greece	36%
Cushman & Wakefield	France, Norway, Sweden, Denmark, Belgium and Poland	35%
CBRE	France, Italy, Netherlands and Czech Republic	26%
BNP Paribas Real Estate	Germany and France (other retail properties)	3%
TOTAL		**100%**

All appraisers appointed by Klépierre comply with the professional standards applicable in France (*Charte de l'Expertise en Évaluation Immobilière*), the recommendations of the AMF dated February 8, 2010, and RICS (Royal Institution of Chartered Surveyors) standards.

To calculate the value of each asset, appraisers use the discounted cash flow (DCF) method over a ten-year period. Klépierre provides them with all relevant information pertaining to rents in place (detailed rent rolls, footfall, retailer sales, occupancy cost ratios, etc.), which they use to make their assessment of projected rental revenue in addition to their own leasing assumptions (estimated rental values, vacancy, incentives, etc.). They also make their own estimates of future capital expenditure and non-recoverable operating expenses, including management costs. The terminal value is calculated based on net rental income for the tenth year (plus one year of indexation), capitalized by an exit yield. Lastly, appraisers apply a discount rate to the future cash flows, combining the country risk-free rate, the liquidity premium related to the local investment market and an asset-specific risk premium reflecting the location, quality, size and technical specificities of the asset considered.

The value obtained by the DCF method is then benchmarked using metrics such as EPRA Net Initial Yield (NIY) for comparable property, value per square meter, and recent comparable market transactions.

(1) *Investments in equity-accounted assets are included based on the fair value of the equity owned by the Group in the companies holding the assets, taking into account receivables and facilities granted by the Group.*

(2) *Other projects (Viva, Økern and Louvain) are carried at cost.*

2.5.1.2 Valuation

2.5.1.2.1 Change in appraisers' assumptions

Over the last six months of 2023, the portfolio valuation stabilized (down 0.2% on a total share basis and stable on a Group share basis) on a like-for-like basis.

As of December 31, 2023, the changes in appraisers' assumptions in comparison with June 30, 2023 are the following:

- A 30-basis-point increase in discount rates to 7.8% and a 30-basis-point increase in exit rates to 6.1%;
- New indexation and slightly higher estimated rental value (ERV) projections (reflecting the Group's ability to pass on indexation) translating into a compound annual growth rate in net rental income of 2.8% for the next 10 years.

This stabilization in portfolio valuation should pave the way to values bottoming out.

ASSUMPTIONS USED BY APPRAISERS FOR DETERMINING THE SHOPPING CENTER PORTFOLIO VALUATION AS OF DECEMBER 31, 2023(1)

Geography	Discount rate(a)	Exit rate(b)	NRI CAGR(c)
France	7.3%	5.7%	3.3%
Italy	8.2%	6.6%	1.9%
Scandinavia	7.8%	5.6%	3.0%
Iberia	8.1%	6.4%	2.7%
Netherlands/Germany/Central Europe	8.8%	6.5%	4.0%
AVERAGE	**7.8%**	**6.1%**	**2.8%**

(a) Rate used to calculate the net present value of future cash flows to be generated by the asset.
(b) Rate used to capitalize net rental income at the end of the discounted cash flow period and calculate the terminal value of the asset.
(c) Compound annual growth rate (CAGR) of net rental income as estimated by the appraiser over a ten-year period.

As of December 31, 2023, the average EPRA NIY(2) for the portfolio(3) stood at 5.9%, versus 5.7% as of June 30, 2023.

CHANGE IN EPRA NET INITIAL YIELD OF THE PORTFOLIO(4) *(on a Group share basis, including transfer taxes)*

Country	12/31/2022	06/30/2023	12/31/2023
France	4.9%	5.2%	5.3%
Italy	6.0%	6.4%	6.5%
Scandinavia	4.6%	4.9%	5.1%
Iberia	5.8%	5.8%	5.8%
Netherlands/Germany/Central Europe	6.1%	6.4%	6.5%
AVERAGE	**5.4%**	**5.7%**	**5.9%**

2.5.1.2.2 Property portfolio valuation

12-MONTH PORTFOLIO VALUATION RECONCILIATION *(on a total share basis, including transfer taxes)*

In millions of euros	
Portfolio at 12/31/2022	**19,832**
Disposals	(113)
Like-for-like change	(292)
Forex	(100)
Other non like-for-like	3
PORTFOLIO AT 12/31/2023	**19,331**

Including transfer taxes, the value of the portfolio stood at €19,331 million on a total share basis as of December 31, 2023, down 2.5% or €501 million on a reported basis compared to December 31, 2022. This decrease reflects:

- A €113 million negative impact from disposals;
- A €292 million like-for-like valuation decrease (down by 1.5%);
- A €100 million negative foreign exchange impact in Scandinavia and Turkey; and
- A €3 million other non like-for-like positive impact.

(1) Discount and exit rates weighted by shopping center appraised value (including transfer taxes, on a 100% share basis).
(2) EPRA Net Initial Yield is calculated as the annualized rental income based on passing cash rents, less non-recoverable property operating expenses, divided by the market value of the property (including transfer taxes).
(3) Group share for the total portfolio appraised.
(4) Excluding offices, retail parks, and retail boxes attached to shopping centers.

VALUATION OF THE PROPERTY PORTFOLIO[1] *(on a total share basis, including transfer taxes)*

In millions of euros	12/31/2023	% of total portfolio	Change over 6 months			Change over 12 months		
			06/30/2023	Reported	LfL[a]	12/31/2022	Reported	LfL[a]
France	7,631	39.5%	7,835	−2.6%	−2.0%	8,094	−5.7%	−5.1%
Italy	4,241	21.9%	4,156	+2.1%	+2.6%	4,078	+4.0%	+4.3%
Scandinavia	2,474	12.8%	2,448	+1.1%	−1.5%	2,643	−6.4%	−4.6%
Iberia	2,231	11.5%	2,233	−0.1%	+0.8%	2,218	+0.6%	+1.8%
Netherlands/Germany/Central Europe	2,753	14.2%	2,748	+0.2%	+1.1%	2,800	−1.7%	+0.5%
TOTAL PORTFOLIO	**19,331**	**100.0%**	**19,420**	**−0.5%**	**−0.2%**	**19,832**	**−2.5%**	**−1.5%**

(a) Like-for-like change. For Scandinavia and Turkey, change is indicated on a constant currency basis. Central European assets are valued in euros.

2.5.1.2.3 Other information related to December 31, 2023 valuation

VALUATION RECONCILIATION WITH THE STATEMENT OF FINANCIAL POSITION *(on a total share basis)*

In millions of euros	
Investment property at fair value as per statement of financial position	**17,299**
Right-of-use asset relating to ground leases	(282)
Investment property at cost[a]	122
Fair value of property held for sale	65
Leasehold and lease incentives	28
Transfer taxes	916
Klépierre's equity interest in assets accounted for under the equity method (incl. receivables)	1,183
TOTAL PORTFOLIO	**19,331**

(a) Including investment property under construction (IPUC).

2.6 FINANCING POLICY

Pursuing an active and disciplined asset rotation policy and a selective approach to development capex, Klépierre continued to reduce net debt and maintain conservative leverage ratios in 2023. Its high proportion of fixed-rate debt allows Klépierre to contain the rise in its cost of debt, despite market volatility and increased interest-rates.

With a net debt to EBITDA ratio of 7.4x, an average debt maturity of 6.3 years, €3.0 billion of liquidity and low funding costs, the Group operates one of the most solid balance sheets in the industry and remains committed to maintaining conservative leverage metrics.

2.6.1 Financial resources

2.6.1.1 Change in net debt

As of December 31, 2023, consolidated net debt totaled €7,349 million compared to €7,479 million at the end of 2022. down €130 million. The main movements during the last twelve months were as follows:

- Cash inflows from operations and other items amounting to €784 million;
- Cash outflows in respect of 2022 distributions for €559 million, including the €1.75 dividend per share (€500 million) and distributions to non-controlling interests (€59 million);
- Cash outflows in respect of capital expenditure for €195 million (see section 2.7.6 "EPRA capital expenditure"); and
- Cash inflows from disposals of €100 million.

(1) *Investments in equity-accounted assets are included based on the fair value of the equity owned by the Group in the companies holding the assets, taking into account receivables and facilities granted by the Group (€1,269 million as of December 31, 2023; total share, including transfer taxes). The corresponding gross value of these assets stands at €1,292 million.*

2.6.1.2 Debt ratios

As of December 31, 2023, the Loan-to-Value (LTV) ratio stood at 38.0%, up 30-basis points compared to December 31, 2022.

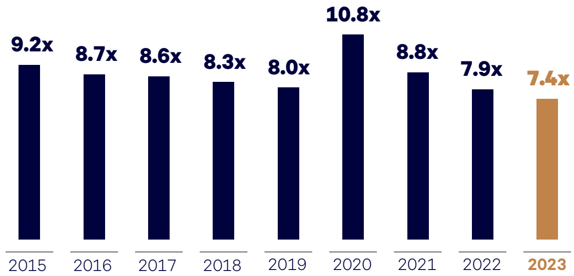
LOAN-TO-VALUE CALCULATION AS OF DECEMBER 31, 2023 *(as per covenant definitions, on a total share basis)*

In millions of euros	12/31/2022	06/30/2023	12/31/2023
Current financial liabilities	1,978	1,559	1,590
Bank facilities	0	20	0
Non-current financial liabilities	5,718	6,114	6,066
Revaluation due to fair value hedge and cross currency swap	116	112	92
Gross financial liabilities excluding fair value hedge	**7,812**	**7,805**	**7,748**
Cash and cash equivalents[a]	(333)	(402)	(399)
Net debt	**7,479**	**7,403**	**7,349**
Property portfolio value (incl. transfer taxes)	19,832	19,420	19,331
LOAN-TO-VALUE RATIO	**37.7%**	**38.1%**	**38.0%**

(a) Including cash managed for principals.

The net debt to EBITDA ratio continued to decline to a historic low of 7.4x, down from 7.9x as of December 31, 2022.

NET DEBT TO EBITDA[1]



2.6.1.3 Main funding operations and available resources

In 2023, Klépierre raised more than €1.0 billion of medium-term debt comprising:

- Unsecured bank loans for €412 million and €378 million of mortgage loans denominated in EUR, SEK and DKK. Overall, 46% of these financings (or €360 million), are green or sustainability-linked loans;
- Moreover, €250 million of new senior notes were raised by increasing the outstanding amount of three bonds maturing between 2029 and 2032.

The Group also strengthened its liquidity position by signing €175 million of new bilateral credit lines and renewing €550 million of its existing revolving credit facilities mostly on a five-year basis (extension options excluded). The majority of the lines were raised or transformed into sustainability-linked facilities, bringing the total amount of sustainability-linked facilities to €2.0 billion or 63% of total committed credit lines.

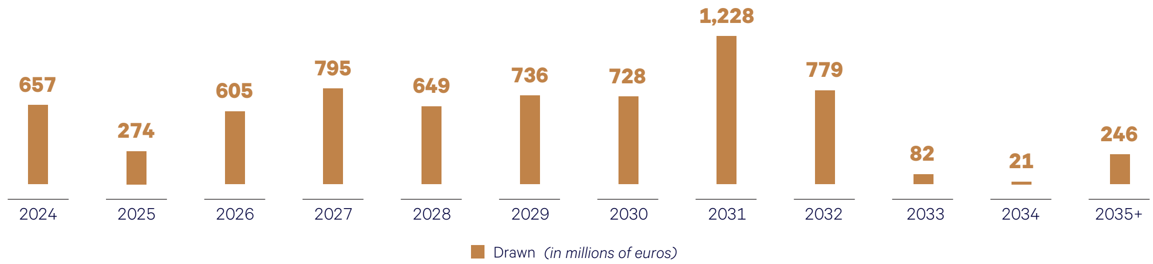
At the end of 2023, the liquidity position[2] stood at €3.0 billion, mainly comprising €2.3 billion in unused committed revolving credit facilities (net of commercial paper), €0.3 billion in other credit facilities and €0.4 billion in cash and equivalents.

(1) EBITDA used in Interest coverage ratio calculation, as per covenant definition (see section 2.6.3 Cost of debt).
(2) The liquidity position represents the total financial resources available to a company. This indicator is therefore equal to the sum of cash at hand at the end of the period, committed and unused revolving credit facilities (net of commercial paper) and other credit facilities.

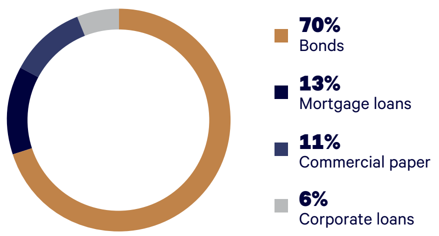
2.6.1.4 Debt structure

As of December 31, 2023, the share of financing sourced from capital markets in total debt stood at 81%, enabling Klépierre to benefit from deep sources of liquidity. The total outstanding amount of commercial paper issued in euros (€881 million) is covered by committed back-up facilities in the same amount with a four-year weighted average maturity. Secured debt accounted for 13% of total debt, the bulk of which concerned borrowing raised in Scandinavia. The Group's average debt maturity stood at 6.3 years at the end of December 2023.

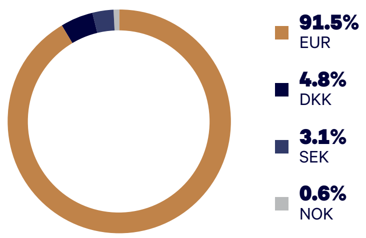
LONG-TERM DEBT MATURITY SCHEDULE AS OF DECEMBER 31, 2023 *(in millions of euros)*



FINANCING BREAKDOWN BY TYPE OF RESOURCES AS OF DECEMBER 31, 2023
(utilizations, total share)



FINANCING BREAKDOWN BY CURRENCY AS OF DECEMBER 31, 2023
(utilizations, total share)



2.6.2 Interest rate hedging

The Group maintained a very high proportion of fixed-rate or hedged debt throughout 2023.

For 2024, the Group's hedging position remains strong, with 98% of its net debt hedged. This position is made of 79% fixed-rate debt and payer swaps and of 19% caps with low interest rates. For 2025, the Group's hedging rate is 84%.

2.6.3 Cost of debt

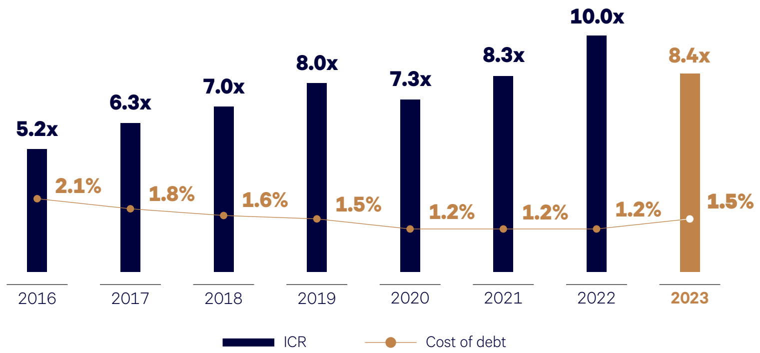
As expected, the average cost of debt increased at a moderate pace in 2023, to stand at 1.5%. Thanks to its prudent hedging policy and its excellent access to liquidity, Klépierre mitigated the increase in its financial expenses in 2023. Therefore, the interest coverage ratio (ICR) remained high, reaching 8.4x at the end of the year, in line with the Group's prudent leverage policy. Going forward, Klépierre's cost of debt is expected to increase gradually.

BREAKDOWN OF COST OF DEBT

In millions of euros	12/31/2022	12/31/2023
Cost of net debt (as per IFRS consolidated statement of comprehensive income)	**119.5**	**134.0**
Non-recurring items	(13.9)	(5.6)
Non-cash impact	0.7	(1.5)
Interest on advances to associates	6.5	3.6
Liquidity cost	(7.3)	(8.3)
Interest expense on lease liabilities[a]	(8.2)	(9.2)
Others	(0.1)	(0.2)
Cost of debt (used for cost of debt calculations)	**97.3**	**112.7**
Average gross debt	**8,120.9**	**7,631.3**
COST OF DEBT *(in %)*	**1.2%**	**1.5%**

(a) *As per IFRS 16.*

INTEREST COVERAGE RATIO AND COST OF DEBT[1]



2.6.4 Credit ratings and covenants

Standard & Poor's currently assigns Klépierre and Steen & Strøm a long-term BBB+ rating (A2 short-term rating) with a stable outlook (affirmed on June 9, 2023). Since May 2023, Fitch assigns an A- rating with a stable outlook to Klépierre's senior unsecured debt (F1 short-term rating).

COVENANTS APPLICABLE TO KLÉPIERRE SA FINANCING

Financing	Ratios/covenants	Limit[a]	12/31/2022	06/30/2023	12/31/2023
Syndicated and bilateral loans	Net debt/Portfolio value ("Loan to Value")	≤ 60%	37.7%	38.1%	38.0%
	EBITDA/Net interest expense[b]	≥ 2.0x	10.0x	8.8x	8.4x
	Secured debt/Portfolio value[c]	≤ 20%	0.6%	0.5%	2.1%
	Portfolio value[d]	≥ €10bn	€17.1bn	€16.8bn	€16.7bn
Bond issues	Secured debt/Revalued Net Asset Value[c]	≤ 50%	0.7%	0.6%	3.7%

(a) *Covenants are based on the 2020 revolving credit facility.*
(b) *Excluding the impact of the liability management operations (non-recurring items).*
(c) *Excluding Steen & Strøm.*
(d) *Group share, including transfer taxes and including equity accounted investees.*

(1) *The interest coverage ratio (as per the banking covenant definition) represents the ratio of EBITDA (as presented on section 2.3) adjusted for certain non-cash and/or non-reccuring items, mainly related to 2020 and 2021 account receivables, the share in earnings of equity-accounted companies and the change in value of investment properties of equity-accounted companies and adding (€987.6 million), to net interest expenses (€117.2 million) calculated as cost of net debt less net deferral of upfront payments on swaps plus amortization of the fair value of debt less other non-recurring financial expenses.*

2.7 EPRA PERFORMANCE INDICATORS

The following performance indicators have been prepared in accordance with the EPRA (European Public Real Estate Association) Best Practices Recommendations published in February 2022 (www.epra.com).

EPRA SUMMARY TABLE[1]

	12/31/2022	12/31/2023	See section
EPRA Earnings *(in millions of euros)*	621.5	697.2	2.7.1
EPRA Earnings per share *(in euros)*	2.17	2.44	2.7.1
EPRA NRV *(in millions of euros)*	9,936	9,664	2.7.2.2
EPRA NRV per *share (in euros)*	34.70	33.70	2.7.2.2
EPRA NTA *(in millions of euros)*	8,848	8,621	2.7.2.2
EPRA NTA per share *(in euros)*	30.90	30.10	2.7.2.2
EPRA NDV *(in millions of euros)*	8,580	7,931	2.7.2.2
EPRA NDV per share *(in euros)*	29.90	27.70	2.7.2.2
EPRA Net Initial Yield	5.5%	5.9%	2.7.3
EPRA "Topped-up" Net Initial Yield	5.7%	6.1%	2.7.3
EPRA Vacancy Rate	4.2%	4.0%	2.7.4
EPRA Cost Ratio (including direct vacancy costs)	23.0%	20.3%	2.7.5
EPRA Cost Ratio (excluding direct vacancy costs)	20.7%	17.6%	2.7.5
EPRA Loan-to-Value Ratio (excluding real estate transfer taxes)	43.7%	44.1%	2.7.7
EPRA Loan-to-Value Ratio (including real estate transfer taxes)	41.6%	42.1%	2.7.7

2.7.1 EPRA Earnings

EPRA Earnings is a measure of the underlying operating performance of an investment property company excluding fair value gains, investment property disposals, and limited other items considered as non-core activities for an investment property company.

EPRA EARNINGS

Group share *(in millions of euros)*	12/31/2022	12/31/2022[a]	12/31/2023[b]
Net income as per IFRS consolidated statement of comprehensive income	**415.2**	**307.6**	**167.9**
Adjustments to calculate EPRA Earnings:			
(i) Changes in value of investment properties, development properties held for investment and other interests	337.7	337.7	500.1
(ii) Profit or losses on disposal of investment properties, development properties held for investment and other interests	74.2	74.2	8.4
(iii) Profit or losses on sales of trading properties including impairment charges in respect of trading properties	-	-	-
(iv) Tax on profits or losses on disposals	-	-	-
(v) Negative goodwill/goodwill impairment	9.1	9.1	0.5
(vi) Changes in fair value of financial instruments and associated close-out costs	(44.1)	(44.1)	66.5
(vii) Acquisition costs on share deals and non-controlling joint venture interests	-	-	-
(viii) Deferred tax in respect of EPRA adjustments[c]	32.0	32.0	66.1
(ix) Adjustments (i) to (viii) above in respect of joint ventures (unless already included under proportional consolidation)	0.1	0.1	12.8
(x) Non-controlling interests in respect of the above	(95.2)	(95.2)	(125.0)
EPRA EARNINGS	**729.1**	**621.5**	**697.2**
Average number of shares[d]	*286,524,518*	*286,524,518*	*286,301,949*
Per share (in euros)			
EPRA EARNINGS *(in euros)*	**2.54**	**2.17**	**2.44**

(a) Excluding the positive non-recurring income statement impact related to 2020 and 2021 account receivables (€81.7 million) and the net rental income generated by disposed assets (€25.9 million).
(b) Excluding the positive non-recurring income statement impact related to 2020 and 2021 account receivables.
(c) In 2023, this item includes -€47.7 million in deferred taxes, -€18.4 million in non-current taxes.
(d) Excluding treasury shares.

(1) Per-share figures rounded to the nearest 10 cents.

2.7.2 EPRA Net Asset Value metrics

Net Asset Value metrics are key performance indicators designed to provide stakeholders with relevant information on the fair value of the assets and liabilities of real estate companies.

2.7.2.1 Application by Klépierre

EPRA Net Reinstatement Value (NRV) aims to highlight the value of net assets on a long-term basis and to represent the value required to rebuild the entity, assuming that no selling of assets takes place. Consequently, deferred taxes as per IFRS and real estate transfer taxes (RETT) are added back. Intangible assets may be added if they are not already recognized in the IFRS statement of financial position and when their fair value can be reliably determined.

EPRA Net Tangible Assets (NTA) reflects tangible assets only and assumes that companies buy and sell some of their assets, thereby crystallizing certain levels of unavoidable deferred tax liability and RETT. Based on the new EPRA methodology, the portfolio is broken down into three types:

(i) Assets that the Company does not plan to sell in the long run: 100% of deferred taxes as per IFRS are added back in addition to 50% of RETT optimization;

(ii) Assets that may be sold in share deals: 50% of deferred taxes as per IFRS and RETT optimization are added back; and

(iii) Assets that may be sold through asset deals: 50% of deferred taxes as per IFRS are added back, but there is no restatement for RETT.

TREATMENT OF DEFERRED TAXES AND RETT IN EPRA NET TANGIBLE ASSETS

	Fair value	As % of total portfolio	% of deferred tax excluded
Portfolio subject to deferred tax and intention is to hold and not to sell in the long run	11,482	69%	100%
Portfolio subject to partial deferred tax and to tax structuring	3,463	21%	45%
Other portfolio	1,744	10%	50%
TOTAL PORTFOLIO	**16,689**		

By definition, EPRA NTA aims at valuing solely tangible assets and therefore, as regards Klépierre, does not incorporate the fair value of management services companies (unlike the former EPRA NAV and NNNAV indicators). This wholly integrated service management business collects fees not only from tenants and third parties but also from real estate companies, while the latter are deducted from rental income in the appraiser's discounted cash flow model. The fair value of these businesses is only included in the calculation of EPRA NRV.

Lastly, **EPRA Net Disposal Value** aims to represent the shareholders' value under an orderly sale of the business, where RETT, deferred taxes, financial instruments and certain other adjustments are calculated to the full extent of their liability, while discarding completely any RETT or tax optimization. Intangible assets are also excluded from this methodology.

2.7.2.2 Calculation of EPRA Net Asset Value

EPRA NET ASSET VALUES AS OF DECEMBER 31, 2023

Group share *(in millions of euros)*	EPRA NRV	EPRA NTA	EPRA NDV
IFRS Equity attributable to shareholders	**8,017**	**8,017**	**8,017**
Amounts owed to shareholders	*0*	*0*	*0*
Include/exclude:			
(i) Hybrid instruments	0	0	0
Diluted NAV	8,017	8,017	8,017
Include:			
Diluted NAV at fair value	8,017	8,017	8,017
Exclude:			
(ii) Deferred tax in relation to fair value gains of IP	1,038	905	0
(iii) Fair value of financial instruments	(13)	(13)	0
(iv) Goodwill as a result of deferred tax	(258)	(258)	(258)
(v) Goodwill as per IFRS statement of financial position	(218)	(218)	(218)
Include:			
(vi) Fair value of fixed-rate debt	0	0	391
(vii) Revaluation of intangible assets at fair value	293	0	0
(viii) Real estate transfer tax	806	188	0
NAV	**9,664**	**8,621**	**7,931**
Fully diluted number of shares	286,446,308	286,446,308	286,446,308
NAV PER SHARE *(in euros)*	**33.70**	**30.10**	**27.70**

EPRA NET ASSET VALUES AS OF DECEMBER 31, 2022

Group share *(in millions of euros)*	EPRA NRV	EPRA NTA	EPRA NDV
IFRS Equity attributable to shareholders	**8,364**	**8,364**	**8,364**
Amounts owed to shareholders	0	0	0
Include/exclude:			
(i) Hybrid instruments	0	0	0
Diluted NAV	8,364	8,364	8,364
Include:			
Diluted NAV at fair value	8,364	8,364	8,364
Exclude:			
(ii) Deferred tax in relation to fair value gains of IP	983	823	0
(iii) Fair value of financial instruments	(25)	(25)	0
(iv) Goodwill as a result of deferred tax	(260)	(260)	(260)
(v) Goodwill as per IFRS statement of financial position	(218)	(218)	(218)
Include:			
(vi) Fair value of fixed-rate debt	0	0	694
(vii) Revaluation of intangible assets to fair value	289	0	0
(viii) Real estate transfer tax	803	165	0
NAV	**9,936**	**8,848**	**8,580**
Fully diluted number of shares	286,607,406	286,607,406	286,607,406
NAV PER SHARE *(in euros)*	**34.70**	**30.90**	**29.90**

2.7.3 EPRA Net Initial Yield

EPRA Net Initial Yield (NIY) is calculated as annualized rental income based on passing cash rents, less non-recoverable property operating expenses, divided by the gross market value of the property. EPRA "Topped-up" NIY is calculated by making an adjustment to EPRA NIY in respect of the expiration of rent-free periods (or other unexpired lease incentives such as discounted rent-free periods and step-up rents). See section 2.5.1.2 "Valuation" for the geographical breakdown of EPRA NIY.

EPRA NET INITIAL YIELDS

In millions of euros	12/31/2023
Investment property – Wholly owned	15,477
Investment property – Share of joint ventures/funds	1,212
Total portfolio	**16,689**
Less: Developments, land and other	(265)
Completed property portfolio valuation (B)	**16,424**
Annualized cash passing rental income	1,108
Property outgoings	(140)
Annualized net rents (A)	**968**
Notional rent expiration of rent free periods or other lease incentives	26
Topped-up net annualized rent (C)	**994**
EPRA NET INITIAL YIELD (A/B)	**5.9%**
EPRA "TOPPED-UP" NET INITIAL YIELD (C/B)	**6.1%**

2.7.4 EPRA Vacancy Rate

The EPRA Vacancy Rate is calculated by dividing the market rents of vacant spaces by the market rents of the total space of the whole property portfolio (including vacant spaces), excluding properties that are under development and strategic vacancies.

EPRA VACANCY RATE[1]

In thousands of euros	Estimated rental value of vacant space (A)	Total estimated rental value (B)	EPRA Vacancy Rate (A/B)
GROUP	**47,052**	**1,188,234**	**4.0%**

(1) Scope: all shopping centers, including those accounted for under the equity method, which are included based on a 100% share. The estimated rental values of leased and vacant spaces as of December 31, 2023 are based on internal assumptions. Shopping centers (or portions thereof) under restructuring that are excluded from the scope are as follows: 2 Vallées (Givors, France), Gran Reno (Bologna, Italy), Le Gru (Bologna, Italy), Campania (Naples, Italy), Romagna (Emilia-Romagna, Italy), Königsgalerie (Duisburg, Germany) and Økern (Oslo, Norway). Strategic vacancies are also excluded.

2.7.5 EPRA Cost Ratio

The purpose of the EPRA Cost Ratio is to reflect the relevant overhead and operating costs of the business. It is calculated by expressing the sum of property expenses (net of service charge recoveries, third-party asset management fees) and administrative expenses as a percentage of gross rental income.

EPRA COST RATIO

In millions of euros	12/31/2022	12/31/2022[a]	12/31/2023[b]
Administrative and operating expenses[c]	(211.1)	(254.2)	(223.5)
Net service charge costs[c]	(90.1)	(87.8)	(96.0)
Net management fees[c]	69.3	69.3	71.2
Other net operating income intended to cover overhead expenses[c]	14.5	14.5	5.7
Share of joint venture expenses[d]	(16.4)	(16.4)	(16.1)
Exclude (if part of the above):			
Service charge costs recovered through rents but not separately invoiced	10.1	10.1	10.1
EPRA Costs (including vacancy costs) (A)	**(223.7)**	**(264.6)**	**(248.7)**
Direct vacancy costs	(26.5)	(26.5)	(33.7)
EPRA Costs (excluding vacancy costs) (B)	**(197.3)**	**(238.1)**	**(215.1)**
Gross rental income less ground rents[c]	1,155.9	1,080.9	1,146.8
Less: service fee/cost component of gross rental income	(10.1)	(10.1)	(10.1)
Add: share of joint ventures (gross rental income less ground rents)[d]	81.6	81.6	86.1
Gross rental income (C)	**1,227.4**	**1,152.4**	**1,222.8**
EPRA COST RATIO (INCLUDING DIRECT VACANCY COSTS) (A/C)	**18.2%**	**23.0%**	**20.3%**
EPRA COST RATIO (EXCLUDING DIRECT VACANCY COSTS) (B/C)	**16.1%**	**20.7%**	**17.6%**

(a) Excluding the positive non-recurring income statement impact related to 2020 and 2021 account receivables (€88.6 million) and the net rental income generated by disposed assets (€29.9 million).
(b) Excluding the positive non-recurring income statement impact related to 2020 and 2021 account receivables.
(c) As per the IFRS consolidated statements of comprehensive income.
(d) For more information, see section 2.3.2 "Contribution of equity-accounted investments".

2.7.6 EPRA Capital Expenditure

Investments in 2023 are presented in section 2.4 "Investments, developments and disposals". This section presents Klépierre's capital expenditure based on EPRA financial reporting guidelines.

EPRA CAPITAL EXPENDITURE

	12/31/2022	12/31/2023		
In millions of euros	Total Group	Group *(excl. Joint ventures)*	Joint ventures *(proportionate share)*	Total Group
Acquisitions	0.0	11.9	-	11.9
Development	108.4	78.0	1.3	79.3
Investment properties	72.8	103.6	3.1	106.7
• Incremental lettable space	-	-	-	-
• No incremental lettable space	53.2	91.9	2.5	94.4
• Tenant incentives	9.7	11.5	0.6	12.2
• Other material non-allocated types of expenditure	9.8	0.1	0.0	0.1
Capitalized interest	2.8	1.2	-	1.2
Total CapEx	**184.1**	**194.7**	**4.4**	**199.2**
Conversion from accrual to cash basis	(3.6)	9.1		9.1
TOTAL CAPEX ON CASH BASIS	**180.5**	**203.8**	**4.4**	**208.3**

2.7.6.1 Acquisitions

Acquisitions mainly include investments in additional surface area at Mondeville 2 (Caen, France) and at Romagna Center (Italy).

2.7.6.2 Developments

Development capital expenditure includes investments related to new constructions and extensions of existing assets. In 2023, these investments amounted to €79 million, mainly relating to the extension of Grand Place (Grenoble, France), the Maremagnum rooftop (Barcelona, Spain) and Hoog Catharijne redevelopment (Utrecht, Netherlands) projects.

2.7.6.3 Investment properties

Capital expenditure on the operational investment property portfolio mainly comprises investments to maintain or enhance standing assets without creating additional leasing space and leasing incentives granted to tenants. In 2023, these investments totaled €106.7 million, breaking down as follows:

- €94.4 million: technical maintenance and refurbishment of common areas;
- €12.2 million: leasing incentives (fit-out contribution) granted to new tenants when re-leasing or to support store transformation by existing tenants when leases are renewed; and
- €0.1 million: hard and soft construction costs incurred in connection with leasing initiatives designed to split or merge stores and/or to comply with the Group's technical standards.

2.7.6.4 Capitalized interest

Capitalized interest amounted to €1.2 million in 2023.

2.7.7 EPRA Loan-to-Value ratio (EPRA LTV)

The purpose of EPRA LTV is to assess the gearing of shareholders' equity within a real estate company. To achieve that outcome, EPRA LTV provides adjustments to IFRS reporting.

The main overarching concepts that are introduced by EPRA LTV are:

- Any capital that is not equity (i.e., whose value accrues to the shareholders of the company) is considered as debt irrespective of its IFRS classification;
- EPRA LTV is calculated based on proportionate consolidation. This implies that EPRA LTV includes the Group's share in the net debt and net assets of joint ventures and material associates;
- Assets are included at fair value, and net debt at nominal value.

EPRA LOAN-TO-VALUE

				Proportionate consolidation			
In millions of euros	LTV IFRS as reported	EPRA adjustments	Group as reported	Share of joint ventures	Share of material associates	Non-controlling interest	Combined
Include:							
Borrowings from financial Institutions	1,426	2	1,428	4		(303)	1,129
Commercial paper	881		881			-	881
Hybrids (including convertibles, preference shares, debt, options, perpetuals)							-
Bond & loans	5,317	40	5,356	15	0	(20)	5,352
Foreign currency derivatives (futures, swaps, options and forwards)	16		16				16
Net payables		358	358		(0)	(48)	309
Owner-occupied property (debt)							
Current accounts (equity characteristic)	108	(108)	-				-
Exclude:							
Cash and cash equivalents	(399)	41	(358)	(41)	(6)	28	(378)
Net debt (A)	**7,349**	**332**	**7,681**	**(23)**	**(6)**	**(343)**	**7,309**
Include:							
Owner-occupied property	17,045		17,045	1,091	160	(2,184)	16,112
Investment properties at fair value	65		65			(19)	47
Properties held for sale	75		75			(13)	62
Properties under development		319	319			(1)	317
Intangibles			-	23			23
Net receivables			-				-
Financial assets	1,230	(1,230)					
Total property value (B)	**18,415**	**(911)**	**17,503**	**1,114**	**160**	**(2,217)**	**16,560**
Real Estate Transfer Taxes (RETTs)	916		916	50	8	(153)	822
Total property value (incl. RETTs) (C)	**19,331**		**18,419**	**1,164**	**168**	**(2,370)**	**17,382**
EPRA LOAN-TO-VALUE RATIO (EXCLUDING RETTS) (A/B)							**44.1%**
EPRA LOAN-TO-VALUE RATIO (INCLUDING RETTS) (A/C)	**38.0%**						**42.1%**

2.8 DISTRIBUTION

2.8.1 Dividend

2.8.1.1 Distribution in respect of 2023

The Supervisory Board will recommend that shareholders, at the Annual General Meeting to be held on May 3, 2024, approve a cash distribution in respect of fiscal year 2023 of €1.80 per share, representing 72.6% of the net current cash flow on a Group share basis[1] (see section 2.3 "Net current cash flow").

The proposed €1.80 distribution for fiscal year 2023 will be paid in two installments:

- A cash distribution of €0.90 per share, fully corresponding to a "SIIC dividend" stemming from Klépierre SA tax-exempt activities (see section below), that will be paid as interim distribution on March 26, 2024; and
- The balance of €0.90 per share corresponding to:
  - A "SIIC dividend" stemming from Klépierre SA tax-exempt activities of €0.7983, and
  - A share premium repayment of €0.1017 qualifying as an equity repayment within the meaning of Article 112-1 of the French Tax Code (*Code général des impôts*), to be paid on July 11, 2024.

The total "SIIC dividend" (€1.6983 per share) is not eligible for the 40% tax rebate provided for in Article 158-3-2 of the French Tax Code.

2.8.1.2 SIIC distribution obligations

Under the regulations applicable to French real estate investment trusts (*sociétés d'investissement immobilier cotées* – SIIC), Klépierre's mandatory distribution is determined based on annual net income for tax purposes, of which Klépierre must distribute 95% of earnings from SIIC sector rental properties, 100% of profits received from SIIC sector subsidiaries and 70% of real estate capital gains arising in France. However, the aggregate amount of these distribution obligations may not exceed the net distributable income of Klépierre SA, corresponding to annual net income for accounting purposes, as recorded in the statutory financial statements of the holding company under French GAAP, plus retained earnings.

Based on the net distributable income of Klépierre SA, the 2023 SIIC distribution obligation amounts to €257.3 million (€0.8969 per share) and will be fully executed. On top of this, in application of SIIC distribution requirements, Klépierre SA will also distribute €229.9 million of the undistributed "SIIC dividend" deferred for 2020 and 2021 fiscal years.

After this distribution, the remaining portion of deferred undistributed "SIIC dividend" will amount to €78.9 million (€0.27 per share), and should be distributed in subsequent years depending on Klépierre's distribution capacity.

2.9 OUTLOOK

The guidance is built under the assumption of low GDP growth in continental Europe in 2024 with a labor market remaining supportive and the inflation environment easing.

In 2024, Klépierre expects to generate at least a 4% increase in EBITDA[2] supported by:

- Retailer sales at least stable compared to 2023;
- Positive indexation;
- Higher additional revenues (turnover rents, car park revenues, mall income); and
- Contribution of extensions of existing assets.

Factoring in the new secured cost of debt for 2024 (€0.11 per share increase), Klépierre expects to generate net current cash flow per share of €2.45-€2.50 in 2024.

This guidance does not include the impact of any disposals or acquisitions in 2024.

2.10 EVENTS SUBSEQUENT TO THE APPROVAL OF THE FINANCIAL STATEMENTS BY THE EXECUTIVE BOARD

On February 16, 2024, Klépierre issued a €600-million bond with a maturity of 9.6 years. This financing was raised with a 130 basis points spread over the reference rate, for a coupon of 3.875%.

(1) *Excluding the positive non-recurring income statement impact related to 2020 and 2021 account receivables.*
(2) *EBITDA stands for "earnings before interest, taxes, depreciation and amortization" and is a measure of the Group's operating performance.*

3

SUSTAINABLE DEVELOPMENT

3 SUSTAINABLE DEVELOPMENT

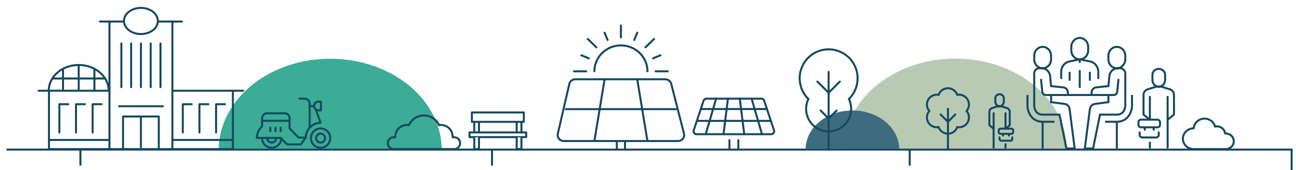
3.1 ACT4GOOD™

In the context of another positive year of strong sustainability and financial performance, 2023 marks the launch of Klépierre's new Act4Good™ CSR strategy that builds on its progress over the past five years. The first Act for Good® strategy was ambitious. It elevated the Group's position as a sector leader in sustainability, with a 99.8% average achievement rate for the 32 objectives, which came to a successful close in 2022. However, the operating environment is now even more challenging and uncertain due to the current economic climate, which is also starting to place more scrutiny on the relationship between environmental, social, and governance (ESG) risks, opportunities and financial information. Klépierre remains determined, driven by a newfound mission that aims to maintain its leadership, accelerate its commitments and impact on key issues, help become more responsible up and down the value chain, scale-up change internally, and foster innovation.

Under Act4Good™, the Group has committed to building the most sustainable platform for commerce by 2030. This is a defining ambition within the new strategy, a reflection of the maturity of Klépierre's approach and purpose in its vision for the future. Through this promise, it will build on the success of its previous strategy, as sustainability is and will continue to be vital to the industry, providing the means to offer the most efficient, low-carbon solutions whilst de-risking the business. The Group's progress will continue to be driven by the understanding that its shopping centers embody more than the traditional customer-retailer relationship. They offer a platform to exchange, connect, learn, collaborate, mobilize, and accelerate engagement in a way that adds value to local communities and provide vital products and services.

Since the launch of the new strategy in February 2023, the focus has been on spreading awareness of the Group's new commitments both internally and externally whilst updating processes and governance, as well as monitoring and reporting tools to ensure they are capable of supporting the roll-out. Klépierre also dedicated significant time to training staff, ensuring that employees feel equipped and empowered to deliver the plan, particularly in new focus areas.

Klépierre's journey to Act4Good™



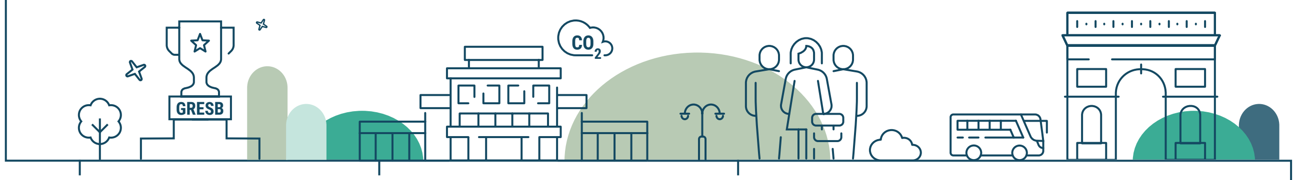
2002 Klépierre begins reporting non-financial data and information with its financial results

2013 Launch of Good Choices, the Group's first environmental roadmap

2017 Klépierre brings all its stakeholders to the table to co-create **Act for Good**®

2018 Launch of the **Act for Good**® CSR strategy, the Group's first comprehensive ESG plan, focused on 32 concrete objectives due in 2022, as well as Klépierre's target to achieve a net-zero carbon footprint for its entire European portfolio by 2030

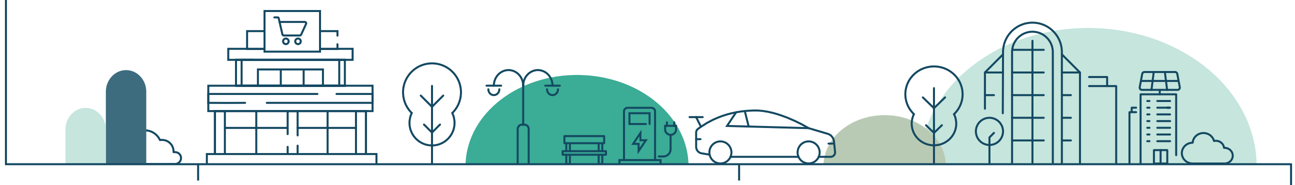
2019 100% of centers are certified BREEAM In-Use



2020 Klépierre is rated number one worldwide in CSR by GRESB for the first time

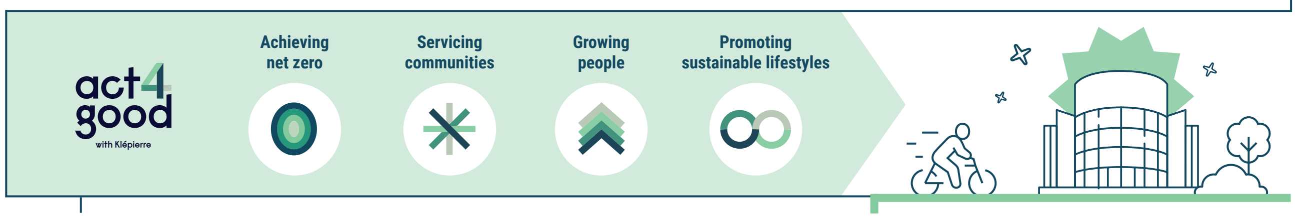
2020 The Science Based Targets initiative (SBTi) approves Klépierre's climate strategy, aligned with limiting global temperature rise to 1.5°C

2021 Klépierre meets its 40% (vs. 2013) energy intensity reduction target for the first time for its common and serviced areas, with 100% of centers accessible via public transport, contributing to local employment, and promoting health and well-being



2022 Close of the **Act for Good**® strategy, with 99.8% of the 32 objectives met

2022 Klépierre surpasses its Scopes 1 & 2 SBTi-approved target 8 years ahead of schedule, achieving an 82% reduction per sq.m. between 2017 and 2022, and 100% of purchased renewable electricity is achieved for the Group's common and serviced areas



2023 Launch of the new **Act4Good**™ CSR strategy, with the promise to build the most sustainable platform for commerce by 2030

2030 Klépierre achieves its promise to build the most sustainable platform for commerce by 2030

3.1.1 Act4Good™: the next phase

3.1.1.1 The Act4Good™ commitments

The new Act4Good™ strategy builds on the impressive achievements of the first Act for Good® plan, strengthening and further extending the ambition behind Klépierre's three long-standing commitments to achieve net zero by 2030, act for the employees, customers, retailers and partners who are vital to the business, and step-up its commitment to the Group's communities. It also introduces an ambitious fourth commitment to promote sustainable lifestyles, formally connecting the Group's core business with its sustainability commitments for the first time. Together, these commitments reaffirm the Group's promise of building the most sustainable platform for commerce, one that unites its entire ecosystem of customers, retailers, employees and partners to push the industry forward. The strategy will be delivered through four pillars (shown below), each with a core 2030 commitment and specified targets to define the operational roadmap.

3.1.1.2 Co-creating Act4Good™ with stakeholders

Klépierre's diverse stakeholders are at the heart of its strategic approach, from the brands occupying the shopping centers and millions of visitors to its employees and local communities. Understanding their expectations is vital for the Group's success and it has established reliable methods for facilitating continuous constructive two-way engagement on Act4Good™. The visual below outlines the Group's main stakeholders along with examples of some of the ways it interacts with each of them.

PEOPLE WORKING AT KLÉPIERRE

People who Act4Good™

Employee satisfaction survey, collaborative workshops, events and internal communication, internal policies

1,061 employees

PUBLIC AUTHORITIES AND REGULATORS

Entities we partner and comply with

Legal and extra-legal observatory, regulation, participation in professional bodies, compliance with regulations

More than

10 countries and **100 cities**

RETAILERS

Klépierre's clients and tenants

Corporate level

Customer satisfaction survey, Retailer Days, meetings

Shopping center level

Daily interactions with local teams

1,658

leases signed in 2023

SHAREHOLDERS AND FINANCIAL COMMUNITY

Providers of capital and financial interests

Meetings, ESG roadshow, ESG ratings, results presentation

€19.3bn

property portfolio

CIVIL SOCIETY

Local actors we engage with

Partnerships, communication, charitable donations

100%

of assets have supported local employment in their territories

BUSINESS PARTNERS

Companies we work with

Annual meeting, discussion on demand, communicating objectives and expectations as a client, meetings, sharing our respective targets and expectations

€361m operational expenditure

VISITORS

People we welcome and serve

Customer satisfaction survey, NPS, studies, communication and marketing campaigns

700m visits

To ensure this new strategy is truly fit for purpose, diverse voices guided its development. Throughout the process, internal and external stakeholders were engaged to gather feedback on the successes, strengths and areas for improvement within the Group's strategy and performance from 2018 to 2022. This included interviews with Klépierre's top management, thematic workshops involving cross-functional collaboration, an internal survey sent to all employees, and interviews with external stakeholders such as investors, retailers and partners.

LOCAL ECONOMIES
Michael Shuman
Economist, attorney, author, entrepreneur, on community economics. **Director of Local Economy Programs** for Neighborhood Associates Corporation

CLIMATE CHANGE
Jean Jouzel
Climatologist, former Vice-Chairman of the IPCC (GIEC), Special Advisor to the French Government

CSR & BRANDS
Elisabeth Laville
Founder and Managing Director at UTOPIES (leading CSR consultancy firm in Europe)

HUMAN RESOURCES
Ludovic Poutrain
Funder and Managing Director at IMAGO Accompaniment - Former Chief Human Resources Officer of Nhood, Kiabi

CONSUMPTION
Nathalie Damery
Co-founder of OBSOCO (the Observatory of Society and Consumption)

ENERGY
Cédric Borel
General Manager of A4MT (Action for Market Transformation) and President of Construction21 France

PLACEMAKING
Gilbert Rochecouste
Founder and Managing Director of VILLAGE WELL (multi-disciplinary team of Placemakers, researchers and designers)

URBAN PLANNING
Sonia Lavadinho
Speaker, consultant and business coach, Founding Director of BFLUID foresight research (urban mobility)

CIRCULAR ECONOMY
Eva Hinkers
Chair-Europe Region, Group Board Member at ARUP (UK engineering consultancy firm specializing in construction)

However, the strategy development process for Act4Good™ elevated the Group's co-creation process even further by establishing a CSR Scientific Committee to ensure that the strategy is built on robust insight, effectively addresses today's most significant CSR risks and opportunities, and is validated by recognized industry experts. The Committee consisted of external independent subject-matter experts on building energy performance, climate change, the circular economy, biodiversity, community economic development, community engagement, urban mobility, and organizational transformation, with whom the Group worked closely for an entire year. Given the Group's status as the European leader in sustainable shopping centers, this presented an opportunity to scale up Klépierre's ambition and reflect the maturity of its approach towards addressing CSR topics. Through one-on-one meetings and collective forums, the Committee reviewed Klépierre's past performance, provided specialist insight and resources to help define the new plan, and shared feedback on the Group's proposed vision and strategy. The proposed new Act4Good™ plan then underwent a comprehensive review process between senior management and the internal CSR Committee before being signed off by the Group's Executive Committee and the Supervisory Board.

3.1.1.3 External recognition for leadership

As a European leader in owning, managing and developing shopping centers, Klépierre has received the highest recognition from global non-financial rating agencies and benchmarks for its industry-leading approach.

GRESB REAL ESTATE	GRESB is the world's leading environmental, social, and governance benchmark for real estate and infrastructure. For the fourth year, Klépierre has been recognized as Europe's leading listed retail real estate company, maintaining its five-star rating, which is awarded to the top 20% best-performing companies across all categories. In 2023, the Group scored 93 out of 100, reflecting a small decrease in points due to the return to pre-pandemic consumption levels.
CDP DISCLOSURE INSIGHT ACTION	CDP is a global system that scores companies from A to D on their environmental impact and supports them to track and benchmark their progress against industry peers. Of the more than 21,000 companies who disclosed their data in 2023, Klépierre is one of the only 1.5% businesses worldwide included in CDP's prestigious climate "A list", recognizing its leadership in corporate transparency and climate performance.
MSCI	MSCI measures companies' resilience to long-term material environmental, social, and governance risks. The ESG ratings range from leader (AAA, AA), average (A, BBB, BB) to laggard (B, CCC). In 2023, Klépierre received an AA rating.
EPRA BPR GOLD	Klépierre received a Gold Award for the 12th consecutive year from EPRA, which promotes, develops, and represents the European public real estate sector. EPRA actively participates in the debate on sustainability practices through different initiatives, including developing Sustainability BPR (Best Practices Recommendations) and guidance for European listed real estate companies.
EURONEXT	The Group has joined Euronext's CAC 40 ESG stock market index, which brings together the 40 most responsible French listed companies based on their Moody's ESG rating. Klépierre is already a member of the CAC SBT 1.5, another Euronext stock market index comprising companies whose greenhouse gas emissions reduction targets contribute to limiting global warming to 1.5 °C.

To give further credibility to its approach and higher consistency to its reports, the Group has embedded the following external ESG frameworks and standards into its targets and processes:

SCIENCE BASED TARGETS DRIVING AMBITIOUS CORPORATE CLIMATE ACTION	Klépierre's low-carbon strategy is aligned on a goal of limiting warming to 1.5°C and has been approved at the highest possible level by the Science Based Targets initiative (SBTi).
UN GLOBAL COMPACT	As a signatory to the United Nations Global Compact since 2012, Klépierre has committed to incorporating the Ten Principles regarding human rights, labor, the environment, and anti-corruption into its strategies, policies, and procedures.
TCFD TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES	The Task Force on Climate-related Financial Disclosures (TCFD) is a framework that supports companies' disclosure of climate-related risks and opportunities. Klépierre has been responding to the TCFD framework since 2020.
SASB SUSTAINABILITY ACCOUNTING STANDARDS BOARD	Since 2020, Klépierre has published its sustainability data in line with the Real Estate Sustainability Accounting Standards defined by SASB (Sustainability Accounting Standards Board).

3.1.2 Governing responsibly

The successful implementation and monitoring of the Act4Good™ strategy rely on accountability and clear responsibilities facilitated through a formal governance structure that encourages collaboration across all levels and departments as well as the dissemination of best practices. To further embed the strategy's goals at the highest level, key Act4Good™ commitments are incorporated into the performance share allocation criteria for the Group's principal managers. The strategy is supported by defined policies, processes, and dedicated tools to track sustainability performance.

Throughout the Group, there are also approximately 50 delegates who carry out local actions, implement CSR-related standards, report on best practices, and engage with the head office teams *via* regular monthly meetings to improve the dissemination of information and build robust cross-functional teams. Act4Good™ is embedded in all company communications to raise employee awareness and encourage its implementation in daily operations.

SUPERVISORY BOARD
Oversees Klépierre's sustainability strategy and performance.

SUSTAINABLE DEVELOPMENT COMMITTEE
Reports to the Supervisory Board and reviews the Group's sustainability processes and performance, including those to do with climate risks and opportunities.

EXECUTIVE BOARD
Sets Klépierre's sustainability strategy and is responsible for fulfilling Act4Good™ commitments.

SUSTAINABILITY COMMITTEE
Animated by Klépierre's Secretary General, the Committee supports the Executive Board in implementing the sustainability strategy by setting targets, approving action plans and reporting results.

SUSTAINABILITY DEPARTMENT
Under the management of the Secretary General, the Sustainability Department is responsible for defining and coordinating the implementation of Act4Good™ across departments and countries, with the support of the Human Resources Department, Operations teams and Development Department, to achieve and implement targets. Represents Group-level departments within the CSR Committee.

HUMAN RESOURCES DEPARTMENT
Ensures the fullfilment of the HR commitments of Act4Good™, especially those of the "Growing People" pillar of the strategy.

OPERATIONS TEAMS
Responsible for the implementation of Act4Good™ operational targets, as well as operational investments and performance monitoring.

DEVELOPMENT DEPARTMENT
Responsible for shopping center development, extension and refurbishment activities, while ensuring the integration of and compliance with Act4Good™ guidelines within these projects.

COUNTRY MANAGEMENT TEAMS
Each country determines its annual action plan regarding investment and management for all sustainable development issues, including tailored targets for individual assets. They are supported by tools and best practice guides that define actions a country can take based on proven initiatives on the implementation of Act4Good™ pillars.

SHOPPING CENTER MANAGEMENT TEAMS
Operational teams in the centers including shopping center, marketing and technical managers then manage the implementation of Act4Good™ in line with the local context, with the aid of all support functions at the Group, country and regional levels.

The Sustainability Department meets quarterly with each country's Management Committee to ensure the successful implementation of the strategy and monitoring of progress. The meetings facilitate two-way engagement between country teams and Group-level departments, along with the dissemination of best practices and performance reviews.

3.1.2.1 Defined policies and procedures

Act4Good™ is implemented through a comprehensive set of policies and procedures, which are reviewed by the Executive Board and updated regularly to ensure their applicability and effectiveness within an evolving context. A selection of the Group's key Act4Good™ policies and procedures are included below, along with some key outcomes to date.

Policy or procedure	Description	Key outcomes
Low-carbon strategy	Aligned to limiting global temperature rise to 1.5 °C, the strategy promotes four key activities: reducing energy consumption, using renewable energy supplies, on-site renewable energy production, and offsetting residual emissions. It also sets minimum standards for green building certifications, energy efficiency, renewable energy, the circular economy, waste, biodiversity, and transportation.	The Group has achieved an 84% reduction in Scopes 1 & 2 carbon intensity since 2017, 100% of purchased electricity within common and serviced areas is sourced from renewables, and 100% of centers have at least a sustainable development certification (BREEAM In-Use, ISO 14001, etc.).
Energy reduction strategy	Combines the monitoring and in-depth analysis of individual shopping centers' energy performance, sharing of best practices, and investments in energy efficiency equipment.	Since 2013, the Group has reduced its energy intensity by 48%.
Waste management	Includes the monitoring and in-depth analysis of each shopping center's monthly waste data, asset-specific action plans, training on effective waste segregation, and best practice waste management.	41% of waste was recycled or reused and 100% of food waste was composted or digested.
Water management	Includes the monitoring and analysis of each shopping center's monthly water data and awareness-raising interventions.	4.1 liters of water per visit was consumed across the centers, including retailers' consumption.
Transport strategy	Ensures that centers promote low-carbon transport and are integrated within neighborhood master plans and the community fabric to increase footfall and accessibility, and contribute to cleaner air, less pollution, and lower emissions.	100% of centers are accessible *via* public transport and equipped with charging stations for electric vehicles(a).
Responsible purchasing	Encompasses the Group's commitment to work with suppliers and service providers who operate with responsible business practices to support local economic development.	100% of security, maintenance, and cleaning service providers meet the Group's definition of local suppliers.
Servicing communities strategy	Commits the Group to amplifying the positive socio-economic impact it has on the local communities by offering tailored services and programs based on their needs, partnering with charities, and encouraging employee volunteering.	100% of assets have supported local employment in their territories.
Health and safety policies and management systems	Demonstrates Klépierre's commitment to providing a safe and secure place to visit and work for staff, retailers' employees, and providers.	474 employees trained in 2023 on health, safety, security and/or fire protection (3,300 training hours).
Security strategy	Designed to anticipate, mitigate, and thwart the risks from crime, antisocial behavior, civil unrest, and terror acts that face the Group's people, assets and operations.	
Diversity and inclusion	Promotes equal opportunities for all employees and prohibits discrimination.	62% of the Group's total workforce is female, and the number of women within the top-100 positions has grown by 18 points since 2020.
Code of Professional Conduct	The Code sets out the ethical principles and corporate values to which the Group is committed.	100% of employees have been made aware of ethical business practices.

(a) For assets where Klépierre has the ownership of the parking lots.

3.1.2.2 Driven by strong foundation enablers

Ethical business practices, robust safety, and security standards, and holding suppliers to Klépierre's high CSR standards are vital for the Group to be able to operate effectively and provided a strong foundation to deliver the previous Act for Good® strategy with such success. These critical enablers are an asset to Klépierre but could also present key risks when not managed correctly in the form of reputational damage, increased operating costs, and a lack of stakeholder trust. Under the new Act4Good™ plan, these fundamentals remain just as essential and are an opportunity for the Group to promote and enforce good practice across its value chain.

3.1.2.2.1 Business ethics

Klépierre has an approach to business ethics aimed at ensuring that evolving and emerging risks are effectively managed and that opportunities for championing ethics within the business and throughout its community of suppliers are seized.

The Group's Code of Conduct is available on its corporate website and distributed to every newcomer. It is supplemented by a set of ethics and compliance internal procedures and policies. Periodic events are held internally as part of ongoing efforts to raise awareness regarding the Group's ethical business practices among all employees (e.g., an "Ethics Day", Q&A sessions, etc.).

The collaborative and transversal work of the Group's compliance officers, from operational and management teams on the one hand, to Group Risk Management Committee and Ethics and Compliance Committee meetings on the other hand, enhances knowledge-sharing and perception of ethics-related risks within the Group, enables stronger governance, improves the allocation of resources and responsibilities, and ensures the effective deployment of anti-corruption and business ethics rules.

Klépierre aims to embed a strong ethical culture in its supply chain. Its business partners are requested to commit to the Group's Responsible Procurement Charter. The Group's "Know Your Business Partner" procedure is also applied to check the compliance record of business partners considered risky by searching global databases containing known breaches of international sanctions, convictions and public controversies, for example.

As a signatory to the United Nations Global Compact since 2012, the Group conducts a regular review and monitoring of its ethics and human rights risks, policies, and procedures in all the countries where it operates. For example, a mapping of Klépierre's human rights risks was carried out in 2023. The main identified risks already had action plans in place. Nevertheless, the Group will continue to strengthen them, particularly regarding the engagement of its stakeholders in terms of social rights.

Finally, Klépierre's whistleblowing platform enables anonymous reporting of potential business ethics violations and guarantees the strict confidentiality of the identity of the whistleblower. Accessible to all, both internally and externally, it provides a fast and efficient investigation process. External stakeholders can access the platform through the Group's Ethics & Compliance webpage, providing a mechanism for local communities and wider stakeholders to report their complaints and grievances to Klépierre. Not only does this facilitate two-way engagement, but it allows the Group to collect and record the reports and take action to address and rectify any issues whilst putting preventative measures in place.

To learn more about how the Group deals with ethics, refer to section 5.2.4.

3.1.2.2.2 Responsible supply chain

With approximately 8,000 suppliers across its countries of operation within Klépierre's first-tier supply chain for purchasing goods and services, business partners with poor CSR practices represent a challenge that the Group is continuously managing. Comprised of small local businesses as well as large international companies, each supplier's approach to CSR and their social and environmental impacts vary greatly. Although the impact of these companies is outside of the Group's direct control, it implements substantial measures to mitigate the risk of working with partners that are not in step with Klépierre's responsible practices. Setting these high standards means that companies seeking to work with the Group are encouraged and supported to improve their performance. It also helps protect the Group's value proposition and contributes to its performance in areas such as Klépierre's Scope 3 emissions.

Country procurement teams manage procurement and service provision with an acute understanding of the local context, supported by local multi-disciplinary teams and overseen by Country Heads and Group Operational Departments. Two fundamental principles guide the purchasing teams: (i) neutrality to ensure fair, ethical, objective and transparent processes, and (ii) consideration of the life-cycle cost of purchased products. For example, the Group continually seeks to reduce costs on behalf of its tenants, such as through consolidating energy and waste management contracts at regional and national levels. Signing framework agreements and on-site monitoring ensure that risks related to operating expenses are identified and minimized. The financial sustainability of suppliers is also considered, with the proportion of suppliers' total revenue derived from business with Klépierre not exceeding a specific proportion. Once contracts are in place, the Group considers its major suppliers as partners, where the relationship relies on trust, which creates mutual value beyond each formal contract. These suppliers are regularly evaluated and monitored based on their social and environmental policies and practices.

Utilities (energy and water), general operations, cleaning, maintenance, and safety and security represent approximately 70% of the Group's operating budget, and the Group prioritizes suppliers with management systems certified to ISO 9001 or 14001 for technical services. Moreover, in 2022, the Group achieved its target for 100% of security, maintenance, and cleaning service providers to meet its definition of local (defined as regional and/or within 300 km).

In 2023, Klépierre updated its Responsible Procurement Charter to reflect its new Act4Good™ strategy. Since its initial publication in 2018, the Charter has been integrated into all of France's framework contracts and Klépierre is actively working to expand the scope of this Charter across all major contracts throughout the Group, with the objective of encouraging all suppliers to commit to principles encompassing human rights, business conduct and ethics, environmental management, and societal responsibility. Thus, in France, the new version of the Charter has been incorporated into the appendix of all centralized contracts and construction projects, accounting for approximately 80%–90% of the expenditure in the centers annually. In the Scandinavian region, over half of the contracts with primary suppliers now include the Charter, marking a significant step towards responsible procurement practices. Furthermore, in Iberia, 81% of suppliers engaged in "CSR applicable activities", which represent 64% of the region's expenses, have voluntarily adopted Klépierre's Responsible Procurement Charter.

3.1.2.2.3 Safety and security

The Group's health and safety policies and management systems are reviewed continuously to ensure compliance with local regulations and the highest local standards, as well as to guarantee its customers and employees' health and well-being. Demonstrating its importance, security and safety features in every new joiner's induction and in 2023, 3,300 hours of internal training for 474 employees was undertaken on topics such as first aid, occupational health and safety, occupational illnesses, and security in our shopping centers.

Each shopping center is responsible for identifying, assessing, monitoring, and managing safety risks per the standards. In turn, the Group supports its centers through site visits, reviews, action plans and tools. This includes activities such as assessing risks and implementing appropriate measures; reviewing and updating the Group's security documents when relevant; training security teams, management teams and tenants on security protocols; undertaking training and exercises with centers' local security forces; and rolling out CCTV upgrades. In 2023, 37 CCTV improvement projects were validated at Group-level.

Klépierre has a comprehensive security strategy designed to anticipate, mitigate, and thwart the risks from crime, antisocial behavior, civil unrest, and terror acts that face the Group's people, assets and operations. Each risk is governed by a Standard Operating Procedure (SOP), which is subject to annual reviews and implemented through capital expenditure validation at the shopping center level. When performing site visits, the Group Security & Safety Department ensures that each center's security and safety provider is aware of the SOPs and schedules regular reminder sessions for all of its employees.

Security and safety responsibilities are included in Country Head's and each Shopping Center Manager's job descriptions to increase accountability. Co-operation with local authorities and security services is at the heart of the Group's holistic approach to security, therefore, each center manager has the responsibility to build and maintain this network, making sure the center is well known and contacts are established.

Komply, the Group's compliance tool for technical as well as security and safety-related matters, provides local teams with comprehensive information on regulatory requirements based on their equipment inventory. As part of this, the tool records incidents and provides access to information regarding compliance management, to enable the extraction of KPIs for SOPs relating to improvements to materials or equipment. To support incident management, the Security & Safety Department monitors incidents through a dashboard that shows trends by center or country. This helps it to define the measures needed to mitigate the associated risks and implement permanent improvement actions.

3.1.2.2.4 Green financing

Through its environmental commitments, Klépierre has implemented several financing mechanisms that incorporate sustainable development goals, including its trajectory for reducing Scopes 1 & 2 carbon emissions (in $kgCO_2e$/sq.m.) as well as the percentage of recycled and reused waste as a proportion of its total waste. Depending on the achievement of these objectives, these financings include a margin adjustment mechanism and/or an ESG account to which the Group has committed to deposit and invest the savings generated in projects aimed at improving the energy performance of the shopping centers.

Symbolizing its operational excellence in sustainable development, Klépierre also signed a bilateral credit line in 2023 under a "Green Pure Player" format, the first of its kind, demonstrating that more than 90% (92.1%) of its revenue comes from assets aligned with the locally applicable CRREM[(1)] threshold in terms of energy intensity for the 'Shopping Centers' category, at the maturity date of the financing. This commitment, which must be adhered to throughout the duration of the financing, underscores the Group's pioneering spirit in sustainable development and reinforces its status as a leader in environmental performance.

As of December 31, 2023, the volume of credit lines incorporating environmental objectives as part of Klépierre's sustainable development policy represents 63% of the total undrawn credit lines of the Group.

3.1.3 Managing key trends, risks and opportunities

Klépierre actively monitors key trends, risks, and opportunities to navigate the dynamic real estate landscape, managing their impact on the Group's business model whilst leveraging the opportunities they present to create value for stakeholders (see chapter 1 for more information on Klépierre's business model).

Klépierre's key non-financial risks, including the stakeholders they affect and the gross risk they present to the Group before considering mitigation measures, are included in the following tables, as well as the approach and key performance indicators in place to manage them. These risks are reviewed annually as part of the Group's overall risk assessment (described in detail in chapter 5).

Consistent with the 2022 assessment, the inherent risks assessed as highest to the Group are largely social and governance risks including major security threats and incidents, business ethics, the supplier selection process, but also the increase in capital and operating expenditure for environmental improvements, or the loss of key competencies among its workforce. In addition, lack of employee engagement as well as damage, structural weakness and building collapse were also upgraded to 'high' or 'very high' risks, bringing them in line with the Group's global risk mapping.

Collectively, these reflect the importance of ensuring the climate resiliency of its portfolio, a safe experience for the Group's visitors, that its suppliers are in step with Klépierre's high standards, and retaining a talented workforce, particularly in today's competitive job market. Comparatively, tension over materials needed for development projects and inadequate contribution to local social and economic development have been reevaluated as low. The former is due to a downsizing in the Group's development pipeline and the latter is due to its very local nature and the rarity that this will occur.

(1) *Applicable CRREM version v2.02 of 01/03/2023. For countries for which there is no CRREM trajectory, assets are considered aligned if they have BREEAM "Excellent" certification or if they are at least "Very Good" with a minimum score of 70% on the energy part.*

ACT4GOOD™

RISKS	CORRESPONDENCE WITH THE GROUP RISK MAP (SECTION 5 OF THE DOCUMENT)	INHERENT RISK LEVEL*	STAKEHOLDERS	ACT4GOOD™ PILLAR WHERE THE RISK IS ADDRESSED	MITIGATION MEASURES	KEY PERFORMANCE INDICATORS
CSR COMMITMENT						
Failure to consider stakeholders' growing expectations regarding sustainability	Shopping center attractiveness		› **Employees** › **Visitors** › **Tenants** › **Local communities** › **Service providers** › **Suppliers** › **Shareholders** › **Investors** › **Public authorities**	Achieving net zero Servicing communities Growing people Promoting sustainable lifestyles	• Transparency on actions and results • Dialogue with stakeholders • Response to non-financial rating agencies	Act4Good™ key performance indicators Stakeholder engagement survey responses Ratings from external benchmarks/agencies Revenue growth Employee/tenant retention and satisfaction rates Visitor footfall
HEALTH, SAFETY AND SECURITY (see section 3.1.2.2.3)						
Terror acts, terrorism attacks and major security threats and incidents	Safety and security		› **Employees** › **Visitors** › **Tenants** › **Service providers**	Servicing Communities	• On-site internal and external audits • Security SOPs • Alarm and/or 24/7 security agents • Video protection systems • Training and networking with local security forces • Komply tool for incident reporting and monitoring • Quarterly follow-up of incidents (country and regional levels) before consolidation by internal audit to prepare a remediation plan	Number/percentage of centers per territory equipped with a disaster relief plan Number of security incidents, per level of severity, reported in Komply
Non-compliance with national health, safety and security regulations	Safety and security Compliance with evolving standards and regulations		› **Employees** › **Tenants** › **Service providers**	Servicing Communities	• On-site internal and external audits • Building structure audits every five years • Operational standards on all EHS risks, monitoring in the Komply tool • Training • CO_2 levels and air quality • Legionella tests • Site visit with the Group's insurer	Number of employees that have been trained on safety and security Number of hours of training on safety and security Number of security incidents, per level of severity, reported in Komply
Damage, structural weakness and building collapse, and fire	Safety and security		› **Employees** › **Visitors** › **Tenants** › **Service providers**	Servicing Communities	• On-site internal and external audits • Building structure audits every five years • Operational standards on all EHS risks, monitoring in the Komply tool • Training, certification, and incident response • Checks of compliance with national regulations • Site visit with the Group's insurer • Quarterly follow-up of incidents (country and regional levels) before consolidation by internal audit to prepare a remediation plan	Number of structural audits realized Number of defects remedied on time Percentage of areas inspected

Low   Medium   High   Very high

* *Inherent risk levels are calculated as the product of risk's impact by risk's probability. By definition, they do not take into account the mitigation measures put in place by the Group.*

ACT4GOOD™

RISKS	CORRESPONDENCE WITH THE GROUP RISK MAP (SECTION 5 OF THE DOCUMENT)	INHERENT RISK LEVEL*	STAKEHOLDERS	ACT4GOOD™ PILLAR WHERE THE RISK IS ADDRESSED	MITIGATION MEASURES	KEY PERFORMANCE INDICATORS
BUSINESS ETHICS (see section 3.1.2.2.1 and 3.1.2.2.2)						
Business ethics, fraud, and corruption	Fraud and corruption		**› Employees** **› Public authorities** **› Tenants** **› Suppliers** **› Service providers** **› Purchasers (assets)**	Growing people Promoting sustainable lifestyles	• Anti-corruption program (based on corruption risk mapping) • Code of business ethics with specific procedures (e.g., gifts and invitations) • Anti-corruption Code of Conduct with mandatory e-learning • Third-party integrity assessment process • Bank account validation platform to avoid fraud • Whistleblowing procedure supported by a dedicated reporting platform, managed by a third-party and accessible to all employees and external stakeholders • Disciplinary sanctions in case of breach of regulations and internal business ethics rules	Percentage of employees upskilled in CSR/year Percentage of employees that have a CSR criterion in their yearly objectives
Supplier management process	Purchasing		**› Suppliers** **› Service providers** **› Tenants**	Promoting sustainable lifestyles	• Code of business ethics • Responsible Procurement Charter • Third-party integrity assessment process • Annual internal audit of the sourcing and monitoring of suppliers and service providers • Prior checks of on-site workers • Whistleblowing procedure supported by a dedicated reporting platform, managed by a third-party and accessible to all employees and external stakeholders	Percentage of providers/suppliers that have signed the Group Responsible Procurement Charter Percentage of suppliers/providers certified Number of suppliers/providers/tenants for which a Know Your Business Partner process has been actioned Retailers' average "green" score

Low Medium High Very high

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ACT4GOOD™

RISKS	CORRESPONDENCE WITH THE GROUP RISK MAP (SECTION 5 OF THE DOCUMENT)	INHERENT RISK LEVEL*	STAKEHOLDERS	ACT4GOOD™ PILLAR WHERE THE RISK IS ADDRESSED	MITIGATION MEASURES	KEY PERFORMANCE INDICATORS
CLIMATE CHANGE (see section 3.2.1, 3.2.2 and 3.2.3)						
Closure or deterioration of centers due to weather events	Climate change consequences Safety & security	Medium	**› Visitors** **› Tenants** **› Service providers** **› Shareholders** **› Investors**	Achieving net zero	• Analysis of the portfolio's exposure to physical risks (asset-by-asset) • Structure audits every five years with associated capital expenditure plan (monthly review) • Support to tenants • Approval of the climate strategy by the Science Based Targets initiative (SBTi)	Reduction in the carbon intensity of assets Number of assets with a net-zero carbon footprint Number of assets for which climate risk mitigation and adaptation plans are in place Number of assets with negligible net climate risk Number of structural audits realized
Regulatory tightening in building energy efficiency requirements	Compliance with evolving standards and regulations Climate change consequences	Medium	**› Tenants** **› Public authorities** **› Shareholders**	Achieving net zero	• Internal digital tool for steering and energy monitoring deployed in all assets • Energy saving approach with monthly reporting and piloting of each assets' energy efficiency • BREEAM In-Use certification of the entire portfolio • Participation in specialized industry bodies • Support to tenants through engagement and shared best practices • Increased use of renewable energy • Analysis of the portfolio's exposure to transition risks (asset-by-asset)	Percentage of centers that have a valid BREEAM In-Use certification Proportion of electricity consumption from renewable sources Percentage of self-consumption (total renewable electricity produced on-site/total electricity consumption for common and serviced areas) Total energy consumption in common and serviced areas/common and serviced areas Percentage of new development/ refurbishment projects that include low-carbon solutions Percentage of centers that have access to each tenant's total energy consumption Tenants' energy efficiency ratio
Increase of Capital expenditure & operating expenditure, including tension on the price of energy	Purchasing	High	**› Service providers** **› Suppliers** **› Public authorities** **› Co-owners**	Achieving net zero	• Energy saving measures to limit the financial impact • Contractualization or renegotiation of contracts with energy providers • 10 year capital expenditure plans	Cost of energy consumption Percentage of capital expenditure dedicated to energy efficiency improvements

Low Medium High Very high

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ACT4GOOD™

RISKS	CORRESPONDENCE WITH THE GROUP RISK MAP (SECTION 5 OF THE DOCUMENT)	INHERENT RISK LEVEL*	STAKEHOLDERS	ACT4GOOD™ PILLAR WHERE THE RISK IS ADDRESSED	MITIGATION MEASURES	KEY PERFORMANCE INDICATORS
NATURAL RESOURCES AND CIRCULAR ECONOMY (see section 3.2.4 and 3.2.5)						
Inadequate performance on waste management in operations		Medium	› **Tenants** › **Public authorities** › **Service providers**	Achieving net zero	• Internal digital tool for steering and waste monitoring deployed in all assets • Renegotiation of contracts with waste service providers to include performance targets (sorting, recovery, etc.) • Retailers' staff support and training • BREEAM In-Use certification of the entire portfolio	Percentage of centers that have a valid BREEAM In-Use certification Percentage of waste recovered/total waste generated Percentage of recycled and reused waste/total waste generated Percentage of food waste composted or digested/total food waste produced
Tension over materials needed for development projects	Purchasing	Low	› **Service providers** › **Suppliers** › **Public authorities**	Achieving net zero	• BREEAM New Construction certification (Excellent level minimum) • Use of environmentally friendly materials in construction projects • Pilot projects for certifications and innovative projects linked to the circular economy	Percentage of centers that have a valid BREEAM New Construction or Refurbishment certification

Low Medium High Very high

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ACT4GOOD™

RISKS	CORRESPONDENCE WITH THE GROUP RISK MAP (SECTION 5 OF THE DOCUMENT)	INHERENT RISK LEVEL*	STAKEHOLDERS	ACT4GOOD™ PILLAR WHERE THE RISK IS ADDRESSED	MITIGATION MEASURES	KEY PERFORMANCE INDICATORS
TERRITORIAL ANCHORING, LOCAL IMPACTS (see section 3.3, 3.4.2 and 3.5)						
Inadequate contribution to local social and economic development	Shopping center attractiveness		**› Public authorities** **› Local communities** **› Visitors** **› Tenants**	Servicing communities Growing people Promoting sustainable lifestyles	• Use of local service providers for the day-to-day operation of centers • Local partnerships and actions to promote local employment • Offering spaces within centers to members of the local community • Solidarity-based operations in response to the needs of the territories • Support and strengthening of tenants' responsible initiatives • Services offered to local communities to ease their own local resiliency • Offering a varied, responsible, innovative retail mix that meets the new expectations of visitors	Percentage of centers having promoted local employment Percentage of centers that have showcased the responsible products/services of their retailers Percentage of centers that have implemented a "GIVING BACK" project Percentage of centers implementing green services Percentage of centers aligned with internal diversity and inclusion standards Percentage of centers within the top-50 that have implemented a Klépierre Academy Percentage of employees offered sponsorship programs to empower local communities Percentage of centers that have organized at least 3 events per year to promote sustainable lifestyles
Risk of local protest and local unacceptability of activities	Shopping center attractiveness		**› Public authorities** **› Local communities** **› Visitors** **› Tenants**	Servicing communities Growing people Promoting sustainable lifestyles	• Use of local service providers for the day-to-day operation of centers • Local partnerships and events to promote local employment • Solidarity-based operations in response to the needs of the territories • Local consultation for each new development project	Percentage of centers having promoted local employment Percentage of centers that have showcased the responsible products/services of their retailers Percentage of centers that have implemented a "GIVING BACK" project Percentage of centers within the top-50 that have implemented a Klépierre Academy Percentage of employees offered sponsorship programs to empower local communities Percentage of centers that have organized at least 3 responsible events per year

Low   Medium   High   Very high

* *Inherent risk levels are calculated as the product of risk's impact by risk's probability. By definition, they do not take into account the mitigation measures put in place by the Group.*

ACT4GOOD™

RISKS	CORRESPONDENCE WITH THE GROUP RISK MAP (SECTION 5 OF THE DOCUMENT)	INHERENT RISK LEVEL*	STAKEHOLDERS	ACT4GOOD™ PILLAR WHERE THE RISK IS ADDRESSED	MITIGATION MEASURES	KEY PERFORMANCE INDICATORS
TALENT MANAGEMENT (see section 3.4.1)						
Lack of employee engagement	Talent management		**› Employees** **› Managers**	Growing people	• Individualized talent management support, with particular attention paid to career moves & development plans • Investment in management development • Well-being & health strategy, combining flexibility measures & qualitative benefits to promote an engaging working environment • Rewards & recognition policies • Biennial engagement survey to measure progress with a follow-up action plan	Employee engagement scores from biennial surveys Number of employees attending a leadership/ management development program Percentage of open positions filled by internal mobilities Percentage of employees taking part in the sponsorship programs
Loss of key competencies	Talent management		**› Employees**	Growing people	• Regular talent reviews to continuously build succession pipelines & anticipate competency development needs • Behavioral competencies' model developed to clarify expectations • Key learning paths continuously reviewed and modernized	Training access rate Expert category identified and recognized
Lack of inclusion and fair access to opportunities	Talent management		**› Employees** **› Managers**	Growing people	• Gender balance group wide objectives • Disability inclusion policy • Group Inclusion Charter • Salary equity strategy • Inclusive management development program • Adaptation of HR processes to make them fair and non-discriminatory	Percentage of women in the Group Executive Committee Percentage of women in the top-100 managers Percentage of managers who attended a training on inclusive management DE&I section of the engagement survey Percentage of centers with an inclusion clause in its service providers' contracts (cleaning, maintenance, and security)

Low Medium High Very high

* *Inherent risk levels are calculated as the product of risk's impact by risk's probability. By definition, they do not take into account the mitigation measures put in place by the Group.*

3.2 ACHIEVING NET ZERO

To create resilient infrastructure, shopping centers must undergo a significant transformation, and Klépierre is already leading this change at scale. With the launch of the new Act4Good™ strategy in 2023, the context in which it is set to be delivered is even more challenging due to more frequent and severe climate-related events, rising investor and tenant demands, a tough economic climate, more restrictive finance, and evolving regulation and corporate disclosure mandates.

Following the success of the first Act for Good® strategy, which resulted in a 100% BREEAM sustainability certified portfolio and a 42% reduction in energy intensity for common and serviced parts (vs. 2013), the Group has yet again achieved notable energy and carbon reductions, surpassing its targets for 2023. Its efforts are most strongly reflected in the determination of shopping center teams to roll out operational best practices and achieve substantial energy consumption reductions. When the external operating climate is challenging, Klépierre prioritizes innovation, discovering novel ways to improve its performance.

This commitment is ingrained in our low-carbon strategy, which strives to mitigate climate change by achieving net zero for our direct emissions and ambitious reductions in indirect emissions, as well as bolstering the resilience of our assets to climate risks.

KLÉPIERRE LOW CARBON STRATEGY

	MITIGATION		ADAPTATION
	Slash direct GHG emissions	Engage our value chain in reducing emissions generated by our activities	Reinforce assets' resilience
2030 TARGET	**NET ZERO (SCOPES 1 & 2)**	**20% REDUCTION** in tenants' energy consumption **40% REDUCTION** in emissions from visitor transport	**100% ASSETS** have been subject to a resilience plan with regards to physical and transition climate risks
ACTION PLAN	**Reduction in energy consumption attributable to our assets** **2030** Reach an average portfolio energy efficiency of 70 kWh/sq.m. **Renewable energy sourcing** **2030** Maintain an exclusive supply of electricity from renewable sources and increase the share of renewables among other sources. **On-site renewable energy production** **2030** Install renewable energy production units at our Top-40 shopping centers and target up to 30% of self-production at those sites. **Off setting residual emissions** **2030** Carbon offsetting will only be used as a last resort for residual GHG emissions (<10%).	**Support tenants in reducing the carbon footprint of their stores** **2030** Measure our tenants' private energy consumption in our shopping centers and support them in achieving a 20% reduction in their energy consumption. Ensure all our new development/refurbishment projects include low-carbon solutions and support our tenants in creating low-carbon stores (structural works and fit-outs). **Develop soft mobility infrastructure and engage visitors** **2030** Improve soft mobility and low-carbon infrastructure (upgrading pedestrian and cycling paths, stepping up the roll out of electric vehicle charging stations, etc.). Develop incentive programs aimed at encouraging shopping center visitors to use responsible modes of transport.	**Adaptation action plan** **2030** Continuous action plan for each asset, with implementation of the necessary adaptation measures linked to the identification of specific climate risks to the asset.

SAY ON CLIMATE

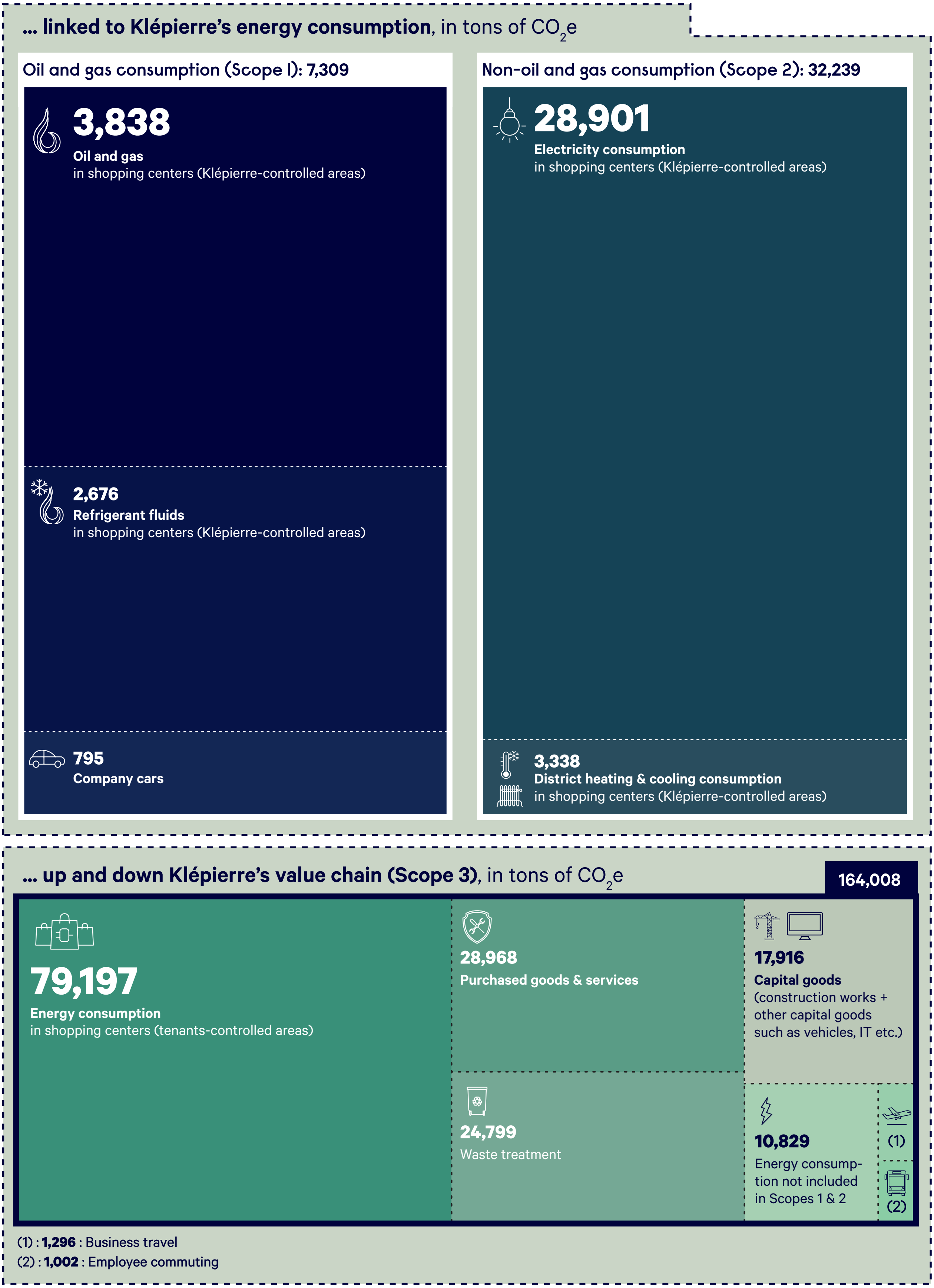
In 2023, Klépierre consulted its shareholders on its low-carbon strategy to intensify dialogue and invite them to share their views. The resolution was adopted by 95% of votes cast at the Company's General Meeting, providing an extremely high level of approval of the Group's ambition and objectives in the fight against climate change.

To meet these ambitious targets, diligent monitoring of our carbon portfolio is essential. This includes measuring full Scopes 1 & 2 data, which encompasses energy directly purchased, owned, or produced by Klépierre, along with seven of the fifteen broad Scope 3 emissions categories identified within the Corporate Value Chain Standard, published by the GHG Protocol. These Scope 3 emissions originate from the activities within Klépierre's value chain that are not owned or controlled by the Group.

By comprehensively mapping our carbon footprint, we effectively track emissions across different scopes, ensuring progress towards our targets.

The chart below illustrates the Group's total greenhouse gas emissions across its activities, calculated using the location-based method and aligned with GHG Protocol requirements.

Total greenhouse gas emissions (GHG)...



Throughout the rest of the document, the Group has chosen to present and calculate its greenhouse gas emissions using the market-based (rather than location-based) method, because it reflects Klépierre's commitment to renewable energy procurement efforts.

3.2.1 Improving climate resilience

Safeguarding the Group's long-term value means understanding the risks of disruption to its operations. As the science behind the climate crisis has become more sophisticated, so has the real estate sector's understanding of its negative impacts on growth, productivity, resources, and the communities it serves, which are set to increase in both frequency and severity. Yet it also means recognizing that opportunities such as implementing adaptation and resiliency measures can yield financial benefits.

To effectively manage its climate-related risks and capitalize on the opportunities to mitigate them, Klépierre's low-carbon building policy brings together all aspects of its approach including green building certifications, energy efficiency, renewable energy, the circular economy, waste, and transportation. For example, during operations, it considers how energy management systems can be optimized given different climatic conditions, and during refurbishment, it identifies opportunities to incorporate features such as green walls, roofs and glasses with a lower U-factor. For example, at Grand Sud (Lattes, France) thermal protection was added to the glass roof to mitigate solar heat gain. With temperatures previously exceeding 30 °C in summer underneath it, this intervention significantly reduced the solar heat gain from 10 W/sq.m. to 2.5 W/sq.m. Uniting both climate mitigation and adaptation efforts means the Group can maximize the co-benefits these create to improve the portfolio's resilience.

3.2.1.1 Climate risk assessment

A portfolio-level study completed in 2022 identified Klépierre's top physical and transition risks and opportunities as well as their likelihood and impact on the Group's activities during the baseline, 2030 and 2050. The IPCC's Shared Socioeconomic Pathways (SSPs) 2-4.5 and 5-8.5 were used to model alternative scenarios for future society, described below.

SSP2-4.5:	**Average temperature rise:**	**Impacts:**
"Middle of the road" scenario	Temperatures rise by 2.7 °C by 2100	Associated with more transition risks, e.g., leading to heightened operational costs, reputational risks and costs to meet tightening standards
SSP5-8.5:	**Average temperature rise:**	**Impacts:**
"Fossil-fueled development" scenario	By 2100, the average global temperature is 4.4 °C higher	Associated with more physical risks that can lead to, e.g., costs to repair damages, capital expenditure for adaptation measures and stranded asset risk

Overall, Klépierre's assets appear to be well aligned with low-carbon transition scenarios, and the results of the study show that Klépierre's assets do not present critical threats from physical risks at the portfolio level. However, riverine flooding—meaning flooding from a river, lake or stream—was identified as the most significant current risk and could potentially result in property damage and higher capital or operating expenditure for affected sites, along with business interruption due to discontinued access to shopping centers and the potential loss of electricity, internet, water and energy supply if not managed correctly. In the medium-term (2030), the increase in average and extreme heat was identified and is likely to become a high risk, with greater impacts on sites including temporary closures, disruption of public transport operations and higher operating expenditure related to the increase in energy needs combined with higher/unstable energy prices.

For transition risks, the energy and climate performance of the Group's assets was identified as both the most relevant risk and opportunity in the short-term. On the risk side, this could lead to increased operating expenditure in the form of high energy costs and price fluctuations and decreased access to capital due to stakeholder concerns regarding low climate performance, planning and communication, and compliance with carbon-related legislation. On the other hand, green buildings offer opportunities in the form of enhanced market demand, compliance alignment and the potential to attract additional financing. In the medium-term, these risks and opportunities are expected to accelerate and have a magnified impact.

However, the risks identified in the study reflect the inherent risk of each asset's location without accounting for mitigation measures. Having compiled the results of the study into its operational compliance IT tool, Komply, which will be used to monitor the climate risk associated with each asset, Klépierre is now in the process of evaluating the climate risks for which mitigation and adaptation measures are already in place. This will enable the Group to calculate the net risk of each asset, meaning the risk to the asset following the measures already put in place to manage it. From this, Klépierre can identify what is required over the following years to achieve a low net risk and will create a climate change adaptation action plan for each asset in the portfolio.

3.2.1.2 Klépierre's low-carbon strategy

In 2020, Klépierre's low-carbon strategy was approved by the Science Based Targets initiative (SBTi) at the highest possible level of ambition, aligned with limiting global temperature rise to 1.5 °C. Although not available at the time the Group's strategy was validated, Klépierre's Scopes 1 & 2 net zero commitment is already in line with the SBTi's Net-Zero Standard, and formal approval will be sought in the near future.

Under the new Act4Good™ plan, achieving net zero will mean monitoring the Group's environmental performance and operating shopping centers that are low-energy from clean sources, produce renewable energy, integrate circular economy principles, and consider biodiversity and the use of natural resources. Although many of these topics are a continuation of the Group's work over the past five years, it will be marked by a new and more advanced approach, with operational targets that are more ambitious, cover a wider scope of Klépierre's impacts, achieve industry firsts, and encourage greater collaboration with tenants.

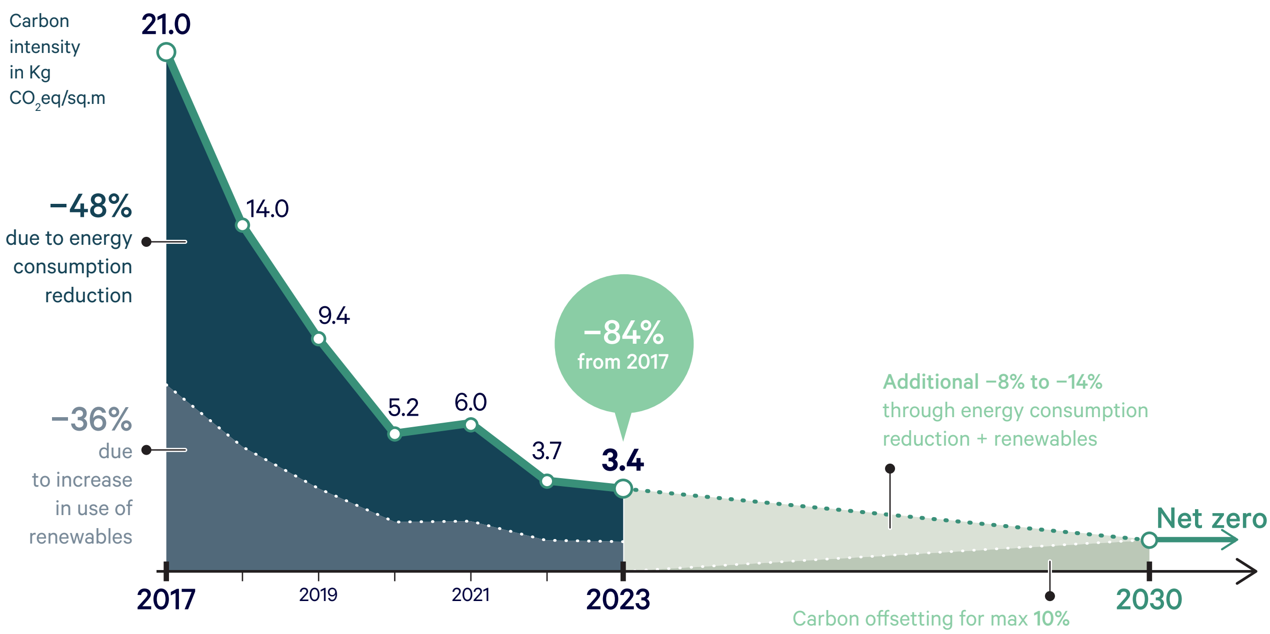
ACHIEVING NET ZERO: A NET ZERO CARBON PORTFOLIO (SCOPES 1 AND 2)

Context for Klépierre's 2030 operational targets		2030 operational targets
ENERGY EFFICIENCY (Sections 3.2.2.1 and 3.2.3.1)	Improving the Group's energy efficiency remains a key activity within its low-carbon strategy to achieve a net zero carbon portfolio by 2030.	Reach an average portfolio energy efficiency of 70 kWh/sq.m.
	Beyond where it has direct control, tenants' energy consumption represents 39% of the Group's total carbon footprint (Scopes 1, 2 & 3 on a location-based approach), therefore, supporting their emissions reductions is essential to managing the Group's carbon footprint and helping tenants achieve their own ambitions.	Measure tenants' private energy consumption in the shopping centers.
		Support tenants in achieving a 20% reduction in their energy consumption.
PRODUCTION OF RENEWABLES (Section 3.2.2.2)	Reducing the emissions associated with the Group's energy supply is another key part of its low-carbon strategy, with on-site generation offering a more reliable energy supply with stronger environmental credentials.	Equip the top-40 assets with an on-site unit of renewable energy production, to achieve up to 30% of self-consumption.
CERTIFICATION (Section 3.2.2.3)	Sustainable building certifications are widely recognized as a reflection of strong performance to external stakeholders, providing credibility to the Group's approach to building management.	Obtain operational sustainability certification for all shopping centers.
MOBILITY (Section 3.2.3.3)	As an industry leader in sustainability, Klépierre is going above and beyond what is required to manage the significant sources of emissions associated with its centers, even where it has indirect leverage.	Engage visitors with the aim of achieving a 40% decrease in carbon emissions related to their transportation.
CIRCULAR ECONOMY (Sections 3.2.3.2 and 3.2.4)	As one of the Group's biggest environmental impacts after energy, Klépierre is managing its waste effectively to limit the emissions associated with it whilst extending its useful life.	Reach 100% waste enhancement with a strong focus on recovering materials.
	With the construction and renovation sector being one of the most polluting in the world, the Group is working towards using the least carbon-intensive solutions to reduce its emissions.	Ensure all new development/refurbishment projects include low-carbon solutions.
		Support tenants in creating low-carbon stores (structural works and fit-outs).
BIODIVERSITY (Section 3.2.5.1 and 3.2.5.2)	With the real estate sector responsible for 30% of biodiversity loss, the Group is implementing an industry first to ensure it places preserving biodiversity at the center of its development activities.	Commit to net zero land use for all shopping center development projects.

The scope of the Group's carbon footprint is one of the most comprehensive in the industry. It reports full Scopes 1 & 2 data and measures seven of the fifteen broad Scope 3 emissions categories identified within the Corporate Value Chain Standard, published by the GHG Protocol. Rather than committing to a net zero target for a restricted Scope 3, Klépierre has chosen to envisage action plans for most of the different categories of emissions within its overall Scope 3. This approach means that the Group does not intend to limit its actions to emissions where it holds direct leverage. In fact, the largest sources of Scope 3 emissions originate from the two categories where it has indirect leverage: visitor travel and emissions from retailers' energy consumption. And these are the two categories where the Group has set reduction commitments. For the latter, the target has been approved by the SBTi. Regarding transportation, both the GHG Protocol and SBTi consider it to be an optional reporting category for the Group's sector. However, reflecting the Group's dedication to going above and beyond and managing its material impacts, Klépierre is continuing to make reducing the emissions associated with visitor travel an integral part of its low-carbon strategy.

3.2.2 Net zero in Scopes 1 & 2 emissions by 2030

Klépierre was the first in the industry to commit to a net zero carbon portfolio, 20 years ahead of France's own net zero target. This means it will reduce its Scopes 1 & 2 emissions—those resulting from sources that it owns, controls or purchases—to at least 90% by 2030 compared to 2017, and then offset any residual Scopes 1 & 2 emissions as a last resort. It's predicted that the offset residual emissions will be in the range of 2%–8%.



From 2030 onwards, Klépierre is committed to maintaining net zero emissions footprint. Klépierre's low-carbon strategy involves reducing energy consumption, renewable energy supply, on-site renewables production and offsetting residual emissions (which are detailed over the following pages), and is supported by a low-carbon building policy that brings together all aspects of its approach including green building certifications, energy efficiency, renewable energy, the circular economy, waste, and transportation.

Emissions are tracked in accordance with the GHG Protocol, using both location and market-based methods. The latter enables energy bought through renewable energy tariffs to be counted as lower emissions, by applying the emission factor directly from the supplier, in comparison to the national averages that are used in the location-based method.

Klépierre's SBTi-approved target requires it to reduce its Scopes 1 & 2 emissions from its centers by 80% per sq.m between 2017 and 2030, which it surpassed in 2022.

TOTAL GHG SCOPES 1 & 2 EMISSIONS – MARKET-BASED

In tCO_2e	2017	2022	2023	2023/2022 change	2023/2022 like-for-like change	2023/2017 change
Total Scope 1 emissions	19,496	9,113	6,525	−28%	−22%	−67%
Total Scope 2 emissions	65,556	5,071	3,338	−34%	−23%	−95%
TOTAL GHG EMISSIONS (Scopes 1 & 2)	**85,052**	**14,184**	**9,863**	**−30%**	**−22%**	**−88%**
GHG EMISSION INTENSITY IN $KGCO_2E$/SQ.M. (Scopes 1 & 2)	**21.0**	**3.7**	**3.4**	**−8%**	**−17%**	**−84%**

In 2023, it achieved an 84% reduction in its Scopes 1 & 2 emissions intensity (reported, market-based) from building energy consumption compared to 2017 and 17% compared to 2022, achieving 3.4 $kgCO_2$/sq.m.

This significant reduction mainly comes from two different operational actions in 2023: a considerable effort on energy consumption in all countries (16% reduction vs 2022[1]) in parallel to a dedicated action plan on asset maintenance to avoid refrigerant leaks in particularly in Italy and Germany.

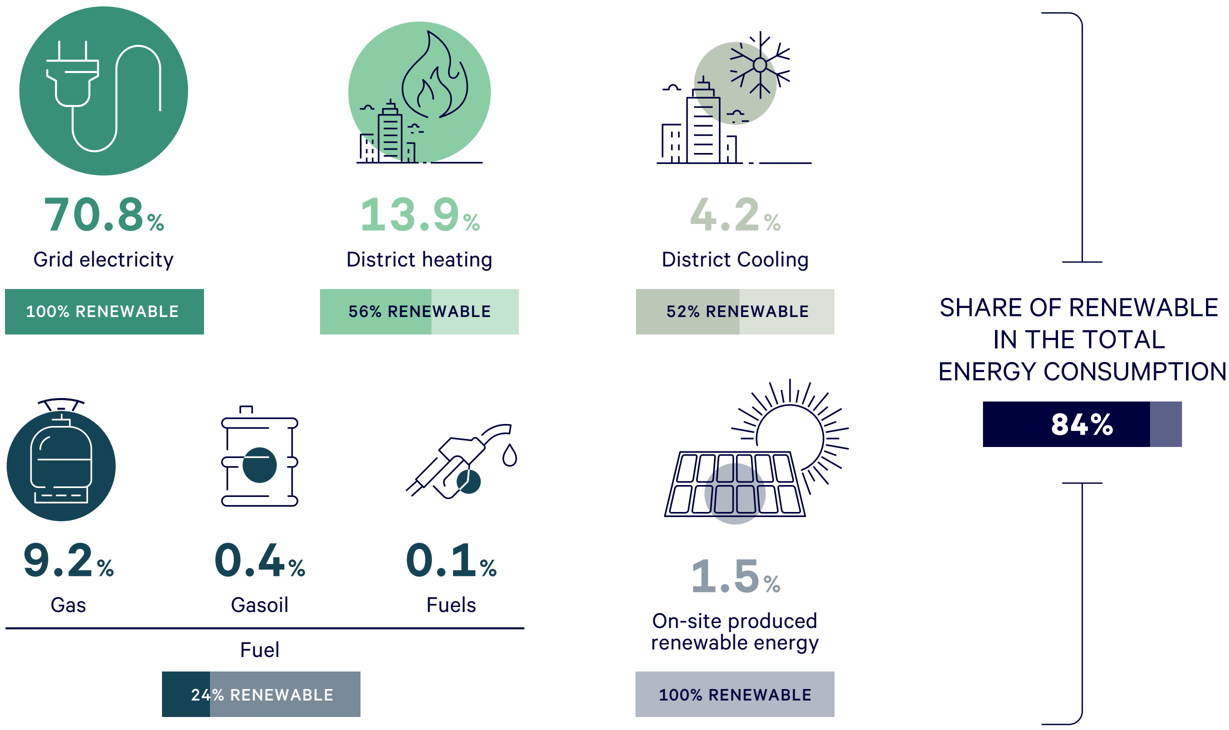
(1) *To learn about the Group's energy efficiency efforts please see section 3.2.2.1.*

REDUCING SCOPE 1 EMISSIONS THROUGH LEAKAGE MONITORING IN ITALY

The Engineering & Sustainable Buildings Department worked with shopping center staff in Italy to stop refrigerant leakages by updating maintenance practices and closer monitoring. As a result, Italy reduced its refrigerant leakage by 77% (in tCO_2e) compared with 2022.

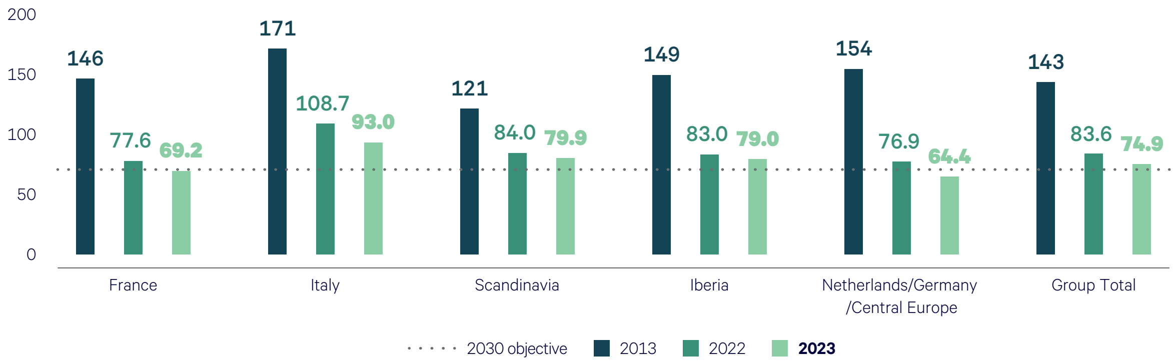
3.2.2.1 Energy efficiency

Klépierre's energy mix is characterized by a predominant share of electricity. Since 2022, 100% of the Group's electricity consumed in the common and serviced parts has been from renewable sources, and in 2023, this was also the case for 84% of the total energy consumed in its centers, consistent with 2022.



Improving the portfolio's energy efficiency—meaning using less energy to perform the same task or produce the same result—is key to its net zero transition. The Group has made substantial progress in reducing the energy intensity of its centers, achieving a 48% decrease since 2013. However, under the new Act4Good™ plan, the Group has set an absolute performance target for its entire portfolio, moving away from a percentage reduction, which emphasizes the trend rather than the intrinsic performance of the assets due to the efforts of Klépierre's teams. It therefore aims to achieve an average portfolio energy efficiency of 70 kWh/sq.m. by 2030, reflecting the optimal estimated energy consumption for a mall, combining a high level of performance and visitors' comfort. Encouragingly, 42 shopping centers are already operating at or below 70 kWh/sq.m.

TOTAL BUILDING ENERGY INTENSITY *(kWh/sq.m./year)*



In 2023, Klépierre achieved a 10% reduction in building energy intensity to 74.9 kWh/sq.m. compared to 83.6 kWh/sq.m. in 2022, significantly surpassing its projection for the year. This was due to the huge efforts of shopping center teams in implementing the Group's energy conservation and BOOST programs (detailed below), particularly in Italy. Specifically, a 39% reduction was achieved in gas consumption at Group-level, driven by changes to heating settings in the centers in the winter months.

The Group's industry-leading performance is based on a robust energy reduction strategy that combines monitoring, in-depth analysis of individual shopping centers' energy performance, the sharing of best practices and investments in energy efficiency equipment.

IMPROVING ENERGY EFFICIENCY THROUGH A SOBRIETY MINDSET

In response to the energy crisis and calls from European governments to work on sobriety, Klépierre launched a Sobriety Plan in 2022 across all assets and countries. This continued into 2023 and has successfully led to substantial energy use reductions. The plan aimed to ensure that all assets are operating in line with set standards and expectations and that resilience plans are in place to protect against energy supply issues. Shopping center teams were required to implement changes in the winter and summer months such as defined temperature settings for heating and air conditioning systems to reduce energy consumption.

Klépierre also participated in the Championship for better Usage and Building Efficiency (CUBE), an initiative that aims to reduce energy consumption through awareness and use-changes. Over the span of a year, participating companies across Europe commit to achieving energy savings compared to a reference consumption determined from the consumption of previous years. The savings result in a monthly ranking, with prizes awarded based on the achievement of absolute energy savings. In 2023, the Group also participated in CUBE Flex', supported by RTE, France's Transmission System Operator. CUBE Flex' is a French energy-saving championship for electrical flexibility in non-residential buildings that committed Klépierre to reducing its electrical power during peak usage times, helping to balance the national grid. This encouraged friendly competition between the centers and further engagement with energy efficiency activities. In total, six centers participated in CUBE and CUBE Flex', with Rives d'Arcins (Greater Bordeaux, France) receiving a gold medal for its efforts. Testament to the value of the initiative, the centers registered to CUBE Flex' were also found to have the best energy efficiency performance each month. In 2024, all French shopping centers will participate in CUBE and six centers will participate in CUBE Flex'.

Energy management and engagement

- Annual energy reduction targets are set for each center.
- Expert technical teams monitor consumption in each center, supported by an energy management system covering 79% of the Group's portfolio at the end of 2023.
- Quarterly Act4Good™ meetings and monthly engineering webinars promote a culture of energy management optimization and positive competition, with country managers, function heads, center managers and technical managers taking stock of their energy performance, reviewing it against local and regional targets and taking accountability for it.
- Individual shopping centers are encouraged to share successful energy reduction initiatives, experiences and innovation proposals, with best practice examples collated and shared in reference guidelines so that teams can continually increase their expertise.

Energy monitoring

- Using the Deepki data collection and analysis platform, each center team monitors and reports monthly energy, water, and waste consumption data.
- The Group analyzes the data at shopping center, country, territory and portfolio levels.
- Climate variation is assessed according to external (climate effect) factors and internal performance issues, with variations compared in clusters of centers that have similar variables (e.g., retailer density, surface area).
- The Group identifies the strongest and weakest performing assets, and targets energy management interventions, including through its BOOST program.

Piloting energy efficiency through BOOST

- The Group's BOOST program consists of a two-day assessment of the asset by specialists and on-site staff, who then develop an action plan with tailored performance targets in consultation with center teams, to be reviewed monthly.
- BOOST action plans empower shopping center teams to find opportunities for energy efficiency interventions and pilot solutions that are within their current means, relying on their expertise in managing complex building systems.

- In 2023, centers where a BOOST took place achieved approximately 15%-20% in energy savings as a direct result of the program. This excludes any further savings realized through the Group's Sobriety Plan or other measures. For example, Italy realized significant reductions through its BOOST initiatives, notably with the introduction of 'AUTOBOOST' and 'COBOOST' in 2023. The former enables more BOOST activities to be introduced during the year by completing them without the support of the Group-level team, with almost all Italian centers implementing AUTOBOOSTs on a monthly basis. In addition, COBOOST saves time by grouping two or three centers together to be analyzed over two days, facilitating the sharing of best practices and the realization of good ideas for technical managers, which would not have been possible without their visit to another center. As a result, Italian centers achieved a 5% energy-use reduction on top of the reduction linked to the Sobriety Plan on average, with savings achieved through measures such as implementing optimum heating and cooling settings.

Operational investments

- Where centers have implemented all identifiable operational measures, the Group invests in upgrading technical equipment such as heating, ventilation, air conditioning (HVAC) components and LED lighting along with new, more energy-efficient equipment such as adiabatic cooling towers, destratification fans, solar control film and reflective paints. With the Group's energy conservation activities now at their maximum to maintain visitor comfort, these operational investments will become a larger part of its energy efficiency activities.
- The Group focuses on local conditions, for example, by building insulation and ventilation that reduces energy demand from heating and air conditioning.

Expansions and refurbishments

- The minimum performance target for expansions and refurbishments is BREEAM Excellent, which represents a score of 70% or above against a series of sustainability measures including energy efficiency.
- Energy-related management and operational impacts are evaluated including life-cycle assessments, construction practices, energy monitoring, lighting and technical equipment specification.

3.2.2.2 Renewable energy

Increasing the share of energy consumption from renewable sources is a key step in Klépierre's net zero carbon roadmap, both in terms of the energy it purchases and the energy it produces on-site. Since the launch of its first Act for Good® program in 2018, the proportion of electricity sourced from renewables in the Group's common and serviced parts has increased from 60% to 100% and in total, 84% of the energy (from all types) consumed in common and serviced areas comes from renewable sources. These efforts continue to be vital in decreasing Klépierre's Scopes 1 & 2 emissions, with an 84% reduction achieved from 2017 to 2023 (in kgCO_2e/sq.m., market-based approach), as well as its reliance on fossil fuels. To date, the Group mainly uses guarantee of origin (GO) certificates, which proves that an amount of energy was produced from renewable sources and fed into the power grid.

The deployment of on-site renewables is a further opportunity to increase the quality of the Group's energy procurement as well as its resilience by decreasing the exposure of its assets to national networks including price volatility and insufficient supply. Under the new Act4Good™ strategy, Klépierre has set a target to produce renewable energy locally to reach up to 30% of the total electricity used in common and serviced areas for its top-40 assets within the portfolio by 2030. The Group has a strong foundation on which to improve its performance with 7 assets in the top-40 centers and 15 in total already equipped with on-site renewables. These primarily comprise solar photovoltaic panels, producing currently an average of 15% of the electricity consumption for common and serviced areas.

For 2023, the Group set a target of deploying five renewable energy projects across Spain and Portugal, including 15,000 sq.m of solar photovoltaic panels with a total generating capacity of 2,761 kWp. Once complete, the solar projects will supply 15%-45% of the centers' electricity needs. The Group has met this commitment and also surpassed it by developing one more project in Maremagnum (Barcelona, Spain), adding a solar panel surface area of 990 sq.m. with a capacity of 218 kWp. In addition, Klépierre completed feasibility studies in France and Italy, which total almost 50% of the portfolio's total energy consumption. As the Group deploys its roadmap to reach its renewables target, these studies are vital for identifying where opportunities can be maximized as well as navigating evolving regulations.

3.2.2.3 Sustainable buildings

Sustainable building certifications are globally regarded as a way to validate the performance of an asset, providing a consistent and comparable framework for assessing impacts and costs from a lifecycle perspective. They can provide confidence to the Group's stakeholders, particularly investors and tenants, where demand is increasing for low-carbon prime real estate. At the same time, certifications can offer resilience against increasing requirements, for example, evolving building performance standards and corporate disclosure mandates.

Over the last five years, Klépierre has established the largest BREEAM In-Use certified real estate portfolio by value in the world, with 100% of operational centers certified under Part 1 and 69% certified under Part 2 (by value). Whilst Part 1 assesses the performance characteristics of the building based on its built form, construction and services, Part 2 looks at the centers' management policies, procedures and practices related to the building's operation.

Although Klépierre already owns a fully certified portfolio, under the new Act4Good™ plan, it has set a target for each asset to always maintain a valid BREEAM In-Use certificate while increasing the level when possible. In 2023, the focus was on assessing each of the assets under the new version 6 of the standard. This required a significant effort by the team to recertify all of the assets under the more challenging and demanding requirements which included, for example, the setting of new minimum standards and the introduction of two new categories to encourage the management of physical or climate-related risks to the asset and a rethinking in how the industry sees resources such as waste and materials.

In addition to building level certifications, Klépierre favors ISO 14001 certification for operational centers' environmental management systems as a framework to target, deliver and monitor environmental improvements. In 2023, 50% of the Group's properties operate ISO 14001 certified and/or ISO 50001 environmental management systems (compared to 43% in 2022).

3.2.3 Collaborating on Scope 3 emissions

Regulation and stakeholder expectations increasingly require the Group to look beyond the emissions it can directly control, to influence and reduce its Scope 3 emissions, which make up 81% of its total carbon footprint (location-based approach). These emissions result from the activities of organizations within the value chain that are not owned or controlled by the Group. By collaborating with tenants and its supply chain and implementing initiatives that reduce these emissions, Klépierre can reduce the carbon footprint linked to all of its activities, within and outside of its direct control.

The Group's Scope 3 emissions are divided into the following categories:

- Emissions it has direct leverage over:
  - Fuel- and energy-related activities: emissions from the production of fuels and energy purchased or consumed by Klépierre and not included in Scope 1 or 2, e.g., transporting energy.
  - Capital goods: emissions from Klépierre's investment not already included in Scopes 1 & 2, construction works for example, and from the production of capital goods purchased or acquired by Klépierre, e.g., IT infrastructure.
  - Commuting: emissions from the transportation of employees between their homes and worksites, e.g., bus and rail commutes.
  - Business trips: emissions from the transportation of employees for business-related activities in vehicles owned or operated by third parties, e.g., rail travel to a business meeting.
  - Goods/services purchased: emissions from the production of goods and services purchased or acquired by Klépierre, e.g., materials and furniture.
  - Waste: emissions from third-party disposal and treatment of waste generated in Klépierre's centers, e.g., tenants' waste.

  Those emissions are required for publication as per the GHG protocol.
- Emissions where the Group has indirect leverage:
  - Downstream leasing, i.e., emissions resulting from retailers' energy consumption on site.

  In the Group's centers this category of emissions forms the largest proportion of Klépierre's Scope 3 footprint at 39% (location-based, reported scope). These emissions are required for publication as per the GHG protocol.
- Emissions where Klépierre has indirect leverage but considered as optional as per the GHG protocol disclosure requirements:
  - Visitors' transportation.

  Because of its importance and for full transparency, the Group is nonetheless disclosing the figures every year.

  Emissions from upstream leasing (assets for which Klépierre is a tenant) are not included in the Scope 3 calculations as they represent a non-material share of Klépierre's global GHG emissions.

3.2.3.1 Tenant energy consumption

Emissions from downstream leasing, i.e., those resulting from retailers' energy consumption in the centers are the biggest source of the Group's indirect carbon footprint, equal to 48% of the Scope 3 (location-based approach). These are calculated using available actual data and extrapolated to cover retailers' total footprints. Klépierre already has an SBTi-approved target to reduce the emissions associated with retailers' energy consumption by 41% per sq.m. between 2017 and 2030. In 2023, the emissions from all downstream leasing were calculated as 79,197 tCO_2e, a 31% decrease compared to 2022 because of emissions factors update (source: ADEME).

To date, the Group has set up a collaborative approach to tenant engagement, based on an understanding of the mutual benefits that can be achieved when energy is reduced such as lower operating costs. Shopping center teams work closely with tenants by sharing operational guides and most recently, the Group's Energy saving Plan, containing best practice measures for improving energy efficiency in stores, reducing water consumption, and optimizing waste management. Sustainability clauses are included in all signed lease contracts for the Group's retailers across Europe, including requirements to share waste and utility data, integrate sustainability considerations into store fit outs and design, and adhere to practices that are consistent with each center's environmental management system and building certification.

Under the new Act4Good™ plan, Klépierre has raised its ambition even further, setting two new targets to better understand and influence its tenants' emissions. The first is to measure real tenants' private energy consumption in the centers by sourcing data from the tenants directly, through an intermediary, or *via* installed submeters. Where Klépierre provides the total or partial energy to its tenants, the focus will be on ensuring the consumption can be accurately split and measured for each tenant. In 2023, work began at the pilot centers where the Group has been focusing its efforts. For example, where tenants have contracts with third-party energy suppliers, the Group has been working with them to install optical LED impulse sensors on electricity meters that enable tenants to measure their consumption and ultimately share it with Klépierre. Where the Group provides heating and cooling to the tenant, Klépierre has been installing thermal energy meters so it can measure and report the energy supplied to each tenant.

Once tenants' consumption is understood, the second target is to support them in achieving a 20% reduction in their energy consumption. Harnessing the Group's proven expertise in energy efficiency, it will implement proactive programs such as training, the sharing of best practices and expertise, BOOST, and data analysis to support a reduction in their energy use.

Low-carbon structural works and fit-outs

Within the new Act4Good™ plan, the Group has committed to supporting tenants in creating low-carbon shops. Through this, it intends to help its partners, and therefore the industry, transition towards better environmental standards. Although not included within the Group's own carbon footprint, the structure and fit out of tenants' stores can impact tenant's own emissions whilst helping them embed circularity and green building principles into their design.

When a lease is renewed, the stores are emptied, and works are completed to update the premises in line with the new tenant moving in. The centers' technical management teams will take the opportunity to work closely with the tenant, ensuring that the transition is as carbon neutral as possible. Initiatives could include installing LED lighting and submeters. Setting the guidelines and procedures for meeting this commitment is a focus of the Act4Good™ plan.

3.2.3.2 Low-carbon development and refurbishment

Klépierre's development strategy favors expanding and/or refurbishing existing standing assets rather than building from scratch to limit additional embodied carbon emissions and transform and improve the existing urban landscape. The strategy has four objectives:

- Better integration of the assets and adding value to the surrounding district;
- Positioning projects towards mixed-use themes, whilst maintaining retail as the predominant activity;
- Extending existing assets when sufficient potential is identified; and
- Implementing the Group's operational initiatives to fine-tune the retail mix and introduce new concepts to enhance customer centricity.

For each new project, the Group undertakes a life cycle assessment (LCA) to quantify its lifetime environment impact and implement improvement measures where needed. Klépierre also applies the BREEAM New Construction or Refurbishment and Fit-Out standards, as applicable, to all development projects to enhance their energy performance and the customer experience including indoor air quality and accessibility. Since 2017, all projects that create over 10,000 sq.m. of new development area have obtained a minimum BREEAM Excellent rating.

Within the new Act4Good™ plan, Klépierre is building on the high standards it has set, committing to ensuring all new development (defined as the creation or conversion of sq.m.) and refurbishment (defined as a change in purpose or use) projects include low-carbon solutions.

3.2.3.3 Sustainable mobility

Although visitor travel is not considered to be a material Scope 3 category by the SBTi and GHG Protocol for the Group's sector, Klépierre continues to measure, manage and report it considering the significant amount of emissions associated with it.

These emissions are calculated using a survey on visitor travel habits (to and from the shopping centers) and then extrapolated in line with the total number of visitors. With an average of 7 million visits to each of its centers every year, Klépierre influences their travel towards low-carbon choices by increasing the accessibility of its centers by public transport, enhancing soft mobility infrastructure, installing electric vehicle charging points, offering incentives to visitors choosing 'green' modes of transport, and rolling out awareness campaigns. Within its Act4Good™ plan, the Group has a target to engage its visitors for them to switch to soft modes of transport, with the aim of achieving up to a 40% decrease in carbon emissions related to their transportation by 2030 vs. the 2017 baseline. In 2023, these emissions totaled 819,071 tCO_2e, resulting a reduction in intensity ($kgCO_2e$/visits) of 20%.

Under the previous Act for Good® strategy, the Group achieved its targets for 100% of centers to be accessible *via* public transport and equipped with a charging station for electric vehicles, and in 2023, 34% of visits to Klépierre's centers were made using soft mobility or public transport. To successfully integrate the centers within neighborhood master plans and the community fabric, the Group engages with local authorities and services. In this way, it not only ensures safe community accessibility, but future-proofs its assets in the context of evolving trends including sustainable mobility, logistics and supply chains, and new retail and distribution models.

Examples of activities to reduce the emissions associated with visitor travel in 2023 include offering visitors the opportunity to get a transportation subscription from the reception at Centre-Deux (Saint-Étienne, France); providing free beverages to visitors arriving by bicycle, foot, scooter, tram or bus to Sadyba Best Mall (Warsaw, Poland); rolling out a campaign to promote the use of bicycles and sustainable mobility at Espaço Guimarães (Guimarães, Portugal); and, partnering with Leo & Go to offer visitors a hybrid and electric car-sharing service to Ecully Grand Ouest (Greater Lyon, France) as well as a gift card for using the service.

3.2.4 Enhancing a circular economy approach

With a comprehensive retail mix, the Group and its tenants produce diverse waste. In fact, after energy, waste is the second biggest source of Klépierre's environmental impact. However, since 2022, 100% of waste has been recovered across the entire portfolio, which means that zero waste is sent to landfill and is instead used to produce new material or energy. The retail industry is notoriously associated with the wasteful linear model that is producing negative consequences for the environment due to its extensive energy and water use and resulting chemical and microplastic pollution. This places even more responsibility on shopping centers like Klépierre to work with retailers to raise their awareness of sustainable commerce and influence behavior change towards circular economy practices. See section 3.5 on Promoting Sustainable Lifestyles to learn how the Group is working towards responsible consumption.

Share	Waste type	Recovered	With material recovery
22.5%	Cardboard	**100%**	**100%**
6.7%	Food waste	**100%**	**48.1%**
3.7%	Paper	**100%**	**100%**
4.5%	Plastic	**100%**	**100%**
1.6%	Glass	**100%**	**100%**
0.5%	Pallets	**100%**	**99.0%**
0.5%	Metal	**100%**	**100%**
0.4%	Wood	**100%**	**100%**
0.2%	Hangers	**100%**	**100%**
0.1%	WEEE	**100%**	**100%**
8.5%	Other sorted waste	**100%**	**41.0%**
50.7%	Non sorted waste	**100%**	**3.3%**

GROUP TOTAL
Recovered: **100%**
With material recovery: **46.9%**

3.2.4.1 Waste management

To effectively manage waste, Klépierre monitors and analyzes each shopping center's monthly waste data using specific performance indicators, enabling it to set suitable targets for each asset. Centers' employees and retailers are trained on effective waste segregation, and multi-compartment waste bins promote waste awareness among visitors. To reinforce best practices, local teams host regular meetings with employees and retailers on procedures, new joiners are provided with guides or induction meetings, and performance updates are shared with staff. In addition, waste contractors are engaged to set key performance indicators.

Within the new Act4Good™ plan, centers will still be required to maintain 100% recovered waste. However, the Group has set two further sub-targets focused on material recovery, which will help to reduce the demand for raw materials and the pollution associated with creating new products whilst extending the materials' useful life.

The first sub-target is that 50% of waste must be recycled or reused, with recycled defined as waste that is transformed to be usable again and reused defined as waste used again in its original form to serve other purposes. In 2023, 41% of waste was recycled or reused, reflecting a 5% increase from 2022. This improvement is even better on a like-for-like basis (20% increase). This is due to the commitment of the technical teams, who strive on a daily basis to raise awareness among tenants and ensure that they comply with sorting instructions. Moreover, this year, 10 shopping centers completed in-depth reviews of waste within their ordinary industrial waste (OIW) containers to identify the types of incorrect waste being disposed of and where it originated from. Based on this analysis, action plans are being put in place to improve waste sorting on site.

Over the past year, the Group has worked to identify best practices across the Group including the presence of staff dedicated to sorting un-sorted waste, opening hours dedicated for waste collection, re-purposing furniture to retailers left behind by previous tenants, and performance results presented during retailers' general meetings. The Group has also identified the centers not performing as well as they could be, which will be the focus as the Group rolls out its best practice action plan across the portfolio.

The second sub-target is for 100% of food waste to be composted or digested, which was once again achieved in 2023.

Similar to the Group's energy approach, Klépierre's BOOST program has and will continue to play a key role in improving waste management. Through this, Klépierre engages shopping center teams, suppliers, waste contractors and technical experts at Group and country levels to deep dive into individual shopping centers waste practices over a 24-hour period. An asset-specific action plan is then created to implement improvements.

3.2.4.2 Embedding circular principles

Throughout the portfolio, Klépierre harnesses opportunities to embed circular principles across its operations by:

- Partnering with organizations committed to extending the useful life of materials during refurbishment projects;
- Applying the BREEAM certification standard when considering products and materials, ensuring they have an eco-label and/or lower environmental impact (such as PEFC™ or FSC®-certified timber);
- Giving preference to suppliers with certified environmental management systems;
- Engaging and educating retailers on the circular economy; and
- Sharing waste and sorting standards at annual meetings to ensure packaging and products used are compatible with center waste flows.

3.2.5 Protecting nature

Globally, the real estate sector is responsible for 30% of biodiversity loss[1]. Integrating nature-based solutions and design in shopping centers can promote biodiversity, enhance air quality, create a restorative experience for visitors and increase the climate resilience of Klépierre's centers. Nature can also play a crucial part in the real estate sector's effort to decarbonize, for instance, by increasing carbon storage through the planting of trees.

3.2.5.1 Biodiversity in-use

Klépierre actively protects and improves the biodiversity value of its assets by assessing biodiversity impacts and mitigation measures in accordance with BREEAM Excellent level standards, and by implementing biodiversity action plans that account for unique local conditions. Ecologists and landscape architects are involved in design and development activities to guide developers on existing ecosystems and selecting the best species to protect local wildlife.

For example, predatory insects have been introduced within the outdoor space at Les Passages Pasteur (Besançon, France). This provides a natural method of suppressing the pest population, limiting their damage whilst avoiding the use of synthetic pesticides, which could adversely affect the ecosystem and environment.

(1) *https://www.savills.co.uk/blog/article/337939/commercial-property/the-role-of-biodiversity-within-property-management.aspx#:~:text=Promoting%20biodiversity%20within%20property%20management,decarbonisation%2C%20biodiversity%20is%20equally%20paramount.*

3.2.5.2 Net zero land use

Real estate development, particularly on greenfield sites—meaning a piece of land which has not previously been built on—significantly impacts the environment of the site and surrounding area as it leads to a change in the natural interaction of the land, water, wildlife and animals that reside there. For example, development activity could threaten a local animal species, pollute the local air and water supply or decrease the area's resilience to climate risks like flooding through the loss of trees.

Although Klépierre's development activity is limited, its focus is on expanding and/or refurbishing existing standing assets, rather than building on greenfield sites. Nevertheless, protecting existing local biodiversity remains vital. Under the new Act4Good™ strategy, Klépierre has committed to net zero land use for all shopping center development projects, the first real estate company to set such an ambitious target. Net zero land use means that no development projects will be carried out on natural lands, with activities only taking place on land that has already been developed such as car parks, roads and existing buildings. In the event that a development project does take place on a greenfield site, compensation for the loss of any biodiversity will be mandatory to retain its net zero land use commitment.

A MULTIFACETED APPROACH TO SUPPORTING NATURE

Alexandrium (Rotterdam, Netherlands) takes a multifaceted approach to supporting nature by bringing together water management, climate resilience, and biodiversity habitats. The center's 22,000 sq.m roof garden can absorb 770,000 liters of water during heavy rain as well as 35% of the sun's rays. It is a natural way to control the indoor climate whilst reducing the greenhouse effect. In addition, the roof garden's seven varieties of sedum and beehives are a major draw for bees, butterflies, and other high-flying pollinators.

3.2.5.3 Water

Despite the Group not having a significant water footprint when compared to other real estate assets, the monitoring and management of this vital resource is still an important part of its holistic approach to improve its environmental performance, ensuring Klépierre remains resilient to regulatory compliance, climate risks, and operational costs. When thinking about water as a shared resource, it is the Group's responsibility to minimize its use where possible so that supply can be redirected to where it is most needed in the broader community.

As well as improvements made *via* the Group's BREEAM and ISO 14001 certification programs, water consumption data is collected monthly through the Deepki reporting platform. Center teams then benchmark and analyze it, with centers grouped according to their characteristics including cooling towers, the proportion of floor space dedicated to more water-intensive services such as restaurants and hairdressers, and the amount of greenery present. Water management awareness-raising interventions are primarily targeted at the largest water-consuming systems such as air conditioning, toilets and cleaning. This can include drought-tolerant plant species in green areas, rainwater recovery and reuse, and more efficient equipment such as adiabatic cooling towers and low-flow sanitary fittings when replacements are required.

In 2023, 4.1 liters of water per visit (reported scope) was consumed across the centers, including retailers' consumption, a 3% decrease compared to 2022. In some centers, current data collection processes do not allow for the separation of the consumption of common and serviced parts and that of tenants. The Group is working to enable a more granular analysis of the activities or equipment with the highest consumption. Following this, Klépierre will be able to define best practice performance for common parts and identify the activities or equipment not performing to this standard.

3.3 SERVICING COMMUNITIES

Klépierre is paving the way to a sustainable future within the shopping mall industry and redefining the traditional economic model by adopting a 'giving back' philosophy. Through its portfolio of 70 leading centers at the heart of Europe's largest cities with catchment areas of 1 million residents, Klépierre is in a prime position to make a positive impact on the communities it serves. As global events have proven in recent years, from Covid-19 to geopolitical conflicts, shopping malls can be more than just buildings, they can form an integral part of the local fabric that offers a place of refuge for people to reconnect with others, experience, access vital services, and engage in a more sustainable lifestyle. By prioritizing the needs of the local population, Klépierre is striving to foster inclusivity, resilience, and overall community well-being.

The new Act4Good™ strategy will see the Group deliver an enhanced approach by building on the foundations, tools and partnerships it has established over the past five years. With a 2030 commitment for 100% of assets to serve communities, the centers will be places that listen, understand, and respond to the needs of local communities through extended, long-term and impactful solutions. Its enhanced approach will be achieved by developing a strong understanding of the unique needs and challenges of each center, with programs and initiatives specifically designed to address them. Whilst the previous strategy emphasized the Group's culture of philanthropy, the dedication of its staff to give back, and the positive social impact that can be achieved through long-term partnerships with NGOs, the years that follow will be characterized by the personalization of interventions for each center, furthering communities' resilience, and a high level of inclusiveness.

SERVICING COMMUNITIES: 100% OF THE GROUP'S ASSETS ARE SERVICING COMMUNITIES

CONTEXT BEHIND KLÉPIERRE'S 2030 OPERATIONAL TARGETS		2030 OPERATIONAL TARGETS
LOCAL CONTRIBUTION (Section 3.3.1)	Klépierre's centers are integrated into the local community fabric and can create higher and more tangible impacts by focusing their efforts on the specific needs of the surrounding area.	Set up a GIVING BACK project per center with a high impact on local communities.
GREEN SERVICES (Section 3.3.2)	Beyond philanthropy, the Group's centers can offer accessible local green services that integrate resilience into people's daily lives to help them respond to the impacts of climate change.	Offer green services to visitors in all shopping centers (recycling/repair stations, clothes collection points, etc.).
DIVERSITY & INCLUSION (Section 3.3.3)	Having developed a diverse and inclusive culture internally, this ethos should be brought to life in the Group's centers through new, innovative initiatives that position them as pioneers in this space.	Make all shopping centers compliant with a set of internal inclusion standards.
CARING PLACES (Section 3.3.4)	At a time when climate and humanitarian crises are high, the centers should be ready to transform to aid an effective community response, providing a place of refuge as well as essential services and products to local communities.	Ensure one shopping center per local territory is equipped with a disaster relief plan for local communities.

3.3.1 Giving back to communities

Over the past five years, Klépierre has developed a culture of philanthropy, establishing the necessary governance and processes and demonstrating the willingness of its centers to give back. With most of the centers already involved in partnerships with local entities to realize benefits in the surrounding area, Klépierre now aims to amplify its management approach and ensure that its activities are more strategically focused on the specific needs of each community.

Klépierre's GIVING BACK projects will guide the Group's strategic approach to corporate citizenship under the new Act4Good™ plan, ensuring its positive impact is targeted in places the communities need. The Group is currently in the process of defining the guidelines that will set out the qualification criteria for a GIVING BACK project. As part of this, each and every center will need to identify one or two specific needs of their local community. For example, the needs could relate to access to jobs or education, environmental concerns, or access to healthcare. Based on the need identification, each center will then put a project in place to address it through collaboration and partnerships. The value of this new approach will also be centered around its long-term orientation. Moving beyond one-time initiatives, each center will be required to develop the project year-on-year, gradually building on its impact. Through this, Klépierre aims to establish the shopping centers as a key player and contributor within the area, creating a bespoke impact that goes beyond the traditional shopping center model.

In 2023, there were three examples of GIVING BACK projects developed by the Group's assets:

PROTECTING THE OCEAN AT MAREMAGNUM CENTER IN SPAIN

Klépierre's Maremagnum center in Spain, located on the Mediterranean coast near Barcelona Port Vell, has identified a need to protect the ocean and marine life and understand how the city interacts with it. As a result, the center has signed an agreement with the University of Barcelona and the Maritime Club of the Port. Every fortnight, a team from the Maritime Club, sometimes with help from shopping center staff, collects microplastics from the coast, which are then analyzed in the university's laboratories to help understand the impacts of this pollution and how to prevent it. In parallel, Maremagnum organizes workshops for visitors and local communities to raise their awareness of ocean conservation. With over a year of this research now complete, the center is in the process of organizing activities to promote the results and raise awareness of the issue.

PROVIDING FINANCIAL SUPPORT TO STUDENTS AND ATHLETES AT CRÉTEIL SOLEIL

Over many years, Créteil Soleil (Greater Paris, France) has been providing much needed financial support to students and athletes. For the former, every year for the past twelve years, four high school graduates have been granted a scholarship, and the opportunity to meet and learn from local political, cultural, and economic players twice a year, helping to build their network and gain experience in these settings. In addition, for the past ten years, Klépierre has partnered with the Créteil Town Hall Sports Department and all the local sports clubs to provide three young athletes with a financial donation to relieve them of financial burdens that may hinder them achieving their full potential.

IMPACTING LOCAL PEOPLE THROUGH THE '100OLIVES PROJECT'

Since 2019, Nueva Condomina in Spain's '100OLIVES Project' has created numerous positive benefits for local people and organizations, positioning the shopping center as the first in the world to produce its own olive oil in a unique, responsible way that prioritizes collaboration. The project has involved planting 1,000 olive trees next to the center on 14,348 sq.m. of land owned by Klépierre. In an arid region, the project supports reforestation efforts using indigenous species, whilst acting as a carbon sink with 1,000 new trees able to sequester 10 tons of carbon a year. Regarding social impact, the center organizes activities with schools and associations in surrounding towns in partnership with Astraspace to learn about planting and harvesting, helping the center become part of community life whilst providing enjoyable activities. Once harvested, the olives are turned into olive oil and bottled through a joint venture with Villaolivo Oil Mil at no cost, creating jobs for local people. Once bottled, olive oil is sold in the shopping center with the project's unique branding and all profits are donated to Coordinadora de Barrios, a local NGO, that works in surrounding neighborhoods to support families in achieving their goals. In 2023, €21,000 in sales revenue was produced and throughout the project, 1,000 children facing poverty and marginalization have been supported through these donations. The project has also received external recognition including the Bronze Award 2021 from the Laus Awards for Graphic Design and Visual Communication, awarded annually by the Association of Art Directors and Graphic Designers (ADG-FAD). This was awarded in recognition of the powerful brand, which encompasses both the project's environmental and social impact.

3.3.2 Offering green services

Climate change is a global issue, yet customized solutions geared towards improving local community resilience are still lacking across the shopping center industry. When solutions are defined based on local needs and challenges, they can produce greater and increasingly targeted positive impacts with lower risks of unintentional negative consequences. As a key player in offering products and services, the Group wants to play a role in helping visitors improve their own resilience by offering new and green services that also address environmental issues. More than just commercial spaces, Klépierre wants its centers to be places where visitors can adopt sustainable living practices.

In response, the Group's new Act4Good™ strategy will ensure that each center offers green services to visitors that support their resilience in their daily lives. These services include but are not limited to dedicated spaces for recycling specific materials such as batteries and bottle caps, bike repair stations, clothes collection points, drinking fountains sourced with recycled water, shared gardens and solutions to prevent food wastage. These services will be clearly signposted and communicated to visitors to increase their awareness of and engagement with the services.

	2023	2030 target
Percentage of centers proposing green services to their visitors	73%	100%

Klépierre wants to set an example and encourage retailers to do the same. These services are to be permanent fixtures within Klépierre centers, ensuring continued access. Across the Group, there are already examples of green services available to local communities:

OFFERING A RECYCLE WALL AT HOOG CATHARIJNE

Klépierre's Hoog Catharijne (Utrecht, Netherlands) is pioneering a new amenity called the 'Recycle Wall'. This provides visitors with a convenient and accessible location to responsibly recycle their unwanted items including PET bottles, clothes, batteries, and WEEE waste. Oftentimes these are items that are difficult to recycle from the comfort of home, and the Recycle Wall offers a convenient and accessible solution. The initiative aims to increase recycling rates, reduce landfill waste, and raise awareness about the importance of proper waste disposal.

GIVING A SECOND LIFE TO CLOTHING AT L'ESPLANADE

Second Life at L'esplanade (Louvain-la-Neuve, Belgium) draws on circular economy principles by allowing customers to trade their used clothes in exchange for a gift card. Any clothes collected are sold in a second-hand store located on the premises, encouraging shoppers to embrace a more conscious approach to fashion consumption.

SUPPORTING LOW-CARBON TRANSPORT AT LUBLIN PLAZA

Klépierre's Lublin Plaza (Lublin, Poland) has implemented a unique amenity for its visitors—a dedicated bike repair station that provides a safe and convenient space for visitors to park their bikes as well as services and tools for bike maintenance from fixing punctures, pumping up tires, adjusting brakes and gears, and tightening loose parts. Located in a central area within the plaza, this bike repair station aims to encourage sustainable transportation methods and cater to the needs of the growing cycling community in Lublin.

A SPOT TO SELL SECONDHAND CLOTHES AT ALLUM

Allum Refashion, hosted by Allum (Göteborg, Sweden), is designed to rekindle an appreciation for pre-loved fashion by encouraging visitors to buy and sell their second-hand clothes within the mall. Visitors can book a pop-up shop within the center to display and sell clothing items to interested buyers. The Allum Refashion initiative provides an opportunity for visitors to declutter their closets, earn some extra money, and contribute to sustainable fashion practices.

3.3.3 Nurturing inclusive places

Located in over ten countries and with some 700 million visits each year, Klépierre serves diverse communities. Being a part of the community fabric means providing a welcoming environment where everyone, no matter their differences, feels included and considered. Internally, the Group has been finetuning its approach to creating a diverse and inclusive culture over the past five years, promoting equal opportunities for all its staff and prohibiting discrimination of any kind.

Under the new Act4Good™ plan, the Group also wants to ensure that its Diversity and Inclusion Policy is embedded and reflected throughout its shopping centers. As well as continuous compliance with local legislation, there are strong examples of this already in practice. For example, all centers in Iberia introduced the ColorADD symbol, a universal color identification system, to promote the well-being of individuals with color blindness. In addition, across France, Norway, Poland and Spain, shopping centers dedicate specific time slots for changing their sound and visual environment to adapt to the specific needs of their elderly visitors, those with disabilities and those who just need some peace and quiet whilst they shop. Lighting is dimmed, background music is switched off and scents are no longer diffused. In most of the participating centers, hypermarkets and retailers are also part of the silent hours initiative. The focus moving forward will be to go above and beyond, ensuring that all shopping centers are compliant with internal inclusion standards, by implementing new, innovative initiatives that position the assets as pioneers and leaders in this space.

This new commitment builds on the findings from an internal audit in 2021, where the Group worked with various NGOs, each representing a specific disability, for example, people with autism. The audit included a tour of the shopping centers for the NGOs so they could analyze whether the center was adapted to the needs of the people they represented. Some of these findings have already been implemented in the centers, however, more work is required to ensure the portfolio is accessible to all.

3.3.4 Embedding community resilience

As geopolitical situations develop and climatic impacts worsen, the resilience of local communities to against their effects will be partly determined by the availability of crucial infrastructure, products and services needed to support them and facilitate a quick recovery. Building on the successes and learning from its activities during the Covid-19 pandemic such as the timely construction of a vaccination hub at Porta di Roma to allow for 3,500 people to be vaccinated a day, Klépierre wants its portfolio to be equipped for an agile response to support local communities from the consequences of unforeseen major crises such as extreme weather events, health pandemics, or national emergency situations. With over 4 million sq.m.[1] of real estate and home to many goods and services including pharmacies and supermarkets, Klépierre wants to harness the opportunity to make its shopping centers a key part of a strong community response.

With a commitment to ensure that at least one shopping center per local territory is equipped with a disaster relief plan by 2030, the Group has set in motion a process of engagement, working with key stakeholders across the business, including the Head of Security & Occupational Safety, to start developing the disaster relief plan. As part of this, the Group will need to ensure that it is well connected and known amongst local authorities, that all documents and procedures are in place to act, and essential resources such as first aid can be accessed. The plan will ensure that operations run smoothly during times of crisis and improve the preparedness of center teams. The Group is already well-equipped to carry out this target through its experiences with Covid-19, technical, safety and security teams and relationships with local actors and is working towards becoming a place of reference, an ally for local residents when they need it most.

Following the earthquake that occurred in February in southern Turkey, Klépierre mobilized in record time to help local communities. First, the nearest shopping center, Tarsu Mall, stayed open 24 hours so that those made temporarily homeless could stay there during the night. After this immediate response, the local teams organized different goods collections coming from tenants or visitors and then handled the further logistic and delivery to municipalities and communities in need. At the same time, Klépierre teams set up a free psychological support network for the people impacted to help them get through this crisis. The Group coupled these initiatives with financial donations to local NGOs that were working in the impacted area.

(1) *Calculated as the total surface area of the centers included within the Group's reported scope for 2023.*

3.4 GROWING PEOPLE

Klépierre's new Act4Good™ strategy aims at delivering a more impactful value proposal to the people who work for and with the Group as well as the local people of the communities it serves. With slightly more than 1,000 employees, an average 70,000 people working in and for Klépierre's assets and approximately 700 million visits in the centers each year, the Group's vast community is a source of pride. Yet, it also comes with a great responsibility to protect and enhance their health and well-being, safety and development whilst ensuring a positive experience when engaging with the Group and its centers.

Under the first Act for Good® strategy, Klépierre developed its reputation as an exemplary employer, committed to continuously evolving its offering to improve the employee experience. For tenants and communities, it established impactful partnerships that ensured its centers were safe, accessible and attractive meeting places that people want to experience and visit. The new commitments build on this success but under a cohesive and focused approach that extends the Group's activities to all people who interact with Klépierre, not just direct employees, with a focus on their development. As such, the Group has set a goal to foster the development of 50,000 people across Europe by 2030.

To achieve this, Klépierre will focus on skills development both within and outside of the Group, whilst creating the right conditions for people to achieve their full potential including through a diverse and inclusive environment that prioritizes health and wellness. In 2023, Klépierre made notable progress in laying the groundwork for achieving its 2030 objectives.

GROWING PEOPLE: 50,000 PEOPLE DEVELOPED ACROSS EUROPE

CONTEXT FOR KLÉPIERRE'S 2030 OPERATIONAL TARGETS		2030 OPERATIONAL TARGETS
SKILLS DEVELOPMENT (Sections 3.4.1.1.4 and 3.4.2.1)	Employees' knowledge of CSR topics and skills in this space are essential for the achievement of Act4Good™ objectives as well as their long-term employability.	Upskill employees in CSR, every year.
	Beyond the promotion of employment—an established activity within Klépierre's centers—the Group can make a real impact on community employment through a focus on skills development.	Create Klépierre Academies offering programs to upskill people and improve their employability in the top-50 malls.
DIVERSITY, EQUITY & INCLUSION (Section 3.4.1.2)	Following notable increases in female representation, the Group's realization of gender parity can be progressed through formal commitments within the new strategy.	Reach 40% of women in top management and the top-100 managers, with non-significant pay gaps.
	Having developed a diverse and inclusive culture internally, this ethos should be present within the service providers the Group chooses to work with.	Include an inclusion clause in all service providers' contracts (disability, long-term unemployment, deprived neighborhoods).
CORPORATE SPONSORSHIP (Section 3.4.1.4)	Beyond ad-hoc initiatives, Klépierre can harness the impact of collective volunteering and maintain its 'giving back' culture that is valued by employees.	Engage all employees in sponsorship programs aimed at empowering local communities.
HEALTH (Sections 3.4.1.3 and 3.4.2.2)	Empowering people to further their development and reach their full potential requires the right environment including positive health and wellness.	Protect people's physical and mental health by enabling access to preventative healthcare programs in all workplaces and shopping centers.
STAFF ENGAGEMENT (Section 3.4.1)	Implementing CSR within performance appraisals can increase employees' engagement with Act4Good™, emphasizing the role that everyone can play whilst recognizing their contributions.	Ensure all staff have their performance appraised based on at least one CSR criterion.

3.4.1 Uplifting employees

Klépierre places a strong emphasis on uplifting its employees and ensuring they have a positive workplace experience, recognizing that enhancing their development and satisfaction is vital for attracting and retaining talent as well as the Group's success. With the launch of the new strategy and roll-out of the Group's new HR Information System (HRIS), the focus in 2023 has continued to be on building the HR basics and reinforcing the Group's foundations through the streamlining of processes, tools, roles and responsibilities to ready the business for the significant change in managerial and employee practices.

3.4.1.1 Talent management

Through its talent management strategy, Klépierre is attracting, retaining and inspiring talent, developing the Group's capabilities, engaging teams and building a diverse and inclusive environment. These objectives are supported by the Group's new HRIS "Purple", which brings all processes together under one solution including onboarding, performance management, recruitment, and learning and career development whilst promoting the automation, digitalization and transparency of processes and policies.

A substantial part of Purple became available to managers and employees in 2023. To date, this includes conducting performance reviews, goal setting, onboarding and offboarding as well as compensation reviews and long-term incentives (LTI) attribution.

3.4.1.1.1 Attraction

New hires	2022	2023	2023/2022 change
Total number of new employees	225	190	15.6%
Proportion of new employees	21.0%	17.9%	-3.1 pp

In 2023, there were 163 recruitments of permanent contracts across the Group, a 14% decrease compared to 2022. This corresponds to a stabilization of the teams after two years of intense recruitment in 2021 and 2022 in line with the business recovery following disruptions due to Covid-19. In addition, 139 internships, apprenticeships or VIE missions were completed by students, helping to attract talented future candidates.

Harnessing its relationships with universities and business schools, the Group invests in external recruitment activities such as job boards, school forums and graduate recruitment platforms such as Jobteaser. Internally, Klépierre promotes jobs on its in-house site, encouraging employees to refer qualified candidates.

3.4.1.1.2 Onboarding

Klépierre's onboarding program, coordinated at Group and local levels, provides a personalized introduction to the company based on the new joiner's role and location. Joiners benefit from the new onboarding process launched in Purple in 2023. This new module enables contracts to be signed digitally as well as storing personal data and pre-filled preferences. In addition, it helps ensure that all tasks are completed by stakeholders involved in the process and that company presentations and learning programs are shared with the new joiner in a timely manner. The onboarding process lasts for the first six months of the employees' time at Klépierre, ensuring that all relevant stakeholders follow the process to provide a positive experience including the company induction, field onboarding, building the employee's network, defining objectives, and regular check-ins.

At Group-level, an induction program introduces the company, its corporate culture and business strategy, as well as the roles and responsibilities of key people, and includes presentations by members of the Executive Board and the Group Executive Committee. It also provides an opportunity to network and meet the senior management team. Local programs focus on 'field induction', giving employees the opportunity to visit and work in an asset for up to one week to make sure that new entrants are rapidly connected to core business lines and shopping centers whilst learning how the assets operate.

3.4.1.1.3 Career development

Klépierre's employee-focused approach is based on strong employee cycles and the support of managers applying their people management skills. Development and career management activities are defined through regular talent reviews and customized career development plans.

Discussing career paths is part of Klépierre's management DNA, with the aim of continuously developing people and offering them opportunities to learn and grow. HR and management teams place a strong emphasis on identifying internal offerings, both nationally and internationally, whilst seeking cross-functional moves to develop general and polyvalent profiles. For example, operational teams are encouraged to develop their experience in leasing, asset management and finance. In 2023, 84 internal moves were realized, including 55 lateral moves and 29 promotions. 27% of vacancies were filled through internal mobility.

Development programs that Klépierre uses recurrently include:

- The French International Internship Program (VIE) scheme, that assists the Group with integrating young graduates into operations gradually with a good success rate. In 2023, Klépierre welcomed five new VIE graduates and extended the contract of one VIE. The Group also offered two permanent contracts to the previous VIE cohort;
- A leadership development program named 'Know your strengths to better deploy your potential', facilitated by an external coach. The program runs over two and a half days and targets young talented profiles within all functions, with a focus on adding 60% of women in each cohort to support gender diversity efforts. The program aims to help participants harness their strengths to reach their full potential whilst supporting personal leadership development and future career steps. In 2023, three cohorts of ten employees participated in the program, with two in France and one dedicated to employees in the Group's other locations;
- A mentoring program by senior management for employees identified as having fast-track potential. Klépierre developed an in-house methodology and trained both mentors and mentees ahead of the program, to ensure quality and efficiency. By the end of 2023, 30 employees had been or were still being mentored thanks to this program and there were 16 mentors (ten women, six men) ready to be involved. The program assessment revealed a good success rate;
- Active campus management to welcome trainees and apprentices of different ages, to source future talent and nurture the Group's employer branding. In 2023, we again welcomed 139 talents as interns, apprentices or VIEs in Klépierre territories, including 117 in France. This represents more than 13% of the permanent workforce and demonstrates the investment of the Group's in developing interns.

3.4.1.1.4 Upskilling

Klépierre upskills its employees through various programs to ensure they have the necessary knowledge and skills to make a positive impact in their roles and further their careers. All employees have access to training, guided by customized development pathways for roles and activity types.

Klépierre University, with 50 internal trainers, provides over 150 courses on adapting to business needs and expertise. This richness is central to the Group's knowledge management strategy.

Employee training	2022	2023	2023/2022 change
Rate of access to training for Group employees *(in %)*	103.4%	100%	−3.5 pp
Number of training hours per employee *(in hours/employee)*	17	18.1	+1

Act4Good™ sets an objective to train every employee in CSR, centered around an annual theme that will be compulsory for all Group employees, up to 2030, in order to strengthen their engagement in this space whilst improving their long-term employability. The new Klépierre Climate School, developed with AXA Climate, was inaugurated in 2023 to serve this objective.

Any existing training within Klépierre University's catalogue will also be reviewed to ensure the integration of CSR themes in the coming years, further embedding CSR throughout employee learning and skills development and equipping staff with the knowledge to undertake their roles responsibly.

INTRODUCING KLÉPIERRE'S CLIMATE SCHOOL

In preparation for 2024's annual CSR training theme, Klépierre developed and launched the Klépierre Climate School in the fourth quarter of 2023, which aims to raise awareness and educate staff on climate change and grow their capabilities in addressing it through business operations. Whilst employees will have access to a complete library of training, the Climate School will also launch mandatory training in various 'seasons' throughout the year. The first compulsory module is called 'The Great Climate System'.

3.4.1.1.5 Turnover

In 2023, there continued to be a high rate of mobility among Klépierre's teams, reflecting the success of the Group's mobility policies and the emphasis placed on career development within the Group. Overall, 27% of open positions were filled by internal candidates.

At Group-level, turnover remained stable at 15.8% with variances at the country-level. This is in the context of employee volatility post Covid-19, where an economic rebound has led to low unemployment rates in France, for example, and more movement in the workforce as employees seek job opportunities that meet their expectations.

	2022	2023	2022/2023 change
Turnover	15.7%	15.8%	+0.1 pp

3.4.1.2 Diversity and inclusion

Over the past five years, the Group's diversity and inclusion strategy has guided its activities in this space, embedding gender balance in Klépierre's culture and spreading an inclusion mindset through activities such as awareness and training programs, a review of HR processes, the appointment of females in senior positions, and development decisions to develop young female talent.

Klépierre strives to offer a work environment that supports everyone's best level of performance and wellness—an environment that is diverse, inclusive, fair and allows all employees to learn and grow. With 1,061 employees in 12 countries, Klépierre's diverse workforce enables its ability to deliver innovative solutions and respond creatively to its visitors' and customers' needs.

In the autumn of 2023, Group HR teams managed a co-construction Group-wide initiative to renew its objectives relating to diversity, equity and inclusion (DEI). This started with a general analysis and brainstorming conducted by the network of DEI ambassadors and HR, who built a framework to be further investigated by Group employees during the yearly DEI week (which took place in October 2023). Three themes were chosen and explored: disability, inclusion, and gender balance. More than 600 employees in Europe attended the workshops that were facilitated by DEI ambassadors, to generate ideas and co-build a renewed strategy. As a result, new DEI objectives for 2030 were proposed, further discussed and finetuned with the Group Executive Committee. The new objectives are organized around three main pillars: sustaining efforts on gender and age diversity, committing to health and disability, and fostering an inclusive culture.

1	2	3
SUSTAIN OUR EFFORTS ON GENDER & AGE DIVERSITY	**COMMIT TOWARDS HEALTH & DISABILITY**	**CONTINUE FOSTERING AN INCLUSIVE CULTURE**
Continue monitoring targets and balancing genders. Boost career management of 50+ employees. Guarantee pay equity & fair talent management for women and 50+ employees.	Guarantee physical & psychological safety Include more disabled employees Support caretakers Raise awareness	Develop inclusion standards & adapt our HR processes & tools Train our managers Communicate more

3.4.1.2.1 Gender balance

The real estate sector has historically faced high levels of gender imbalance. Under the new Act4Good™ strategy, the Group has formally integrated its commitment to gender parity, with a goal to reach 40% of women in the management team and the top-100 managers, with non-significant pay gaps by 2030. Testament to the management and implementation of an ambitious gender balance policy under the first Act for Good® strategy, between 2020 and 2023, the top management team (i.e., the Group Executive Committee) increased its female representation from 17% to 45%, which already exceeds the Group's 2030 goal on this metric. In addition, since 2020, female representation has increased from 22% to 40% within the Group's 100 most senior positions.

Share of women	2022	2023	2023/2022 change
Group Executive Committee	43%	45%	+2.6 pp
Top 100	38%	40%	+2.0 pp
Middle and Senior Management	41%	40%	−0.9 pp
First Line Management	60%	60%	-0.5 pp
Other staff	79%	78%	-1.6 pp
GROUP TOTAL	**62%**	**62%**	**–**

The Group's commitment to non-significant pay gaps is more difficult to define and has been a key focus of its activities in 2023. In collaboration with a third-party consultant, the Group has created a new grading system based on a hierarchy of positions that can be compared to the market and industry benchmarks to improve fair remuneration. This will ensure the analysis is data-driven and pay gaps can be effectively assessed on a quarterly basis.

To demonstrate its commitment to improving professional gender balance within the industry, the Group has signed the Equality Charter, along with other real estate firms. The Charter strives to advance equal pay, increase the visibility of women and female talent in critical roles and make performance equality a crucial part of business policy.

Internally, the Group's women's network—All Connected—in France aims to support employees' development and professional journeys with adapted training and programs, promote inclusion, boost the cultural shift to more diverse and balanced ways of working, explore new initiatives for the company, and measure the progress of gender balance and diversity as a whole. In 2023, the women in the network benefited from a collective and individual development and coaching program on women in leadership subjects, facilitated by Legendaily. In addition, a new initiative was created by the network "Live my life"', allowing 13 employees to discover new activities and teams for two days. The network also launched a second round of the 'mentoring program', helping 15 talents to benefit from the experience of one of the 16 internal mentors.

3.4.1.2.2 Inclusion in the value chain

A key objective of the new Act4Good™ strategy is to foster a diverse and inclusive environment outside of just the workplace through specific interventions. Beyond the Group's direct employees, thousands of people are involved in the daily running of its centers, and it is important that Klépierre's values extend to the wider value chain.

As such, the Group has set a 2030 commitment to integrate an inclusion clause in primary service providers' contracts, which will include maintenance, security and cleaning providers. The clause will require that a dedicated proportion of people employed by the service provider to work in Klépierre's centers fall under at least one of three categories. The categories include people with disabilities, people coming from long-term unemployment or people living in deprived neighborhoods.

Encouragingly, the Group is already working with a selection of service providers that offer opportunities for people of all abilities. For example, Emporia (Malmö, Sweden) and Allum (Gothenburg, Sweden) shopping centers both work with cleaning companies that hire only employees with disabilities.

3.4.1.3 Health and well-being

Safeguarding and improving the health and well-being of Klépierre employees is essential for their development and success at the Group as well as the positive contribution they can make towards business activities. Klépierre implements a multifaceted approach, with policies, initiatives, awareness-raising campaigns and training programs in place across many issues including physical and mental well-being, work-life balance, and health and safety. It continuously refines its approach using employee feedback, ensuring that its offering is relevant and impactful.

Employee health and safety	2022	2023	2023/2022 change
Injury rate *(per 100,000 hours worked)*	0.00	1.56	+1.56
Lost day rate *(per 100,000 hours worked)*	0.00	0.00	–
Absenteeism rate *(based on days of absence)*	1.85%	2.40%	+0.55 pp
Fatalities *(Total number)*	0	0	0

Under the new Act4Good™ strategy, the Group aims to scale up its employee well-being offering, committing to protect their physical and mental health by enabling access to preventive healthcare programs in the workplace. Three initiatives will be provided every year for each head office. The initiatives must also meet the criteria of being a prevention/awareness-raising activity that results in medical intervention if the employee so desires such as a consultation with a professional. This proactive approach focused on prevention is designed to foster a supportive environment that emphasizes the importance the Group places on the physical and mental health of its employees. In 2023, several proactive health prevention programs were organized across all countries where Klépierre operates, and examples of this commitment in action at the Group's head office in France are shared below.

INTEGRATING WELL-BEING INTO FRANCE'S HEAD OFFICE REFURBISHMENT

The refurbishment of the Group's French headquarters in 2023 consisted of a large-scale project that transformed employees' ways of working towards a more modern and flexible approach. Throughout the process, employees were consulted to understand their expectations and ensure an inclusive working environment. From a well-being perspective, the Group invested in workplace adaptations by installing new ergonomic chairs, adjustable high worktables, incurved computer screens and individual cabins. Specific attention was given to acoustics and ergonomics as well as the adjustment of areas where employees can meet and work such as informal workspaces. Cafeterias were also refurbished on every level and plants were added in all areas to promote green spaces and the well-being benefits associated with biophilia.

Other well-being focused initiatives include Klépierre's annual Well-being @ Work Week, which features global and local activities including e-learning modules and events on issues such as how to handle stress, physical fitness and healthy eating. Through Klépierre University, employees can access online modules and in-person training on mental health and well-being. The Group also collaborates with external organizations such as International SOS to provide guidance on how to cope with workplace changes and stressors. With Axis Mundi, the Group offers a free, confidential mental health helpline to French and Belgian employees, with a similar service provided in Turkey. Additionally, depending on the country, Klépierre offers various non-financial benefits including parental leave and part-time employment options, a right to disconnect outside of working hours, and benefit allowances for health and wellness pursuits.

PROVIDING PREVENTIVE HEALTHCARE INITIATIVES FOR FRENCH EMPLOYEES

In 2023, employees at the Group's head office in France had access to various initiatives to support their physical and mental health. This included:

- Flu and Covid-19 vaccines;
- An on-site check-up by a dermatologist to prevent skin cancer and promote dermatological health;
- Individual sessions with a nutritionist to develop personalized nutrition plans, with a follow-up meeting offered three months later to monitor progress;
- A webinar on stress management and mental well-being to provide employees with strategies to navigate stress and enhance their mental resilience.

3.4.1.4 Supporting community life

For a long time, Klépierre has been developing meaningful initiatives and a culture of strong corporate citizenship that provides opportunities for employees to give back to local communities. Since 2020, every year, 100% of employees have been given the opportunity to take part in a philanthropic initiative such as solidarity walks, fundraising activities and donations to important causes.

	2023	2030 target
Percentage of employees to whom a sponsorship program has been offered	58%	100%

Recognizing the impact of collective volunteering, the new Act4Good™ plan renews Klépierre's commitment with the aim of engaging all employees in sponsorship programs that empower local communities. With a refreshed approach that transitions away from *ad hoc* activities, the Group will provide one Community Day to all employees every year with activities that improve a local aspect of community life such as access to employment or education, environmental protection, or preventive healthcare. The Community Day will be organized by each territory each year and offer diverse opportunities for employees to get involved.

For example, in France, the Community Day took place in January 2024. With the support of Unicités, an external provider that connects Klépierre with charity partners and initiatives, all 453 French employees can choose from over 20 activities and register for them using the platform.

Klépierre's Community day

UPLIFTING LOCAL COMMUNITIES ACROSS THE GROUP'S EUROPEAN TERRITORIES

Across the Group's territories in Europe, countries have organised solidarity initiatives to support local causes:

- Scandinavian employees took part in a charity walk for Danish Hospital Clowns that works to improve the happiness of hospitalized children, providing joy and silliness during their treatment and recovery;
- Throughout the year, employees in Iberia volunteered their advice to job seekers excluded from the job market on skills such as CV writing, interviewing, networking, and job searching;
- In Italy and Central Europe, employees created Christmas boxes to bring joy to children and families during the holidays, collaborating with various charities including SOS Children's Villages and Arché;
- In support of the earthquake victims in Turkey, local employees completed a charity walk and donated to AHBAP, which is helping to provide shelter, food and medical supplies to those in need.

3.4.2 Empowering local communities

Beyond its direct employees, Klépierre has the ability to impact a significant number of people including the 70,000 people working in and for its centers as well as the centers' hundreds of millions of visitors. Over the last five years, the Group has been working to improve the social and economic development of its local communities, whilst ensuring that health, safety, and well-being underpin people's positive experiences in its centers.

The new Act4Good™ strategy seeks to build on this success by continuing to implement proven policies and practices, whilst setting new ambitious commitments on specific focus areas that can empower local people to act for their own development and well-being. Although challenges and needs can vary greatly place-by-place, healthcare and employment remain common issues across the places where the Group operates. By providing customized programs and initiatives in these areas, Klépierre can help its communities to live healthy, fulfilling, and prosperous lives.

3.4.2.1 Skills development

As an integral part of the economic and social fabric of local communities, Klépierre can and has a responsibility to create positive socio-economic impacts. Over the past five years, the Group established a strong focus on promoting local employment by working with tenants, employment agencies and local employment actors to facilitate opportunities through initiatives such as recruitment fairs, promoting job offers, and connecting its retailers with job seekers.

	2022	2023	2023/2022 change
Proportion of shopping centers that have organized initiatives to promote local employment	100%	100%	-

The new Act4Good™ strategy will step up its commitment beyond the promotion of employment and concentrate the Group's efforts in a way that will create more value for its daily partners and local population through the provision of expertise and work experience. With a focus on skills development, the new commitment will see the Group create Klépierre Academies to upskill people and improve their employability in the top-50 malls by 2030. Two distinct types of academies will be created and supported by expert partners. One will provide job seekers from the local community with training courses to improve their employability skills including language courses, interview support, and CV writing. The second type of academy will offer thematic training to the staff working in its centers on various topics that relate to retail, security, waste management, and environmental best practices. Through the academies, the Group seeks to establish itself as a key player in uplifting the local communities it interacts with everyday.

3.4.2.2 Health and well-being

Recognizing the correlation between a healthy community and its overall prosperity, Klépierre ensures that its centers are places that impact positively on the physical and mental well-being of its retailers' employees and visitors. Under the previous Act for Good® strategy, 100% of centers had to promote health and well-being by organizing, for example, awareness raising events or activities to enhances well-being.

Under the new strategy, the Group has expanded the scope of its well-being commitment to employees with a goal to also protect the physical and mental health of visitors and center staff by enabling access to preventive healthcare programs. These programs serve as critical intervention points in people's lives that can help to provide awareness on important topics and prevent possible health issues and the need for care later in life. As part of this commitment, the Group will implement three actions per year in its shopping centers, leveraging its diverse tenant offering to include initiatives such as vaccination drives, nutritionist expertise, and health screenings. In 2023, examples included free mammogram tests to encourage early detection and access to convenient free eye tests in collaboration with Granvision Optics, the latter of which has been granted a dedicated space in the center.

PROVIDING ACCESS TO PREVENTIVE HEALTHCARE AT CAMPANIA IN ITALY

At Campania in Naples, Italy, a permanent wellness point has been established where individuals can access medical visits, consultations, check-ups, and screenings from a range of professionals including medical, psychological, pharmaceutical, and nutritional experts. This service is provided free of charge, and customers can conveniently book appointments online.

Beyond the programs offered in its centers, Klépierre's prioritization of health and wellness also extends to the physical environment. Low-volatile organic compound content materials are used during development and refurbishment projects along with effective ventilation systems and biophilic design elements such as natural light and greenery. Additionally, its commitment to achieving BREEAM New Construction certification further validates the centers' high performance in ventilation, thermal and visual comfort, and air quality.

3.5 PROMOTING SUSTAINABLE LIFESTYLES

Klépierre's commitment to promoting sustainable lifestyles among its visitors, retailers and partners marks a new and ambitious topic within its Act4Good™ strategy. As a European leader in shopping malls, formally connecting its core business with its sustainability goals for the first time demonstrates the maturity of its approach and a genuine desire to tackle key issues inherent to its business model.

Klépierre has set a 2030 goal of guiding 50 million shoppers towards sustainable lifestyles. This means dedicating human and financial resources to foster innovation, gather stakeholders and raise awareness among customers to leverage Klépierre's impact on an even bigger scale in the transition towards more sustainable commerce. With a recent survey of European consumers revealing that sustainability is the most relevant lifestyle trend among respondents, regardless of age or gender[1], promoting sustainable lifestyles is also a significant opportunity to respond to the needs of its visitors' and capitalize on this growing market.

To achieve its 2030 commitment and establish its centers as a place of reference where responsible initiatives take place, the Group has set operational targets to guide its efforts. The focus will be on creating a retail mix made up of sustainable retailers and products whilst offering an experience to visitors that helps them make informed choices. This will include selecting responsible tenants, showcasing retailers' responsible products and services, testing new responsible concepts and tenants, and raising awareness of sustainable lifestyles through responsible events.

With the new Act4Good™ strategy officially launched in 2023, the focus has been on readying the business and developing the tools required to realize progress against the targets in 2024.

PROMOTING SUSTAINABLE LIFESTYLES: 50 MILLION SHOPPERS GUIDED TOWARD SUSTAINABLE LIFESTYLES

CONTEXT BEHIND KLÉPIERRE'S 2030 OPERATIONAL TARGETS		2030 OPERATIONAL TARGETS
SUSTAINABLE OFFER (Sections 3.5.1.1 and 3.5.1.2)	Promoting sustainable lifestyles means understanding and advancing the responsible products and services available at the Group's centers whilst ensuring visitors have the information to make informed sustainable choices.	Promote sustainable commerce across all shopping centers by assessing the CSR engagement of tenants before signing leases and by showcasing retailers' responsible products/services.
INNOVATION (Section 3.5.1.4)	As an industry leader in sustainability, Klépierre must stay ahead of the curve and work to detect the innovations required for a low-carbon transition whilst supporting entrepreneurship.	Organize a biennial contest to support and promote three players (one retailer, one service provider, one technical solution provider) committed to the low-carbon transition.
NEW RESPONSIBLE CONCEPTS (Section 3.5.1.3)	Providing responsible products and services means building the right retail mix and promoting businesses with an environmental or social value purpose.	Dedicate one specific unit to new responsible concepts in the top-50 shopping centers.
VISITORS' AWARENESS (Section 3.5.2)	With demand for sustainable products and services increasing among European consumers, providing ways for them to live sustainably will help them improve their resilience whilst enhancing the Group's offering.	Raise visitors' awareness of sustainable lifestyles through responsible events by organizing at least three events/year (nutrition, sustainable consumption, etc.) and by making sure that events are organized responsibly.

3.5.1 Encouraging sustainable commerce

Increasingly, there is a strong demand from consumers for products that are environmentally and socially conscious. For example, a recent study found that 29% of European shoppers are more often looking for products that are good for the environment or from a socially responsible brand whilst 49% are more frequently monitoring how much of a product they need to use in order to use and waste less[2].

Klépierre's commitment to promoting sustainable lifestyles is at the forefront of a transformative approach within the industry. Building on its activities in the past to highlight retailers' CSR concepts, Klépierre is taking a multifaceted approach to integrating sustainable commerce throughout its entire ecosystem. From leasing to marketing, the Group's commitments will empower its communities with the information they need to choose and live sustainably.

3.5.1.1 Selecting tenants

With an average of 95 tenants in each of its centers, Klépierre is responsible for the selection of products and services that are made available to visitors through the types of tenants it chooses to welcome. Promoting sustainable lifestyles requires increasing the presence of responsible retailers within the Group's retail mix to ensure the right products and services are available to support this transition. Having already developed an established approach to selecting suppliers based on their CSR practices, the Group will apply this same thinking to selecting its tenants.

(1) https://www.hyundai.news/uk/articles/press-releases/top-lifestyle-trends-for-european-consumers-are-sustainability-and-e-mobility.html
(2) https://www.esmmagazine.com/features/sustainability-matters-for-consumers-and-even-more-for-retailers-circana-250226

Therefore, Klépierre has set a 2030 target to assess the CSR engagement of its tenants before signing leases. The Group's focus in 2023 was on developing a scoring methodology to assess tenants on a list of criteria covering topics such as net zero targets, human rights, community engagement, responsible procurement, and diversity. The methodology has been designed to be easy to use, aligned with the Act4Good™ plan and self-administrable. Importantly, the scoring methodology has also been customized to account for the Group's diverse retail mix, which consists of 3,000 brands that differ greatly in size and activities. To bring further credibility to the assessment, an external partner will validate the criteria being used and the methodology will be updated annually to account for evolving trends.

The assessment will be used in all countries where the Group operates and as a first step, will focus on the Group's primary retailers before being rolled out to smaller brands. Key to Klépierre's approach will be understanding its retailers' current performance and integrating sustainability credentials into the leasing team's decision-making processes. In the future, retailers with low CSR performance will be asked to commit to improving the sustainability performance of their activities that take place within the relationship with the Group such as waste or energy management.

3.5.1.2 Responsible products and services

Under the previous Act for Good® strategy, in 2022, Klépierre achieved its target of having 100% of its centers support at least one initiative organized by a retailer. This included highlighting retailers' CSR-focused products such as special offers on green products or workshops to educate visitors on sustainable activities. The Group's 2030 target to promote sustainable commerce by showcasing the responsible products and services of its retailers aims to build on this by bringing more visibility to the many offerings already available in the centers.

	2023	2030 target
Percentage of centers that have showcased their retailers' responsible products or services towards the visitors	60%	100%

Whilst the availability of responsible products and services is on the rise, a big challenge is minimizing the effort required from consumers to find them. By providing easy access to responsible alternatives, Klépierre can improve visitors' shopping experience and support them in making informed decisions. To do this, the Group is in the process of engaging with its retailers to identify, if any, the responsible products, and services they offer. It will then provide effective visibility by showcasing them through signage, social media, and dedicated events.

Examples in 2023 include providing dedicated showcase rooms for retailers to promote their responsible products. Carrefour capitalized on Green Week to engage customers with tenants' offers using stands as well as communication on social media and the website. In addition, Hoog Catharijne (Utrecht, Netherlands) added excitement to the shopping experience by organizing a game where visitors could win responsible products from retailers.

3.5.1.3 Promoting responsible business

As well as promoting responsible products and services, Klépierre has set another target to dedicate a specific unit in its top-50 shopping centers to responsible concepts. This will advance the Group's retail mix whilst bringing further awareness to the availability of sustainable offerings in the centers.

The unit will be provided on a permanent basis to an established company that has a successful business model with a strong environmental or social purpose. Whilst the guidelines for selecting such a business are currently in development, an example of this in practice took place in 2023 in Marseille, France. The center provides a unit to La Fabrik du Sud, an association that uses upcycling to create products from recycled materials, which it then sells in its school boutique. The employees of La Fabrik du Sud are those who have lost touch with the world of work, and the purpose of this initiative is to empower them and restore their self-confidence, ultimately helping them to access permanent employment. Through this concept, the center is not only promoting recycling but fostering social impact by supporting the provision of meaningful opportunities for those who need it.

3.5.1.4 Detecting low-carbon solutions

The definition of sustainability and what this looks like in the retail sector are constantly evolving. Staying ahead of the curve and remaining competitive means detecting the innovative solutions required to define what responsible business and sustainable commerce should look like in the future.

Identifying creative solutions often means collaborating with organizations such as entrepreneurs and small businesses and leveraging the power of Klépierre's brand, resources and ecosystem. With this in mind, Klépierre has set a 2030 target to organize a biennial contest to support and promote three players committed to the low-carbon transition. The three players are linked to the Group's business activities and will consist of a retailer, a service provider and a technical solution provider.

Newcomers to the field of sustainability will have the chance to compete, and the winners will be offered the opportunity to test their products or services in real conditions within one of Klépierre's centers. Importantly, this will provide the winners with increased visibility across the Group's network and support their growth. If successful, these solutions can be scaled across the entire Group portfolio, ultimately contributing to the low-carbon transition.

3.5.2 Spreading awareness of sustainable lifestyles

To complement the responsible products and services available across its portfolio, Klépierre also wants to inspire and engage its visitors on sustainable ways of living. This will help to provide the information and tools that can empower them to build resilience in their daily lives.

The Group has therefore set a 2030 target for centers to organize at least three events every year around three themes. Two of the themes are mandatory. The first theme is nutrition, which could include topics such as healthy eating or food waste. The second theme is sustainable consumption, covering topics such as responsible products or labels and certifications. Center teams will be free to select their third sustainability theme based on their individual context, and all centers are encouraged to involve as many retailers as possible to achieve maximum impact and reach.

To provide further credibility to these events and minimize their negative impacts, the Group will ensure that a responsible approach to event planning and execution is also achieved. Building on the environmentally responsible marketing campaigns Klépierre has launched in the past, local marketing teams will be responsible for following the Group's internal standards.

In 2023, centers organized the following events in line with the Group's commitment:

Events on nutrition

- La Gavia (Madrid, Spain) organized a live recording of the 'Gavia Podcast' with a real audience, featuring renowned Chef 'Chicote' as a guest. This event aimed to raise visitors' awareness of sustainable lifestyles by providing valuable insights and practical tips on healthy eating;
- Odysseum (Montpellier, France) fostered awareness of healthy nutrition and local, seasonal products by welcoming local associations to its event 'Le Monde Nouveau'; and
- Principe Pio (Madrid, Spain) organized free cooking workshops for visitors to create healthy and balanced dishes, highlighting the use of 'ugly' vegetables and how to minimize food waste.

Events on sustainable consumption

- Lublin Plaza (Lublin, Poland) organized a 'Socially Responsible Fashion Event.' Participating retailers showcased their responsible collections, empowering customers to explore eco-friendly fashion options. A dedicated consultant provided free advice to customers, and a clothes collection promoted circularity by encouraging visitors to donate and extend the lifespan of their garments;
- Sadyba Best Mall (Warsaw, Poland) hosted an EcoStyle event by collaborating with the Ubrania do Oddania Foundation—dedicated to proving that circularity is attractive and profitable—on a second-hand clothes collection. The event also featured socially responsible brands with products made from natural fabrics; and
- Maremagnum (Barcelona, Spain) organized 'The Pier Market,' a unique market concept centered around sustainable products and gastronomy from the sea.

Events on other sustainability themes

- Spanish shopping centers educated visitors about the importance of recycling through workshops, providing practical tips on how to incorporate it into their daily lives;
- Marseille's shopping centers (France) hosted Kids Sustainability Workshops every month to engage children and teach them various sustainability practices such as waste sorting and sewing with recycled fabrics; and
- In Plenilunio (Madrid, Spain), the Trendy Place event featured workshops on sustainable products and vegetables, natural beauty, and second-hand clothing.

3.6 SUMMARY OF 2023 RESULTS, METHODOLOGICAL DETAILS AND CROSS-REFERENCE TABLES

3.6.1 Summary of 2023 sustainability performance

TOTAL SCOPES 1 & 2 GHG EMISSIONS (MARKET-BASED)

In tCO_2e	2017	2022	2023	2023/2022 change	2023/2022 Lfl change	2023/2017 change
Total Scope 1 emissions	19,496	9,113	6,525	−28%	−22%	−67%
Total Scope 2 emissions	65,556	5,071	3,338	−34%	−23%	−95%
TOTAL SCOPES 1 & 2 EMISSIONS	**85,052**	**14,184**	**9,863**	**−30%**	**−22%**	**−88%**

EPRA indicator: GHG-Dir-Abs; GHG-Indir-Abs, GHG-Dir-Lfl; GHG-Indir-Lfl.
Scope (101/108): 99/99 owned and managed shopping centers + 2/9 owned only shopping centers.
Coverage rate: 99.7% of total shopping center portfolio value.

According to the market-based method, the carbon footprint of the Group (Scopes 1 & 2) reduced by 22% on a like-for-like comparison to 2022. This significant reduction, given the Group's already high performance, came mainly from:

- Italy for Scope 1 (around 2,500 tCO_2e), thanks to a halving of emissions linked to boiler gas (thanks to the energy savings plan and the centralization of the ignition of boilers at headquarter level), and a division by four of emissions linked to refrigerant leaks (especially through maintenance processes updates); and
- France for Scope 2 (around. 1,000 tCO_2e), thanks to a more favorable emission factor for electricity and district heating/cooling and a sizeable reduction in energy consumption due to the implementation of a strict energy savings plan.

The market-based approach for the calculation of GHG emissions doesn't show a significant reduction in emissions coming from electricity consumption as the Group already purchases 100% renewable electricity with an emission factor equal to zero. The same applies to gas consumption in France (please see tables in location-based methodology for further explanations).

SCOPES 1 & 2 GHG EMISSIONS INTENSITY (MARKET-BASED)

In $kgCO_2e$/sq.m.	2017	2022	2023	2023/2022 change	2023/2022 Lfl change	2023/2017 change
France	–	2.4	2.9	+21%	0%	–
Italy	–	8.2	5.0	−38%	−45%	–
Scandinavia	–	1.6	2.1	+29%	+19%	–
Iberia	–	1.5	2.0	−31%	+18%	–
Netherlands/Germany/Central Europe	–	4.1	4.0	−1%	−3%	–
GROUP TOTAL	**21.0**	**3.7**	**3.4**	**−8%**	**−17%**	**−84%**

EPRA indicator: GHG-Int-Abs.
Scope (101/108): 99/99 owned and managed shopping centers + 2/9 owned only shopping centers.
Coverage rate: 99.7% of total shopping center portfolio value.

On a like-for-like basis and using the market-based approach, the Group carbon intensity declined by 17% in 2023. The reduction is less than the one for the carbon footprint in absolute value (down 22%, see above) because of changes in reference surface areas which vary according to whether tenants connect or disconnect themselves from the common energy equipment. Klépierre's portfolio achieved a performance of 3.4 $kgCO_2e$/ sq.m. in 2023. It continues to make progress year on year and is well on track to achieve its net zero-carbon portfolio objective by 2030 for Scopes 1 & 2.

Performances were even better on a like-for-like basis due to the change in scope of reporting for 2023 (aligning with financial reporting by including only assets that are fully consolidated). Assets removed from the scope of reporting were high-performing ones with regards to GHG emissions, especially in France.

Looking at the various territories, performances are as follows:

- In France, Scope 1 emissions increased due to refrigerant leaks. On the other hand, Scope 2 emissions decreased thanks to a reduction in district heating consumption, and an adjustment of the emission factor for electricity;
- In Italy, the country cut both scopes in half thanks to an action plan dedicated to refrigerant leaks as well as the application of energy conservation guidelines which led to a 50% decrease in gas consumption used to heat the malls;
- Scandinavia's variation was mostly due to the change in reporting scope (one high-performing center was removed);
- In Iberia, gas consumption decreased but this was offset by increased refrigerant leaks. The increase in final carbon efficiency is related to surface adjustments (disconnected tenants from the energy loop) and emissions from previously unreported company vehicles; and
- In Germany, all assets succeeded in eliminating refrigerant leaks.

For all countries, company vehicle emissions were not considered in the previous years (except for France), but are now reported.

TOTAL SCOPES 1 & 2 GHG EMISSIONS (LOCATION-BASED)

In tCO_2e	2017	2022	2023	2023/2022 change	2023/2022 Lfl change	2023/2017 change
Total Scope 1 emissions	19,496	11,301	7,309	−35%	−23%	−63%
Total Scope 2 emissions	94,010	58,550	32,239	−45%	−34%	−66%
TOTAL SCOPES 1 & 2 EMISSIONS	**113,506**	**69,852**	**39,548**	**−43%**	**−32%**	**−65%**

EPRA indicator: GHG-Dir-Abs; GHG-Indir-Abs, GHG-Dir-Lfl; GHG-Indir-Lfl.
Scope (101/108): 99/99 owned and managed shopping centers + 2/9 owned only shopping centers.
Coverage rate: 99.7% of total shopping center portfolio value.

With the location-based approach to the calculation of GHG emissions, the Group achieved a 32% reduction in its Scopes 1 & 2 carbon footprint. This is the direct consequence of a sizeable decrease in energy consumption across the portfolio in 2023 compared to 2022 as well as of the good management of refrigerant leaks at Group level which decreased by 30%, driven by Italy.

SCOPES 1 & 2 GHG EMISSIONS INTENSITY (LOCATION-BASED)

In $kgCO_2e$/sq.m.	2017	2022	2023	2023/2022 change	2023/2022 Lfl change	2023/2017 change
France	–	5.6	6.5	+15%	+12%	–
Italy	–	37.0	22.9	−38%	−36%	–
Scandinavia	–	4.6	3.8	−18%	−25%	–
Iberia	–	22.8	12.0	−47%	−46%	–
Netherlands/Germany/Central Europe	–	27.7	20.5	−26%	−26%	–
GROUP TOTAL	**28.0**	**18.3**	**13.7**	**−25%**	**−27%**	**−51%**

EPRA indicator: GHG-Int-Abs.
Scope (101/108): 99/99 owned and managed shopping centers + 2/9 owned only shopping centers.
Coverage rate: 99.7% of total shopping center portfolio value.

Using the location-based approach, the carbon intensity of the Group's portfolio stood at 13.7 $kgCO_2e$/sq.m., a 27% reduction in comparison to 2022. This intensity is four times as high as that calculated using the market-based approach because the national energy mix of the territories in which the Group operates is far more carbon rich than that used by the shopping centers of the Group portfolio.

In Iberia, the significant reduction in Scope 2 (46% decrease) is linked to significant reductions in energy consumption, to the growing on-site production of renewable electricity, and to a more favorable national emissions factor in 2023. Conversely, France is the only country where the carbon intensity increased in 2023 (12% increase), which can be explained by a far less favorable emissions factor for the country (41 to 55 g CO_2e/kWh) and surface adjustments.

TOTAL ENERGY CONSUMPTION IN COMMON AND SERVICED AREAS, PER ENERGY SOURCE

In kWh	2022	2023	2023/2022 change	2023/2022 Lfl change
Total electricity consumption	227,892,088	156,092,595	−32%	−13%
Total fuel[(a)] consumption	40,348,592	20,863,110	−48%	−38%
Total district heating & cooling consumption	51,497,412	39,193,896	−24%	−13%
Total geothermal consumption	298,966	216,016	−28%	−28%
GROUP TOTAL (energy consumption)	**320,037,059**	**216,365,618**	**−32%**	**−16%**

(a) Fuels included: gas, diesel and heating oil.
EPRA indicators: Elec-Abs, Elec-Lfl, Fuel-Abs, Fuel-Lfl, DH&C-Abs, DH&C-Lfl.
Scope (101/108): 99/99 owned and managed shopping centers + 2/9 owned only shopping centers.
Coverage rate: 99.7% of total shopping center portfolio value.

The total energy consumption of the Group decreased by 32% in 2023 compared to 2022, or 16% on a like-for-like basis. The lower reduction in like-for-like terms is due both to the removal of several French assets from the 2023 scope of reporting (alignment with the scope of consolidation of the financial statements), and to the disposal of two French assets over 2023.

The significant decrease in consumption was possible thanks to better energy efficiency and sobriety plans, implementation of BOOST programs (61) and the sharing of best practices throughout the year. Almost all energy sources contributed to the overall decrease:

- The 13% reduction in electricity and district heating/cooling consumption at Group level are primarily attributable to the application of the energy conservation plan in all countries, particularly in France where the teams made a substantial effort in aligning with government directives;
- Fuel consumption has been largely reduced as well (38% decrease) driven by France, Italy and Turkey. This result can be attributed to the sobriety measures implemented in the assets, particularly during the winter season where the reduction in heating usage played a substantial role in final values for 2023. Additionally, other initiatives were deployed, such as in Italy with the strategic decision to centralize boiler ignition at headquarters level.

ENERGY INTENSITY IN COMMON AND SERVICED AREAS, PER REGION

In kWh/sq.m	2022	2023	2023/2022 change	2023/2022 Lfl change	2023/2013 change
France	77.6	69.2	−11%	−13%	−53%
Italy	108.7	93.0	−14%	−11%	−46%
Scandinavia	84.0	79.9	−5%	−6%	−34%
Iberia	83.0	79.0	−5%	−5%	−47%
Netherlands/Germany/ Central Europe	76.9	64.4	−12%	−11%	–
GROUP TOTAL	**83.6**	**74.9**	**−10%**	**−10%**	**−48%**

EPRA indicators: Energy-Int.
Scope (101/108): 99/99 owned and managed shopping centers + 2/9 owned only shopping centers.
Coverage rate: 99.7% of total shopping center portfolio value.

In 2023, Klépierre achieved 74.9 kWh/sq.m. average energy efficiency for its entire portfolio, compared to 83.6 kWh/sq.m. in 2022, therefore resulting in a 10% reduction at Group level. This result is explained mainly by the following two factors:

- The strict energy efficiency approach, with impactful measures and ambitious targets that have been greatly implemented by the countries' teams; and
- Roll-out of the BOOST sessions continue apace. For example, in 2023, several countries chose to double the number of BOOST programs executed per asset to avoid energy drift and check equipment before summer and winter. In addition, Italy, Spain and Portugal introduced CoBOOST, with cross-countries process to enable improved knowledge sharing between technical teams.

ENERGY COSTS FOR COMMON AND SERVICED AREAS: TOTAL COSTS AND COST PER KWH, PER REGION

	2022		2023		2023/2022 change		2023/2022 Lfl change	
	Total costs *(in € thousands)*	Cost per kWh *(in €)*	Total costs *(in € thousands)*	Cost per kWh *(in €)*	Total costs *(in € thousands)*	Cost per kWh *(in €)*	Total costs *(in € thousands)*	Cost per kWh *(in €)*
France	11,120	0.11	14,203	0.25	+28%	+136%	+72%	+127%
Italy	24,221	0.31	12,907	0.25	−47%	−19%	−29%	−15%
Scandinavia	5,040	0.12	3,945	0.12	−22%	−4%	−13%	−5%
Iberia	2,248	0.08	2,021	0.08	−10%	+1%	−2%	+10%
Netherlands/Germany/ Central Europe	8,369	0.12	11,328	0.22	+35%	+76%	−6%	+36%
GROUP TOTAL	**50,998**	**0.16**	**44,405**	**0.21**	**−13%**	**+29%**	**+5%**	**+24%**

Scope (101/108): 99/99 owned and managed shopping centers + 2/9 owned only shopping centers.
Coverage rate: 99.7% of total shopping center portfolio value.

Overall Group energy costs have increased by 5% on a like-for-like basis because of the global increase in energy prices: for example, in the Netherlands, the cost per megawatt-hour (MWh) was €72 from October to December 2022, but rose to €386 on January 1, 2023.

By cutting down its consumption by 16% over the same period, Klépierre managed to balance the impact of this cost escalation, protecting the Group from significant financial losses.

Thanks to purchasing in advance, compounded by an important energy reduction, Italy managed to decrease its 2023 energy costs by 15% despite this complex environment.

PROPORTION OF ENERGY CONSUMED IN COMMON AND SERVICED AREAS COMING FROM RENEWABLE SOURCES, PER TYPE OF ENERGY

In %	2022	2023	2023/2022 change	2023/2022 Lfl change
Electricity consumption	100%	100%	–	–
Urban heating consumption	52%	56%	+7%	–
Urban cooling consumption	42%	52%	+23%	−2%
Natural gas consumption	33%	24%	−29%	+14%
Geothermal consumption	100%	100%	–	–
TOTAL SHARE OF RENEWABLE ENERGY	**84%**	**84%**	**0%**	**+4%**

EPRA indicators: Elec-Abs, Elec-Lfl, Fuel-Abs, Fuel-Lfl, DH&C-Abs, DH&C-Lfl.
Scope (101/108): 99/99 owned and managed shopping centers + 2/9 owned only shopping centers.
Coverage rate: 99.7% of total shopping center portfolio value.

For the second consecutive year, Klépierre is able to report that 100% of its total electricity consumed in the common and serviced areas of its shopping centers comes from renewable sources.

Regarding district heating and cooling, the proportion of renewable consumption was stable on a like-for-like basis. The difference in the reporting scope is due to the 2023 changes in the scope of sustainability reporting.

Concerning fuels, the proportion of renewable consumption decreased in the reported scope as some French shopping centers, which are now out of the scope of reporting, were consuming renewable fuel. On a like-for-like basis in comparison, the share of fuel consumed in French shopping centers that comes from renewable sources increased.

BREAKDOWN OF BREEAM IN-USE CERTIFICATIONS, PER PART AND PER LEVEL

	BREEAM In-Use – Part 1					BREEAM In-Use – Part 2				
In % of value	**Outstanding**	**Excellent**	**Very Good**	**Good**	**Pass**	**Outstanding**	**Excellent**	**Very Good**	**Good**	**Pass**
Proportion of assets, per level	0%	15%	61%	23%	1%	0%	11%	15%	42%	2%
Proportion of assets, per part	100%					69%				
PROPORTION OF ASSETS BREEAM IN-USE CERTIFIED	**100%**									

EPRA indicator: Cert-Tot.
Scope (100/108): 98/99 owned and managed shopping centers + 2/9 owned only shopping centers.
Coverage rate: 98.3% of total shopping center portfolio value.

In 2019, Klépierre signed a European contract to deploy a BREEAM In-Use 'portfolio approach' covering all its assets across Europe. The BREEAM In-Use certification is broken down into two sub-certifications: part 1 and part 2. Part 1 corresponds to an assessment of the environmental performance of each asset in terms of architecture, construction, facilities, and services, while part 2 is an operational and management assessment of the buildings.

In 2023, the entire portfolio is still 100% BREEAM In-Use certified: 100% of assets received a part 1 certification and 69% an additional part 2 certification. This result attests to the high quality of the Group assets and processes of the day-to-day management.

This year, the entire portfolio underwent a re-certification process to move from the BREEAM In-Use version 5 scheme to the new version 6. As version 6 is much more demanding, a significant number of shopping centers saw their scores downgraded. Nevertheless, 76% of the Group's assets were still scored as Very Good or above. An action plan is being drawn up for the coming years to improve the existing levels.

TOTAL SCOPE 3 GHG EMISSIONS (MARKET-BASED)

In tCO_2e	2017	2022	2023	2023/2022 change	2023/2022 Lfl change	2023/2017 change
Energy consumption not included in Scopes 1 & 2	26,520	14,897	11,062	−26%	−10%	−58%
Waste management	15,305	11,426	24,799	+117%	+167%	+62%
Capital goods	10,852	35,497	17,916	−50%	−50%	+65%
Goods and services purchased	50,166	30,283	28,968	−4%	+20%	−42%
Business trips	647	579	1,296	+124%	+124%	+100%
Commuting	355	3,713	1,002	−73%	−73%	−182%
Downstream leasing	311,850	93,714	117,050	+25%	+34%	−62%
TOTAL SCOPE 3 EMISSIONS	**415,695**	**190,110**	**202,094**	**+6%**	**+17%**	**−51%**
Visitors' transportation	1,421,331	1,111,186	819,071	−26%	−10%	−42%

EPRA indicator: GHG-InDir-Abs, GHG-InDir-Lfl.
Scope (101/108): 99/99 owned and managed shopping centers + 2/9 owned only shopping centers.
Coverage rate: 99.7% of total shopping center portfolio value.

In 2023, the Scope 3 GHG emissions increased by 17% on a comparable basis from 2022.

Further details on the change in each category contributing to this overall result are provided below:

- Energy consumption not included in Scopes 1 & 2: the emissions decreased due to the Group's overall reduction in energy consumption.
- Waste management: despite a more precise classification of waste treatment types for each waste category, GHG emissions related to waste increased due to updated emission factors.
- Capital goods: emissions related to capital goods decreased significantly for two main reasons. First of all, regarding construction capital goods: in 2023, the Group focused on renovation projects and did not undertake any development projects, which tend to generate more emissions. Secondly, there was a reduction in purchases in IT equipment, notably in terms of laptops and servers, which are the items with the largest potential impact.

- Goods and services purchased: overall expenditure increased for cleaning, waste management, building maintenance and operation, mechanical connections, monitoring and air conditioning, leading to an increase in the associated greenhouse gas emissions on a like-for-like basis.
- 'Business trips' emissions increased due to the consolidation of business travel data across all Group countries, for more precise reporting, while this indicator was only calculated for the French business unit previously.
- 'Commuting emissions' significantly decreased due to the update of the study on employees' commuting habits, which are extrapolated to cover the entire Group and are used for the calculation of generated emissions.
- 'Downstream leasing' emissions (tenants' energy consumption) increased significantly following the update of the emission factor for the French residual mix.

TOTAL SCOPE 3 GHG EMISSIONS (LOCATION-BASED)

In tCO_2e	2017	2022	2023	2023/2022 change	2023/2022 Lfl change	2023/2017 change
Energy consumption not included in Scopes 1 & 2	26,520	15,209	10,829	−29%	−13%	−59%
Waste management	15,305	11,426	24,799	+117%	+167%	+62%
Capital goods	10,852	35,497	17,916	−50%	−50%	+65%
Goods and services purchased	50,166	30,283	28,968	−4%	+20%	−42%
Business trips	647	579	1,296	+124%	+124%	+100%
Commuting	355	3,713	1,002	−73%	−73%	+182%
Downstream leasing	226,661	119,886	79,197	−34%	−31%	−65%
TOTAL SCOPE 3 EMISSIONS	**330,506**	**216,593**	**164,008**	**−24%**	**−18%**	**−50%**
Visitors' transportation	1,421,331	1,111,186	819,071	−26%	−10%	−42%

EPRA indicator: GHG-InDir-Abs, GHG-InDir-Lfl.
Scope (101/108): 99/99 owned and managed shopping centers + 2/9 owned only shopping centers.
Coverage rate: 99.7% of total shopping center portfolio value.

For Scope 3 GHG emissions, only 2 categories were impacted by the change between market-based and location-based calculation methodologies, those linked to energy consumptions in assets:

- Energy consumption not included in Scope 1 & 2: this was equivalent in the two calculations; and
- Downstream leasing: as precise data on the tenants' energy consumptions is not always available, we partially extrapolate this data from the Group's own energy consumption. As the Group's energy consumption decreased in 2023, the associated extrapolations also decreased.

For all the other categories, as 2023 values remain the same as market-based values, please see the table above for more comments on trends.

BREAKDOWN OF WASTE, BY TYPE

In tons	2022	2023	2023/2022 change
Cardboard	22.5%	25.5%	+3.0 pp
Paper	3.7%	4.2%	+0.5 pp
Food waste	6.7%	9.7%	+3.0 pp
Pallets	0.5%	0.5%	–
Plastic	4.5%	2.8%	−1.7 pp
Glass	1.6%	1.9%	+0.3 pp
Wood	0.4%	0.5%	+0.1 pp
Metal	0.5%	0.6%	+0.1 pp
Hangers	0.2%	0.3%	+0.1 pp
WEEE	0.1%	0.1%	–
Other sorted waste	8.5%	11.6%	+3.1 pp
Non-sorted waste	50.7%	42.2%	−8.5 pp
GROUP TOTAL	**100.0%**	**100.0%**	**–**

EPRA indicator: Waste-Abs.
Scope (101/108): 99/99 owned and managed shopping centers + 2/9 owned only shopping centers.
Coverage rate: 99.7% of total shopping center portfolio value.

The waste considered in these indicators includes all operational waste produced in Klépierre's assets: tonnage from retailers' waste and from disposed waste in common areas.

In 2023, Klépierre enlarged its scope of reporting for waste, providing even greater precision on the quantities of waste produced, as well as their different types and final destinations.

Looking at the breakdown of sorted waste by type, at Group level, cardboard, paper and food waste remain the three waste categories with the highest tonnage sorted on site, representing up to 70% of total sorted waste generated. The Group's assets managed to decrease the proportion of non-sorted waste by 8.5pp, and increase the food waste sorting by 3pp, as per Klépierre's Act4Good™ strategy.

TOTAL WEIGHT OF WASTE BY DISPOSAL ROUTE

	2022	2023	2023/2022 change	2023/2022 Lfl change
TOTAL WASTE *(in tons)*	**46,137**	**45,350**	**−2%**	**+4%**
Proportion of waste recycled *(in %)*	37.9%	40.0%	+5%	+3%
Proportion of waste reused *(in %)*	0.4%	0.8%	+88%	+13%
Proportion of waste with other form of material recovery *(in %)*	4.7%	6.1%	+30%	+3%
Proportion of waste with material recovery *(in %)*	**43.0%**	**46.9%**	**+9%**	**+19.6%**
Proportion of waste incinerated with energy recovery *(in %)*	50.5%	43.6%	−14%	−4%
Proportion of waste with other form of energy recovery *(in %)*	6.4%	9.5%	+47%	+13%
Proportion of waste with energy recovery *(in %)*	**56.9%**	**53.1%**	**−7%**	**+8%**
Proportion of recovered waste *(in %)*	**100.0%**	**99.9%**	**0%**	**+28%**
Proportion of waste incinerated without energy recovery *(in %)*	0.0%	0.0%	–	–
Proportion of waste put in landfill *(in %)*	0.0%	0.1%	+115%	−4%
Proportion of non-recovered waste *(in %)*	**0.0%**	**0.1%**	**+115%**	**–**

EPRA indicator: Waste-Abs, Waste-LfL.
Scope (101/108): 99/99 owned and managed shopping centers + 2/9 owned only shopping centers.
Coverage rate: 99.7% of total shopping center portfolio value.

In 2023, 41% of waste was recycled or reused, reflecting a 5% increase from 2022. More generally, material recovery has increased by approximately 20%, on a like for like basis. This is due to the commitment of the technical teams, who strive daily to raise awareness among tenants and ensure that they comply with sorting instructions. Moreover, this year, 10 shopping centers completed in-depth reviews of waste within their ordinary industrial waste (OIW) containers to identify the types of incorrect waste being disposed of and where it originated from. Based on this analysis, action plans are being put in place to improve waste sorting on site.

TOTAL WATER CONSUMPTION AND INTENSITY

	2022	2023	2023/2022 change	2023/2022 Lfl change
Total water consumption *(in cu.m)*	2,868,891	2,517,846	−12%	+6%
Total building water intensity *(in liter/visit)*	4.2	4.1	−1%	−3%

EPRA indicator: Water-Abs, Water-LfL, Water-Int.
Scope (101/108): 99/99 owned and managed shopping centers + 2/9 owned only shopping centers.
Coverage rate: 99.7% of total shopping center portfolio value.

On a like-for-like basis and in absolute value, water consumption between 2022 and 2023 increased by 6%. Trends varied between countries: France, Scandinavia and Poland for example maintained their water consumptions at a stable level while, others, such as in Italy and the Netherlands, increased. In the Netherlands, the end of lockdown measures and the full reopening of restaurants only occurred at the end of 2022, impacting the variation with 2023, a normal year of operation.

However, the Group water intensity is down by 3%, from 4.2 to 4.1 liters/visit thanks an increase in total water consumption (up 6%) that is lower than the increase in total shopping center footfall over 2023 (up 9%).

TOTAL HEADCOUNT AT YEAR-END(1)

In number of employees	2022	2023	2023/2022 change
France	461	443	−18
Italy	179	180	+1
Scandinavia	102	111	+9
Iberia	111	112	+1
Netherlands & Germany	95	92	−3
Central Europe	79	77	−2
Other countries	45	46	+1
GROUP TOTAL	**1,072**	**1,061**	**−11**

(1) *The Group's Executive Board is excluded from the reporting methodologies.*

The permanent headcount decreased by 10% at the end of 2023, due mainly to a higher than expected vacancy rate between incumbents and a recruitment pace that was broadly slower than usual given the tight jobs market. This was specifically the case in France, where the net headcount fell by 18 in 2023. This phenomenon was also experienced in 2022 in Scandinavia although the trend was reversed in 2023, as shown by the increase of net headcount by 9 during the year.

Headcounts in all other countries, on a net basis, remained stable year on year.

TOTAL HEADCOUNT AT YEAR-END, BY TYPE OF EMPLOYMENT[1]

In number of employees	2022	2023	2023/2022 change
Permanent	1,045	1,035	−10
Temporary	27	26	−1
GROUP TOTAL	**1,072**	**1,061**	**−11**

98% employees remained permanent across Klépierre territories in 2023, against 97% in 2022, showing stability.

TOTAL HEADCOUNT AT YEAR-END, BY AGE[1]

In number of employees	2022	2023	2023/2022 change
Below 30	146	142	−4
30 – 39	329	322	−7
40 – 49	330	315	−15
50 or above	267	282	+15
GROUP TOTAL	**1,072**	**1,061**	**−11**

Klépierre's workforce aged slightly in 2023, with an increase of 2% in employees that are 50 or above and an equivalent decrease in the younger categories.

EMPLOYEE HEALTH AND SAFETY

	2022	2023	2023/2022 change
Injury rate[a]	0.00	1.56	+1.56
Lost day rate *(per 100,000 hours worked)*	0.00	0.00	–
Absentee rate *(based on days of absence)*	1.85%	2.40%	+0.55 pp
Fatalities *(Total number)*	0	0	0

EPRA indicator: H&S-Emp.
(a) Number of workplace accidents/Number of hours worked) 1,000,000.*

Injuries occurred during commuting time for three employees, one in France and two in Italy. Absenteeism increased slightly in Iberia and Central Europe, while the other countries saw their rates remain stable or decrease (Scandinavia) compared to 2022.

EMPLOYEE DIVERSITY – GENDER (PROPORTION OF WOMEN)

In % of women	2022	2023	2023/2022 change
Group Executive Committee	43%	45%	+3 pp
Top 100	38%	40%	+2 pp
Middle and Senior Management	41%	40%	−1 pp
First Line Management	60%	60%	–
Other staff	79%	78%	−2 pp
GROUP TOTAL	**62%**	**62%**	**–**

EPRA indicator: Diversity-Emp.

In 2023, the representation of women increased in the higher management levels, specifically within the Group Executive Committee, which now comprises 5 women and 6 men confirming the achievement of the 2025 target of 40%. 40 of the top 100 managers were women (up 2% vs 2022), showing the positive impact of the Group's gender balance strategy launched in late 2020, which set the 40% target for 2026 that was achieved this year.

EMPLOYEE DIVERSITY – GENDER (PAY RATIO)(1)

	2022	2023	2023/2022 change
Group Executive Committee	0.68	0.76	+0.07
Top 100	0.98	0.82	−0.16
Middle and Senior Management	0.80	0.88	+0.08
First Line Management	0.90	0.88	−0.03
Other staff	0.83	0.78	−0.06
GROUP TOTAL	**0.69**	**0.66**	**−0.03**

EPRA indicator: Diversity-Pay.

Gender pay gaps remained stable at Group level reflecting the still higher representation of male workers in better-paid jobs. Of note, the gender pay gap of the Group Executive Committee closed somewhat thanks to the appointment of a woman as Group Chief Operating Officer. Conversely, the average pay gap of the top 100 managers widened despite higher representation of women in this category.

Gender pay gaps are calculated with greater granularity, by function and position level, to ensure that the 'equal pay for equal job' principle is respected in each country.

EMPLOYEE TRAINING AND DEVELOPMENT

	2022	2023	2023/2022 change
Rate of access to training for Group employees *(in %)*	103.4%	100.0%	−3.5 pp
Number of training hours per employee *(in hours/employee)*	17	18.1	+1
Proportion of employees who have completed their performance appraisal[a] *(in %)*	96%	84%	−12 pp
Proportion of open positions filled by internal mobility *(in %)*	32%	27%	−5 pp

EPRA indicator: Emp-Training, Emp-Dev.
(a) Achievement rate of the 2023 appraisal campaign interviews, compared with 2022 performance.

The training rate decreased slightly in 2023, remaining at 100%. The average number of training hours per employee increased to 18.1 in 2023.

Less focus was given to the monitoring of annual performance reviews in 2023, due to the change of HRIS system (Purple) at the end of 2022, so as to not add complexity for managers. This explains the drop of 12% in the completion of performance forms filled in the system.

NEW HIRES AND DEPARTURES/TURNOVER

	2022	2023	2023/2022 change
Total number of new employees *(in number)*	225	190	−35
Proportion of new employees *(in %)*	21.0%	17.9%	−3.1 pp
Total number of departed employees[a] *(in number)*	162	165	+3
Proportion of departed employees/turnover *(in %)*	15.7%	15.8%	+0.1 pp

EPRA indicator: Emp-Turnover.
(a) Resignations + Dismissals + Retirements + end of trial period + negotiated departure + Deaths)/Permanent workforce 31.12.

There were fewer external recruitments in 2023 than in 2022. Recruitment activity in 2022 was particularly intense as it was a post-Covid recovery year with the restaffing of jobs that had been left vacant due to the crisis.

In 2023 the number of new recruits mostly reflected the management of staff turnover. Turnover was stable.

(1) Ratio of women's to men's base salaries.

COMPOSITION OF THE HIGHEST GOVERNANCE BODIES

	2022	2023
Supervisory Board	9 non-executive members	9 non-executive members
Executive Board	2 members	2 members

EPRA indicator: Gov-Board.

PROCESS FOR APPOINTING MEMBERS OF THE HIGHEST GOVERNANCE BODIES

	2022	2023
Supervisory Board	The permanent supervision of the Company's management by the Executive Board shall be exercised by a Supervisory Board formed of three members at least and twelve members at most appointed by the ordinary shareholders' meeting. A legal entity may be appointed as a member of the Supervisory Board, but it must, when it is appointed, appoint an individual to be its permanent representative within the Supervisory Board. The term of office of the permanent representative within the Supervisory Board appointed by a legal entity shall be given for the term of office of the legal entity. When the legal entity dismisses its representative, it must promptly notify the Company, by registered letter, of such dismissal as well as the identity of its new permanent representative. The same applies in case of death or resignation of the permanent representative. The term of office as member of the Board shall be three years.	The permanent supervision of the Company's management by the Executive Board shall be exercised by a Supervisory Board formed of three members at least and twelve members at most appointed by the ordinary shareholders' meeting. A legal entity may be appointed as a member of the Supervisory Board, but it must, when it is appointed, appoint an individual to be its permanent representative within the Supervisory Board. The term of office of the permanent representative within the Supervisory Board appointed by a legal entity shall be given for the term of office of the legal entity. When the legal entity dismisses its representative, it must promptly notify the Company, by registered letter, of such dismissal as well as the identity of its new permanent representative. The same applies in case of death or resignation of the permanent representative. The term of office as member of the Board shall be three years.
Executive Board	The Company shall be managed by an Executive Board. The Supervisory Board shall appoint the members of the Executive Board. It shall set the number thereof within the limits set by law. Members of the Executive Board must be individuals but need not be shareholders. Members of the Supervisory Board may not be members of the Executive Board. Members of the Executive Board may not accept an appointment as Executive Board member or sole Managing Director of another company unless authorized by the Supervisory Board. The Executive Board is appointed for a term of three years. Its members may always stand for re-election, subject to the provisions of the following paragraph. They may be dismissed either by the Supervisory Board voting with a two-thirds majority or by ordinary resolution of the shareholders. The age limit for members of the Executive Board is sixty-five. However, the Supervisory Board may extend the term of office of an Executive Board member who reaches that age on one or more occasions not exceeding a total of three years. If a seat on the Executive Board becomes vacant, the Supervisory Board shall decide whether it is appropriate to fill it; the replacement member, if any, shall be appointed for the remainder of the Executive Board's three year term. The Supervisory Board shall grant one of the members of the Executive Board the capacity of Chairman who shall exercise his/her duties for his/her term of office as member of the Executive Board.	The Company shall be managed by an Executive Board. The Supervisory Board shall appoint the members of the Executive Board. It shall set the number thereof within the limits set by law. Members of the Executive Board must be individuals but need not be shareholders. Members of the Supervisory Board may not be members of the Executive Board. Members of the Executive Board may not accept an appointment as Executive Board member or sole Managing Director of another company unless authorized by the Supervisory Board. The Executive Board is appointed for a term of three years. Its members may always stand for re-election, subject to the provisions of the following paragraph. They may be dismissed either by the Supervisory Board voting with a two-thirds majority or by ordinary resolution of the shareholders. The age limit for members of the Executive Board is sixty-five. However, the Supervisory Board may extend the term of office of an Executive Board member who reaches that age on one or more occasions not exceeding a total of three years. If a seat on the Executive Board becomes vacant, the Supervisory Board shall decide whether it is appropriate to fill it; the replacement member, if any, shall be appointed for the remainder of the Executive Board's three-year term. The Supervisory Board shall grant one of the members of the Executive Board the capacity of Chairman who shall exercise his/her duties for his/her term of office as member of the Executive Board. In addition, the Supervisory Board set up a selection process which guarantees that the candidates include at least one person of each sex.

EPRA indicator: Gov-Selec.
For further analysis, please see section 6.1 of Klépierre's 2023 Universal Registration Document.

PROCESS FOR MANAGING CONFLICTS OF INTEREST

	2022	2023
Supervisory Board	For further analysis of the Group's performance, please see section 6.1.1 of Klépierre's 2022 Universal Registration Document	For further analysis of the Group's performance, please see section 6.1.1 of Klépierre's 2023 Universal Registration Document

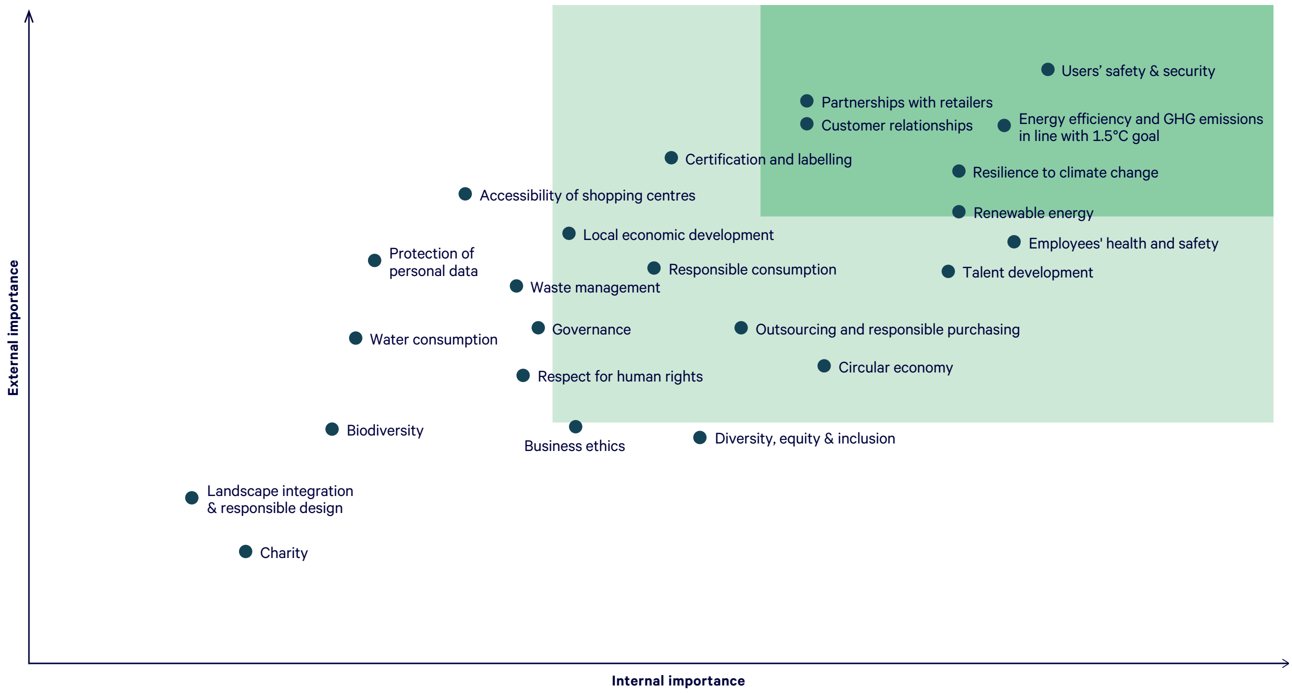
EPRA indicator: Gov-Col.

3.6.2 Summary of performance against 2030 Act4Good™ commitment

	2030 targets	2023 performance/status
Achieving net zero	Reach an average portfolio energy efficiency of 70 kWh/sq.m.	74.9 kWh/sq.m.
	Measure tenants' private energy consumption in the Group's shopping centers and support tenants in achieving a 20% reduction in their energy consumption	Ongoing
	Produce renewable energy locally to reach up to 30% of self-consumption for the Group's top-40 assets	7 assets equipped out of 40
	Engage visitors with the aim of achieving a 40% decrease in carbon emissions related to their transportation	39% of the assets have marketing initiatives in place to encourage visitors' sustainable mobility
	Reach 100% waste enhancement with a strong focus on recovering materials (50% recycling/reuse, 100% food waste composted/digested)	100% waste recovered (41% recycled/reused and 100% food waste composted/digested)
	Ensure all new development/refurbishment projects include low-carbon solutions	N/A in 2023
	Support tenants in creating low-carbon shops (structural works + fit-outs)	Ongoing
	Commit to net zero land use for all shopping center development projects	N/A in 2023
	Obtain operational sustainability certification for all the Group's shopping centers	100% of assets certified
Servicing communities	Set up a "GIVING BACK" project per center with high impact for local communities	21% of assets have implemented a GIVING BACK project
	Offer green services to visitors in all the Group's shopping centers (recycling/repair stations, clothes collection points, etc.)	73% of assets propose green services to their visitors
	Make all shopping centers compliant with a set of internal inclusion standards	Ongoing
	Ensure one shopping center per local territory is equipped with a disaster relief plan for local communities	Ongoing
Growing people	Upskill employees in CSR, every year	10% of permanent employees
	Create Klépierre Academies offering programs to upskill people and improve their employability in the top-50 malls	Ongoing
	Reach 40% of women in top management and the top-100 managers, with non-significant pay gaps	45% of women on the Group Executive Committee 40% of women in the top-100 Pay gaps not monitored at functional level yet
	Include an inclusion clause in all service providers' contracts (disability, long-term unemployment, deprived neighborhoods)	Ongoing
	Engage all employees in sponsorship programs aimed at empowering local communities	58% of permanent employees
	Protect people's physical and mental health by enabling access to preventive healthcare programs in all the Group's workplaces and local communities	Ongoing
	Ensure all staff have their performance appraised based on at least one CSR criterion	Ongoing
Promoting sustainable lifestyles	Promote sustainable commerce across all shopping centers by showcasing the responsible products/services of retailers	60% of assets showcased their retailers' responsible offer
	Promote sustainable commerce across all shopping centers by assessing the CSR engagement of tenants before signing leases	Ongoing
	Dedicate one specific unit to new local, responsible concepts in the top-50 shopping centers	Ongoing
	Raise visitors' awareness of sustainable lifestyles through responsible events by organizing at least three events/year (nutrition, sustainable consumption, etc.)	Ongoing
	Raise visitors' awareness of sustainable lifestyles through responsible events by making sure that the Group's events are organized responsibly	Ongoing
	Organize a biennial contest to support and promote three players (one retailer, one service provider, one technical solution provider) committed to the low-carbon transition	N/A in 2023

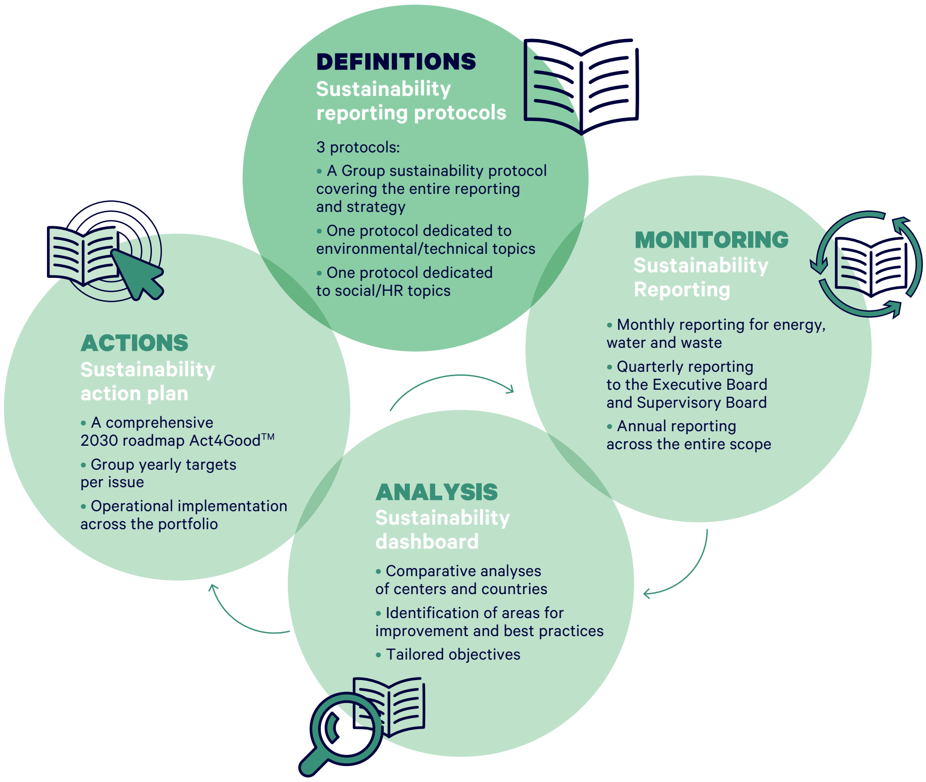
3.6.3 Materiality assessment

Materiality analysis helps define and prioritize issues that are most important to an organization and its stakeholders, identifying both risks and opportunities that can be used to guide strategy. In 2017, Klépierre conducted a comprehensive materiality analysis, supporting the Group in identifying environmental, human and social issues where it should take action, as well as defining projects in compliance with NFRD requirements and 2021 guidelines from the Global Reporting Initiative (GRI) and the European Public Real Estate Association (EPRA). This matrix was reviewed in 2023 (shown below) within the framework of Klépierre's Act4Good™ strategy. Notably, this year witnessed heightened materiality of topics such as energy efficiency and GHG emissions in line with 1.5°C goal, as well as resilience to climate change, consolidating their place as the most material issues alongside users' safety and security, partnerships with retailers and customer relationships.



3.6.4 Management system and tools

The Group uses a suite of tools and processes to integrate environmental and societal issues into all its operational procedures. These are organized into four groups:



3.6.4.1 Definitions: sustainability reporting protocols

The Group has established standard definitions, grouped into three reporting protocols, for the environmental, social and societal impacts that all shopping centers and Group operations are expected to monitor. These three reporting protocols are as follows:

- An overarching reporting protocol, that presents the extra-financial reporting process and indicators that are not included in the two other protocols. Said indicators specifically relate to greenhouse gas emissions from Scopes 1, 2 & 3, as well as societal indicators related to our Act4Good™ sustainability strategy;
- A social reporting protocol, for social aspects which are sent to Human Resources Managers in each country and include both quantitative and qualitative data;
- An environmental reporting protocol, for environmental aspects, which is communicated to the technical teams, and contain approximately 120 data points to be collected for each shopping center in the portfolio.

These documents are updated annually to reflect developments in the business of the Group and changes to regulation in each of the Group's operating countries.

3.6.4.2 Monitoring: sustainability reporting

3.6.4.2.1 Internal reporting

Klépierre monitors environmental, social, and societal data covering 99.7% of its portfolio of owned shopping centers by value and all of its staff against the defined impacts and key performance indicators (KPIs) (for full details on reporting scope, please refer to section 3.6.6).

Center Managers and Technical Directors monitor utility consumption (energy and water) and waste production at least once a month. 79% of centers are also equipped with energy measurement systems that enable automated reporting (by directly hooking up to utility suppliers, for example) and provide real-time analysis of the actual performance of assets. The Group uses Deepki to standardize its monthly reporting of energy, water and waste data.

The tool enables data analysis at shopping center and portfolio level, control for climate factors and allows for a robust shopping center performance benchmarking assessment. Social data relating to Growing People activities are monitored using an information system shared with all Group Human Resources teams, enabling standardized and structured management of data based on a single source. Progress against Servicing Communities and Promoting Sustainable Lifestyles activities is monitored on a country and shopping center basis using Deepki, enabling a quarterly review of each commitment, as well as during quarterly meetings (see below), which are supported by regular communications between relevant teams and the Group's Sustainability Department. Both data sets and supporting qualitative information are compiled and reported quarterly to the Executive Board and to the Supervisory Board's Sustainable Development Committee.

The Management Committee of each country attends quarterly meetings to share progress against each Act4Good™ commitment and to monitor KPIs. The meetings also identify areas where individual countries and/or shopping centers may need additional support, aided by best practice guidelines (see section 3.1.2 "Governing responsibly").

3.6.4.2.2 External reporting

The Group reports performance against its Act4Good™ commitments, KPIs, non-financial risks, and opportunities annually through its Universal Registration Document. The report is prepared in accordance with the provisions of Article R. 225-105 of the French Commercial Code.

Klépierre also chooses to report its environmental, social and governance performance using voluntary reporting standards including the EPRA Sustainability Best Practices Recommendations (sBPRs), the Global Reporting Initiative (GRI) standards, the Task Force on Climate-related Financial Disclosures (TCFD), the Real Estate Sustainability Accounting Standards defined by SASB and the UN Sustainable Development Goals. Cross-reference tables related to these disclosures are available in section 3.6.8.

3.6.4.2.3 Actions: Sustainability action plan

The performance analysis described above means the Group Sustainability, Engineering & Sustainable Buildings and Human Resources Departments can identify improvement areas at all levels, particularly at the beginning of the year, and:

- Share Group goals; each country then implements them within its own organization, in line with the most suitable local processes, and regularly reports on them during the year;
- Propose individual goals for shopping centers; these are discussed with each country department for possible readjustment based on local conditions. Once jointly approved, these goals are implemented in each center and progress is monitored monthly.

All these goals are first approved by the internal Sustainability Committee, chaired by the Executive Board.

3.6.5 Industry initiatives and charters supported by Klépierre

Klépierre is an active member of the following national and international trade associations that it considers strategic for its business. In several of them, it holds a position on the governance body and/or sits on their key committees, including those dealing with sustainable development issues.

European Public Real Estate Association (EPRA)

EPRA's members include more than 280 European listed real estate companies. The EPRA Sustainability Best Practices Recommendations (sBPR) aim to establish a standardized approach to reporting on the environmental and social impacts that are important for publicly traded real estate companies. Klépierre is a member of the Sustainability Committee.

Federation of Actors of Commerce in the Territories (FACT)

FACT promotes and represents the shopping center industry in France. Klépierre is notably involved in the Technical and Sustainable Development Commission, which is tasked with the oversight, sharing of best practices and coordination of industry players.

Federation of Real Estate Companies (FEI)

FEI promotes and represents the shared business interests of French real estate companies, including sustainability through awards and member discussions.

GRESB

GRESB's primary purpose is to assess the environmental and social performance of private and publicly listed real estate companies and funds. Klépierre is a member and has participated in this benchmark since its creation.

United Nations Global Compact

As signatory to the United Nations Global Compact since 2012, Klépierre issues an annual Communication on Progress summarizing its commitment to implementing the 10 universal principles promoted by the Global Compact (covering human rights, labor standards, the environment, and the fight against corruption).

Charter for energy efficiency of tertiary buildings

This Charter provides a framework for real estate companies to improve the energy efficiency of their portfolios and anticipate future regulatory obligations related to tertiary buildings' energy performance. The Group has been a signatory since November 2013 and signed up again following publication of the new version of the Charter.

Association for gender equality in companies (AME)

Klépierre has been a member of AME since 2021. This association acts to advance professional equality between genders with four objectives: to share good practices, information and make them visible, to pool the resources of its networks and support its members, to imagine and implement innovative and effective actions for companies, and finally to contribute to the advancement of the legislative framework for gender equality in France.

Gender equality charter in real estate

This Charter commits signatories to promoting diversity and gender equity in their workplaces and confirms their commitment to non-discrimination. Klépierre has been a signatory since 2021.

The Palladio Foundation

Klépierre is a founding member of the Palladio Foundation. The Palladio Foundation was created in 2008 (under the umbrella of the Fondation de France) to promote sustainable urban development with a focus on construction and buildings. It is a unique organization that brings together all sectors involved in the building and development of towns and cities to make urban environments as human and habitable as possible.

Low-Carbon Buildings Association (BBCA)

BBCA's goal is to reduce the carbon footprint of buildings, and to promote approaches that help develop low-carbon buildings. Since its creation, it has developed several low-carbon labels for construction and real estate professionals. Klépierre is a member of the BBCA and as of 2022, it is one of the industry players working with the association to develop the first "BBCA Commerce" label.

3.6.6 Methodological note

Group sustainability reporting is one of the key methods of monitoring, organizing and overseeing Klépierre's sustainability initiatives. Klépierre uses a comprehensive management system to quantify and pinpoint the main environmental, societal and social impacts of the Group and its activities.

The key reporting principles are as follows:

- Relevance: material sources of impacts and opportunities for each topic are considered;
- Representativeness: selected indicators are representative of the Group's sites and activities;
- Consistency: a guarantee that data comparisons by region and period are relevant;
- Transparency: assumptions and calculation methods are clearly defined;
- Accuracy and reliability: records are kept at site and sub-group level to ensure traceability.

3.6.6.1 Methodological note for environmental and societal indicators

3.6.6.1.1 Key industry indicators

Definitions of key indicators

Reporting protocols, for environmental, societal and social indicators have been circulated Group-wide for more than 15 years. Their objective is to ensure the consistency and reliability of the sustainability reporting procedure and the qualitative and quantitative data published by the Group. The protocols are updated annually to remain relevant to Klépierre's sustainability commitments and strategy, regulatory changes and evolving industry practices and standards, and to account for feedback received following each reporting period.

Above all, they set out the method for collecting and calculating the data underlying the indicators, including definitions, scopes, units, formulas, contributors involved, and data entry processes, etc.

Units of measurement

- Portfolio coverage rates are mostly expressed as percentages of the value of the underlying assets (as opposed to the number of assets, for example) to better reflect their contribution to the Group's overall portfolio.
- Energy, carbon, and water data are presented both in gross terms (kWh, tCO_2e, cu.m.) for the purposes of assessing volumes, and as ratios (gross value divided by floor area or footfall) to discern the performance of assets on each of the given topics.
- The reference surface for non-financial indicators is the surface that the Group directly manages (common areas and private areas served by common facilities for heating and cooling). It is different from the total surface area of the portfolio, which includes private portions and other outdoor areas.

Additional clarifications

- Energy efficiency of common and serviced areas: consumption intensity and energy performance indicators expressed in kWh or kWh/sq.m. reflect the total energy consumptions (lighting, heating, air conditioning…) of common and serviced areas. Those latters represent the private areas (shops, storage rooms, etc.) that are connected to shared equipment without a sub-metering system.
- Greenhouse gas emissions are presented using location-based and market-based methods. For location-based data, emission factors used in the calculations are sourced from the French Environment and Energy Management Agency's (ADEME) Bilan GES database (average national factors), from the International Energy Agency's (IEA) database, and from the Department for Environment, Food & Rural Affairs' (DEFRA) database. For market-based data, emissions factors are sourced directly from each energy supplier.
- In 2023, Klépierre updated its carbon calculation tool in order to assess emissions more accurately and comprehensively. Key methodological updates include the revision of energy emission factors for Scopes 1, 2 & 3, integration of business travel data across all Group countries, updated waste emission factors with consideration for specific waste treatment types for each category of waste, and the update of the study on employees' commuting patterns, extrapolated across the entire Group for Scope 3 emissions.
- For energy and water consumption, the Group uses meter reading data (as opposed to invoices) to ensure shorter data collection lead times and greater relevance.
- Where Klépierre neither owns nor manages the head office buildings it occupies, the related consumption data are not included in this report.
- Water consumption corresponds to drinking water consumption for the entire building in question (both common and private areas), exclusive of water used for heat pumps.
- Development projects included in the 2023 reporting scope correspond to projects delivered during the year.
- All key indicators are calculated based on actual and exhaustive data. Where certain data were missing, Klépierre systematically provided estimates detailed in the charts or tables concerned.

International and industry frameworks

The environmental and societal management system considers the recommendations included in the leading industry and/or international frameworks, namely:

- GRI standards;
- EPRA sBPRs;
- FACT– Sustainability industry reporting guide/non-financial performance statement;
- United Nations (UN) Sustainable Development Goals (SDGs);
- TCFD recommendations;
- SASB standards;
- EU Taxonomy.

Cross-reference tables with the non-financial information presented by Klépierre in this document covering the EU Taxonomy, GRI, TCFD and SASB are provided in sections 3.6.7 and 3.6.8.

3.6.6.1.2 Reporting scope

2023 reporting scope and coverage rate

Acquisitions, disposals, and developments (extensions and/or new constructions) may alter the reporting scope and distort period-on-period comparisons for the various indicators.

To provide data that is both exhaustive and comparable, Klépierre distinguishes between "reported" and "like-for-like" scopes for most of its indicators.

From this year, the Group has opted for total alignment to financial reporting, that is to say that only centers that are fully consolidated are taken into account in the extra-financial consolidation methodology, equivalent, for almost all, to centers owned by Klépierre at more than 50%.

From 2023 reporting, assets managed on behalf of third parties and assets owned at less than 50% by Klépierre will therefore be excluded.

The Group's scope thus aggregates assets owned and managed by Klépierre, and assets owned but not managed by the Group (where data are available), to reflect its portfolio performance as accurately as possible. For these unmanaged assets, the Group has only a delegating responsibility. However, as owners of these assets, Klépierre strives to increase the information collected each year.

Section	Reporting scope rules	Scope & coverage rate
All KPIs–except the ones mentioned below	All assets that are fully consolidated are taken into account in the scope. All exclusions are specified in each section of the document.	Scope (101/108): 99/99 owned and managed shopping centers + 2/9 owned-only shopping centers (excluding 3 centers in Greece, 1 in Italy, and 3 in Spain). Coverage rate: 99.7%
Percentage of self-production (total renewable electricity produced on-site/total electricity consumption for common and serviced areas)	Top-40 assets with greater opportunities for renewable energy production on-site.	Scope (40/40): 40/40 owned and managed shopping centers Coverage rate: 100%
% of recovered waste	All assets that are fully consolidated are taken into account in the scope. However, when municipality or local authorities are responsible for waste management, the Group does not have leverage over the final destination strategy and utilities; the specific waste streams in this situation are excluded from the scope.	Scope (101/108): 99/99 owned and managed shopping centers + 2/9 owned-only shopping centers (excluding 3 centers in Greece, 1 in Italy, and 3 in Spain). Coverage rate: 99.7%
Waste–other KPIs	All assets that are fully consolidated are taken into account in the scope. Some waste streams can be excluded from the total tonnage when a third-party (i.e., a hypermarket) is managing the waste contract and final destination choices and reporting.	Scope (101/108): 99/99 owned and managed shopping centers + 2/9 owned-only shopping centers (excluding 3 centers in Greece, 1 in Italy, and 3 in Spain). Coverage rate: 99.7%
Water–all KPIs	All assets that are fully consolidated are taken into account in the scope. A shopping center is excluded when a third-party (i.e., a hypermarket) is managing the water contract and consumption data.	Scope (101/108): 99/99 owned and managed shopping centers + 2/9 owned-only shopping centers (excluding 3 centers in Greece, 1 in Italy, and 3 in Spain). Coverage rate: 99.7%
Sustainable certification	All assets that are fully consolidated are taken into account in the scope.	Scope (100/108): 99/99 owned and managed shopping centers + 2/9 owned only shopping centers Coverage rate: 98.3%
Percentage of centers with an inclusion clause in its service providers' contracts (cleaning, maintenance, and security)	All assets that are fully consolidated are taken into account in the scope.	Scope (100/108): 100/100 owned and managed shopping centers + 1/9 owned-only shopping centers. Coverage rate: 99.5%
Servicing Communities and Promoting Sustainable Lifestyle sections	All assets that are fully consolidated are taken into account in the scope.	Scope (101/108): 100/100 owned and managed shopping centers + 1/9 owned-only shopping centers. Coverage rate: 99.5%

Reported scope

The reported scope is used to assess the sustainability impact of the property portfolio over a calendar year. It reflects the impacts of management, renovation, and arbitrage (acquisitions and disposals) policies. In 2023, it included:

- All shopping centers owned and managed by Klépierre (108 assets);
- Shopping centers owned by Klépierre but managed by a third-party, and for which operating data are available (nine assets: one in France, three in Greece, two in Italy and three in Spain);
- Shopping centers acquired and operated by the Group are included in the scope from the first full year following the acquisition. Certain centers under redevelopment, extension and/or renovation may be excluded from the reported scope when the data impairs the reading and comparability of the calculations.

For some assets, the situation may vary slightly. Depending on the situation, Klépierre may have full management of electricity, for example, but be charged by a third-party (hypermarket, etc.) for fuel usage. Waste may also be collected by a third-party (such as a local authority) on a flat-rate basis, for example. Some of these configurations may hinder the collection of reliable quantitative data and lead the Group to exclude the corresponding shopping centers from the reported scope for certain items.

Coverage rates are expressed in terms of the total value of owned and managed shopping centers.

The 2023 reported scope represented 99.7% of the Group's total shopping center portfolio value as of December 31, 2023, which comprises all owned shopping centers and two centers Klépierre owns but does not manage. The remaining 0.3% represents the seven other shopping centers which Klépierre does not manage.

Like-for-like scope

The like-for-like scope is used to assess changes in performance across an identical scope on a comparable basis and reflects the Group's ability to manage and optimize its asset portfolio. It excludes the impact of acquisitions and disposals and includes all owned and managed shopping centers. It also excludes shopping centers acquired or completed during the year and those not managed for the entire period.

The 2023 like-for-like scope (versus 2022) represented 99.7% of the Group's portfolio as of December 31, 2023. Differences with 2022 consist of the disposal of three assets in France and one asset in Germany, as well as the removal from the reporting scope of ten assets in France, four assets in Italy, one asset in Norway, one asset in Portugal, and one asset in Turkey. These were removed from the reporting scope as they were not fully consolidated.

Lastly, where assets are excluded from the scope of a given indicator, they are stipulated in the footnotes to the tables and charts in this chapter.

Reporting periods

The Group wants to minimize the use of estimates and focus on collecting and consolidating real data; hence, it uses two different reporting periods, depending on the indicator. For consumption, including all energy, carbon, waste, water and transportation indicators, the reporting period corresponds to a rolling 12 months from October 1 of the prior year to September 30 of the current year (i.e., October 1, 2022 to September 30, 2023 for the 2023 reporting scope). Societal impact indicators, such as marketing activations carried out by centers, are also included within this period.

All other indicators (including building certifications, human resources data, etc.) are calculated based on the calendar year, i.e., from January 1, 2023 to December 31, 2023 for the 2023 reporting scope.

3.6.6.1.3 Data collection process

Data collection tool

The Group operates an online data collection tool for its entire reporting scope aimed at automating and improving the reliability of data collection for the environmental and societal impacts of its activities. This is accessible remotely and in real time by all on-site teams in the shopping centers, the head offices of the national subsidiaries and by Klépierre's corporate teams.

The tool was selected for its ability to meet the reporting requirements of the Group's annual publications process, and especially for its functionality in terms of the daily monitoring of the buildings owned and/or managed by the Group.

Collection frequency

Consumption and billing data for energy, waste and water are collected monthly for all assets. Data for certain additional indicators are collected quarterly (Act4Good™ follow-up meeting per country) and/or annually, to produce the Universal Registration Document.

3.6.6.2 Methodological note for social indicators

3.6.6.2.1 Period and reporting scope

For all social indicators, the reporting period is the calendar year, from January 1 to December 31 of the year under review.

The data collection and reporting scope covers all Group subsidiaries as of December 31, 2023, in which the employees hold employment contracts with the Group.

Changes in scope arise from acquisitions of new entities and disposals of existing entities. Employees within these entities are included in or removed from the Klépierre reporting scope with effect from the month following the transaction date.

HR KPIs	This relates to all employees who were already present for all or a portion of the period, whether or not they are still under contract with the entity at the end of the reporting period.	Eligible workforce: open-ended and fixed-term contracts (1,061 employees). Coverage rate: 100%

3.6.6.2.2 Definitions and clarifications

Workforce: total number of employees as of December 31 on open-ended and temporary contracts, regardless of the number of hours worked or duration of employment during the year.

Average workforce: average number of employees as at the end of each month during the year.

Average gross wages: sum of contractual fixed annual salaries of employees in the Group as of December 31, on a full-time equivalent basis excluding variable compensation, divided by the workforce as of December 31 (excluding Executive Board members).

3.6.7 European Taxonomy

The European Union has established a taxonomy (the "EU Taxonomy") to help direct investments towards sustainable projects and activities. From the viewpoint of companies, the taxonomy is a classification system meant to provide investors and policymakers with appropriate definitions for which economic activities can be considered environmentally sustainable according to the following six environmental objectives:

1. Climate change mitigation;
2. Climate change adaptation;
3. The sustainable use and protection of water and marine resources;
4. The transition to a circular economy;
5. Pollution prevention and control; and
6. The protection and restoration of biodiversity and ecosystems.

In this section, Klépierre reports on its economic activities that are "taxonomy-eligible" and "taxonomy-aligned" in accordance with the regulations applicable to 2023 disclosures[1] as of December 31, 2023.

3.6.7.1 Reporting scope

Turnover, capital expenditure (CapEx) and operating expenditure (OpEx) considered for this report cover the full array of Klépierre's activities and correspond to the scope of consolidation of its financial statements as described in note 2.7 to the 2023 consolidated financial statements (see page 129 of this document).

The financial data presented here are extracted from said financial statements so that the turnover and expenditure figures given below coincide with the consolidated financial statements (see 4.1 of this document). Accordingly, equity-accounted companies are excluded from the calculation of the ratios presented below.

3.6.7.2 Eligibility and alignment of Klépierre's activities to the EU Taxonomy

3.6.7.2.1 Eligibility

Taxonomy-eligible activities are those listed as such by the European Union[2].

As described in the business model section of this document (see page 20), Klépierre has the following three main activities:

- Owning and operating shopping centers on a daily basis;
- Developing and refurbishing shopping centers;
- Acquiring and selling shopping centers.

All these pertain to "acquisition and ownership of buildings" (economic activity category 7.7) as per the EU Taxonomy. Klépierre's only activity that is not taxonomy-eligible is the management of buildings owned by third parties, which however represents a very marginal part of the Group's business (see section 3.6.7.3 below).

3.6.7.2.2 Alignment

The economic activity category 7.7 is subject to reporting on the proportion of economic activities that are "taxonomy-eligible" and "taxonomy-aligned" with respect to the two following environmental objectives: climate change mitigation and climate change adaptation.

To determine the portion of its activity that is environmentally sustainable according to the EU Taxonomy (or "aligned" with it), Klépierre screened its portfolio of assets as of December 31, 2023, against the technical criteria of the substantial contribution to climate change mitigation, which is the most relevant for the Group activity. It then ensured that it respects the "do no significant harm" principle by demonstrating that the same assets were not significantly harming other environmental objectives (adaptation to climate change in this case) and that its activity was compliant with the minimum safeguards regarding human and labor rights standards[3].

Substantial contribution to climate change mitigation

To be considered as substantially contributing to climate change mitigation, Klépierre's assets must meet the following criteria:

- have at least a class A Energy Performance Certificate (EPC), or be within the top 15% of the national or regional building stock expressed as operational Primary Energy Demand and demonstrated by adequate evidence[4]; and
- be efficiently operated through energy performance monitoring and assessment where the effective rated output is superior to 290 kW (which is the case for all Klépierre's assets).

As for the first criterion, Klépierre used EPCs for its shopping centers with a class A certificate. For its other shopping centers, Klépierre compared their primary energy intensity for 2023[5] against Deepki's ESG Index (national values when available and relevant, or European value otherwise). We have updated our methodology this year, shifting from a dual-source approach to a unified one. We previously already relied on Deepki for all countries except France, for which we utilized data provided by the Sustainable Real Estate Observatory (Observatoire de l'Immobilier Durable). This change harmonizes our methodology and ensures consistency across the various countries within the Group.

As for the second criterion, Klépierre has been using a monitoring tool, called Deepki, for the energy consumption of 100% of its assets in value, and all its assets are equipped with a Building Management System (BMS) to supervise the daily functioning of equipment.

(1) See Regulation (EU) 2020/852 and Article 10.2 of Commission Delegated Regulation (EU) 2021/2178 of July 6, 2021
(2) See Annex 1 to the Commission Delegated Regulation (EU) 2021/2139 of June 4, 2021.
(3) OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, including the principles and rights set out in the eight fundamental conventions identified in the Declaration of the International Labor Organization on Fundamental Principles and Rights at Work and the International Bill of Human Rights.
(4) Klépierre used these criteria applicable to buildings constructed before December 31, 2020, as none of its assets were built after this date.
(5) The reporting year for energy consumption runs from October 1 to September 30 (for more details, see section 3.2.1.1 of this document).

DNSH criteria

As per the EU Taxonomy, Klépierre must also prove that it does not significantly harm the other environmental objective to which its economic activity is subject: climate change adaptation. In that context, in 2022, Klépierre commissioned a study to identify its top climate physical and transition risks and opportunities as well as their impact on its activities. Exposure of each asset and impacts on Klépierre activities have been assessed based on scenarios consistent with the IPCC (SSP 4-5 et 8-5) and the TCFD. The study evaluated the likelihood and impact of ten physical risks over various time horizons (2030 and 2050) and led to the identification of the most vulnerable assets for each physical climate risk. The results of the study, as summarized in section 3.2.1.1, show that Klépierre has extensively considered the requirements of climate change adaptation by designing a general adaptation plan with local plans that are being implemented across all countries of operation.

Minimum safeguards

Given the industry and the countries Klépierre operates in, as well as its main clients and providers, the risks for the Group of violating the basic human and labor rights defined by the United Nations, the International Labor Organization, and the OECD, are considered very low. The Group has defined policies and put in place processes to ensure high standards of business ethics, including an adequate whistleblowing mechanism and strong communication efforts towards internal and external stakeholders (for more details, see sections 3.1.2.2.1 and 5.2.4). To further complete its monitoring process, in 2023, the Group formalized its Human Rights Risk Mapping. This comprehensive matrix will enable Klépierre to track human rights issues more precisely and develop even more effective prevention plans.

Comments on the 2023 performance

To assess if Klépierre's assets are respecting the Technical Screening Criteria (first step in evaluating alignment with European Taxonomy requirements), their energy performances are compared to national Top 15% assets in terms of energy performances as per industry benchmarks. Although the Group energy efficiency decreased again in 2023 (75 kWh/sq.m, -10% vs 2022), the significant adjustment and tightening of these Top 15% values in 2023 compared to 2022 explain the slight decrease in turnover and OpEx alignment. Indeed, these benchmarks can evolve independently from Klépierre's performance, and do not necessarily reflect the Group's reduction efforts. Moreover, it should be noted that the ratio published in the EU Taxonomy note is derived from Klépierre's primary energy consumption. This methodology negatively affects assets primarily reliant on electricity, thus contradicting carbon emission reduction objectives, particularly those involving less-carbon intensive energy sources (e.g., green electricity). Therefore, this approach differs from the final energy consumption data presented in other sections of our non-financial report, which we deem the most relevant approach to tackle energy and carbon reduction of assets.

In addition, the proportion of the Group CapEx that is aligned with the EU Taxonomy requirement increased by 4 percentage points due to significant investments in development and refurbishment projects during 2023.

3.6.7.3 Turnover

Klépierre's total turnover consists of gross rental income, service charge income, and management, administrative and related income.

In 2023, total turnover amounted to €1,491 million, 99% of which was eligible for the EU Taxonomy; the remaining 1% corresponds to management fees for assets owned by third parties. 59% of this total turnover is generated by assets that are taxonomy-aligned.

Financial year 2023

				Substantial contribution criteria						"Do not significant harm" (DNSH) criteria									
		Absolute turnover	Proportion of turnover	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Minimum safeguards	Proportion of Taxonomy-aligned (A.1.) or-eligible (A.2.) turnover, year N-1	Category (enabling)	Category (transitional)
Economic activities	**Codes**	*(€ millions)*	*(%)*	*(%)*	*(%)*	*(%)*	*(%)*	*(%)*	*(%)*	*(Y/N)*	*(Y/N)*	*(Y/N)*	*(Y/N)*	*(Y/N)*	*(Y/N)*	*(Y/N)*	*(%)*		
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
Acquisition and ownership of buildings	7.7	883	59	100	0	0	0	0	0	Y	N/A	N/A	N/A	N/A	N/A	Y	64	N/A	N/A
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)		**883**	**59**	**100**	**0**	**0**	**0**	**0**	**0**	–	–	–	–	–	–	–	**64**	–	–
Of which enabling		N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A										
Of which transitional		N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A										
A.2.Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
Acquisition and ownership of buildings	7.7	592	40														35		
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		**592**	**40**														**35**		
A. Turnover of Taxonomy-eligible activities (A.1+A.2)		**1,475**	**99**														**99**		
B. TAXONOMY NON-ELIGIBLE ACTIVITIES																			
Turnover of non-eligible activities (B)		**16**	**1**														**1**		
TOTAL		**1,491**	**100**																

3.6.7.4 CapEx

All capital expenditure incurred by Klépierre and defined as such by the EU Taxonomy is associated with the acquisition and ownership of its shopping centers. It encompasses the following:

- Acquisitions of intangible assets (see note 4.2 to the consolidated financial statements);
- Acquisitions of property, plant and equipment, and work in progress (see note 4.3 to the consolidated financial statements);
- Acquisitions of, and capital expenditure in investment properties at fair value (see note 4.4.1 to the consolidated financial statements); and
- Acquisitions of, and capital expenditures in investment properties at cost (see note 4.4.2 to the consolidated financial statements).

These amounted to €201 million for 2023, of which 76% was spent on assets aligned with the EU taxonomy. CapEx spent on non-aligned assets as part of a plan to bring them into alignment has not been included.

Financial year 2023

				Substantial contribution criteria						"Do no significant harm" (DNSH) criteria									
		Absolute CapEx	Proportion of CapEx	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Minimum safeguards	Proportion of Taxonomy-aligned (A.1.) or eligible (A.2.) CapEx, year N-1	Category (enabling)	Category (transitional)
Economic activities	**Codes**	*(€ millions)*	*(%)*	*(%)*	*(%)*	*(%)*	*(%)*	*(%)*	*(%)*	*(Y/N)*	*(Y/N)*	*(Y/N)*	*(Y/N)*	*(Y/N)*	*(Y/N)*	*(Y/N)*	*(%)*		
A. TAXONOMY ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (taxonomy-aligned)																			
Acquisition and ownership of buildings	7.7	153	76	100	0	0	0	0	0	Y	N/A	N/A	N/A	N/A	N/A	Y	69	N/A	N/A
CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		**153**	**76**	**100**	**0**	**0**	**0**	**0**	**0**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**69**	**–**	**–**
Of which enabling		N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A										
Of which transitional		N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A										
A.2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
Acquisition and ownership of buildings	7.7	48	24														31		
CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		**48**	**24**														**31**		
A. CapEx of Taxonomy-eligible activities (A1+A2)		**201**	**100**														**100**		
B. TAXONOMY NON-ELIGIBLE ACTIVITIES																			
CapEx of non-eligible activities (B)		**0**	**0**																
TOTAL		**201**	**100**																

3.6.7.5 OpEx

Operating expenditure as defined by the EU Taxonomy relates to “building renovation measures, short-term lease, maintenance and repair, and any other direct expenditure relating to the day-to-day servicing” of Klépierre’s assets[1]. As such, it corresponds to the share of service charge expenses recognized in the consolidated statements of comprehensive income which encompasses the non-capitalized costs incurred for the general maintenance and renovation of buildings and equipment.

While they relate to the eligible activity of acquiring and owning buildings, service charge expenses incurred for operating Klépierre’s assets—such as energy costs, cleaning costs, safety and security costs, marketing fees and tax—are not included in the OpEx as defined by the EU Taxonomy. For the same reason, payroll and other general expenses, which are usually considered as OpEx and contribute to Klépierre’s eligible activity of acquiring and owning buildings, are also excluded from the table below.

For 2023, OpEx as defined by the EU Taxonomy amounted to €47 million, 100% of which corresponding to Klépierre’s taxonomy-eligible activity of acquiring and owning buildings. The proportion of this OpEx spent on assets aligned with the EU Taxonomy was 59%.

Financial year 2023

				Substantial contribution criteria						“Do not significant harm” (DNSH) criteria									
Economic activities	**Codes**	**Absolute OpEx** (€ millions)	**Proportion of OpEx** (%)	**Climate change mitigation** (%)	**Climate change adaptation** (%)	**Water and marine resources** (%)	**Circular economy** (%)	**Pollution** (%)	**Biodiversity and ecosystems** (%)	**Climate change mitigation** (Y/N)	**Climate change adaptation** (Y/N)	**Water and marine resources** (Y/N)	**Circular economy** (Y/N)	**Pollution** (Y/N)	**Biodiversity and ecosystems** (Y/N)	**Minimum safeguards** (Y/N)	**Proportion of Taxonomy - aligned (A.1.) or-eligible (A.2.) OpEx, year N-1** (%)	**Category (enabling)**	**Category (transitional)**
A. TAXONOMY ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (taxonomy-aligned)																			
Acquisition and ownership of buildings	7.7	27,6	59	100	0	0	0	0	0	Y	N/A	N/A	N/A	N/A	N/A	Y	69	N/A	N/A
OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		**27,6**	**59**	**100**	**0**	**0**	**0**	**0**	**0**	–	–	–	–	–	–	–	**69**	–	–
Of which enabling		N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A										
Of which transitional		N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A										
A.2. Taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned activities)																			
Acquisition and ownership of buildings	7.7	19,5	41														31		
OpEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		**19,5**	**41**														**31**		
OpEx of Taxonomy eligible activities (A.1+A.2)		**47**	**100**														**100**		
B. TAXONOMY NON-ELIGIBLE ACTIVITIES																			
OpEx of non-eligible activities (B)		**0**	**0**																
TOTAL		**47**	**100**																

(1) *See point 1.1.3.1 of Annex I of Commission Delegated Regulation (EU) 2021/2178 of July 6, 2021.*

3.6.8 Cross-reference tables (GRI, TCFD, SASB)

The following tables include cross-referencing between the information published by Klépierre in this document and the main (European and Global) reporting standards for non-financial information: the Non-Financial Reporting Directive, the GRI standards, TCFD recommendations and SASB standards.

The Group's performance against the third edition of the EPRA sBPR is available in footnotes below every table throughout the document. Finally, links between the UN SDGs and CSR risks and opportunities can be identified in the graphic included in section 3.1.3.

3.6.8.1 Non-Financial statement

Topics	Universal Registration Document sections
1. Business model (or commercial model) L. 225-102-1 and R. 225-105, I of the Commercial Code	Section 1
2. Description of the principal non-financial risks relating to the Group's business L. 225-102-1 and R. 225-105, I. 1° of the Commercial Code	Section 3.1.3
3. Information on how the company or group takes into account the social and environmental consequences of its activities, and the effects of these activities regarding human rights, anti-corruption, and tax evasion L. 225-102-1, III, L. 22-10-36, R. 225-104, R. 225-105, I. 2° and R. 22-10-29 of the Commercial Code	Section 3.1.2
4. Results of the policies applied by the company or group, including key performance indicators L. 225-102-1 and R. 225-105, I. 3° of the Commercial Code	Section 3.1.2.1
5. Social information (employment, organization of work, health and safety, labor relations, training, equal treatment) L. 225-102-1 and R. 225-105, II. A. 1° of the Commercial Code	Section 3.4.1
6. Environmental information (general environmental policy, pollution, circular economy, climate change) L. 225-102-1 and R. 225-105, II. A. 2° of the Commercial Code	Section 3.2
7. Information regarding the consequences of the company's activities on climate change, including direct and indirect greenhouse gas emissions associated with upstream and downstream transportation activities L. 225-102-1 and R. 225-105 of the Commercial Code	Section 3.2.1, et 3.2.2 and 3.2.3
8. Societal information L. 225-102-1 and R. 225-105, II. A. 3° of the Commercial Code	Section 3.3 and Section 3.4.2
9. Taxonomy Sustainability Indicators Article 8 of Delegated Regulation 2020/852	Section 3.6.7
10. Information regarding the fight against corruption and tax evasion L. 225-102-1, L. 22-10-36, R. 225-105, II. B. 1° and R. 22-10-29 of the Commercial Code	Section 3.1.2.2.1 and 5.2.4.3
11. Information related to actions in favor of human rights L. 225-102-1, L. 22-10-36, R. 225-105, II. B. 2° and R. 22-10-29 of the Commercial Code	Section 3.1.2.2.1, 3.4.1 and 5.2.4.3
12. Specific information: • Company's policy for preventing the risk of technological accidents; • Company's ability to cover its civil liability towards property and individuals resulting from the operation of such installations; • Measures planned by the company to ensure the management of compensation for victims in the event of a technological accident involving its liability. L. 225-102-2 of the Commercial Code	Section 5.1.2.3
13. Collective bargaining agreements concluded within the company and their impacts on the company's economic performance as well as on the working conditions of employees L. 225-102-1, III and R. 225-105 of the Commercial Code	Section 3.4.1
14. Report from the independent third-party verifier on the information contained in the extra-financial report L. 225-102-1, III and R. 225-105-2 of the Commercial Code	Section 3.6.9

3.6.8.2 Global Reporting Initiative (GRI) standards 2021

GRI standard	Disclosure	Universal Registration Document
GRI 2: General Disclosures 2021	2-1 Organizational details	8.1-General information – page 320
	2-2 Entities included in the organization's sustainability reporting and 2-3 Reporting period, frequency and contact point	3.6.4-Management system and tools – page 100
	2-4 Restatements of information	3.6.6-Methodological note – page 102
	2-5 External assurance	3.6.9-Report of one of the Statutory Auditors, appointed as an independent third-party, on the verification of the consolidated non-financial performance statement – page 117
	2-6 Activities, value chain and other business relationships	8.1.2-Corporate purpose – page 320
	2-7 Employees	1-Business Model – page 20
	2-8 Workers who are not employees	3.4-Growing people – page 79
	2-9 Governance structure and composition; 2-10 Nomination and selection of the highest governance body; 2-11 Chair of the highest governance body; 2-12 Role of the highest governance body in overseeing the management of impacts; 2-13 Delegation of responsibility for managing impacts; 2-14 Role of the highest governance body in sustainability reporting; 2-15 Conflicts of interest; 2-16 Communication of critical concerns; 2-17 Collective knowledge of the highest governance body; 2-18 Evaluation of the performance of the highest governance body; 2-19 Remuneration policies; 2-20 Process to determine remuneration and 2-21 Annual total compensation ratio	6-Supervisory Board's report on corporate governance – page 229
	2-22 Statement on sustainable development strategy	1-Group overview – page 16
	2-23 Policy commitments and 2-24 Embedding policy commitments	3-Sustainable Development – page 45
	2-25 Processes to remediate negative impacts and 2-26 Mechanisms for seeking advice and raising concerns	3-Sustainable Development – page 45 5-Risk and Control – page 205
	2-27 Compliance with laws and regulations	5-Risk and Control – page 205
	2-28 Membership associations	3.6.5-Industry initiatives and charters supported by Klépierre – page 101
	2-29 Approach to stakeholder engagement	3.1-Act4Good™: the next phase – page 48
	2-30 Collective bargaining agreements	3.4-Growing people – page 79
GRI 3: Material Topics 2021	3-1 Process to determine material topics; 3-2 List of material topics and 3-3 Management of material topics	3.1-Act4Good™ – page 46
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	1-Business Model – page 20
	201-2 Financial implications and other risks and opportunities due to climate change	3.2-Achieving net zero – page 62 5-Risk and Control – page 205
	201-3 Defined benefit plan obligations and other retirement plans	6-Supervisory Board's report on corporate governance – page 229
	201-4 Financial assistance received from government	N/A
GRI 202: Market Presence 2016	202-1 Ratios of standard entry level wage by gender compared to local minimum wage	-
	202-2 Proportion of senior management hired from the local community	N/A
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	1-Group overview – page 3
	203-2 Significant indirect economic impacts	1-Group overview – page 3
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	3.1.2.2.2-Responsible supply chain – page 54
GRI 205: Anti-Corruption 2016	205-1 Operations assessed for risks related to corruption; 205-2 Communication and training about anti-corruption policies and procedures and 205-3 Confirmed incidents of corruption and actions taken	3.1.2.2.1-Business ethics – page 53 5.2.4-Ethics and compliance– page 205
GRI 206: Anti-Competitive Behavior 2016	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	3.1.2.2.1-Business ethics – page 53 5-Risks and Control – page 205
GRI 207: Tax 2019	207-1 Approach to tax	4-Financial statements – page 121 8.1.3-Tax regime – page 320
	207-2 Tax governance, control, and risk management	4-Financial statements – page 121 8.1.3-Tax regime – page 320 5-Risk and Control – page 205
	207-3 Stakeholder engagement and management of concerns related to tax	5-Risk and Control – page 205
	207-4 Country-by-country reporting	4-Financial statements – page 121

GRI standard	Disclosure	Universal Registration Document
GRI 301: Materials 2016	301-1 Materials used by weight or volume; 301-2 Recycled input materials used and 301-3 Reclaimed products and their packaging materials	N/A
GRI 302: Energy 2016	302-1 Energy consumption within the organization	3.2.2-Net zero in Scopes 1 & 2 emissions – page 66
	302-2 Energy consumption outside of the organization	3.2.3-Collaborating on Scope 3 emissions – page 70
	302-3 Energy intensity	3.2.2-Net zero in Scopes 1 & 2 emissions – page 66
	302-4 Reduction of energy consumption	3.2.2-Net zero in Scopes 1 & 2 emissions – page 66 3.2.3-Collaborating on Scope 3 emissions – page 70
	302-5 Reductions in energy requirements of products and services	3.2.3-Collaborating on Scope 3 emissions – page 70
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	3.2.5.3-Water – page 74
	303-2 Management of water discharge-related impacts; 303-3 Water withdrawal and 303-4 Water discharge	N/A
	303-5 Water consumption	3.2.5.3-Water – page 74
GRI 304: Biodiversity 2016	304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas; 304-2 Significant impacts of activities, products and services on biodiversity and 304-3 Habitats protected or restored	3.2.5-Protecting nature – page 73
	304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations	N/A
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions and 305-2 Energy indirect (Scope 2) GHG emissions	3.2.2-Net zero in Scopes 1 & 2 emissions – page 66
	305-3 Other indirect (Scope 3) GHG emissions	3.2.3-Collaborating on Scope 3 emissions – page 70
	305-4 GHG emissions intensity and 305-5 Reduction of GHG emissions	3.2.2-Net zero in Scopes 1 & 2 emissions – page 66 3.2.3-Collaborating on Scope 3 emissions – page 70
	305-6 Emissions of ozone-depleting substances (ODS) and 305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	-
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts; 306-2 Management of significant waste-related impacts; 306-3 Waste generated; 306-4 Waste diverted from disposal and 306-5 Waste directed to disposal	3.2.4-Enhancing a circular economy approach – page 72
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria and 308-2 Negative environmental impacts in the supply chain and actions taken	3.1.2.2.2-Responsible supply chain – page 54
GRI 401: Employment 2016	401-1 New employee hires and employee turnover; 401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees and 401-3 Parental leave	3.4.1-Uplifting employees – page 79
GRI 402: Labor/ Management Relations 2016	402-1 Minimum notice periods regarding operational changes	N/A
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system; 403-2 Hazard identification, risk assessment, and incident investigation; 403-3 Occupational health services; 403-4 Worker participation, consultation, and communication on occupational health and safety; 403-5 Worker training on occupational health and safety; 403-6 Promotion of worker health; 403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships; 403-8 Workers covered by an occupational health and safety management system; 403-9 Work-related injuries and 403-10 Work-related ill health	3.4.1-Uplifting employees – page 79
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee; 404-2 Programs for upgrading employee skills and transition assistance programs and 404-3 Percentage of employees receiving regular performance and career development reviews	3.4.1-Uplifting employees – page 79

GRI standard	Disclosure	Universal Registration Document
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees and 405-2 Ratio of basic salary and remuneration of women to men	3.4.1-Uplifting employees – page 79
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	3.4.1-Uplifting employees – page 79
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	3.1.2.2.1-Business ethics – page 53 5-Risk and Control – page 205
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	3.1.2.2.1-Business ethics – page 53 5-Risk and Control – page 205
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	3.1.2.2.1-Business ethics – page 53 5-Risk and Control – page 205
GRI 410: Security Practices 2016	410-1 Security personnel trained in human rights policies or procedures	3.1.2.2.3-Safety and security – page 54 3.4.1-Uplifting employees – page 79
GRI 411: Rights of Indigenous Peoples 2016	411-1 Incidents of violations involving rights of indigenous peoples	N/A
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	3.3-Servicing communities – page 75 3.4.2-Empowering communities – page 85
	413-2 Operations with significant actual and potential negative impacts on local communities	3.3-Servicing communities – page 75 3.4.2-Empowering communities – page 85 3.5-Promoting sustainable lifestyles – page 86
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	3.1.2.2.1-Business ethics – page 53 3.1.2.2.2-Responsible supply chain – page 54 5-Risk and Control – page 205
	414-2 Negative social impacts in the supply chain and actions taken	3.1.2.2.1-Business ethics – page 53 3.1.2.2.2-Responsible supply chain – page 54 5-Risk and Control – page 205
GRI 415: Public Policy 2016	415-1 Political contributions	N/A
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	3.1.2.2.3-Safety and security – page 54 3.4.2.2-Health and well-being – page 85
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	3.1.2.2.3-Safety and security – page 54 3.4.2.2-Health and well-being – page 85
GRI 417: Marketing and Labeling 2016	417-1 Requirements for product and service information and labeling	-
	417-2 Incidents of non-compliance concerning product and service information and labeling	-
	417-3 Incidents of non-compliance concerning marketing communications	-
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	N/A

3.6.8.3 Task Force on Climate-related Financial Disclosures

TCFD recommendations	Commentary	Cross-reference
1. Governance		
Describe the organization's governance of climate-related risks and opportunities		
1.a) Describe the Board's oversight of climate-related risks and opportunities	The Supervisory Board retains oversight of climate-related risks and mitigation measures and assesses the effectiveness of the Group's risk management and internal control systems. It is assisted by the Sustainable Development Committee which reviews the Group's sustainability processes and performance, including those to do with climate risks and opportunities.	5.1 Key risk factors 5.2.2 Overall governance and organization 5.2.3 Risk Management 3.1.2 Governing responsibly
1.b) Describe the role of management in assessing and managing climate-related risks and opportunities		5.2 Risk Management 3.2 Achieving net zero
2. Strategy		
Describe the existing and potential impacts of climate-related risks and opportunities on the organization's operations, strategy and financial planning, to the extent that the information is relevant		
2.a) Describe the climate-related risks and opportunities that the organization has identified for the short, medium and long-term	With support from a third-party, Klépierre conducted a portfolio-level assessment to identify its top physical and transition climate risks over various time horizons, considering alternative climate pathways (SSP2-4.5 and SSP5-8.5). The results found the Group's assets do not present material critical threats from physical risks at portfolio level. The top risks and opportunities identified are: **Short-term (current – 2025):** • Riverine flood risk (Physical risk) • Increased cost of energy (Transition risk) **Medium-term (2030):** • Increase in average and extreme heat (Physical risk) • Market preference for green buildings (Transition risk) • Investors' expectations on climate performance (Transition risk) • Low emission goods and services (Opportunity) • Optimization of the use of resources (Opportunity) • Compliance regulations and anticipation (Opportunity) **Long-term (2050):** • Increase in average and extreme heat (Physical risk) The results from the assessment are now being used to inform climate adaptation plans for each asset that will inform business and financial planning to secure greater resilience against potential financial losses under multiple climate change scenarios.	5.2. Risk management 3.1.3 Managing key trends, risks and opportunities 3.2.1 Improving climate resilience
2.b) Describe the impacts of climate-related risks and opportunities on the organization's operations, strategy and financial planning		3.2. Achieving net zero
2.c) Describe the resilience of the organization's strategy, taking into consideration different climate scenarios, including a scenario at 2 °C or less		3.2. Achieving net zero
3. Risk management		
Describe how the organization identifies, assesses and manages climate-related risks		
3.a) Describe the organization's processes for identifying and assessing climate-related risks	Climate-related risks affecting the Group's business model and core activities are reviewed annually as part of Klépierre's overall risk assessment. The Group's diversified geographic footprint mitigates the exposure to extreme weather-related events, and major environmental risks are factored into acquisition and disposal decisions. For its operational portfolio, the Group applies a net zero carbon building policy including energy management tools, audits, and other procedures to reduce energy consumption, improve environmental efficiency, and reduce its reliance on fossil fuels. All assets undergo an audit every five years to check their structural condition. In 2023, the Group's climate-related risks were compiled into its compliance tool, Komply, which will be used to monitor the climate risk associated with each asset. It is now in the process of understanding the climate risks for which mitigation and adaptation measures are already in place. This will enable the Group to calculate the net risk of each asset, meaning the risk to the asset following the measures already put in place to manage it. From this, Klépierre can identify what is required over the following years to achieve a negligible net risk and will create a climate change adaptation action plan for each asset in the portfolio.	5.2.2 Overall governance and organization 5.2.3 Risk Management 3.1.3 Managing key trends, risks, and opportunities
3.b) Describe the organization's processes for managing climate-related risks		5.1 Risk Management–Key risk factors 5.2.2 Overall governance and organization 5.2.3 Risk Management 3.1.2 Governing responsibly
3.c) Describe how the processes for identifying, assessing and managing climate-related risks are integrated into the organization's risk management		5.2 Risk Management 3.1.3 Managing key trends, risks, and opportunities 3.2 Achieving net zero

TCFD recommendations	Commentary	Cross-reference
4. Metrics and targets		
Describe the indicators and targets used to assess and manage climate-related risks and opportunities, to the extent that the information is relevant		
4.a) Describe the indicators used by the organization to assess climate-related risks and opportunities in relation to its strategy and risk	The Group tracks a range of metrics to assess its exposure to climate-related risks and opportunities: • Energy demand in MWh, in both absolute and intensity terms • Scopes 1, 2 and 3 carbon emissions • Water consumption and intensity • Waste • Visitor travel modes • Green building certifications	3.2 Achieving net zero (2030 operational targets and indicators)
4.b) Publish greenhouse gas (GHG) emissions from Scope 1, Scope 2, and, where relevant, Scope 3, and the corresponding risks		3.2.2 Net zero in Scopes 1 & 2 emissions – page 66 3.2.3 Collaborating on Scope 3 emissions – page 70
4.c) Describe the objectives used by the organization to manage climate-related risks and opportunities, and its performance against these objectives		3.2 Achieving net zero (2030 operational targets and indicators)

3.6.8.4 Real Estate Sustainability Accounting Standards defined by the Sustainability Accounting Standards Board (SASB)

Energy management

Indicators	SASB code	2023
Energy consumption data coverage as a percentage of total floor area, by property subsector	IF-RE-130a.1	96%
Total energy consumed by portfolio area with data coverage, by property subsector	IF-RE-130a.2	778,916 GJ/96% in floor area
Percentage grid electricity, by property subsector	IF-RE-130a.2	98%
Percentage renewable, by property subsector	IF-RE-130a.2	84%
Like-for-like percentage change in energy consumption for the portfolio area with data coverage, by property subsector	IF-RE-130a.3	–16%/96% in floor area
Percentage by floor area of eligible portfolio that has an energy rating, by property subsector	IF-RE-130a.4	98%
Percentage of eligible portfolio that is certified to ENERGY STAR, by property subsector	IF-RE-130a.4	Not eligible in Europe
Description of how building energy management considerations are integrated into property investment analysis and operational strategy	IF-RE-130a.5	3.2.2 Net zero in Scopes 1 & 2 emissions – page 66 3.2.3 Collaborating on Scope 3 emissions – page 70

Scope (101/108): 99/99 owned and managed shopping centers + 2/9 owned only shopping centers. This corresponds to 99.7% coverage rate in value.

Water management

Indicators	SASB code	2023
Water withdrawal data coverage as a percentage of total floor area, by property subsector	IF-RE-140a.1	96%
Water withdrawal data coverage as a percentage of floor area in regions with High or Extremely High Baseline Water Stress, by property subsector	IF-RE-140a.1	37%
Total water withdrawn by portfolio area with data coverage	IF-RE-140a.2	2,517,845 cu.m.
Percentage in regions with High or Extremely High Baseline Water Stress, by property subsector	IF-RE-140a.2	42%
Like-for-like percentage change in water withdrawn for portfolio area with data coverage, by property subsector	IF-RE-140a.3	6%/96% in floor area
Description of water management risks and discussion of strategies and practices to mitigate those risks	IF-RE-140a.4	3.2.5.3-Water – page 74

Scope (101/108): 99/99 owned and managed shopping centers + 2/9 owned only shopping centers. This corresponds to 99.7% coverage rate in value.

Management of tenant sustainability impacts

Indicators	SASB code	2023
Percentage (by floor area) of new leases that contain a cost recovery clause for resource efficiency-related capital improvements, and associated leased floor area, by property subsector	IF-RE-410a.1	0% 0 sq.m.
Percentage of tenants that are separately metered or submetered for (1) grid electricity consumption and (2) water withdrawals, by property subsector	IF-RE-410a.2	1) 79% 2) 0%
Discussion of approach to measuring, incentivizing and improving sustainability impacts of tenants	IF-RE-410a.3	3.2.3 Collaborating on Scope 3 emissions – page 70 3.5.1 Encouraging sustainable commerce – page 86

Climate change adaptation

Indicators	SASB code	2023
Area of properties located in 100-year flood zones, by property subsector	IF-RE-450a.1	767,106 sq.m.
Description of climate change risk exposure analysis, degree of systematic portfolio exposure, and strategies for mitigating risks	IF-RE-450a.2	3.2.1 Improving climate resilience – page 64

3.6.9 Report of one of the Statutory Auditors, appointed as independent third party, on the verification of the consolidated non-financial performance statement

This is a free English translation of the report by one of the Statutory Auditors issued in French and is provided solely for the convenience of English-speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional standards applicable in France.

Year ended December 31, 2023

To the Shareholders' Meeting,

In our capacity as Statutory Auditor of KLEPIERRE SA (hereinafter the "Company"), appointed as independent third party ("third party") and accredited by the French Accreditation Committee (Cofrac), under number 3-1886 (Cofrac Inspection Accreditation, scope available at www.cofrac.fr), we have conducted procedures to express a limited assurance conclusion on the historical information (observed or extrapolated) in the consolidated non-financial performance statement, prepared in accordance with the Company's procedures (hereinafter the "Guidelines"), for the year ended December 31, 2023 (hereinafter the "Information" and the "Statement", respectively), presented in the Group management report pursuant to the legal and regulatory provisions of Articles L. 225-102-1, R. 225-105 and R. 225-105-1 of the French Commercial Code (*code de commerce*) and as chapter 3 of the Universal Registration Document.

Conclusion

Based on our procedures as described in the section "Nature and scope of procedures" and the evidence we have obtained, no material misstatements have come to our attention that cause us to believe that the non-financial performance statement does not comply with the applicable regulatory provisions and that the Information, taken as a whole, is not fairly presented in accordance with the Guidelines.

Preparation of the non-financial performance statement

The absence of a generally accepted and commonly used reference framework or established practices on which to base the assessment and measurement of the Information enables the use of different but acceptable measurement techniques that may impact comparability between entities and over time.

Accordingly, the Information must be read and interpreted with reference to the Guidelines, summarised in the Statement and available on the Company's website or on request from its headquarters.

Limits inherent in the preparation of the information relating to the Statement

The Information may be subject to uncertainty inherent to the state of scientific and economic knowledge and the quality of external data used. Some information is sensitive to the choice of methodology and the assumptions or estimates used for its preparation and presented in the Statement.

Responsibility of the Company

The Executive Board is responsible for:

- selecting or determining the appropriate criteria for the preparation of the Information;
- preparing a Statement pursuant to legal and regulatory provisions, including a presentation of the business model, a description of the main non-financial risks, a presentation of the policies implemented with respect to these risks as well as the outcomes of these policies, including key performance indicators and the information set-out in Article 8 of Regulation (EU) 2020/852 (Green taxonomy);
- implementing such internal control as it determines is necessary to enable the preparation of Information that is free from material misstatement, whether due to fraud or error.

The Statement has been prepared by applying the Company's Guidelines as referred to above.

Responsibility of the Statutory Auditor appointed as independent third party

Based on our work, our responsibility is to express a limited assurance conclusion on:

- the compliance of the Statement with the requirements of Article R. 225-105 of the French Commercial Code;
- the fairness of the information provided pursuant to part 3 of sections I and II of Article R. 225-105 of the French Commercial Code, i.e. the outcomes of policies, including key performance indicators, and measures relating to the main risks, hereinafter the "Information."

As it is our responsibility to issue an independent conclusion on the information prepared by management, we are not authorised to participate in the preparation of the Information, as this could compromise our independence.

It is not our responsibility to provide a conclusion on:

- the Company's compliance with other applicable legal and regulatory provisions (particularly with regard to the information set-out in Article 8 of Regulation (EU) 2020/852 (Green taxonomy), the duty of vigilance and the fight against corruption and tax evasion);
- the fairness of information set-out in Article 8 of Regulation (EU) 2020/852 (Green taxonomy);
- the compliance of products and services with the applicable regulations.

Applicable regulatory provisions and professional guidance

We performed the work described below in accordance with our audit verification programme in application of Articles A. 225-1 *et seq.* of the French Commercial Code, the professional guidance issued by the French Institute of Statutory Auditors (*Compagnie Nationale des Commissaires aux Comptes*) relating to this engagement and with the international standard ISAE 3000[(1)].

Independence and quality control

Our independence is defined by Article L. 821-28 of the French Commercial Code and French Code of Ethics for Statutory Auditors (*Code de déontologie*). In addition, we have implemented a system of quality control including documented policies and procedures aimed at ensuring compliance with applicable legal and regulatory requirements, ethical requirements and the professional guidance issued by the French Institute of Statutory Auditors (*Compagnie Nationale des Commissaires aux Comptes*) relating to this engagement.

Means and resources.

Our work engaged the skills of five people between November 2023 and March 2024 and took a total of eighteen weeks.

To assist us in conducting our work, we referred to our corporate social responsibility and sustainable development experts. We conducted around ten or so interviews with people responsible for preparing the Statement.

This work involved the use of information and communication technologies allowing the work and interviews to be carried out remotely, without hindering the good execution of the verification process.

Nature and scope of procedures

We planned and performed our work taking account of the risk of material misstatement of the Information.

We consider that the procedures conducted in exercising our professional judgement enable us to express a limited assurance conclusion:

- We familiarized ourselves with the activities of all companies in the consolidation scope and the description of the principal risks.
- We assessed the suitability of the Guidelines with respect to their relevance, completeness, reliability, neutrality and clarity, taking into account, where appropriate, best practices within the sector.
- We verified that the Statement covers each category of information stipulated in section III of Article L. 225-102-1 governing social and environmental affairs, respect for human rights and the fight against corruption and tax evasion.
- We verified that the Statement provides the information required under Article R.225-105 II of the French Commercial Code where relevant with respect to the principal risks, and includes, where applicable, an explanation for the absence of the information required under Article L.225-102-1 III, paragraph 2 of the French Commercial Code.
- We verified that the Statement presents the business model and a description of the principal risks associated with the activities of all the consolidated entities, including where relevant and proportionate, the risks associated with their business relationships, their products or services, as well as their policies, measures and the outcomes thereof, including key performance indicators associated to the principal risks.

(1) ISAE 3000 (revised - Assurance engagements other than audits or reviews of historical financial information).

- We referred to documentary sources and conducted interviews to:
  - assess the process used to identify and confirm the principal risks as well as the consistency of the outcomes, including the key performance indicators used, with respect to the principal risks and the policies presented; and
  - corroborate the qualitative information (measures and outcomes) that we considered to be the most important [(1)]; our work was carried out on the consolidating entity.
- We verified that the Statement covers the consolidated scope, i.e. all companies within the consolidation scope in accordance with Article L. 233-16, with the limits specified in the Statement.
- We obtained an understanding of internal control and risk management procedures implemented by the Company and assessed the data collection process aimed at ensuring the completeness and fairness of the Information.
- For the key performance indicators and other quantitative outcomes [(2)] that we considered to be the most important, we implemented:
  - analytical procedures that consisted in verifying the correct consolidation of collected data as well as the consistency of changes thereto.
  - substantive tests, on a sample basis and using other selection methods, that consisted in verifying the proper application of definitions and procedures and reconciling data with supporting documents. These procedures were conducted for a selection of contributing entities [(3)] and covered between 9% and 67% of the consolidated data selected for these tests.
- We assessed the overall consistency of the Statement in relation to our knowledge of the entire Company.

The procedures conducted in a limited assurance review are substantially less in scope than those required to issue a reasonable assurance opinion in accordance with the professional guidelines of the French National Institute of Statutory Auditors (*Compagnie Nationale des Commissaires aux Comptes*); a higher level of assurance would have required us to carry out more extensive procedures.

Paris-La Défense, March 7, 2024

One of the Statutory Auditors,

Deloitte & Associés

Jean Vincent Coustel
Partner, Audit

Julien Rivals
Partner, Sustainability Services

(1) Existence of formalized procedures regarding the following issues addressed in the Statement: Existence of formalised procedures for the following aspects covered in the Declaration: climate risk assessment; boost waste management programme; diversity and inclusion policy; CSR tenant evaluation process.

(2) Environmental data: Energy consumption; Production and consumption of renewable energy; Cost of energy; Scope 1 & 2 greenhouse gas emissions; Scope 3 greenhouse gas emissions; Percentage of waste recycled; Energy efficiency of buildings; Number of centers certified BREEAM In-Use
Social data: Total number of employees by type of contract; Share of employees by age group; Share of women in the top 100; Share of women in the management team; Turnover rate; Rate of access to training; Gender pay gap.
Societal data: Percentage of centers offering responsible services; Percentage of centers highlighting the responsible products and services of their banners; Organization of 3 events to raise awareness of sustainable lifestyles.

(3) Shopping centers audited (environmental and societal indicators): France: Serris - Val Europe; Spain: Murcia - Nueva Condomina; Italy: Milan - Globo I II III; Netherlands: Utrecht - Hoog Catharijne; Denmark: Copenhagen - Field's; Sweden: Malmö - Emporia

4

FINANCIAL STATEMENTS

4 FINANCIAL STATEMENTS

4.1 CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2023

4.1.1 Consolidated statements of comprehensive income

In millions of euros	Notes	12/31/2023	12/31/2022
Gross rental income	5.1	1,155.1	1,162.4
Land expenses (real estate)	5.2	(6.6)	(6.5)
Service charge income	5.3	265.0	266.1
Service charge expenses	5.3	(361.0)	(356.2)
Building expenses (owner)	5.4	(18.9)	(30.5)
Net rental income		**1,033.6**	**1,035.3**
Management, administrative and related income and other operating income[(a)]	5.5	76.8	83.8
Survey and research costs		(2.3)	(4.7)
Payroll expenses	5.6	(115.6)	(112.7)
Other general expenses	5.7	(35.5)	(46.7)
Depreciation, amortization and impairment of intangible assets and property, plant and equipment	5.8	(17.7)	(16.6)
Provisions		3.8	(0.6)
Change in value of investment properties	5.9	(477.0)	(312.0)
Income (loss) from the disposal of investment properties and equity investments	5.10	(8.4)	(74.2)
Goodwill impairment	4.1	(0.5)	(9.1)
Operating income		**457.2**	**542.5**
Financial income		111.4	38.9
Financial expenses		(236.2)	(150.3)
Interest expense on leases liabilities	5.8	(9.2)	(8.2)
Cost of net debt	**5.11**	**(134.0)**	**(119.6)**
Net dividends and provisions on non-consolidated investments		0.0	(0.0)
Change in the fair value of financial instruments	5.12	(63.9)	50.1
Gain (loss) on net monetary position	5.13	(28.6)	(25.7)
Share in earnings of equity-accounted companies		44.4	53.3
Profit before tax		**275.1**	**500.6**
Income tax expense	6	(100.8)	(70.8)
Consolidated net income		**174.3**	**429.8**
Of which			
• Attributable to owners of the parent		192.7	415.2
• Attributable to non-controlling interests		(18.4)	14.6
Average number of shares – undiluted		**285,504,966**	**285,442,230**
UNDILUTED EARNINGS PER SHARE *(in €)* **– ATTRIBUTABLE TO OWNERS OF THE PARENT**		**0.68**	**1.45**
Average number of shares – diluted		**286,301,949**	**286,524,518**
DILUTED EARNINGS PER SHARE *(in €)* **– ATTRIBUTABLE TO OWNERS OF THE PARENT**		**0.67**	**1.45**

(a) *"Management, administrative and related income" presented for €69.3 million and "Other operating income" presented for €14.5 million as of December 31, 2022 are presented aggregated starting 2023.*

In millions of euros	12/31/2023	12/31/2022
Consolidated net income	**174.3**	**429.8**
Other items of comprehensive income (loss) recognized directly in equity	**(88.4)**	**11.8**
• Effective portion of gains and losses on cash flow hedging instruments	(22.6)	46.4
• Translation gains and losses	(70.7)	(28.5)
• Tax on other items of comprehensive income	4.0	(7.6)
Items that will be reclassified subsequently to profit or loss	**(89.3)**	**10.3**
• Gains and losses on sales on treasury shares	0.6	(2.0)
• Actuarial gains and losses	0.3	3.5
Items that will not be reclassified subsequently to profit or loss	**0.9**	**1.5**
Share of other items of comprehensive income attributable to equity-accounted companies		
Total comprehensive income (loss)	**85.9**	**441.6**
Of which		
• Attributable to owners of the parent	121.1	414.6
• Attributable to non-controlling interests	(35.2)	27.0
UNDILUTED COMPREHENSIVE EARNINGS PER SHARE *(in €)* **– ATTRIBUTABLE TO OWNERS OF THE PARENT**	**0.42**	**1.45**
DILUTED COMPREHENSIVE EARNINGS PER SHARE *(in €)* **– ATTRIBUTABLE TO OWNERS OF THE PARENT**	**0.42**	**1.45**

4.1.2 Consolidated statements of financial position

In millions of euros	Notes	12/31/2023	12/31/2022
Goodwill	4.1	467.0	469.6
Intangible assets	4.2	23.2	25.3
Property, plant and equipment	4.3	37.0	16.1
Investment properties at fair value	4.4	17,298.5	17,757.1
Investment properties at cost	4.4	74.5	110.2
Investments in equity-accounted companies	4.5	971.6	994.4
Other non-current assets	4.6	260.5	296.7
Long-term derivative instruments		29.4	51.3
Non-current deferred tax assets		19.4	12.7
Non-current assets		**19,181.1**	**19,733.4**
Investment properties held for sale	4.4	65.4	13.1
Trade and other receivables	4.7	126.7	141.8
Other receivables	4.8	266.2	265.3
• Tax receivables		68.3	64.3
• Other		197.9	201.0
Short-term derivative instruments		89.1	111.4
Current deferred tax assets	6	5.6	4.6
Cash and cash equivalents	4.9	358.7	281.6
Current assets		**911.7**	**817.8**
TOTAL ASSETS		**20,092.8**	**20,551.2**
Share capital	4.11	401.6	401.6
Additional paid-in capital		3,344.9	3,585.9
Legal reserves		44.0	44.0
Consolidated reserves		4,033.5	3,917.5
• Treasury shares		(25.7)	(28.6)
• Hedging reserves		13.2	24.9
• Other consolidated reserves		4,046.0	3,921.2
Consolidated net income		192.7	415.2
Equity attributable to owners of the parent		**8,016.7**	**8,364.2**
Equity attributable to non-controlling interests		2,002.9	2,094.8
Total equity		**10,019.6**	**10,459.0**
Non-current financial liabilities	4.6	6,065.9	5,717.8
Non-current leases liabilities	4.10	299.0	266.6
Long-term provisions	4.12	25.4	29.1
Pension obligations	4.13	7.9	7.2
Long-term derivative instruments	7.1/7.3	100.8	116.6
Deposits		151.0	145.7
Deferred tax liabilities	6	1,110.4	1,074.1
Non-current liabilities		**7,760.4**	**7,357.1**
Current financial liabilities	4.6	1,590.1	1,978.0
Current leases liabilities	4.10	12.4	12.6
Bank overdrafts	4.9	0.3	0.1
Trade payables		161.6	165.7
Due to suppliers of fixed assets		52.3	52.6
Other liabilities	4.14	328.5	337.3
Short-term derivative instruments	7.1/7.3	0.8	2.7
Payroll and tax liabilities	4.14	166.8	186.1
Current liabilities		**2,312.8**	**2,735.1**
TOTAL EQUITY AND LIABILITIES		**20,092.8**	**20,551.2**

4.1.3 Consolidated statements of cash flows

In millions of euros	12/31/2023	12/31/2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income from consolidated companies	174.3	429.8
Elimination of expenditure and income with no cash effect or not related to operating activities		
• Depreciation, amortization and provisions	(15.0)	2.4
• Change in value of investment properties	477.0	312.0
• Goodwill impairment	0.5	9.1
• Capital gains and losses on asset disposals	8.4	74.2
• Current and deferred income taxes	100.8	70.8
• Share in earnings of equity-accounted companies	(44.4)	(53.3)
• Reclassification of interest and other items	272.1	131.4
Gross cash flow from consolidated companies	**973.7**	**976.4**
Income tax (received) paid	(55.9)	(32.7)
Change in operating working capital	16.0	(33.3)
Net cash flow from operating activities	**933.8**	**910.4**
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sales of investment properties	100.0	296.2
Proceeds from disposals of subsidiaries (net of cash disposed, net of loans and advances repaid)	16.3	257.6
Acquisitions of investment properties	(11.9)	
Payments in respect of construction work in progress	(192.2)	(176.9)
Acquisitions of other fixed assets	(7.6)	(10.3)
Acquisitions of subsidiaries (net of cash acquired)	(1.3)	(1.4)
Dividends received (including dividends received from joint ventures and associates)	31.5	24.2
Movements in loans and advance payments granted and other investments[(a)]	17.3	(12.3)
Net cash flow from investing activities	**(47.9)**	**377.1**
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividends paid to owners of the parent	(258.5)	
Dividends paid to non-controlling interests	(32.6)	(87.5)
Change in capital of subsidiaries with non-controlling interests	(20.6)	(0.6)
Repayment of share premiums	(241.0)	(485.3)
Acquisitions/disposals of treasury shares	0.1	0.1
New loans, borrowings and hedging instruments	1,853.8	1,274.8
Repayment of loans, borrowings and hedging instruments	(1,941.0)	(2,196.6)
Net repayment of lease liabilities	(15.3)	(15.1)
Interest paid	(143.5)	(108.5)
Interest paid on lease liabilities	(9.2)	(8.2)
Net cash flow used in financing activities	**(807.8)**	**(1,626.9)**
Effect of foreign exchange rate changes on cash and cash equivalents	**(1.1)**	**(3.6)**
CHANGE IN CASH AND CASH EQUIVALENTS	**77.0**	**(343.0)**
Cash and cash equivalents at beginning of period	**281.5**	**624.5**
Cash and cash equivalents at end of period	**358.5**	**281.5**

(a) Of which advances and loans repayments for a negative €14.7 million and new advances and loans for a positive €32.0 million.

4.1.4 Statements of changes in consolidated equity

In millions of euros	Share capital	Capital reserves	Treasury shares	Hedging reserves	Other consolidated reserves	Consolidated net income	Equity attributable to owners of the parent	Equity attributable to non-controlling interests	Total equity
EQUITY AT 12/31/2021	**401.6**	**4,115.2**	**(33.5)**	**0.1**	**3,376.6**	**544.7**	**8,404.7**	**2,188.7**	**10,593.4**
Share capital transactions									
Share-based payments									
Treasury share transactions			4.9		(0.9)		4.0		4.0
Allocation of net income (loss)					544.7	(544.7)			
Dividends		(485.3)					(485.3)	(123.6)	(608.9)
Net income for the period						**415.2**	**415.2**	**14.6**	**429.8**
GAINS AND LOSSES RECOGNIZED DIRECTLY IN EQUITY									
Proceeds from sales of treasury shares					(2.0)		(2.0)		(2.0)
Gains and losses from cash flow hedging				26.5			26.5	19.9	46.4
Translation gains and losses					(24.3)		(24.3)	(4.2)	(28.5)
Actuarial gains and losses					3.5		3.5		3.5
Tax on other comprehensive income				(1.7)	(2.6)		(4.3)	(3.3)	(7.6)
Other comprehensive income				**24.8**	**(25.4)**		**(0.6)**	**12.4**	**11.8**
Changes in the scope of consolidation								(0.7)	(0.7)
Other movements					26.2		26.2	3.4	29.6
EQUITY AT 12/31/2022	**401.6**	**3,629.9**	**(28.6)**	**24.9**	**3,921.2**	**415.2**	**8,364.2**	**2,094.8**	**10,459.0**
Share capital transactions									
Share-based payments									
Treasury share transactions			2.9				2.9		2.9
Allocation of net income (loss)					415.2	(415.2)	0.0		0.0
Dividends		(241.0)			(258.5)		(499.5)	(36.9)	(536.4)
Net income for the period						**192.7**	**192.7**	**(18.4)**	**174.3**
GAINS AND LOSSES RECOGNIZED DIRECTLY IN EQUITY									
Proceeds from sales of treasury shares					0.6		0.6		0.6
Gains and losses from cash flow hedging				(12.9)			(12.9)	(9.7)	(22.6)
Translation gains and losses[(a)]					(61.9)		(61.9)	(8.8)	(70.7)
Actuarial gains and losses					0.3		0.3		0.3
Tax on other comprehensive income				1.2	1.1		2.3	1.7	4.0
Other comprehensive income				**(11.7)**	**(59.9)**		**(71.6)**	**(16.8)**	**(88.4)**
Changes in the scope of consolidation								(24.8)	(24.8)
Other movements[(b)]					28.0		28.0	5.0	33.0
EQUITY AT 12/31/2023	**401.6**	**3,388.9**	**(25.7)**	**13.2**	**4,046.0**	**192.7**	**8,016.7**	**2,002.9**	**10,019.6**

(a) The €61.9 million negative impact in translation gains and losses mainly concerns Turkey (negative €52.6 million), Norway (negative €35.5 million), Sweden (positive €19.9 million), Poland (positive €6.5 million), Czech Republic (positive €1.4 million) and Denmark (negative €0.8 million).
(b) The positive amount of €28.0 million in "Other movements" relates to the application of IAS 29 "Financial Reporting in Hyperinflationary Economies" to Turkey.

4.1.5 Notes to the consolidated financial statements for the year ended December 31, 2023

NOTE 1 SIGNIFICANT EVENTS OF THE PERIOD

1.1 DEBT AND FINANCING

As of December 31, 2023, consolidated net debt decreased to €7,348.8 million compared to €7,479.3 million at the end of 2022.

The Group raised €1,040.0 million of new financing, mainly comprising bank loans totaling €790.0 million (€412.0 million in corporate loans and €378.0 million in mortgage loans) in addition to tapping existing bonds for €250.0 million. These funds were used to refinance the €524.0 million bond maturing on April 17, 2023 as well as to prefinance the bond maturing on November 6, 2024.

Over the year, Klépierre successfully renewed €550.0 million of its existing credit facilities and set up €175.0 million of new ones, mostly on a five-year maturity basis. The Group also exercised the first one-year extension option on one of its existing bilateral revolving credit facilities (€100.0 million).

At the end of May, Fitch assigned to Klépierre a first-time rating of BBB+ with a stable outlook and a senior unsecured rating of A-.

1.2 DISTRIBUTION

On May 11, 2023, the General Meeting of Shareholders approved the payment of a €1.75 per share cash distribution in respect of the 2022 fiscal year. The total distribution amounted to €499.5 million (excluding treasury shares), and was deducted from issue premiums and retained earnings.

On March 30, 2023, a €0.87 per share interim dividend was paid to shareholders, for a total amount of €248.2 million excluding taxes and fees. A further €0.88 per share (€251.3 million) dividend was paid on July 11, 2023.

1.3 INVESTMENTS AND DIVESTMENTS

Overall, capital expenditure invested over the period in investment properties at fair value and at cost held by fully consolidated companies, amounted to €195 million.

Regarding development, Klépierre focused on its main committed projects to strengthen the leadership of its shopping centers in their catchment areas, notably the Grand Place extension in Grenoble (France), the refurbishment of Shopville LeGru in Turin and Gran Reno in Bologna (Italy) and the rooftop restructuring at Maremagnum in Barcelona (Spain).

Over the year 2023, the Group completed disposals totaling €104 million comprising the Metz Saint Jacques and Valenciennes Place d'Armes shopping centers, a retail park in Mérignac and several other retail assets (France), a retail park in Murcia (Spain) and a building adjacent to Galleria Boulevard in Kristiandstad mall (Sweden).

NOTE 2 ACCOUNTING BASIS AND SCOPE

2.1 CORPORATE REPORTING

Klépierre is a French joint-stock corporation *(société anonyme)* subject to French company legislation, and more specifically the provisions of the French Commercial Code *(Code de commerce)*. The Company's registered office is located at 26 boulevard des Capucines in Paris.

On February 13, 2024, the Executive Board approved the consolidated financial statements of Klépierre SA for the year ended December 31, 2023 and authorized their publication.

Klépierre is listed on Euronext Paris (compartment A).

2.2 APPLICATION OF IFRS

Pursuant to European Commission Regulation (EC) no. 1606/2002 of July 19, 2002, the 2023 consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and endorsed by the European Union (EU).

The consolidated financial statements are presented in millions of euros (€m), with all amounts rounded to the nearest hundred thousand, unless otherwise indicated. Slight differences between figures may exist in the different statements due to rounding.

2.2.1 Standards, amendments and interpretations whose application was mandatory as of January 1, 2023

The accounting policies applied by the Group are unchanged on those applied for the preparation of the consolidated financial statements for the year ended December 31, 2022. The standards, amendments, and interpretations which entered into mandatory effect on January 1, 2023 did not have a material impact on the Group financial statements.

2.2.2 Standards, amendments and interpretations whose application was not mandatory as of January 1, 2023

The Group did not early adopt any new standards, amendments or interpretations not yet in effective as of January 1, 2023.

2.2.3 Implementation of the 15% minimum taxation for large groups (Pillar Two)

The OECD reform setting a 15% country-by-country minimum rate of taxation for large groups with revenues of at least €750 million (Pillar Two Rules) has been transposed into an EU Directive and French domestic law and is effective as of January 1, 2024.

Based on the preliminary analysis performed with our tax consultants and technical discussions with the OECD and the French tax authorities, as Klépierre SA is subject to the French SIIC (REIT) regime, it would qualify as a Real Estate Investment Vehicle that is an Ultimate Parent Entity, and would therefore be an Excluded Entity – as would the vast majority of Klépierre SA subsidiaries included in the Group's consolidated financial statements. At this stage of our analysis and in view of the clarifications obtained, the Klépierre Group does not reasonably expect the Pillar Two Rules to have a major impact on the consolidated financial statements. The Group expects the OECD to issue additional guidelines in early 2024 that will confirm this preliminary assessment.

2.3 USE OF MATERIAL JUDGMENTS AND ESTIMATES

In preparing these consolidated financial statements in accordance with IFRS, Group management used certain estimates and realistic, reasonable assumptions. Changes in facts and circumstances may lead to changes in these estimates and assumptions, which would affect the value of the Group's assets, liabilities, equity and earnings.

The main assumptions made in respect of future events and other sources of uncertainty relating to the use of period-end estimates for which there is a significant risk of material change to the carrying amounts of assets and liabilities in subsequent years are presented below:

Measurement of goodwill of management companies

The Group tests goodwill for impairment at least once a year. This involves estimating the recoverable value of the cash-generating units to which the goodwill is allocated. In order to determine the recoverable value, Klépierre prepares expected future cash flows for each cash-generating unit and applies a pre-tax discount rate to calculate the present value of these cash flows (see note 4.1). Recoverable values are determined by an independent expert.

Investment property and equity-accounted companies

The Group appoints independent appraisers to perform half-yearly valuations of its real estate assets in accordance with the methods described in note 4.4. The appraisers make assumptions concerning future cash flows and rates that have a direct impact on the value of the properties.

Credit risk assessment

Credit risk is assessed in accordance with IFRS 9, as described in note 4.6.

Financial instruments

The Group measures the fair value of the financial instruments it uses in accordance with standard market models and IFRS 13, as described in note 4.10.

Deferred taxes

See note 6.

2.4 TRANSLATION OF FOREIGN CURRENCIES

The consolidated financial statements are presented in euros (€), which is the presentation currency of the consolidated group, as well as the presentation and functional currency used by Klépierre SA.

Each entity determines its own functional currency, and all items in its financial statements are measured using this functional currency. The functional currency of an entity is the currency of the primary economic environment in which it carries out its operations.

The Group's foreign subsidiaries conduct some transactions in currencies other than their functional currency. These transactions are initially recorded in the functional currency at the exchange rate prevailing on the transaction date.

At the reporting date, monetary assets and liabilities stated in foreign currencies are translated into the functional currency at the exchange rate prevailing on that day. Non-monetary items stated in foreign currencies and measured at historical cost are translated using the exchange rates prevailing on the dates of the initial transactions. Non-monetary items stated in foreign currencies and measured at their fair value are translated using the exchange rates applicable on the dates when the fair values were calculated.

For the preparation of the Group's consolidated financial statements, the assets and liabilities of subsidiaries are translated into euros at the exchange rate as of the reporting date. Their income statements are translated at the average exchange rate for the year. Any resulting translation differences are allocated directly to equity under a separate line item.

2.5 HYPERINFLATIONNARY ECONOMIES

In March 2022, Turkey met the criteria of a hyperinflationary economy within the meaning of IAS 29 "Financial Reporting in Hyperinflationary Economies".

As of December 31, 2023, Turkey continued to meet the criteria of a hyperinflationary economy.

The criteria set out in IAS 29 are therefore met and both the French financial markets authority (*Autorité des marchés financiers* – AMF) and the European Securities and Markets Authority (ESMA) consider that Turkey should be qualified as a hyperinflationary economy within the meaning of IAS 29 as from January 1, 2022.

Consequently, IAS 29 is applicable to the Group's operations in Turkey since 2022 and as if it had always been a hyperinflationary economy:

- Non-monetary assets and liabilities, except for those at fair value, must be adjusted for inflation using a general price index. Monetary items on the statement of financial position are not restated;
- Income statement and other comprehensive income items in local currency are restated for inflation by applying the change in the general price index from the dates when the income and expense items were initially recorded in the consolidated financial statements. The statements of financial position, income and comprehensive income of Turkish subsidiaries are translated into euros at the closing rate of the reporting period.

The impact on comprehensive income in 2023 is presented in note 5.13 "Gain (loss) on net monetary position".

2.6 RISK FACTORS RELATING TO CLIMATE CHANGE

To draw up the Group's financial statements, the Executive Board takes into account the challenges of climate change and sustainable development, based on current knowledge and practices.

Expenditure related to measures taken by the Group to meet its climate commitments, in particular to achieve a net-zero carbon footprint of its portfolio of scope 1 and scope 2 shopping centers by 2030, are recognized either as investments (maintenance and replacement of energy equipment, installation of solar panels, electric vehicle charging stations, etc.) or as recurring expenses (use of energy management tools, audits, "BOOST" action plans, studies on the net-zero strategy, etc.).

The valuation of investment property at fair value, as performed by independent appraisers in accordance with the option provided for in IAS 40, factors in climate risks based on their current methodology.

For the valuation campaign that led to setting the values of investment properties as of December 31, 2023, the Group provided appraisers with the following information:

- A set of 12 non-financial key performance indicators for each property asset appraised. These indicators included final energy consumption, water consumption, direct greenhouse gas emissions, and gross physical climate risks; and
- The multi-year investment plan required to maintain assets or bring them up to the environmental standards or objectives set by the Group.

In addition, a portion of the Group's financing incorporates the environmental performance criteria of the Group's assets.

As of December 31, 2023, the Group had contracted €2,110 million in financing subject to sustainability criteria whereby the margin on the facility is reduced if Klépierre achieves the targets set out in the loan agreement. Most of the resulting savings are reinvested by Klépierre in programs designed to improve the low-carbon efficiency and overall environmental performance of its assets. In addition, a five-year green mortgage loan of €260 million was signed in 2023.

2.7 CONSOLIDATION METHODS AND CHANGES IN CONSOLIDATION SCOPE

As of December 31, 2023, the Group's scope of consolidation included 218 companies, of which 184 fully consolidated companies and 34 companies accounted for using the equity method. Over the period, there were no significant changes in the scope of consolidation.

The Klépierre Group's consolidated financial statements include all companies over which Klépierre has control, joint control or significant influence.

The consolidation method is based on the degree of control exercised by the Group:

- Control: full consolidation. According to IFRS 10, an investor controls an investee when it has power, exposure to variable returns and the ability to use that power to affect its returns from the investee.

  Control is presumed to exist when Klépierre directly or indirectly holds more than half of the company's voting rights. Control is also presumed to exist where the parent company has the power to direct the financial and operating policies of the company and appoint, dismiss or convene the majority of the members of the Board of Directors or equivalent management body;
- Joint control and significant influence: equity-method accounting. Joint control exists where operating, strategic and financial decisions require unanimous agreement between the partners. The agreement is contractual, i.e., subject to bylaws and shareholder agreements. Influence is defined as the power to contribute to a company's financial and operating policy decisions, rather than to exercise control over those policies. Significant influence is presumed where the Group directly or indirectly holds 20% or more of an entity's voting rights. Investments in associates are initially recognized in the statement of financial position at acquisition cost, and are subsequently adjusted for the share of the profit or loss and other comprehensive income of the entity. Changes in equity of companies accounted for using the equity method are reported on the asset side of the statement of financial position under "Investments in equity-accounted companies" and under the corresponding item in equity.

Details of the scope of consolidation are provided in note 9.5 "List of consolidated entities".

Intercompany balances and profits resulting from transactions between Group companies are eliminated in consolidation.

2.8 EARNINGS PER SHARE

Basic earnings per share is calculated by dividing net income for the period attributable to ordinary shareholders by the weighted average number of shares outstanding, excluding treasury shares.

Diluted earnings per share is calculated by dividing net income for the period attributable to ordinary shareholders by the weighted average number of shares outstanding, excluding treasury shares, adjusted to reflect the effects of any diluting options.

2.9 NET DEBT

Net financial debt means, on the basis of the consolidated financial statements of the borrower, financial liabilities (excluding fair value hedge adjustments and cross currency swaps) plus bank overdrafts, less cash, cash equivalents (which for the avoidance of doubt includes, marketable securities), and the funds managed by the Group on behalf of its principal.

Net debt as of December 31, 2023 is presented in note 4.6.2 "Change in debt".

NOTE 3 SEGMENT INFORMATION

ACCOUNTING POLICIES

Segment information

In accordance with IFRS 8, operating segments are identified on the basis of the internal reporting used by management when evaluating performance and allocating resources.

3.1 SEGMENT EARNINGS

For management purposes, the Group is structured into business segments corresponding to geographic regions. There are a total of five operating segments, structured as follows:

- France (including Belgium and Other retail properties);
- Italy;
- Scandinavia (Steen & Strøm: Norway, Sweden and Denmark);
- Iberia (Spain and Portugal);
- Other countries (Netherlands, Germany, Poland, Czech Republic, Greece and Turkey).

The operating segments "Netherlands and Germany", "Central Europe", and "Other countries (Greece and Turkey)" have been grouped together as they are less significant taken individually. The current presentation complies with the quantitative thresholds defined by IFRS 8.

The management team monitors the results of each operating segment independently for the purposes of allocating resources to the segment and assessing its performance.

The "Scandinavia" segment includes all the legal entities of Steen & Strøm, in which Klépierre owns a 56.1% controlling equity stake.

	France(a)(c)		Italy		Scandinavia		Iberia		Other countries(b)(c)		Klépierre Group	
In millions of euros	12/31/2023	12/31/2022	12/31/2023	12/31/2022	12/31/2023	12/31/2022	12/31/2023	12/31/2022	12/31/2023	12/31/2022	12/31/2023	12/31/2022
Gross rental income	**431.1**	**480.3**	**245.8**	**217.7**	**132.9**	**141.1**	**137.4**	**130.7**	**207.9**	**192.5**	**1,155.1**	**1,162.4**
Net rental income	**393.5**	**431.6**	**227.7**	**207.4**	**117.7**	**122.8**	**125.1**	**119.4**	**169.6**	**154.0**	**1,033.6**	**1,035.3**
Management and other income	35.2	34.8	16.8	19.5	7.0	8.3	7.4	11.5	10.4	9.7	76.9	83.8
Payroll and other general expenses	(79.3)	(78.2)	(20.0)	(27.7)	(16.7)	(14.9)	(12.7)	(15.5)	(24.7)	(27.8)	(153.4)	(164.0)
Depreciation, amortization and impairment	(10.3)	(12.1)	(0.3)	(2.2)	(1.3)	(1.3)	(0.8)	(0.5)	(1.2)	(1.2)	(13.9)	(17.3)
Change in value of investment properties	(410.5)	(198.6)	106.3	(24.0)	(133.0)	(92.4)	19.4	77.4	(59.2)	(74.4)	(477.0)	(312.0)
Income (loss) from the disposal of investment properties and equity investments	(7.8)	(1.6)	(0.1)		0.1	(27.1)	(0.6)		(0.0)	(45.5)	(8.4)	(74.2)
Share in earnings (losses) of equity-accounted companies	(19.4)	1.3	33.2	20.5	(2.3)	4.4	3.0	(1.8)	29.9	28.8	44.4	53.3
SEGMENT INCOME (LOSS)	**(98.6)**	**177.2**	**363.5**	**193.5**	**(28.4)**	**(0.1)**	**140.8**	**190.6**	**124.8**	**43.6**	**502.1**	**604.9**

(a) Shopping centers and other retail properties, including Belgium.
(b) Starting 2023, the "Netherlands & Germany" and "Central Europe" operating segments have been grouped together under "Other countries".
(c) Starting 2023, "Non-allocated" items have been grouped together under the "France" segment.

3.2 INVESTMENT PROPERTIES BY OPERATING SEGMENT

The value of investment properties by operating segment, as shown in the consolidated statement of financial position, is presented below (excluding investment properties held by equity-accounted companies):

In millions of euros	Value of investment properties at 12/31/2023[(a)]	Value of investment properties at 12/31/2022[(a)]
France[(b)]	6,803.5	7,202.7
Italy	3,448.0	3,300.7
Scandinavia	2,287.5	2,481.8
Iberia	2,133.9	2,118.9
Other countries[(c)]	2,700.1	2,763.2
TOTAL	**17,373.0**	**17,867.3**

(a) Including investment properties at fair value, investment properties at cost and excluding investment properties held for sale.
(b) Including Belgium and Other retail properties.
(c) Starting 2023, the "Netherlands & Germany" and "Central Europe" operating segments have been regrouped together under "Other countries".

3.3 INVESTMENTS AND DISPOSALS OVER THE PERIOD BY OPERATING SEGMENT

The amount of investments over the period by operating segment is presented below:

In millions of euros	Investment properties at fair value	Investment properties at cost	New investments at 12/31/2023[(a)]
Shopping centers	**190.2**	**4.6**	**194.8**
France[(b)]	96.0	0.8	96.8
Italy	37.2	3.8	41.0
Scandinavia	12.4		12.4
Iberia	17.7		17.7
Other countries	26.9		26.9
TOTAL	**190.2**	**4.6**	**194.8**

(a) Investments include acquisitions, capitalized expenses and changes in scope.
(b) Including Belgium and Other retail properties.

Investments over the period (including capitalized interest) in France mainly concern refurbishment work at Grand Place (Grenoble) and Centre Deux (Saint-Etienne), the Blagnac renovation (Toulouse) and the final stages of the Créteil Soleil renovation (Paris area).

In Italy, investments are mainly attributable to the refurbishment works carried out in Shopville LeGru (Turin) and Gran Reno (Bologna).

Proceeds from disposals of investment properties and equity investments by operating segment are presented below :

In millions of euros	Proceeds from disposals
Investment properties and equity investments	**104.4**
France[(a)]	77.6
Italy	
Scandinavia	5.6
Iberia	21.0
Other countries	0.2
TOTAL	**104.4**

(a) Including Belgium and Other retail properties.

NOTE 4 NOTES TO THE STATEMENT OF FINANCIAL POSITION

4.1 GOODWILL

ACCOUNTING POLICIES

Accounting for business combinations

The accounting rules for business combinations comply with IFRS 3 (revised).

To decide whether a transaction is a business combination the Group considers whether an integrated set of activities is acquired besides the investment property.

- The optional concentration test is used to assess whether substantially all of the fair value of the acquisition is concentrated in a single asset or group of similar assets.
- If the outcome of this test is negative, determining whether or not a business has been acquired depends on whether the acquisition includes substantive processes critical to continue producing outputs (or to develop them in the event that assets do not have outputs at the acquisition date) together with an organized workforce with the necessary skills to perform the process.

If the acquired assets are not a business, the transaction is recorded as an asset acquisition.

All business combinations are recognized using the acquisition method. The consideration transferred is measured as the fair value of assets contributed, equity issued and liabilities incurred at the transfer date. The identifiable assets and liabilities of the acquiree are measured at their fair value at the acquisition date. Any liabilities are only recognized if they are a present obligation at the date of the business combination and if their fair value can be reliably measured. For each business combination, the acquirer must measure all non-controlling interests held in the acquired company, either at their fair value at the acquisition date or at the corresponding share in the fair value of the assets and liabilities of the acquired company.

Any surplus of the consideration transferred and the value of non-controlling interests over the net fair value of the business' identifiable assets acquired and liabilities assumed, is recognized as goodwill. Costs directly linked to the acquisition are recognized as expenses.

IFRS 3 (revised) stipulates a maximum period of 12 months from the acquisition date for the accounting of the acquisition to be finalized: adjustments to values applied must be related to facts and circumstances existing at the acquisition date. Therefore, beyond this 12-month period, any earn-out adjustment must be recognized in income for the fiscal year unless the additional consideration is an equity instrument.

As regards the treatment of deferred tax assets, the Group recognizes an adjustment to income for deferred tax assets unrecognized at the acquisition date or during the measurement period.

Where a business is acquired in stages, the previous investment is remeasured at fair value at the date control is transferred. Any difference between fair value and carrying amount of this investment is recognized in income.

Any change in the Group's interest in an entity that results in a loss of control is recognized as a gain/loss on disposal and the remaining interest is remeasured at fair value with the change being recognized in income.

Transactions that do not affect control (additional acquisition or disposal) are accounted for as equity transactions for which the equity is allocated proportionally between the owners of the parent and the non-controlling interest with no impact on profit or loss and/or goodwill adjustment.

Goodwill measurement and impairment

Goodwill is carried at cost less any accumulated impairment losses. In compliance with IAS 36, the Group performs impairment tests if there is an indication of impairment, and at least once a year. For the purposes of this test, assets are grouped into cash-generating units (CGUs). CGUs are standardized groups of assets whose continued use generates cash inflows that are largely separate from those generated by other asset groups.

An impairment loss must be recognized whenever the recoverable amount of goodwill is less than its carrying amount.

Klépierre has two types of goodwill:

Goodwill corresponding to the optimized value of deferred taxes

This goodwill results from the recognition of deferred taxes at the date of the business combination. It represents the difference between the deferred tax liabilities recognized in the statement of financial position in accordance with IAS 12, and the tax expected to be paid in the event of a sale by means of a share deal. Accordingly, impairment tests performed on this type of goodwill at each reporting date consist in comparing the carrying amount with the amounts expected to arise from optimizing deferred taxes.

Goodwill of management companies

Goodwill may relate to management companies. Impairment tests are performed annually or when triggering events arise and are based on internal or external valuations. These valuations are based on the discounted cash flow (DCF) method in every country where the Klépierre Group conducts management activities. This method consists of three stages.

In the first stage, cash flows that may be generated in the future by each company's portfolio of business (i.e., before consideration of explicit or implicit financing costs) are estimated on the basis of the specific business plans developed in each country where the Group conducts management activities for itself and for third parties.

In the second stage, forecast cash flows and the estimated future value of the management business portfolio at the end of the forecast period (terminal value) are discounted at an appropriate rate. This discount rate is determined on the basis of the capital asset pricing model (CAPM) and is the sum of the following three components: the risk-free interest rate, a general market risk premium (forecast average market risk premium multiplied by the beta coefficient for the business portfolio) and a specific market risk premium (which takes account of the proportion of specific risk not already included in cash flows).

In the third and final stage, the value of shareholders' equity is obtained by deducting the company's net debt on the valuation date from the value of its business portfolio.

Impairment tests consist in comparing the carrying amount of the entity with their recoverable value as explained above. Recoverable values are determined by an independent expert.

As of December 31, 2023, goodwill totaled €467.0 million, versus €469.6 million as of December 31, 2022, breaking down as follows:

Goodwill of management companies

As of December 31, 2023, goodwill of management companies totaled €218.1 million, remaining stable compared to December 31, 2022. In accordance with IAS 36, an impairment test is performed when there is an indication that goodwill may be impaired and at least once a year.

At December 31, 2023, no impairment has been identified.

In millions of euros	12/31/2022	Change in scope	Disposals, retirement of assets	Impairment	Currency movements	12/31/2023
France	117.7					117.7
Italy	53.7					53.7
Spain	32.0					32.0
Portugal	7.1					7.1
Germany	7.6					7.6
GOODWILL RELATING TO MANAGEMENT ACTIVITIES	**218.1**	**-**	**-**	**-**	**-**	**218.1**

The main assumptions used to calculate the enterprise value based on the latest valuations were as follows:

- The discount rate applied to France, Norway and Spain was 8.2% compared to 8.2% in 2022;
- The discount rate applied to Italy was 8.7% compared to 8.7% in 2022;
- The discount rate applied to Germany was 8.7% compared to 8.7% in 2022;
- The discount rate applied to other countries was 7.7% compared to 7.7% in 2022;
- Free cash flow over the duration of the business plan is based on business volume and operating margin assumptions that take into account economic and market assumptions at the date on which the plan was prepared;
- A growth rate for the 2024-2028 period based on the assumptions used in the internal business plan by country;
- A terminal value determined using a growth rate of 1.75% applied from 2029.

The sensitivity of enterprise values per country to changes in both the discount rate and the perpetual growth rate was assessed and is presented below:

	Enterprise value at 12/31/2023	Book value at 12/31/2023 (post-impairment)	Spread vs. enterprise value	Discount rate	50-bp increase in discount rate	Perpetual growth rate	50-bp decrease in perpetual growth rate
France	172.2	139.0	−19%	8.2%	−6.2%	1.75%	−5.1%
Spain	41.7	32.2	−23%	8.2%	−6.5%	1.75%	−5.2%
Italy	65.9	55.0	−17%	8.7%	−5.9%	1.75%	−4.4%
Portugal	11.1	7.1	−36%	7.7%	−6.1%	1.75%	−4.8%
Czech Republic	9.4	0.1	n.m.	7.7%	−7.3%	1.75%	−5.8%
Poland	10.1	0.1	n.m.	7.7%	−7.5%	1.75%	−6.1%
Germany	8.2	8.2	0%	8.7%	−7.1%	1.75%	−5.8%
Norway		2.5	n.m.	8.2%		1.75%	
TOTAL	**318.6**	**244.2**			**−6.3%**	**1.75%**	**−5.0%**

Goodwill corresponding to the optimized value of deferred taxes

As of December 31, 2023, goodwill corresponding to the optimized value of deferred taxes totaled €249.0 million, versus €251.5 million as of December 31, 2022.

In millions of euros	12/31/2022	Change in scope	Disposals, retirement of assets	Impairment	Currency movements	12/31/2023
Italian Corio assets	173.3			(0.5)		172.8
Spanish Corio assets	23.1					23.1
IGC	18.7					18.7
Oslo City	33.1				(2.1)	31.0
Other	3.3					3.3
GOODWILL ARISING ON DEFERRED TAX LIABILITIES	**251.5**			**(0.5)**	**(2.1)**	**249.0**

4.2 INTANGIBLE ASSETS

ACCOUNTING POLICIES

Intangible assets

An intangible asset is a non-monetary asset without physical substance. It must be simultaneously identifiable (and therefore separable from the acquired entity or arising from legal or contractual rights), controlled by the company as a result of past events and provide an expectation of future financial benefits.

IAS 38 states that an intangible asset is amortized only where it has a finite useful life. Intangible assets with an indefinite useful life are not amortized, but are tested annually for impairment (IAS 36) or whenever there is evidence of a loss of value.

Assets recognized as intangible assets with finite useful lives are amortized on a straight-line basis over periods that equate to their expected useful life.

Impairment of intangible assets

After initial recognition, other intangible assets are recognized at cost, less any related amortization or impairment losses.

Useful lives are examined annually and an impairment test is conducted if there is any indication of impairment. Intangible assets with an indefinite useful life are not amortized. The "indefinite" nature of the useful life is reviewed at least annually. These assets are tested for impairment annually, or if there is an indication of impairment, by comparing their carrying amount with the recoverable amount. In the event of decline in value, an impairment loss is recognized in income. The Klépierre Group's intangible assets are not subject to independent valuation.

Intangible assets with finite useful lives

The net value of intangible assets with finite useful lives amounted to €23.2 million and corresponds to software for €21.1 million.

Intangible assets with indefinite useful lives

Business goodwill for a gross amount of €4.1 million had been written down in full as of December 31, 2023.

4.3 PROPERTY, PLANT AND EQUIPMENT

ACCOUNTING POLICIES

Property, plant and equipment

In accordance with IAS 16, property, plant and equipment are valued at their historical cost, less accumulated depreciation and any decreases in value. Depreciation is calculated based on the useful life of each operating asset class.

Property, plant and equipment include operating assets such as fixtures and other office equipment owned by the Group, related to headquarters buildings and offices.

Property, plant and equipment also include the remaining lease payments on head office leases, vehicle leases and other equipment leases, that are initially recognized in the form of a right-of-use asset in accordance with IFRS 16:

- Recognition of lease assets (right-of-use assets) and lease liabilities on the statement of financial position, initially measured at the present value of unavoidable lease payments;
- Depreciation of right-of-use assets and interest on lease liabilities over the lease term; and
- Separation of the total amount of cash paid into a principal portion and interest.

Property, plant and equipment and work in progress

In millions of euros	12/31/2022	Acquisitions and capitalized expenses	Disposals, retirement of assets	Additions for the period	Currency movements	Reclassifications and other movements	12/31/2023
Depreciable assets and work in progress	32.5	0.8	(6.2)		(1.4)	2.8	28.5
Right-of-use asset relating to property, plant and equipment	39.6	28.9	(1.1)		(0.9)	1.4	67.9
Total gross value	**72.1**	**29.7**	**(7.3)**	**-**	**(2.3)**	**4.2**	**96.4**
Depreciable assets	(26.2)		6.1	(1.1)	0.2	(0.1)	(21.1)
Right-of-use asset relating to property, plant and equipment	(29.8)		1.0	(9.1)	0.6	(1.0)	(38.3)
Total depreciation	**(56.0)**	**-**	**7.1**	**(10.2)**	**0.8**	**(1.1)**	**(59.4)**
PROPERTY, PLANT AND EQUIPMENT AND WORK IN PROGRESS – NET VALUE	**16.1**	**29.7**	**(0.2)**	**(10.2)**	**(1.5)**	**3.1**	**37.0**

4.4 INVESTMENT PROPERTIES

ACCOUNTING POLICIES

Investment properties (IAS 40, IFRS 13 and IFRS 16)

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the companies in the Group, is classified as investment property. Investment property also includes property that is being constructed or developed for future use as investment property. For all investment properties, current use equates to the best possible use.

Investment property is measured initially at cost, including related transaction costs and, where applicable, eviction and borrowing costs (see below).

After initial recognition, investment property is carried at fair value. Investment property under construction, or significantly restructured, is measured at fair value if it is considered to be reliably determinable. Investment properties under construction for which the fair value cannot be determined reliably, but for which the Group expects that the fair value of the property will be reliably determinable when construction is completed, are measured at cost less impairment until the fair value becomes reliably determinable or construction is completed, whichever is earlier.

In order to evaluate whether the fair value of an investment property under construction can be determined reliably, management considers the following factors, among others:

- Stage of completion;
- Level of reliability of cash inflows after completion;
- Development risk specific to the property.

Additions to investment properties under construction consist of capital expenditure, eviction costs, capitalized interest, letting fees and other internal costs related to development. Certain internal staff and associated costs directly attributable to the management of major projects during the construction phase are also capitalized.

The difference between the fair value of an investment property at the reporting date and its carrying amount prior to re-measurement is included in the income statement in "Change in value of investment properties".

The profit on disposal is determined as the difference between the sale proceeds and the carrying amount of the asset based on the carrying amount at the reporting date.

When the Group begins to redevelop an existing investment property for continued future use as an investment property, the property continues to be held as an investment property.

In addition, investment properties recorded at cost are tested for impairment as of June 30 and December 31, whenever there is evidence of a loss of value. Where such evidence exists, the recoverable amount of the asset is compared with its carrying amount, and an impairment loss is recognized.

In determining the carrying amount of investment properties under the fair value model, assets or liabilities that are recognized as separate assets or liabilities are not double counted.

Ground leases

Right-of-use assets relating to ground leases that meet the definition of investment property are measured in accordance with IAS 40 using the fair value model. IFRS 16 requires lessees to record all leases as follows (with an exemption for low value assets and short-term leases):

- Recognition of lease assets (right-of-use assets) and lease liabilities on the statement of financial position, initially measured at the present value of unavoidable lease payments;
- Depreciation of right-of-use assets and interest on lease liabilities over the lease term; and
- Separation of the total amount of cash paid into a principal portion and interest.

After initial recognition, it is measured using the fair value model in accordance with IAS 40 "Investment Property". They are subsequently measured at an amount equal to the remaining balance of the lease liability.

Borrowing costs

Under IAS 23, borrowing costs directly attributable to the acquisition or construction of eligible assets are included in the cost of the respective assets.

When a loan is not directly attributable to an asset, Klépierre capitalizes the interest rate applied to the expenses related to the asset in order to measure the attributable cost; if several non-specific borrowing lines exist, the interest rate is the weighted average rate of those loans observed during the fiscal year.

Fair value of investment property

The fair value of Klépierre's investment properties is determined by professionally qualified independent appraisers who have relevant expertise and recent industry experience in the locations and segments of the investment properties being valued. They perform their valuation of the Group's assets as of June 30 and December 31 of each year.

Investment properties are presented at fair value excluding transfer costs. Transfer costs are measured for each asset disposal. The fair values of investment properties are determined in compliance with the measurement rules described in IFRS 13. In addition, given the complexity of real estate asset valuations and the nature of certain non-public data (such as projected rent increases, capitalization and discount rates), the fair values of investment properties have been classified as level 3 on the IFRS 13 fair value hierarchy (see note 4.10). Accordingly, there are no transfers of properties between the fair value categories.

Given that valuations are, by their nature, estimates, the amount realized on the disposal of some real estate assets may differ from the estimated value of those assets, even where such disposal occurs within a few months of the reporting date.

Klépierre entrusts the task of valuing its real estate assets to various independent appraisers:

- Jones Lang LaSalle (JLL) values all Spanish, Portuguese, Greek and Turkish assets, a portion of the French portfolio and most of the Italian portfolio;
- CBRE values all assets in the Czech Republic and the Netherlands, and several assets in France and Italy;
- BNP Paribas Real Estate values all German assets;
- Cushman & Wakefield values a portion of the French portfolio, all Danish, Swedish, and Norwegian assets, as well as the Polish assets;
- Other retail assets are valued by BNP Paribas Real Estate.

All valuations are conducted in accordance with the principles of the *Charte de l'expertise en évaluation immobilière*, the recommendations of the AMF dated February 8, 2010 and Royal Institution of Chartered Surveyors standards. The fees paid to appraisers, agreed prior to their valuation of the properties concerned, are determined on a lump sum basis to reflect the number and complexity of the assets appraised. The fee is entirely unrelated to the appraised value of the assets concerned.

In thousand of euros	2023 appraisal fees
Cushman & Wakefield	237.9
CBRE	245.1
Jones Lang LaSalle	271.4
BNP Paribas Real Estate	55.1
TOTAL	**809.6**

The valuations performed by the independent appraisers are reviewed internally by senior management in charge of investments and relevant people within each operating division. This process includes discussions of the assumptions used by the independent appraiser, as well as a review of the resulting valuations. Discussions of the valuation process and results are held between senior management in charge of investments and the independent appraiser on a half-yearly basis.

All Klépierre Group assets are systematically appraised using two methods: the yield method (or capitalization methodology) and the discounted cash flows method. However, Klépierre only retains the latter. Appraisal values are also cross-checked using comparable transaction inputs when available.

According to the yield method, to determine the fair value of a shopping center, appraisers apply a yield rate to total net rent for occupied premises, and to the net market rent for vacant properties, discounted for the anticipated period of vacancy. The yield rate is set by the appraiser based on a range of inputs, the most important of which are: retail sales area, layout, competition, type of ownership, gross rental income and extension potential and comparability with recent transactions in the market.

As regards the discounted cash flows approach, appraisers estimate the different cash flows over a ten-year period. To determine future cash flows, appraisers are provided with all relevant information (detailed rent rolls, footfall, retailer sales, occupancy cost ratios, etc.), which they use to make their own assessment.

They factor in their own leasing assumptions (estimated rental value (ERV) vacancy, incentives, etc.), as well as future capital expenditures and non-recoverable operating expenses. Lastly, they apply a discount rate that varies from one property to another since it is a combination of the risk-free rate and the risk premium attached to each property due to its location, quality, size, and technical specificities.

Terminal value is calculated based on the net rental income for the tenth year, capitalized by an exit yield.

The fair value of investment property excludes prepaid or accrued operating lease income which are recognized separately in the statements of financial position.

4.4.1 Investment properties at fair value

In millions of euros	
Investment properties at fair value – Net value as of 12/31/2022	**17,757.1**
Additions to the scope of consolidation	
Capital expenditure	189.0
Capitalized interest	1.2
New right-of-use assets and indexation	18.0
Disposals and removals from the scope of consolidation	(98.0)
Other movements, reclassifications	(39.9)
Currency movements	(65.9)
Fair value adjustments	(463.0)
INVESTMENT PROPERTIES AT FAIR VALUE – NET VALUE AS OF 12/31/2023	**17,298.5**

Investments for €189.0 million reflect the Group's focus on renovations, extensions and restructuring operations. The main investments are described in note 1.3.

The two main events during the period were the inauguration of the Grand Place shopping center in late November 2023 (France) and the refurbishment of the Maremagnum 5,200 sq.m. rooftop in Barcelona (Spain), expected to be completed in early 2024.

The Group completed disposals over the period representing a net book value of €98.0 million. The main disposals are described in note 1.3.

"Other movements, reclassifications" mainly includes reclassifications from "Investment properties at cost" and reclassification to "Investment properties held for sale".

The table below presents the inputs used by external appraisers to determine the fair value of investment properties:

Shopping centers *(weighted average)*	**Discount rate**[(a)]	**Exit rate**[(b)]	**CAGR of NRI**[(c)]	**EPRA NIY**
France	7.3%	5.7%	3.3%	5.3%
Italy	8.2%	6.6%	1.9%	6.5%
Scandinavia	7.8%	5.6%	3.0%	5.1%
Iberia	8.1%	6.4%	2.7%	5.8%
Other countries	8.8%	6.5%	4.0%	6.5%
TOTAL GROUP	**7.8%**	**6.0%**	**2.8%**	**5.9%**

Discount and exit rates are weighted by shopping center portfolio valuation (including transfer taxes).
(a) Rate used to calculate the present value of future cash flows.
(b) Rate used to capitalize the exit rent to determine the exit value of an asset.
(c) Compound annual growth rate of net rental income determined by the appraiser at 10 years.

As of December 31, 2023, the average EPRA Net Initial Yield (NIY) of the portfolio stood at 5.9% (including transfer taxes). A 10-basis-point increase in yields would result in a €274 million decrease in the portfolio valuation (attributable to owners of the parent company).

The tables below present the change in the valuation of the shopping center portfolio using different discount and exit rate assumptions than those used by the appraisers.

	Discount rate variance			
Geography	**−50 bps**	**−25 bps**	**+25 bps**	**+50 bps**
France	+3.5%	+1.7%	−1.7%	−3.4%
Italy	+3.5%	+1.7%	−1.7%	−3.3%
Scandinavia	+3.6%	+1.8%	−1.7%	−3.4%
Iberia	+3.5%	+1.7%	−1.7%	−3.4%
Other countries	+4.1%	+2.0%	−1.9%	−3.8%
TOTAL SHOPPING CENTERS	**+3.6%**	**+1.8%**	**−1.8%**	**−3.5%**

	Exit rate variance			
Geography	**−50 bps**	**−25 bps**	**+25 bps**	**+50 bps**
France	+4.7%	+2.2%	−2.2%	−4.2%
Italy	+4.5%	+2.2%	−2.0%	−3.9%
Scandinavia	+5.8%	+2.7%	−2.5%	−4.8%
Iberia	+5.3%	+2.5%	−2.3%	−4.5%
Other countries	+5.2%	+2.5%	−2.3%	−4.4%
TOTAL SHOPPING CENTERS	**+4.9%**	**+2.3%**	**−2.2%**	**−4.3%**

As of December 31, 2023, the amounts included in the value of investment properties at fair value relating to leases (as lessee) are as follows:

In millions of euros	**12/31/2022**	**Increase (new leases)**	**Decrease (lease terminations)**	**Remeasurement and other movements**	**Allowances and repayment of lease liabilities**	**Currency movements**	**Reclassifications**	**12/31/2023**
Right-of-use asset relating to ground leases at fair value	318.3	18.0	(1.0)	0.5		0.4		336.3
Change in fair value of right-of-use asset relating to ground leases	(25.1)				(5.6)	(0.3)		(31.0)
TOTAL RIGHT-OF-USE ASSET RELATING TO GROUND LEASES	**293.2**	**18.0**	**(1.0)**	**0.5**	**(5.6)**	**0.2**		**305.3**

The amount shown under “Lease terminations” within “Right-of-use asset relating to ground leases at fair value” concerns leased space that has been partially returned to the Barcelona port authorities.

4.4.2 Investment properties at cost

In millions of euros	
Investment properties at cost – Net value as of 12/31/2022	**110.2**
Capital expenditure	4.6
Other movements, reclassifications	(26.2)
Currency movements	(0.1)
Impairment losses and reversals	(14.0)
INVESTMENT PROPERTIES AT COST – NET VALUE AS OF 12/31/2023	**74.5**

As of December 31, 2023, investment properties at cost mainly comprise projects under construction. Other investment properties at cost are:

- In Denmark: a land plot in Odense;
- In Belgium: a land plot in Louvain-La-Neuve.

4.4.3 Investment properties held for sale

ACCOUNTING POLICIES

Investment properties held for sale

Investment properties that the Group has contractually committed to sell or entered into an agreement to sell are presented in accordance with IFRS 5.

The accounting impacts of their presentation in accordance with IFRS 5 in the consolidated financial statements are as follows:

- Reclassification as investment property held for sale; and
- Presentation on a separate line as current assets in the dedicated section of the statement of financial position.

The Group has no held-for-sale investment property qualified as "discontinued" within the meaning of IFRS 5.

In millions of euros	
Investment properties held for sale – Net value as of 12/31/2022	**13.1**
Disposals and removals from the scope of consolidation	(13.1)
Other movements, reclassifications	65.4
Currency movements	
Fair value adjustments	-
INVESTMENT PROPERTIES HELD FOR SALE – NET VALUE AS OF 12/31/2023	**65.4**

During 2023, the Group sold several retail units in France, which were classified as held for sale as of December 31, 2022.

Assets classified as "Investment properties held for sale" as of December 31, 2023 mainly concern shopping arcades in Sweden and in France.

4.4.4 Investment property portfolio reconciliation

The following table reconciles the carrying amount of investment properties to the value of the property portfolio disclosed in the management report:

	12/31/2023				
In millions of euros	**Investment properties held by fully consolidated companies**	**Investments in equity-accounted companies**[(a)]	**Transfer taxes**	**Lease liability**[(b)]	**Total portfolio value (including transfer taxes)**
Investment properties	16,993.2	1,182.6	916.0		19,091.9
Right-of-use asset relating to ground leases	305.3			(282.1)	23.2
Incl. upfront payments on ground leases	*23.2*				*23.2*
Investment properties at fair value	**17,298.5**	**1,182.6**	**916.0**	**(282.1)**	**19,115.0**
Investment properties at cost	74.5	47.3			121.9
Investment properties held for sale	65.4				65.4
Operating lease incentives	28.2				28.2
TOTAL	**17,466.7**	**1,230.0**	**916.0**	**(282.1)**	**19,330.6**

(a) Investments in equity-accounted assets are included based on the fair value of the shares held and taking into account shareholder financing granted by the Group.
(b) The lease liability as defined by IFRS 16 is deducted from the investment property value in the portfolio valuation.

4.5 INVESTMENTS IN EQUITY-ACCOUNTED COMPANIES

In millions of euros	12/31/2022 Attributable to owners of the parent	Share in earnings	Dividends received	Capital increases and decreases	Currency movements	Changes in scope of consolidation and other movements	12/31/2023 Attributable to owners of the parent
Investments in joint ventures	830.4	19.4	(19.9)	(9.7)	(8.6)	(0.6)	811.0
Investments in associates	164.0	25.0	(5.8)	(0.1)	(25.7)	3.2	160.6
EQUITY-ACCOUNTED COMPANIES	**994.4**	**44.4**	**(25.7)**	**(9.8)**	**(34.3)**	**2.6**	**971.6**

Thirty-four companies were accounted for using the equity method as of December 31, 2023, of which 25 joint ventures and 9 associates.

Non-current assets presented in this section mainly concerned investment property held by equity-accounted companies. The valuation of the investment property follows the Group's rules as described in note 4.4.

Investments in joint ventures

The main items of the statements of financial position and income of joint ventures[(1)] are presented below (the values shown below include consolidation adjustments):

	12/31/2023		12/31/2022	
In millions of euros	100%	Attributable to owners of the parent	100%	Attributable to owners of the parent
Non-current assets	2,202.0	1,091.4	2,220.9	1,100.0
Current assets	87.0	42.5	80.7	39.2
Cash and cash equivalents	85.1	41.3	106.3	51.8
Non-current external financial liabilities	(35.5)	(15.2)	(41.7)	(18.7)
Non-current financial liabilities (Group and associates)	(463.2)	(231.6)	(491.7)	(245.9)
Non-current liabilities	(188.2)	(93.9)	(142.1)	(70.8)
Current external financial liabilities	(7.5)	(3.6)	(7.0)	(3.4)
Current liabilities	(41.8)	(19.9)	(46.3)	(21.9)
NET ASSETS	**1,637.9**	**811.0**	**1,679.1**	**830.4**

The year-on-year decrease in non-current assets is mainly due to the slight decline in the value of investment properties.

Non-current liabilities mainly include deferred tax.

	12/31/2023		12/31/2022	
In millions of euros	100%	Attributable to owners of the parent	100%	Attributable to owners of the parent
Revenues from ordinary activities	149.8	74.2	143.8	71.3
Operating expenses	(28.0)	(13.8)	(31.9)	(15.7)
Change in value of investment properties	(9.1)	(3.5)	(26.4)	(12.8)
Financial expense	(20.3)	(10.1)	(19.9)	(9.9)
Profit before tax	**92.4**	**46.8**	**65.6**	**32.9**
Tax	(54.7)	(27.4)	(23.2)	(11.6)
NET INCOME	**37.7**	**19.4**	**42.4**	**21.3**

As of December 31, 2023, Klépierre's share in the external net debt (current and non-current external financial liabilities adjusted for cash and cash equivalents) of its joint ventures represented a positive €22.4 million.

(1) Cécobil SCS, Du Bassin Nord SCI, Le Havre Vauban SNC, Le Havre Lafayette SNC, Girardin 2 SCI, Société Immobilière de la Pommeraie SC, Kleprim's SCI, Celsius Le Murier SNC, Celsius Haven SNC, Lobsta & K SAS, Lobsta & K Serris SAS, Lobsta & K Boulogne SAS, Clivia SpA, CCDF SpA, Galleria Commerciale Porta di Roma SpA, Galleria Commerciale 9 Srl, Italian Shopping Centre Investment Srl, Holding Klege Srl, Metro Senter ANS, Økern Sentrum ANS, Økern Eiendom ANS, Metro Shopping AS, Økern Sentrum AS, Nordal ANS, and Klege Portugal SA.

Investments in associates

The main components of the statements of financial position and income of associates[1] are presented below (the amounts shown below include consolidation adjustments):

In millions of euros	12/31/2023 100%	12/31/2023 Attributable to owners of the parent	12/31/2022 100%	12/31/2022 Attributable to owners of the parent
Non-current assets	918.9	160.2	997.5	165.7
Current assets	10.0	1.7	8.4	1.4
Cash and cash equivalents	22.8	5.8	25.9	5.7
Non-current external financial liabilities	(4.0)	(0.4)	(4.5)	(0.5)
Non-current financial liabilities (Group and associates)	(37.8)	(3.9)	(39.5)	(4.2)
Non-current liabilities	(10.0)	(1.5)	(10.1)	(1.5)
Current external financial liabilities	(0.1)		(0.1)	
Current liabilities	(14.1)	(1.3)	(20.9)	(2.6)
NET ASSETS	**885.7**	**160.6**	**956.7**	**164.0**

In millions of euros	12/31/2023 100%	12/31/2023 Attributable to owners of the parent	12/31/2022 100%	12/31/2022 Attributable to owners of the parent
Revenues from ordinary activities	64.1	13.3	62.1	12.3
Operating expenses	(10.5)	(3.3)	(12.1)	(3.0)
Change in value of investment properties	(30.1)	17.3	38.8	24.9
Financial income	(0.3)	0.8	1.0	0.8
Loss on net monetary position	(6.9)	(3.1)	(6.8)	(3.0)
Profit before tax	**16.3**	**25.0**	**83.0**	**32.0**
Tax			0.0	0.0
NET INCOME	**16.3**	**25.0**	**83.0**	**32.0**

4.6 CURRENT AND NON-CURRENT FINANCIAL ASSETS AND LIABILITIES

ACCOUNTING POLICIES FOR FINANCIAL ITEMS (CURRENT AND NON-CURRENT)

Financial assets

Financial assets include long-term financial investments, current assets representing operating receivables, debt securities, investment securities (including derivatives) and cash.

The Group classifies financial assets in one of the categories identified by IFRS 9 on the acquisition date, based on the instrument's characteristics and the business model.

Assets at amortized cost

Financial assets are valued at amortized cost where they are recovered by collecting contractual cash flows (payments of principal and interest on the principal amount outstanding).

These assets comprise advances to equity-accounted companies, other loans and deposits. After initial recognition at fair value, they are recognized and measured at amortized cost using the effective interest method. The effective interest rate is the rate that precisely discounts estimated future cash flows to obtain the carrying amount of the instrument.

In accordance with IFRS 9, these assets are impaired based on a forward-looking expected credit loss (ECL) approach.

Assets at fair value through profit or loss

This category includes:

- Financial assets that are not held either to collect contractual cash flows or to sell the assets and whose contractual conditions do not solely give rise to payments of principal and interest on the principal amount outstanding; and
- Assets designated at fair value whose performance and management are based on fair value and non-consolidated investments.

Fair value gains and losses are recognized in other financial income and expenses.

(1) *La Rocade SCI, La Rocade Ouest SCI, Du Plateau SCI, Achères 2000 SCI, Le Champ de Maïs SC, Secar SC, Antigaspi & K SAS, NEAG Boulogne SAS and Akmerkez Gayrimenkul Yatirim Ortakligi AS.*

Assets at fair value through other comprehensive income with cumulative gains and losses reclassified to profit or loss upon derecognition

This category includes financial assets recovered by collecting contractual cash flows (payments of principal and interest on the principal amount outstanding) and potentially selling the assets.

Changes in the fair value of these assets are recognized directly in other comprehensive income, with the exception of interest income recognized in other financial income and expenses. Fair value gains and losses are released to net income on the sale of the assets.

Assets at fair value through other comprehensive income without reclassification to profit or loss upon derecognition

This category includes equity instruments not held for trading and primarily concerns non-consolidated investments.

Changes in the fair value of these assets are recognized directly in other comprehensive income, with the exception of dividends recognized in other financial income and expenses. Fair value gains and losses are not released to net income on the sale of the assets.

Financial liabilities

Financial liabilities include borrowings, other forms of financing, bank overdrafts, derivatives and operating payables.

IFRS 9 "Financial Instruments" describes how financial assets and liabilities must be measured and recognized.

Measurement and recognition of financial liabilities

With the exception of derivatives, all loans and other financial liabilities are measured at amortized cost using the effective interest method.

Recognition of liabilities at amortized cost

In accordance with IFRS, premiums on bonds and debt issuance expenses are deducted from the nominal value of the loans concerned and incorporated into the calculation of the effective interest rate.

Application of the amortized cost method to liabilities hedged at fair value

Changes in the fair value of (the effective portion of) swaps used as fair value hedges are offset by the remeasurement of the hedged risk component of the debt.

Given that the characteristics of derivatives and items hedged at fair value are similar in most instances, any ineffective portion carried to hedging profit or loss may be minimal.

If a derivative is canceled before the due date of the hedged liability, the amount of the debt adjustment will be amortized over the residual term using the effective interest rate calculated at the date the hedging relationship ceased.

Measurement and recognition of derivatives

As the parent company, Klépierre takes responsibility for almost all Group funding and provides centralized management of interest and exchange rate risks. This financing policy involves Klépierre implementing the facilities and associated hedging instruments required by the Group.

Klépierre hedges its liabilities using derivatives and has consequently adopted hedge accounting in accordance with IFRS 9:

- Hedges to cover statement of financial position items whose fair value fluctuates in response to interest rate, credit or exchange rate risks (fair value hedges);
- Hedges to cover the exposure to future cash flow risk (cash flow hedges), which consists of setting the amount of future cash flows arising on floating-rate liabilities or assets;

Klépierre's derivatives portfolio qualified for hedge accounting meets all IFRS 9 hedge definition and effectiveness criteria.

The adoption of hedge accounting has the following consequences:

- Fair value hedges of existing assets and liabilities: the hedged portion of the asset/liability is accounted for at fair value in the statement of financial position. The gains or losses resulting from changes in fair value are recognized immediately in profit or loss with a corresponding adjustment in the fair value of the hedging instrument, in line with its effectiveness;
- Cash flow hedges: the portion of the gain or loss on the fair value of the hedging instrument that is determined to be an effective hedge is recognized directly in equity and reclassified to the income statement when the hedged cash transaction affects profit or loss. The gain or loss from the change in value of the ineffective portion of the hedging instrument is recognized immediately in profit or loss.

Financial instruments qualified in the trading category are measured at fair value, with fair value movements recognized in profit or loss for the period.

Recognition date: trade or settlement

IFRS aims to reflect the time value of financial instruments as closely as possible by ensuring that, wherever possible, instruments with a deferred start date are recognized on the trade date, thus allowing calculation of the deferred start date.

However, this principle cannot be applied to all financial instruments in the same way.

For example, commercial paper is often renewed a few days before its due date. If these instruments were recognized at their trade date, this would artificially inflate the amount concerned between the renewal trade date of a paper and its effective start date.

Klépierre applies the following rules:

- Derivatives are recognized at their trade date, since their measurement effectively takes account of any deferred start dates;
- Other financial instruments (especially liabilities) are recognized on their settlement date.

Tax treatment of changes in fair value of financial instruments

Klépierre applies the following rules:

- Deferred taxes are calculated based on the change in fair value of financial instruments based on the tax-rate of the country where the instrument is held;
- For instruments held by SIIC eligible entities, deferred taxes are recognized for their non-SIIC portion in the SIIC/non-SIIC asset pro rata to Klépierre SA's statement of financial position.

4.6.1 Non-current assets

Movements in other non-current assets during 2023 are as follows:

In millions of euros	12/31/2022	Change in scope	Increases	Decreases	Other (including currency movements)	12/31/2023
Advances to equity-accounted companies and other	260.0		23.1	(35.4)	(5.5)	242.3
Loans	19.0			(17.5)	(1.5)	0.0
Deposits	16.2		2.4	(1.8)	(0.0)	16.8
Other long-term financial investments	1.5			(0.0)	(0.0)	1.4
TOTAL	**296.7**		**25.5**	**(54.7)**	**(7.0)**	**260.5**

4.6.2 Change in debt

Changes in debt presented below do not include lease liabilities under IFRS 16 which are presented in note 4.10.2.

Current and non-current financial liabilities amounted to €7,656.0 million as of December 31, 2023, versus €7,695.8 million as of December 31, 2022.

In millions of euros	12/31/2023	12/31/2022
NON-CURRENT		
Bonds net of costs/premiums	**4,602.7**	**4,949.5**
• Of which fair value hedge adjustments	(77.9)	(116.5)
Bank loans and borrowings – long term	**1,358.6**	**655.3**
• Of which fair value hedge adjustments	2.3	0.3
Other loans and borrowings	**104.6**	**113.0**
• Advance payments to associates	104.6	113.0
• Other		
Total non-current financial liabilities	**6,065.9**	**5,717.8**
CURRENT		
Bonds net of costs/premiums	**592.3**	**675.9**
• Of which fair value hedge adjustments		
Bank loans and borrowings – short term	**66.3**	**55.1**
• Of which other borrowing issue costs	3.2	3.2
Accrued interest	**47.2**	**44.5**
• On bonds	37.4	39.6
• On bank loans	3.4	1.6
• On advance payments to associates	6.3	3.3
Commercial paper	**880.5**	**1,199.9**
Other loans and borrowings	**3.8**	**2.6**
• Advance payments to associates	3.8	2.6
Total current financial liabilities	**1,590.1**	**1,978.0**
TOTAL NON-CURRENT AND CURRENT FINANCIAL LIABILITIES	**7,656.0**	**7,695.8**

Net debt totaled €7,348.8 million as of December 31, 2023, versus €7,479.3 million as of December 31, 2022, i.e., a decrease of €130.5 million. Net debt is the difference between financial liabilities (excluding fair value hedge adjustments and cross currency swaps) plus bank overdrafts less available cash and marketable securities.

In millions of euros	12/31/2023	12/31/2022
Non-current and current financial liabilities	7,656.0	7,695.8
Bank overdrafts	0.3	0.1
Revaluation due to fair value hedge and cross currency swaps	91.8	116.1
Cash and cash equivalents[(a)]	(399.3)	(332.7)
NET DEBT	**7,348.8**	**7,479.3**

(a) Includes cash managed for principals for €40.6 million as of December 31, 2023 and for €51.2 million as of December 31, 2022.

4.6.3 Main sources of financing

The Group's main financial resources are detailed in the table below (nominal value).

	Group financing						
In millions of euros	Borrower	Issue currency	Reference rate	Maturity date	Repayment profile	Maximum amount	Amount drawn as of 12/31/2023
Bonds – Klépierre SA						**5,312**	**5,312**
	Klépierre SA	EUR	1.750%	11/06/2024	At maturity	557	557
	Klépierre SA	EUR	2.125%	10/22/2025	At maturity	255	255
	Klépierre SA	EUR	1.875%	02/19/2026	At maturity	500	500
	Klépierre SA	EUR	1.375%	02/16/2027	At maturity	600	600
	Klépierre SA	EUR	4.230%	05/21/2027	At maturity	50	50
	Klépierre SA	EUR	2.000%	05/12/2029	At maturity	700	700
	Klépierre SA	EUR	0.625%	07/01/2030	At maturity	700	700
	Klépierre SA	EUR	0.875%	02/17/2031	At maturity	600	600
	Klépierre SA	EUR	1.250%	09/29/2031	At maturity	600	600
	Klépierre SA	EUR	1.625%	12/13/2032	At maturity	750	750
Bonds – Steen & Strøm						**44**	**44**
	Steen & Strøm	NOK	2.550%	10/24/2024	At maturity	13	13
	Steen & Strøm	NOK	NIBOR	10/24/2024	At maturity	22	22
	Steen & Strøm	NOK	2.980%	05/23/2029	At maturity	9	9
Bank loans and revolving credit facilities						**3,666**	**487**
	Klépierre SA	EUR	Fixed	12/15/2027	At maturity	75	75
	Klépierre SA	EUR	Euribor	(b)	At maturity	150	150
	Klépierre SA	JPY	TONAR	2028	At maturity	262	262
	Klépierre SA	EUR	Euribor	12/16/2027	At maturity	1,385	
	Klépierre SA	EUR	Euribor	(b)	At maturity	1,625	
	Steen & Strøm	NOK	NIBOR	2024	At maturity	89	
	Steen & Strøm	NOK	NIBOR	2025	At maturity	80	
Mortgage loans						**957**	**957**
	Massalia Shopping Mall	EUR	Euribor	06/23/2026	At maturity	90	90
	Hoog Catharijne	EUR	Euribor	10/16/2028	At maturity	260	260
	Steen & Strøm	SEK	STIBOR	(c)		238	238
	Steen & Strøm	DKK	CIBOR	(c)		319	319
	Steen & Strøm	DKK	Fixed	(c)		51	51
Short-term facilities and bank overdrafts						**321**	
Commercial paper						**1,500**	**881**
	Klépierre SA	EUR	Euribor	-	At maturity	1,500	881
	Steen & Strøm	NOK	NIBOR		At maturity		
	Steen & Strøm	SEK	STIBOR		At maturity		
GROUP TOTAL[(a)]						**10,301**	**7,681**

(a) Totals are calculated excluding backup lines since the maximum amount of the "Commercial paper" line includes the backup lines.
(b) These lines combine several facilities with maturities from 2025 to 2028 and different lenders.
(c) These lines combine several mortgage loans with maturities from 2024 to 2043 and different lenders.

As a general rule, the Group finances its assets with equity or debt raised by Klépierre SA. In certain cases, especially in the context of joint operations and in Scandinavia, the Group may use mortgage loans to fund its activities. Mortgages granted to secure this financing (€957 million) amounted to €1,175 million as of December 31, 2023.

4.6.4 Covenants

The Group's main credit agreements contain covenants. Failure to comply with these covenants could trigger mandatory repayment of the underlying facility.

Covenants applicable to Klépierre SA financing

As of December 31, 2023, Klépierre SA complied with all obligations arising from its borrowings.

Financing	Ratios/covenants	Limit[(a)]	12/31/2023	12/31/2022
Syndicated loans and bilateral loans	Net debt/Portfolio value ("Loan to Value")	≤60%	38.0%	37.7%
	EBITDA/Net interest expenses[(b)]	≥2.0x	8.4	10.0
	Secured debt/Portfolio value[(c)]	≤20%	2.1%	0.6%
	Portfolio value[(d)]	≥€10bn	€16.7bn	€17.1bn
Bond issues	Secured debt/Revalued Net Asset Value[(c)]	≤50%	3.7%	0.7%

(a) Covenants are based on the 2020 revolving credit facility.
(b) Excluding the impact of liability management operations (non-recurring items).
(c) Excluding Steen & Strøm.
(d) Group share, including transfer taxes.

Financial covenants applicable to fully consolidated companies with non-controlling interests

As of December 31, 2023, all of the Group's borrowing entities complied with the obligations arising from their borrowings. In respect of a non-recourse mortgage loan granted to the Group's subsidiary Massalia Shopping Mall, the tests to be conducted in 2024 may identify a breach of the financial covenants. However, this would not have a significant impact at the level of the Group as a whole. In any event, this would have no consequences on the Group's other financing obligations.

A portion of Steen & Strøm's debt is subject to a covenant that requires shareholders' equity to be above or equal to 20% of net asset value at all times. As of December 31, 2023, this ratio was 58.45%.

4.6.5 Breakdown of borrowings by maturity date

The breakdown of borrowings by maturity date presented below does not include lease liabilities under IFRS 16, which are presented in note 4.10.3.

In millions of euros	Total	Less than one year	One to five years	More than five years
NON-CURRENT				
Bonds net of costs/premiums	**4,602.7**		**1,402.7**	**3,200.0**
• Of which fair value hedge adjustments	(77.9)			(77.9)
Bank loans and borrowings – long term	**1,358.6**		**896.8**	**461.8**
• Of which fair value hedge adjustments	2.3		2.3	
Fair value adjustments to debt				
Other loans and borrowings	**104.6**		**104.6**	
• Advance payments to associates	104.6		104.6	
• Other				
Total non-current financial liabilities	**6,065.9**		**2,404.1**	**3,661.8**
CURRENT				
Bonds net of costs/premiums	**592.3**	**592.3**		
• Of which fair value hedge adjustments				
Bank loans and borrowings – short term	**66.3**	**66.3**		
Fair value adjustments to debt				
Accrued interest	**47.2**	**47.2**		
• On bonds	37.4	37.4		
• On bank loans	3.4	3.4		
• On advance payments to associates	6.3	6.3		
Commercial paper	**880.5**	**880.5**		
Other loans and borrowings	**3.8**	**3.8**		
• Advance payments to associates	3.8	3.8		
Total current financial liabilities	**1,590.1**	**1,590.1**		
TOTAL NON-CURRENT AND CURRENT FINANCIAL LIABILITIES	**7,656.0**	**1,590.1**	**2,404.1**	**3,661.8**

Commercial paper corresponds to short-term resources used on a rollover basis and fully covered by backup revolving credit facilities with an average maturity of four years.

4.7 TRADE AND OTHER RECEIVABLES

ACCOUNTING POLICIES

Trade and other receivables

Trade receivables are recognized and measured at face value minus allowances for non-recoverable amounts, in accordance with IFRS 9, as described in note 4.6.

Other receivables under this heading include the effect of recognizing lease incentives granted to tenants over time (step-up rents and rent-free periods). All receivables have a maturity of less than one year, except step-up rents and rent-free periods, which are spread over the expected term of the lease.

Impairment is based on the standard's simplified approach. Expected credit losses are calculated based on lifetime losses, using the Group's historical credit loss experience and forward-looking projections.

In millions of euros	12/31/2023	12/31/2022
Trade receivables	222.2	254.6
Allowances for bad debts	(137.8)	(167.4)
Net value of trade receivables	**84.3**	**87.2**
Step-up rents and rent-free periods	42.4	54.6
TRADE AND OTHER RECEIVABLES	**126.7**	**141.8**

As of December 31, 2023, trade receivables totaled €222.2 million. As of December 31, 2022, trade receivables stood at €254.6 million, representing €267.2 million in gross trade receivables less €12.6 million in accrued rent abatements.

4.8 OTHER RECEIVABLES

	12/31/2023			12/31/2022
In millions of euros	Total	Less than one year	More than one year	Total
Tax receivables	**68.3**	**68.3**		**64.3**
Income tax	14.4	14.4		13.8
VAT	33.4	33.4		44.5
Other tax receivables	20.5	20.5		6.0
Other	**197.9**	**197.9**		**201.0**
Service charges due	20.7	20.7		14.6
Downpayments to suppliers	78.1	78.1		84.5
Prepaid expenses	15.1	15.1		14.7
Funds from principals	40.6	40.6		51.2
Other	43.4	43.4		36.0
TOTAL OTHER RECEIVABLES	**266.2**	**266.2**		**265.3**

VAT mainly includes outstanding refunds in respect of construction projects in progress.

Downpayments to suppliers decreased from €84.5 million as of December 31, 2022 to €78.1 million as of December 31, 2023, mainly due to the settlement of charges in France.

Funds managed by Klépierre Management on behalf of its principals stood at €40.6 million as of December 31, 2023 versus €51.2 million as of December 31, 2022. The management accounts of the principals are recognized under "Other liabilities" (see note 4.14) for the same amount.

The line "Other" mainly comprises dividends receivable from equity-accounted investees and receivables from co-ownership associations relating to construction work.

4.9 CASH AND CASH EQUIVALENTS

ACCOUNTING POLICIES

Cash and cash equivalents

Cash and cash equivalents include cash held in bank accounts, short-term deposits, money-market funds and other marketable securities.

Cash and cash equivalents meet the definition given by IAS 7 and IFRS 9, i.e., short-term, highly-liquid investments that are readily convertible to known amounts of cash and subject to an insignificant risk of changes in value.

Cash and cash equivalents are recognized and measured at fair value through profit or loss in accordance with IFRS 9, as described in note 4.6.

In millions of euros	12/31/2023	12/31/2022
Cash equivalents	85.5	0.0
• Deposit account	75.0	0.0
• Money-market investments	10.5	
• Accrued interest on other variable-income securities		
Cash	273.2	281.6
Gross cash and cash equivalents	**358.7**	**281.6**
Bank overdrafts	**(0.3)**	**(0.1)**
NET CASH AND CASH EQUIVALENTS	**358.5**	**281.5**

4.10 FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES

ACCOUNTING POLICIES

Measurement and recognition of financial assets and liabilities

The recognition and measurement of financial assets and liabilities is governed by IFRS 9, as described in note 4.6.

Method used to determine the fair value of financial instruments

Financial assets and liabilities recognized at fair value are measured either on the basis of market price or by using measurement models that apply the market inputs prevailing on the reporting date. The term "model" refers to mathematical methods based on generally-accepted financial theories. The realizable value of these instruments may differ from the fair value adopted when preparing the financial statements.

Where prices quoted on an active market are available on the reporting date, they are used to determine fair value. Listed securities, bonds, and derivatives traded on organized markets such as futures or option markets are therefore measured in this way.

Most over the counter (OTC) derivatives, swaps, futures, caps, floors and simple options are traded on active markets. They are measured using generally-accepted models (discounted cash flow, Black-Scholes, etc.) based on the market prices of such instruments or similar underlying assets.

For any given instrument, an active, and therefore liquid, market is any market in which transactions take place regularly, supply and demand are reasonably balanced, or in which transactions involve instruments that are very similar to the instrument being measured.

Fair value hierarchy of financial assets and liabilities

IFRS 13 sets out a fair value hierarchy that categorizes inputs to valuation techniques used to measure the fair value of all financial assets and financial liabilities into three levels.

Valuation techniques are based on:

- Quoted prices in an active market (level 1);
- Internal valuation techniques involving standard mathematical calculation methods integrating observable market data (forward rates, interest rate curves, etc.). Valuations produced by these models are adjusted to take into account a reasonable change in the credit risk of the Group or the counterparty (level 2);
- Internal valuation techniques integrating factors estimated by the Group in the absence of observable market data (level 3).

4.10.1 Financial assets

The following table presents the net carrying amount and fair value hierarchy of the Group's financial assets and liabilities as of December 31, 2023:

In millions of euros	Carrying amount 12/31/2023	Amounts recognized in the statement of financial position according to IFRS 9 – Amortized cost	Fair value through profit or loss	Fair value	Fair value hierarchy – Level 1	Level 2	Level 3
Advances to equity-accounted companies and other	242.3	242.3		242.3		242.3	
Loans	0.0	0.0		0.0		0.0	
Deposits	16.8	16.8		16.8		16.8	
Other long-term financial investments	1.4	1.4		1.4		1.4	
Total other non-current assets	**260.5**	**260.5**		**260.5**		**260.5**	
Cash equivalents	85.5	85.5		85.5	85.5		
• Treasury bills and certificates of deposit	75.0	75.0		75.0	75.0		
• Money-market investments							
Cash	273.2	273.2		273.2	273.2		
Gross cash and cash equivalents	**358.7**	**358.7**		**358.7**	**358.7**		
Bank overdrafts	**(0.3)**	**(0.3)**		**(0.3)**	**(0.3)**		
NET CASH AND CASH EQUIVALENTS	**358.5**	**358.5**		**358.5**	**358.5**		

The fair value of financial assets is identical to the carrying amount of the Group's financial assets at amortized cost, as they are not remeasured.

4.10.2 Financial liabilities

The table below presents the breakdown of financial liabilities by measurement approach in accordance with IFRS 9:

In millions of euros	Carrying amount 12/31/2023	Amounts recognized in the statement of financial position according to IFRS 9 – Liability at amortized cost	Liability at fair value recognized through profit or loss	Fair value	Fair value hierarchy – Level 1	Level 2	Level 3
NON-CURRENT							
Bonds net of costs/premiums	4,602.7	4,086.2	516.5	4,159.6	4,159.6		
Bank loans and borrowings – long term	1,358.6	1,281.3	77.3	1,362.1		1,362.1	
Fair value adjustments to debt							
Other loans and borrowings	104.6	104.6		104.6		104.6	
Total non-current financial liabilities	**6,065.9**	**5,472.2**	**593.8**	**5,626.3**	**4,159.6**	**1,466.7**	
CURRENT							
Bonds net of costs/premiums	592.3	592.3		558.8	558.8		
Bank loans and borrowings – short term	66.3	66.3		66.3		66.3	
Fair value adjustments to debt							
Accrued interest	47.2	47.2		47.2		47.2	
Commercial paper	880.5	880.5		880.5		880.5	
Other loans and borrowings	3.8	3.8		3.8		3.8	
Total current financial liabilities	**1,590.1**	**1,590.1**		**1,556.6**	**558.8**	**997.8**	
TOTAL NON-CURRENT AND CURRENT FINANCIAL LIABILITIES	**7,656.0**	**7,062.2**	**593.8**	**7,182.9**	**4,718.4**	**2,464.5**	

As of December 31, 2023, the carrying amount of financial liabilities for which the change in fair value is recognized in profit or loss was €593.8 million. This corresponds to fixed-rate debt that was converted into floating rate debt by means of fixed-rate receiver swaps qualified as fair value hedges.

4.10.3 Lease liabilities

The breakdown of current and non-current lease liabilities as of December 31, 2023 is presented below:

In millions of euros	12/31/2022	Increase (new leases)	Decrease (lease terminations)	Remeasurement and other movements	Allowances and repayment of lease liabilities	Currency movements	Reclassifications	12/31/2023
Lease liabilities – non-current	266.6	40.2	(1.1)	0.5		(0.0)	(7.3)	299.0
Lease liabilities – current	12.6	6.6		0.1	(14.2)	(0.0)	7.3	12.4
TOTAL LEASE LIABILITIES	**279.2**	**46.9**	**(1.1)**	**0.6**	**(14.2)**	**(0.0)**		**311.4**

The maturity date of current and non-current lease liabilities as of December 31, 2023 is presented below:

In millions of euros	Total	Less than one year	One to five years	More than five years
Lease liabilities – non-current	299.0		38.5	260.6
Lease liabilities – current	12.4	12.4		
TOTAL LEASE LIABILITIES	**311.4**	**12.4**	**38.5**	**260.6**

4.11 EQUITY

4.11.1 Share capital, additional paid-in capital and capital reserves

As of December 31, 2023, the share capital comprised 286,861,172 fully paid-up shares each with a par value of €1.40. Shares are held in either registered or bearer form.

Per unit	Number of shares
As of January 1, 2023	286,861,172
Cancellation of shares in 2023	
Shares issued in 2023	
Dividend distribution in 2023	
AS OF DECEMBER 31, 2023	**286,861,172**

In euros	Share capital	Legal reserve	Issue premiums	Merger premiums	Other premiums	Total capital reserves
As of January 1, 2023	401,605,641	44,009,849	3,583,554,521		2,312,546	3,629,876,916
Cancellation of shares in 2023						
Shares issued in 2023						
Dividend distribution in 2023			(240,993,322)			(240,993,322)
AS OF DECEMBER 31, 2023	**401,605,641**	**44,009,849**	**3,342,561,199**		**2,312,546**	**3,388,883,594**

On May 11, 2023, the General Meeting of Shareholders approved the payment of a €1.75 per share cash distribution in respect of the 2022 fiscal year. The total distribution approved by Klépierre's shareholders amounted to €499.5 million excluding treasury shares.

The dividend distribution was deducted from issue premiums (€241.0 million), and retained earnings (€258.5 million).

As of December 31, 2023, the legal reserve stood at €44 million.

4.11.2 Treasury shares

ACCOUNTING POLICIES

Treasury shares

All treasury shares held by the Group are recognized at their acquisition cost and deducted from equity. Any gain arising on the disposal of treasury shares is recognized immediately as equity, such that disposal gains or losses do not impact net income for the fiscal year.

As of December 31, 2023, Klépierre held 1,211,937 treasury shares, versus 1,360,321 shares as of December 31, 2022.

The following table presents the breakdown of treasury shares as of December 31, 2023:

	12/31/2023					
	Future performance share plans	Performance shares allocated	Liquidity agreement	External growth	Share buyback programs	Total
Number of shares	414,954	796,983				1,211,937
Acquisition value *(in millions of euros)*	8.9	16.8				25.7
Proceeds from sales *(in millions of euros)*		(3.1)	0.4			(2.7)

4.11.3 Performance shares

There are currently five performance share plans in place for Group executives and employees.

Plan authorized in 2019	Plan no. 8	
	France	Other
Granted date	05/06/2019	05/06/2019
End of vesting period	05/06/2022	05/06/2023
End of lock-up period	05/06/2024	-
Shares allotted	226,000	95,800
Shares canceled	67,700	17,950
Shares vested	79,150	36,700
Lapsed shares as of December 31, 2023	79,150	41,150
Outstanding shares as of December 31, 2023	0	0

		Plan no. 9	
	France	Other	France
Plan authorized in 2020	Part 1	Part 1	Part 2
Granted date	05/07/2020	05/07/2020	12/22/2020
End of vesting period	05/07/2023	05/07/2024	12/22/2023
End of lock-up period	05/07/2025	-	-
Shares allotted	215,300	97,600	7,250
Shares canceled	59,982	32,687	1,250
Shares vested	105,797	0	5,887
Lapsed shares as of December 31, 2023	49,521	22,284	113
Outstanding shares as of December 31, 2023	0	42,629	0

	Plan no. 10	
	France	Other
Plan authorized in 2021	Part 1	Part 2
Granted date	07/01/2021	07/01/2021
End of vesting period	07/01/2024	07/01/2025
End of lock-up period	07/01/2026	-
Shares allotted	331,500	155,000
Shares canceled	98,746	43,750
Shares vested	0	0
Lapsed shares as of December 31, 2023	0	0
Outstanding shares as of December 31, 2023	232,754	111,250

	Plan no. 11
Plan authorized in 2022	France & Other
Granted date	07/07/2022
End of vesting period	07/07/2025
End of lock-up period	-
Shares allotted	522,357
Shares canceled	61,620
Shares vested	0
Lapsed shares as of December 31, 2023	0
Outstanding shares as of December 31, 2023	460,737

Plan authorized in 2023	Plan no. 12 France & Other
Granted date	05/12/2023
End of vesting period	05/12/2026
End of lock-up period	-
Shares allotted	549,210
Shares canceled	24,992
Shares vested	0
Lapsed shares as of December 31, 2023	0
Outstanding shares as of December 31, 2023	524,218

On May 12, 2023, 549,210 shares were allotted to management and Group employees, as part of a performance share plan, authorized by the Executive Board.

The total expense recognized for the period for all performance share plans amounted to €3.5 million and includes updates to the performance criteria for Plans no. 10, no. 11 and no. 12. It also takes into account an estimate of the number of beneficiaries at the end of each vesting period, as they may forfeit their entitlements if they leave the Klépierre Group during the period.

The following tables present the assumptions used to measure the value of performance share plans and the expenses recognized over the period.

Plan authorized in 2022	Plan no. 11 France & Other
Share price on the allotment date	€18.20
Average of the 40 opening share prices preceding July 7, 2022	€20.58
Klépierre share price volatility: Historical volatility over 3 years, calculated as of July 7, 2022 based on daily variations	49.4% Klépierre share and ranking among top 10 European companies operating in the shopping center sector
Dividend per share	Normative dividend yield of 7%
Share value	€9.52
Income for the period	€1.2 million

Plan authorized in 2023	Plan no. 12 France & Other
Share price on the allotment date	€21.37
Average of the 40 opening share prices preceding May 12, 2023	€21.51
Klépierre share price volatility: Historical volatility over 3 years, calculated as of May 12, 2023 based on daily variations	38.0% Klépierre share and ranking among top 10 European companies operating in the shopping center sector
Dividend per share	€1.75
Share value	€9.50
Income for the period	€0.8 million

Regarding the authorized plans in 2019, 2020 and 2021, the total amount of the expense recognized over the period amounts to €1.5 million of which €1.0 million related to France and €0.5 million related to other countries.

4.12 LONG-TERM PROVISIONS AND CONTINGENT LIABILITIES

ACCOUNTING POLICIES

Provisions and contingent liabilities

In accordance with IAS 37 "Provisions, Contingent Liabilities and Contingent Assets", a provision is recognized where the Group has a liability towards a third party, and it is probable or certain that an outflow of resources will be required to settle this liability without an equivalent or greater amount expected to be received from the third party concerned.

Non-interest-bearing long-term liabilities are discounted in accordance with IAS 37.

Long-term provisions amounted to €25.4 million as of December 31, 2023 versus €29.1 million as of December 31, 2022, and mainly concern business-related litigation and taxes outside the scope of IFRIC 23 in the different countries in which Klépierre operates.

During the period, neither Klépierre nor its subsidiaries were subject to any governmental, judicial or arbitration proceedings (including any proceedings of which Klépierre has knowledge, which are currently suspended or are threatened) which have recently had a material impact on the financial position or profitability of the issuer and/or the Group.

In July 2021, the developer of the L'Esplanade shopping center in Louvain-la-Neuve initiated a claim against certain Group companies to obtain the payment of two earn-outs related to the building rights of land plots adjacent to the shopping center. According to the judicial calendar, the first hearing is expected to take place in March or April 2024.

The construction permit for an area of Field's shopping center in Copenhagen, formally classified as a department store (25,000 sq.m. out of a total of 65,000 sq.m.), has been declared invalid by administrative authorities due to non-compliance with the local development plan. The case has been brought by Field's Copenhagen AS in front of the Copenhagen City Court. The main hearing will take place in the course of 2024. Should the Court declare that the construction permit is invalid, its decision would be appealable, and a final decision would not be expected for several years.

No provisions related to this case had been recognized in the Group's consolidated financial statements as of December 31, 2023.

4.13 PENSION OBLIGATIONS

ACCOUNTING POLICIES

Employee benefits

Employee benefits are recognized as required by IAS 19, which applies to all payments made for services rendered, except for share-based payment, which is covered by IFRS 2.

All short or long-term employee benefits, whether paid in cash or in kind, must be classified into one of the following four main categories:

- Short-term benefits, such as salaries, annual vacation, mandatory and discretionary profit-sharing plans and employer top-up contributions;
- Post-employment benefits, which relate primarily to supplementary pension payments in France, and private pension plans elsewhere;
- Other long-term benefits, which include paid vacation, long-service payments, and certain deferred payment schemes paid in monetary units;
- Severance pay.

Measurement and recognition methods for employee benefits vary depending on the category.

Short-term benefits

The Company recognizes an expense when it uses services provided by its employees and pays agreed benefits in return.

Post-employment benefits

In accordance with generally-accepted accounting principles, the Group makes a distinction between defined contribution plans and defined benefit plans.

Defined contribution plans do not generate a liability for the Group, and no provision is therefore set aside. Contributions paid during the period are recognized as an expense.

Only defined benefit plans generate a liability for the Group, and are therefore measured and provisioned.

The classification of a benefit into one of these categories depends on its economic substance, which is used to determine whether the Group is required to provide the promised benefit to the employee under the terms of an agreement or an implicit obligation.

Post-employment benefits classified as defined benefit plans are subject to actuarial valuations based on demographic and financial assumptions.

The amount of the commitment to be provisioned is calculated using the actuarial assumptions adopted by the Company and by applying the projected unit credit method. The value of any hedging assets (plan assets and reimbursement rights) is deducted from the resulting figure. In accordance with IAS 19 (revised), actuarial gains and losses are recognized in equity.

In May 2021, the IFRS Interpretations Committee published a decision related to the principles to be applied when attributing benefit to periods of service for a defined benefit plan.

As a reminder, paragraphs 70 to 74 of IAS 19 require an entity to attribute benefit to periods of service under the plan's benefit formula from the date when the employee service first leads to benefits under the plan until the date when further employee service will lead to no material amount of further benefits under the plan.

The committee clarified the paragraphs and concluded that:

- The retirement benefit is capped to the last 16 years of service until the age of 62 years;
- Any service the employee renders before the age of 46 does not lead to benefits under the plan.

Long-term benefits

These are benefits other than post-employment benefits and severance pay, which are not payable in full within twelve months of the end of the financial year in which the employees concerned provided the services in question.

The actuarial measurement method applied is similar to that used for defined benefit plans, and the actuarial gains and losses are recognized directly in equity. Furthermore, any gain or loss resulting from changes in the plan, but deemed to apply to past services, is recognized immediately.

Share-based payments

In accordance with IFRS 2, all share-based payments must be recognized as expenses when use is made of the goods or services provided in return for these payments.

For the Klépierre Group, this standard applies primarily to the purchase of shares to meet the commitments arising from its employee performance share plans.

Performance share plans granted to employees are measured at fair value at the grant date. This fair value is not subsequently remeasured for equity-settled share-based payment transactions.

This value is applied to the number of performance shares that vest at the end of the vesting period and is booked as an expense, with a corresponding increase in equity over the vesting period.

This employee expense reflecting the performance shares granted (corresponding to the fair value of services rendered by employees) is measured by an independent expert. The model adopted complies with the basic assumptions of the Black-Scholes model, adapted to the specific characteristics of the options concerned.

4.13.1 Defined contribution plans

In France, the Klépierre Group contributes to a number of national and inter-profession core and supplementary pension organizations.

4.13.2 Defined benefit plans

Provisions recognized for defined benefit pension plans totaled €7.9 million as of December 31, 2023.

In millions of euros	12/31/2022	Increases during the period	Reversals (utilized provisions)	Reversals (surplus provisions)	Other movements	Changes in the scope of consolidation	12/31/2023
Provisions for employee benefit obligations							
• Defined benefit plans	5.5	0.5			(0.1)		6.0
• Other long-term benefits	1.7	0.4			(0.2)		1.9
TOTAL	**7.2**	**0.9**			**(0.3)**		**7.9**

The defined benefit plans in place in **France** are subject to an independent actuarial assessment, using the projected unit credit method to calculate the expense relating to rights vested by employees and the outstanding benefits to be paid to pre-retirees and retirees. The demographic and financial assumptions used when estimating the discounted value of the plan obligations and plan assets reflect the economic conditions specific to the monetary zone concerned.

Klépierre has set up supplementary pension plans under a corporate agreement. Under these supplementary plans, employee beneficiaries will, on retirement, receive additional income over and above their national state pensions (where applicable) in accordance with the type of plan they are entitled to.

Group employees also benefit from agreed or contractual personal protection plans in various forms, such as retirement benefits.

In **Italy**, Klépierre Management Italia operates a *Trattamento di Fine Rapporto* (TFR) plan. The amount payable by the employer on termination of the employment contract (as a result of resignation, dismissal or retirement) is calculated by applying an annual coefficient for each year worked. The final amount is capped. Since the liability is known, it can be recognized under other liabilities and not as a provision for contingencies.

Until December 31, 2014, Scandinavia had both public and supplementary pension plans. Both plans provided for mandatory annual contributions to pension funds. In addition to these plans, Steen & Strøm had put in place a private plan for some employees in **Norway**. This system met the definition of a defined benefit plan within the meaning of IAS 19 (revised). As of December 31, 2015, the subsidiary in Norway terminated its defined benefit plan and set-up a defined contribution plan. Under the defined contribution plan the entity's obligation is limited to the amount that it agrees to contribute to the fund responsible for the payment of the obligation.

In **Spain**, a provision for employee benefit commitments may be recognized where specific provision is made in the collective bargaining agreement, but this does not affect employees of the Klépierre Group in Spain. The existing commitments for post-employment medical assistance plans are measured based on assumed rises in medical costs. These assumptions, based on historical observations, take into account the estimated future changes in the cost of medical services resulting from both the cost of medical benefits and inflation.

Components of the net obligation (five-year comparison of actuarial liabilities)

In millions of euros	2023	2022	2021	2020	2019
SURPLUS (PLAN ASSETS LESS OBLIGATIONS)					
Gross discounted value of obligations fully or partially funded by assets	**5.7**	**8.0**	**9.5**	**9.1**	**10.5**
Fair value of plan assets	(0.2)	(0.2)	(0.1)	(0.2)	(0.1)
Discounted value of unfunded obligations	**5.5**	**7.8**	**9.4**	**8.9**	**10.4**
Costs not yet recognized in accordance with IAS 19					
Past service cost	0.7	0.7	0.8	0.8	1.1
Net actuarial losses or gains	0.3	(2.9)	(0.9)		(2.4)
Acquisitions/Disposals					
Length of service awards due	(0.3)	(0.1)	(0.2)	(0.3)	(0.2)
Other	(0.2)		(1.3)		
NET OBLIGATION RECOGNIZED IN THE STATEMENT OF FINANCIAL POSITION FOR DEFINED BENEFIT PLANS	**6.0**	**5.5**	**7.8**	**9.4**	**8.9**

Components of retirement expenses

The total expense recognized for the period is mainly attributable to the cost of services rendered for €0.7 million. Financial cost is not material.

Main actuarial assumptions used for statement of financial position calculations

	12/31/2023	12/31/2022
Discount rate	3.13%	3.64%
Expected rate of return on plan assets	3.13%	3.64%
Expected rate of return on reimbursement rights	N/A	N/A
FUTURE SALARY INCREASE RATE	**1.50% – 2.50%**	**1.50% – 2.50%**

The discount rate is determined using the AA zero-coupon yield curve published by Bloomberg. As of December 31, 2023 the discount rate used was the 10-year iBoxx AA corporate bonds index.

The impact of the change in actuarial gains and losses represented €0.3 million as of December 31, 2023 and was recognized directly in equity.

4.14 PAYROLL, TAX LIABILITIES AND OTHER LIABILITIES

In millions of euros	12/31/2023	12/31/2022
Payroll and tax liabilities	**166.8**	**186.1**
Employees and related accounts	38.9	42.1
Social security and other bodies	11.0	10.4
Tax payables		
• Income tax	65.6	57.8
• VAT	37.3	41.2
Other taxes and duties	13.9	34.6
Other liabilities	**328.5**	**337.3**
Creditor customers	25.0	15.4
Prepaid income	29.4	23.4
Other liabilities	274.1	298.5

Creditor customers for €25.0 million corresponds to advance payments received from tenants in respect of service charges.

Other liabilities also include funds representing the management accounts of Klépierre Management's principals, offset in full by other receivables (see note 4.8 "Other receivables"). These funds totaled €40.6 million as of December 31, 2023 (€51.2 million as of December 31, 2022).

NOTE 5 NOTES TO THE STATEMENT OF COMPREHENSIVE INCOME

5.1 GROSS RENTAL INCOME

ACCOUNTING POLICIES

IFRS 16 "Leases"

In accordance with IFRS 16, the Group, as landlord, distinguishes between two types of leases:

- Finance leases, which transfer substantially all the risks and rewards inherent in the ownership of an asset to the lessee. Title to the asset may or may not be transferred at the end of the lease term;
- All other leases are classified as operating leases.

Recognition of step-up rents and rent-free periods

Gross rental income from operating leases is recognized over the full lease term on a straight-line basis.

Step-up rents and rent-free periods are recognized as additions to, or deductions from, gross rental income for the fiscal year.

The reference period adopted is the first non-cancelable lease term.

Entry fees

Entry fees received by the lessor are recognized as additional rent.

Entry fees are part of the net amount exchanged between the lessor and the lessee under a lease. For this purpose, the accounting periods during which this net amount is recognized should not be affected by the form of the agreement or the rent payment schedule. Entry fees are taken to income over the first non-cancelable lease term.

Early termination penalties

Tenants who terminate their leases prior to the contractual expiration date are liable to pay early termination penalties.

Such penalties are allocated to the terminated contract and credited to income for the period in which they are recognized.

IFRS 15 "Revenue from Contracts with Customers"

Under IFRS 15, revenue is recognized at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. Gross rental income is excluded from the scope of IFRS 15.

Consequently, only service charges and management, administrative and related income are accounted for in accordance with IFRS 15.

Service charge revenues and services charge expenses are presented separately in the consolidated statements of comprehensive income.

Gross rental income breaks down as follows:

In millions of euros	12/31/2023	12/31/2022
Minimum guaranteed rents	1,044.7	1,008.5
Other rents	81.1	111.3
Gross rents	**1,125.9**	**1,119.7**
Other rental income	29.2	42.7
GROSS RENTAL INCOME	**1,155.1**	**1,162.4**

5.2 LAND EXPENSES (REAL ESTATE)

ACCOUNTING POLICIES

Ground leases: IFRS 16

Ground leases are recognized as a right-of-use asset and lease liability in the statement of financial position for the present value of the lease payments (fixed portion only) and are subsequently measured at fair value in accordance with IAS 40. The lease expenses are reclassified to "Interest expenses" and "Change in value of investment properties".

Consequently, "Land expenses" only comprises variable payments on ground leases not included in the right-of-use valuation, in accordance with IFRS 16.

For the year ended December 31, 2023, land expenses relating to variable payments on ground leases (not restated in accordance with IFRS 16) amounted to €6.6 million, compared to €6.5 million for the year ended December 31, 2022.

5.3 SERVICE CHARGES

Service charge income corresponds to service charges invoiced to tenants, and is presented separately. Service charge income is recorded as income in the period in which it is earned.

Service charge expenses cover the cost of services such as general maintenance and repairs, security, heating, cooling, lighting and cleaning of common areas. Service charge expenses are presented for their gross amounts.

5.4 OWNERS' BUILDING EXPENSES

These expenses comprise owners' rental expenses, expenses related to construction work and legal costs, net allowances for credit losses, and intermediaries and other fees.

In millions of euros	12/31/2023	12/31/2022
Losses and allowance for credit losses	(62.3)	(120.0)
Write-back of provisions for credit losses	69.2	112.2
Net impairment on credit losses	**6.9**	**(7.8)**
Other bulding expenses	(25.8)	(22.7)
BUILDING EXPENSES (OWNER)	**(18.9)**	**(30.5)**

5.5 MANAGEMENT, ADMINISTRATIVE AND RELATED INCOME AND OTHER OPERATING INCOME

Management, administrative and related income and other operating income amounted to €76.8 million in 2023 and is presented below:

In millions of euros	12/31/2023	12/31/2022
Real estate development fees	5.1	7.0
Acquisition development fees	**5.1**	**7.0**
Rent management fees	10.1	10.7
Renewal and reletting fees	2.1	1.7
Real estate management fees	50.3	46.1
Other property fees	3.6	3.8
Other operating income	5.6	14.5
Property fees	**71.7**	**76.7**
TOTAL	**76.8**	**83.8**

5.6 PAYROLL EXPENSES AND HEADCOUNT

5.6.1 Payroll expenses

Total payroll expenses amounted to €115.6 million as of December 31, 2023, and included fixed and variable salaries plus mandatory and discretionary profit sharing for €85.4 million, pension-related expenses, retirement expenses and payroll costs for €27.2 million, and taxes and similar compensation-related payments for €3.0 million.

5.6.2 Headcount

As of December 31, 2023, the Group had an average of 1,031 employees, breaking down as 440 employees in the France segment (including Belgium) and 591 employees in the other geographic segments, including 108 employees at the Scandinavian real estate company Steen & Strøm. The Klépierre Group's average headcount as of December 31, 2023 breaks down as follows:

	12/31/2023	12/31/2022
France	440	429
Scandinavia	108	108
Italy	169	170
Iberia	109	109
Other countries[(a)]	205	199
TOTAL	**1,031**	**1,015**

(a) The former "Netherlands & Germany" and "Central Europe & Other" segments have been merged into a single segment.

5.7 OTHER GENERAL EXPENSES

Other general expenses mainly comprise costs related to offices management, consultancy and audit, communication, IT and other administrative expenses. They amounted to €35.5 million for the year ended December 31, 2023 compared to €46.7 million for the year ended December 31, 2022.

5.8 DEPRECIATION, AMORTIZATION AND IMPAIRMENT OF PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

For the year ended December 31, 2023, depreciation, amortization and impairment of property, plant and equipment and intangible assets amounted to €17.7 million, of which €9.2 million in depreciation of right-of-use assets.

As lessee, the amounts recognized in comprehensive income for the year ended December 31, 2023 in respect of leases, by type of contract, are as follows:

In millions of euros	Right-of-use asset related to property, plant and equipment	Right-of-use asset related to ground leases	Total
Depreciation and impairment of property, plant and equipment	(9.2)		(9.2)
Change in value of right-of-use asset relating to ground leases		(5.6)	(5.6)
Interest expense on lease liabilities	(0.6)	(8.6)	(9.2)
TOTAL	**(9.8)**	**(14.1)**	**(23.9)**

Variable rents on ground leases not restated in accordance with IFRS 16 amount to €6.7 million for the year ended December 31, 2023.

Short-term leases, low-value assets and variable rents on property, plant and equipment do not fall within the scope of IFRS 16. The rental expenses recorded in 2023 in relation to these leases are not material.

5.9 CHANGE IN VALUE OF INVESTMENT PROPERTIES

As of December 31, 2023, changes in the value of investment properties amounted to a negative €477.0 million, versus a negative €312.0 million as of December 31, 2022.

In millions of euros	12/31/2023	12/31/2022
Change in value of investment properties at fair value[a]	(463.0)	(308.2)
Change in value of investment properties at cost	(14.0)	(3.8)
TOTAL CHANGE IN VALUE OF INVESTMENT PROPERTIES	**(477.0)**	**(312.0)**

(a) The change in the value of the right-of-use asset relating to ground leases amounted to a negative €5.6 million.

Recognition and measurement of investment properties at fair value and at cost are disclosed in note 4.4.

5.10 INCOME (LOSS) FROM DISPOSALS OF INVESTMENT PROPERTIES AND EQUITY INVESTMENTS

Income from disposals in 2023 amounted to a negative €8.4 million and comprised €104.4 million in net proceeds from disposals less €112.8 million in carrying amounts.

The main disposals over the period are disclosed in note 1.3.

5.11 COST OF NET DEBT

The cost of net debt totaled €134.0 million as of December 31, 2023, versus €119.6 million as of December 31, 2022. Excluding IFRS 16 interest expense on lease liabilities, the cost of net debt increased by €13.4 million compared to December 31, 2022. Against a backdrop of rising interest rates, this increase is mainly due to the higher rates contracted in the hedges recently implemented.

In millions of euros	12/31/2023	12/31/2022
Financial income	**111.4**	**38.9**
Interest income on swaps	90.7	21.7
Interest on advances to associates	10.2	9.5
Other revenue and financial income	4.4	5.5
Currency translation gains	6.0	2.1
Financial expenses	**(236.2)**	**(150.3)**
Interest on bonds	(88.0)	(94.0)
Interest on bank loans	(68.6)	(10.2)
Interest expense on swaps	(41.7)	(10.3)
Other financial expenses[a]	(26.6)	(32.4)
Currency translation losses	(11.4)	(3.3)
Cost of net debt	**(124.8)**	**(111.4)**
Interest expense on lease liabilities	(9.2)	(8.2)
COST OF NET DEBT AFTER IFRS 16	**(134.0)**	**(119.6)**

(a) Including non-utilization fees and expenses on loans (€8.9 million), other amortization (€5.7 million), provisions (€3.3 million), and non-recurring financial expenses (€2.0 million).

5.12 CHANGE IN THE FAIR VALUE OF FINANCIAL INSTRUMENTS

As of December 31, 2023, the trading portfolio generated a €63.9 million loss versus €50.1 million gain as December 31, 2022.

This amount was largely offset by €56 million in interest received from hedging counterparties.

5.13 GAIN (LOSS) ON NET MONETARY POSITION

The loss on the net monetary position amounts to €28.6 million as of December 31, 2023, attributable to Turkey whose economy has been hyperinflationary since March, 2022 (see note 2.5 for details on the first-time application of IAS 29 in 2022).

NOTE 6 TAXES

ACCOUNTING POLICIES

Income tax and deferred tax

The corporate income tax charge is calculated in accordance with the rules and rates adopted at the end of the reporting period in each Group operating country for the period to which the profit or loss applies.

Income taxes are offset by losses where such offsetting is legally permissible and where they originate within the same tax consolidation group and are subject to the same tax authority. The same principle is also applicable for deferred taxes.

Deferred taxes are recognized where there are timing differences between the carrying amounts of assets and liabilities and their tax bases, and taxable income is likely in future periods.

A deferred tax asset is recognized where tax losses are carried forward on the assumption that the entity concerned is likely to generate future taxable income against which those losses can be offset.

Deferred tax assets and liabilities are measured using the balance sheet liability method and the tax rate expected to apply when the asset is realized or the liability settled on the basis of the tax rates and tax laws that have been enacted or substantively enacted by the reporting date. The measurement of deferred tax assets and liabilities must reflect the tax consequences arising as a result of the way in which the company expects to recover or settle the carrying amounts of its assets and liabilities at the reporting date.

All current and deferred tax is recognized as tax income or expense in the income statement, except for deferred tax recognized or settled at the time of acquiring or disposing of a subsidiary or investment and unrealized capital gains and losses on assets held for sale. In these cases, the associated deferred tax is recognized as equity.

Deferred tax is calculated at the local rate prevailing at the reporting date. The rates applied are: France 25.83%, Spain 25%, Italy 27.9%, Belgium 25%, Greece 22%, Portugal 21% plus a surtax where applicable, Poland 19%, Czech Republic 21%, Sweden 20.6%, Norway 22%, Luxembourg 24.94%, Netherlands 25.8%, Denmark 22%, Turkey 25%, and Germany 15.83%.

Tax status of *Sociétés d'investissement immobilier cotée* (SIIC)

General features of SIIC tax status – France

All SIICs are entitled to an income tax exemption provided that their stock is listed on a regulated French market, that they have share capital of at least €15 million and that their corporate purpose is either the purchase or construction of properties for rent or the direct or indirect investment in entities with that corporate purpose. The option to adopt SIIC status is irrevocable. French subsidiaries subject to corporate income tax and at least 95% – owned by the Group may also claim SIIC status.

In return for the tax exemption, SIICs have to pay out 95% of rental income and 70% of the capital gains made on property disposals. In addition, they must pay out 100% of any dividends received from SIIC or SIIC equivalent subsidiaries.

New entities claiming SIIC status are immediately subject to a 19% exit tax on unrealized gains on properties and on shares in partnerships not subject to income tax. The exit tax is payable over a four-year period, commencing at the point when the entity concerned adopts SIIC status.

Income tax on companies not eligible for SIIC equivalent

Since adopting SIIC status in 2003, Klépierre SA has made a distinction between SIICs that are exempt from rental income and capital gains taxes, and other companies that are subject to those taxes.

Income tax on non-SIIC French entities is calculated in accordance with French tax regulations.

Tax regime of Spanish SOCIMI entities

SOCIMIs are listed Spanish companies, or subsidiaries of listed companies subject to SOCIMI equivalent regulation, whose principal activity is the acquisition, promotion and rehabilitation of urban real estate assets for the purpose of leasing them, either directly or through equity investments in other real estate investment companies.

Real estate income for SOCIMIs is taxed at a 0% corporate income tax (CIT) rate (instead of the general rate of 25%), provided that the requirements of the SOCIMI regime are met.

SOCIMIs may be subject to a special corporate income tax rate of 15% on the amount of the profits obtained in the year that is not distributed, in respect of the part of the income that has not been taxed at the general corporate income tax rate.

Capital gains prior to the entry into the SOCIMI regime are frozen and subject to current income tax when the asset is disposed of. However, incremental capital gains realized after election for the SOCIMI regime are exempt from capital gain tax and are subject to a distribution requirement.

Furthermore, SOCIMIs have to meet minimum profit-sharing requirements, as follows:

- 100% of the dividends received from participating entities;
- 80% of the profit resulting from the leasing of real estate and ancillary activities;
- 50% of the profits resulting from the transfer of properties and shares linked to the Company's business provided that the remaining profits are reinvested in other real estate properties or equity investments within a maximum period of three years from the date of the transfer or, failing this, 100% of the profits must be distributed as dividends once such period has elapsed.

Spanish SOCIMIs may be subject to a special 19% withholding tax on dividend distributions unless it can be proven that shareholders with an ownership interest of 5% or more are subject to tax at a minimum rate of 10%. When a direct shareholder is a SOCIMI or subject to SOCIMI-equivalent regulations (such as Klépierre SA), this requirement is assessed at the level of the parent-company shareholders.

The corporate income tax charge is calculated in accordance with the rules and rates adopted at the end of the reporting period in each Group operating country for the period to which the profit or loss applies.

Deferred tax assets and liabilities are measured using the balance sheet liability method and the tax rate expected to apply when the asset is realized or the liability settled on the basis of the tax rates and tax laws that have been enacted or substantively enacted by the reporting date. The measurement of deferred tax assets and liabilities must reflect the tax consequences arising as a result of the way in which the company expects to recover or settle the carrying amounts of its assets and liabilities at the reporting date.

In millions of euros	12/31/2023	12/31/2022
Current tax	(53.1)	(33.7)
Deferred tax	(47.7)	(37.1)
TOTAL	**(100.8)**	**(70.8)**

For the year ended December 31, 2023, the current tax charge amounted to €53.1 million, versus €33.7 million in 2022.

The deferred tax charge amounted to €47.7 million for the year ended December 31, 2023, versus €37.1 million one year earlier.

Deferred tax recognized during the period mainly comprises a negative amount of €53.5 million in deferred tax expense resulting from temporary differences arising on changes in the fair market value and tax value of investment properties.

A breakdown of tax expense is shown in the tax proof below:

In millions of euros	12/31/2023	12/31/2022
Pre-tax earnings and earnings from equity-accounted companies	230.7	447.3
Theoretical tax expense at 25.83%	**(59.6)**	**(115.5)**
Tax-exempt earnings under the SIIC and SOCIMI tax regimes	**31.6**	**99.1**
TAXABLE SECTORS		
Impact of permanent differences	(58.3)	(44.1)
Untaxed consolidation adjustments	22.3	(6.6)
Impact of non-capitalized losses	(6.8)	(3.1)
Assignment of non-capitalized losses	0.6	6.3
Change of tax regime		
Change in tax rates and other taxes	(21.3)	(6.7)
Differences in tax rates between France and other countries	(9.2)	(0.2)
EFFECTIVE TAX EXPENSE	**(100.8)**	**(70.8)**

Breakdown of deferred taxes:

In millions of euros	12/31/2022	Change in scope	Change in net income	Cash flow hedging reserves	Asset, liability reclassifications	Other changes	12/31/2023
Investment properties	(1,084.6)		(56.3)		(3.2)	17.4	(1,126.7)
Derivatives	(4.0)		0.6	2.1		0.2	(1.1)
Tax loss carryforwards	12.5		(1.1)		(3.9)	(0.1)	7.5
Other items	2.0		9.4		(0.9)	(0.7)	9.9
Total for entities in a net liability position	**(1,074.1)**		**(47.3)**	**2.1**	**(8.0)**	**16.8**	**(1,110.4)**
Investment properties	9.7		2.8		3.2		15.7
Derivatives	0.0						0.0
Tax loss carryforwards	3.0		(4.3)		3.0		1.8
Other items	4.6		1.1		1.8		7.5
Total for entities in a net asset position	**17.3**		**(0.4)**		**8.0**		**24.9**
NET ASSET (LIABILITY) POSITION	**(1,056.8)**		**(47.7)**	**2.1**	**0.0**	**16.8**	**(1,085.5)**

The net deferred tax position represents a liability of €1,085.5 million as of December 31, 2023, versus a net liability position of €1,056.8 million as of December 31, 2022. Changes over the period are attributable to:

- The above-mentioned €47.7 million expense recognized through net income;
- The positive €16.8 million effect on deferred tax presented in "Other changes", mainly in connection with foreign exchange impacts in Scandinavia, Turkey and the Czech Republic.

6.1 TAX LOSSES CARRIED FORWARD

Ordinary tax loss carryforwards are capitalized when their utilization is deemed probable. The expected time scale for recovering tax loss carryforwards capitalized for all entities within the Group is three to nine years on average.

The inventory of tax losses carried forward is set out below:

	Inventory of ordinary tax losses			Deferred tax on ordinary losses			
Country *In millions of euros*	**12/31/2022**	**Change in 2023**	**12/31/2023**	**Capitalized at 12/31/2022**	**Change in capitalized amounts**	**Capitalized at 12/31/2023**	**Not capitalized at 12/31/2023**
Germany[(a)]	(70.6)	8.4	(62.2)				20.8
Belgium	(18.3)	4.1	(14.2)	0.9	(0.9)		3.5
Spain – non SOCIMI	(12.2)	1.9	(10.3)				2.6
France – non-SIIC	(423.1)	(16.2)	(439.3)				113.5
Italy	(4.2)	1.0	(3.2)	0.2	(0.2)		0.8
Luxembourg	(126.8)	(0.8)	(127.6)				31.8
Netherlands	(19.7)	12.7	(7.0)	3.4	(1.7)	1.7	0.0
Poland	(3.0)	(4.4)	(7.4)				1.4
Portugal							
Sweden	(54.2)	17.4	(36.8)	11.2	(3.6)	7.6	
Turkey	(15.9)	6.7	(9.2)				2.3
Other countries	(0.8)	0.1	(0.7)				0.2
Total taxable regime	**(748.7)**	**30.7**	**(718.0)**	**15.7**	**(6.3)**	**9.3**	**177.0**
France – SIIC	(357.6)	18.5	(339.1)				
Spain – SOCIMI	(102.3)	1.1	(101.2)				
Total non-taxable regime	**(459.9)**	**19.6**	**(440.3)**				
TOTAL GROUP	**(1,208.6)**	**50.3**	**(1,158.3)**	**15.7**	**(6.3)**	**9.3**	**177.0**

(a) Starting 2023, the data presented for Germany only take into account CIT losses carried forward.

Ordinary tax losses recognized in the investment countries of Klépierre can in principle be carried forward without time limit, except for some countries such as Poland, Czech Republic, Greece, Portugal or Turkey where tax losses may be carried forward only for five years. In addition, in most countries tax losses can be used only under certain quantitative limits.

Non-capitalized deferred taxes on tax loss carryforwards amounted to €177.0 million as of December 31, 2023 versus €153.6 million as of December 31, 2022.

6.2 INTEREST CARRIED FORWARD

The inventory of interest carried forward is set out below:

Country *In millions of euros*	Inventory of interest carried forward 12/31/2023	Deferred tax on interest carried forward Capitalized at 12/31/2023	 Not capitalized at 12/31/2023
TOTAL GROUP	**(196.0)**	**10.0**	**15.3**
Germany	(46.9)		7.4
Belgium	(1.6)		0.4
Spain	(3.4)		0.8
France – SIIC	(67.2)		
Italy	(9.3)		2.2
Norway	(41.4)	9.1	
Netherlands	(3.5)	0.9	
Poland	(19.5)		3.7
Portugal	(0.5)		0.1
Sweden	(2.9)		0.6

6.3 SIIC DISTRIBUTION OBLIGATION CARRY FORWARD

The Group, within the framework of the tax regime of *Sociétés d'investissement immobilier cotées* (SIIC), must satisfy tax distribution obligations by distributing 95% of its rental income, 70% of its real estate capital gains and 100% of its dividends stemming from subsidiaries having elected for the SIIC regime or an equivalent regime. However, this tax distribution obligation is capped at the amount of statutory distributable income, with the surplus to be distributed in the first subsequent profitable year and in subsequent years as necessary.

Statutory distributable capacity for 2023 stands at €487.2 million (statutory net income of €485.8 million and retained earnings of €1.4 million) and SIIC distribution obligations for the year at €257.3 million.

By distributing the entire amount of distributable capacity, the total tax distribution obligations carried forward therefore decreased by €229.9 million, to €78.9 million as of December 31, 2023.

NOTE 7 RISK EXPOSURE AND HEDGING STRATEGY

Klépierre identifies and regularly measures its exposure to the various sources of risk (interest rates, liquidity, foreign exchange, counterparties, market risk, etc.), and sets applicable management policies as required. The Group carefully manages the inherent financial risks in its business activity and the financial instruments it uses.

As of December 31, 2023, the hedging ratio reached 97%, comprising 81% of fixed-rate debts or payer swaps and 16% of caps.

As Klépierre intends to achieve a high level of hedge effectiveness as defined by IFRS 9, the terms of fair value hedging instruments never exceed the maturity of the underlying debt.

7.1 INTEREST-RATE RISK

7.1.1 Hedging strategy

The hedging rate is calculated as the ratio of fixed-rate debt (after hedging) to net borrowings, expressed as a percentage. Most of the fixed-rate position is made of fixed-rate debt and swaps but interest rate options can also be used to raise the hedging ratio.

To achieve its target hedging rate, Klépierre may use:

- Payer swaps in order to convert debt from floating rate to fixed rate;
- Receiver swaps in order to convert fixed-rate debt to floating rate;
- Caps in order to limit possible fluctuations in short-term rates.

Klépierre's hedging strategy covers both the long-term and short-term portions of its borrowings.

The bulk of Klépierre's fixed-rate borrowings comprises bonds (denominated in euros and Norwegian kronor) and loans. As of December 31, 2023, the Group's fixed-rate debt stood at €5,459.7 million before hedging.

7.1.2 Exposure to floating-rate debt

Recurrence of floating-rate financing requirement

Floating-rate debt represented 29% of the Group's borrowings as of December 31, 2023 (before hedging) comprising bank loans and commercial paper.

Identified risk

An increase in interest rates against which floating-rate borrowings are indexed (Euribor, Nibor, Stibor and Cibor) could result in an increase in future interest rate expenses.

Measurement of risk exposure

A 0.5% increase in interest rates in the next twelve months would lower financial expenses by €1.3 million and increase equity by €4.5 million.

Breakdown of borrowings after interest rate hedging:

In millions of euros	Fixed-rate borrowings or borrowings converted to fixed-rate			Floating-rate borrowings			Total borrowings		Average all-in cost of debt at closing date[a]
	Amount	Rate	Fixed portion	Amount	Rate	Floating portion	Amount	Rate	
12/31/2022	6,970	1.25%	94%	444	3.43%	6%	7,415	1.38%	1.41%
12/31/2023	**7,101**	**1.51%**	**97%**	**222**	**4.79%**	**3%**	**7,323**	**1.61%**	**1.66%**

(a) Including the deferral of issue cost/premiums.

The average cost of debt calculated as of December 31, 2023 does not constitute a forecast over the coming period.

7.1.3 Exposure to fixed-rate debt

Description of fixed-rate borrowings

The bulk of Klépierre's fixed-rate borrowing comprises bonds (denominated in euros and Norwegian kronor) and loans.

Identified risk

Klépierre's fixed-rate debt exposes the Group to changes in risk-free interest rates, as the fair value of fixed-rate debt increases when rates fall, and vice versa.

At any given time, Klépierre may also need to increase its future fixed-rate debt (e.g., for a future acquisition). It would then be exposed to the risk of a change in interest rates prior to arrangement of the loan. Klépierre may then consider hedging this risk, which may be treated as a cash flow hedge risk under IFRS.

Measurement of risk exposure and hedging strategy

As of December 31, 2023, the Group's fixed-rate debt stood at €5,459.0 million before hedging.

The fair value hedge strategy is calibrated to meet the overall hedging target. It is also based on the use of interest-rate instruments swapping fixed-rate payments for floating-rate payments. The credit margin component is not hedged.

As Klépierre intends to achieve a high level of hedge effectiveness as defined by IFRS 9, the terms of fair value hedging instruments never exceed the maturity of the underlying debt.

7.1.4 Derivatives portfolio

Fair value of the interest rate derivatives portfolio:

In millions of euros	Fair value net of accrued interest as of 12/31/2023[a]	Change in fair value during 2023	Matching entry
Cash flow hedge	25.1	(22.9)	Shareholders' equity
Fair value hedge	(75.6)	40.5	Financial liabilities/Net income
Trading	77.5	(63.1)	Net income
TOTAL	**27.0**	**(45.4)**	

(a) The fair value of the interest rate hedging portfolio is categorized as level 2.

With regard to the reform of European benchmarks, Klépierre has not identified any material impact on the way that it applies hedge accounting, considering that the aggregate notional amount of derivatives concerned is limited to €765.1 million as of December 31, 2023, of which:

- One receiver swap maturing in 2027 (notional amount of €75.0 million) and four receiver swaps maturing in 2030 (notional amount of €600.0 million), which are qualified as fair value hedges; and
- Two payer swaps maturing in 2026 (notional amount of €90.1 million), which are qualified as cash flow hedges.

7.1.5 Fair value of financial liabilities

The Group recognizes borrowings in the statement of financial position at amortized cost.

The following table compares the fair values of borrowings with their corresponding nominal values. Fair values are established on the basis of the following principles:

- Fair value of floating-rate loans is equal to the nominal value (assuming stable credit spreads);
- Fair value of fixed-rate bank debt: fair value is calculated solely on the basis of rate fluctuations; and
- Bonds: use of prices quoted on an active market where these are available.

In millions of euros	12/31/2023 Par value	Fair value	Impact of a 1% increase in interest rates on fair value[a]	12/31/2022 Par value	Fair value	Impact of a 1% increase in interest rates on fair value[a]
Fixed-rate bonds	5,333.9	4,801.7	(219.8)	5,656.7	4,734.1	(217.6)
Fixed-rate bank loans	125.7	126.9	(3.0)	126.7	124.1	(4.0)
Other floating-rate loans	2,221.3	2,221.3		1,912.3	2,236.9	
TOTAL	**7,681.0**	**7,149.9**	**(222.8)**	**7,695.6**	**7,095.1**	**(221.6)**

(a) Change in the fair value of the debt as a result of a parallel shift in the rate curve.

Derivatives are recognized in the statement of financial position at their fair value. As of December 31, 2023, a 100-basis-point increase in interest would have resulted in a €222.8 million decrease in the value of the Group's euro-denominated interest rate derivatives.

7.2 LIQUIDITY RISK

Klépierre's long-term refinancing policy consists in diversifying maturity dates and sources of financing in such a way as to facilitate renewals.

The average maturity of drawn debt as of December 31, 2023 was 6.3 years, with borrowings spread between different markets (bonds, commercial paper and bank loans). Within the banking market, Klépierre uses a range of different loan types (syndicated loans, bilateral loans, mortgage loans, etc.) and counterparties. Commercial paper, which represents the bulk of short-term financing, never exceeds the backup credit lines. This means that the Group can refinance immediately if it has difficulty renewing its borrowings on the commercial paper market.

As of December 31, 2023, the maturity schedule of contractual flows was as follows:

Repayment year *In millions of euros*	2024	2025	2026	2027	2028	2029	2030	2031	2032 and beyond	Total
Principal	1,538	274	605	795	649	736	728	1,228	1,128	7,681
Interest (loans and derivatives)	179	90	78	64	53	34	32	30	72	633
GROUP TOTAL (PRINCIPAL + INTEREST)	**1,716**	**364**	**684**	**859**	**702**	**771**	**760**	**1,258**	**1,200**	**8,314**

A €557.0 million bond matures in November 2024. The €880.5 million in outstanding commercial paper matures in less than one year, of which €195.0 million in the second half of 2024. Commercial paper issues are generally rolled over.

As of December 31, 2023, Klépierre had undrawn credit lines totaling €2,620.0 million (including bank overdrafts).

Some of Klépierre's sources of funding (bilateral loans, bonds, etc.) contain covenants. Failure to comply with these covenants may trigger early repayment. These covenants are based on the standard ratios applicable to real estate companies. All applicable covenants are respected as of December 31, 2023.

Some Klépierre SA bonds include a bearer put option, entitling the holder to request early repayment in the event of a change of control giving rise to a downgrade in Klépierre's credit rating to below investment grade.

The main covenants are described in note 4.6.4.

7.3 CURRENCY RISK

The bulk of Klépierre's business is currently conducted within the eurozone, with the exception of Norway, Sweden, Denmark, Poland, the Czech Republic and Turkey.

Given the potential cost of long term hedging to cover the exposure to currencies outside the eurozone, the Group has decided to not cover these risks on top of the following items.

In Scandinavia, as leases are denominated in local currency, funding is also raised in the country's local currency. The Klépierre Group's main source of exposure to Scandinavian currency risk is therefore limited essentially to equity funds invested in the company (Steen & Strøm) and financed in euros.

During the first half of the year, Klépierre contracted two bank loans in JPY for JPY 28.4 billion and JPY 10.0 billion. Therefore, the Group entered into two JPY/EUR cross currency swaps (JPY 28.4 billion and JPY 10.0 billion or respectively €192.0 million and €69.9 million). The economic effect of these swaps is to convert JPY bilateral term loans into a EUR liability. Their carrying amount will fluctuate in line with the EUR/JPY exchange rate and the EUR/JPY cross currency basis swap.

Fair value of the foreign exchange rate derivatives portfolio

In millions of euros	Fair value net of accrued interest as of 12/31/2023[a]	Change in fair value during 2023	Matching entry
Trading cross currency swap	(17.1)	(0.9)	Net income
TOTAL	**(17.1)**	**(0.9)**	

(a) The fair value of the interest rate hedging portfolio is categorized as level 2.

7.4 COUNTERPARTY RISK IN CONNECTION WITH FINANCING ACTIVITIES

Counterparty risk is limited by the fact that Klépierre is structurally a borrower. This risk is therefore essentially restricted to investments made by the Group and its derivative transaction counterparties. As part of its risk-management policy, Klépierre aims at diversifying its lending counterparties and pays attention to their financial strength.

7.4.1 Counterparty risk on marketable securities

The counterparty risk on investments is limited by the type of products used:

- Monetary UCITS managed by recognized institutions, and therefore carrying a range of signatures;
- Government debt (loans or borrowings) of countries in which Klépierre operates; and
- Occasionally, certificates of deposit issued by leading banks.

7.4.2 Counterparty risk on hedging instruments

Klépierre conducts derivative instrument transactions only with financial institutions recognized as financially sound. It also aims at diversifying its exposure among different counterparties.

NOTE 8 FINANCE AND GUARANTEE COMMITMENTS

8.1 COMMITMENTS GIVEN

8.1.1 Commitments related to the Group's leasing activities

Rental periods vary by country. The terms for setting and indexing rents are set out in the agreement. Indexation is used to revise the minimum guaranteed rent. The indices applied vary from country to country, notably for the two main countries:

- In France, leases are indexed to the French commercial rents index (ILC) or cost of construction index (ICC). The ILC is a compound index derived from the French consumer price index (CPI), retail trade sales value index (ICAV) and cost of construction index (ICC). Leases are modified in line with the last known index at January 1 of each year. Most leases are indexed to the ILC for the second quarter, which is published in October and applicable from January 1 of the following year.
- In Italy, the system is based on the consumer price indices (excluding tobacco) for working class and junior management (ISTAT), but is more complex in its implementation. Depending on the lease, either 75% (*locazione* regulated leases) or 100% of the ISTAT is applied.

The variable portion of the rent is equivalent to the difference between the revenue percentage contained in the lease and the minimum guaranteed rent after indexation.

The conditional rent is the portion of rental payments that is not fixed, but determined based on a factor other than time (e.g., percentage of revenues, degree of use, price indices, market interest rates, etc.).

As of December 31, 2023, future minimum rents receivable under non-cancelable operating leases were as follows:

In millions of euros	12/31/2023
Less than one year	898.9
Between one and five years	1,658.3
More than five years	345.7
TOTAL	**2,902.8**

8.1.2 Commitments related to the financing activities

- Banking guarantees: as part of its real-estate, leasing and property management activities, banking guarantees have been delivered to Klépierre Management in connection with management activities (*loi Hoguet*) for an amount capped at €190.0 million as of December 31, 2023.
- Disposal commitments: as of December 31, 2023, disposal commitments relate mainly to certain assets in France, Sweden and Denmark.

8.1.3 Other main commitments given

- Commitments related to development activities: these amounted to €7.5 million as of December 31, 2023 and were mainly related to projects in France.
- Saint-Lazare temporary occupation license: the construction of the Saint-Lazare shopping center was authorized as part of the temporary occupation license of the public estate. The license agreement was signed in July 2008 between SOAVAL (Klépierre Group) and SNCF (National French Rail Network) for a 40-year period. Within this period, SNCF has several options at predetermined intervals and in return for compensation. SNCF owns a call option on the SOAVAL shares, and SNCF owns an option to terminate the temporary occupation license.
- Klépierre in partnership with Sofidy, has signed an asset purchase agreement (APA) for the acquisition of O'Parinor, a shopping center located to the north-east of Paris. Klépierre and Sofidy have agreed on a capital partnership (of 25% and 75% respectively) to take over the asset.

8.2 MUTUAL COMMITMENTS

Commitments related to development projects amounted to €6.0 million as of December 31, 2023 versus €10.0 million as of December 31, 2022. These commitments concern development work engaged (but not paid) by the Group with contractors where financial completion warranties have been received, in connection with Hoog Catharijne in the Netherlands.

8.3 COMMITMENTS RECEIVED

In millions of euros	12/31/2023	12/31/2022
Commitments related to the Group's financing activities	**2,298.5**	**2,115.7**
Financing agreements obtained and not used[(a)]	2,298.5	2,115.7
Commitments related to the Group's operating activities	**501.4**	**433.9**
Sale commitments	106.8	64.1
Financial guarantees received in connection with management activities (*loi Hoguet*)	190.0	180.0
Financial guarantees received from tenants and suppliers	204.6	189.8
Other		
TOTAL	**2,799.9**	**2,549.6**

(a) Net of drawings on the commercial paper program.

Financing agreements obtained and not used

As of December 31, 2023, Klépierre had €2,298.5 million in undrawn committed credit facilities, net of commercial paper.

Financial guarantees received from tenants and suppliers

The Group receives payment guarantees issued by financial institutions guaranteeing the amounts owed mainly by tenants.

8.4 SHAREHOLDERS' AGREEMENTS

Shareholders' agreements are signed with co-owners of various companies, with no significant financial impact to report over the period.

NOTE 9 ADDITIONAL INFORMATION

9.1 TRANSACTIONS WITH RELATED PARTIES

9.1.1 Transactions with Simon Property Group and APG Group

To the best of the Company's knowledge and including treasury shares, Simon Property Group held a 22.28% stake in Klépierre SA as of December 31, 2023, and APG Group held a 5.20% stake.

As of the date this document was prepared, there were no transactions between Klépierre and these two companies.

9.1.2 Relationships between Klépierre Group companies

Transactions between related parties are carried out at arm's length conditions.

Period-end asset and liability positions and transactions conducted during the period between fully consolidated companies are eliminated in full in consolidation.

Transactions with equity-accounted companies (over which the Group has significant influence or joint control) are not eliminated in consolidation and their amounts are presented below:

Asset and liability positions with related parties at period-end

In millions of euros	12/31/2023 Equity-accounted companies	12/31/2022 Equity-accounted companies
Loans and advances to equity-accounted companies	232.2	245.3
Non-current assets	**232.2**	**245.3**
Trade and other receivables	1.8	2.0
Other receivables	5.0	5.8
Current assets	**6.8**	**7.8**
TOTAL ASSETS	**239.0**	**253.1**
Loans and advances from equity-accounted companies	2.5	1.4
Non-current liabilities	**2.5**	**1.4**
Trade payables	1.5	1.4
Other liabilities		
Current liabilities	**1.5**	**1.4**
TOTAL LIABILITIES	**4.0**	**2.8**

Income statement items related to transactions with related parties

In millions of euros	12/31/2023 Equity-accounted companies	12/31/2022 Equity-accounted companies
Management, administrative and related income	11.0	11.8
Operating income	**11.0**	**11.8**
Cost of net debt	10.1	9.5
Profit before tax	**21.1**	**21.3**
CONSOLIDATED NET INCOME	**21.1**	**21.3**

Most of these items relate to management and administration fees and income on financing provided mainly to equity-accounted investees.

9.2 COMPENSATION OF SUPERVISORY BOARD AND EXECUTIVE BOARD MEMBERS

Klépierre SA, the parent company of the Klépierre Group, is a French joint-stock corporation (*société anonyme*) with a dual governance structure comprising an Executive Board and a Supervisory Board.

Compensation allocated to members of the Supervisory Board for fiscal year 2023 totaled €666,771, including €94,065 payable to the Chairman of the Supervisory Board.

Compensation for the Executive Board and Corporate Management Team members breaks down as follows:

In thousands of euros	12/31/2023
Short-term benefits excluding employer's contribution	2,696.1
Short-term benefits: employer's contribution	2,804.0
Post-employment benefits	203.1
Other long-term benefits	125.8
Share-based payment[(a)]	1,439.0

(a) Expense posted in the statement of comprehensive income related to free share plans.

9.3 SUBSEQUENT EVENTS

On January 2, 2024, Klépierre completed the disposal of a shopping center in Sweden that was classified as held for sale in the consolidated financial statements for the year ended December 31, 2023.

9.4 STATUTORY AUDITORS' FEES

The fees paid to Statutory Auditors, including members of their networks, for the fiscal years 2023 and 2022 are as follows:

	Deloitte				EY			
In millions of euros	2023	2022	2023	2022	2023	2022	2023	2022
Audit and review of individual and consolidated financial statements	**1.1**	**1.2**	**90%**	**93%**	**1.1**	**1.0**	**90%**	**95%**
Non-audit services*	**0.1**	**0.1**	**10%**	**7%**	**0.1**	**0.1**	**10%**	**5%**
• Related audit services	0.0	0.0			0.0			
• Other services provided	0.1	0.1			0.1	0.1		
TOTAL	**1.3**	**1.3**	**100%**	**100%**	**1.3**	**1.1**	**100%**	**100%**

* *Relates to the non-audit services in accordance with legal and regulatory requirements and to the non-audit services provided at the request of the Company. The amounts correspond to:*
- Comfort letter on the Euro Medium Term Note program – Update;
- Report on the verification of the non-financial performance statement;
- EU Taxonomy support;
- Audit of service charges for a Group subsidiary;
- Report on funds managed by a Group subsidiary;
- Specific reports on capital increase/decrease by several Group subsidiaries;
- Certification of the balance of a shareholder's current account;
- General attestation for subsidiaries;
- Master tax service agreement.

9.5 LIST OF CONSOLIDATED ENTITIES

List of consolidated companies Fully consolidated companies	Country	% interest 12/31/2023	% interest 12/31/2022	% interest Change	% control 12/31/2023	% control 12/31/2022	% control Change
HOLDING COMPANY – HEAD OF THE GROUP							
Klépierre SA	France	100.00%	100.00%	-	100.00%	100.00%	-
SHOPPING CENTERS – FRANCE							
KLE 1 SAS	France	100.00%	100.00%	-	100.00%	100.00%	-
SCOO SC	France	53.64%	53.64%	-	53.64%	53.64%	-
Klécar France SNC	France	83.00%	83.00%	-	83.00%	83.00%	-
KC3 SNC	France	83.00%	83.00%	-	100.00%	100.00%	-
KC4 SNC	France	83.00%	83.00%	-	100.00%	100.00%	-
KC5 SNC	France	83.00%	83.00%	-	100.00%	100.00%	-
KC9 SNC	France	83.00%	83.00%	-	100.00%	100.00%	-
KC10 SNC	France	83.00%	83.00%	-	100.00%	100.00%	-
KC12 SNC	France	83.00%	83.00%	-	100.00%	100.00%	-
KC20 SNC	France	83.00%	83.00%	-	100.00%	100.00%	-
Solorec SC	France	80.00%	80.00%	-	80.00%	80.00%	-
Centre Bourse SNC	France	100.00%	100.00%	-	100.00%	100.00%	-
Bègles Arcins SCS	France	52.00%	52.00%	-	52.00%	52.00%	-
Sécovalde SCI	France	55.00%	55.00%	-	55.00%	55.00%	-
Cécoville SAS	France	100.00%	100.00%	-	100.00%	100.00%	-
Soaval SCS	France	100.00%	100.00%	-	100.00%	100.00%	-
Klémurs SASU	France	100.00%	100.00%	-	100.00%	100.00%	-
Nancy Bonsecours SCI	France	100.00%	100.00%	-	100.00%	100.00%	-
Odysseum Place de France SNC	France	100.00%	100.00%	-	100.00%	100.00%	-
Klécar Participations Italie SAS	France	83.00%	83.00%	-	83.00%	83.00%	-
Pasteur SNC	France	100.00%	100.00%	-	100.00%	100.00%	-
Holding Gondomar 1 SAS	France	100.00%	100.00%	-	100.00%	100.00%	-
Beau Sevran Invest SCI	France	83.00%	83.00%	-	100.00%	100.00%	-
Valdebac SCI	France	55.00%	55.00%	-	55.00%	55.00%	-
Progest SAS	France	100.00%	100.00%	-	100.00%	100.00%	-
Belvedere Invest SARL	France	55.00%	55.00%	-	55.00%	55.00%	-
Haies Haute Pommeraie SCI	France	53.00%	53.00%	-	53.00%	53.00%	-
Forving SARL	France	95.33%	95.33%	-	95.33%	95.33%	-
Saint-Maximin Construction SCI	France	55.00%	55.00%	-	55.00%	55.00%	-
Pommeraie Parc SCI	France	60.00%	60.00%	-	60.00%	60.00%	-
Champs des Haies SCI	France	60.00%	60.00%	-	60.00%	60.00%	-
La Rive SCI	France	85.00%	85.00%	-	85.00%	85.00%	-
Rebecca SCI	France	70.00%	70.00%	-	70.00%	70.00%	-
Le Maïs SCI	France	80.00%	80.00%	-	80.00%	80.00%	-
Le Grand Pré SCI	France	60.00%	60.00%	-	60.00%	60.00%	-
LC SCI	France	88.00%	88.00%	-	100.00%	100.00%	-
Kle Projet 1 SAS	France	100.00%	100.00%	-	100.00%	100.00%	-
Klépierre Créteil SCI	France	100.00%	100.00%	-	100.00%	100.00%	-
Albert 31 SCI	France	83.00%	83.00%	-	100.00%	100.00%	-
Galeries Drancéennes SNC	France	100.00%	100.00%	-	100.00%	100.00%	-
Portes de Claye SCI	France	55.00%	55.00%	-	55.00%	55.00%	-
Klecab SCI	France	100.00%	100.00%	-	100.00%	100.00%	-
Klé Arcades SCI	France	53.69%	53.69%	-	100.00%	100.00%	-
Le Havre Colbert SNC	France	100.00%	100.00%	-	100.00%	100.00%	-
Klépierre Massalia SAS	France	100.00%	100.00%	-	100.00%	100.00%	-
Massalia Shopping Mall SCI	France	60.00%	60.00%	-	100.00%	100.00%	-
Massalia Invest SCI	France	60.00%	60.00%	-	60.00%	60.00%	-
Klépierre & Cie SNC	France	100.00%	100.00%	-	100.00%	100.00%	-
Sanoux SCI	France	75.00%	75.00%	-	75.00%	75.00%	-
Centre Deux SNC	France	100.00%	100.00%	-	100.00%	100.00%	-
Mob SC	France	100.00%	100.00%	-	100.00%	100.00%	-
Klépierre Alpes SAS	France	100.00%	100.00%	-	100.00%	100.00%	-
Galerie du Livre SAS	France	100.00%	100.00%	-	100.00%	100.00%	-
Caetoile SNC	France	100.00%	100.00%	-	100.00%	100.00%	-
Klépierre Échirolles SNC	France	100.00%	100.00%	-	100.00%	100.00%	-

List of consolidated companies Fully consolidated companies	Country	% interest 12/31/2023	% interest 12/31/2022	% interest Change	% control 12/31/2023	% control 12/31/2022	% control Change
Maya SNC	France	100.00%	100.00%	-	100.00%	100.00%	-
Ayam SNC	France	100.00%	100.00%	-	100.00%	100.00%	-
Dense SNC	France	100.00%	100.00%	-	100.00%	100.00%	-
Klépierre Grand Littoral SASU	France	100.00%	100.00%	-	100.00%	100.00%	-
SERVICE PROVIDERS – FRANCE							
Klépierre Management SNC	France	100.00%	100.00%	-	100.00%	100.00%	-
Klépierre Conseil SAS	France	100.00%	100.00%	-	100.00%	100.00%	-
Klépierre Brand Ventures SNC	France	100.00%	100.00%	-	100.00%	100.00%	-
Klépierre Finance SAS	France	100.00%	100.00%	-	100.00%	100.00%	-
Kle Start SAS	France	100.00%	100.00%	-	100.00%	100.00%	-
Kle Dir SAS	France	100.00%	100.00%	-	100.00%	100.00%	-
Klépierre Procurement International SNC	France	100.00%	100.00%	-	100.00%	100.00%	-

List of consolidated companies Fully consolidated companies	Country	% interest 12/31/2023	% interest 12/31/2022	% interest Change	% control 12/31/2023	% control 12/31/2022	% control Change
SHOPPING CENTERS – INTERNATIONAL							
Klépierre Duisburg GmbH	Germany	94.99%	94.99%	-	94.99%	94.99%	-
Klépierre Duisburg Leasing GmbH	Germany	100.00%	100.00%	-	100.00%	100.00%	-
Klépierre Duisburg Leasing II GmbH	Germany	100.00%	100.00%	-	100.00%	100.00%	-
Klépierre Dresden Leasing GmbH	Germany	100.00%	100.00%	-	100.00%	100.00%	-
Klépierre Duisburg II GmbH	Germany	94.99%	94.99%	-	94.99%	94.99%	-
Klépierre Dresden GmnH	Germany	94.99%	94.99%	-	94.99%	94.99%	-
Klépierre Köln Holding GmbH	Germany	100.00%	100.00%	-	100.00%	100.00%	-
Unter Goldschmied Köln GmbH	Germany	100.00%	100.00%	-	100.00%	100.00%	-
Klépierre Hildesheim Holding GmbH	Germany	100.00%	100.00%	-	100.00%	100.00%	-
Projekt A GmbH & CoKG	Germany	94.90%	94.90%	-	94.90%	94.90%	-
Projekt A Vermietung GmbH	Germany	100.00%	100.00%	-	100.00%	100.00%	-
Les Cinémas de l'Esplanade SA	Belgium	100.00%	100.00%	-	100.00%	100.00%	-
Foncière de Louvain-la-Neuve SA	Belgium	100.00%	100.00%	-	100.00%	100.00%	-
Bryggen, Vejle A/S	Denmark	56.10%	56.10%	-	100.00%	100.00%	-
Bruun's Galleri ApS	Denmark	56.10%	56.10%	-	100.00%	100.00%	-
Field's Copenhagen A/S	Denmark	56.10%	56.10%	-	100.00%	100.00%	-
Viva, Odense A/S	Denmark	56.10%	56.10%	-	100.00%	100.00%	-
Steen & Strøm CenterUdvikling VI A/S	Denmark	56.10%	56.10%	-	100.00%	100.00%	-
Klecar Foncier Iberica SL	Spain	100.00%	100.00%	-	100.00%	100.00%	-
Klecar Foncier España SL	Spain	100.00%	100.00%	-	100.00%	100.00%	-
Klépierre Vallecas SA	Spain	100.00%	100.00%	-	100.00%	100.00%	-
Klépierre Molina SL	Spain	100.00%	100.00%	-	100.00%	100.00%	-
Klépierre Plenilunio Socimi SA	Spain	100.00%	100.00%	-	100.00%	100.00%	-
Principe Pio Gestion SA	Spain	100.00%	100.00%	-	100.00%	100.00%	-
Klépierre Real Estate España SL	Spain	100.00%	100.00%	-	100.00%	100.00%	-
SC Nueva Condo Murcia SLU	Spain	100.00%	100.00%	-	100.00%	100.00%	-
Maremagnum food market SL	Spain	100.00%	100.00%	-	100.00%	100.00%	-
Los Prados Real Estate España SLU	Spain	100.00%	100.00%	-	100.00%	100.00%	-
Klépierre Nea Efkarpia AE	Greece	100.00%	100.00%	-	100.00%	100.00%	-
Klépierre Foncier Makedonia AE	Greece	100.00%	100.00%	-	100.00%	100.00%	-
Klépierre Peribola Patras AE	Greece	100.00%	100.00%	-	100.00%	100.00%	-
Immobiliare Gallerie Commerciali S.p.A	Italy	100.00%	100.00%	-	100.00%	100.00%	-
Klecar Italia S.p.A	Italy	83.00%	83.00%	-	100.00%	100.00%	-
Galleria Commerciale Di Collegno S.r.l	Italy	100.00%	100.00%	-	100.00%	100.00%	-
Galleria Commerciale Serravalle S.p.A	Italy	100.00%	100.00%	-	100.00%	100.00%	-
Galleria Commerciale Assago S.r.l	Italy	100.00%	100.00%	-	100.00%	100.00%	-
Galleria Commerciale Klépierre S.r.l	Italy	100.00%	100.00%	-	100.00%	100.00%	-
Galleria Commerciale Cavallino S.r.l	Italy	100.00%	100.00%	-	100.00%	100.00%	-
Galleria Commerciale Solbiate S.r.l	Italy	100.00%	100.00%	-	100.00%	100.00%	-
Klépierre Matera S.r.l	Italy	100.00%	100.00%	-	100.00%	100.00%	-
Shopville Le Gru S.r.l	Italy	100.00%	100.00%	-	100.00%	100.00%	-
Grandemilia S.r.l	Italy	100.00%	100.00%	-	100.00%	100.00%	-
Shopville Gran Reno S.r.l	Italy	100.00%	100.00%	-	100.00%	100.00%	-

List of consolidated companies Fully consolidated companies	Country	% interest			% control		
		12/31/2023	12/31/2022	Change	12/31/2023	12/31/2022	Change
Il Maestrale S.p.A.	Italy	100.00%	100.00%	-	100.00%	100.00%	-
Comes – Commercio e Sviluppo S.r.l	Italy	100.00%	100.00%	-	100.00%	100.00%	-
Globodue S.r.l	Italy	100.00%	100.00%	-	100.00%	100.00%	-
Globotre S.r.l	Italy	100.00%	100.00%	-	100.00%	100.00%	-
Generalcostruzioni S.r.l	Italy	100.00%	100.00%	-	100.00%	100.00%	-
B.L.O S.r.l	Italy	100.00%	100.00%	-	100.00%	100.00%	-
Gruliasco S.r.l	Italy	100.00%	100.00%	-	100.00%	100.00%	-
Klépierre Italia S.r.l	Italy	100.00%	100.00%	-	100.00%	100.00%	-
Acquario S.r.l	Italy	95.06%	95.06%	-	95.06%	95.06%	-
Reluxco International SA	Luxembourg	100.00%	100.00%	-	100.00%	100.00%	-
Storm Holding Norway AS	Norway	56.10%	56.10%	-	100.00%	100.00%	-
Steen & Strøm AS	Norway	56.10%	56.10%	-	100.00%	100.00%	-
Steen & Strøm Mediapartner Norge AS	Norway	56.10%	56.10%	-	100.00%	100.00%	-
Oslo City Kjopesenter AS	Norway	56.10%	56.10%	-	100.00%	100.00%	-
Oslo City Parkering AS	Norway	56.10%	56.10%	-	100.00%	100.00%	-
Capucine BV	Netherlands	100.00%	100.00%	-	100.00%	100.00%	-
Klépierre Nordica BV	Netherlands	100.00%	100.00%	-	100.00%	100.00%	-
Klépierre Management Nederland BV	Netherlands	100.00%	100.00%	-	100.00%	100.00%	-
Hoog Catharijne BV	Netherlands	100.00%	100.00%	-	100.00%	100.00%	-
Klépierre Nederland BV	Netherlands	100.00%	100.00%	-	100.00%	100.00%	-
CCA German Retail I BV	Netherlands	100.00%	100.00%	-	100.00%	100.00%	-
CCA German Retail II BV	Netherlands	100.00%	100.00%	-	100.00%	100.00%	-
Green Gen Energy Sp. z o.o	Poland	100.00%	100.00%	-	100.00%	100.00%	-
KLP Polska Sp. z o.o. Rybnik SKA	Poland	100.00%	100.00%	-	100.00%	100.00%	-
Sosnowiec Property KLP Polska Sp. z o.o. sp.k.	Poland	100.00%	100.00%	-	100.00%	100.00%	-
Sadyba Best Mall Sp. z o.o.	Poland	100.00%	100.00%	-	100.00%	100.00%	-
KLP Poznań Sp. z o.o.	Poland	100.00%	100.00%	-	100.00%	100.00%	-
Ruda Śląska Property KLP Polska Sp. z o.o. sp.k.	Poland	100.00%	100.00%	-	100.00%	100.00%	-
KLP Investment Poland Sp. z o.o.	Poland	100.00%	100.00%	-	100.00%	100.00%	-
Rybnik Property KLP Polska Sp. z o.o. sp.k.	Poland	100.00%	100.00%	-	100.00%	100.00%	-
KLP Lublin Sp. z o.o.	Poland	100.00%	100.00%	-	100.00%	100.00%	-
KLP Polska Sp. z o.o.	Poland	100.00%	100.00%	-	100.00%	100.00%	-
Klelou Imobiliaria Spa SA	Portugal	100.00%	100.00%	-	100.00%	100.00%	-
Galeria Parque Nascente SA	Portugal	100.00%	100.00%	-	100.00%	100.00%	-
Gondobrico SA	Portugal	100.00%	100.00%	-	100.00%	100.00%	-
Klenord Imobiliaria SA	Portugal	100.00%	100.00%	-	100.00%	100.00%	-
Kleminho Imobiliaria SA	Portugal	100.00%	100.00%	-	100.00%	100.00%	-
Klépierre Espaço Guimarães Imobiliária S.A.	Portugal	100.00%	100.00%	-	100.00%	100.00%	-
Klépierre Cz S.R.O.	Czech Republic	100.00%	100.00%	-	100.00%	100.00%	-
Klépierre Plzen AS	Czech Republic	100.00%	100.00%	-	100.00%	100.00%	-
Nový Smíchov First Floor S.R.O.	Czech Republic	100.00%	100.00%	-	100.00%	100.00%	-
Nordica Holdco AB	Sweden	56.10%	56.10%	-	56.10%	56.10%	-
Steen & Strøm Holding AB	Sweden	56.10%	56.10%	-	100.00%	100.00%	-
FAB CentrumInvest	Sweden	56.10%	56.10%	-	100.00%	100.00%	-
FAB Emporia	Sweden	56.10%	56.10%	-	100.00%	100.00%	-
FAB Borlänge Köpcentrum	Sweden	56.10%	56.10%	-	100.00%	100.00%	
FAB Marieberg Galleria	Sweden	56.10%	56.10%	-	100.00%	100.00%	-
FAB Allum	Sweden	56.10%	56.10%	-	100.00%	100.00%	-
FAB P Brodalen	Sweden	56.10%	56.10%	-	100.00%	100.00%	-
Partille Lexby AB	Sweden	56.10%	56.10%	-	100.00%	100.00%	-
FAB P Åkanten	Sweden	56.10%	56.10%	-	100.00%	100.00%	-
FAB P Porthälla	Sweden	56.10%	56.10%	-	100.00%	100.00%	-
FAB Centrum Västerort	Sweden	56.10%	56.10%	-	100.00%	100.00%	-
Klépierre Gayrimenkul Yönetimi ve Yatirim Ticaret AS	Turkey	100.00%	100.00%	-	100.00%	100.00%	-
Tan Gayrimenkul Yatirim Insaat Turizm Pazarlama ve Ticaret AS	Turkey	51.00%	51.00%	-	51.00%	51.00%	-

List of consolidated companies Fully consolidated companies	Country	% interest			% control		
		12/31/2023	12/31/2022	Change	12/31/2023	12/31/2022	Change
SERVICE PROVIDERS – INTERNATIONAL							
Projekt Arnekenstrasse Verwaltung GmbH	Germany	100.00%	100.00%	-	100.00%	100.00%	-
Klépierre Management Deutschland GmbH	Germany	100.00%	100.00%	-	100.00%	100.00%	-
Klépierre Management Belgique SA	Belgium	100.00%	100.00%	-	100.00%	100.00%	-
Klépierre Finance Belgique SA	Belgium	100.00%	100.00%	-	100.00%	100.00%	-
Steen & Strøm CenterService A/S	Denmark	56.10%	56.10%	-	100.00%	100.00%	-
Steen & Strøm Danemark A/S	Denmark	56.10%	56.10%	-	100.00%	100.00%	-
Klépierre Management Espana SL	Spain	100.00%	100.00%	-	100.00%	100.00%	-
Klépierre Management Hellas AE	Greece	100.00%	100.00%	-	100.00%	100.00%	-
Klépierre Management Italia S.r.l	Italy	100.00%	100.00%	-	100.00%	100.00%	-
Klépierre Finance Italia S.r.l	Italy	100.00%	100.00%	-	100.00%	100.00%	
Grand Mall Media S.r.l	Italy	100.00%	0.00%	100.00%	100.00%	0.00%	100.00%
Steen & Strøm Senterservice AS	Norway	56.10%	56.10%	-	100.00%	100.00%	-
Klépierre Vastgoed Ontwikkeling B.V.	Netherlands	100.00%	100.00%	-	100.00%	100.00%	-
New ManCo	Netherlands	100.00%	0.00%	100.00%	100.00%	0.00%	100.00%
Klépierre Management Polska Sp. z o.o.	Poland	100.00%	100.00%	-	100.00%	100.00%	-
Klépierre Management Portugal SA	Portugal	100.00%	100.00%	-	100.00%	100.00%	-
Klépierre Management Ceska Republika S.R.O.	Czech Republic	100.00%	100.00%	-	100.00%	100.00%	-
Klépierre Energy CZ S.R.O.	Czech Republic	100.00%	100.00%	-	100.00%	100.00%	-
Steen & Strøm Sverige AB	Sweden	56.10%	56.10%	-	100.00%	100.00%	-

List of consolidated companies Equity-accounted companies: joint control	Country	% interest			% control		
		12/31/2023	12/31/2022	Change	12/31/2023	12/31/2022	Change
Cécobil SCS	France	50.00%	50.00%	-	50.00%	50.00%	-
Du Bassin Nord SCI	France	50.00%	50.00%	-	50.00%	50.00%	-
Le Havre Vauban SNC	France	50.00%	50.00%	-	50.00%	50.00%	-
Le Havre Lafayette SNC	France	50.00%	50.00%	-	50.00%	50.00%	-
Girardin 2 SCI	France	33.40%	33.40%	-	33.40%	33.40%	-
Société Immobilière de la Pommeraie SC	France	50.00%	50.00%	-	50.00%	50.00%	-
Kleprim's SCI	France	50.00%	50.00%	-	50.00%	50.00%	-
Celsius Le Murier SNC	France	40.00%	40.00%	-	40.00%	40.00%	-
Celsius Haven SNC	France	40.00%	40.00%	-	40.00%	40.00%	-
Lobsta & K SAS	France	50.00%	50.00%	-	50.00%	50.00%	-
Lobsta & K Serris SAS	France	50.00%	50.00%	-	50.00%	50.00%	-
Lobsta & K Boulogne SAS	France	50.00%	50.00%	-	50.00%	50.00%	-
Clivia S.p.A	Italy	50.00%	50.00%	-	50.00%	50.00%	-
CCDF S.p.A	Italy	49.00%	49.00%	-	49.00%	49.00%	-
Galleria Commerciale Porta di Roma S.p.A	Italy	50.00%	50.00%	-	50.00%	50.00%	-
Galleria Commerciale 9 S.r.l	Italy	50.00%	50.00%	-	50.00%	50.00%	-
Italian Shopping Centre Investment S.r.l	Italy	50.00%	50.00%	-	50.00%	50.00%	-
Holding Klege S.r.l	Luxembourg	50.00%	50.00%	-	50.00%	50.00%	-
Metro Senter ANS	Norway	28.05%	28.05%	-	50.00%	50.00%	-
Økern Sentrum ANS	Norway	28.05%	28.05%	-	50.00%	50.00%	-
Økern Eiendom ANS	Norway	28.05%	28.05%	-	50.00%	50.00%	-
Metro Shopping AS	Norway	28.05%	28.05%	-	50.00%	50.00%	-
Økern Sentrum AS	Norway	28.05%	28.05%	-	50.00%	50.00%	-
Nordal ANS	Norway	28.05%	28.05%	-	50.00%	50.00%	-
Klege Portugal SA	Portugal	50.00%	50.00%	-	50.00%	50.00%	-

List of consolidated companies Equity-accounted companies: significant influence	Country	% interest			% control		
		12/31/2023	12/31/2022	Change	12/31/2023	12/31/2022	Change
La Rocade SCI	France	38.00%	38.00%	-	38.00%	38.00%	-
La Rocade Ouest SCI	France	36.73%	36.73%	-	36.73%	36.73%	-
Du Plateau SCI	France	19.65%	19.65%	-	30.00%	30.00%	-
Achères 2000 SCI	France	30.00%	30.00%	-	30.00%	30.00%	-
Le Champ de Maïs SC	France	40.00%	40.00%	-	40.00%	40.00%	-
Secar SC	France	10.00%	10.00%	-	10.00%	10.00%	-
Antigaspi & K SAS	France	30.00%	30.00%	-	30.00%	30.00%	-
NEAG Boulogne SAS	France	30.00%	30.00%	-	30.00%	30.00%	-
Akmerkez Gayrimenkul Yatirim Ortakligi AS	Turkey	44.85%	44.85%	-	44.85%	44.85%	-

List of deconsolidated companies at 12/31/2022	Country	% interest		% control		Comments
		12/31/2023	12/31/2022	12/31/2023	12/31/2022	
Financière Corio SAS	France	0.00 %	100.00%	0.00 %	100.00%	Merged
Sodevac SNC	France	0.00 %	100.00%	0.00 %	100.00%	Merged
Sagep SAS	France	0.00 %	100.00%	0.00 %	100.00%	Merged
Société du bois des fenêtres SARL	France	0.00 %	20.00%	0.00 %	20.00%	Liquidated
Les Portes de Chevreuse SNC	France	0.00 %	100.00%	0.00 %	100.00%	Liquidated
Ventura SAS	France	0.00 %	50.00%	0.00 %	50.00%	Liquidated
Klépierre Caserta S.r.l	Italy	0.00 %	83.00%	0.00 %	100.00%	Liquidated

4.2 STATUTORY AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

This is a translation into English of the statutory auditors' report on the consolidated financial statements of the Company issued in French and it is provided solely for the convenience of English-speaking users.This statutory auditors' report includes information required by European regulations and French law, such as the information about the appointment of the statutory auditors or verification of the information concerning the Group presented in the management report.This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

Year ended December 31, 2023

To the Annual General Meeting of Klépierre,

Opinion

In compliance with the engagement entrusted to us by your Annual General Meeting, we have audited the accompanying consolidated financial statements of Klépierre for the year ended December 31, 2023.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group as at December 31, 2023 and of the results of its operations for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

The audit opinion expressed above is consistent with our report to the Audit Committee.

Basis for Opinion

Audit Framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the *Statutory Auditors' Responsibilities for the Audit of the Consolidated Financial Statements* section of our report.

Independence

We conducted our audit engagement in compliance with the independence requirements of the French Commercial Code *(Code de commerce)* and the French Code of Ethics for Statutory Auditors *(Code de déontologie de la profession de commissaire aux comptes)* for the period from January 1, 2023 to the date of our report and specifically we did not provide any prohibited non-audit services referred to in Article 5(1) of Regulation (EU) No. 537/2014.

Justification of Assessments - Key Audit Matters

In accordance with the requirements of Articles L. 821-53 and R. 821-180 of the French Commercial Code *(Code de commerce)* relating to the justification of our assessments, we inform you of the key audit matters relating to risks of material misstatement that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period, as well as how we addressed those risks.

These matters were addressed in the context of our audit of the consolidated financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on specific items of the consolidated financial statements.

Measurement of investment properties at fair value

Risk identified	Our response
As at December 31, 2023, as mentioned in Note 4.4.4 to the consolidated financial statements, the Group's investment properties, which are recognized at fair value, amounted to €17,299 million and investments in equity-accounted companies relating to investment properties recognized at fair value amounted to €1,183 million. The fair values used by Management are based on independent appraisals. These fair values incorporate many assumptions and estimates, in particular projected rent changes, discount rates and exit rates, estimated market rent levels, as well as recent transactions. For development assets, other factors are considered, such as projected development costs, rental stage of completion and the risks incurred until projects are completed. Determining the fair value of investment properties requires significant judgment. Therefore, given the materiality of the item in the consolidated financial statements taken as a whole and the level of judgment used in determining the fair value, the measurement of investment properties is considered to be a key audit matter. Please refer to Note 4.4 to the consolidated financial statements.	We obtained an understanding of Management's controls relating to the data used for valuations as well as the controls concerning the changes in value compared with prior periods. We tested the efficiency of the controls that we considered to be the most relevant. We assessed the competence and independence of the independent appraisers. With our specialists in real estate appraisal included in the audit team, we participated in meetings with independent appraisers, in order to understand the methodology adopted and the main assumptions used underlying the valuation of investment properties and, in particular, market trends in terms of expected rents, market yields and, for development assets, the consideration of future development costs. We examined how recent market transactions and climate matters were taken into account by the independent appraisers. We reconciled the valuations of the independent appraisers with the consolidated financial statements. We performed analytical procedures by comparing the valuations with those of prior periods, as well as the assumptions used, such as discount rates and exit rates with the relevant market data. We carried out specific procedures on investment properties whose valuation and, where applicable, variations were significant, as well as those whose assumptions and variations were unusual. In this context, together with our specialists in real estate appraisal, we assessed the main parameters used by the independent appraisers, such as projected rent changes, market rent levels, discount rates and exit rates. Interviews with Management were conducted when necessary. We also assessed the appropriateness of the information on investment properties at fair value disclosed in the notes to the consolidated financial statements.

Specific Verifications

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by laws and regulations of the information relating to the Group given in the Executive Board's management report.

We have no matters to report as to its fair presentation and its consistency with the consolidated financial statements.

We attest that the consolidated non-financial statement required by Article L. 225-102-1 of the French Commercial Code (*Code de commerce*) is included in the information relating to the Group given in the management report, it being specified that, in accordance with Article L. 823-10 of said Code, we have verified neither the fair presentation nor the consistency with the consolidated financial statements of the information contained therein. This information should be reported on by an independent third party.

Report on Other Legal and Regulatory Requirements

Format of preparation of the consolidated financial statements intended to be included in the annual financial report

We have also verified, in accordance with the professional standard applicable in France relating to the procedures performed by statutory auditors regarding the annual and consolidated financial statements prepared in the European single electronic format, that the preparation of the consolidated financial statements intended to be included in the annual financial report mentioned in Article L. 451-1-2, I of the French Monetary and Financial Code (*Code monétaire et financier*), prepared under the Executive Board's Chairman's responsibility, complies with the single electronic format defined in Commission Delegated Regulation (EU) No. 2019/815 of December 17, 2018. Regarding consolidated financial statements, our work includes verifying that the tagging thereof complies with the format defined in the above-mentioned regulation.

On the basis of our work, we conclude that the preparation of the consolidated financial statements intended to be included in the annual financial report complies, in all material respects, with the European single electronic format.

Due to the technical limitations inherent to the block-tagging of the consolidated financial statements according to the European single electronic format, the content of certain tags of the notes may not be rendered identically to the accompanying consolidated financial statements.

Furthermore, we have no responsibility to verify that the consolidated financial statements that will ultimately be included by your Company in the annual financial report filed with the AMF *(Autorité des marchés financiers)* agree with those on which we have performed our work.

Appointment of the Statutory Auditors

We were appointed as statutory auditors of Klépierre by your Annual General Meeting held on June 28, 2006 for DELOITTE & ASSOCIES and held on April 19, 2016 for ERNST & YOUNG Audit.

As at December 31, 2023, DELOITTE & ASSOCIES was in its eighteenth year of total uninterrupted engagement and ERNST & YOUNG Audit was in its eighth year.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the European Union and for such internal control as Management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is expected to liquidate the Company or to cease operations.

The Audit Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risk management systems and where applicable, its internal audit, regarding the accounting and financial reporting procedures.

The consolidated financial statements were approved by the Executive Board.

Statutory Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Objectives and audit approach

Our role is to issue a report on the consolidated financial statements. Our objective is to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users made on the basis of these consolidated financial statements.

As specified in Article L. 821-55 of the French Commercial Code (*Code de commerce*), our statutory audit does not include assurance on the viability of the Company or the quality of management of the affairs of the Company.

As part of an audit conducted in accordance with professional standards applicable in France, the statutory auditor exercises professional judgment throughout the audit and furthermore:

- Identifies and assesses the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for his opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management in the consolidated financial statements.
- Assesses the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of his audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the statutory auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the consolidated financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein.
- Evaluates the overall presentation of the consolidated financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtains sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. The statutory auditor is responsible for the direction, supervision and performance of the audit of the consolidated financial statements and for the opinion expressed on these consolidated financial statements.

Report to the Audit Committee

We submit to the Audit Committee a report which includes in particular a description of the scope of the audit and the audit program implemented, as well as the results of our audit. We also report significant deficiencies, if any, in internal control regarding the accounting and financial reporting procedures that we have identified.

Our report to the Audit Committee includes the risks of material misstatement that, in our professional judgment, were of most significance in the audit of the consolidated financial statements of the current period and which are therefore the key audit matters that we are required to describe in this report.

We also provide the Audit Committee with the declaration provided for in Article 6 of Regulation (EU) No. 537/2014, confirming our independence within the meaning of the rules applicable in France as set out in particular in Articles L. 821-27 to L. 821-34 of the French Commercial Code *(Code de commerce)* and in the French Code of Ethics for Statutory Auditors *(Code de déontologie de la profession de commissaire aux comptes)*. Where appropriate, we discuss with the Audit Committee the risks that may reasonably be thought to bear on our independence, and the related safeguards.

Paris-La Défense, March 7, 2024

The Statutory Auditors

French original signed by

DELOITTE & ASSOCIES		ERNST & YOUNG Audit
Damien Leurent	Jean-Vincent Coustel	Gilles Cohen

4.3 COMPANY FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2023

4.3.1 Balance sheet

4.3.1.1 Assets

		12/31/2023			12/31/2022
In thousands of euros	Notes	Gross	Depreciation, amortization and impairment	Net	Net
NON-CURRENT ASSETS					
Intangible assets	**3.1**	**193,354**	**193,354**	**-**	**-**
Property, plant and equipment	**3.1**	**313,632**	**106,582**	**207,050**	**214,345**
Land		53,657	5,791	47,866	47,870
Buildings and fixtures		207,349	100,396	106,954	105,278
Other		51,798	396	51,402	51,457
Property, plant and equipment in progress		828	-	828	9,740
Financial assets	**3.2**	**13,881,875**	**1,858,685**	**12,023,189**	**12,883,404**
Investments	3.2.1	10,151,735	1,801,720	8,350,015	8,059,165
Loans and advances to equity investments	3.2.2	3,729,961	56,786	3,673,175	4,824,239
Other long-term investments		179	179	-	-
TOTAL NON-CURRENT ASSETS – TOTAL I		**14,388,861**	**2,158,621**	**12,230,239**	**13,097,749**
CURRENT ASSETS					
Advances and prepayments to suppliers		**6,725**	**-**	**6,725**	**6,637**
Receivables	**3.3**	**27,851**	**5,087**	**22,764**	**17,544**
Trade accounts and notes receivable		22,305	5,032	17,273	14,888
Other		5,546	55	5,490	2,656
Marketable securities and treasury shares	**3.4**	**111,229**	**-**	**111,229**	**28,580**
Cash and cash equivalents	**3.5**	**220,607**	**-**	**220,607**	**146,291**
Prepaid expenses	**3.6**	**11,198**	**-**	**11,198**	**7,617**
TOTAL CURRENT ASSETS – TOTAL II		**377,610**	**5,087**	**372,523**	**206,669**
Deferred expenses (III)	**3.6**	**23,035**	**-**	**23,035**	**23,731**
Loan issue premiums (IV)	**3.6**	**67,307**	**-**	**67,307**	**25,343**
Currency translation adjustment – Assets (V)		**194**	**-**	**194**	**-**
GRAND TOTAL (I+II+III+IV+V)		**14,857,006**	**2,163,708**	**12,693,298**	**13,353,493**

4.3.1.2 Shareholders' equity and liabilities

In thousands of euros	Notes	12/31/2023	12/31/2022
SHAREHOLDERS' EQUITY	**4.1**		
Share capital (of which paid-up: 401,606)		401,606	401,606
Additional paid-in capital (from share issues, mergers and contributions)		3,344,909	3,585,902
Legal reserve		44,010	44,010
Retained earnings		1,440	(86,930)
Net Income		**485,736**	**346,879**
TOTAL SHAREHOLDERS' EQUITY – TOTAL I		**4,277,701**	**4,291,467**
Provisions for contingencies and losses	**4.2**	**35,571**	**31,649**
Provision for contingencies		35,526	31,649
Provision for losses		45	-
TOTAL PROVISIONS FOR CONTINGENCIES AND LOSSES – TOTAL II		**35,571**	**31,649**
LIABILITIES			
Loans and borrowings	**4.3**	**8,343,400**	**8,996,190**
Bonds		5,349,144	5,624,965
Bank loans and borrowings		480,488	79,650
Other loans and borrowings		2,513,768	3,291,575
Due on trade receivables		**2,718**	**3,526**
Operating payables		**17,112**	**18,043**
Trade payables	4.4	11,997	12,307
Accrued taxes and payroll costs	4.5	5,115	5,736
Other payables		**1,242**	**3,890**
Due to suppliers of property and equipment		2	2
Other		1,239	3,888
Prepaid income		**1,027**	**1,385**
TOTAL LIABILITIES – TOTAL III		**8,365,498**	**9,023,034**
Currency translation adjustment – Liabilities (IV)	**4.6**	**14,529**	**7,343**
GRAND TOTAL (I+II+III+IV)		**12,693,298**	**13,353,493**

4.3.2 Income statement

In thousands of euros	Notes		2023	2022
OPERATING INCOME				
Rental income			29,444	31,636
• *Property rentals*			*21,409*	*24,501*
• *Costs recharged to tenants*			*8,035*	*7,135*
Fees			997	855
Reversals of depreciation, impairment, provisions, and expense transfers			4,085	6,410
Other income			1,593	900
		TOTAL I	**36,119**	**39,801**
OPERATING EXPENSES				
Purchases and external charges			(24,343)	(22,549)
Taxes other than on income			(2,436)	(2,496)
Wages and salaries			(3,210)	(3,104)
Payroll taxes			(3,268)	(1,093)
Depreciation, amortization, impairment and provisions				
• *Depreciation and amortization of non-current assets and deferred expenses*			*(8,059)*	*(8,590)*
• *Impairment of non-current assets*			*(39)*	*(7,855)*
• *Impairment of current assets*			*(1,015)*	*(1,805)*
• *Provision for contingencies and losses*			*(1,334)*	*(776)*
Other expenses			(1,371)	(2,252)
		TOTAL II	**(45,075)**	**(50,521)**
Net operating income/(expense) (I+II)	**5.1**		**(8,956)**	**(10,720)**
SHARE OF INCOME FROM JOINT OPERATIONS	**5.2**			
Profits allocated or losses transferred		**III**	**116,527**	**122,846**
Losses incurred or profits transferred		**IV**	**(23,220)**	**(17,192)**
FINANCIAL INCOME	**5.3.1**			
From investments in subsidiaries and affiliates			746,401	399,460
Other interest income			13,839	6,824
Reversals of provisions and expense transfers			23,064	106,810
Foreign exchange gains			-	2,130
Net income from disposals of marketable securities			264	-
		TOTAL V	**783,568**	**515,224**
FINANCIAL EXPENSES	**5.3.2**			
Depreciation, amortization and impairment			(223,591)	(160,643)
Interest expense			(158,664)	(92,574)
Foreign exchange losses			(1,288)	(2,112)
		TOTAL VI	**(383,543)**	**(255,329)**
Net financial income (V+VI)			**400,025**	**259,895**
Net income from ordinary operations before tax (I+II+III+IV+V+VI)			**484,375**	**354,829**
NON-RECURRING INCOME				
On management transactions			67	-
On capital transactions			61,487	16,064
Reversals of provisions and expense transfers			188,738	24,588
		TOTAL VII	**250,292**	**40,652**
NON-RECURRING EXPENSES				
On management transactions			145	(145)
On capital transactions			(248,593)	(49,382)
		TOTAL VIII	**(248,448)**	**(49,527)**
Net non-recurring income/(expense) (VII-VIII)	**5.4**		**1,844**	**(8,876)**
Employee profit-sharing		**IX**	**-**	**-**
Income tax	**5.5**	**X**	**(484)**	**926**
Total income (I+III+V+VII)			**1,186,506**	**718,522**
Total expenses (II+IV+VI+VIII+IX+X)			**(700,770)**	**(371,643)**
NET INCOME			**485,736**	**346,879**

4.3.3 Notes to the Company financial statements

Klépierre SA is a French joint-stock corporation (*société anonyme*) listed on compartment A of Euronext Paris. The Company's registered office is located at 26, boulevard des Capucines, 75009, Paris.

The Company financial statements were authorized for issue by the Executive Board on February 13, 2024.

The fiscal year runs from January 1 to December 31, 2023 (12 months).

The following notes are an integral part of the Company financial statements.

The Company financial statements and accompanying notes are presented in thousands of euros unless otherwise stated.

NOTE 1 SIGNIFICANT EVENTS

1.1 CHANGES IN NET DEBT

During 2023, Klépierre SA took out bilateral bank loans denominated in Euro and Yen representing a total amount of €395.6 million, and tapped three existing bonds maturing between 2029 and 2032 in an amount of €250 million. The proceeds from these loans were used to redeem €523.7 million in senior bonds in April, and to reduce the outstanding amount of commercial paper by €319.4 million.

1.2 DISPOSAL OF A REAL ESTATE ASSET IN METZ

On March 30, 2023, Klépierre S.A. sold a real estate asset located in Metz for €3.2 million.

1.3 SALES OF SHARES

On June 16, 2023, Klépierre sold its shares in Luxembourg-based Reluxco International S.A., together with the associated shareholder loans, to Dutch subsidiary Capucine B.V.

1.4 LEGAL RESTRUCTURING

Liquidation

On November 24, 2023, Les Portes de Chevreuse SNC, which was no longer active, was liquidated.

Asset and liability transfers ("TUP")

The following companies were dissolved without liquidation:

- June 12, 2023: Financière Corio SAS, with retroactive tax effect as of January 1, 2023;
- November 23, 2023: Sodevac SNC, without retroactive tax effect, and SAGEP SAS, with retroactive tax effect as of January 1, 2023.

All of these transactions were completed under the ordinary corporate income tax regime.

NOTE 2 SIGNIFICANT ACCOUNTING PRINCIPLES

2.1 APPLICATION OF ACCOUNTING POLICIES

The Company financial statements were prepared in accordance with the French Commercial Code (*Code de commerce*), the French General Chart of Accounts (*Plan comptable général*) in force (ANC Regulation no. 2014-03 as updated to include all subsequent amendments), French law and French generally accepted accounting principles.

Generally accepted accounting principles were applied in accordance with the principle of prudence, the accrual basis of accounting and on a going concern basis.

2.2 CHANGES IN ACCOUNTING RULES AND METHODS

There were no changes in accounting methods or estimates during the year.

2.3 RECOGNITION AND MEASUREMENT METHODS

The Company applies the historical cost convention to measure and recognize assets. Property, plant and equipment and intangible assets are recognized as assets when both of the following conditions have been met:

- It is probable that the future economic benefits associated with the asset will flow to the entity;
- Their cost or value can be measured reliably.

At the recognition date, asset values are measured either at acquisition cost or cost of construction.

2.3.1 Intangible assets

Intangible assets primarily comprise technical losses allocated to "Business goodwill", and are written down in the event of impairment. Impairment recognized cannot be reversed.

2.3.2 Property, plant and equipment

This caption mainly comprises real estate assets held by the Company (principally shopping centers and adjacent land).

Gross value of property, plant and equipment

Real estate assets are recorded on the balance sheet at acquisition cost, contribution value or cost of construction or restructuring, based on the manner in which they are acquired. Gross value includes acquisition costs (transfer taxes, fees, commissions, legal and administrative fees). Interest and other expenses relating specifically to the development of property, plant and equipment is capitalized in the acquisition cost.

Acquisition cost also includes eviction indemnities paid to tenants when their departure is necessitated by building renovation, reconstruction and restructuring work.

In accordance with ANC Regulation no. 2014-03, the component approach is used, where the gross value of real estate assets (other than land) is allocated to four separate components, based on the following percentages:

Components	Shopping center properties
Structures	50%
Facades	15%
General and technical installations	25%
Fittings	10%

As these scales were based on assumed "as new" values, a multiplier was applied at first-time adoption depending on the age of the individual asset components. The same method has been applied to all subsequently acquired or contributed real estate assets.

Depreciation

Real estate assets are depreciated on a straight-line basis over the useful life of each component. Land is not depreciated. Based on French Federation of Real Estate Companies (FSIF) studies, the depreciation periods used are as follows:

Components	Depreciation periods (straight-line basis)
Structures	35 to 50 years
Facades	25 years
General and technical installations	20 years
Fittings	10 to 15 years

No residual value is provided for on the assets currently held.

Impairment of real estate assets

When the carrying amount of real estate assets exceeds estimated present value, an impairment loss is recognized to write down the carrying amount to present value. Present value corresponds to fair value or value in use. Impairment is first recognized against non-depreciable components. Where applicable, any technical losses allocated for accounting purposes to the related components are taken into consideration.

The fair value of real estate assets corresponds to the market value excluding transfer taxes at the reporting date, as determined by independent real estate appraisers or internally, with the exception of assets acquired within the past six months whose fair value is estimated only in the event of a loss in value. The fair value of assets covered by an agreement to sell (*promesse de vente*) is appraised at the selling price net of disposal costs.

Accordingly, since these are by nature estimates, the disposal price for certain real estate assets may differ from the appraised values, even where it occurs within a few months of the reporting date.

2.3.3 Non-current financial assets

Non-current financial assets mainly comprise:

- Equity investments held by Klépierre SA in companies directly or indirectly holding real estate assets;
- Advances to equity investments;
- Treasury shares recognized.

This item also includes merger losses and share cancellation premiums arising on unrealized gains on shares.

Equity investments

Equity investments are recognized on the balance sheet at cost, contribution value or subscription value. Acquisition costs (transfer taxes, professional, legal and administrative fees) are expensed as incurred and are not included in the carrying amount of the shares.

When the value in use is lower than the carrying value plus the technical losses allocated for accounting purposes to equity investments, an impairment loss is booked first against the merger loss and subsequently against the equity investment. The value in use is determined on a multi-criteria basis taking into account the subsidiaries' net asset value and profitability outlook.

The net asset value of real estate companies is estimated based on external appraisals conducted by independent real estate appraisers, internal appraisals, or based on the value of sale commitments, in the same manner as for directly-held properties (see impairment of real estate assets).

The carrying amount of management company shares is remeasured at each reporting date by an independent appraiser using the discounted future cash flows method.

Advances to equity investments

Loans and advances to equity investments held by Klépierre SA are recognized at face value and may be written down in the event that there is a risk of non-recovery. The Company takes account of the characteristics of the advance granted, the ability of the subsidiary to reimburse the advance, and its future prospects as appropriate. Advances to equity investments are written down only where the corresponding shares have already been written down in full.

Treasury shares

Treasury shares are recognized at cost under non-current financial assets, except for treasury shares acquired in the context of employee share grants or for market-making purposes, which are shown in marketable securities.

An impairment loss is recognized if the average share price for the last month of the fiscal year is lower than the acquisition value, except for treasury shares held for cancellation as part of a capital decrease, and for shares allocated to employee share grants, which are never written down.

2.3.4 Receivables

Receivables are recognized at face value.

The Company conducts a line-by-line analysis of trade receivables to assess counterparty risk.

An allowance is recognized against trade receivables where there is a risk of non-recovery, assessed on a multi-criteria basis taking into account the age of the receivables, their nature, the status of any ongoing recovery procedures, and the quality of any guarantees held. The amount of the allowance is calculated with or without deduction of security deposits further to the contract-by-contract risk assessment. Note 2.5 sets out the accounting treatment applied to receivables denominated in foreign currency.

Other receivables include balancing payments on swaps and deferred premiums paid further to the cancellation or restructuring of derivative hedging instruments (see note 2.4 for additional disclosures).

2.3.5 Marketable securities

Marketable securities are recognized at cost. Marketable securities comprise term deposits and treasury shares other than those classified as non-current financial assets.

They are held mainly to cover performance share plans or for the purposes of promoting the liquidity of Klépierre shares. Marketable securities are written down when their acquisition value exceeds fair value, determined by reference to the average stock market price for the last month of the fiscal year. For further information, see section 2.3.3 on treasury shares.

2.4 ACCOUNTING METHODS – LIABILITIES AND EQUITY

2.4.1 Borrowings

Borrowings and other financial liabilities are recognized at their reimbursement face value, including accrued interest not yet due. Note 2.5 sets out the accounting treatment applied to borrowings denominated in foreign currency.

2.4.2 Bond issue costs

Bond issue costs and premiums, and commissions and fees relating to bank loans are recognized under assets and taken to income on a straight-line basis over the term of the underlying agreement.

2.4.3 Forward financial instruments and hedging transactions

Derivative instruments – hedging transactions

Klépierre SA subscribes to various derivative contracts such as interest rate and currency swaps and interest rate caps to reduce the exposure of the Company's earnings, cash flows and equity to interest rate and currency fluctuations.

Klépierre SA applies the hedge accounting principles set out in the French General Chart of Accounts (Articles 628-6 to 628-17) and ANC Regulation no. 2014-03 as amended.

Hedging costs (option premiums, balancing payments and other costs) are recognized to match the gains and losses on the hedged item over the respective terms of each hedge.

Gains and losses arising on hedging transactions are recognized in the income statement to match the recognition of income and expenses of the hedged item. Gains and losses on forward financial instruments (swaps) contracted for the purpose of hedging exposure to changes in interest rates are taken to income at a rate that matches the recognition of the interest expense on the hedged borrowings.

Gains and losses on hedging instruments are classified in the same way as the hedged item and under the same income statement classification (operating or financial income and expenses).

Unrealized gains and losses on hedging transactions arising on the difference between the estimated market value of hedging agreements and their carrying amount at the reporting date are only recognized where doing so ensures matching treatment with the hedged item.

The value in use of an investment in a foreign operation may be hedged up to the equivalent value of the carrying amount in foreign currency. The impact of hedging is taken into account in the calculation of impairment losses on shares.

Gains and losses on foreign exchange derivatives arranged in connection with the hedging of foreign currency loans are taken to income over the hedging period to match gains and losses on the hedged item.

Derivative instruments – transactions not meeting the eligibility criteria for hedge accounting

Transactions that are not eligible for hedge accounting are treated for accounting purposes as "isolated open positions", in accordance with Article no. 628-18 of the French General Chart of Accounts. Gains and losses arising on these transactions are immediately recognized in the income statement, in financial income and expenses.

Any unrealized gains and losses arising on the difference between the estimated market value of the agreements and their carrying amount at the reporting date are recognized in financial income and expenses, with a contra-entry to provisions. Pursuant to the prudence principle, unrealized gains are not taken to income regardless of the market on which the instrument is traded.

Interest income and expense on these transactions is recognized in financial income and expenses.

2.4.4 Employee benefits

In accordance with Recommendation no. 2013-02 of November 7, 2013, as amended in November 2021, pension obligations are provided for in full (preferred method) and are valued in accordance with the recommended method in IAS 19 (revised). This is the same accounting treatment that is applied in the consolidated financial statements. As the Company has no employees, no commitment is calculated at the level of the parent.

2.5 CURRENCY TRANSLATION ADJUSTMENTS – TRANSACTIONS DENOMINATED IN FOREIGN CURRENCY

Receivables and payables denominated in foreign currency are translated at the period end and recognized in local currency based on the latest exchange rate published by Banque de France.

If the application of the exchange rate on the reporting date changes the previously-recognized local currency amounts, any translation differences are recorded under currency translation adjustments.

Unrealized gains ("Currency translation adjustment – liabilities") are not recognized in income but are recorded under liabilities, whereas a provision for contingencies ("Currency translation adjustment – assets") is set aside for unrealized losses to the extent of the unhedged risk.

Payments related to these receivables and payables are compared to the original historical values and give rise to the recognition of foreign exchange gains and losses. These gains and losses are not offset.

2.6 ACCOUNTING METHODS – INCOME STATEMENT

2.6.1 Operating income and expenses related to the leasing business

Operating income and expenses mainly comprise rents and rebilled expenses. Rents are recognized on a straight-line basis over the term of the lease. Service charges are invoiced to tenants based on the approved budget, and adjusted once the settlement of service charges is realized.

Step-up rents and rent-free periods

Step-up rents and rent-free periods are recognized on a straight-line basis over the reference period. The reference period adopted is the first non-cancelable lease term.

Early termination penalties

Tenants who terminate leases prior to the contractual expiration date are liable to pay early termination penalties, which are credited to income for the period in which they are recognized.

Key money

Key money paid by tenants is recognized over the first non-cancelable lease term.

Letting fees

Letting, re-letting and renewal fees are recognized as expenses for the fiscal year.

Recognition of income from fixed assets passed on to tenants

Income from fixed assets passed on to tenants is recognized over the non-cancelable lease term to the extent that the annual amount exceeds €0.6 million per property.

2.6.2 Mergers and similar transactions

Gains and losses arising on merger transactions are determined as the difference between the net financial position of the merged entity and the carrying amount of the shares in the balance sheet of the parent entity.

Technical surpluses

Any gains from these transactions are recognized in financial income to the extent of the share in the merged entity's accumulated retained earnings since the acquisition of its shares. Any surpluses are taken to equity.

Technical losses

Losses arising on mergers that cannot be justified by unrealized gains that are not recognized in the financial statements of the merged entity are recognized in financial income and expenses.

Technical losses corresponding to unrealized and unrecognized gains are recognized under other property, plant and equipment, intangible assets, non-current financial assets or in a current asset account based on the classification of the unrealized gains on the underlying transferred assets. Technical losses are subject to the same depreciation, amortization and impairment rules as the underlying asset to which they are allocated.

2.6.3 Tax regime adopted by the Company

Klépierre SA has elected to be taxed under the French real estate investment company (*Sociétés d'investissement immobilier cotées* – SIIC) tax regime in accordance with the terms of Article 208 C of the French Tax Code.

As such, it is exempt from corporate income tax on:

- Earnings from rental properties, provided that 95% of such earnings are distributed to shareholders before the end of the fiscal year that follows the year in which they are generated;
- Capital gains from the sale of property, investments in partnerships with a corporate purpose identical to that of a SIIC or shareholdings in subsidiaries having elected for SIIC regime, provided that 70% of these capital gains are distributed to shareholders before the end of the second fiscal year following the year in which they are generated;
- Dividends received (i) from subsidiaries having elected for SIIC status where these dividends arise as a result of profits and/or capital gains that are exempt from corporate income tax under the SIIC regime, or (ii) from subsidiaries outside France subject to a tax regime that is comparable to SIIC status, provided that they are redistributed during the fiscal year following the year in which they are generated.

The Company is subject to income tax under the conditions of ordinary law on its other income (including financial income, dividends from French or foreign subsidiaries not subject to SIIC rules or a comparable regime outside of France, and its real estate management activity carried out through pass-through subsidiaries).

NOTE 3 BALANCE SHEET ASSETS

3.1 INTANGIBLE ASSETS AND PROPERTY, PLANT AND EQUIPMENT

3.1.1 Gross non-current assets

In thousands of euros	Gross amount at 12/31/2022	Acquisitions, new businesses and contributions	Disposals, retirement of assets	Inter-item transfers	Gross amount at 12/31/2023
INTANGIBLE ASSETS					
Technical merger loss	184,564	-	-	-	184,564
Other	8,790	-	-	-	8,790
Total	**193,354**	**-**	**-**	**-**	**193,354**
PROPERTY, PLANT AND EQUIPMENT					
Land	61,042	-	(7,385)	-	53,657
Structures	119,951	-	(13,837)	32	106,145
Facades, cladding and roofing	27,539	-	(4,580)	321	23,280
General and technical installations	49,732	-	(9,731)	1,305	41,306
Fittings	32,656	-	(5,532)	9,493	36,618
Technical loss on land and structures	51,763	-	-	-	51,763
Other	34	-	-	-	34
Property, plant and equipment in progress	9,740	3,014	(775)	(11,151)	828
Total	**352,458**	**3,014**	**(41,840)**	**-**	**313,632**
TOTAL GROSS NON-CURRENT ASSETS	**545,811**	**3,014**	**(41,840)**	**-**	**506,986**

The amount of €184.6 million in technical merger losses corresponds to the unallocated portion of the technical merger loss resulting from the merger of Corio NV, which was written down in full in 2015.

Technical merger losses allocated to land and structures

Transaction	Date	Underlying assets transferred in the merger or transfer of assets and liabilities	Gross amount
Merger Centre Jaude	06/08/2015	Real estate asset (Centre Jaude shopping center)	46,342
Merger Carré Jaude 2	07/31/2015	Real estate asset (Carré Jaude 2 shopping center)	1,459
Merger Corio SAS	03/13/2017	Real estate asset (Saint-Étienne Centre Deux shopping center)	3,963
TOTAL			**51,763**

3.1.2 Depreciation, amortization and impairment

In thousands of euros	Depreciation and amortization at 12/31/2022	Additions	Disposals	Inter-item transfers	Depreciation and amortization at 12/31/2023
INTANGIBLE ASSETS					
Technical merger loss	184,564	-	-	-	184,564
Other	8,790	-	-	-	8,790
Total	**193,354**	**-**	**-**	**-**	**193,354**
PROPERTY, PLANT AND EQUIPMENT					
Structures	45,792	2,575	(3,130)	-	45,237
Facades, cladding and roofing	14,151	845	(2,099)	-	12,897
General and technical installations	29,235	2,025	(5,342)	-	25,918
Fittings	17,362	2,141	(3,159)	-	16,344
Technical loss on land and structures	321	55	-	-	377
Other	19	-	-	-	19
Total	**106,880**	**7,641**	**(13,730)**	**-**	**100,791**
TOTAL DEPRECIATION AND AMORTIZATION	**300,234**	**7,641**	**(13,730)**	**-**	**294,145**

In thousands of euros	Impairment at 12/31/2022	Additions	Reversals	Inter-item transfers	Impairment at 12/31/2023
PROPERTY, PLANT AND EQUIPMENT					
Land	13,172	39	(7,420)	-	5,791
Structures	18,060	-	(18,060)	-	-
TOTAL IMPAIRMENT	**31,232**	**39**	**(25,480)**	**-**	**5,791**
TOTAL DEPRECIATION, AMORTIZATION AND IMPAIRMENT	**331,466**	**7,680**	**(39,211)**	**-**	**299,936**

3.1.3 Net non-current assets

In thousands of euros	Net amount at 12/31/2022	Increases net of depreciation, amortization and impairment	Decreases net of reversals	Inter-item transfers	Net amount at 12/31/2023
INTANGIBLE ASSETS					
Technical merger loss	-	-	-	-	-
Other	-	-	-	-	-
Total	**-**	**-**	**-**	**-**	**-**
PROPERTY, PLANT AND EQUIPMENT					
Land	47,870	(39)	35	-	47,866
Structures	56,099	(2,575)	7,352	32	60,908
Facades, cladding and roofing	13,388	(845)	(2,480)	321	10,383
General and technical installations	20,497	(2,025)	(4,389)	1,305	15,388
Fittings	15,294	(2,141)	(2,372)	9,493	20,274
Technical loss on land and structures	51,442	(55)	-	-	51,387
Other	15	-	-	-	15
Property, plant and equipment in progress	9,740	3,014	(775)	(11,151)	828
Total	**214,345**	**(4,666)**	**(2,629)**	**-**	**207,050**
TOTAL NET NON-CURRENT ASSETS	**214,345**	**(4,666)**	**(2,629)**	**-**	**207,050**

3.2 NON-CURRENT FINANCIAL ASSETS

3.2.1 Equity investments

In thousands of euros	Gross equity investments at 12/31/2022	Acquisitions of shares and capital increases	Disposals of shares and capital decreases	Cancellation of shares	Gross equity investments at 12/31/2023
NON-CURRENT FINANCIAL ASSETS					
Impairment of equity investments	9,850,673	686,159	(309,427)	(75,670)	10,151,735
TOTAL GROSS EQUITY INVESTMENTS	**9,850,673**	**686,159**	**(309,427)**	**(75,670)**	**10,151,735**

"Acquisitions of shares and capital increases" mainly corresponds to subscriptions to capital increases by offsetting receivables, notably:

- In Spain: Klépierre Vallecas S.A.U. for €104.1 million, Klépierre Plenilunio SOCIMI S.A.U. for €91.5 million, Klécar Foncier España S.L.U. for €41.4 million, Klépierre Real Estate España S.L.U. for €37.3 million and SC Nueva Condo Murcia S.L.U. for €32.7 million;
- In the Netherlands: Klépierre Nederland B.V. for €160 million and Capucine B.V. for €90.3 million;
- In France: Kle 1 SAS for €54 million and Klépierre Grand Littoral SAS for €52.8 million.

"Disposals of shares and capital decreases" mainly correspond to:

- The disposal of shares in Reluxco International S.A. for €122.1 million (see note 1.4);
- Capital decreases and distributions of premiums by Klémurs SAS for €134 million and Portes de Claye SCI for €30.3 million.

"Cancellation of shares" corresponds to shares in:

- Financière Corio SAS, Sodevac SNC and SAGEP SAS for a total of €59.4 million (see note 1.4);
- Les Portes de Chevreuse SNC for €16.3 million (see note 1.4).

Impairment of equity investments

In thousands of euros	Impairment at 12/31/2022	Additions	Reversals	Mergers	Impairment at 12/31/2023
NON-CURRENT FINANCIAL ASSETS					
Impairment of equity investments	1,791,508	192,512	(153,282)	(29,018)	1,801,720
TOTAL IMPAIRMENT	**1,791,508**	**192,512**	**(153,282)**	**(29,018)**	**1,801,720**

"Impairment of equity investments" mainly corresponds to:

- Impairment losses on the shares of:
  - Klépierre Nederland B.V. for €68.2 million,
  - Klémurs SAS for €34.7 million;
- Reversals of impairment losses on the shares of:
  - Reluxco International S.A. for €122.1 million (see note 1.4),
  - Les Portes de Chevreuse SNC for €16.3 million (see note 1.4).

Financial information on subsidiaries and investments

Financial information on subsidiaries and investments *In thousands of euros*	Share capital*	Shareholders equity other than share capital and net income*	% interest	Net income at year end	Pre-tax revenues	Gross book value	Net book value	Guarantees and sureties given	Loans and advances granted	Dividends received
1. SUBSIDIARIES MORE THAN 50% OWNED										
Ayam SNC	3	-	90	319	-	8,029	4,058	-	507	-
Bègles d'Arcins SCS	26,679	32,854	52	9,099	19,544	44,991	44,991	-	12,369	-
Caetoile SNC	3	38,365	90	7,286	11,315	152,582	147,671	-	-	7,475
Capucine BV	50,902	399,651	100	34,070	-	606,235	606,235	-	-	-
Cécoville SAS	3,520	210,235	100	2,657	29,335	281,097	281,097	-	-	22,652
Centre Bourse SNC	3,813	-	100	(4,391)	3,025	47,419	5,406	-	26,187	-
Centre Deux SNC	3	34,106	91	1,623	6,846	89,845	52,985	-	-	2,721
Dense SNC	3	30,999	91	3,571	7,557	94,725	94,725	-	-	3,917
Galerie du livre SAS	76	1,981	100	106	156	6,309	5,189	-	-	-
Galleria Commerciale Klépierre SRL	1,560	31,712	100	22	2,776	41,052	27,931	-	2,800	-
Galeries Drancéennes SNC	4	600	100	1,243	4,297	58,341	18,344	-	8,962	-
Gondobrico SA	3,322	379	100	553	1,069	3,516	3,516	-	1,462	474
Le Havre Colbert SNC	80	9,947	100	746	1,668	10,026	10,026	-	1,840	-
Holding Gondomar 1 SAS	5,504	31,530	100	3,989	6,759	72,328	72,328	-	-	5,252
KLE 1 SAS	11,725	106,277	100	9,777	144	171,148	171,148	-	-	7,993
Klecab SCI	450	1,350	100	(115)	498	1,800	1,800	-	763	-
Klé Projet 1 SAS	4,583	20,960	100	(3,647)	1,202	43,423	31,544	-	-	-
Klecar Foncier España SL	250	43,145	100	9,498	14,562	234,171	211,785	235	-	6,169
Klecar Foncier Iberica SL	251	3,276	100	736	325	46,316	7,068	-	-	-
Klécar France SNC	333,086	-	83	38,239	1,663	455,060	455,060	-	-	-
Klécar Participations Italie SAS	20,456	2,057	83	517	-	17,587	17,587	-	33,943	444
Klémurs SAS	18,253	14,681	100	6,271	6,218	104,942	45,336	-	-	38,517
Klépierre Alpes SAS	186	93,157	100	9,068	18,311	279,761	234,886	-	-	10,268
Klépierre Conseil SAS	1,108	5,622	100	284	63	7,934	7,934	-	122	116
Klépierre Créteil SCI	33,238	45,785	100	3,643	6,542	102,229	83,898	-	-	-
Klépierre Échirolles SNC	28,173	(10,856)	100	(2,954)	1,704	34,736	14,482	-	41,000	-
Klépierre et Cie SNC	503	10,128	100	1,610	-	40,205	34,474	-	-	-
Klépierre Finance SAS	38	(59)	100	2,030	567	1,599	1,599	-	-	-
Klépierre Foncier Macedonia SA	190	(12,769)	100	348	1,449	1,999	-	-	18,958	-
Klépierre Grand Littoral SAS	122,183	(13,949)	100	(5,679)	15,344	412,871	106,084	-	-	-
Klépierre Italia SRL	62,390	330,824	100	(37,752)	-	1,144,425	1,144,425	-	1,196,061	-
Klépierre Management Belgique	65	506	100	223	2,724	397	397	-	-	-
Klépierre Management Ceska Republika s.r.o.*	121	9	100	(267)	3,088	10,500	9,400	-	-	-
Klépierre Management Deutschland GmbH	25	1,512	100	379	11,626	25	25	-	13,720	-
Klépierre Management España SL	205	148	100	2,318	13,642	37,862	37,862	-	-	237
Klépierre Management Hellas SA	48	(635)	100	(219)	172	1,597	-	-	608	-
Klépierre Management Polska Sp. z o.o.*	12	850	100	317	3,628	10,900	10,100	-	-	-
Klépierre Management Portugal SA	200	614	100	1,124	3,583	16,965	11,100	-	-	-
Klépierre Management SNC	1,682	11,146	100	(6,360)	92,895	136,473	136,473	1,521	-	-

Financial information on subsidiaries and investments *In thousands of euros*	**Share capital***	**Shareholders equity other than share capital and net income***	**% interest**	**Net income at year end**	**Pre-tax revenues**	**Gross book value**	**Net book value**	**Guarantees and sureties given**	**Loans and advances granted**	**Dividends received**
Klépierre Massalia SAS	10,864	(12,507)	100	(109)	-	13,208	-	-	16,590	-
Klépierre NEA Efkarpia SA	90	(37)	100	64	268	240	147	-	1,657	-
Klépierre Nederland B.V.	136,182	1,243,027	100	5,525	-	2,048,564	1,301,292	-	194,006	-
Klépierre Nordica B.V.	377,640	323,512	100	1,269	-	675,657	675,657	-	-	-
Klépierre Perivola Patras SA	674	1,654	100	1,054	381	675	675	-	2,762	-
Klépierre Plenilunio Socimi SA	5,000	134,153	100	20,480	27,697	326,008	326,008	-	-	17,506
Klépierre Procurement International SNC	3,693	-	100	342	(202)	3,693	3,693	-	-	-
Klépierre Real Estate España SL	54,437	49,246	100	(1,673)	12,599	299,382	168,789	-	-	2,784
Klépierre Vallecas SA	60	173,714	100	20,648	27,436	353,024	353,024	-	-	17,595
Klé Start SAS	5	(374)	100	(458)	173	861	-	-	707	-
Los Prados Real Estate SL	3	-	100	-	-	3	-	-	-	-
Maya SNC	3	-	90	968	-	33,596	21,876	-	2,567	-
Mob SCI	4,650	(1,488)	100	36	114	8,754	3,638	-	-	-
Nancy Bonsecours SCI	3,054	3,053	100	(1,481)	-	6,565	6,106	-	2,292	-
Nueva Condo Murcia SLU	6,949	139,188	100	25,458	24,377	206,784	206,784	-	-	12,300
Odysseum Place de France SNC	97,712	-	100	8,572	24,927	123,417	123,417	1,495	84,086	-
Pasteur SC	227	(7,988)	100	(221)	2,971	2,091	-	-	22,062	-
Portes de Claye SCI	42,579	129,001	55	(9,995)	14,289	94,369	94,369	-	-	-
Principe Pio Gestion SA	7,212	43,332	100	6,288	13,221	188,262	145,370	-	-	6,174
Progest SAS	8,114	32,225	100	7,735	1,095	123,188	123,188	-	-	7,369
Saint-Maximin Construction SCI	2	-	55	53	56	524	308	-	-	-
Sanoux SCI	14	(9,442)	75	(695)	7,098	-	-	-	38,541	-
SCOO SC	25,215	342,100	54	18,091	53,595	207,856	207,856	-	-	-
Sécovalde SCI	12,189	115,929	55	30,830	56,723	92,482	92,482	-	44,796	-
Soaval SCS	4,501	33,343	99	10,746	28,289	42,046	42,046	-	21,488	-
TOTAL I				**233,809**	**589,404**	**9,682,670**	**8,045,694**	**3,251**	**1,790,856**	**169,963**
2. INVESTMENTS BETWEEN 10% AND 50% OWNED										
Akmerkez Gayrimenkul Yatirim Ortakligi AS*	1,141	94,521	45	74,318	11,704	224,269	76,535	-	-	3,278
Du Bassin Nord SCI	26,841	19,941	50	(9,597)	9,289	23,391	23,391	-	-	-
Cecobil SCS	5,122	10,165	50	8,817	18,262	7,642	7,642	-	7,177	-
Forving SARL	11	27	27	-	-	682	378	-	-	-
Klépierre Brand Ventures SNC	330	-	49	2,001	14,549	490	162	-	-	-
Klépierre Köln Holding GmbH	25	2,506	10	(90)	-	2,703	1,685	-	-	-
Le Havre Lafayette SNC	525	9	50	3,221	6,319	1,702	1,702	-	3,804	-
Le Havre Vauban SNC	300	5	50	(113)	592	463	463	-	4,013	-
Secar SC	9,150	-	10	28,703	52,574	80,330	65,477	-	3,885	-
Solorec SC	4,869	2,768	49	23,365	55,407	124,104	124,104	-	88,547	-
Ucgen Bakim Ve Yonetim Hizmetleri AS*	-	-	10	-	-	16	-	-	-	7
TOTAL II				**130,625**	**168,696**	**465,793**	**301,540**	**-**	**107,426**	**3,285**
3. INVESTMENTS LESS THAN 10% OWNED										
Du Plateau SCI	-	652	4	2,203	2,521	895	895	-	-	-
Kle Arcades SC	10	-	-	97	278	-	-	-	-	-
Klépierre Gayrimenkul Yönetimi Ve Yatrim Ticaret AS*	22,805	(25,308)	1	(1,433)	12,789	760	461	-	15,500	-
La Rive SCI	2	(2,625)	2	3,884	4,825	709	709	-	-	-
La Rocade Ouest SCI	383	-	8	421	753	908	716	-	-	-
Valdebac SCI	1,324	11,916	-	93	-	-	-	-	-	-
TOTAL III				**5,265**	**21,166**	**3,272**	**2,781**	**-**	**15,500**	**-**
GRAND TOTAL I + II + III				**369,699**	**779,266**	**10,151,735**	**8,350,015**	**3,251**	**1,913,782**	**173,248**

* *For foreign currency entities, data are translated at the closing rate.*

3.2.2 Loans and advances to equity investments

In thousands of euros	12/31/2023	12/31/2022
Loans and advances to equity investments	3,127,005	4,551,687
Accrued interest on loans and advances to equity investments	130,335	69,460
Share of net income and dividends	472,621	272,069
Impairment of loans and advances to equity investments	(56,786)	(68,977)
TOTAL	**3,673,175**	**4,824,239**

The table of subsidiaries and investments provides additional disclosures on advances granted by subsidiary.

Changes in "loans and advances to equity investments" are mainly attributable to:

- Repayments of advances received during the year for €959.9 million, of which €260 million from Klépierre Nederland B.V., €240 million from Klépierre Italia Srl, €179.8 million from various Polish subsidiaries, and €76.8 million from Reluxco International S.A. (see note 1.4);
- Subscriptions to capital increases carried out by offsetting receivables, including €315.4 million relating to the Spanish subsidiaries, €160 million for Klépierre Nederland B.V. and €120.5 million concerning the French subsidiaries (see note 3.2.1).

  These variations were partially offset by the prior appropriation of 2022 earnings for €125.6 million.

Changes in "accrued interest on loans and advances to equity investments" are mainly due to the increase in interest on loans and advances, partially offset by movements in equity investments during the year.

Changes in "share of net income and dividends" mainly reflect the non-recurring dividend distributions in 2023 by Klépierre Italia Srl for €230 million and from Klépierre Nordica B.V. for €150 million (versus €167 million in 2022).

Changes in "Impairment of loans and advances to equity investments are mainly due to the reversal of impairment for Reluxco International S.A. for €23.4 million (see note 1.4) and the additional impairment for Massalia Shopping Mall SCI for €9.9 million.

3.3 TRADE AND OTHER RECEIVABLES

In thousands of euros	12/31/2023	12/31/2022
Trade receivables	22,305	19,400
Allowances for bad debts	(5,032)	(4,511)
NET VALUE OF TRADE RECEIVABLES	**17,273**	**14,888**

The bulk of trade receivables are due in less than one year.

Most other receivables also have a maturity of less than one year and comprise:

In thousands of euros	12/31/2023	12/31/2022
Tax receivables – VAT	2,269	1,802
Other receivables	3,276	1,016
TOTAL	**5,546**	**2,818**

3.4 MARKETABLE SECURITIES AND TREASURY SHARES

In thousands of euros	12/31/2023	12/31/2022
Treasury shares	25,722	28,580
Marketable securites	10,507	-
Term accounts	75,000	-
TOTAL	**111,229**	**28,580**

Information on treasury shares

At December 31, 2023, the Company held a total of 1,211,937 treasury shares (0.42% of shares in issue), with a carrying amount of €25.7 million.

These treasury shares are allocated as follows:

	Allocation to share allotment plans					
Number of shares	2020 Plan	2021 Plan	2022 Plan	2023 Plan	Shares available for future share allotment plans	Total
Treasury shares	42,629	249,103	270,240	235,011	414,954	**1,211,937**

4,364,454 treasury shares held under the liquidity agreement were sold during 2023, resulting in a net gain of €0.4 million.

3.5 CASH AND CASH EQUIVALENTS

This caption mainly corresponds to:

- Bank accounts for €157.1 million;
- Cash instruments for €48.5 million;
- Accrued interest due for €15 million.

3.6 PREPAID EXPENSES – DEFERRED EXPENSES

In thousands of euros	12/31/2023	12/31/2022
Prepaid expenses	**11,198**	**7,617**
Deferred expenses	**23,035**	**23,731**
• Bond issue costs	16,053	17,970
• Bank loan issue costs	6,982	5,761
Bond premiums	**67,307**	**25,343**
TOTAL	**101,541**	**56,692**

Prepaid expenses consist of interest due in 2024 and settled in advance on commercial paper subscribed in 2023.

3.7 ACCRUED INCOME

Accrued income consists of:

- Accrued interest due on loans and advances to equity investments for €130.3 million;
- Accrued interest due for €15 million;
- Accrued receivables for €14.5 million.

NOTE 4 BALANCE SHEET LIABILITIES

4.1 SHAREHOLDERS' EQUITY

In thousands of euros	12/31/2022	Appropriation of net income	Distribution	Other	12/31/2023
Share capital[(a)]	**401,606**	**-**	**-**	**-**	**401,606**
Additional paid-in capital from share issues, mergers and contributions	**3,585,902**	**-**	**(242,086)**	**1,093**	**3,344,909**
• Issue premiums	3,583,555	-	(242,086)	1,093[(b)]	3,342,561
• Contribution premiums	2,313	-	-	-	2,313
• Technical merger surplus	35	-	-	-	35
Legal reserve	**44,010**	**-**	**-**	**-**	**44,010**
Retained earnings	**(86,930)**	**346,879**	**(259,950)**	**1,440**[(b)]	**1,440**
Net income for the year	**346,879**	**(346,879)**	**-**	**-**	**485,736**
TOTAL	**4,291,467**	**-**	**(502,036)**	**2,533**	**4,277,701**
(a) Composition of share capital					
Ordinary shares	*286,861,172*				*286,861,172*
Par value (in euros)	*1.40*				*1.40*
(b) Portion of distribution corresponding to treasury shares.					

On May 12, 2023, further to the approval of the General Meeting of Shareholders, the Company paid a €1.75 per share cash distribution in respect of the 2022 fiscal year. The total distribution amounted to €502 million (including treasury shares) and was deducted from net income for the 2022 fiscal year in an amount of €346.9 million, after deducting negative retained earnings of €86.9 million, and from issue premiums in an amount of €242.1 million.

Distributions payable on treasury shares were allocated to retained earnings in an amount of €1.4 million, and to issue premiums in an amount of €1.1 million.

4.2 PROVISIONS FOR CONTINGENCIES AND LOSSES

In thousands of euros	12/31/2022	Additions	Reversals	12/31/2023
Other provisions for contingencies and losses	31,649	8,975	(5,054)	35,571
TOTAL	**31,649**	**8,975**	**(5,054)**	**35,571**

Additions correspond mainly to provisions for share allotment plans for €5.1 million and a €3.4 million contingency provision in respect of a parent company guarantee.

Reversals mainly concern provisions for share allotment plans written back during the period in an amount of €4.1 million.

4.3 LOANS AND BORROWINGS

In thousands of euros	12/31/2023	12/31/2022
Bonds	**5,349,144**	**5,624,965**
• Principal	5,311,700	5,585,400
• Accrued interest[(a)]	37,444	39,565
Bank loans and borrowings	**480,488**	**79,650**
• Credit facilities	470,634	75,000
• Accrued interest on credit facilities	2,313	627
• Accrued interest on swaps	7,540	4,023
Other loans and borrowings	**2,513,768**	**3,291,575**
• Security deposits and guarantees received	3,539	3,722
• Cash pooling	1,590,548	2,064,176
• Accrued interest on cash pooling	7,581	-
• Commercial paper	880,500	1,199,876
• Share in net income	24,512	18,483
• Other payables with equity investments	7,087	5,319
TOTAL	**8,343,400**	**8,996,190**

(a) Coupon payable annually depending on the due date of the loan.

In 2023, the Company redeemed €523.7 million in bonds and tapped three existing bonds in an amount of €250 million.

The Company also took out bilateral bank loans denominated in Euro and Yen representing a total amount of €395.6 million (see note 1.1).

Maturity dates of borrowings as of December 31, 2023

In thousands of euros	Total	Less than one year	One to five years	More than five years
Bonds	**5,349,144**	**594,144**	**1,405,000**	**3,350,000**
• Principal	5,311,700	556,700[(a)]	1,405,000[(b)]	3,350,000[(c)]
• Accrued interest	37,444	37,444	-	-
Bank loans and borrowings	**480,488**	**9,853**	**470,634**	**-**
• Credit facilities	470,634	-	470,634	-
• Accrued interest on credit facilities	2,313	2,313	-	-
• Accrued interest on swaps	7,540	7,540	-	-
Other loans and borrowings	**2,513,768**	**2,503,483**	**6,746**	**3,539**
• Security deposits and guarantees received	3,539	-	-	3,539
• Cash pooling	1,590,548	1,590,548	-	-
• Accrued interest on cash pooling	7,581	7,581	-	-
• Commercial paper	880,500	880,500	-	-
• Share in net income	24,512	24,512	-	-
• Other payables with equity investments	7,087	341	6,746	-
TOTAL	**8,343,400**	**3,107,480**	**1,882,380**	**3,353,539**

(a) November 2024: €556,700,000.
(b) October 2025: €255,000,000, February 2026: €500,000,000, February 2027: €600,000,000, May 2027: €50,000,000.
(c) May 2029: €700,000,000, July 2030: €700,000,000, February 2031: €600,000,000, September 2031: €600,000,000, December 2032: €750,000,000.

Klépierre SA's main credit agreements contain covenants, whose breach could result in the mandatory early repayment of the debt. As of December 31, 2023, Klépierre SA complied with all its obligations arising from its borrowings, as regards the covenants applicable to the following financing:

Financing	Ratios/covenants	Limit[a]	12/31/2023	12/31/2022
Syndicated loans and bilateral loans	Net debt/portfolio value ("Loan to Value")	≤60%	38.0%	37.7%
	EBITDA/Net interest expenses[b]	≥2.0x	8.4x	10x
	Secured debt/portfolio value[c]	≤20%	2.1%	0.6%
	Portfolio value[d]	≥€10bn	€16.7bn	€17.1bn
Bond issues	Secured debt/Revalued Net Asset Value[c]	≤50%	3.7%	0.7%

(a) Covenants are based on the 2020 revolving credit facility.
(b) Excluding the impact of liability management operations (non-recurring items).
(c) Excluding Steen & Strøm.
(d) Group share including transfer taxes.

The above ratios are calculated on the basis of the Klépierre Group's consolidated financial statements.

4.4 TRADE PAYABLES

This item consists solely of payables and provisions for accrued payables to suppliers.

The bulk of these payables are due in less than one year.

In order to improve the readability of the balance sheet, advances and payments on invoices relating to charges on buildings are presented as a deduction from trade payables.

4.5 ACCRUED TAXES AND PAYROLL COSTS

The bulk of these payables are due in less than one year.

In thousands of euros	12/31/2023	12/31/2022
Payroll and other	2,221	2,139
Tax and social security payables	2,894	3,597
TOTAL	**5,115**	**5,736**

4.6 CURRENCY TRANSLATION ADJUSTMENTS – LIABILITIES

This caption comprises:

- The positive €7.8 million fair value of an internal swap with a subsidiary;
- The cumulative gains on currency swaps hedging USD exposure in connection with Akmerkez's Turkish assets, for €6.8 million.

4.7 ACCRUED EXPENSES

This caption mainly includes:

- €17.4 million in accrued interest payable;
- €8 million in accrued payables.

NOTE 5 INCOME STATEMENT ITEMS

5.1 NET OPERATING INCOME

Net operating expense came to €8.9 million, versus an expense of €10.7 million in 2022.

In 2023, rental income in France amounted to €29.4 million, including €21.4 million in rent and €6 million in rebilled rental expenses.

5.2 SHARE OF INCOME FROM JOINT OPERATIONS

This item amounted to €93.3 million in 2023, and mainly included:

- The Company's share of 2022 income in Cecobil SCS, Soaval SCS and Bègles Arcins SCS for €26.4 million, which was distributed in accordance with the decisions of the shareholders of the limited partnerships;
- The Company's share of 2023 income, primarily in Klécar France SNC, Sécovalde SCI, Solorec SC, SCOO SC, and Odysseum Place De France SNC, amounting to €87.6 million;
- The Company's share of the 2023 losses recorded at Klépierre Management SNC, Portes de Claye SCI, Du Bassin Nord SCI and Centre Bourse SNC.

5.3 FINANCIAL INCOME

The Company recorded net financial income of €400 million for the year ended December 31, 2023, versus €259.9 million for the year ended December 31, 2022. This change mainly reflects:

- The increase in income from equity investments and interest income on loans and advances to subsidiaries;
- Offset by the increase in impairment of investments attributable mainly to the less favorable changes in 2023 compared to 2022 in real estate asset values, and the increase in interest expenses on (i) external debt, and (ii) cash pooling.

5.3.1 Financial income

In thousands of euros		2023	2022
Income from equity investments	(a)	554,861	301,823
Interest on loans and advances to equity investments	(b)	177,249	97,638
Other income from equity investments (merger gain)		14,291	-
Interest on current accounts and deposits*		3,736	131
Other financial income		507	3,408
Income from swaps and other derivatives*	(c)	9,595	3,285
Reversal of financial provisions	(d)	18,896	105,975
Transferred financial expenses		4,168	835
Net foreign exchange gains*		-	2,130
Gain on sales of marketable securities		264	-
TOTAL FINANCIAL INCOME		**783,568**	**515,224**

* *Gains and losses on swaps, interest on borrowings, cash pooling and foreign exchange are netted.*

(a) Income from equity investments mainly corresponds to dividends from 2022, as well as to non-recurring distributions of reserves in 2023, principally from Klépierre Italia Srl for €230 million, and Klépierre Nordica B.V. for €150 million, versus €167 million in 2022.

(b) Changes in interest on loans and advances to equity investments are mainly due to the increase in interest rates payable.

(c) As at December 31, 2023, net income on interest rate swaps and other hedging transactions corresponds to:
- Net gains of €33.9 million on interest rate swaps and caps,
- Premiums and balancing payments on swaps and hedging instruments, representing a net expense of €24.3 million.

(d) Reversals of financial provisions primarily corresponds to provisions for equity investments written back in an amount of €15.3 million and on share allotment plans written back in an amount of €3.6 million.

5.3.2 Financial expenses

In thousands of euros		2023	2022
Additions to financial provisions	(a)	211,701	151,477
Amortization of bond premiums		6,835	4,160
Amortization of loan issue costs		5,055	5,006
Interest on bonds		77,893	83,178
Bank interest on loans*		48,175	208
Interest on current accounts and cash pooling*		19,232	147
Other financial expenses	(b)	13,364	9,041
Net foreign exchange losses*		1,288	2,112
TOTAL FINANCIAL EXPENSES		**383,543**	**255,329**

* *Gains and losses on swaps, interest on borrowings, cash pooling and foreign exchange are netted.*

(a) Additions to financial provisions primarily corresponds to equity investments in an amount of €207.7 million and share allotment plans for €3.8 million.

(b) Other financial expenses mainly correspond to commissions on borrowings for €12 million.

5.4 NON-RECURRING INCOME (EXPENSE)

In thousands of euros	2023	2022
Gains and losses on disposals of investment properties and intangible assets	(25,087)	2,499
Gains and losses on disposals of equity investments	(145,503)	(3,956)
Gains and losses on disposals of treasury shares[a]	(432)	(1,561)
Gains and losses on bond redemptions	-	(6,716)
Other non-recurring expense and income	(15,872)	(23,730)
Additions and reversals of provisions and impairment	188,027	23,563
Transferred non-recurring expenses	711	1,025
TOTAL	**1,844**	**(8,876)**

(a) Gains and losses net of proceeds from reinvoicing subsidiaries for free share plans delivered during the year.

Gains and losses on disposals of investment properties and intangible assets mainly correspond to the capital loss on the disposal of a property in Metz, offset by a reversal of €25.4 million in impairment.

Gains and losses on disposals of equity investments comprises the capital loss on the disposal of shares and advances in Reluxco International S.A., offset by reversals of provisions for shares and receivables totaling €145.5 million.

Other non-recurring expense and income mainly comprises the impact of the liquidation of Les Portes de Chevreuse SNC, offset by the reversal of €17.1 million in impairment.

Transferred non-recurring expenses correspond to the capital loss on free shares remitted to corporate officers, reclassified within operating expenses.

In 2022, other non-recurring expense and income and additions and reversals of provisions and impairment mainly reflected the impacts of the liquidation of Dutch subsidiaries.

5.5 INCOME TAX

In thousands of euros	2023	2022
Income tax and contributions	(484)	926
TOTAL	**(484)**	**926**

In 2022, the income tax benefit consisted primarily of tax credits received during the Covid-19 crisis.

NOTE 6 OFF-BALANCE SHEET COMMITMENTS

6.1 RECIPROCAL COMMITMENTS RELATING TO HEDGING INSTRUMENTS

As of December 31, 2023, Klépierre SA holds a portfolio of interest-rate hedging instruments intended to hedge a portion of current and future debt on the basis of the total funding requirements and corresponding terms set out in the Group's financing policy.

The fair value of derivative instruments is measured on the basis of data communicated by bank counterparties as of December 31, 2023.

Interest rate derivatives

	12/31/2023	
In thousands of euros	**Notionals by type of instrument**	**Fair values excluding accrued interest (net by type of instrument)**
Fixed payer swaps – hedging transactions	825,000	22,422
Fixed receiver swaps – hedging transactions	875,000	(67,235)
Fixed receiver swaps in isolated open positions	260,000	7,733
Cross currency swaps	261,867	(17,123)
Caps	2,600,000	43,894
Collars	100,000	850

Impact on income

In thousands of euros	12/31/2023	
Interest recognized	**Income**	**Expenses**
Fixed payer swaps – hedging transactions	24,136	(1,142)
Fixed receiver swaps – hedging transactions	11,608	(33,541)
Fixed receiver swaps in isolated open positions	834	(1,082)
Cross currency swaps	692	(4,150)
Caps	34,706	-
Collars	1,861	-

6.2 OTHER COMMITMENTS

In thousands of euros	12/31/2023	12/31/2022
COMMITMENTS GIVEN		
Financial guarantees given	11,024	20,870
Other commitments given	7,160	7,160
TOTAL	**18,184**	**28,030**
COMMITMENTS RECEIVED		
Deposits received from tenants	1,205	1,096
Financing commitments received from financial institutions[a]	2,129,500	1,935,000
Commitments on sales of buildings/Equity investments	2,427	2,427
TOTAL	**2,133,132**	**1,938,523**

(a) Net of outstanding commercial paper.

Klépierre in partnership with Sofidy, has signed an asset purchase agreement (APA) for the acquisition of O'Parinor, a shopping center located to the north-east of Paris. Klépierre and Sofidy have agreed on a capital partnership (of 25% and 75% respectively) to take over the asset.

Companies (countries)	Parties to the agreement	Date of the agreement or last amendment	Comments
Bègles Arcins SCS (France)	Assurécureuil Pierre 3 SC	09/02/2003	The agreement contains provisions relating to the governance of the Company, and the usual protections in the event of proposed share sales, as well as a dispute resolution clause.
Akmerkez Gayrimenkul Yatirim Ortakligi AS (Turkey)	Several individuals	04/20/2005	The agreement contains provisions governing relations between shareholders including the composition of the Board of Directors, particularly the number of representatives of each shareholder on said Board. It also contains provisions related to the majority required to adopt decisions which must be submitted to the Board of Directors for approval.
Clivia SpA (Italy)	Finiper SpA, Finiper Real Estate & Investment BV, Iper Montebello SpA, Immobiliare Finiper Srl and Cedro 99 Srl	12/14/2007	The agreement contains provisions governing relations between shareholders, including a pre-emption right in the event of the sale of shares to third parties, as well as a tag-along right. The agreement also contains provisions relating to the governance of the company, and to the majority required to approve certain company decisions.
Nordica Holdco AB, Storm Holding Norway AS and Steen & Strøm AS (Sweden & Norway)	Stichting Pensioenfonds ABP, Storm ABP Holding BV and PG Strategic Real Estate Pool NV and Stichting Depositary APG Real Estate Pool	10/07/2008	The agreement contains the usual protections for non-controlling interests: qualified majority voting for certain decisions, call option in the event of deadlock and tag-along rights, as well as the following provisions: • A one-year lock-up period applied to Steen & Strøm shares from the date of acquisition; • Each party has a right of first offer on any shares which the other party wishes to transfer to a third party. However, if shares are transferred by a party (other than Klépierre or one of its affiliates) to a Klépierre competitor (as defined in the agreement), the shares concerned will be subject to a right of first refusal and not a right of first offer; • From the sixth year following the acquisition, either party may request a meeting of shareholders to vote on the disposal of all the shares or assets of Steen & Strøm, or a market flotation of the company. The vote will be subject to a two-thirds majority. The Group has the right to appoint three members to the Board of Directors including the Chairman, whereas the partner can appoint two members. The partner has protective rights pursuant to the shareholders' agreement and following the analysis of the decisions reserved for the partner.
Sanoux SCI (France)	Novaoutlet, Cogep SA	02/26/2010	The agreement contains provisions relating to the governance of the Company, and the usual protections in the event of proposed share sales.
Massalia Invest SCI, Massalia Shopping Mall SCI (France)	Montecristo Capital SAS	09/27/2017	The agreement contains provisions governing relationships between shareholders of said companies, particularly with respect to the governance of Massalia Invest and Massalia Shopping Mall SCI, the terms relating to the sale and divestment by shareholders of their investment in Massalia Invest (right of first refusal, tag-along right, a change of control clause, call option) and the conditions and main methods of funding of Massalia Invest and Massalia Shopping Mall SCI. The latest amendement modifies the rules applicable to the management committee when voting on decisions related to the shopping center's food superstore.
Secar SC (France)	Cardif Group, AXA Group	06/25/2021	The agreement contains provisions relating to the governance of the Company, and the usual protections in the event of proposed share sales (first refusal, full tag-along rights, forced tag-along rights) and in particular in the event of end of the asset management mandate assigned to Klépierre Management.
Secovalde SCI (France)	Vendôme Commerces SCI UGICI SCI	06/25/2021	The agreement contains the usual protections in the event of a proposed sale of shares to a third party (first refusal and full tag-along rights) and change of control of a shareholder.

NOTE 7 OTHER DISCLOSURES

7.1 CASH POOLING

On November 30, 2000, Klépierre SA joined a cash pool managed by Klépierre Finance SAS. A new cash pooling agreement was entered into on April 5, 2017. At December 31, 2023, Klépierre SA's liability with respect to the cash pool with Klépierre Finance SAS amounted to €1,590.5 million.

7.2 HEADCOUNT

Klépierre SA had no employees.

7.3 LOANS AND GUARANTEES IN RESPECT OF EXECUTIVE BOARD AND SUPERVISORY BOARD MEMBERS

None.

7.4 COMPENSATION PAID TO CORPORATE OFFICERS AND SUPERVISORY BOARD MEMBERS

Klépierre SA, the parent company of the Klépierre Group, is a French joint-stock corporation (*société anonyme*) with a dual governance structure comprising an Executive Board and a Supervisory Board.

Gross compensation paid to corporate officers for 2023 amounted to €3.2 million.

Compensation allocated to Supervisory Board members in respect of fiscal year 2023 totaled €0.7 million, including €0.1 million corresponding to the gross annual amount allocated to the Chairman of the Supervisory Board in respect of 2023.

7.5 INFORMATION ON CONSOLIDATION AND TRANSACTIONS WITH RELATED PARTIES

Klépierre SA's Company financial statements are fully consolidated by the Klépierre Group, of which it is the consolidating entity.

As of December 31, 2023, the Klépierre Group is accounted for under the equity method by Simon Property Group and APG, which at that date held 22.28% and 5.20% stakes in the share capital of Klépierre (including treasury shares), respectively.

Transactions with related parties are conducted at arm's length terms.

7.6 SUBSEQUENT EVENTS

None.

4.4 STATUTORY AUDITORS' REPORT ON THE FINANCIAL STATEMENTS

This is a translation into English of the statutory auditors' report on the financial statements of the company issued in French and it is provided solely for the convenience of English-speaking users.

This statutory auditors' report includes information required by French law, such as information about the appointment of the statutory auditors or verification of the management report and other documents provided to shareholders.

This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

For the year ended December 31, 2023

To annual general meeting of KLÉPIERRE

Opinion

In compliance with the engagement entrusted to us by your annual general meeting, we have audited the accompanying financial statements of KLÉPIERRE for the year ended December 31, 2023.

In our opinion, the financial statements give a true and fair view of the assets and liabilities and of the financial position of the KLÉPIERRE as at December 31, 2023 and of the results of its operations for the year then ended in accordance with French accounting principles.

The audit opinion expressed above is consistent with our report to the Audit Committee.

Basis for Opinion

Audit Framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the "*Statutory Auditors' Responsibilities for the Audit of the Financial Statements*" section of our report.

Independence

We conducted our audit engagement in compliance with the independence requirements of the French Commercial Code (*Code de commerce*) and the French Code of Ethics for Statutory Auditors (Code de déontologie de la profession de commissaire aux comptes), for the period from January 1, 2023 to the date of our report, and specifically we did not provide any prohibited non-audit services referred to in Article 5(1) of Regulation (EU) No 537/2014.

Justification of Assessments – Key Audit Matters

In accordance with the requirements of Articles L.821-53 and R. 821-180 of the French Commercial Code relating to the justification of our assessments, we inform you of the key audit matters relating to risks of material misstatement that, in our professional judgment, were of most significance in our audit of the financial statements of the current period, as well as how we addressed those risks.

These matters were addressed in the context of our audit of the financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on specific items of the financial statements.

Impairment of equity investments

Risk identified	Our response
As at December 31, 2023, KLÉPIERRE holds equity investments for a net amount of €8,350,015 thousand after impairment of €1,801,720 thousand, in companies mainly owning shopping centers. As detailed in Note 2.3.3 of the financial statements, impairment tests for equity investments of real estate companies are based on revalued net assets calculated by considering mainly the appraisal value of the real estate assets owned. The valuations of real estate assets retained by management are determined by independent appraisers, internal appraisals or based on the value of sale commitments. These values incorporate many assumptions and estimates, in particular projected rent changes, discount rates and exit rates, estimated market rent levels, as well as recent transactions. Determining the appraised value of investment properties of real estate companies requires significant judgement. Therefore, the impairment of equity investments is considered to be a key audit matter due to the significance of the item in the financial statements as a whole, combined with the judgement exercised in determining the net asset values. Please refer to Notes 2.3.3 and 3.2.1 to the financial statements.	We obtained an understanding of management's controls relating to the calculation of revalued net assets of equity investments. With respect to the valuation of the underlying real estate assets, we considered management's controls on the data used for these valuations and the controls concerning the changes in value compared with prior periods. We tested the efficiency of the controls that we considered to be the most relevant. We assessed the competence and independence of the independent appraisers. With our specialists in real estate appraisal included in the audit team, we participated in meetings with independent appraisers, in order to understand the methodology adopted and the main assumptions used underlying the valuation of real estate assets, including in particular expected rents and market yields. We examined how recent market transactions and climate matters were taken into account by the independent appraisers. We performed analytical procedures by comparing the valuations with those of prior periods, as well as the assumptions used, such as discount rates and exit rates with the relevant market data. We carried out specific procedures on real estate assets whose valuation and, where applicable, variations were significant, as well as those whose assumptions and variations were atypical. In this context, together with our specialists in real estate appraisal, we assessed the main parameters used by the independent appraisers, such as projected rent changes, market rent levels, discount rates and exit rates. Interviews with management were conducted when necessary. On a sample of equity investments, we recomputed the revalued net asset amounts based on the valuation of the underlying real estate assets. We also assessed the correct calculation of impairment for the equity investments.

Specific Verifications

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by laws and regulations.

Information given in the management report and in the other documents with respect to the financial position and the financial statements provided to the shareholders

We have no matters to report as to the fair presentation and the consistency with the financial statements of the information given in the management report of the executive board and in the other documents with respect to the financial position and the financial statements provided to the shareholders.

We attest the fair presentation and the consistency with the financial statements of the information relating to payment deadlines mentioned in Article D.441-6 of the French Commercial Code (*Code de commerce*).

Report on corporate governance

We attest that the supervisory board's report on corporate governance sets out the information required by Article L. 225-37-4, L.22-10-10 and L. 22-10-9 the French Commercial Code.

Concerning the information given in accordance with the requirements of Article L. 22-10-9 of the French Commercial Code (Code de commerce) relating to remuneration and benefits received by or awarded to the members of the executive board and of the supervisory board and any other commitments made in their favour, we have verified its consistency with the financial statements, or with the underlying information used to prepare these financial statements and, where applicable, with the information obtained by your Company from controlled enterprises included in the scope of consolidation. Based on these procedures, we attest the accuracy and fair presentation of this information.

With respect to the information relating to items that your company considered likely to have an impact in the event of a takeover bid or exchange offer, provided pursuant to Article L. 22-10-11 of the French Commercial Code (*Code de commerce*), we have agreed this information to the source documents communicated to us. Based on these procedures, we have no observations to make on this information.

Other Information

In accordance with French law, we have verified that the required information concerning the identity of the shareholders and holders of the voting rights has been properly disclosed in the management report.

Other Legal and Regulatory Verifications or Information

Format of presentation of the financial statements intended to be included in the annual financial report

We have also verified, in accordance with the professional standard applicable in France relating to the procedures performed by the statutory auditor relating to the annual and consolidated financial statements presented in the European single electronic format, that the presentation of the financial statements intended to be included in the annual financial report mentioned in Article L. 451-1-2, I of the French Monetary and Financial Code (Code monétaire et financier), prepared under the responsibility of the chairman of the executive board , complies with the single electronic format defined in the Commission Delegated Regulation (EU) No 2019/815 of December 17, 2018.

Based on the work we have performed, we conclude that the presentation of the financial statements intended to be included in the annual financial report complies, in all material respects, with the European single electronic format.

We have no responsibility to verify that the financial statements that will ultimately be included by your company in the annual financial report filed with the AMF are in agreement with those on which we have performed our work.

Appointment of the Statutory Auditors

We were appointed as Statutory Auditors of KLÉPIERRE by the annual general meeting held on June 28, 2006 for DELOITTE & ASSOCIÉS and held on April 19, 2016 for ERNST & YOUNG Audit.

As at December 31, 2023, Deloitte & Associés was in its eighteenth year of total uninterrupted engagement and ERNST & YOUNG Audit was in its eighth year.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with French accounting principles, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is expected to liquidate the Company or to cease operations.

The Audit Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risks management systems and where applicable, its internal audit, regarding the accounting and financial reporting procedures.

The financial statements were approved by executive board.

Statutory Auditors' Responsibilities for the Audit of the Financial Statements

Objectives and audit approach

Our role is to issue a report on the financial statements. Our objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As specified in Article L.821-55 of the French Commercial Code, our statutory audit does not include assurance on the viability of the Company or the quality of management of the affairs of the Company.

As part of an audit conducted in accordance with professional standards applicable in France, the statutory auditor exercises professional judgment throughout the audit and furthermore:

- Identifies and assesses the risks of material misstatement of the financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for his opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management in the financial statements.
- Assesses the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of his audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the statutory auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein.
- Evaluates the overall presentation of the financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation.

Report to the Audit Committee

We submit a report to the Audit Committee which includes in particular a description of the scope of the audit and the audit program implemented, as well as the results of our audit. We also report significant deficiencies, if any, in internal control regarding the accounting and financial reporting procedures that we have identified.

Our report to the Audit Committee includes the risks of material misstatement that, in our professional judgment, were of most significance in the audit of the financial statements of the current period and which are therefore the key audit matters that we are required to describe in this report.

We also provide the Audit Committee with the declaration provided for in Article 6 of Regulation (EU) No 537/2014, confirming our independence within the meaning of the rules applicable in France as set out in particular in Articles L.821-27 to L.821-34 of the French Commercial Code and in the French Code of Ethics for Statutory Auditors (Code de déontologie de la profession de commissaire aux comptes). Where appropriate, we discuss with the Audit Committee the risks that may reasonably be thought to bear on our independence, and the related safeguards.

Paris-La Défense, March 7, 2024

The Statutory Auditors

French original signed by

DELOITTE & ASSOCIES

Damien Leurent **Jean-Vincent Coustel**

ERNST & YOUNG Audit

Gilles Cohen

4.5 REPORT OF THE SUPERVISORY BOARD TO THE ORDINARY AND EXTRAORDINARY GENERAL MEETING TO BE HELD ON MAY 3, 2024

Dear Shareholders,

We remind you that, in accordance with the provisions of Article L. 225-68 of the French Commercial Code, the Supervisory Board is required to present its observations to the Annual General Meeting on the Executive Board's management report and on the Company and consolidated financial statements established by the Executive Board for the year ended December 31, 2023.

The Executive Board has provided the Supervisory Board with the Company and consolidated financial statements and its management report within three months of the end of the financial year.

The Supervisory Board has also been kept regularly informed by the Executive Board about the Company's and the Group's activity, and has carried out, for the purposes of its duties, the necessary audits and controls. The Supervisory Board was able to carry out its duties after having examined the recommendations made by its specialized committees (Investment Committee, Audit Committee, Nominations and Compensation Committee and Sustainable Development Committee).

After having examined the recommendations made by the Audit Committee on February 12, 2024, we have no observation to make with respect to either the Executive Board's management report or the Company and consolidated financial statements for the year ended December 31, 2023.

The Supervisory Board would like to express its sincere thanks to the Executive Board and to all employees for their work and efforts during 2023.

February 13, 2024

The Supervisory Board

4.6 Other information

4.6.1 Five-year financial summary (data provided pursuant to Article R. 225-102 of the French Commercial Code)

Topic names *In euros*	**12/31/2023**	**12/31/2022**	**12/31/2021**	**12/31/2020**	**12/31/2019**
CAPITAL AT YEAR-END					
Share capital	401,605,641	401,605,641	401,605,641	419,914,877	423,729,733
Number of existing ordinary shares	286,861,172	286,861,172	286,861,172	299,939,198	302,664,095
RESULTS OF OPERATIONS FOR THE FISCAL YEAR					
Pre-tax revenues	30,441,381	32,491,079	26,346,644	30,825,521	37,514,455
Earnings before tax, employee profit-sharing, amortization and provisions	511,148,079	390,478,019	243,444,885	204,206,417	766,727,962
Coporate income tax	483,694	(925,926)	(1,639,729)	(1,249,201)	2,000,073
Earnings after tax, employee profit-sharing, amortization and provisions	485,736,199	346,879,370	60,165,268	(170,134,750)	317,738,694
Dividends paid	487,176,328[a]	259,949,713[b]	0[c]	0[d]	665,861,009[e]
EARNINGS PER SHARE					
Earnings before tax, employee profit-sharing, amortization and provisions	1.78	1.36	0.85	0.68	2.53
Earnings after tax, employee profit-sharing, amortization and provisions	1.69	1.21	0.21	(0.57)	1.05
Net dividend per share	1.70[a]	0.91[b]	0[c]	0[d]	2.20[e]
PERSONNEL[f]					
Average headcount during the fiscal year	2.0	2.2	3.0	2.1	2.4
Total payroll and employee benefits	4,102,756	3,917,000	5,068,440	2,343,761	3,517,997

(a) *Subject to the approval of the shareholders at the Annual General Meeting on May 3, 2024, to which an additonal distribution, deducted from available equity premiums, of €29,173,781 (corresponding to €0.10 per share) will also be proposed.*
(b) *Amount distributed deducted from available equity premiums in 2023: €242,086,024 (corresponding to €0.84 per share).*
(c) *Amount distributed deducted from available equity premiums in 2022: €487,663,992 (corresponding to €1.70 per share).*
(d) *Amount distributed deducted from available equity premiums in 2021: €294,848,054 (corresponding to €1 per share).*
(e) *Including distribution deducted from available equity premiums in 2020: €256,689,419 (corresponding to €0.85 per share).*
(f) *The average headcount and the related payroll and employee benefits include corporate officers who do not have an employment contract.*

4.6.2 Acquisition of equity holdings and movements in equity securities impacting the Company financial statements of Klépierre SA

No significant new shareholdings or takeovers are to be reported in 2023.

4.6.3 Average payment period for payables and receivables (pursuant to Article L. 441-6-1 of the French Commercial Code)

UNPAID INVOICES RECEIVED AND ISSUED AT THE BALANCE SHEET DATE FOR THE YEAR IN WHICH THE TERM HAS EXPIRED

	Article D. 441 I. -1°: Invoices received but not paid at the closing date of the fiscal year for which the term has expired						Article D. 441 I. -2°: Unpaid invoices issued at the closing date of the fiscal year for which the term has expired					
In €	**0 day (optional)**	**1 to 30 days**	**31 to 60 days**	**61 to 90 days**	**91 days or more**	**Total (one day or more)**	**0 day (optional)**	**1 to 30 days**	**31 to 60 days**	**61 to 90 days**	**91 days or more**	**Total (one day or more)**
(A) LATE PAYMENT BANDS												
Number of invoices concerned	0					0	0					1,754
Total amount of invoices concerned (including VAT)	0	0	0	0	0	0	23,215	96,902	142,104	20,916	6,385,853	6,645,775
Percentage of total purchases for the year (including VAT)	0%	0%	0%	0%	0%	0%						
Percentage of sales for the financial year (including VAT)							0.06%	0.27%	0.39%	0.06%	17.48%	18.19%
(B) INVOICES EXCLUDED FROM (A) RELATING TO DISPUTED OR UNRECOGNISED DEBTS AND RECEIVABLES												
Number of invoices excluded	9						0					
Total amount of invoices excluded (including VAT)	43,352						0					
(C) REFERENCE PAYMENT TERMS USED (CONTRACTUAL OR LEGAL TERM – ARTICLE L. 441-6 OR ARTICLE L. 443-1 OF THE COMMERCIAL CODE)												
Payment terms used to calculate payment delays	Contractual deadline: 45 days						Contractual deadline: 45 days					

4.6.4 Outcome of the share buyback program (pursuant to Article L. 225-211 of the French Commercial Code)

In number of treasury shares	**Liquidity agreement**	**Future shares**	**Share allotments**	**Share buy-back program**	**Total**
POSITION AT 12/31/2022	**-**	**616,115**	**744,206**	**-**	**1,360,321**
Free share plan adjustments*		(201,161)	201,161		-
Allocations exercised during the year			(148,384)		(148,384)
Purchases	4,364,454				4,364,454
Sales	(4,364,454)				(4,364,454)
POSITION AT 12/31/2023	**-**	**414,954**	**796,983**	**-**	**1,211,937**

* *Updated for the number of beneficiaries to reflect employee turnover.*

During 2023, 4,364,454 shares were bought back at an average price per share of €22,97, and 4,364,454 shares were sold at an average price per share of €22.99.

At December 31, 2023, Klépierre SA held 1,211,937 of its own shares representing a total value of €25.7 million based on net book value and €1.7 million at par.

5

RISK AND CONTROL

5 RISK AND CONTROL

5.1 KEY RISK FACTORS

Risk categories	Main risks	Related strategic priorities	Residual criticality*	Year-on-year criticality change
Strategic risks	Climate change consequences			↗
	Shopping center attractiveness			↘
Financial risks	Cost of debt increase			→
Operational risks	Purchasing			↗
	Safety and security			→
Environmental, Social and Governance risks	Fraud and corruption			→
	Talent management			→
	Compliance with evolving standards and regulations			→

Klépierre's strategic priorities:

Capital allocation *Financial discipline* *Act4Good™* *Be the Preferred Mall*

*Residual criticality (= impact × probability × level of control)

Low *Medium* *High* *Very high*

5.1.1 Introduction

Investors are advised to carefully review each of the risks described below as well as all the information contained in this Universal Registration Document. The risks and uncertainties set out here are not the only ones faced by the Group. Other risks and uncertainties, of which the Group is not currently aware, or does not consider material or specific, may also have an adverse impact on its business, financial position and results.

The material and specific risks to the Group are presented below, grouped into five categories: strategic risks, operational risks, financial risks, and Environmental, Social and Governance (ESG) risks.

These risks have been selected on the basis of their 'gross' impact and probability before taking into account risk management and internal control mechanisms put in place by the Group. For each category, they are presented as follows:

- In the form of residual criticality, or 'net risk'. Residual criticality factors in all the measures taken by the Group to reduce their impact or probability in addition to the internal and external factors that mitigate them;
- In relation to the Group's strategic priorities as defined below to which the risk is linked; and
- With an indication of a change in criticality from last year, if any.

The Group has defined its strategic priorities around the following areas:

- **Capital allocation** which aims to continue investing in prime centers in the heart of Europe's largest cities (see pages 10-11);
- **CSR engagement** based on an ambitious sustainable development policy, Act4Good™ (see pages 16-17);
- **"Be the Preferred Mall":** the ambition to create customers' preferred shopping destinations (see pages 14-15); and
- **Financial discipline** reflected in a very robust financial rating, optimal access to capital markets and a tightly controlled level of debt (see pages 18-19).

During its examination of the Group's 2023 risk map, the Supervisory Board, acting on a recommendation by the Audit Committee, reviewed the level of the impact of each risk, the probability of its occurrence, and the associated risk management and control mechanisms.

The 2023 risk map update led to the following changes compared to the 2022 Universal Registration Document:

- The residual criticality of the **climate change** risk has been reassessed from 'high' to 'very high', as both the probability and impact of the risk have been revised upwards based on the latest scientific consensus on the pace of global warming;
- **Shopping center attractiveness** has been assessed at a lower level of risk than in previous years due to a refocused portfolio and restored performance compared to the pandemic period;
- **Purchasing** risks have been reassessed as 'very high' to reflect increased cost pressures and a more restrictive regulatory environment;
- The following three risks identified in previous years have been removed from the list of priority risks:
  - **Joint-venture partners and co-owners,** as the impact and probability of the risk have been revised downwards,
  - **Real estate development,** due to of the downsizing of the pipeline of committed development projects, and
  - **Property investment and asset rotation,** in view of the high level of control over investments and divestments.

Non-financial risks which are not significant or specific are described in the non-financial performance statement section of this Universal Registration Document (see section 3.1.3 – Managing key trends, risks, and opportunities).

5.1.2 Summary of principal risk factors

5.1.2.1 Strategic risks

CLIMATE CHANGE CONSEQUENCES	Residual criticality	Related strategic priorities	Year-on-year criticality change
		4	

Description

Climate change is predicted to lead to more frequent extreme weather events across Europe, including storms, snow, floods, droughts, heatwaves and forest fires. This trend is expected to cause significant potential damage to infrastructure and people and may give rise to increased political pressure, more stringent regulations and heightened stakeholder expectations.

An excessively short-term vision or the lack of robust strategies drawn up by experts or in-house specialists that are sufficiently tailored to the specific features of each of our shopping centers may lead to a lack of preparedness for the adoption of new rules and regulations and the mitigation of operational risks.

Assessing, understanding, and adequately preparing for potential impacts on assets and operations over the long term requires a particular focus on protecting employees and visitors to our shopping centers, and entails strengthening the resilience of our assets to climate change, enhancing energy efficiency and accelerating the transition to cleaner energy sources.

Impacts

Climate change represents a multifaceted risk, potentially resulting in an increase of operating and maintenance costs, property damage, business continuity and disruption or asset closures. As a result, the Group would be exposed to overall dissatisfaction among tenants and customers, a potential decrease in property value that would impact leasing opportunities, and an important hike in insurance premiums. Additionally, amidst stricter regulations, the risk of non-compliance, which may result in fines and penalties, may further contribute to a decline in CSR performance (building certification and energy consumption levels), affecting ratings and access to green financing, and damaging Klépierre's reputation.

Further information

- Chapter 3 (3.2 – Achieving net zero).
- Chapter 4 (4.1.5 – Note 2.6 - Risk factors relating to climate change).

Main risk mitigation measures

- Diversified geographic presence and avoidance, wherever possible, of areas subject to extreme weather conditions.
- In-depth study of the impact of climate change on each shopping center and climate resilience measures taken to protect assets.
- Strong CSR policy supported by senior management, including energy management policies, oversight tools, data analysis, collaboration with experts, active participation in industry groups (FACT, EPRA), updating of audit procedures, compliance with reporting frameworks (GRI, TCFD, SASB), etc.
- Ambitious low-carbon strategy including reduced energy consumption, green procurement, on-site renewable energy, 100% sustainably certified portfolio (BREEAM In-Use).
- Regular and frequent technical inspections that exceed regulatory expectations, as well as building structure audits. Development of comprehensive engineering and technical procedures and action plans for short-, medium- and long-term maintenance.
- Integration of environmental considerations and key non-financial performance indicators into acquisition decisions as well as into asset valuations.
- Regular review of insurance coverage for climate-related risks.

SHOPPING CENTER ATTRACTIVENESS	Residual criticality	Related strategic priorities	Year-on-year criticality change

Description

Shopping center attractiveness is a major concern for Klépierre. This risk encompasses factors such as a negative macroeconomic outlook that affects purchasing power, potential competition from online retail, and changes in consumer preferences leading to lower footfall and sales for retailers. The Company faces challenges in rent increases, potential rent relief requirements, and risks associated with tenant payment default and store closures.

Impacts

Klépierre's business can be influenced by global economic factors such as GDP growth, inflation, unemployment rates, and geopolitical stability, as well as by local changes such demographic trends and urban growth in specific areas where our shopping centers are located.

The growing importance of e-commerce is reshaping the retail landscape, compelling tenants and Klépierre to adapt their strategies. Without modernization and renovations, shopping centers as a concept may struggle with outdated layouts and limited offerings.

In addition, increasing environmental and social awareness among consumers is affecting consumption patterns and therefore retailers' sales and profitability. Also, a trend of reallocating budgets from traditional retail to other activities (e.g., travel, sports) is emerging, increasing the pressure inflation places on customer purchasing power. Rising inflation, energy prices and labor costs equally affect the ability of tenants to maintain their margin and, as a result, may have an unfavorable effect on Klépierre's net income.

A mismatch between the target market and demographics can lead to declining footfall and reduced demand from retailers. Therefore, shopping centers located in unfavorable catchment areas struggle to perform, causing potential vacancies and decreased revenues for both retailers and Klépierre. A lack of diverse, growing tenants that match customer preferences can detract from shopping centers' relevance. Furthermore, changes in public transportation infrastructure, urban development, or population migration may have an impact on shopping centers' accessibility and attractiveness.

Tenants' investments are crucial for innovative and attractive stores, enhancing the overall shopping experience. Tenants in financial difficulty pose operational challenges, an increase in vacancy, potential lease defaults, and legal issues, which may complicate Klépierre's financial performance. Over-dependence on large retailers or department stores for rental income could amplify this risk if these tenants face financial difficulties. Insufficient tenant credit quality may lead to a negative impact on profitability, cash flow, and the overall financial health of the Company.

Further information

Chapter 1 (Creating Preferred Shopping Destinations, pages 14-15)

Main risk mitigation measures

- Diversified portfolio across numerous European countries to mitigate market volatility risks (more than 70 assets in European countries with diverse tenants. The top ten tenants represent just 12% of Klépierre's revenue).
- Selection of agile retailers for an enhanced online and offline customer experience.
- Helping a growing number of retailers adopt omnichannel strategies.
- Implementation of a comprehensive long-term CSR strategy, Act4Good™, including promotion of sustainable retail, contributions to local economies (hosting of local initiatives, job forums, and charity events), and community engagement.
- Conducting regular market research to understand consumer preferences and demographics.
- Constant merchandise mix upgrades by introducing new, innovative, and desirable brands to maintain shopping center relevance. Increasing food & beverage, health, and leisure in our shopping center merchandise mix to enrich the customer experience.
- Aligning the purchasing power of the catchment area and the tenant mix of the shopping center.
- OPEX committee set up to monitor operational costs, identify and implement cost-saving measures.
- Diversified sourcing to reduce reliance on a single supplier and mitigate the impact of cost fluctuations.
- Annual rent indexation to act as an economic hedge against inflation for Klépierre.
- Regular asset performance monitoring through yearly business plan reviews.
- Pluri-annual extension and refurbishment plan to upgrade our shopping centers in response to competitive pressures and the current state of the shopping center.
- Leveraging digital technology to monitor and adapt to changing customer needs.
- Providing financial and non-financial support to retailers to transform store formats.
- Long-term leases with guaranteed minimum rents to ensure stable income.
- Screening tenants to assess financial stability and positive credit history. Monthly reviews and consultations with retailers to ensure financial robustness.
- Specific focus on financial conditions of anchors attracting significant footfall in our shopping centers. Offering them potential additional support.

5.1.2.2 Financial risks

COST OF DEBT INCREASE	Residual criticality	Related strategic priorities	Year-on-year criticality change

Description

Klépierre operates a capital-intensive property investment business that requires stable and long-term financial resources, including equity and debt. The ability to access capital at a cost commensurate with the return on its assets is essential to maintain the long-term profitability of its real estate activities.

The risk of an increase in the cost of debt implies a potential increase in the cost of borrowing linked to factors such as interest rates and credit spreads. Klépierre may therefore be exposed to market fluctuations and economic shocks when refinancing its debt.

Floating-rate debt represents 28% of the Group's borrowings as of December 31, 2023 (before hedging), including bank loans and commercial paper. Given the average maturity of its debt (6 years), Klépierre refinances around 15% of its debt each year, exposing it to credit crunches and widening spreads.

Impacts

An increase in the cost of debt poses several challenges for the Group. Any restrictions on access to debt financing, tightening of credit conditions, liquidity crisis or broader economic downturns may have a significant impact on Klépierre's ability to refinance its debts when they fall due. These events would potentially compromise Klépierre's ability to continue as a going concern, or increase funding costs, which could have an adverse impact on the Group's results. On the one hand, this has a direct impact on the Group's financial health by increasing interest expenses and thus reducing profitability and cash flow. In addition, restrictions can hamper the Group's ability to access new debt financing or renew existing debt, leading to stricter lending terms and potential limitations on raising capital for vital business activities, including investments. It may become more difficult to service existing debt, creating financial strain, increased risk of default, and potential credit rating downgrades.

The effects of rising debt costs may have repercussions on the Group's financial landscape. Access to new debt financing or renewal of existing debt may become challenging if lenders demand higher interest rates, impose stringent lending criteria, or require additional collateral. This impediment to capital acquisition may hinder the Group's growth opportunities and jeopardize its competitiveness in the marketplace.

In addition to the usual covenants, Klépierre's credit agreements contain clauses requiring the Group to maintain certain financial ratios. If Klépierre were to breach any of its covenants and were unable to remedy the situation within the contractual timeframe, the lenders could require early repayment. This could affect the Group's entire debt if cross-default clauses were invoked. The forced sale of assets to remedy the breach of covenants could also impact the Group's earnings and asset values. Additionally, a higher cost of debt may send signals to investors about the Group's financial health and growth potential, potentially leading to lower investor confidence, share price declines and increased stock price volatility.

Changes in the inflation rate and central bank policies, along with fluctuations in the Group's rating, may further intensify the challenges. These external factors can aggravate the Group's financing difficulties and affect its ability to maintain a stable credit rating.

Further information

For more detailed information on exposure to financial risks (interest rates, liquidity, foreign exchange, counterparty risk, treasury shares, etc.) and the measures adopted to hedge these risks:

- Note 7 of the consolidated financial statements in section 4.1.5 – Risk exposure and hedging strategy of this Universal Registration Document.
- Section 2.6 – Financing policy.

Main risk mitigation measures

- Closely monitoring the use of financial leverage to maintain a strong balance sheet.
- Clear and stable financing policy to keep solid credit ratings and sound access to capital and liquidity.
- Diversified debt portfolio with various maturities and credit counterparties.
- Maintaining sufficient liquidity to meet debt obligations during periods of rising costs or market volatility.
- Hedging strategy that covers both medium-term and short-term portions of borrowings.
- Considering taking out long-term fixed-rate loans to protect against short-term rate increases.
- Keeping abreast of market trends and economic conditions affecting interest rates.

5.1.2.3 Operational risks

PURCHASING	Residual criticality	Related strategic priorities	Year-on-year criticality change

Description

To ensure the day-to-day running of its shopping centers, Klépierre works with suppliers and service providers. Most goods and services purchased concern utilities (energy and water), facility maintenance and personnel (cleaning and security). Depending on the nature of the projects to be carried out in its shopping centers, the Group may have recourse to other service providers such as architects, construction companies or communications agencies.

The risk is linked to the absence of a streamlined and integrated framework at Klépierre Group level (standards, processes and tools) from sourcing suppliers to contracting and the lack of a monitoring process from contracting to payment.

Impacts

In the absence of well defined and controlled purchasing processes, operational costs may increase due to reckless spending and unauthorized purchases, while the selection of unsuitable suppliers can result in higher long-term costs and compromised service quality or in a position of economic dependence on Klépierre. The latter situation could lead to legal and financial consequences such as the requalification of service agreements in employment contracts.

In addition, the manual or non-formalised handling of certain stages in the purchasing process (from supplier selection through to payment) can lead to administrative inefficiencies, delayed purchase approvals and redundant efforts, negatively impacting time and resource management. They can further lead to delays in payment processing, negatively affecting cash flow management and hindering the Company's ability to optimize spending. In addition, non-compliance with internal policies and external regulations, stemming from the absence of a structured purchase-to-pay process, exposes the Group to potential penalties, fines and reputational issues.

Main risk mitigation measures

- Deploying a Group procurement policy and developing Group standards for key items and services purchased.
- Using a competitive bidding process to select providers that have a solid business reputation and meet CSR criteria.
- Having suppliers adhere to Klépierre's Responsible Purchasing Charter and Code of Conduct.
- Regularly monitoring the supplier base in accordance with risk assessment procedures based on financial stability, reputation, ethical integrity, dependence on Klépierre and quality.
- Comparing spending per category between shopping centers to promote cost optimization.
- Training operational and financial teams to limit deviations from Group procedures.
- Conducting regular internal audits to ensure compliance with established rules and procedures, and to identify areas for improvement.

SAFETY AND SECURITY	Residual criticality	Related strategic priorities	Year-on-year criticality change

Description

As publicly accessible buildings, Klépierre's shopping centers are exposed to safety and security risks. The materialization of these risks can affect the people present in our shopping centers, jeopardize the commercial activity of our assets, and even penalize the Group's performance and reputation.

Inadequate security and safety measures can leave shopping centers vulnerable to criminal behavior, theft, vandalism or trespassing, fire, structural damage and visitor accidents. This not only poses a risk to the safety of occupants, but can also lead to operational disruption, potential financial loss, property damage, reputational damage and legal action.

Impacts

Failure to comply with local health and safety regulations, or to protect people, property and operations against external security and safety threats, may result in legal action or sanctions for non-compliance or negligence. Tenants may be dissatisfied and concerned about their safety and its impact on their business model, leading to litigation.

Visitors and retailer employees may no longer feel safe in or around the shopping center, leading to a reduction in footfall, in the ability of shops to attract or retain customers, and therefore in retailers' sales. Shopping center business could also be affected by a closure, even a temporary one, following a major health, safety or security incident.

Fire and structural safety risks can result in damage to people and property, including building components, interior furnishings and goods. This can also lead to increased costs for the Group, including repairs, equipment replacement, security system upgrades, legal fees or unforeseen investments in preventive measures.

Insurance premiums may also rise following incidents, which could have an impact on the Company's financial performance. Loss of rental income may not be fully covered by insurance. Insurance policies may have limitations or exclusions, leaving the Group exposed to potential financial losses during a period of closure.

Main risk mitigation measures

- Dedicated security and safety departments at Group level responsible for assessing these risks and implementing appropriate measures.
- Adoption of a Group-wide health and safety policy supplemented by standard operating procedures regularly reviewed and updated based on feedback.
- Permanent on-site security teams under the supervision of shopping center management.
- Emergency response procedures and incident reporting and tracking application.
- Building structure audits by a third-party with on-site inspections every five years.
- Major sprinkler overhaul process in place.
- Implementation of robust access control systems.
- Reinforced protection of access to sensitive areas and improvement of security in parking facilities. Implementation of an anti-ram vehicle procedure.
- Implementation of crowd management strategies for busy periods.
- Control of contractors' and tenants' compliance with safety regulations.
- Systematic structural engineering studies prior to renovations to assess impact.
- Training of security teams, management, and tenants on security protocols.
- Country self-assessment and internal audits at Group level.
- Regular emergency evacuation exercises and large-scale anti-terrorism drills.

5.1.2.4 Environmental, Social and Governance risks

FRAUD & CORRUPTION	Residual criticality	Related strategic priorities	Year-on-year criticality change

Description

The risk of fraud and corruption is associated with the potential for dishonest or unethical conduct by individuals. Internal fraud refers to deceptive and dishonest activities carried out by individuals within an organization, typically employees or associates, with the intention of misappropriating the Company's resources, manipulating financial records, or engaging in other fraudulent practices for personal gain. External fraud includes any illegal act by external individuals or entities, aiming to obtain a financial gain or cause financial harm to the Group or its representatives without the involvement or the threat of violence, and characterized by intentional deception, misrepresentation, concealment, or breach of trust. Corruption involves unethical practices influenced by external entities with the aim of obtaining undue benefits.

This risk stems from factors such as weak security, insufficient controls, and inadequate segregation of duties or lack of screening processes for business partners. It is heightened in complex transactions, with vulnerabilities such as improper access management, outdated software and social engineering tactics. Insufficient employee awareness and training and a lack of measures to identify internal threats can also contribute to this risk.

Impacts

The fallout includes damaged employee morale and trust, leading to reduced productivity. Fraud and corruption can result in substantial losses, leading to a rise in insurance premiums and impacting profitability, cash flow, share price, and overall financial stability. Additionally, they can cause reputational damage, raising concerns about the Group's ability to safeguard information and conduct secure transactions, eroding trust and hindering tenant, customer, and investor retention. Investigations following such incidents disrupt business activities and can delay or hamper the achievement of the Group's objectives. Ultimately, these issues may also lead to legal action, fines, imprisonment, regulatory sanctions, and heightened scrutiny, particularly evident under the Sapin II law in France and similar laws in the territories in which Klépierre operates.

Main risk mitigation measures

- Strengthening internal controls, including segregation of duties (multi-level authorization and verification processes for financial transactions), regular audits (e.g., purchase and payments processes) and enforcing the Group's comprehensive anti-corruption policies.
- Providing regular training to employees on fraud awareness, anti-corruption measures, and the importance of reporting suspicious activities.
- 'Tone at the top', in particular through the creation of a Group Ethics and Compliance Committee.
- Confidential and accessible whistleblowing channel to report without fear of retaliation.
- Respect of specific rules for sensitive fields (bank accounts, supplier bank details, payment signatories, etc.).
- Regular communication to raise awareness internally and promote prompt action.
- Verification of third parties' credentials before engaging in business relationships.
- Strengthening contractual safeguards to deter fraudulent behavior.
- Ensuring transparency in financial reporting involving multiple stakeholders to minimize the risk of fraudulent manipulation.
- Rigorous process for conducting internal investigations and taking appropriate disciplinary actions.

TALENT MANAGEMENT	Residual criticality	Related strategic priorities	Year-on-year criticality change

Description

The Group's employees possess skills, potential and personalities which, taken together, constitute human capital that needs to be preserved, developed and enriched. Various factors may affect this capital such as, for instance, inadequate recruitment practices, subpar candidate screening, insufficient investment in employee training, a perceived lack of advancement opportunities, ineffective leadership, absence of robust succession planning, failure to value employee commitment or a non-alignment of skills and organizational goals.

Consequently, an effective talent management process is essential to preserve the Group's human capital. Without it, the organization's ability to identify, attract, nurture and retain the best talent, as well as build a competent workforce, can be jeopardized. This would make it difficult to drive the organization forward and achieve business and strategic objectives.

Impacts

Ineffective talent management can lead to a cascade of challenges within the Group. High employee turnover becomes a risk as disengaged or undervalued employees seek opportunities elsewhere, resulting in talent loss and increased recruitment costs. Productivity and performance also suffer when employees lack effective management and development, leading to decreased output, difficulty in achieving strategic goals and missed innovation and growth opportunities. Attracting top talent may then become difficult, as potential candidates are hesitant to join the organization if it is lacking a focus on employee development and a positive work environment. Additionally, it inhibits the identification and development of future leaders, creating leadership gaps and hindering strategic initiatives.

Further information

- HR initiatives are presented in section 3.4.1.

Main risk mitigation measures

- Involving employees in the Company's roadmap, while ensuring a good work-life balance.
- Developing the Group's employer brand based on its four values: 'Commit,' 'Develop,' 'Explore,' and 'Care'.
- Developing the proximity and quality of leadership and management. The key competencies required for effective leadership have been identified and form the basis of training and development programs, at all management levels.
- Implementing or maintaining structured talent identification and development programs, offering continuous learning opportunities. The people appraisal process helps to identify talent and offer development opportunities, such as the 'Know your strenghts' program.
- Offering attractive packages to attract and retain the best talents, ensuring that contributions are rewarded appropriately.
- Promoting diversity, fostering an environment that values different perspectives and experiences to keep pace with market developments.
- Developing a solid succession strategy for key positions to ensure anticipation and smooth transitions.
- Maintaining a robust and user-friendly human resources information system ('Purple') that covers the main HR processes.
- Aligning employee objectives with Company goals. A Groupwide list of objectives has been established by the Group Executive Committee and is available in Purple to all managers in the objective-setting module of the solution.
- Implementing an inspiring and effective induction program: in 2023, the onboarding process has been automated in Purple to ease the completion of all integration steps for new joiners and their managers. This supplements the biannual two-day induction group sessions aimed at welcoming new employees to the Company.
- Adopting effective strategies, leveraging digital platforms and recruitment agencies, to reach diverse and skilled candidates. Additionally, the roll-out of the Purple recruitment module is expected to render recruitment processes more efficient across the Group.
- Steering individual employees' performance, offering development and career opportunities. A performance module was added to Purple in 2023, reinforcing the importance of regular conversations between managers and their team members on in-job achievements and perspectives for potential next career moves.
- Fostering a positive working culture through regular feedback and survey campaigns, recognition programs, and growth opportunities. The 2022 engagement survey led to various initiatives in 2023 to further improve the culture, including several internal transfers.

COMPLIANCE WITH EVOLVING STANDARDS AND REGULATIONS

Residual criticality

Related strategic priorities

Year-on-year criticality change

Description

As a listed company operating in several countries and benefitting from specific tax regimes (including the French SIIC tax regime and its equivalents in other countries), Klépierre must comply with multi-jurisdictional and multilayered legal, regulatory, and soft-law standards and rules, which necessitates vigilant monitoring and high adaptability in numerous regulatory fields. In addition to the operational rules and regulations (e.g., health and safety, energy, public-access buildings) covered in the 'operational risks' section above, compliance with evolving corporate standards encompasses a range of cross-cutting fields such as financial and tax regulations, anti-corruption laws, personal data protection regulations, and stock exchange law.

Impacts

New and evolving legal and regulatory provisions, and non-compliance with them or procedures put in place, could have a material adverse impact on Klépierre and its activities. Failure to comply with these obligations may expose the Group to administrative, financial or criminal penalties, damage to its image and reputation, regulatory intervention, increased scrutiny, and loss of confidence of its partners, tenants, suppliers or customers. Additionally, a tightening of corporate laws, for instance on market disclosures and reporting, due diligence, or human rights, could have an impact on the Group's organization and incurred costs.

Main risk mitigation measures

- Legal teams at Group and local levels regularly monitor legal and regulatory environments, case law, disputes and litigation in operating countries.
- Rigorous Group-level procedures are established and deployed in operating countries to ensure compliance with relevant legal and regulatory provisions.
- The Group's anti-corruption compliance program is regularly updated, while employee training and regular feedback sessions (seminars, webinars, etc.) foster a culture of ethics and integrity.
- The Internal Audit Department, external audits as well as a continuous improvement process ensure alignment between legal and regulatory requirements, operational practices, and strategic objectives.
- Two levels of controls (local and Group level), ensuring the proper application of Group procedures.
- The existence of various committees (Risk, Ethics and Compliance, RGPD, Litigation) to reinforce the governance, validate roadmaps and monitor the effectiveness of action plans.
- An escalation process accessible internally and to our external stakeholders, supported by a secure whisthleblowing platform.
- Klépierre actively contributes to the work of national or international bodies representing not only the commercial real estate sector but also broader professional bodies, such as EPRA and the national shopping center councils (or equivalent) of several countries in which the Group has operations.

5.2 RISK MANAGEMENT, COMPLIANCE AND INTERNAL CONTROL

Klépierre strives to continuously improve its internal control and risk management system with a view to securing its business over the long run, provide adequate information to the public and comply with the applicable regulations, in particular the Reference Framework of the French financial markets authority (*Autorité des marchés financiers* – AMF) and the measures described in COSO II (Committee of Sponsoring Organizations of the Treadway Commission). Klépierre is also developing a precautionary set of ethics and compliance internal processes and procedures governed by the Klépierre's Code of Conduct.

5.2.1 Objectives and scope

The objectives of Klépierre's risk management are as follows:

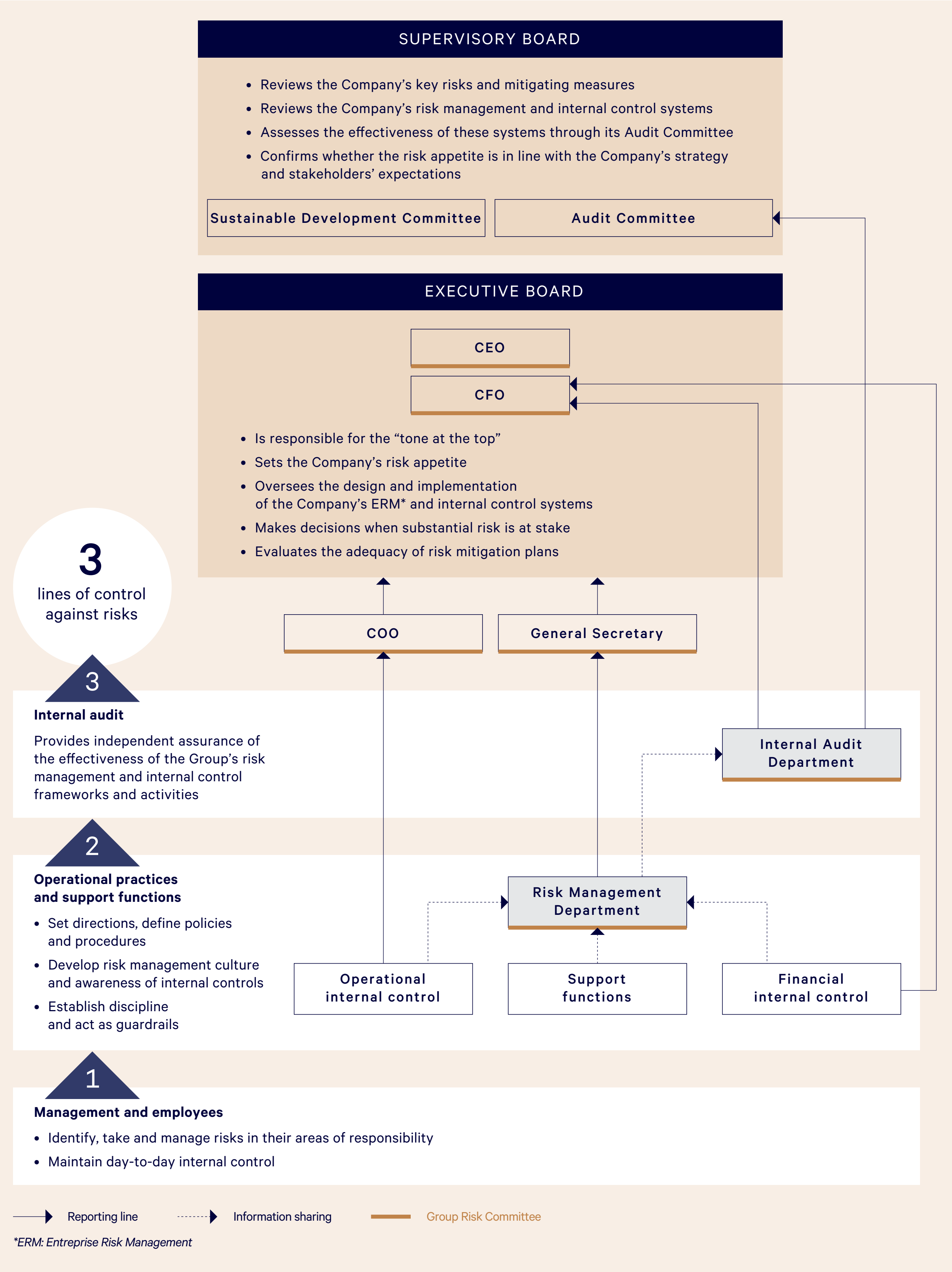
- To create and preserve the Group's value and reputation;
- To secure the Group's overall strategic priorities;
- To protect its assets (in particular buildings), people and the environment;
- To make decisions and processes help secure the Group's objectives;
- To encourage initiatives which are consistent with the Group's values;
- To ensure that the key risks arising from its operations and business are correctly assessed and sufficiently controlled; and
- To mobilize employees around a shared vision of the main risks facing the Group and those specific to their job function.

Internal control and compliance frameworks are implemented by operational management and employees to provide reasonable assurance to senior management and shareholders that the following objectives are met:

- Compliance with applicable legislation, external regulations and Klépierre's internal rules;
- Implementation of instructions and guidelines provided by the executive management team;
- Effectiveness of the Group's internal processes, including those designed to protect the Group's assets; and
- Reliability of financial data and, more generally, of all data included in the Group's published statements

The Group's internal control system covers all of the Group's activities and geographies. Although this internal control system cannot, by definition, provide an absolute guarantee that all risks will be eliminated, it aims at providing the Group with a comprehensive framework that effectively protects against the major risks identified and their potential effects.

5.2.2 Overall governance and organization



The **Supervisory Board** reviews the most significant risks and mitigation measures and assesses the effectiveness of the Group's risk management and internal control systems. It also confirms that the risk appetite, reflected for example in key decisions made, risks taken, or investments made to mitigate them, is consistent with Klépierre's strategic objectives and the expectations of the Company's stakeholders.

It is assisted in this task by special-purpose committees whose members are appointed by the Supervisory Board:

- The Audit Committee, responsible for overseeing the financial reporting process, the audit process, the Company's internal control system and compliance with laws and regulations. To this extent, the Audit Committee monitors the internal control framework as a whole (and the accounting and financial risks in particular, by reviewing the financial statements, verifying the relevance and the consistency of the accounting methods adopted to prepare the financial statements and the processing of significant and unusual transactions);
- The Sustainable Development Committee which examines all significant non-financial risks, including the 'Climate change and 'Talent management' risks described above, as well as the ones described in section 3.1.3 of this Universal Registration Document; and
- The Investment Committee which analyzes on a case-by-case basis the risks and opportunities related to the asset rotation strategy and real estate development projects.

The **Executive Board** meets weekly and as required. It is responsible for duties provided for in the French Commercial Code and the Company's bylaws, including management of the Group's business so that it meets its strategic and financial objectives.

With regard to risk management and internal control, the scope of the Executive Board's responsibilities includes:

- Ensuring that Klépierre policies and procedures are consistent, built on ethical principles, appropriate organizational structures, well-defined responsibilities and demonstrated competencies; and
- Guiding the Group's Risk Management and Internal Audit departments, to ensure an adequate level of risk mapping and mitigation.

For more details on the respective roles of the Supervisory Board and its special-purpose committees and the Executive Board, see section 6.1.

5.2.3 Risk management

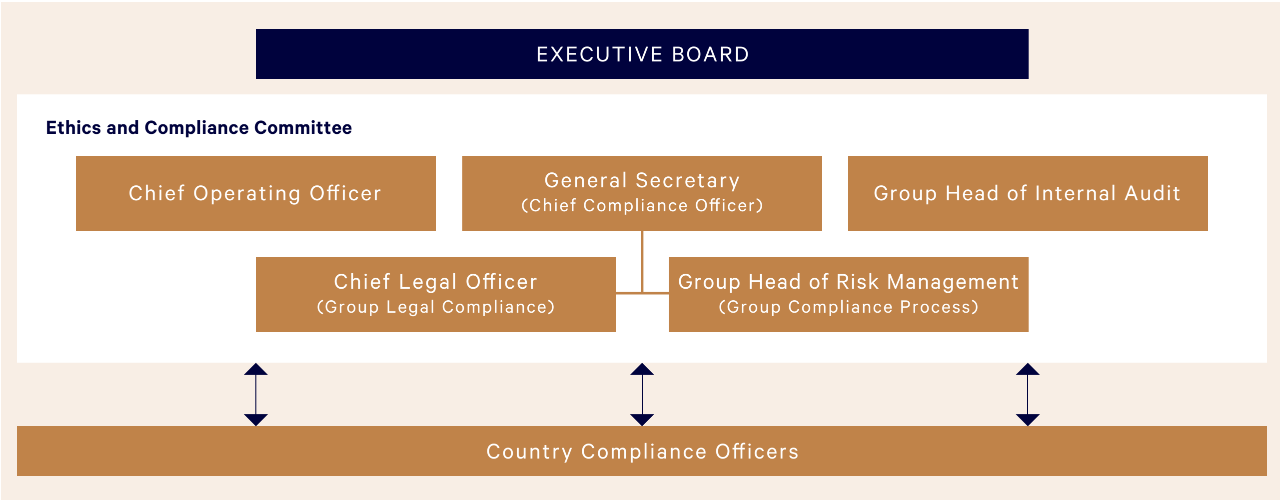
The main role of the **Group Risk Management Department**, supported by Group experts, is to lead the effective development of Klépierre's internal controls and Enterprise Risk Management ('ERM') at strategic and operational levels, by implementing a structured, sustainable and adaptable system aimed at identifying, analyzing, prioritizing and addressing key risks. It is responsible, directly or through operational practices and support functions, for designing and implementing internal control systems and risk management procedures.

In addition, the **Group Risk Committee** has been set up to enhance knowledge sharing and the perception of key risks among top managers, to strengthen governance and the coordination of initiatives, and to improve the allocation of resources and responsibilities. It validates the risk management strategy and operational roadmap, monitors its progress, reviews the Group's risk map and specific risk assessments, in addition to the corresponding internal controls. The Group Risk Committee comprises the Chief Executive Officer, the Chief Financial Officer, the Chief Operating Officer, the Group General Secretary, the Group Head of Internal Audit and the Group Head of Risk Management as well as any other persons invited in connection with specific items on the agenda.

In 2023, the Group conducted a comprehensive review of its risk mapping, which led to the selection of the main risks detailed in section 5.1. This mapping is supplemented by various thematic risk maps of areas including IT, human resources, corruption, and human rights. At Klépierre, risk mapping is carried out in a collaborative and results-oriented manner, with the aim of guiding management decisions and providing practical support to operational teams in their activities. For each main risk, an action plan is drawn up and is carefully monitored by a risk owner. Overall progress is supervised by the Group Risk Committee.

5.2.4 Ethics and compliance

5.2.4.1 Organization and governance



The Group's compliance organization has been strengthened and its roles and responsibilities clarified:

- The Group General Secretary serves as Chief Compliance Officer and as such is responsible for the entire compliance management system (definition of the scope of compliance within Klépierre, objectives and priorities, decision-making on specific cases);
- The Chief Legal Officer is responsible for regulatory monitoring, the Code of Conduct and compliance training modules for the entire Group; and
- The Group Head of Risk Management is responsible for coordinating ethical risk mappings, developing compliance-related procedures and processes, as well as tools, related in particular to the Group's anti-corruption and anti-money laundering frameworks.

An Ethics and Compliance Committee has been set up to oversee the proper implementation of the compliance system and to rule on specific cases. It comprises the people mentioned above, in addition to the Chief Operating Officer and the Group Head of Internal Audit.

To ensure proper deployment throughout the Group, compliance officers are assigned the following responsibilities at local level:

- Enforcing the Group's business ethics rules while ensuring compliance with specific local laws;
- Identifying and reporting compliance-related risks;
- Proposing and implementing preventive measures (e.g., training); and
- Helping clarify potential breaches of ethics and compliance.

5.2.4.2 Commitment to ethics and compliance

At Klépierre, business ethics is fundamental. The Group is committed to applying its values in all its business practices, including its relationships with employees and external stakeholders. The Code of Conduct and the Responsible Procurement Charter define a comprehensive set of ethics and compliance commitments for the Group and its employees, for our business partners and for society and the environment. It is supplemented by internal procedures for enforceability purposes, for example, the DEI Charter, health and safety protocols, anti-corruption procedures (see section 5.2.4.3 below).

5.2.4.3 Fight against corruption and influence peddling

In accordance with applicable laws and regulations (in particular the French Sapin II law) and the recommendations of the AFA (French Anti-Corruption Agency), Klépierre's anti-corruption compliance program is based on:

- A zero-tolerance commitment to corruption and influence peddling made at the highest level of the Group and formalized in our Code of Conduct available to all employees in the local language for each country where the Group operates and publicly on Klépierre's website. Policies and procedures supplement the Code and are designed to make sure that employees comply with the rules and standards set out therein;
- A corruption and influence-peddling risk map;
- A process, including a specialized IT tool, is in place to assess the integrity of prospects and business partners and make appropriate decisions based on a risk approach. This process makes it possible to check for sanctions, convictions, politically exposed persons, and negative press articles. It also facilitates the identification of beneficial owners, managers, and shareholders. This process is part of a wider set of rules designed to guarantee transparency and the absence of conflicts of interest when entering into contracts with third parties;
- Anti-corruption accounting controls are integrated into the Group's internal control rules (see section 5.2.5.3);

- An anti-corruption training program (called 'InKorruptible!'), available in seven languages, mandatory for all Klépierre employees. It aims to strengthen the internal approach to preventing corruption and to continue raising awareness among internal stakeholders;
- A disciplinary system outlining the sanctions incurred by our employees in the event of infringement; and
- A whistleblowing system, complying with the latest legal requirements and best practices, open to all, both internally and externally. This system enables anonymous and confidential reporting of cases or suspicions of criminal activities, violations of national and international laws, or breaches of the Group's Code of Conduct. It is hosted by an external provider and is available 24/7 through a web platform.

To develop a culture of ethics and transparency, the Group has put in place the following processes applicable to its employees with a view to giving practical details on the way to comply with Klépierre's Code of Conduct:

- Gifts and invitations given or received;
- Potential or actual conflicts of interest;
- Donations, sponsorship and patronage; and
- Representations of interests or lobbying actions.

These processes are based on automated tools and forms to make it easier for staff to submit statements and for compliance or human resources officers to conduct internal control actions.

5.2.4.4 Fight against money laundering and terrorism financing

Klépierre's anti-money laundering prevention program, is primarily based on the following:

- The Group's global risk mapping, which has been updated in 2023, as well as the mapping of corruption risks;
- The Group process, based on a risk-based approach, for assessing the integrity of third parties (sanctions, convictions, politically exposed persons, adverse media), and identifying executives, beneficial owners and shareholders;
- The Group's process for reporting suspicious transactions to Tracfin, the French government agency responsible for combating illicit financial circuits, money laundering and the financing of terrorism, via a dedicated correspondent;
- Certification of the origin of funds by approved professionals for asset or share transfers; and
- Training and awareness-raising for employees most exposed to these risks.

5.2.4.5 Protection of personal data

For business purposes, Group entities may process personal data collected from third parties, either as data controller or as data processor. The Group strives to collect personal data that are adequate, relevant and limited to what is necessary for the specific and explicit purposes for which they are processed, and to maintain the confidentiality and security of all such data, in coordination with the IT Department and the relevant operational teams. In this regard, the Group entities regularly assess and map the processing of personal data to evaluate its level of compliance with relevant regulations and the General Data Protection Regulation ('GDPR') in particular.

An internal system has been established for matters relating to the collection, use and protection of personal data. This includes two dedicated and regularly updated internal charters available on Klépierre's website (Data protection Charter and Employee's Personal Data Charter), a regularly reviewed set of procedures, the maintenance of an incident log and a framework of tailor-made provisions to ensure compliance in a constantly changing legal and regulatory environment.

The Group's teams regularly monitor the effective application of this system and support operational teams in the implementation of projects through a 'privacy by design' or 'privacy by default' approach.

Klépierre's Group Data Protection Officer ('DPO') is certified and registered with the French Personal Data agency (CNIL). From the French headquarters, the DPO leads a network of local personal data correspondents appointed in the other countries in which the Group operates. Together, they carry out legal and operational monitoring and assist the local teams in the application of the GDPR, ensuring the highest level of compliance within the Group.

In addition, the Group's GDPR Committee keeps a record of the measures in place, to be strengthened or introduced in terms of compliance with the regulations, determines the resources allocated and the persons responsible for implementing these measures. Its members are the Group General Secretary, the Chief Legal Officer, the Group Head of Risk management and the Group Head of IT (as well as any other invited person in relation to specific items on the agenda).

Klépierre also devotes resources to awareness and training in personal data management. All employees must complete e-learning modules on cybersecurity and personal data. They are also provided with an e-learning module on sensitive data. The employees of most exposed departments must attend additional personalized in-person training sessions on these topics.

5.2.4.6 Fight against fraud and insider trading

Klépierre may be exposed to various types of wrongdoing, including but not limited to different types of fraud (identity theft, fake supplier fraud, etc.), embezzlement in the course of business (falsification of records, etc.) or insider trading (for more details about this risk and about our Stock Market Code of Conduct, see section 6.1.5).

To respond to this multifaceted and constantly evolving risk, Klépierre has intensified its vigilance and strengthened its internal procedures and awareness-raising campaigns.

The principle of segregation of duties is applied to the purchasing and payment processes and specific rules must be respected for sensitive fields (bank accounts, supplier's bank details, payment signatories).

Awareness of the risk of fraud is carried out regularly through training at CFO meetings, email communications and dedicated online training courses. External fraud attempts are systematically shared with the most exposed staff to provide them with details on how the fraud attempt was executed and to remind them of the best practices to detect and thwart attacks. Groupwide fake phishing campaigns are also run yearly by the IT Department to maintain employees' awareness on the matter.

Fraud or fraud attempts can be reported via the Klépierre whistleblowing platform. They give rise to internal investigations by the Internal Audit Department or by the Head of Country or Territory as necessary.

For further information, see the 'Fraud and Corruption' risk section (5.1.2.4).

5.2.5 Internal control

5.2.5.1 Overall organization and governance

In accordance with AMF recommendations, Klépierre's internal control system is based on an appropriate organizational structure (described above) in addition to:

- Responsibilities, segregation of duties (with operational roles separated from supervisory roles) and clearly defined delegations and sub-delegations of authority;
- Appropriately allocated resources and expertise;
- Job descriptions and a system for evaluating performance against objectives;
- Formalization of procedures and processes relating to the operational and financial activities of the Group; and
- Relevant information systems, tools and practices implemented.

5.2.5.2 IT controls

Klépierre's IT landscape is built to ensure common ways of working and business processes across all Group entities and to simplify data sharing across business lines, while leveraging a robust infrastructure (dual site data center and cloud) that provides continuity of IT services.

Projects and maintenance operations are designed and delivered to ensure the following:

- Security and confidentiality are based on the Zero-trust method and supported by strong security governance;
- Data reliability and integrity
- Continuously operational, 24/7 availability;
- Traceability of access, monitoring of technical and functional indicators, processes for deliveries, and compartmentalization of tasks; and
- Awareness training for employees.

Business applications design

Klépierre's IT application landscape relies on a shared, unique Enterprise Resource Planning (ERP) system, namely SAP, including a consolidation tool rounded out by dedicated business intelligence tools, that are common to all entities and supports back-office activities (finance, rental and property management). Core operational activities are supported via specific shared applications Groupwide such as:

- An application ('Atlas') dedicated to the leasing processes and related approval procedures;
- An application ('Komply') monitoring the operational compliance of the shopping centers and their proper safety and security management;
- An application ('Klub!') covering the relationship with tenants in shopping centers;
- A Group-wide data platform (based on SAP BW and Microsoft Azure/PowerBI) which enables data insight and analysis, as well as financial and operating reports; and
- A Group-wide banking platform ('Kyriba') provides for a common secured payment process, with strong authentication technology and a cross-validation procedure.

These IT Solutions provide strong business continuity and facilitate operational controls, by supporting common business processes, data definition across the Group, as well as data consolidation and shared reporting, from local operations to headquarters.

The 'core model' applications (SAP and related tools) and a common HR job library also support the Group's internal accounting controls via:

- Segregation of duties rules directly embedded in the job definitions and geographic scope of each user. These rules are assessed regularly; and
- Automated controls and reports to avoid fraud (e.g., IBAN changes, vendor review, etc.).

IT continuity

IT continuity at Klépierre relies on the following two pillars:

- Application availability:
  - Critical real-time applications are cloud-based, to ensure best-in-class availability provided by international providers, and
  - Business applications are hosted on a dual data center infrastructure. Failover procedures are tested regularly;
- Application access:
  - Applications are accessible from any location zero-trust solutions and multi-factor authentication, see below),
  - Klépierre workstations are laptops for virtually all staff members.

Daily backups are conducted and monitored, and weekly backups are stored in a secure location.

Cybersecurity

Because it greatly contributes to business continuity and data protection, cybersecurity is considered as a key element in the design and running of the Group's IT system. Klépierre has defined its cybersecurity policy based on the following principles:

- Strong transversal governance involving IT, risk management, legal, internal audit, business and a dedicated cybersecurity team to ensure strategy and compliance in line with the strategy of the Group;
- Security by design from the project conception stage to the roll-out of the solution, through the use of security guidelines and policies, the expertise of IT development teams and providers;
- Ongoing prevention and awareness of employees in accordance with the GDPR and security services to ensure effective training and communication;
- Constant updating of the IT system and security ensured by regular updates, controls and monitoring policies;
- Use of protection and partitioning mechanisms: zero-trust access and privilege filtering, endpoint detection and response on servers and workstations, control of internet flows by proxy and web applications firewall, and anti-spam email solutions;
- Regular audits of infrastructure and applications by external experts and the Internal Audit Department;
- Incident detection mechanisms subject to continuous improvement, frequently audited by qualified professionals and supported by a framework of cyber incident and crisis management procedures in association with the Data Protection Officer; and
- Systems redundancy mechanisms.

At the end of 2022, a two-year plan to reinforce cybersecurity was launched to implement higher levels of security within the Group. The plan is run by a dedicated taskforce in support of the cybersecurity team and includes the implementation of enhanced attack detection tools, zero-trust policies and enhanced segregation of rights.

5.2.5.3 Financial control

In this area, the Finance Department performs its own controls backed by a dedicated Accounting Internal Control function, which carries out other targeted verifications.

Details about the financial controls

Accounting organization and management control

Accounting tasks are carried out by the Group Finance Department in each country in which the Group operates. The statutory and consolidated financial statements are prepared under the responsibility of the Group Finance Department. The existence of an ERP system (SAP) across the Group makes it possible to record day-to-day transactions and enter accounting data in an integrated and automated manner. All the processes used to prepare accounting data are subject to accounting control programs at various levels, including validation rules, authorizations and instructions concerning supporting evidence for, and documentation of, accounting entries. The Accounting Internal Control function is in charge of defining and providing the accounting control rules and ensuring the smooth operation of the internal control environment.

Klépierre's internal financial data is certified using a specific tool called 'FACT' (Finance Accounting Control Tool). FACT relies on a series of validation mechanisms through which the staff involved in the evaluation of accounting controls formally certify the reliability of the data provided and the proper functioning of controls. This process contributes to the overall monitoring of the functioning of internal accounting controls within the Group. It also gives the Finance Department, which is responsible for the preparation and quality of the Klépierre Group's consolidated financial statements, the necessary level of assurance on the accuracy of financial statements of each entity. The content of the certifications is updated on a quarterly basis by the Group's accounting internal control function, and covers, among other aspects, regulatory requirements in terms of internal accounting control.

The financial reporting system in place in all countries enables the Group to track trends in the main key performance indicators by country and by asset, and to ensure that these are properly geared to the objectives laid down in the annual budget approved by the Executive Board.

Accounts closing process and consolidation

The accounts are consolidated by the Group Consolidation Department. Data for the consolidation is provided by the Finance Department in each country.

The consolidated financial statements are prepared using a process laid down in detailed instructions circulated to the Finance Department in each country to ensure that deadlines are met, and that the data provided comply with the Group's accounting standards.

The principal accounting controls carried out at each quarterly close during the consolidation process are the following:

- Controls on changes in the scope of consolidation and equity reconciliations;
- Analysis of supporting evidence for all consolidation adjustments;
- Analysis of and explanations for all deviations from budgets and forecasts;
- Analysis of balance sheet movements and outstanding balances; and
- Reconciliation of the fair values recorded in the consolidated accounts with the fair values provided by the appraisers.

5.2.6 Independent control activities

In an ever-changing operating environment, the Group is audited by external and internal professionals, who are tasked with detecting any violations of the Group internal rules and procedures.

In addition to external auditors, notably the Statutory Auditors, who perform the function of third-level controllers, the Internal Audit Department's mission is to enhance and protect Klépierre's organizational value by providing objective and risk-based assurance, advice, and insight within the Klépierre Group across all geographies and operations. It aims to add value and improve the organization's operations.

To do so, the Internal Audit Department evaluates and improves the effectiveness of risk management, control and governance processes. It strengthens the process through the implementation of its audit plan, which is developed according to a risk-based approach and also takes into account the priorities of the Executive Board and the Audit Committee.

Klépierre's Internal Audit Charter sets out the roles and responsibilities of the audit function. The Internal Audit Manual supplements the Internal Audit Charter and specifies the functioning and operating mode of the Internal Audit Department. To ensure its independence, the Internal Audit Department reports functionally to the Audit Committee of the Supervisory Board and operationally to the Executive Board. The Internal Audit Department conducts its mission in compliance with the Klépierre's Code of Conduct.

To achieve its objectives of increasing and preserving the value of the organization, Klépierre's Internal Audit Department has been assigned different types of missions:

- Independent assurance missions, included in the annual audit plan, focusing on the adequacy and effectiveness of the organization, risk management and internal control systems;
- Corporate audits or process audits whose objective is to identify the control measures in place and assess their relevance and effectiveness. Recommendations are made to improve the level of control;
- Shopping center audits whose objective is to ensure that the shopping centers do not present any risks for the safety of goods and people by controlling the realization of controls and regulatory maintenance operations, and compliance with safety rules.

Other types of assignments at the request of the Executive Board or the Audit Committee are:

- *Ad hoc* audits: unscheduled missions that may occur as a result of the occurrence of an event. The objective, the scope and the format of the mission are determined with the Executive Board or the Audit Committee;
- Consulting missions: the objective of these assignments is for the Internal Audit Department to contribute its expertise in risk management and its cross-cutting vision. The content of the assignment must be determined with the Executive Board.

Final audit reports are submitted to the Executive Board and to each department involved in the audit.

An update on audit activities is provided every quarter to the Executive Board and the Group Head of Risk Management which meet specifically to discuss major risks identified, the audit recommendations and the related action plans. A summary of audit findings and a follow-up on the implementation of past audit recommendations is provided to the Audit Committee on an annual basis.

5.2.7 Risk transfer

The Group's policy is to take out insurance policies covering all its subsidiaries by centralizing the underwriting of insurance programs, which ensures that the risks transferred and the coverage purchased are consistent. It also aims to minimize insurance costs. Particular attention is paid to contractual or legal provisions specific to certain countries, which are reported by the Group's insurance correspondents or the broker's international network. Klépierre's strategy aims to transfer those risks to insurers whose solvency and management capacity (production and claims) optimally meet the Group's requirements in terms of protection-to-cost ratio.

Optimization of coverage and transfer costs is also based on the results of the risk mapping as well as the guarantees and capacities available on the insurance markets.

In 2023, the premiums paid in relation to the Group's main insurance policies (excluding construction insurance that is underwritten on a project-by-project basis) amounted to approximately €11.9 million.

To comply with best purchasing practices and challenge the overall insurance management in terms of processes, tools and potential insurance coverage, Klépierre launched a call for broker tenders in 2023. This initiative led to the replacement of the broker in place on almost all its insurance programs since 2012 by two new brokers as of January 1, 2024. The main risks for which Klépierre has taken out insurance are detailed in the sections below.

5.2.7.1 Coverage of damages and liabilities associated with properties

Klépierre benefits from a Group insurance program that covers damage caused to its real estate assets, notably by natural events, acts of terrorism, terrorist attacks, and recourse from neighbors and third parties. The Group's real estate assets are insured up to their replacement value, with extended coverage for 'indirect losses' and 'loss of rental/operating income' (up to 36 months of lost rents).

The reinstatement value of our assets for insurance purposes is calculated annually by specialized experts, based on replacement cost.

The contractual coverage limits for the policies taken out are all adapted to the specific features and value of the insured portfolio.

In addition, the Group benefits every year from the advice and support of the technical prevention services of its insurers. Klépierre makes every effort to comply with the recommendations of its insurers, and thus maintains its assets in a constant state of safety with respect to fire hazards.

Klépierre systematically takes out 'contractor all risk' insurance for its real estate restructuring, construction, extension and renovation projects. During the period of construction, decennial insurance in France guarantees post-delivery and civil liability of the project owner or developer. It aims to financially secure its development operations at all levels, i.e., during construction and after delivery.

5.2.7.2 Third-party liability insurance (public and professional)

The Group is insured against the financial consequences of any litigation or claim resulting from bodily injury, property damage or financial loss suffered by third parties and attributable to fault in the performance of the Company's activities, employee malpractice or flawed professional work. Policies provide a high level of coverage in line with the scope of the portfolio and the activities carried out.

5.2.7.3 Environmental insurance coverage

This guarantee covers Klépierre's liability for damage suffered by third parties and damage to biodiversity resulting from the impact of the Group's activities on the environment, as well as the costs incurred by on-site cleaning operations to neutralize or eliminate an environmental hazard.

5.2.7.4 Insurance of other risks

The Group has also taken out the necessary insurance to cover the following:

- Its leased offices, through a multi-risk insurance policy covering the walls of the offices rented by the Company, as well as their contents (furniture, fittings) and IT equipment;
- Personal accident insurance designed to guarantee the payment of compensation in the event of a personal accident suffered by an employee in the course of his or her work; and
- The personal liability of the corporate officers and *de jure* or *de facto* executives of the Company (D&O insurance).

6

SUPERVISORY BOARD'S REPORT ON CORPORATE GOVERNANCE

6 SUPERVISORY BOARD'S REPORT ON CORPORATE GOVERNANCE

In accordance with Articles L. 225-68 and L. 22-10-20 of the French Commercial Code (*Code de commerce*), further to the meeting of the Nomination and Compensation Committee on February 9, 2024, the Supervisory Board approved the corporate governance report which will be presented to the General Meeting of Shareholders to be called to approve the financial statements for the year ended December 31, 2023 ("**2024 General Meeting**"). The report includes the information referred to in Articles L. 22-10-9 to L. 22-10-11, L. 22-10-26, and L. 225-37-4 of the French Commercial Code ("**Required Information**"[1]).

The Company has chosen to refer to the Corporate Governance Code for Listed Companies published by the French association of private sector businesses (*Association française des entreprises privées* – AFEP) and the French employers' association (*Mouvement des entreprises de France* – MEDEF) ("**the AFEP-MEDEF Code**"), which can be consulted on the AFEP website at the following address: www.afep.com.

The Company complies with all of the applicable recommendations of the AFEP-MEDEF Code[2].

6.1 OVERSIGHT AND MANAGEMENT OF THE COMPANY

The Company was converted into a French joint-stock corporation (*société anonyme*) with an Executive Board and Supervisory Board on July 21, 1998. This method was adopted to maintain the separation of the Company's management and oversight bodies. Having a two-tier governance organization also enables the Company to retain a proactive and flexible structure, while respecting the prerogatives of the Supervisory Board, whose balanced membership safeguards independent control and the balance of powers.

6.1.1 Supervisory Board and Specialized Committees

The French Commercial Code, the Company's bylaws and the rules of procedure[3] are used to determine the role and membership of the Supervisory Board. More specifically, the Supervisory Board provides oversight of the management of the Company by the Executive Board, and for the Company and consolidated financial statements adopted by the Executive Board.

6.1.1.1 Membership of the Supervisory Board and Specialized Committees

As of the filing date of this document, the Supervisory Board comprised nine members, all of whom were domiciled for professional purposes at 26, Boulevard des Capucines, 75009 Paris (France) and are Company shareholders.

(1) For the cross-reference table setting out the Required Information and specifying in which sections of the Company's Universal Registration Document this Information is presented, see section 8.8 on pages 328 et seq.
(2) Recommendation 19.1 of the AFEP-MEDEF Code in which companies are advised to allow an employee director to sit on the compensation committee is not applicable to Klépierre insofar as the Company is not required to appoint members representing employees under the French Commercial Code.
(3) The Company's bylaws and the rules of procedure of the Supervisory Board can be consulted on Klépierre's corporate website at www.klepierre.com/en.

MEMBERSHIP OF THE SUPERVISORY BOARD AS OF THE FILING DATE OF THIS DOCUMENT

MEMBERSHIP OF THE SUPERVISORY BOARD

	PERSONAL INFORMATION				POSITION ON SUPERVISORY BOARD			MEMBERSHIP OF SPECIALIZED COMMITTEES 2023 ATTENDANCE RATE			
	Gender	Nationality	Age	Number of Klépierre shares held	Date of first appointment /Seniority (a)	Term expires	2023 attendance rate	Investment Committee	Audit Committee	Nomination and Compensation Committee	Sustainable Development Committee
 **David Simon** *Chairman of the Board*	H	US	62	62	April 12, 2012 12 years	GM 2024	100%	◉ 100%			
 **John Carrafiell**	H	US	59	60	Dec. 11, 2014 9 years	GM 2024	100%		◉ 100%		
 **Béatrice de Clermont-Tonnerre** *Vice Chair of the Board*	F	FR	51	60	April 19, 2016 8 years	GM 2025	83%		67%		67%
 **Steven Fivel**	H	US	63	62	April 12, 2012 12 years	GM 2024	100%	100%		100 %	◉ 100%
 **Robert Fowlds**	H	UK	62	100	April 24, 2018 6 years	GM 2024	100%	100%			
 **Stanley Shashoua**	H	US	53	60	April 14, 2015 9 years	GM 2026	100%	100%	100 %		100%
 **Catherine Simoni**	F	FR	60	60	April 11, 2013 11 years	GM 2026	100%	100%		◉ 100%	
 **Rose-Marie Van Lerberghe**	F	FR	77	100	April 12, 2012 12 years	GM 2025	67%			100%	100%
 **Florence Von Erb**	F	FR	64	150	April 19, 2016 8 years	GM 2026	100%		100%		100%
	Meetings in 2023				6			3	3	3	3
	Average attendance rate in 2023				94%			100%	92%	100%	93%

Independence ◉ Chair

(a) *At the date of the 2024 General Meeting.*

5 Non-French Supervisory Board members

61 Average age of Board members

56% Independent Supervisory Board members

44% Women Supervisory Board members

Review of the membership of the Supervisory Board

When reviewing its membership and proposals for appointment or re-appointment submitted to the General Meeting, the Supervisory Board regularly examines the individual situation of each member, particularly:

- The skills and experience they contribute to the work of the Board and the Specialized Committees;
- Their availability and attendance at meetings, as well as their commitment;
- Their situation as regards conflicts of interest and their independence;
- Their contribution to the diversity of the Board in terms of qualifications, age, gender, nationality, and professional experience.

The Supervisory Board also conducts this review taking into account the general principles and criteria outlined in the succession plan described in point 3 of section 6.1.4 "Supervisory Board succession plan and selection of new Supervisory Board members" on page 259.

The Supervisory Board regularly reflects on the desirable balance of its membership and that of the Specialized Committees in order to guarantee shareholders and the market that its duties are carried out with the necessary independence and objectivity, in line with the Klépierre Group's challenges and strategy.

Taking into account the rules set out in section 6.1.1.2 and the above, at its meeting of February 13, 2024, the Supervisory Board considered that its membership was satisfactory. It has nevertheless anticipated the fact that Rose-Marie Van Lerberghe will cease to qualify as an independent member as from April 12, 2024, due to her serving on the Board for more than twelve years at that date, and has consequently proposed the appointment of Anne Carron to the 2024 General Meeting.

Changes in the membership of the Supervisory Board and Specialized Committees in 2023 on the favorable recommendation of the Nomination and Compensation Committee

	Office expired	Appointment	Re-appointment
Supervisory Board	None	None	Catherine Simoni, Florence von Erb and Stanley Shashoua as members of the Supervisory Board for three-year terms
Audit Committee	None	None	Florence von Erb and Stanley Shashoua as members of the Audit Committee for the duration of their terms of office as members of the Supervisory Board
Nomination and Compensation Committee	None	None	Catherine Simoni as member and Chair of the Nomination and Compensation Committee for the duration of her term of office as member of the Supervisory Board
Investment Committee	None	None	Catherine Simoni and Stanley Shashoua as members of the Investment Committee for the duration of their term of office as members of the Supervisory Board
Sustainable Development Committee	None	None	Florence von Erb and Stanley Shashoua as members of the Sustainable Development Committee for the duration of their terms of office as members of the Supervisory Board

Proposed changes in the membership of the Supervisory Board and Specialized Committees in 2024

At the Supervisory Board meeting of February 13, 2024, it was noted that the terms of office of David Simon, John Carrafiell, Steven Fivel and Robert Fowlds as members of the Supervisory Board, as well as their positions on the Specialized Committees on which they serve, will expire at the end of the 2024 General Meeting, as summarized below:

			Specialized Committees						
Members	**Nationality**	**Age(a)**	**IC**	**AC**	**NCC**	**SDC**	**Date of first appointment**	**Date of last re-appointment**	**Years of seniority upon expiration of term of office**
David Simon	US	62	•				April 12, 2012	June 17, 2021	12
John Carrafiell (independent)	US	59		•			December 11, 2014	June 17, 2021	9
Steven Fivel	US	63	•		•	•	April 12, 2012	June 17, 2021	12
Robert Fowlds	UK	62	•				April 24, 2018	June 17, 2021	6
Rose-Marie Van Lerberghe (independent)(b)	French	77			•	•	April 12, 2012	April 26, 2022	12

(a) Age as of the date this Universal Registration Document was filed.
(b) Rose-Marie Van Lerberghe resigned from her office as member of the Supervisory Board on February 9, 2024, effective at the end of the 2024 General Meeting.
IC: Investment Committee
AC: Audit Committee
NCC: Nomination and Compensation Committee
SDC: Sustainable Development Committee

At its meeting on February 13, 2024, the Supervisory Board also noted that David Simon, John Carrafiell, Steven Fivel and Robert Fowlds expressed their wish to seek re-appointment as members of the Supervisory Board and Specialized Committees, as follows (membership of the Specialized Committees unchanged):

Members	Specialized Committees IC	AC	NCC	SDC	Proposed re-appointment - term	Years of seniority upon expiration of term of office if re-appointed
David Simon	•				2024-2027	15
John Carrafiell (independent)		•			2024-2027	12
Steven Fivel	•		•	•	2024-2027	15
Robert Fowlds	•				2024-2027	9

IC: Investment Committee
AC: Audit Committee
NCC: Nomination and Compensation Committee
SDC: Sustainable Development Committee

Acting on the recommendation of the Nomination and Compensation Committee, and after deliberation, the Supervisory Board decided at its meeting of February 13, 2024, to vote in favor of (i) the re-appointments of David Simon, John Carrafiell, Steven Fivel and Robert Fowlds as members of the Supervisory Board and the Specialized Committees of which they are respectively members, and (ii) the appointment of Anne Carron as member of the Supervisory Board for a duration of three years from the date of the 2024 General Meeting, to replace Rose-Marie Van Lerberghe, who resigned from her office, it being specified that Anne Carron will be a member of the Specialized Committees Rose-Marie Van Lerberghe served on. The Board based its decision on an examination of their individual situation, their skills, the quality of their contribution to its work, their in-depth understanding of the Klépierre Group's challenges and their assiduous attendance at meetings. It also ensured the Board complied with the general principles and criteria of the succession plan described in point 3 of section 6.1.4 "Supervisory Board succession plan and selection of new Supervisory Board members" on page 259, and with the rules outlined in section 6.1.1.2.

The 2024 General Meeting will therefore vote on the proposed (i) re-appointment of David Simon, John Carrafiell, Steven Fivel and Robert Fowlds, and (ii) the proposed appointment of Anne Carron, as members of the Supervisory Board.

Subject to the approval by the 2024 General Meeting of these re-appointments and appointment, the membership of the Supervisory Board would remain unchanged as set out below (as would that of the Specialized Committees):

	Membership of the Supervisory Board further to the 2024 General Meeting
Percentage of independent members	56%
Percentage of female members	44%
Percentage of non-French members	56%

SKILLS MATRIX OF SUPERVISORY BOARD MEMBERS

All members of the Supervisory Board have the skills, experience and expertise required to fulfill their role in overseeing the Company, as illustrated in the skills matrix below, which was reviewed by the Nomination and Compensation Committee on February 9, 2024:

	David Simon	John Carrafiell	Béatrice de Clermont-Tonnerre	Steven Fivel	Robert Fowlds	Stanley Shashoua	Catherine Simoni	Rose-Marie Van Lerberghe	Florence von Erb	%
Retail and consumer goods	•			•		•				**33%**
International	•	•	•	•	•	•	•	•	•	**100%**
Finance	•	•	•	•	•	•		•	•	**89%**
Real estate	•	•		•	•	•	•			**67%**
Management	•	•	•	•	•	•	•	•	•	**100%**
Digital and online retail	•	•	•			•				**44%**
CSR		•	•	•		•		•	•	**67%**
Corporate governance and compensation	•	•		•	•	•		•		**67%**
Risk management and compliance	•	•		•						**33%**

BIOGRAPHIES OF SUPERVISORY BOARD MEMBERS AS OF THE DATE OF FILING OF THIS DOCUMENT

DAVID SIMON

CHAIRMAN AND MEMBER OF THE SUPERVISORY BOARD
CHAIRMAN AND MEMBER OF THE INVESTMENT COMMITTEE

US national

Aged 62

BS degree from Indiana University and MBA from Columbia University's Graduate School of Business

Attendance rate in 2023
- Supervisory Board: **100%**
- Investment Committee: **100%**

First appointed:
April 12, 2012

Re-appointments in 2021:
- Chairman and member of the Supervisory Board
- Chairman and member of the Investment Committee

Expiration of current term of office:
2024 General Meeting

Klépierre shares held: 62

CAREER

David Simon is Chairman of the Board and Chief Executive Officer of Simon Property Group, Inc., which he joined in 1990. In 1993, he led the efforts to take Simon Property Group public, and became CEO in 1995. Before joining Simon Property Group, he was a Vice President of Wasserstein Perella & Co., a Wall Street firm specializing in mergers and acquisitions and leveraged buyouts. He was a member and the Chairman of the National Association of Real Estate Investment Trusts (NAREIT) Board of Governors and a trustee of the International Council of Shopping Centers (ICSC).

OFFICES AND POSITIONS HELD AS OF DECEMBER 31, 2023

Klépierre Group
- Chairman and member of the Supervisory Board
- Chairman and member of the Investment Committee

Outside the Klépierre Group
- Director, Chairman of the Board and Chief Executive Officer:
  - Simon Property Group, Inc. (United States – listed company)
  - M.S. Management Associates, Inc. (United States)
- Chairman of the Board and Chief Executive Officer:
  - Simon Management Associates, LLC (United States)
  - SPG Partners GP, LLC (f/k/a CPG Holdings, LLC) (United States)
- Trustee, Chairman of the Board and Chief Executive Officer:
  - The Retail Property Trust (United States)
- Director:
  - Apollo Global Management, Inc. (United States – listed company)

OFFICES AND POSITIONS THAT EXPIRED IN THE LAST FIVE FISCAL YEARS

Klépierre Group

None

Outside the Klépierre Group
- Director and Chairman of the Board of Directors:
  - Simon Property Group Acquisition Holdings, Inc. (United States – listed company)

JOHN CARRAFIELL

MEMBER OF THE SUPERVISORY BOARD
CHAIRMAN OF THE AUDIT COMMITTEE

US national

Aged 59

BA in philosophy from Yale University

Attendance rate in 2023
- Supervisory Board: **100%**
- Audit Committee: **100%**

First appointed:
December 11, 2014

Re-appointments in 2021:
- Member of the Supervisory Board
- Chairman and member of the Audit Committee

Expiration of current term of office:
2024 General Meeting

Klépierre shares held: 60

CAREER

Based in Miami, Florida, John Carrafiell is the co-Chief Executive Officer and a major shareholder of BGO, a leading global real estate investment and private equity investment management firm with over USD 81 billion in assets under management, 27 offices in 12 countries and 1,300 employees. John Carrafiell was the co-Founder of GreenOak Real Estate in 2010, which grew organically to USD 12 billion of assets under management in 10 countries prior to its 2019 merger with Bentall Kennedy (owned by Sun Life Financial Inc.). John is Chairman of the board of IREIT by BGO, a $1 billion gross asset value, Logistics and Industrial REIT, launched in July 2023. He is a member of the board of Sandow Lakes Ranch Venture, LLC, formed in 2022, a 32,000-acre (50 square miles) development project outside Austin, Texas. He is a member of the board and Compensation Committee of privately held Lineage, the world's largest cold storage logistics company. John is a Member of the Board as an Observer of Bulk Infrastructure, a leading provider of green data centers and logistics in the Nordics. He is a former member of the boards and audit committees of Shurgard, Europe's largest independent self-storage company, and Canary Wharf, where he chaired the audit and operating committees. John Carrafiell worked for Morgan Stanley in Europe from 1987 to 2009, as Head of European Real Estate from 1995, and then Global Head of Real Estate and a member of the investment bank's Global Operating Management Committee from 2005 to 2007.

OFFICES AND POSITIONS HELD AS OF DECEMBER 31, 2023

Klépierre Group
- Member of the Supervisory Board
- Chairman of the Audit Committee

Outside the Klépierre Group
- Co-Chairman:
  - Chelsea & Westminster Hospital NHS Foundation Trust Development Board (United Kingdom)
  - The Yale University School of Architecture Dean's Council (United States)
- Chairman of the Board of Directors:
  - IREIT by BentallGreenOoak (United States)
- Member of the Board of Directors:
  - Lineage Logistics (United States)
  - Bulk Infrastructure (Norway)
  - BentallGreenOak (United States)
  - Sandow Lakes Ranch Venture, LLC (United States)

OFFICES AND POSITIONS THAT EXPIRED IN THE LAST FIVE FISCAL YEARS

Klépierre Group

None

Outside the Klépierre Group
- Co-Chairman:
  - The Anna Freud National Centre for Children and Families Development Board (United Kingdom)
- Member of the Board of Directors:
  - Shurgard (Belgium – listed company)

BÉATRICE DE CLERMONT-TONNERRE

VICE CHAIR AND MEMBER OF THE SUPERVISORY BOARD
MEMBER OF THE SUSTAINABLE DEVELOPMENT COMMITTEE
MEMBER OF THE AUDIT COMMITTEE

French national

Aged 51

Graduate of Institut d’études politiques de Paris (Public Service Section) and ESSEC (École supérieure des sciences économiques et commerciales) Business School (MBA)

Attendance rate in 2023
- Supervisory Board: **83%**
- Sustainable Development Committee: **67%**
- Audit Committee: **67%**

First appointed:
- April 19, 2016 (member of the Supervisory Board)
- April 16, 2022 (Vice Chair of the Supervisory Board)

Re-appointments in 2022:
- Member of the Supervisory Board
- Member of the Sustainable Development Committee
- Member of the Audit Committee

Expiration of current term of office:
2025 General Meeting

Klépierre shares held: 60

CAREER

Béatrice de Clermont-Tonnerre is Director of the Public Sector business unit at Microsoft France. She was a member of the Executive Committee of green tech geoanalytics company Kayrros. Between 2013 and 2019, she held the positions of Director of Monetization for Southern Europe and Director of Artificial Intelligence Partnerships at Google, prior to which she headed up M&A for Lagardère (2008-2013). Between 2001 and 2005, she was co-Head of Programming at Canalsatelite at Canal+ group. She began her career as an analyst in the High Technologies division of Lagardère’s Strategy Department, covering aerospace and telecoms.

OFFICES AND POSITIONS HELD AS OF DECEMBER 31, 2023

Klépierre Group
- Vice Chair and member of the Supervisory Board
- Member of the Sustainable Development Committee
- Member of the Audit Committee

Outside the Klépierre Group
- Independent director:
  - Prisa (Spain)
  - CCF (France).

OFFICES AND POSITIONS THAT EXPIRED IN THE LAST FIVE FISCAL YEARS

Klépierre Group
None

Outside the Klépierre Group
- Independent director of Société Européenne de Satellites (Luxembourg)
- Independent director of Ceva Logistics (France)
- Vice Chair of the Board of Directors of Hurriyet (Turkey)
- Independent director of LaCie (France)

STEVEN FIVEL

MEMBER OF THE SUPERVISORY BOARD
CHAIRMAN AND MEMBER OF THE SUSTAINABLE DEVELOPMENT COMMITTEE
MEMBER OF THE NOMINATION AND COMPENSATION COMMITTEE
MEMBER OF THE INVESTMENT COMMITTEE

US national

Aged 63

Bachelor of Science degree in accounting from Indiana University and doctorate in law from the University of Illinois Chicago School of Law

Attendance rate in 2023
- Supervisory Board: **100%**
- Sustainable Development Committee: **100%**
- Nomination and Compensation Committee: **100%**
- Investment Committee: **100%**

First appointed:
April 12, 2012

Re-appointments in 2021:
- Member of the Supervisory Board
- Chairman and member of the Sustainable Development Committee
- Member of the Nomination and Compensation Committee
- Member of the Investment Committee

Expiration of current term of office:
2024 General Meeting

Klépierre shares held: 62

CAREER

Steven Fivel has been General Counsel and Secretary of Simon Property Group since January 1, 2017. He began his career in 1987 as Deputy Attorney General at the Office of the Attorney General of the State of Indiana. In 1988, he joined Melvin Simon & Associates Inc., as an attorney handling shopping center finance transactions, real estate development and redevelopment transactions, joint ventures and corporate transactions. In 1997, he joined BrightPoint and occupied the functions of Executive Vice President, General Counsel and Secretary. In March 2011, he joined Simon Property Group as Assistant General Counsel and Assistant Secretary, supervising Development and Operations, the Legal Department, and Operations within the Tax Department.

OFFICES AND POSITIONS HELD AS OF DECEMBER 31, 2023

Klépierre Group
- Member of the Supervisory Board
- Chairman and member of the Sustainable Development Committee
- Member of the Nomination and Compensation Committee
- Member of the Investment Committee

Outside the Klépierre Group
- Member of the Board of Directors:
  - Simon Global Development BV

OFFICES AND POSITIONS THAT EXPIRED IN THE LAST FIVE FISCAL YEARS

Klépierre Group

None

Outside the Klépierre Group

None

ROBERT FOWLDS

MEMBER OF THE SUPERVISORY BOARD
MEMBER OF THE INVESTMENT COMMITTEE

UK national

Aged 62

BS degree in Real Estate Management from the University of Reading and MBA in Finance from Bayes Business School, member of the Royal Institution of Chartered Surveyors

Attendance rate in 2023
- Supervisory Board: **100%**
- Investment Committee: **100%**

First appointed:
April 24, 2018

Re-appointments in 2021:
- Member of the Supervisory Board
- Member of the Investment Committee

Expiration of current term of office:
2024 General Meeting

Klépierre shares held: 100

CAREER

Robert Fowlds has been a Senior Advisor in real estate and finance since 2016. Previously, he was Managing Director, Head of Real Estate Investment Banking for the United Kingdom and Ireland at JP Morgan Cazenove, where he supervised a large team with expertise in capital markets, mergers and acquisitions, advisory and debt markets, before becoming Vice Chairman in 2013. Between 1987 and 2006, he held various positions in financial institutions such as Merrill Lynch, Kleinwort Benson Securities, Crédit Lyonnais Secs and Morgan Grenfell. Robert Fowlds is also a director of LondonMetric Property PLC (United Kingdom – listed company).

OFFICES AND POSITIONS HELD AS OF DECEMBER 31, 2023

Klépierre Group
- Member of the Supervisory Board
- Member of the Investment Committee

Outside the Klépierre Group
- Member of the Board of Directors:
  - LondonMetric Property PLC (United Kingdom – listed company)

OFFICES AND POSITIONS THAT EXPIRED IN THE LAST FIVE FISCAL YEARS

Klépierre Group

None

Outside the Klépierre Group
- Member of the Board of Directors:
  - UK Commercial Property REIT (United Kingdom – listed fund)

STANLEY SHASHOUA

MEMBER OF THE SUPERVISORY BOARD
MEMBER OF THE INVESTMENT COMMITTEE
MEMBER OF THE AUDIT COMMITTEE
MEMBER OF THE SUSTAINABLE DEVELOPMENT COMMITTEE

US national

Aged 53

BA degree in International Relations from Brown University and MBA in Finance from The Wharton School

Attendance rate in 2023
- Supervisory Board: **100%**
- Investment Committee: **100%**
- Audit Committee: **100%**
- Sustainable Development Committee: **100%**

First appointed:
April 14, 2015

Re-appointments in 2023:
- Member of the Supervisory Board
- Member of the Investment Committee
- Member of the Audit Committee
- Member of the Sustainable Development Committee

Expiration of current term of office: 2026 General Meeting

Klépierre shares held: 60

CAREER

Stanley Shashoua is Chief Investment Officer at Simon Property Group, which he joined in 2013. Previously, he was a Managing Partner of LionArc Capital LLC, a private investment firm specializing in real estate and private equity transactions. Prior to joining LionArc Capital LLC, Stanley Shashoua was a Partner at HRO Asset Management LLC, where he was in charge of the acquisition and management of properties on behalf of institutional clients, managing transactions representing over USD 1 billion. He was also Vice President at Dresdner Kleinwort Wasserstein.

OFFICES AND POSITIONS HELD AS OF DECEMBER 31, 2023

Klépierre Group
- Member of the Supervisory Board
- Member of the Investment Committee
- Member of the Audit Committee
- Member of the Sustainable Development Committee

Outside the Klépierre Group
- Member of the Board of Directors:
  - Simon Canada Management Limited (Canada)
  - Mitsubishi Estate Simon Co. Ltd (Japan)
  - Shinsegae Simon Co. Inc. (South Korea)
  - Genting Simon Sdn Bhd (Malaysia)
  - Premium Outlets de Mexico, S. de RL de CV (Mexico)
  - CPGOM Partners de Mexico, S. de RL de CV (Mexico)
  - Outlet Services HoldCo Ltd (Jersey)
  - Jamestown Properties, LLC (United States)
- Managing Partner:
  - Outlet Site JV Sarl (Luxembourg)
  - HBS Global Properties LLC (United States)
  - Sparc Group Holdings II, LLC (United States)
  - Cooper Retail Holdings LLC (United States)
  - Rue Gilt Groupe Inc. (United States)

Offices and positions that expired in the last five fiscal years

Klépierre Group
None

Outside the Klépierre Group
None

CATHERINE SIMONI

MEMBER OF THE SUPERVISORY BOARD
CHAIR AND MEMBER OF THE NOMINATION AND COMPENSATION COMMITTEE
MEMBER OF THE INVESTMENT COMMITTEE

French national

Aged 60

Engineering degree from the University of Nice (France)

Attendance rate in 2023
- Supervisory Board: **100%**
- Nomination and Compensation Committee: **100%**
- Investment Committee: **100%**

First appointed:
April 11, 2013

Re-appointments in 2023:
- Member of the Supervisory Board
- Chair and member of the Nomination and Compensation Committee
- Member of the Investment Committee

Expiration of current term of office:
2026 General Meeting

Klépierre shares held: 60

CAREER

For 14 years, Catherine Simoni was Director for France and Belgium of the European real estate funds of The Carlyle Group, which she left in December 2014. She was previously a Director at SARI Développement, the development division of Nexity, where she was responsible for implementing several major French office developments, including leasing and sales. Prior to this, Catherine Simoni was a Director at Robert & Finestate, a subsidiary of J.E. Robert Companies, where she was in charge of transactions in real estate and real estate-backed loan portfolios in France, Spain, Belgium and Italy.

OFFICES AND POSITIONS HELD AS OF DECEMBER 31, 2023

Klépierre Group
- Member of the Supervisory Board
- Chair and member of the Nomination and Compensation Committee
- Member of the Investment Committee

Outside the Klépierre Group

None

OFFICES AND POSITIONS THAT EXPIRED IN THE LAST FIVE FISCAL YEARS

Klépierre Group

None

Outside the Klépierre Group

None

ROSE-MARIE VAN LERBERGHE

MEMBER OF THE SUPERVISORY BOARD
MEMBER OF THE SUSTAINABLE DEVELOPMENT COMMITTEE
MEMBER OF THE NOMINATION AND COMPENSATION COMMITTEE

French national

Aged 77

Graduate of ENA (École nationale d'administration), École normale supérieure and Institut d'études politiques de Paris and philosophy lecturer, with an undergraduate degree in history

Attendance rate in 2023

- Supervisory Board: **67%**
- Sustainable Development Committee: **100%**
- Nomination and Compensation Committee: **100%**

First appointed:
April 12, 2012

Re-appointments in 2022:

- Supervisory Board members
- Member of the Sustainable Development Committee
- Member of the Nomination and Compensation Committee

Expiration of current term of office:
2025 General Meeting

Klépierre shares held: 100

CAREER

Rose-Marie Van Lerberghe began her career as an Inspector at IGAS (General Inspectorate, Social Affairs) before becoming Assistant Director for the defense and promotion of jobs at the French Ministry of Labor. In 1986, she joined the Danone group, where she was group Director of Human Resources. In 1996, she became Executive Director in charge of employment and professional training at the French Ministry of Labor and Solidarity. She then became Executive Director of the Paris hospital trust (APHP). From 2006 to 2011, she was Chair of the Executive Board of Korian. From January 2010 to January 2014, Rose-Marie Van Lerberghe was a member of the *Conseil supérieur de la magistrature* (the French High Council of the Judiciary). She is currently a member of the Council of the Order of the Legion of Honor.

OFFICES AND POSITIONS HELD AS OF DECEMBER 31, 2023

Klépierre Group

- Member of the Supervisory Board
- Member of the Sustainable Development Committee
- Member of the Nomination and Compensation Committee

Outside the Klépierre Group

- Member of the Board of Directors:
  - Bouygues (listed company)
  - CNP Assurances (listed company)
  - Fondation Hôpital Saint-Joseph
- Chair of the Board of Directors:
  - Orchestre des Champs-Élysées led by Philippe Herreweghe
- Chair:
  - Fondation Université de Paris

OFFICES AND POSITIONS THAT EXPIRED IN THE LAST FIVE FISCAL YEARS

Klépierre Group

None

Outside the Klépierre Group

- Chair of the Board of Directors:
  - Fondation Institut Pasteur
- Member of the Board of Directors:
  - Air France
  - Casino, Guichard-Perrachon

FLORENCE VON ERB

MEMBER OF THE SUPERVISORY BOARD
MEMBER OF THE AUDIT COMMITTEE
MEMBER OF THE SUSTAINABLE DEVELOPMENT COMMITTEE

French national

Aged 64

Graduate of HEC Paris specializing in finance

Attendance rate in 2023
- Supervisory Board: **100%**
- Sustainable Development Committee: **100%**
- Audit Committee: **100%**

First appointed:
April 19, 2016

Re-appointments in 2023:
- Member of the Supervisory Board
- Member of the Audit Committee
- Member of the Sustainable Development Committee

Expiration of current term of office:
2026 General Meeting

Klépierre shares held: 150

CAREER

Florence von Erb began her finance career working in JP Morgan's Paris, London and New York offices, where she specialized in international securities markets. She held positions in the firm's Treasury Department, Merchant Bank division, Latin America Debt Restructuring Unit and Equity Derivatives Group. In 2000, she joined Adair Capital, a New York-based investment management firm, where she served as Managing Director. She switched her focus to the not-for-profit world in 2004 when she became President and United Nations Representative of Make Mothers Matter International. In 2006, she co-founded Sure We Can Inc. Since 2014, she has been an active member of the UN NGO Social Development Committee and the Commission on the Status of Women.

OFFICES AND POSITIONS HELD AS OF DECEMBER 31, 2023

Klépierre Group
- Member of the Supervisory Board
- Member of the Audit Committee
- Member of the Sustainable Development Committee

Outside the Klépierre Group
- Member of the Board of Directors and Chair of the Remuneration Committee:
  - Azerion group (Netherlands – listed company)

OFFICES AND POSITIONS THAT EXPIRED IN THE LAST FIVE FISCAL YEARS

Klépierre Group
None

Outside the Klépierre Group
- Member of the Board of Directors:
  - Ipsos (listed company)
  - Ipsos Foundation

6.1.1.2 Rules governing the membership of the Supervisory Board and Specialized Committees

Independence

9 Members — **5** Independent members — **56%** Independence rate

Pursuant to Article 10 of the AFEP-MEDEF Code, the independence of the members of the Supervisory Board and of the Specialized Committees to which they belong is discussed by the Nomination and Compensation Committee in light of the criteria set out in section 10.5 of the Code:

- When appointing a member of the Supervisory Board;
- Annually for all Supervisory Board members.

Prior to any such discussion, the Nomination and Compensation Committee submits to the prospective or actual member of the Supervisory Board a questionnaire to be completed listing the aforementioned criteria.

The responses to the questionnaire are first reviewed by the Nomination and Compensation Committee, which then submits its findings and recommendations to the Supervisory Board so that the Board can ascertain their independence as members of the Supervisory Board and as members of any Specialized Committees.

In accordance with the AFEP-MEDEF Code, the Supervisory Board may consider that although members meet the criteria set out in section 10.5 of the Code, they should not be classified as independent in view of their particular situation or that of the Company, or in view of their shareholding or for any other reason. Conversely, the Supervisory Board may consider that members who do not meet the independence criteria are nevertheless independent.

The specific business relationship review consists of two steps. First, the Nomination and Compensation Committee and then the Supervisory Board review the various relationships in question to ascertain whether or not they constitute business relationships. Where this is the case, to assess whether a given relationship is significant or not, a second, more in-depth review is carried out based on qualitative criteria (context, history and organization of the relationship, respective powers of the parties, exclusivity) and quantitative criteria (materiality of the relationship for the parties, economic dependence).

For the specific major shareholder review, members of the Supervisory Board representing major shareholders of the Company may be considered as independent provided that they do not participate in the control of the Company. However, beyond a 10% threshold of capital or voting rights held, the Supervisory Board, based on a report from the Nomination and Compensation Committee, should systematically review the independence classification, taking into account the make-up of the Company's capital and the existence of a potential conflict of interest.

At its meeting of February 13, 2024, and acting on the recommendation of the Nomination and Compensation Committee and having reviewed the results of the questionnaires, the Supervisory Board conducted its annual review of the independence of its members. Further to this review, the Supervisory Board considered:

- None of its members has any business relationship with the Company or the Klépierre Group;
- Three members of the Supervisory Board represent a shareholder holding more than 10% of the Company's capital and voting rights and cannot therefore be considered independent;
- Robert Fowlds should be considered as non-independent as he represents the shareholder APG, which proposed his appointment and which has signed an agreement with a shareholder holding more than 10% of the Company's capital and voting rights (see document 214C2161 of October 16, 2014 of the French financial markets authority – *Autorité des marchés financiers* [AMF]).

Following this annual review, and in accordance with section 10.3 of the AFEP-MEDEF Code, the Supervisory Board concluded that five of its nine members were independent (56%) according to the independence criteria set out in section 10.5 of said Code and as detailed in the table below, it being specified that in this table, ● signifies that the independence criterion is met and ○ signifies that the independence criterion is not met:

Name	Independence criteria (AFEP-MEDEF Code) 1: Employee or corporate officer within the last five years	2: Cross-directorships	3: Significant business relationship	4: Family ties	5: Statutory Auditor	6: Term of office exceeding 12 years	7: Status of non-executive corporate officer	8: Status of major shareholder	Classification by the Supervisory Board on February 13, 2024
David Simon	●	●	●	●	●	●	●	○	Not independent
Rose-Marie Van Lerberghe	●	●	●	●	●	●	●	●	Independent
John Carrafiell	●	●	●	●	●	●	●	●	Independent
Béatrice de Clermont-Tonnerre	●	●	●	●	●	●	●	●	Independent
Steven Fivel	●	●	●	●	●	●	●	○	Not independent
Robert Fowlds	●	●	●	●	●	●	●	○	Not independent
Stanley Shashoua	●	●	●	●	●	●	●	○	Not independent
Catherine Simoni	●	●	●	●	●	●	●	●	Independent
Florence von Erb	●	●	●	●	●	●	●	●	Independent
Anne Carron	●	●	●	●	●	●	●	●	Independent

In accordance with the recommendations of the AFEP-MEDEF Code, the membership of the Specialized Committees also meets the independence requirements:

- At least two-thirds of the members of the Audit Committee are independent (three out of four members, including the Chairman); and
- The majority of the members of the Nomination and Compensation Committee are independent (two out of three members, including the Chair).

In addition to this annual assessment and in accordance with the AFEP-MEDEF Code, at its meeting of February 13, 2024, the Supervisory Board examined the independence of the four members whose re-appointment will be submitted to the 2024 General Meeting, as well as the independence of the proposed appointment. It also confirmed the aforementioned qualifications on February 13, 2024.

Diversity

Gender balance

The percentage of women on the Supervisory Board (44%) complies with the requirements of Article L. 225-69-1 of the French Commercial Code, which stipulates that each gender must account for at least 40% of Board members. This gender balance is also reflected in the membership of the Specialized Committees.

A strong international profile

Three nationalities are represented on the Supervisory Board: French, US and British. In all, 56% of the members of Supervisory Board (David Simon, John Carrafiell, Steven Fivel, Robert Fowlds and Stanley Shashoua) are non-French nationals.

Varied and complementary skills and experience

The Supervisory Board believes that the skills of its members are varied and complementary, with some members of the Board having strategic skills and others having financial or more specific expertise (see skills matrix on page 233).

Due to the diverse and complementary experience and expertise of the Supervisory Board members, they quickly gain a detailed understanding of the Klépierre Group's development challenges and ensure that the decision-making process is insightful.

In assessing its membership, the Board takes into account emerging issues and the strategy adopted by the Company, including in respect of corporate social responsibility ("**CSR**"). It then determines whether the skills and expertise of its members allow it to carry out its mission (see also point 6 of section 6.1.1.3 "Consideration of CSR issues by the Supervisory Board and Specialized Committees").

Availability and attendance

The individual attendance rates at Supervisory Board and Specialized Committee meetings attest to the availability and attendance of Supervisory Board members.

Summary of the attendance at meetings of the Supervisory Board and Specialized Committees

Member	Supervisory Board	Investment Committee	Audit Committee	Nomination and Compensation Committee	Sustainable Development Committee
David Simon	100%	100%	-	-	-
John Carrafiell	100%	-	100%	-	-
Béatrice de Clermont-Tonnerre	83%	-	67%	-	67%
Steven Fivel	100%	100%	-	100%	100%
Robert Fowlds	100%	100%	-	-	-
Stanley Shashoua	100%	100%	100%	-	100%
Catherine Simoni	100%	100%	-	100%	-
Rose-Marie Van Lerberghe	67%	-	-	100%	100%
Florence von Erb	100%	-	100%	-	100%

Representation of employees and employee shareholders on the Supervisory Board

In accordance with Article L. 225-79-2 of the French Commercial Code, companies exceeding certain thresholds must provide for employee representation on their Supervisory Board. Similarly, in accordance with Article L. 225-71 of the French Commercial Code, listed companies in which employees own more than 3% of the share capital are required to appoint one or more employee shareholder representatives to their Supervisory Board.

As of December 31, 2023, the Company remains below the aforementioned thresholds. In any event, the Klépierre Group is attentive to dialogue with employees and encourages constructive and respectful relations.

Conflict of interests

The rules of procedure of the Supervisory Board state that members inform the Board of any actual or potential conflict of interest in respect of the Company and abstain from discussing or voting on the corresponding decisions.

Members may not take part in discussions concerning their own benefits or compensation, appointment or re-appointment. In such an event, he or she shall refrain from expressing any opinion on the matter.

The direct or indirect participation of a member of the Supervisory Board in a transaction in which the Group is directly involved, or of which that person has knowledge as a member of the Board, is brought to the Board's attention before completion.

A member of the Supervisory Board may not accept a corporate office, in a personal capacity, in companies or businesses that directly or indirectly compete with those of the Group, without first informing the Board.

Members of the Supervisory Board regularly receive a questionnaire setting out multiple possible examples of conflicts of interest, inviting them to declare any situations that might represent a potential conflict of interest with respect to Klépierre.

The Company has no knowledge of any arrangements or agreements with its main stakeholders pursuant to which any Supervisory Board members were appointed as corporate officers of another entity.

Declaration of non-conviction for fraud

To the best of the Company's knowledge:

- None of the members of the Supervisory Board have been convicted of fraud in the last five years;
- None of the members have been subject to bankruptcy, receivership, liquidation or court-ordered administration proceedings in the last five years;
- No conviction or official public sanction has been handed down against any member of the Supervisory Board by statutory or regulatory authorities in the last five years; and
- No member has been prevented by a court from acting as a member of an administrative, executive or supervisory body of an issuer or from managing or running the affairs of an issuer in the last five years.

6.1.1.3 Operating methods of the Supervisory Board

The operating methods of the Supervisory Board are governed by the applicable legal and regulatory provisions, as well as the Company's bylaws and the Supervisory Board's rules of procedure(1).

Role of the Chairman and Vice Chair of the Supervisory Board

The duties of the Chairman of the Supervisory Board are governed by the applicable legal and regulatory provisions, as well as the Company's bylaws and the Supervisory Board's rules of procedure. In this respect, the Chairman oversees the proper operation of the Board. In particular, the Chairman of the Board ensures that there is a culture of openness and transparency within the Board, so that its discussions are insightful. He ensures that Board members receive adequate information in advance of each Board meeting so that the discussions and resolutions are effective. The Chairman also regularly ensures that Board members receive appropriate training to enable them to carry out their duties, as described in the section entitled "Training of Supervisory Board members", page 246.

The Chairman of the Board discusses the Group's strategic and sensitive goals with Executive Board members, particularly those relating to the Klépierre Group's orientation and organization (from both an operational standpoint and in terms of performance and objectives, especially in the environmental sphere), along with significant external growth projects, major financial transactions and the Group's financial information. If certain decisions require prior authorization by the Supervisory Board, the Chairman may be called upon to assist the Executive Board in its preparatory work on these various projects. As in previous years, the Chairman was called upon in 2023 to share his insight into the industry, his experience and vision with the Klépierre Group and the Executive Board.

The Chairman of the Supervisory Board chairs Board meetings and General Meetings. In accordance with the Company's bylaws, in the absence of the Chairman, the Vice Chair chairs the meetings of the Supervisory Board and General Meetings.

Dialogue with shareholders

In accordance with the provisions of the AFEP-MEDEF Code, the Company ensures that it maintains a regular and proactive dialogue with its shareholders and more broadly with the market, analysts and financial stakeholders, such that the latter receive relevant, balanced and useful information on its strategy, development model, non-financial challenges and long-term outlook.

(1) *The Company's bylaws and the rules of procedure of the Supervisory Board can be consulted on Klépierre's corporate website at www.klepierre.com/en.*

This dialogue is focused on the following areas:

- The Investor Relations Department, accompanied by members of the Executive Board, meets investors at earnings presentations during the year (roadshows, conferences, etc.), to discuss the Klépierre Group's strategy, financial information and performance;
- The CSR Department meets with non-financial rating agencies and investors to promote the Klépierre Group's CSR strategy, its implementation and the Group's non-financial performance. Accompanied by the Investor Relations Department, it also presents these to investors at dedicated meetings;
- The General Secretary, accompanied by the Klépierre Group's Legal Department, meets annually with the Company's main shareholders, proxy advisors to prepare Annual General Meetings and to inform the deliberations of the Executive Board or the Supervisory Board in this regard.

These departments report regularly to the Chairman of the Executive Board on the performance of the tasks assigned to them.

Assessment of the Supervisory Board and the Specialized Committees

The Supervisory Board periodically assesses its membership, organization and procedures, as well as those of its Committees. The Board discusses these issues once a year and conducts a formal assessment every three years.

As outlined by the AFEP-MEDEF Code, this involves reviewing the operating methods of the Board, verifying that important matters are properly prepared and discussed, and assessing the contribution of each member to the Board's work. The findings of these assessments are reported in the Universal Registration Document so that shareholders are informed each year of the content of the assessments and any follow-up actions.

Klépierre's Supervisory Board was formally assessed in late 2022 by way of questionnaires with more than 100 questions sent to Supervisory Board members. The findings of these assessments were presented on page 272 of Klépierre's 2022 Universal Registration Document.

At its meeting of February 13, 2024, the members of the Supervisory Board expressed their overall satisfaction with the operating methods of the Board and the Specialized Committees. The members noted that the discussions of the Board and the Committees were of high quality and took place in the context of an open, calm dialogue in which each member was able to express their point of view. The Chairman of the Board expressed his satisfaction with the quality of the work carried out by the Specialized Committees and the reports given to the Supervisory Board.

Training of Supervisory Board members

Acting on the recommendation of the Nomination and Compensation Committee, the Supervisory Board has adopted a procedure to define the principles applicable to:

- Onboarding of new Supervisory Board members; and
- Their continuing education.

This procedure is regularly reviewed and updated.

Onboarding of new Supervisory Board members

Each new member of the Supervisory Board participates in an onboarding program (this program is also open to all other members of the Board, if they wish to take part), devised according to their individual skills, experience and expertise.

This program meets the following objectives:

- Facilitating understanding of the Klépierre Group, its organization, its key financial figures, its challenges and its main risks;
- Providing insight into the Klépierre Group's specific businesses (center management, leasing, marketing, etc.);
- Facilitating access to useful information for the smooth exercise of their duties.

In this context, new members of the Supervisory Board may be required to (i) meet with the Klépierre Group's management team or various operational staff, and (ii) conduct on-site visits of the Klépierre Group's assets.

On appointment, Audit Committee members also receive information on specific accounting, financial or operational aspects of the Company's business.

A social event involving the new member, the other members of the Supervisory Board and the Executive Board may be organized to allow everyone to meet the newcomer.

New members of the Supervisory Board also each receive an information pack so that they can familiarize themselves with the Company. The pack includes the Company's bylaws, Supervisory Board and Specialized Committee rules of procedure, the provisional and indicative calendar applicable to the governance bodies for the current year (Supervisory Board and Specialized Committee meetings, date of the Company's General Meeting), and the calendar of "closed periods" for the current year pursuant to Regulation no. 596/2014 of April 16, 2014 on market abuse, and AMF position-recommendation no. 2016-08.

In addition, training in the Board's digital collaboration application is also offered to each new member. This tool allows members to securely access documents containing information for meetings prior to each meeting of the Supervisory Board and Specialized Committees, and to work with other members online or offline from their mobile, tablet or computer.

Continuing education

During their terms of office, each member of the Supervisory Board may request, as part of their continuing education and if they deem it necessary:

- Legal training on the rights and obligations incumbent upon them, including those resulting from legal or regulatory texts, the Company's bylaws, and the Supervisory Board's rules of procedure, etc.;
- Visits to one or more property assets, accompanied by an operational staff member, in order to gain insight into the Klépierre Group's business lines; and
- Additional training on the specific characteristics of the Company, its businesses and sectors of activity (changes in the markets, the competitive environment, its debt position, etc.), its CSR challenges, in particular climate change issues, as well as accounting, financial, non-financial and operational matters, in order to round out their knowledge.

All publications, reports and news from the AMF, AFEP, MEDEF and HCGE (High Committee for Corporate Governance), as well as the voting policies of the main proxy advisors and investors, benchmarks and various studies by experts and specialists, are available on an ongoing basis in a dedicated online space.

Shareholding obligations applicable to members of the Supervisory Board

In accordance with the recommendations of the AFEP-MEDEF Code and in order to promote an alignment of interests between shareholders and members of the Supervisory Board, Article 12 of the Company's bylaws provides that *"each member of the Supervisory Board is required to own at least sixty shares during his or her term of office. If, on the date of his or her appointment, a member of the Supervisory Board does not own the required number of shares or if, during his or her term of office, he or she ceases to own them, he or she is automatically deemed to have resigned if the situation is not remedied within* three months." The persons concerned must use the compensation collected for their duties to purchase the shares needed to fulfill their shareholding obligations.

In addition, a proposal will be submitted to the 2024 Shareholders' Meeting to amend the Company's bylaws in order to extend the remediation period from three to six months, in accordance with the provisions of Article L. 225-72 of the French Commercial Code.

Consideration of CSR issues by the Supervisory Board and Specialized Committees

The Supervisory Board has a Sustainable Development Committee whose role is to:

- Review the Klépierre Group's CSR policy, define objectives and monitor their achievement;
- Review environmental and social risks, where appropriate, in conjunction with the Audit Committee;
- Review the preparation of non-financial information and, in general, any disclosures required by applicable CSR legislation;
- Review the summary of the Klépierre Group's non-financial ratings;
- Assess the extent to which the Klépierre Group's operational initiatives as presented (with regard to marketing, digital, maintenance, leasing, safety and security, etc.) take into account social, environmental and technological changes that have an impact on the Klépierre Group's business.

The principles underlying the interaction between the Sustainable Development Committee and the other Specialized Committees are set out in section 6.1.1.5.

Meetings of the Supervisory Board without the executive corporate officers in attendance

Given the Company's dual board structure, members of the Executive Board are not members of the Supervisory Board, but are regularly invited to take part in the latter's meetings to discuss operational issues and other matters relating to the Klépierre Group's activities. In addition, the Supervisory Board may convene without the Executive Board members in attendance, particularly when the meeting agenda pertains to their capacity as corporate officers or their compensation.

Discussions and informal contact between the members of the Supervisory Board, to which the Executive Board members are not party, may also take place on an ad hoc basis over the year.

6.1.1.4 Work of the Supervisory Board in fiscal year 2023

9 Members	**6** Meetings in 2023	**94%** Average attendance rate

Summary of work performed

At Board meetings, the Committee Chairs gave account of their work and presented the recommendations and opinions of the Specialized Committees on topics that fall within their remit (see section 6.1.1.5 "Operating methods and work of the Specialized Committees in fiscal 2023").

Topics	Agenda items
Financing policy, reporting on the budget and accounting, dividend	• Review of the Audit Committee's work • Review of the Company and consolidated financial statements as of December 31, 2022, and related documents • Review of the interim consolidated financial statements as of June 30, 2023, and related documents • Review of Executive Board quarterly business reviews • Updates on the 2023 budget • Approval of the 2024 budget • Review of the Klépierre Group's financial position (net asset value, debt) • Appropriation of net income proposed at the 2023 General Meeting • Review of management documents used for budgeting and forecasting purposes • Review of all statutory Executive Board reports
Strategy	• Review of strategic and financial impacts of the Covid-19 pandemic and inflation
Investments/divestments and authorizations given to the Executive Board	• Review of the Investment Committee's work • Authorization to acquire and divest assets • Review of related-party agreements entered into and authorized by the Supervisory Board during previous fiscal years that remained in force during 2023 • Authorizations of guarantees and endorsements
Governance	• Review of the Nomination and Compensation Committee's work • Review of the membership of the Supervisory Board and its Committees • Proposals to re-appoint members of the Supervisory Board • Approval of the annual report on corporate governance • Preparation for the Annual General Meeting to approve the financial statements for the year ended December 31, 2022
Compensation policy and talent review	• Review of the situation and compensation of executive corporate officers • Definition of the compensation policy • 2023 performance share plan

6.1.1.5 Operating methods and work of the Specialized Committees in fiscal year 2023

The Supervisory Board has set up four Specialized Committees (the Investment Committee, Audit Committee, Nomination and Compensation Committee and Sustainable Development Committee), whose reports are sent to the Supervisory Board before its meetings and are presented by the Chairs of the Committees during Supervisory Board meetings.

Within its area of expertise, each Committee issues proposals, recommendations and opinions. The role and operating methods of the Specialized Committees are described in their respective rules of procedure (available online at www.klepierre.com/en).

INVESTMENT COMMITTEE

5 Members

3 Meetings in 2023

100% Average attendance rate

Summary of work performed

The main issues discussed at these meetings in 2023 were as follows:

Topics	Agenda items
Investments/Divestments	• Reviews of various investments/divestments and recommendations thereon
General review and oversight	• Oversight of transactions approved by the Supervisory Board • Review of major divestments of commercial property assets in Europe

The reports on the work and recommendations of the Investment Committee are made available to the Supervisory Board after each Committee meeting. An oral presentation of the report is given at the Supervisory Board meeting following the Committee meeting.

Membership

- At least three members appointed by the Supervisory Board from among its members for the duration of their terms of office as Supervisory Board members;
- As of December 31, 2023, comprising the five members listed in the summary table on page 231;
- With the exception of the re-appointments set out below, there were no changes in membership of the Committee during 2023 or up to the filing date of this Universal Registration Document;
- Re-appointment of Catherine Simoni and Stanley Shashoua as members of the Committee at the end of the General Meeting of May 11, 2023.

Attendance rate by member

Member	Meetings 1	Meetings 2	Meetings 3	Individual attendance rate
David Simon, Chairman				100%
Robert Fowlds				100%
Steven Fivel				100%
Stanley Shashoua				100%
Catherine Simoni				100%

Attendance in session

AUDIT COMMITTEE

4 Members of which 75% independent

3 Meetings in 2023

92% Average attendance rate

Summary of work performed

The main issues discussed at these meetings in 2023 were as follows:

Topics	Agenda items
Financing policy and reporting on budget and accounting	• Review of the Company and annual and interim consolidated financial statements, review of material subsequent events and their impact, and review of off-balance sheet commitments and risks • Summary of the real estate valuation campaign • Monitoring of key indicators and covenants • Review of the proposed dividend policy • Review of the audit findings issued by the Statutory Auditors and their statement of independence • Regular updates on changes in the tax, accounting and regulatory environment (in particular EU green taxonomy)
Audit, internal control and risk management	• Review of the 2023 risk management action plan (organization of the risk management function and of the compliance and ethics network, and priority actions) • Review of the main findings of the 2023 audit and the 2024 audit plan • Review of cybersecurity risks (analysis of risk scenarios, evaluation of internal controls and weaknesses, proposing action plans) • Review of the Klépierre Group's risk mapping
Other specific topics	• Annual review of agreements entered into in the ordinary course of business • Review and approval of non-audit services for 2024

The reports on the work and recommendations of the Audit Committee are made available to the Supervisory Board after each Committee meeting. An oral presentation of the report is given at the Supervisory Board meeting following the Committee meeting.

Membership

- At least three members (and up to five) appointed by the Supervisory Board from among its members for the duration of their term of office as Supervisory Board members;
- As of December 31, 2023, comprising the four members listed in the summary table on page 231, of which 75% are independent (including the Chairman);
- With the exception of the re-appointments set out below, there were no changes in membership of the Committee during 2023 or up to the filing date of this Universal Registration Document;
- Re-appointment of Florence von Erb and Stanley Shashoua as members of the Committee at the end of the General Meeting of May 11, 2023.

Attendance rate by member

	Meetings			
Member	**1**	**2**	**3**	**Individual attendance rate**
John Carrafiell, Chairman				100%
Béatrice de Clermont-Tonnerre				67%
Stanley Shashoua				100%
Florence von Erb				100%

Attendance in session

NOMINATION AND COMPENSATION COMMITTEE

3 Members of which 66.7% independent

3 Meetings in 2023

100% Average attendance rate

Summary of work performed

The main issues discussed at these meetings in 2023 were as follows:

Topics	Agenda items
Governance	• Review of the membership of the Supervisory Board and of Specialized Committees • Update of the succession plan for members of the Company's Executive Board and key senior executives • Supervisory Board succession plan for recruiting an independent member of the Supervisory Board • Review of the draft corporate governance report • Approval of the new rules of procedure of the Nomination and Compensation Committee
Compensation	• Review of the situation of corporate officers and setting their compensation • Setting of the compensation policies applicable to the Supervisory Board and Executive Board • Review of the 2023 free share allotment plans • Review of the final vesting rates of performance shares for plans whose vesting period has expired

The report on the work and recommendations of the Nomination and Compensation Committee are made available to the Supervisory Board after each Committee meeting. An oral presentation of the report is given at the Supervisory Board meeting following the Committee meeting.

Membership

- At least two members (and up to five) appointed by the Supervisory Board from among its members for the duration of their term of office as Supervisory Board members;
- As of December 31, 2023, comprising the three members listed in the summary table on page 231, of which 66.67% are independent (including the Chair);
- With the exception of the re-appointment set out below, there were no changes in membership of the Committee during 2023 or up to the filing date of this Universal Registration Document;
- Re-appointment of Catherine Simoni as member and Chair of the Committee following the General Meeting of May 11, 2023;
- Executive Board members do not attend meetings except in special cases during succession reviews (other than those personally concerning them).

Attendance rate by member

	Meetings			Individual
Member	**1**	**2**	**3**	**attendance rate**
Catherine Simoni, Chair	▬	▬	▬	100%
Steven Fivel	▬	▬	▬	100%
Rose-Marie Van Lerberghe	▬	▬	▬	100%

▬ *Attendance in session*

SUSTAINABLE DEVELOPMENT COMMITTEE

5 Members of which 60% independent

3 Meetings in 2023

93% Average attendance rate

Summary of work performed

The main issues discussed at these meetings in 2023 were as follows:

Agenda items
• Presentation of annual CSR results for 2022 (updated risk mapping, publication of the EU Taxonomy, review of the draft non-financial performance statement, etc.)
• Presentation of the new Act4Good™ strategy
• Presentation of the Say-on-climate resolution submitted to the 2023 General Meeting
• Presentation of the 2023 interim CSR results
• Update on on-site renewable energy production across the portfolio
• Update on future European regulations on sustainable development
• Peer benchmark of non-financial performance and objectives
• Presentation of the 2023 environmental performance
• Presentation of the 2023 non-financial ratings
• The Group's sustainable development roadmap for 2024
• Presentation of best operational practices:

The reports on the work and recommendations of the Sustainable Development Committee are made available to the Supervisory Board after each Committee meeting. An oral presentation of the report is given at the Supervisory Board meeting following the Committee meeting.

Membership

- At least two members appointed by the Supervisory Board from among its members for the duration of their term of office as Supervisory Board members. In accordance with the recommendations set out in the 2022 report by the AMF on corporate governance and executive compensation in listed companies, the Supervisory Board considers the proportion of independent Supervisory Board members on the Sustainable Development Committee;
- As of December 31, 2023, comprising the five members listed in the summary table on page 231, of which 60% are independent;
- With the exception of the re-appointments set out below, there were no changes in membership of the Committee during 2023 or up to the filing date of this Universal Registration Document;
- Re-appointment of Florence von Erb and Stanley Shashoua as members of the Committee at the end of the General Meeting of May 11, 2023.

Attendance rate by member

	Meetings			
Member	**1**	**2**	**3**	**Individual attendance rate**
Steven Fivel, Chairman				100%
Béatrice de Clermont-Tonnerre				67%
Stanley Shashoua				100%
Rose-Marie Van Lerberghe				100%
Florence von Erb				100%

Attendance in session

OVERVIEW OF THE DISTRIBUTION OF CSR WORK AMONG THE SPECIALIZED COMMITTEES

As part of its duties (as outlined on section 3.1.2), the Sustainable Development Committee is responsible for reviewing the CSR policy and goals within its remit. However, depending on the issue, it works in conjunction with the other Specialized Committees and may, in particular, make recommendations to the Supervisory Board in terms of (i) CSR issues to be taken into account by the Nomination and Compensation Committee in determining the compensation policies applicable to corporate officers and (ii) diversity issues to be considered in corporate officer succession plans. The Sustainable Development Committee coordinates its work with the Audit Committee on all matters relating to internal control, risk management and analysis and the preparation of non-financial information. Each Specialized Committee also continues to provide input in determining and monitoring the non-financial strategy for the aspects that fall within their remit.

The principles underlying the interaction between the Sustainable Development Committee and the other Specialized Committees are set out below.

Sustainable Development Committee	Audit Committee	Nomination and Compensation Committee	Investment Committee
• Reviews the Klépierre Group's CSR policy: defines objectives and monitors their achievement • Reviews environmental, social and societal risks, where appropriate, in conjunction with the Audit Committee • Reviews the preparation of non-financial information and, in general, any information required by applicable CSR legislation • Reviews the summary of the Klépierre Group's non-financial ratings • Assesses the extent to which the social, environmental and technological changes that have an impact on the Klépierre Group's business are taken into account in the Group's operational initiatives as presented (with regard to marketing, digital, maintenance, leasing, safety and security, etc.)	• Monitors the effectiveness of internal and external control and non-financial risk management • Reviews how non-financial risks, and particularly climate change risks, are taken into account in the Company's risk management processes, and how these risks are reflected in the financial information produced	• Proposes the CSR criteria for the compensation of the members of the Executive Board and assesses their performance in this area	• Assesses the environmental and social performance of the Klépierre Group's investment projects

In accordance with the recommendations set out in the 2022 report by the AMF on corporate governance and executive compensation in listed companies, the Supervisory Board considers the proportion of independent Supervisory Board members on the Sustainable Development Committee. As of the date of this document, three out of five Sustainable Development Committee members (60%) are independent.

6.1.2 Executive Board

The Executive Board is the Company's collective management body. It is responsible for duties provided for in the French Commercial Code and the Company's bylaws, including management of its business so that it meets its financial targets, and it is also in charge of strategy and any changes therein as defined in tandem with the Supervisory Board. The Executive Board determines the Company's business strategy and ensures that it is implemented in accordance with its interests, taking into account its social and environmental challenges. The Executive Board members are collectively responsible for the Company's management.

6.1.2.1 Membership and operating methods of the Executive Board

The provisions of the French Commercial Code and the bylaws are used to define the membership and operating methods of the Executive Board. The Company's bylaws are available on the Company's website (www.klepierre.com/en).

As of the filing date of this document, the Executive Board had two members, both of whom were domiciled for professional purposes at 26, Boulevard des Capucines, 75009 Paris (France):

- Jean-Marc Jestin, Chairman of the Executive Board; and
- Stéphane Tortajada, member of the Executive Board and Chief Financial Officer.

BIOGRAPHIES OF EXECUTIVE BOARD MEMBERS AS OF THE DATE OF FILING OF THIS UNIVERSAL REGISTRATION DOCUMENT [1]

JEAN-MARC JESTIN

CHAIRMAN AND MEMBER OF THE EXECUTIVE BOARD

French national

Aged 55

Graduate of HEC

Number of Klépierre shares held: 153,591

Date of first appointment as a member of the Executive Board: October 18, 2012

Date of first appointment as Chairman of the Executive Board: November 7, 2016

Term of appointment (as Chairman and member of the Executive Board): June 22, 2022 – June 21, 2025

CAREER

Jean-Marc Jestin has been Chairman of the Klépierre Executive Board since November 7, 2016, after serving as Chief Operating Officer and member of the Klépierre Executive Board since October 18, 2012. Previously, Jean-Marc Jestin held several positions in real estate companies. He was Chief Financial Officer and then Chief Operating Officer of the pan-European platform Simon Ivanhoe from 1999 to 2007. He then joined the Unibail-Rodamco International teams, acting as Deputy Chief Investment Officer in charge of acquisitions, sales and M&A transactions. Jean-Marc Jestin started his career in 1991 at Arthur Andersen in an audit role where he contributed to the development of the real estate practice.

OFFICES AND POSITIONS HELD AS OF DECEMBER 31, 2023

Klépierre Group

- Offices and positions held in several subsidiaries[a]

Outside the Klépierre Group

None

OFFICES AND POSITIONS THAT EXPIRED IN THE LAST FIVE FISCAL YEARS

Klépierre Group

None

Outside the Klépierre Group

None

(a) No compensation is paid or due under positions and offices held at Klépierre Group subsidiaries.

(1) In accordance with Annex I of Delegated Regulation (EU) no. 2019/280, this section does not include the Company's subsidiaries in which the corporate officers are also members of a governing, management or supervisory body, or have been in the last five years.

STÉPHANE TORTAJADA

MEMBER OF THE EXECUTIVE BOARD, CHIEF FINANCIAL OFFICER

French national

Aged 51

Graduate of École Nationale des ponts et chaussées and of Institut d'études politiques de Paris

Number of Klépierre shares held: 100

Date of first appointment as a member of the Executive Board: June 22, 2022

Term of appointment as member of the Executive Board: June 22, 2022 – June 21, 2025

CAREER

Stéphane Tortajada has been Chief Financial Officer and a member of the Company's Executive Board since June 22, 2022. With over 25 years' experience in finance and real estate, he has held responsibilities in the areas of mergers and acquisitions, financing, capital markets and asset management, within investment banks such as Lazard and more recently within energy group EDF, where he served as Head of Finance and Investments for 12 years. He also managed the Casino group's international real estate activities, implementing differentiated asset disposal, development and reversion strategies for a portfolio of shopping centers.

OFFICES AND POSITIONS HELD AS OF DECEMBER 31, 2023

Klépierre Group

- Offices and positions held in several subsidiaries[(a)]

Outside the Klépierre Group

- Supervisory Board member:
  - Corum Origin (France)
  - Corum XL (France)
- Legal Manager of Stéphane Tortajada EURL (France)

OFFICES AND POSITIONS THAT EXPIRED IN THE LAST FIVE FISCAL YEARS

Klépierre Group

None

Outside the Klépierre Group

- Chairman and member of the Board of Directors of EDF Investissements Group (France)
- Chairman and member of committees and of the Supervisory Board of EDF Assurances (France)
- Member of the Board of Directors of EDEV (France)
- Member of the Supervisory Board of Trimet France (France)
- Chairman of the Supervisory Board of Corum Origin (France)

(a) No compensation is paid or due under positions and offices held at Klépierre Group subsidiaries.

Conflicts of interest and independence

Executive Board members must consult the Supervisory Board before accepting any new appointments in a listed company, it being specified that no individual member of the Executive Board may hold more than two offices in listed companies, including non-French companies, outside the Klépierre Group.

As of the date of this document and to the knowledge of the Company, there were no conflicts of interest between the duties toward Klépierre of any members of the Executive Board or of the Supervisory Board and their private interests or other duties. Furthermore:

- There are no family ties between members of the Executive Board and/or members of the Supervisory Board;
- None of the members of the Executive Board have been convicted for fraud in the last five years;
- None of the members have been subject to bankruptcy, receivership, liquidation or court-ordered administration proceedings in the last five years;
- No conviction or official public sanction has been handed down against any member of the Executive Board by statutory or regulatory authorities in the last five years; and
- No member has been automatically disqualified by a court from acting as a member of an administrative, executive or supervisory body of an issuer or from managing or running the affairs of an issuer in the last five years.

The Company has no knowledge of any arrangements or agreements with its main stakeholders pursuant to which any Executive Board members were appointed as corporate officers of any non-Group entities.

6.1.2.2 Work of the Executive Board in fiscal year 2023

The main issues submitted to the Executive Board in 2023 were as follows:

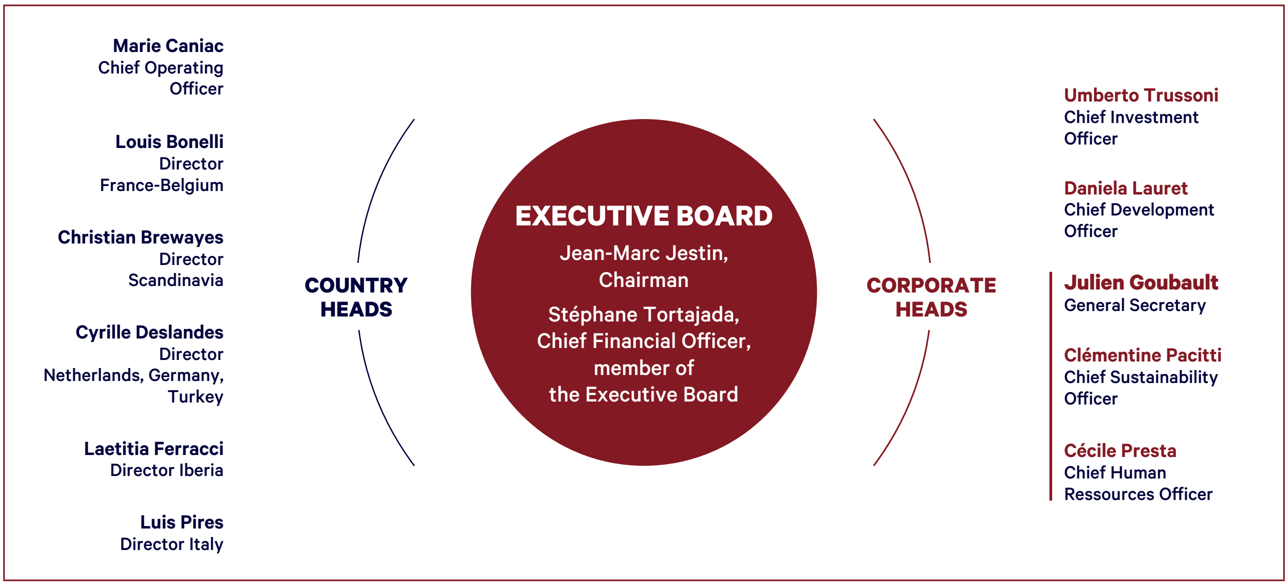
Topics	Agenda items
Investments/divestments and implementation of strategy	• Review of plans for development, investments, divestments, extensions, refurbishments and restructuring
Klépierre Group financing policy, performance and reporting	• Preparation and approval of the Company and consolidated financial statements for the fiscal year ended December 31, 2022, and the interim financial statements for first-half 2023 • Quarterly activity reports • Budget preparation and tracking • Proposed dividend and decisions related to payment of the dividend • Intragroup restructuring transactions • Intragroup financial structuring transactions • Issue of warranties, endorsements and guarantees
Klépierre Group transactions	• Review of the performance of portfolio assets • Monitoring of commercial relationships with the Klépierre Group's main clients • Review, validation and oversight of running costs and capital expenditure on the portfolio • Rollout of new operational management tools • Determination of strategic CSR orientations(Act4Good™) and drafting of the Say-on-climate resolution to be submitted to the 2023 General Meeting
Internal control and risk management	• Preparation and implementation of the audit plan • Review of the Klépierre Group's main risks (main risk factors, analysis of individual risks, detailed assessment of cybersecurity risks, human capital risks, construction risks, etc.)
Governance, ethics and compliance	• Management of the list of insiders • Klépierre's ongoing gender and diversity policy • Creation of an Ethics and Compliance Committee
Compensation and human resources	• Annual talent and compensation review • Allotment of performance shares and review of performance share plan vesting • Continuation of the policy commitments on gender equality in the workplace
Shareholder dialogue	• Communication with investors and roadshows • Preparation for and convening of the General Meeting of Shareholders, as well as answers to written questions • Preparation of the 2022 Universal Registration Document

6.1.2.3 Group Executive Committee

On March 9, 2023, the Executive Board set up a new Group Executive Committee, bringing together the Group's operational managers (Group Chief Operating Officer and the heads of the Group's main geographic areas) as well as the heads of the corporate functions. It comprises the following members:

- Chief Development Officer;
- Director of France-Belgium;
- Director of Iberia;
- Director of Scandinavia;
- Director of Italy;
- Director of Netherlands, Germany and Turkey;
- Chief Investment Officer;
- Chief Development Officer;
- General Secretary;
- Chief Human Resources Officer; and
- Chief Sustainability Officer.

The Committee meets every fortnight to determine the objectives that must be met to implement the strategy decided by the Executive Board. Its role also involves sharing best practices and making recommendations to the Executive Board on the Group's key operational and organizational priorities.



6.1.3 Gender balance

Gender and diversity policy applicable to senior executives and members of governing bodies

In 2020, acting on the recommendation of the Executive Board, the Supervisory Board approved the Klépierre Group's gender and diversity policy within its governing bodies, in line with the recommendations of the Nomination and Compensation Committee and pursuant to section 8 of the AFEP-MEDEF Code. This policy has the two following diversity objectives:

- Achieve more than 30% female representation on the Klépierre Group's management team[1] by the end of 2022, and 40% by 2025;
- Achieve more than 30% female representation in the top 100 senior positions[2] of the Klépierre Group by the end of 2023, and 40% by 2026.

In December 2022, the Supervisory Board reviewed the Klépierre Group's gender diversity policy in order, in particular, to take into account the terms of law No. 2021-1774 of December 24, 2021, which introduces minimum representation quotas for each gender in management positions in large companies (known as the "Rixain Law")[3], terms specified by the French Ministry of Labor (questions and answers of May 12, 2022).

(1) *Membership of the Klépierre Group's senior management team (known as the Corporate Management Team [CMT] prior to March 9, 2023 and subsequently renamed the Group Executive Committee [or GEC]).*
(2) *Defined as the 100 highest-paid jobs within the Group's highest management levels ranked by basic salary adjusted for purchasing power parity (PPP) as calculated by the OECD.*
(3) *The French Law No. 2021-1774 of December 24, 2021 introduces minimum representation quotas for men and women in management positions in large companies: the proportion of each gender in senior management (as defined in Article L. 3111-2 of the French Labor Code) and in governing bodies (as defined in the new Article L. 23-12-1 of the French Commercial Code) may not be less than 30%. This quota, applicable as of March 1, 2026, is progressive and will be increased to 40% as of March 1, 2029.*

While noting that the objectives of the Klépierre Group's gender diversity policy are more ambitious than those set by the Rixain Law, the Board has not included the members of the Executive Board in the scope of the management team selected for the first gender diversity objective mentioned above, in view of the interpretation of the law by the French Ministry of Labor[1]. In addition, in order to ensure that the two objectives are fully independent, the Board has decided to remove the members of the management team from the scope of the 100 most senior positions.

Based on the membership of the management team as of December 31, 2023, the Supervisory Board noted the progress made on the redefined objectives, which are shown in the table below.

Proportion of women in positions of senior responsibility

	December 31, 2020	December 31, 2021	December 31, 2022	December 31, 2023
Senior management team	38%	43%	38%	45%
	3/8[(a)]	3/7[(b)]	3/8[(c)]	5/11
Top 100	22%	31%	38%	40%

(a) In 2020, when the Group Chief Operating Officer was appointed to the Executive Board, the management team comprised the following members: General Secretary, Deputy Chief Financial Officer, Director of France, Chief Investment Officer, Chief Development Officer, Chief Human Resources Officer, Chief Legal Officer, Group Leasing Director.
(b) In 2021, the Group Leasing Director no longer formed part of the senior management team.
(c) In 2022, the Group Chief Operating Officer returned to the management team.

At the end of 2023, both short-term goals had been met. While the Group's total headcount is currently predominantly female (62% women, 38% men), senior management is 60% male. The proportion of women in the senior management team has risen to 45%, and the proportion of women in the top 100 positions have increased by 18 percentage points over the past three years.

Gender equality in first-level management has also improved, meaning that Klépierre can now rely on internal succession to fill management positions in the future. Klépierre's pool of women talent is expanding at all levels of the organization, ensuring a more balanced succession:

	December 31, 2020		December 31, 2023	
	Headcount	Proportion of women	Headcount	Proportion of women
Senior management team	8	38%	11	45%
Top 100	100	22%	100	40%
Middle and upper management	49	45%	151	40%
First-level management	267	42%	387	60%
Other staff	669	74%	412	78%
TOTAL	**1,093**	**60%**	**1,061**	**62%**

These positive results were obtained on the back of a series of decisive actions:

- The visibility of the subject among the Company's priorities and its embodiment by management;
- The definition of quantitative objectives and regular measurement of indicators;
- Appropriate governance arrangements, with a Diversity Committee at Klépierre Group management level and a network of diversity ambassadors;
- Investment in individual development and awareness-raising actions and dedicated networks;
- An active talent management policy, and the establishment of career and succession plans for high-responsibility positions.

Concrete progress has been made, but will need to be confirmed over the next few years, in particular through the establishment of internal mobility and external recruitment processes that are non-discriminatory and promote equal access to all opportunities within the Company. For this reason, the Board confirmed the target to maintain 45% women for the senior management team at December 31, 2025, and 40% for the 100 most senior positions by December 31, 2026.

In applying its updated gender and diversity policy, Klépierre aims to meet quantitative targets while transforming its culture. Klépierre strongly believes in the need to support more women in taking on senior management roles and has devised a series of measures as part of its drive to increase diversity and transform its culture to identify and retain female talent. It has rolled out a plan focusing on career, parenting, equal pay, training, mentoring and development, communication, networks and engagement in and establishment of special events. Several concrete measures have been defined for each topic, along with a specific budget where appropriate.

In accordance with the AFEP-MEDEF Code, each year the Executive Board will inform the Supervisory Board of the results of its efforts in this regard. The Supervisory Board will report on these measures in the Universal Registration Document so that shareholders are kept informed of the annual progress made in terms of gender equality or, where appropriate, the reasons why objectives were not met and the measures taken to remedy the situation.

(1) The role of the Executive Board is not to assist the bodies responsible for general management in the performance of their duties, but to be the body itself responsible for general management. The Executive Board is not therefore a governing body.

Gender equality and equal pay policy

An action plan has been rolled out across the Company in connection with the gender and diversity policy outlined above. This plan features various measures, including (i) systematically analyzing and rectifying any observed gender pay gaps for equivalent positions (the Group has observed no significant pay gaps in France since 2015), and (ii) organizing an annual review of female talent to effectively identify high-potential employees looking to progress in their careers, and offer them professional opportunities or targeted development measures.

6.1.4 Succession plans for the Executive Board, key senior executives and the Supervisory Board

Succession plan for Executive Board members and key senior executives

The Klépierre Group's succession plan applies to both the executive corporate officers and key senior executives. The plan was drawn up by the Executive Board with the assistance of the General Secretary and is then submitted to the Nomination and Compensation Committee, which presents its recommendations to the Supervisory Board.

The Nomination and Compensation Committee is closely involved in preparing and monitoring the succession plan, and in February 2024 completed its review – taking particular account of the changes in management at country level – as part of the annual assessment process. During this review, the Committee verified as far as possible that the envisaged successors provided gender balance in line with the Company's gender and diversity policy. This procedure is designed to identify the desired profile of potential replacements with regard to the Klépierre Group's strategy, diversity and the levels of expertise and experience required for a succession. Immediate potential internal successors are analyzed in detail, alongside measures to be implemented to enhance their ongoing professional development. The procedure also aims to identify positions for which no potential successor has been identified (in the short or medium term) in order to conduct market research with external consultants and build an identifiable base of prospective candidates.

The succession plan details the roles and responsibilities of the Nomination and Compensation Committee and Supervisory Board in the event that a vacancy arises, notably on the Executive Board. It covers a number of time frames:

- Short-term succession, in the event of an unplanned vacancy (e.g., impediment, resignation or death);
- Medium- or long-term succession (e.g., end of term of office).

Internal selection procedure for members of the Executive Board

Pursuant to Article L. 225-58 of the French Commercial Code, Klépierre has established an internal procedure for selecting Executive Board members with the aim of achieving gender balance. The procedure, which was prepared by the Nomination and Compensation Committee with support from the Executive Board and the Klépierre Group's Legal Department, was approved by the Supervisory Board on February 4, 2020. It details the actions to be taken to ensure that at least one man and one woman are included among Executive Board candidates submitted to the Supervisory Board. This procedure was applied in connection with the reorganization of the Executive Board in June 2022.

Supervisory Board succession plan and selection of new Supervisory Board members

In accordance with the AFEP-MEDEF Code, the Nomination and Compensation Committee draws up a succession plan for the Supervisory Board and Specialized Committees which, in accordance with AMF recommendation 2012-02, must set out the decision-making process underlying it, including, for example, the role of the competent committee, the time frame, the frequency of its review, and the terms and conditions of any involvement of the executive concerned.

Presented to the Supervisory Board in February 2023, it was reviewed by the Board at its meeting on February 13, 2024 in connection with its examination of the membership and operation of the Supervisory Board and its Specialized Committees, on the recommendation of the Nomination and Compensation Committee.

In any event, the succession plan must be amended to take into account any changes in applicable legislation or regulations, or any changes resulting from the AFEP-MEDEF Code.

It should be put in place to prepare the ground for when a term of office held by a member of the Supervisory Board expires, or for when that member is re-appointed or replaced. The succession plan is also triggered if a vacancy emerges following death or resignation, for example, or in any other case requiring the urgent replacement of a member of the Supervisory Board.

It is based on general principles and specific cumulative criteria to be considered and assessed individually and collectively. For example:

- Any change in the Supervisory Board must under no circumstances violate the provisions of the French Commercial Code, the Company's bylaws, the Supervisory Board's rules of procedure, or the AFEP-MEDEF Code (gender balance on the Supervisory Board, age limits, independence, etc.);

- The membership and operating methods of the Supervisory Board must be consistent with the composition and any changes in the Company's shareholding structure, the scale and nature of the Klépierre Group's business, and the particular circumstances that the Klépierre Group may face at any given time;
- Diversity in Supervisory Board membership is essential to its effectiveness, as it encourages the expression of independent points of view that contribute to effective oversight of Klépierre Group management and to the good governance of the Company;
- Average age, number of offices held, availability, personal qualities, professional experience, as well as varied and complementary expertise (see skills matrix on page 233);
- The membership of the Supervisory Board must take into account any currently applicable shareholders' agreements relating to the Company.

The plan also contains a clear and precise identification of the terms of office that are due to expire in the short or medium term, as well as the associated action plan, in compliance with the provisions of the succession arrangements.

Procedure for identifying members to be replaced and new candidates as outlined in the succession plan

In February each year, the Company's Supervisory Board reviews its membership, in particular in order to identify the terms of office due to expire at the time of the General Meeting of Shareholders to be held in the following year to approve the financial statements for the current year. It also reviews the membership of the Specialized Committees.

Based on the proposal of the Nomination and Compensation Committee, and after taking into account any applications received by any means and analyses of the criteria and principles applicable under the succession plan, the Supervisory Board decides that it approves:

- The re-appointment of an existing member; or
- The appointment of a new member to replace the outgoing member; or
- Changes in the membership of the Specialized Committees.

The Nomination and Compensation Committee is required to prepare and update a list of potential candidates at least six months before the expiration of the term of office of the Chair or Vice Chair of the Supervisory Board or of another member of the Supervisory Board.

It is the responsibility of each current member of the Supervisory Board to inform the Company or the Nomination and Compensation Committee at any time of any new or specific expertise that he or she may have so that this is taken into account in the Committee's work.

The Nomination and Compensation Committee may call upon one or more external recruitment firms (subject to establishing a confidentiality agreement with the Company) to assist it in identifying prospective candidates that could meet the criteria set forth in the succession plan.

The Nomination and Compensation Committee must review all applications received through the external recruitment firm, as well as any unsolicited applications received, and conduct any necessary interviews with the candidates identified. This process shall be conducted on a strictly confidential basis, to which the candidate(s) approached shall give a direct undertaking to the Company.

The Nomination and Compensation Committee, after reviewing and taking into account the general principles and specific criteria set forth in the succession plan, makes recommendations to the Supervisory Board on the applications received.

The Supervisory Board is then responsible for deliberating and deciding on the applications received.

Any appointment of a new member of the Supervisory Board must be the subject of a resolution submitted to the vote of the Company's Ordinary Shareholders' Meeting.

When the appointment concerns the position of Chair or Vice Chair of the Supervisory Board, it is the responsibility of the Supervisory Board to appoint the Chair or Vice Chair from among its members (subject to his or her appointment as a member by the Company's Ordinary Shareholders' Meeting).

It is also the responsibility of the Supervisory Board, on the recommendation of the Nomination and Compensation Committee, to decide on the membership of the Specialized Committees, chosen from among the members of the Supervisory Board.

Special case: vacancy

In the event that one or more seats on the Supervisory Board become vacant (owing to resignation, death, incapacity, etc.), and the total number of Supervisory Board members exceeds the legal minimum, the Company's Supervisory Board may provisionally appoint members between two General Meetings. The appointments made by the Supervisory Board in this respect must be ratified by the next Ordinary Shareholders' Meeting. If these provisional appointments are not ratified by the General Meeting, the Supervisory Board's previous deliberations and actions nevertheless remain valid.

When the number of members of the Supervisory Board falls below the legal minimum, the Executive Board must immediately convene an Ordinary Shareholders' Meeting to re-establish the legal minimum. A member of the Supervisory Board appointed to replace another member whose term of office has not expired shall only remain in office for the remainder of his or her predecessor's term of office.

In all cases, these provisional appointments shall be made in accordance with the principles and criteria set out in the succession plan.

Specific departure from succession principles and criteria

In the event of difficulties in identifying potential candidates, the Supervisory Board, on the recommendation of the Nomination and Compensation Committee, may decide to waive the application of a principle or criterion (unless it results from applicable legislation or regulations), provided that it gives reasons for this decision.

6.1.5 Additional information

Prevention of insider trading/stock market compliance

Given that its shares are admitted to trading on a regulated market, the Company must comply with insider trading rules. To mitigate the risk of insider trading, the Klépierre Group has adopted a Stock Market Code of Conduct, which is updated on an as-needs basis.

The main objectives of the Code of Conduct are to:

- Define inside information and the general rules applicable to its handling;
- Identify the people concerned by inside information;
- Detail the specific rules applying to persons holding inside information;
- List the applicable penalties in the event of a breach of the requirements regarding the holding of inside information.

The Code of Conduct applies to corporate officers (the Chairman of the Executive Board and the members of the Executive Board and Supervisory Board) and persons of similar status, and more generally to permanent insiders, as well as persons holding inside information who are subject to closed periods and employees who may have access to inside information on Klépierre or Klépierre securities.

Under the terms of the Code of Conduct, corporate officers and persons of similar status and any persons with close personal ties to corporate officers and persons of similar status have an obligation to disclose any transactions they make involving securities issued by the Company.

Pursuant to Article 19.11 of Regulation 596/2014 of April 16, 2014 on market abuse ("**MAR Regulation**") and the related AMF Position-Recommendation, the Company has introduced closed periods during the publication of annual and interim results, and first- and third-quarter trading updates.

During closed periods, those concerned must refrain from engaging, directly or indirectly, for themselves or on behalf of third parties, in transactions[1] relating to the Company's financial instruments[2] for a continuous period beginning:

- 30 calendar days before the publication of the **annual results** press release, including the day of its publication;
- 30 calendar days before the publication of the **interim results** press release, including the day of its publication;
- 15 calendar days before the publication of **first- and third-quarter trading updates**, including the day of their publication.

This duty to refrain applies:

- For the duration of the closed period, to the members of the Executive Board and the Supervisory Board, to all persons included on the list of permanent or occasional insiders of the Klépierre Group and to all persons with regular or occasional access to inside information (within the meaning of Article 7 of the Market Abuse Regulation), as well as to confidential or sensitive information (even though it does not constitute inside information) to the extent that such information is not made public;
- At any time (including during closed periods), to any person working for the Klépierre Group who has access to inside information or to confidential or sensitive information, even though it does not constitute inside information within the meaning of Article 7 of the MAR Regulation, as long as such information is not made public.

Shares granted free of charge by the Company for which the applicable lock-up period is complete, may not be sold within the 30 calendar days prior to the annual or interim earnings announcement (Article L. 22-10-59 of the French Commercial Code).

In addition to the Code of Conduct, the Klépierre Group has also drawn up supporting procedures and practical information sheets, which are communicated to all Klépierre Group senior executives and employees.

An Inside Information Committee was set up in 2017, comprising the members of the Executive Board, the Group General Secretary and the Group Chief Legal Officer, this Committee is responsible in particular for:

- Classifying any information it receives as inside information or sensitive information;
- Managing reported rumors and hearsay;
- Annually defining and updating, if necessary, the closed periods and lockdowns; and
- Deciding to defer publication of inside information.

(1) Article 10.2 of Delegated Regulation (EU) 2016/522; AMF Position-Recommendation; section 2.2.3 of the Guide to ongoing information and disclosure of inside information.
(2) Article 3 of the Market Abuse Regulation.

6.2 SUPERVISORY BOARD AND EXECUTIVE BOARD COMPENSATION

6.2.1 Compensation policies applicable to the Supervisory Board and Executive Board

This section will be submitted to the 2024 General Meeting for approval by way of specific resolutions, and complies with all the recommendations of the AFEP-MEDEF Code as regards compensation.

6.2.1.1 Fundamental principles for setting the compensation policy

In Klépierre's long-term corporate interest, the Supervisory Board sets the compensation policy, acting on the recommendation of the Nomination and Compensation Committee and, in accordance with the process set out in section 6.2.1.2, taking into account the principles of the AFEP-MEDEF Code (namely comprehensiveness, balance between the compensation components, comparability, consistency, clarity of the rules, and proportionality), in order to meet the objectives set out below.

FIVE OBJECTIVES

	ATTRACT	ADAPT	REWARD AND RETAIN	CONSIDER THE KLÉPIERRE GROUP'S COMPENSATION POLICY	INCLUDE CSR CRITERIA
OBJECTIVES	Appropriate executive corporate officer compensation levels attract and retain the best talent	Executive corporate officer compensation packages are balanced and take into account areas of responsibility	Compensation of executive corporate officers is performance-based	Compensation of executive corporate officers takes into account the compensation conditions applicable to Klépierre employees	Compensation of executive corporate officers reflects Klépierre's CSR objectives
DETAILS	The appropriate level of compensation, both fixed and variable, is essential to attract, retain and motivate the best talent. The compensation offered should therefore be competitive and in line with market practices for comparable companies. In compliance with the principle of comparability recommended by the AFEP-MEDEF Code, the Nomination and Compensation Committee regularly reviews its approach using studies conducted by various independent specialists based on panels of companies of a similar size or operating in the same business sector as Klépierre, and with comparable international exposure.	Compensation paid to Supervisory Board members includes a fixed amount and a predominantly variable amount based on actual attendance at meetings of the Supervisory Board or Committees on which they sit. Regarding Executive Board members, the Supervisory Board ensures that compensation is balanced (fixed, short-term variable and long-term variable components), with each component representing about one-third of total compensation for the year. In accordance with section 26.1.2 of the AFEP-MEDEF Code, the compensation of corporate officers is based on work performed, responsibility taken on board, and the duties entrusted to them.	The recognition of the performance of executive corporate officers strikes a balance between their interests, those of Klépierre and those of its shareholders. Accordingly, the compensation package for Executive Board members is subject to performance conditions, concerning both the short-term variable portion and the allotment of performance shares. The performance criteria are financial, operating and non-financial. They are based on the achievement of various targets relating in particular to Klépierre's commercial strategy and to the ability of management to adapt Klépierre's organization to the environment and changes in its markets. These criteria are regularly updated by the Nomination and Compensation Committee, as well as by the Supervisory Board.	Pertinent information on the Klépierre Group's compensation policy is regularly provided to the Nomination and Compensation Committee. For Executive Board members, the Supervisory Board ensures that their compensation package is consistent with that of the Klépierre Group's senior managers, i.e., that it comprises both fixed components and short- and long-term variable components. The criteria underpinning the long-term variable compensation of the members of the Executive Board are the same as those applicable to the main senior managers of the Klépierre Group, who are eligible for the same performance share plans. In addition, the Supervisory Board also includes criteria related to employment conditions for the Klépierre Group's employees in the objectives underpinning the variable compensation payable to Executive Board members. For example, the short-term variable compensation objectives assessed include initiatives promoting diversity and talent development.	On average, 20% of variable (short- and long-term) compensation of executive corporate officers is subject to non-financial criteria regarding CSR issues. These criteria are determined in line with the Klépierre Group's targets in order to promote sustainable, eco-friendly development over the long term.

6.2.1.2 Decision-making process for setting, revising and implementing the compensation policy

At the beginning of each year, the Nomination and Compensation Committee conducts a review of the different components of compensation of Supervisory Board and Executive Board members. Based on the Nomination and Compensation Committee's work, the Supervisory Board then sets the compensation policy to be put to the vote at the Company's next General Meeting. The same process applies if the compensation policy is revised, or if exceptions are made.

Supervisory Board

In accordance with Article 18, paragraph 1 of the Company's bylaws, the General Meeting sets the total amount allotted to the Supervisory Board members in respect of their duties on the Board and on its Committees during the fiscal year.

This annual amount set by the Ordinary and Extraordinary General Meeting of April 19, 2016 was €700,000. This amount is maintained for subsequent fiscal years unless modified by the General Meeting. At the beginning of each year, acting on the recommendation of the Nomination and Compensation Committee, the Supervisory Board allots the previous year's compensation among its members, taking into account the offices held by each member on the Board and its various Committees and their attendance record. Each member of the Supervisory Board (including the Chairman) receives fixed and variable compensation depending on his or her attendance rate at Supervisory Board meetings. Supervisory Board members only receive variable compensation in respect of their duties on Specialized Committees based on their attendance rate. The variable component is the major portion, pursuant to the recommendations of the AFEP-MEDEF Code. Attendance rates of Supervisory Board and Specialized Committee members are set out on page 231.

Executive Board

The table below presents the steps and timeline for setting the compensation of the Chairman and the members of the Executive Board:

Post-general meeting of prior year and first quarter of current year	
Nomination and Compensation Committee	The Nomination and Compensation Committee analyzes any developments in corporate governance rules. The Committee subsequently issues its recommendations on the following compensation policy items to the Supervisory Board: • Overall structure of corporate officers' compensation: the Committee assesses its appropriateness each year (taking into account all components of compensation, including any severance pay); • Annual fixed compensation; • Short-term variable compensation: – The Committee sets the amount of short-term variable compensation due in respect of the prior year on the basis of performance criteria, – It then makes proposals for the performance criteria applicable to the short-term variable compensation due in respect of the current year; • Long-term variable compensation: – The Committee ensures that the performance share plans making up the long-term variable compensation of Executive Board members also benefit certain employees within the Klépierre Group (i.e., 13% of the workforce in 2023), – The Committee then proposes performance criteria applicable to all performance shares allotted within the Klépierre Group for the current year, based on ambitious targets assessed over a three-year period, – As regards plans that have matured, the Committee assesses the achievement levels with regard to the applicable performance conditions and on this basis, determines the proportion of shares vested by the beneficiaries, – Lastly, the Committee proposes a number of performance shares to be allotted to the Chairman and members of the Executive Board for the current year; • Benefits in kind: the Committee reviews and values the benefits in kind granted and includes them in its assessment of Executive Board compensation.
From February/March of current year	
Supervisory Board	On the basis of the Nomination and Compensation Committee's work and recommendations: • The Supervisory Board sets the current year's compensation policy for executive corporate officers; • The amount of short-term variable compensation payable to the Chairman and members of the Executive Board in respect of the prior year is set by the Supervisory Board based on its assessment of their performance with regard to the quantitative and qualitative criteria. The quantitative criteria relating to financial or stock market indicators are assessed on the basis of the consolidated financial statements as approved by the Supervisory Board, or on the basis of market data. The qualitative criteria are assessed on the basis of the Nomination and Compensation Committee's report; • As regards long-term performance share plans that have matured, the Board places on record the performance levels achieved with regard to the applicable performance conditions.
First half of current year	
General Meeting of Shareholders	The compensation policy for the current year is submitted to the vote of the General Meeting (*ex-ante* say on pay); The compensation and benefits paid during or allotted for the previous year (i) to all corporate officers as a whole and (ii) to each executive corporate officer are also submitted to the vote (*ex-post* say on pay).
Nomination and Compensation Committee then Supervisory Board	The Supervisory Board, based on the work and recommendations of the Nomination and Compensation Committee, prepares a report on the General Meeting, including an analysis of results of the vote on the resolutions and of any comments from investors and proxy advisors.

The Nomination and Compensation Committee and the Supervisory Board rely in particular on the following resources when setting the compensation policy:

- **possible recourse to renowned independent specialized consultants,** in particular for benchmarking;
- **meetings with the Klépierre Group's General Secretary, in conjunction with the Group Legal and Human Resources department**s, for example to obtain information about the compensation and employment terms of the Klépierre Group's employees;
- **meetings with proxy advisors.**

To avoid conflicts of interest and in accordance with AFEP-MEDEF Code recommendations:

- Executive Board members do not attend Nomination and Compensation Committee meetings;
- Executive Board members are not present during the Supervisory Board's deliberations on their compensation.

Furthermore, the rules governing conflicts of interest concerning the members of the Executive Board are described in detail on page 256.

6.2.2 Supervisory Board and Executive Board compensation for fiscal year 2024

6.2.2.1 Compensation of the Chairman and the other members of the Supervisory Board for fiscal year 2024 (12th resolution submitted to the 2024 General Meeting)

No changes are envisaged in the compensation policy of the Chairman and the other members of the Supervisory Board for 2024 versus the policy in place for fiscal year 2023.

As a reminder, the compensation of the Chairman and members of the Supervisory Board consists solely of an overall budget, the maximum of which was set at €700,000 by the Ordinary and Extraordinary Shareholders' Meeting of April 19, 2016 (i.e., €688,000 for a nine-member Supervisory Board).

Further to the review of the Nomination and Compensation Committee, taking into account the fact that the number of Supervisory Board members was reduced to nine following the General Meeting of April 18, 2017, the utilization in fiscal year 2024 of the annual fixed budget of €700,000 is not expected to exceed €688,000.

Subject to the approval of the 2024 General Meeting (12th resolution), the annual budget will be determined in 2025 by the Supervisory Board based on the duties of each member on the Board and its various Committees, distinguishing between Chair or Vice Chair and members, as well as their actual presence at Board and Committee meetings during the year, as follows:

Office	Compensation	Total
Chair (of the Supervisory Board or Committees) or Vice Chair of the Supervisory Board	Fixed portion: €22,000 per office Variable portion: N/A	€132,000
Supervisory Board members	Fixed portion: €12,000 per office	€108,000
	Variable portion: amount based on attendance record at Board meetings	€224,000
Committee members	Fixed portion: N/A Variable portion: Amount based on attendance record at the relevant Committee meetings	€224,000
TOTAL		**€688,000**

The table above shows that the variable component is the major portion, representing up to 65% of the overall amount, in accordance with the recommendations of the AFEP-MEDEF Code.

Supervisory Board members may also obtain the reimbursement of all reasonable costs and expenses arising from the exercise of their duties, subject to providing the necessary supporting documentation.

No other components of compensation are awarded to the Chairman and members of the Supervisory Board or its Committees, and no agreements (employment or service agreements) have been entered into by Board or Committee members with the Company or any other Klépierre Group entity.

Pursuant to paragraph II of Article L. 22-10-34 of the French Commercial Code, the amounts payable under this policy for the Chairman and the other members of the Supervisory Board will be submitted for approval by the shareholders at the General Meeting called to approve the financial statements for the fiscal year ending December 31, 2024.

6.2.2.2 Compensation of the Chairman and the other members of the Executive Board for fiscal year 2024

The components of compensation for the Chairman and the other members of the Executive Board for fiscal year 2024, as established by the Supervisory Board on February 13, 2024, on the basis of the work of the Nomination and Compensation Committee meeting of February 9, 2024, are subject to the approval of the 13th and 14th resolutions submitted to the 2024 General Meeting. These components remain unchanged from 2023 fiscal year.

SUMMARY PRESENTATION OF THE 2024 COMPENSATION STRUCTURE FOR THE CHAIRMAN AND THE OTHER MEMBERS OF THE EXECUTIVE BOARD AS PROPOSED TO THE 2024 GENERAL MEETING

Fixed compensation	Short-term variable compensation (capped at: 150% of fixed compensation)	Long-term variable compensation (capped at: 100% of short-term compensation[(a)])			
Annual compensation Benefits in kind	Quantitative criteria (up to 100% of fixed compensation) + Qualitative criteria (up to 50% of fixed compensation)	Absolute stock market performance of Klépierre (TSR)	Relative stock market performance versus a panel of comparable companies (TSR)	Internal performance (change in shopping center net rental income)	CSR performance
		20%	25%	20%	35%
		Performance assessed over three years (except in cases provided for in the plan regulations; see page 267)			
		Shareholding obligation (see page 269)			

(a) Short-term compensation is equal to the sum of fixed compensation and short-term variable compensation when the target is fully met.

6.2.2.2.1 Components of compensation of the Chairman of the Executive Board for fiscal year 2024 (13th resolution submitted to the 2024 General Meeting)

At the Supervisory Board meeting on May 24, 2022, Jean-Marc Jestin was re-appointed in his capacity as Chairman and member of the Executive Board for a three-year term beginning June 22, 2022.

Should a new Chairman of the Executive Board be appointed, the principles and criteria provided for in the last compensation policy approved by the General Meeting would also apply to that person. In such cases, acting on the recommendation of the Nomination and Compensation Committee, the Supervisory Board will, in light of existing practices and based on the situation of the executive concerned, determine the different components of compensation, which shall not exceed those set out in said policy. The Supervisory Board may decide exceptionally to award an onboarding package as a recruitment incentive for a new executive joining from another group. The payment of this package, which may take different forms, is designed to offset the loss of benefits to which executives may have been entitled in their previous position. In compliance with section 26.4 of the AFEP-MEDEF Code, in the event that such a package is granted, it must be explained and the amount made public at the time it is set, even where payment is made in installments or deferred.

To summarize, Jean-Marc Jestin's compensation is typically split into equal portions between the fixed component (including benefits in kind), the short-term variable component and the long-term variable component.

The Chairman of the Executive Board's compensation includes the following components:

a) Annual fixed compensation for fiscal year 2024

The annual fixed compensation of the Chairman of the Executive Board for 2024 is €825,000, unchanged from the annual fixed compensation approved by the General Meeting of May 11, 2023.

b) Short-term variable compensation paid for fiscal year 2024

Short-term variable compensation for the Chairman of the Executive Board is determined with regard to the achievement of specific, ambitious quantitative and qualitative objectives whose detail and weighting are set at the beginning of the year (these objectives are not disclosed publicly for confidentiality reasons, although they are made public *ex-post*):

Quantitative component

Weighting	Description	Comments
Capped at 100% of annual fixed compensation. (i.e., 66.7% of the maximum total short-term variable compensation)	Net current cash flow guidance as disclosed to the markets at the beginning of the year. Achieving the target net current cash flow per share announced by Klépierre as guidance to the market grants entitlement to 60% of the annual fixed compensation. In addition, a performance floor has been set at 95% of the target.	This financial indicator is particularly relevant for a real estate company such as Klépierre as it enables the following to be measured: • Changes in income based on organic and external growth; • Cost management efficiency (operating and financial costs); • Tax exposure of recurring operations. It is one of the key indicators that Klépierre discloses to the markets. Net current cash flow per share growth and its regularity are fundamental inputs in the valuation of the Klépierre share price. The quantitative component is applied identically to all Executive Board members because it measures their performance as an executive team with collective responsibility.

Qualitative component

Weighting	Description	Comments
Capped at 50% of annual fixed compensation. (i.e., 33.3% of the maximum total short-term variable compensation)	The qualitative portion of variable compensation is measured by applying several criteria, which, in 2024, are based on the following topics: • Implementation of the Act4Good™ plan; • Strategy implemented to enhance the quality of the portfolio (developments, investments, disposals); • Enhanced risk management; • Improved management of human capital.	The qualitative component measures the individual performance of the Chairman of the Executive Board based on specific targets for the relevant year. These specific targets are decided by the Supervisory Board for the year concerned according to the priorities set by the Board, acting on the recommendation of the Nomination and Compensation Committee, and are communicated to the Chairman of the Executive Board.

The overall short-term variable compensation paid to the Chairman of the Executive Board is capped at 150% of his annual fixed compensation as stated in the 2024 compensation policy.

In accordance with Article L. 22-10-34, paragraph II of the French Commercial Code, the annual variable compensation due for fiscal year 2024 will be paid after the Ordinary General Meeting to be called in 2025 to approve the 2024 financial statements and is contingent on its approval by that Meeting.

Faculty of the Supervisory Board

The Supervisory Board may, in exceptional circumstances and after having solicited the opinion of the Nomination and Compensation Committee, use its judgment to adapt or amend the criteria or calculation scale (upwards or downwards) used to determine the annual short-term variable compensation of the Chairman and the other members of the Executive Board, in the event that the impact of such an exceptional circumstance were disproportionate with regard to the fundamental principles of the compensation policy.

In any event, the Supervisory Board's faculty in this regard (which is separate from the powers granted under the legal exemption provided for in Article L. 22-10-26 of the French Commercial Code) may not give rise to a change in either the weighting of the quantitative component of short-term variable compensation (capped at 100% of fixed compensation) or of the qualitative component of short-term variable compensation (capped at 50% of fixed compensation). If this faculty were to relate to the modification of the assessed components subject to performance criteria, the modification may not lead to a significant change in the components initially provided for.

Exceptional circumstances that may give rise to the use of this faculty include any exogenous event that could not reasonably have been taken into consideration or quantified at the time the compensation policy was set, such as a pandemic and any events with a comparable impact on Klépierre's business.

The Supervisory Board is required to give account to shareholders in the event that it exercises this discretionary faculty. It will ensure that any adjustments make it possible to measure the effective performance of the Chairman and the other members of the Executive Board in light of the circumstances that justified the use of the faculty, and taking into account the interests of all stakeholders.

Pursuant to Article L. 22-10-34, paragraph II of the French Commercial Code, the amounts payable under this policy will be submitted for the approval of the shareholders at the General Meeting called to approve the financial statements for the fiscal year ending December 31, 2024.

c) Long-term variable compensation for fiscal year 2024

The General Meeting of April 26, 2022 authorized the Klépierre Group to allot performance shares to the Group's executive corporate officers and senior managers for a 38-month period starting after said meeting (see section 7.2.1 "Report of the Executive Board to the Ordinary and Extraordinary General Meeting" of the 2021 Universal Registration Document).

Under this authorization, the rules of the plan to be implemented in 2024 for executive corporate officers will include a three-year vesting period (save for specific cases as provided for in the terms and conditions of the plan)[1], subject to a service condition and performance criteria.

These performance conditions are based on financial, non-financial and operating targets that contribute to the goals of the compensation policy:

- Conditions that encourage the achievement of the Klépierre Group's operating and financial targets and thus drive greater value creation for shareholders. They therefore promote the alignment of the beneficiaries' interests with those of the Company and of its shareholders;
- Varied and demanding conditions, which differ from those applicable to short-term variable compensation and which are, for the most part, assessed based on financial and quantitative criteria along with criteria linked to the environmental or social issues facing the Klépierre Group;
- Conditions based on Klépierre's performance, improvements in which depend on the work put in by its teams and their results, based on an approach designed to create value over the long term.

(1) *Including in the event of the death, retirement or disability of the beneficiary, transactions resulting in a change in control, and delisting.*

The conditions underlying the performance shares to be allotted to the Chairman and the other members of the Executive Board in 2024 are detailed in the table below:

SERVICE CONDITION

The beneficiary must remain within the Klépierre Group until the end of the three-year vesting period, except for cases provided for in the terms and conditions of the plan, namely, in the event of retirement, death or disability of the beneficiary, transactions resulting in a change of control and delisting (it being specified that the performance conditions are assessed in advance in the event of death, disability, and change of control and at the end of the vesting period in the event of retirement).

Should the beneficiary leave the Group before the end of the performance assessment period for criteria not provided for in the plan rules, entitlement to all or a portion of the performance shares is subject to the decision of the Supervisory Board and must be substantiated. The Supervisory Board will only authorize a partial waiver of the service condition, such that the performance shares vest pro rata to members' service to the Group, and the performance conditions will continue to apply until the end of the vesting period.

PERFORMANCE CONDITIONS

Performance assessed	Indicator	Calculation method	Weighting	Justification
Absolute stock market performance	Total Shareholder Return (TSR, change in share price plus dividends paid) of the Klépierre share.	Comparison of the share price during the initial allotment period with the share price during the final allotment period, taking account of dividends paid.	20% of the total allotment	This condition measures the returns for Klépierre shareholders based on its stock market performance and dividends received.
Relative stock market performance	Klépierre's TSR compared to the TSR of a panel of European retail real estate firms, comprising: URW, CityCon OYS, Eurocommercial Properties, Deutsche Euroshop, Wereldhave N.V., Mercialys, Vastned Retail N.V., Immobiliare Grande Dis, Lar España Real Estate SOCIMI SA and Carmila.	Comparison of Klépierre's TSR with that of the panel.	25% of the total allotment	This criterion compares Klépierre's TSR with the TSR of directly comparable companies, i.e., owners and operators of shopping centers in continental Europe that are therefore faced with comparable issues and economic cycles.
Internal performance	Change over three years in net rental income.	Calculation of the average annual change in shopping center like-for-like net rental income, as reported by the Klépierre Group in its annual consolidated financial statements over the last three fiscal years preceding the reference date.	20% of the total allotment	This criterion is appropriate for measuring the Company's business growth and the teams' efforts to optimize like-for-like net rental income and therefore maximize returns from the Klépierre Group's real estate portfolio. Growth in like-for-like net rental income includes: • Increases in minimum guaranteed rents when the lease is renewed, which reflect the Klépierre Group's capacity to host the most attractive retailers in its centers and to optimize the rental value of available space; • Reductions in vacancy rates, which are key to the attractiveness of any given shopping center; • Optimal management of shopping center costs.
CSR performance	(i) GRESB rating: Klépierre must rank in the top five in its category and have a "5-star" rating, which is awarded only to the top performers (15% of the allotment). (ii) Reduction in carbon emissions from Klépierre's shopping centers (20% of the allotment).	Calculation of the greenhouse gas emissions from Klépierre's shopping centers in relation to their surface area (in $kgCO_2e$/sq.m., Scopes 1 & 2, market-based approach), as reported in the Klépierre Group's non-financial performance statement audited annually by an independent third-party (Deloitte).	35% of the total allotment	These criteria reflect the Klépierre Group's desire to unite its employees and executives around corporate social responsibility issues to maintain its global leadership in non-financial performance, as evidenced by the Group's ambition to achieve carbon neutrality by 2030.

The number of performance shares that may vest to the Chairman and the other members of the Executive Board under this 2024 allotment will be calculated using the following achievement scale:

Performance assessed	Performance		% of shares delivered[a]	Assessment of the requirements for the chosen performance conditions
Absolute stock market performance (20% of the allotment)	≤10%		0%	The number of shares allotted is zero where the TSR is less than or equal to 10%. To achieve the maximum target, the TSR must be greater than or equal to 20%. Exceeding the 20% threshold does not result in the allotment of additional shares, capped at 20% of the initial number of shares allotted.
	12%		33.3%	
	14%		50%	
	16%		66.7%	
	18%		83.3%	
	≥20%		100%	
Relative stock market performance (25% of the allotment)	Below the median		0%	The number of shares allotted is zero where Klépierre's TSR is less than the panel median. To achieve the maximum target, Klépierre must rank first in the panel (without conferring the right to allotment of additional shares).
	6th (median)		50%	
	5th		60%	
	4th		70%	
	3rd		80%	
	2nd		90%	
	1st		100%	
Internal performance (20% of the allotment)	<1%		0%	If the growth in net rental income over three years is equal to 1%, only 30% of the shares will be allotted. To achieve the maximum target, the increase must be greater than or equal to 3%. Exceeding the 3% threshold does not result in the allotment of additional shares, which is capped at 20% of the initial number of shares allotted. This is a very ambitious growth target considering that the Klépierre Group renews an average of only 8% of its leases each year. The level of ambition of this target can be measured in light of the historical performance of Klépierre and of its main competitors. The performance criterion has been met in only five fiscal years, over the 2010 to 2021 period (2010 being the first year the three-year average was calculated, it being noted that the years subsequent to 2021 were not taken into account as they were heavily impacted by the post-pandemic rebound). As regards the results of Klépierre's main competitors since 2012, none of them have reported average growth in like-for-like net rental income[b] in excess of 3% for the 2012-2021 period.
	1% ≤ x <3%		30%	
	≥3%		100%	
CSR performance (35% of the allotment)	GRESB rating: Klépierre must rank in the top five and have a "5-star" rating (15% of the allotment);		100%	GRESB (Global Real Estate Sustainable Benchmark) is an organization that assesses the ESG performance of real estate companies. The objective is to rank among the top five companies in its category[c] and to obtain the highest "5-star" rating. Between 2022 and 2023, the Group's GRESB rating fell by five points; the gap between the first and fourth-ranked companies in its category was just four points in 2023. Remaining among the top five companies in its category therefore requires a demanding performance.
	Reduction in carbon emissions from Klépierre's shopping centers (20% of the allotment) Targets: • 2024: 3.86kg • 2025: 3.68kg • 2026: 3.50kg	Increase in emissions relative to the latest level reported prior to the allotment date of the shares	0%	The target values are consistent with the Group's objective of achieving carbon neutrality for its portfolio by 2030 (Scopes 1 & 2, market-based method), representing an average decrease of 8.7% per annum from the 2021 level of 6.01 kgCO$_2$e/sq.m. This is a particularly ambitious objective given that in 2023, 99.5% of the Group's shopping centers were already below the national greenhouse gas emission thresholds defined by the Carbon Risk Real Estate Monitor (CRREM)[d].
		Emissions maintained at the level reported prior to the allotment date of the shares	50%	
		Achievement of the targets (see opposite)	100%	

(a) If the result obtained is between two thresholds, the number of performance shares vested is calculated on a linear basis.
(b) Based on reported like-for-like net rental income, using shopping center portfolios for which data are available.
(c) The category (European/Retail/Listed/Real Retail centers) had 11 members in 2023.
(d) Carbon Risk Real Estate Monitor, an EU-funded tool to determine GHG-reduction pathways for buildings that are approved by the Science-Based Targets initiative.

Caps on allotments

Pursuant to the authorization granted by the General Meeting of April 26, 2022, the number of shares that may be allotted was capped at 1% of the share capital for a period of 38 months and, within this limit, to cap the number of shares that may be allotted to the Chairman and members of the Executive Board at 0.3% of the share capital.

In accordance with the compensation policy approved by the Supervisory Board, annual allotments made to the Chairman and the other members of the Executive Board may not represent more than 100% of their short-term compensation[1].

(1) Calculated as follows: annual fixed compensation + target quantitative portion of short-term variable compensation + maximum qualitative portion of short-term variable compensation.

Holding obligation

Pursuant to Article L. 225-197-1 of the French Commercial Code as set out in the AFEP-MEDEF Code, the Supervisory Board set the holding obligation for the Chairman and members of the Executive Board as follows: they are required to hold in registered form a number of shares equivalent to 50% of the gain on vested shares net of tax and expenses as calculated on delivery of the shares, until the end of their term of office. The Chairman and the other members of the Executive Board are encouraged to hold a large and increasing number of shares.

In accordance with the AFEP-MEDEF Code, this amount will be reviewed and set by the Supervisory Board in light of the situation of each executive corporate officer periodically, and at least each time they are re-appointed. Because of the stringent holding obligations, the Supervisory Board does not require the Chairman or members of the Executive Board to buy shares using their own capital on delivery of the performance shares.

Other restrictions

In accordance with the AFEP-MEDEF Code, the Chairman and the other members of the Executive Board undertake not to enter into hedging transactions until the end of the lock-up period set by the performance share plans.

d) Other components of compensation for fiscal year 2024

Employment contract	The Chairman of the Executive Board does not have an employment contract. In the event of the appointment of an employee as Chairman of the Executive Board, the Supervisory Board must request the termination of the relevant employment contract (without compensation).
Severance package in the event of forced departure from Klépierre	The Chairman of the Executive Board is eligible for a severance package in the event of his forced departure: • The severance package will be paid in all cases of forced departure regardless of the method (removal, requested resignation, etc.), except in the event of serious or gross misconduct and in the event of non-re-appointment as a member of the Executive Board at the end of his term of office. In accordance with the AFEP-MEDEF Code, no severance will be owed if the beneficiary is entitled to claim full retirement benefits within six months of termination; • In the event of the Chairman of the Executive Board's forced departure, he may be entitled to receive under the package a severance payment in an initial amount of one year's annual compensation, calculated by reference to the (gross) fixed compensation as of the last day of his term of office and the most recent (gross) short-term variable compensation paid as at the date of termination, it being specified that this initial amount may increase on a linear basis according to the Chairman of the Executive Board's length of service as a corporate officer (in the case of Jean-Marc Jestin, on a basis of one month for each additional year of service with effect from January 1, 2017) and up to a maximum of two years' compensation, in accordance with the AFEP-MEDEF Code. At January 1, 2024, the severance payment would therefore be equal to 19 months based on the latest (gross) fixed and short-term variable compensation; • It is paid subject to the following performance conditions: – In the two fiscal years preceding the year of termination of his term of office, the Chairman of the Executive Board received or will be entitled to receive overall annual variable compensation (quantitative plus qualitative) representing an amount equal to at least 100% of his fixed compensation (the maximum being defined according to the applicable compensation policy), and – The quantitative portion of the short-term annual variable compensation must, as a minimum, have been paid in an amount equal to the target in said two fiscal years. These conditions are directly related to the achievement of the short-term compensation objectives applicable to the Chairman of the Executive Board and are therefore among the fundamental principles of the compensation policy applicable to the Chairman, taking into account performance related to the Klépierre Group's commercial strategy.
Extraordinary compensation	Extraordinary compensation does not form part of the general compensation policy and may only be awarded in very specific circumstances, in accordance with section 26.3.4 of the AFEP-MEDEF Code. In accordance with Article L. 22-10-26 of the French Commercial Code, if the decision were made to award this type of compensation, payment would in any event be subject to prior approval by the General Meeting. In 2024, no extraordinary compensation will be paid to the Chairman of the Executive Board.
Other benefits	The Chairman of the Executive Board has: • Use of a company car; • The same occupational insurance and healthcare benefits plan as Klépierre Group employees in France; • Unemployment insurance subscribed with GSC. The Chairman of the Executive Board is also provided with the material resources necessary for the performance of his duties and is entitled, upon presentation of supporting documentation, to reimbursement of business travel and expenses incurred in the performance of his duties. No loans or guarantees have been granted to him by Klépierre.
Compensation in respect of offices and positions held in Klépierre Group companies	The Chairman of the Executive Board does not receive any compensation for his offices in the various Klépierre Group companies.
Deferred variable compensation or multi-annual variable compensation	Klépierre's compensation policy does not include the payment of any deferred variable compensation or multi-annual variable compensation. Consequently, there are no arrangements for such payments.
Defined benefit or defined contribution pension plan	There are no defined benefit or defined contribution pension plans. The Chairman of the Executive Board qualifies for the same compulsory private sector supplementary pension plan as other Klépierre Group managers.

6.2.2.2.2 Components of compensation for the members of the Executive Board (excluding the Chairman) for fiscal year 2024 (14th resolution submitted to the 2024 General Meeting)

At December 31, 2023, the Executive Board comprises two members, Jean-Marc Jestin (Chairman) and Stéphane Tortajada (Chief Financial Officer). Stéphane Tortajada was appointed from June 22, 2022 for a three-year term.

Should a new Executive Board member be appointed, the principles and criteria provided for in the last compensation policy approved by the General Meeting would also apply to him. In such cases, acting on the recommendation of the Nomination and Compensation Committee, the Supervisory Board will, in light of existing practices and based on the situation of the executive concerned, determine the different components of compensation, which shall not exceed those set out in said policy. The Supervisory Board may decide exceptionally to award a new corporate officer with an onboarding package as a recruitment incentive for a new executive joining from another group. The payment of this package, which may take different forms, is designed to offset the loss of benefits to which executives may have been entitled in their previous position. In compliance with section 26.4 of the AFEP-MEDEF Code, in the event that such a package is granted, it must be explained and the amount made public at the time it is set, even where payment is made in installments or deferred.

To summarize, the compensation of the members of the Executive Board is typically split into equal portions between the fixed component (including benefits in kind), the short-term variable component and the long-term variable component.

The compensation of the Executive Board members includes the following components:

a) Annual fixed compensation for fiscal year 2024

The annual fixed compensation of the members of the Executive Board (other than the Chairman) for 2024 is €500,000, unchanged from the annual fixed compensation approved by the General Meeting of May 11, 2023. For 2022 and 2023, the Supervisory Board set Stéphane Tortajada's annual fixed compensation at €450,000. At its meeting of February 13, 2024, the Board decided to realign Stéphane Tortajada's annual fixed compensation for 2024 with the compensation policy, setting it at €500,000.

b) Short-term variable compensation paid for fiscal year 2024

The principles described in section 6.2.2.2.1.b) ("Components of compensation of the Chairman of the Executive Board for fiscal year 2024", "Short-term variable compensation paid for fiscal year 2024") also apply to the members of the Executive Board.

Short-term variable compensation for the members of the Executive Board is determined based on the two quantitative and qualitative components set out in section 6.2.2.2.1.b).

For fiscal year 2024, the following qualitative targets were set for Stéphane Tortajada in his capacity as a member of the Executive Board: the qualitative component of his variable compensation will be measured based on several criteria relative to oversight of financial transactions and improving Group profitability, managing tax risks, the internal audit function and investor relations, promoting CSR and strengthening internal controls on the finance and accounting functions.

The overall short-term variable compensation paid to Executive Board members is capped at 150% of their annual fixed compensation as stated in the 2024 compensation policy.

In accordance with paragraph II of Article L. 22-10-34 of the French Commercial Code, the annual variable compensation due for fiscal year 2024 will be paid after the Ordinary General Meeting to be called in 2025 to approve the 2024 financial statements and is contingent on its approval by that Meeting.

Faculty of the Supervisory Board

The principle described in section 6.2.2.2.1.b) (Faculty of the Supervisory Board/Chairman of the Executive Board) is applicable to the other Executive Board members.

c) Long-term variable compensation for fiscal year 2024

The principles and methods described in section 6.2.2.2.1.c) "Components of compensation of the Chairman of the Executive Board for fiscal year 2024", "Long-term variable compensation for fiscal year 2024" also apply to the other members of the Executive Board.

d) Other components of compensation for fiscal year 2024

Rules applicable to all Executive Board members

Employment contract	In the event of the appointment of an employee as a member of the Executive Board, the Supervisory Board will have to request the termination of the relevant employment contract (without compensation).
Severance package in the event of forced departure from Klépierre	The Supervisory Board may, in the event of forced departure, authorize a severance package along the same lines as those applicable to the Chairman of the Executive Board, whose terms and conditions are set out on page 269. Severance is paid in all cases of forced departure regardless of the method (removal, requested resignation, etc.), except in the event of serious or gross misconduct and in the event of non-re-appointment as a member of the Executive Board at the end of the term of office. In accordance with the AFEP-MEDEF Code, no severance will be owed if the beneficiary is entitled to claim full retirement benefits within six months of termination. Non-statutory severance is also subject to the achievement of the same performance conditions as applicable to the Chairman of the Executive Board. These conditions are directly related to the achievement of the short-term compensation objectives applicable to the members of the Executive Board and are therefore among the fundamental principles of the compensation policy applicable to them, taking into account performance related to the Klépierre Group's commercial strategy.
Extraordinary compensation	Extraordinary compensation does not form part of the general compensation policy and may only be awarded in very specific circumstances, in accordance with section 26.3.4 of the AFEP-MEDEF Code. In accordance with Article L. 22-10-26 of the French Commercial Code, if the decision were made to award this type of compensation, payment would in any event be subject to prior approval by the General Meeting. In 2024, no extraordinary compensation will be paid to the members of the Executive Board.
Other benefits	The members of the Executive Board have: • Use of a company car; • The same occupational insurance and healthcare benefits plan as other Klépierre Group employees in France; • Unemployment insurance subscribed with GSC. They are also provided with the material resources necessary for the performance of their duties and are entitled, upon presentation of supporting documentation, to reimbursement of business travel and expenses incurred in the performance of their duties. No loans or guarantees have been granted to them by Klépierre.
Compensation in respect of offices and positions held in Klépierre Group companies	The members of the Executive Board do not receive any compensation for offices and positions in the various Klépierre Group companies.
Deferred variable compensation or multi-annual variable compensation	Klépierre's compensation policy does not include the payment of any deferred variable compensation or multi-annual variable compensation. Consequently, there are no arrangements for such payments.
Special defined benefit or defined contribution pension plan	There are no defined benefit or defined contribution pension plans. The members of the Executive Board qualify for the same compulsory private sector supplementary pension plan as other Klépierre Group managers.

Stéphane Tortajada's situation

Stéphane Tortajada does not have an employment contract with the Group and does not have the use of a company car.

In the event of Stéphane Tortajada's forced departure, he may be entitled to receive a severance payment in an initial amount of one year's annual compensation, calculated by reference to the gross fixed compensation as of the last day of his term of office and the most recent (gross) short-term variable compensation paid as at the date of termination, it being specified that this initial amount will increase on a linear basis according to Stéphane Tortajada's length of service as a corporate officer (on a basis of one month for each additional year of service with effect from June 22, 2022) and up to a maximum of two years' compensation, in accordance with the AFEP-MEDEF Code.

Stéphane Tortajada does not benefit from the healthcare benefits plan for other Klépierre Group employees.

With the exception of the foregoing, the abovementioned rules applicable to members of the Executive Board are also applicable to him.

6.2.3 Supervisory Board and Executive Board compensation for fiscal year 2023

In application of the AMF recommendations and the AFEP-MEDEF Code, the compensation summary tables are presented in section 6.2.4 of this document.

6.2.3.1 Components of compensation paid during or allotted for fiscal year 2023 to the Chairman and the other members of the Supervisory Board

The compensation of the Chairman and members of the Supervisory Board presented below was set by the Supervisory Board, acting on the recommendation of the Nomination and Compensation Committee pursuant to the compensation policy approved by the General Meeting of May 11, 2023 (12th resolution) by 99.71% of votes cast.

This policy complies with the fundamental principles described in section 6.2.1.1, as it promotes long-term growth.

In accordance with the rules for allotting compensation to the Chairman and the other members of the Supervisory Board described in section 6.2.2.1, the aggregate amount of annual compensation paid or awarded in fiscal year 2023 in respect of their corporate offices was €688,000.

a) Summary table

	Gross amounts allotted for fiscal year 2022 (paid in 2023)					Gross amounts allotted for fiscal year 2023 (paid in 2024)				
In euros	Position as Chair	Fixed portion	Variable portion	Other	Total	Position as Chair	Fixed portion	Variable portion	Other	Total
CHAIRMAN OF THE SUPERVISORY BOARD										
David Simon	44,000	12,000	46,667	–	102,667	44,000	12,000	38,065	–	94,065
OTHER SUPERVISORY BOARD MEMBERS										
John Carrafiell	22,000	12,000	34,222	–	68,222	22,000	12,000	38,065	–	72,065
Béatrice de Clermont-Tonnerre	15,068	12,000	40,444	–	67,513	22,000	12,000	38,309	–	72,309
Steven Fivel	22,000	12,000	68,444	–	102,444	22,000	12,000	64,418	–	98,418
Robert Fowlds	–	12,000	46,667	–	58,667	–	12,000	38,065	–	50,065
Stanley Shashoua	–	12,000	62,222	–	74,222	–	12,000	64,418	–	76,418
Catherine Simoni	22,000	12,000	62,222	–	96,222	22,000	12,000	51,242	–	85,242
Rose-Marie Van Lerberghe	6,932	12,000	46,667	–	65,598	–	12,000	42,946	–	54,946
Florence von Erb	–	12,000	40,444	–	52,444	–	12,000	51,242	–	63,242
TOTAL	**132,000**	**108,000**	**448,000**	**–**	**688,000**	**132,000**	**108,000**	**426,771**	**–**	**666,771**

b) Chairman of the Supervisory Board (16th resolution submitted to the 2024 General Meeting)

Components of compensation put to the vote	Amounts paid during or allotted for fiscal year 2023 or accounting value	Presentation
Annual fixed compensation	None	Compensation paid or allocated by the Company to David Simon in 2023 solely corresponds to compensation for his role as Chairman and member of the Supervisory Board and the Investment Committee. Calculated in accordance with the rules for allotting compensation to the members of the Supervisory Board, as described in sections 6.2.2.1 and 6.2.3.1.
Annual variable compensation	None	
Deferred variable compensation	None	
Multi-annual variable compensation	None	
Extraordinary compensation	None	
Performance shares	None	
Stock options	None	
Compensation in respect of Board membership	None	
Value of benefits in kind	None	
Severance payment	None	
Non-compete benefit	None	
Supplementary pension plan	None	
Other	None	
Compensation in respect of his role as Chairman and member of the Supervisory Board and of the Investment Committee	€94,065	

Comparative analysis of the total compensation of the Chairman of the Supervisory Board and that of Klépierre employees

Klépierre referred to the AFEP-MEDEF guidelines as updated for the comparative analysis of the total compensation of the Chairman of the Supervisory Board and that of Klépierre employees.

The relationship between the Chairman of the Supervisory Board's compensation and the average and median full-time equivalent compensation of Klépierre employees (the "average ratio" and "median ratio", respectively) was as follows:

- 2023 average ratio: 1.27;
- 2023 median ratio: 1.68.

Pay ratios referred to in paragraphs I. 6° and 7° of Article L. 22-10-9 of the French Commercial Code, prepared in accordance with the AFEP guidelines, as updated in February 2021

The following table sets out the year-on-year change in the compensation of the Chairman of the Supervisory Board, Klépierre's performance, the average full-time equivalent compensation of Klépierre employees, and the average and median ratios over the last five years:

	2023	2022	2021	2020	2019	2018
CHANGE (%) IN THE COMPENSATION OF THE CHAIRMAN OF THE SUPERVISORY BOARD (DAVID SIMON)[(a)]						
	+2.29%	+9.82%	-6.86%	+0.33%	-2.36%	+33.42%
CHANGE (%) IN THE COMPENSATION OF THE MEMBERS OF THE SUPERVISORY BOARD (EXCLUDING THE CHAIRMAN)						
	-0.39%	+0.55%	-14.63%	+18.26%	+2.30%	+24.42%
KLÉPIERRE SA SCOPE						
		N/A (no employees)				
ENLARGED SCOPE (KLÉPIERRE MANAGEMENT, WHICH EMPLOYS THE KLÉPIERRE GROUP'S ENTIRE FRENCH WORKFORCE)[(b)]						
Change (%) in the average compensation of Klépierre employees	-3.52%	+16.58%	-14.29%	+1.97%	+0.91%	-1.33%
CONCERNING THE CHAIRMAN OF THE SUPERVISORY BOARD (DAVID SIMON)						
Ratio of the average compensation of Klépierre employees	1.27	1.20	1.27	1.17	1.19	1.23
Year-on-year change (%)	+6.02%	-5.80%	+8.67%	-1.61%	-3.24%	+35.22%
Ratio of the median compensation of Klépierre employees	1.68	1.56	1.62	1.62	1.55	1.58
Year-on-year change (%)	+8.07%	-3.76%	0%	+4.18%	-1.79%	+35.23%
KLÉPIERRE PERFORMANCE						
Financial criterion (net current cash flow)	2.48	2.62	2.18	2.05	2.82	2.65
Year-on-year change (%)	-5.65%	+20.18%	+10.6%	-27.30%	+6.42%	+6.85%

(a) Components of compensation included in the calculation correspond to the total (gross) amount paid during the year in respect of: compensation linked to the duties as Chairman of the Supervisory Board that have been effectively received by him, and paid during the current year in respect of the prior year. The components are presented on page 272 of this document, as well as on page 298 of the 2022 Universal Registration Document, page 288 of the 2021 Universal Registration Document, page 292 of the 2020 Universal Registration Document and page 251 of the 2019 Universal Registration Document.
(b) The scope of Klépierre Management's staff (France) used for the calculation below represents 67.4% of the permanent workforce of this company as of December 31, 2023.

6.2.3.2 Components of compensation paid during or allotted for fiscal year 2023 to the Chairman and the other members of the Executive Board

Summary:

CHANGES IN TOTAL COMPENSATION PAID TO THE CHAIRMAN AND THE OTHER MEMBERS OF THE EXECUTIVE BOARD

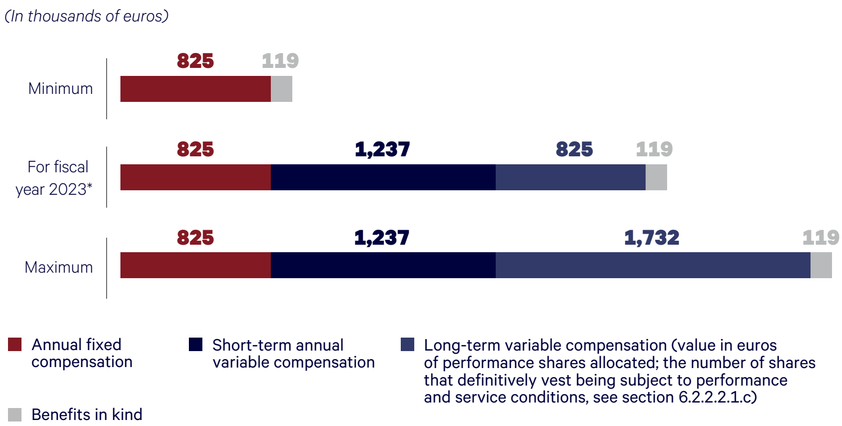
	Chairman of the Executive Board		Chief Financial Officer, member of the Executive Board	
In euros	2022	2023	2022[(a)]	2023
Fixed compensation	789,658	825,000	237,945	450,000
Short-term variable compensation (paid in current year with respect to previous year)	975,000	1,184,486	-	356,918
Number of performance shares allotted during the fiscal year concerned	93,413	86,842	26,944	47,368
Number of performance shares vested during the fiscal year concerned	17,500 shares (out of 35,000 shares initially allotted in respect of the 2019 plan)	23,845 shares (out of 35,000 shares initially allotted in respect of the 2020 plan)	-	-

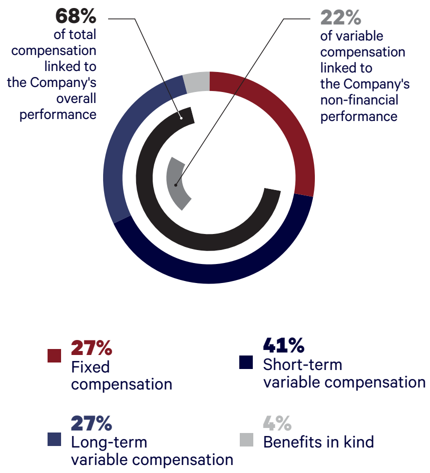
(a) Stéphane Tortajada, Chief Financial Officer, member of the Executive Board, was appointed in June 22, 2022.

6.2.3.2.1 Components of compensation paid during or allotted for fiscal year 2023 to Jean-Marc Jestin, Chairman of the Executive Board (17th resolution submitted to the 2024 General Meeting)

The compensation of the Chairman of the Executive Board presented below was set by the Supervisory Board, acting on the recommendation of the Nomination and Compensation Committee pursuant to the compensation policy approved by the General Meeting of May 11, 2023 (13th resolution) by 94.65% of votes cast. This policy complies with the fundamental principles described in section 6.2.1.1, as it promotes long-term growth. These principles were devised after taking into account the vote of the May 11, 2023 General Meeting (15th resolution, approved by 98.54% of votes cast).

SUMMARY





* *Short-term annual variable compensation subject to approval by the 2024 General Meeting.*

Due to the effect of rounding, the total of the percentages shown above amounts to 99%, which is different from the total that would have been obtained by adding them together individually.

Components of compensation put to the vote	Amounts paid during or allotted for fiscal year 2023 or accounting value	Presentation
Annual fixed compensation	€825,000	
Annual variable compensation	€1,237,500	See the section below entitled "Short-term variable compensation (fiscal year 2023)".
Deferred variable compensation	None	
Multi-annual variable compensation	None	
Extraordinary compensation	None	
Performance shares	€825,000 (accounting value)	See the section below entitled "Long-term variable compensation (fiscal year 2023), Performance shares allotted in fiscal year 2023"
Stock options	None	
Compensation in respect of Board membership	None	
Value of benefits in kind	€119,490	Jean-Marc Jestin received the following benefits in 2023: • Use of a company car; • The same occupational insurance and healthcare benefits plan as other Klépierre Group managers; • Unemployment insurance subscribed with GSC; • The same compulsory private sector supplementary pension plan as other Klépierre Group managers.

Components of compensation put to the vote	Amounts paid during or allotted for fiscal year 2023 or accounting value	Presentation
Employment contract and termination/ severance pay	None	Jean-Marc Jestin does not have an employment contract. However, he is eligible for a severance package in the event of his forced departure from Klépierre, the main terms and conditions of which are described below. The severance package will be paid in all cases of forced departure regardless of the method (removal, requested resignation, etc.), except in the event of serious or gross misconduct and in the event of non-re-appointment as a member of the Executive Board at the end of his term of office. In accordance with the AFEP-MEDEF Code, no severance will be owed if the beneficiary is entitled to claim full retirement benefits within six months of termination. In the event of Jean-Marc Jestin's forced departure, he may be entitled to receive under the package a severance payment in an initial amount of one year's annual compensation, calculated by reference to the fixed compensation as of the last day of his term of office and the most recent (gross) short-term variable compensation paid as at the date of termination, it being specified that this initial amount may increase on a linear basis according to Jean-Marc Jestin's length of service as a corporate officer (on a basis of one month for each additional year of service with effect from January 1, 2017) and up to a maximum of two years' compensation, in accordance with the AFEP-MEDEF Code. At January 1, 2023, the severance payment was therefore equal to 18 months based on the latest (gross) fixed and short-term variable compensation. In terms of performance conditions, the severance package may only be paid in the event that: • In the two fiscal years preceding the year of termination of his term of office, Jean-Marc Jestin received or will be entitled to receive overall annual variable compensation (quantitative plus qualitative) representing an amount equal to at least 100% of his fixed compensation (the maximum being defined according to the applicable compensation policy); and • The quantitative portion of the short-term annual variable compensation must, as a minimum, have been paid in an amount equal to the target in said two fiscal years. These conditions are directly related to the achievement of the short-term compensation objectives applicable to the Chairman of the Executive Board and are therefore among the fundamental principles of the compensation policy applicable to the Chairman, taking into account performance related to the Klépierre Group's commercial strategy.
Non-compete benefit	None	
Supplementary pension plan	None	Jean-Marc Jestin is not eligible for benefits under a specific supplementary pension plan but is eligible for the same compulsory private sector supplementary pension plan as other Klépierre Group managers.
Other	None	

Short-term variable compensation (fiscal year 2023)

Short-term variable compensation paid in fiscal year 2023 (for fiscal year 2022) approved by the General Meeting of May 11, 2023

On the basis of the Nomination and Compensation Committee's work, the Supervisory Board meeting of February 14, 2023 decided that:

- The variable portion of 2022 compensation due for achieving the quantitative target would amount to 100% of the annual fixed compensation; and
- The variable portion of 2022 compensation due for achieving the qualitative targets would amount to 50% of the annual fixed compensation;
- Representing a total of €1,184,486.

Details of the achievement rates for the quantitative and qualitative criteria are presented on pages 302 and 303 of Klépierre's 2022 Universal Registration Document. This compensation was approved by the General Meeting of May 11, 2023 (17th resolution, approved by 96.45% of votes cast).

Short-term variable compensation allotted for fiscal year 2023 submitted for approval at the 2024 General Meeting

The short-term variable compensation for fiscal year 2023 was set by the Supervisory Board on February 13, 2024, acting on the recommendation of the Nomination and Compensation Committee. It should be noted that, in accordance with the recommendations of the AFEP-MEDEF Code, Jean-Marc Jestin was not present during the deliberations of the Supervisory Board regarding his compensation.

In application of the compensation policy approved by the General Meeting of May 11, 2023 (13th resolution, approved by 94.65% of votes cast):

- the quantitative component grants entitlement to 100% of fixed compensation:

Objective		Achievement for fiscal year 2023
Net current cash flow per share target	The quantitative component is based on the target announced to the markets in August 2023, and confirmed in October 2023, of €2.40 per share. In addition, a performance floor was set at a minimum of 95% of the target.	€2.48
As a % of fixed compensation	From 0% to 100%	100%
2023 QUANTITATIVE TOTAL *(as a % of fixed compensation)*		**100%**

- the qualitative component grants entitlement to 50% of fixed compensation as presented in the table below:

Topics	Weighting	Target	Main achievements	Achievement for fiscal year 2023
CSR	40%	• Progress towards the carbon neutrality of the portfolio and waste management • Promoting services provided to local communities • Initiatives to increase the number of people trained in CSR • Promoting sustainable lifestyles in shopping centers	• Reducing carbon emissions to 3.42kgCO_2e/sq.m., i.e., 15% below the target set, and maintaining 100% waste recovery and 41% waste recycling/reuse (3 points above the target) • Drafting a set of inclusion standards for shopping centers • Setting up the Klépierre Climate School, accessible to all employees, with over 20 hours of climate change related e-learns • Designing a dashboard to measure the ESG performance of Klépierre retailers	After examining the main achievements, the Supervisory Board decided, acting on the recommendation of the Nomination and Compensation Committee, that the attainment level was 100%, corresponding to 20% of Jean-Marc Jestin's fixed compensation
Strategy	20%	• Quality of implementation of real estate development projects • Achievement of the initial objectives set for the projects submitted to the Investment Committee • Improvement of the quality of the portfolio	• Adherence to budget and schedule for major development operations • Carrying out any and all investment and divestment transactions in accordance with the terms approved by the Supervisory Board • Disposal of non-strategic assets for a total amount of €168 million	After examining the main achievements, the Supervisory Board decided, acting on the recommendation of the Nomination and Compensation Committee, that the attainment level was 100%, corresponding to 10% of Jean-Marc Jestin's fixed compensation
Crisis and risk management	20%	• Strengthening cybersecurity • Strengthening the risk management function and the compliance system	• Implementing the two-year, €1.8 million cybersecurity strengthening program, on time and on budget • Deploying the compliance toolbox Group-wide • Fully updating the Group risk map • Mapping corruption risks at Group level	After examining the main achievements, the Supervisory Board decided, acting on the recommendation of the Nomination and Compensation Committee, that the attainment level was 100%, corresponding to 10% of Jean-Marc Jestin's fixed compensation
Human capital	20%	• Promotion, support and implementation of diversity initiatives with a particular focus on gender balance • Creation of a succession plan for members of the top management team and other key roles • Implementation of a new human resources information system and revised human resources procedures	• Continuation of the diversity and inclusion roadmap, particularly with the staging of a diversity and inclusion week • Increase in the proportion of women in senior executive roles in the Group • Review and adoption of succession plans for key Group roles • Group-wide rollout of the first two sets of modules for the new HR information system	After examining the main achievements, the Supervisory Board decided, acting on the recommendation of the Nomination and Compensation Committee, that the attainment level was 100%, corresponding to 10% of Jean-Marc Jestin's fixed compensation
2023 QUALITATIVE TOTAL *(as a % of fixed compensation)*				**50%**

For fiscal year 2023, the short-term variable compensation of Jean-Marc Jestin amounts to €1,237,500, i.e., 150% of his fixed compensation

Long-term variable compensation (fiscal year 2023)

Performance shares vested in fiscal year 2023

Plan	End of vesting period	Number of shares vested
2020 Plan	May 6, 2023	23,845 shares, representing a vesting rate of 68.13%

Performance shares allotted in fiscal year 2023

The allotment of performance shares is examined in light of the total annual compensation of the executive corporate officer concerned, while ensuring that the interests of shareholders are respected. Shares are allotted in the scope of annual plans and the number of shares is set at pre-determined times.

Performance shares were allotted to the Chairman of the Executive Board under the 2023 Plan, with the following characteristics:

- Plan of May 12, 2023 authorized by the General Meeting of April 26, 2022 (20th resolution);
- Allotment of 86,842 shares to the Chairman of the Executive Board, representing:
  - €825,000, based on the measurement of the performance shares in accordance with IFRS,
  - 15.81% of the total allotment under this plan for all beneficiaries concerned;
- 0.03% of the Company's share capital at the date of the allotment;
- Allotment subject to four performance conditions (absolute, relative, internal and CSR) assessed over a three-year period. Details of the four performance conditions and the achievement scale are presented on page 295;
- Obligation to hold in registered form a number of shares equivalent to 50% of the gain on vested shares net of taxes and charges as calculated on delivery of the shares, until the end of his term of office.

Comparative analysis of the total compensation of the Chairman of the Executive Board and that of Klépierre employees

Klépierre referred to the AFEP-MEDEF guidelines as updated for the comparative analysis of the total compensation of the Chairman of the Executive Board and that of Klépierre employees.

For the Chairman of the Executive Board, the compensation ratios are as follows:

- 2023 average ratio: 36.52;
- 2023 median ratio: 48.43.

PAY RATIOS REFERRED TO IN PARAGRAPHS I. 6° AND 7° OF ARTICLE L. 22-10-9 OF THE FRENCH COMMERCIAL CODE, PREPARED IN ACCORDANCE WITH THE AFEP GUIDELINES, AS UPDATED IN FEBRUARY 2021

The following table sets out the year-on-year change in the compensation of the Chairman of the Executive Board, Klépierre's performance, the average full-time equivalent compensation of Klépierre employees, and the average and median ratios over the last five years:

	2023	2022	2021	2020	2019	2018
CHANGE (%) IN THE COMPENSATION OF THE CHAIRMAN OF THE EXECUTIVE BOARD (JEAN-MARC JESTIN, SINCE NOVEMBER 7, 2016)[(a)]						
	+12.45%	+46.41%	+0.69%	-22.29%	+10.37%	+25.43%
KLÉPIERRE SA SCOPE						
	N/A (no employees)					
ENLARGED SCOPE (KLÉPIERRE MANAGEMENT, WHICH EMPLOYS THE KLÉPIERRE GROUP'S ENTIRE FRENCH WORKFORCE)[(b)]						
Change (%) in the average compensation of Klépierre employees	-3.52%	+16.58%	-14.29%	+1.97%	+0.91%	-1.33%
Ratio of the average compensation of Klépierre employees	36.52	31.34	24.95	21.24	27.87	25.48
Year-on-year change (%)	+16.55%	+25.59%	+17.48%	-23.79%	+9.37%	+27.12%
Ratio of the median compensation of Klépierre employees	48.43	40.76	31.77	29.38	36.41	32.80
Year-on-year change (%)	+18.80%	+28.30%	+8.14%	-19.31%	+11.01%	+27.13%
KLÉPIERRE PERFORMANCE						
Financial criterion (net current cash flow)	2.48	2.62	2.18	2.05	2.82	2.65
Year-on-year change (%)	-5.65%	+20.18%	+10.6%	-27.30%	+6.42%	+6.85%

(a) Components of compensation included in the calculation are the total (gross) amount paid during the year: (i) the fixed portion; (ii) the variable portion paid during the year in respect of the prior year; (iii) extraordinary compensation paid during the year; (iv) performance shares allotted during the year (IFRS value) and (v) benefits in kind. The components are presented on pages 274 and 275 of this document, as well as on pages 300 and 301 of the 2022 Universal Registration Document, pages 301 and 302 of the 2021 Universal Registration Document, pages 305 and 306 of the 2020 Universal Registration Document and page 261 of the 2019 Universal Registration Document.

(b) The scope of Klépierre Management's staff (France) used for the calculation below represents 67.4% of the permanent workforce of this company as of December 31, 2023.

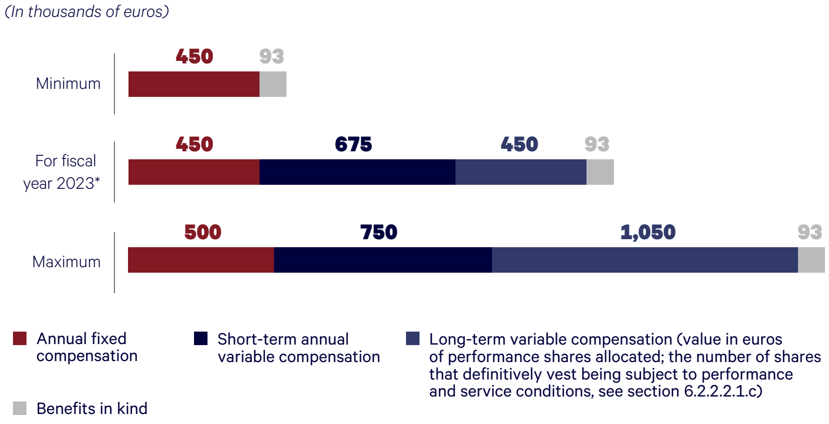
Under this approach, the IFRS valuation of performance shares allotted for a given fiscal year is included in the calculation. This component historically represents a significant portion (more than one-third) of the total compensation of the Chairman of the Executive Board, whereas their vesting rate at Klépierre varies considerably from one year to the next, as shown in the table below.

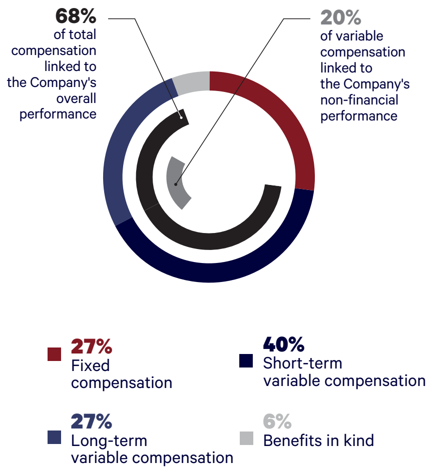
	2019	2020	2021	2022	2023
Vesting rate of performance shares	17.67%	13.00%	50.00%	50.00%	68.13%

6.2.3.2.2 Components of compensation paid during or allotted for fiscal year 2023 to Stéphane Tortajada, member of the Executive Board, Chief Financial Officer (18th resolution submitted to the 2024 General Meeting)

The compensation of the member of the Executive Board, Chief Financial Officer, presented below was set by the Supervisory Board, acting on the recommendation of the Nomination and Compensation Committee pursuant to the compensation policy approved by the General Meeting of May 11, 2023 (14th resolution) by 96.02% of votes cast. This policy complies with the fundamental principles described in section 6.2.1.1, as it promotes long-term growth. These principles were devised after taking into account the vote of the May 11, 2023 General Meeting (15th resolution, approved by 98.54% of votes cast).

SUMMARY





* Short-term annual variable compensation subject to approval by the 2024 General Meeting.

Components of compensation put to the vote	Amounts paid during or allotted for fiscal year 2023 or accounting value	Presentation
Annual fixed compensation	€450,000	
Annual variable compensation	€675,000	See the section below entitled "Short-term variable compensation (fiscal year 2023)".
Deferred variable compensation	None	
Multi-annual variable compensation	None	
Extraordinary compensation	None	
Performance shares	€450,000 (accounting value)	See the section below entitled "Long-term variable compensation (fiscal year 2023)".
Stock options	None	
Compensation in respect of Board membership	None	
Value of benefits in kind	€92,992	Stéphane Tortajada received the following benefits in 2023: • The same occupational insurance plan as other Klépierre Group managers; • Unemployment insurance subscribed with GSC; • The same compulsory private sector supplementary pension plan as other Klépierre Group managers.
Employment contract and termination/ severance pay	None	Stéphane Tortajada does not have an employment contract. However, he is eligible for a severance package in the event of his forced departure, the terms and conditions of which are similar to those applicable to the Chairman of the Executive Board (see section 6.2.3.2.1 "Components of compensation paid during or allotted for fiscal year 2023 to Jean-Marc Jestin, Chairman of the Executive Board").
Non-compete benefit	None	
Supplementary pension plan	None	Stéphane Tortajada is not eligible for benefits under a specific supplementary pension plan but is eligible for the same compulsory private sector supplementary pension plan as other Klépierre Group managers.
Other	None	

Short-term variable compensation (fiscal year 2023)

Short-term variable compensation paid in fiscal year 2023 (for fiscal year 2022) approved by the General Meeting of May 11, 2023

On the basis of the Nomination and Compensation Committee's work, the Supervisory Board meeting of February 14, 2023 decided that:

- The variable portion of 2022 compensation due for achieving the quantitative target would amount to 100% of the annual fixed compensation; and
- The variable portion of 2022 compensation due for achieving the qualitative targets would amount to 50% of the annual fixed compensation;
- Representing a total of €356,918.

Details of the achievement rates for the quantitative and qualitative criteria are presented on page 311 of Klépierre's 2022 Universal Registration Document. This compensation was approved by the General Meeting of May 11, 2023 (18th resolution, approved by 97.11% of votes cast).

Short-term variable compensation allotted for fiscal year 2023 submitted for approval at the 2024 General Meeting

The short-term variable compensation for fiscal year 2023 was set by the Supervisory Board on February 13, 2024, acting on the recommendation of the Nomination and Compensation Committee. It should be noted that, in accordance with the recommendations of the AFEP-MEDEF Code, the members of the Executive Board were not present during the deliberations of the Supervisory Board regarding their compensation.

In application of the compensation policy approved by the General Meeting of May 11, 2023 (14th resolution, approved by 96.02% of votes cast):

- The quantitative component grants entitlement to 100% of fixed compensation:

Objective		Achievement for fiscal year 2023
Net current cash flow per share target	The quantitative component is based on the target announced to the markets in August 2023, and confirmed in October 2023, of €2.40 per share. In addition, a performance floor was set at a minimum of 95% of the target.	€2.48
As a % of fixed compensation	From 0% to 100%	100%
2023 QUANTITATIVE TOTAL *(as a % of fixed compensation)*		**100%**

- the qualitative component grants entitlement to 50% of fixed compensation as presented in the tables below:

Topics	Weighting	Target	Main achievements	Achievement for fiscal year 2023
Financing	30%	• Quality of management of financial transactions to improve the Klépierre Group's profitability • Management and hedging of financial risks	• New Fitch rating of A- for senior unsecured debt • Raised €1,040 million in new financing, above the €900 million target • Implementing a hedging program enabling the Klépierre Group to obtain a hedging ratio of 98% in 2024, exceeding the 90% target	After examining the main achievements, the Supervisory Board decided, acting on the recommendation of the Nomination and Compensation Committee, that the attainment level was 100%, corresponding to 15% of Stéphane Tortajada's fixed compensation
Tax and audit	20%	• Management of the Klépierre Group's tax policy and exposure to risks • Optimization of the audit function to improve risk management	• Favorable rulings obtained in several tax disputes, mainly in Italy • Streamlined the company's legal structure • More than 600 audit recommendations issued, exceeding the target of 250	After examining the main achievements, the Supervisory Board decided, acting on the recommendation of the Nomination and Compensation Committee, that the attainment level was 100%, corresponding to 10% of Stéphane Tortajada's fixed compensation
Investor relations	20%	• Quality of interactions with the financial community • Relevance of financial information	• Communicating on the challenges facing the Klépierre Group and the choices made to preserve strong funding ratios and strategic views on operations • Maintaining the level of interactions with the financial community in order to promote the strength of Klépierre's business model, mainly focused on individual meetings	After examining the main achievements, the Supervisory Board decided, acting on the recommendation of the Nomination and Compensation Committee, that the attainment level was 100%, corresponding to 10% of Stéphane Tortajada's fixed compensation
CSR	30%	• Implementing sustainability-based financing • Improved disclosure of the financial impact of climate change	• Raised €885 million in sustainability-linked financing, exceeding the €400 million target • Inclusion in the Euronext CAC 40 ESG index • EPRA Gold Award for the quality of the Group's non-financial information	After examining the main achievements, the Supervisory Board decided, acting on the recommendation of the Nomination and Compensation Committee, that the attainment level was 100%, corresponding to 15% of Stéphane Tortajada's fixed compensation
2023 QUALITATIVE TOTAL *(as a % of fixed compensation)*				**50%**

For fiscal year 2023, the short-term variable compensation of Stéphane Tortajada amounts to €675,000, i.e., 150% of his fixed compensation.

Long-term variable compensation (fiscal year 2023)

Performance shares vested in fiscal year 2023

Executive Board member	Plan	End of vesting period	Number of shares vested
Stéphane Tortajada	N/A	N/A	N/A

Performance shares allotted in fiscal year 2023

The allotment of performance shares is examined in light of the total annual compensation of the executive corporate officer concerned, while ensuring that the interests of shareholders are respected. Shares are allotted in the scope of annual plans and the number of shares is set at pre-determined times.

Performance shares were allotted to Stéphane Tortajada for his duties as member of the Executive Board under the 2023 Plan, with the following characteristics:

- Plan of May 12, 2023 authorized by the General Meeting of April 26, 2022 (20th resolution);
- Allotment of 47,368 shares to the member of the Executive Board, Chief Financial Officer, representing:
  - €450,000, based on the measurement of the performance shares in accordance with IFRS,
  - 8.63% of the total allotment under this plan for all beneficiaries concerned;
- 0.02% of the Company's share capital at the date of the allotment;
- Allotment subject to four performance conditions (absolute, relative, internal and CSR) assessed over a three-year period. Details of the four performance conditions and the achievement scale are presented on page 295;
- Obligation to hold in registered form a number of shares equivalent to 50% of the gain on vested shares, net of taxes and charges as calculated on delivery of the shares, until the end of his term of office.

Comparative analysis of the total compensation of the member of the Executive Board, Chief Financial Officer, and that of Klépierre employees

The compensation ratios of the Chief Financial Officer, member of the Executive Board, are as follows:

- 2023 average ratio: 16.69;
- 2023 median ratio: 22.13.

PAY RATIOS REFERRED TO IN PARAGRAPHS I. 6° AND 7° OF ARTICLE L. 22-10-9 OF THE FRENCH COMMERCIAL CODE, PREPARED IN ACCORDANCE WITH THE AFEP GUIDELINES, AS UPDATED IN FEBRUARY 2021

The following table sets out the year-on-year change in the compensation of the Chief Financial Officer, a member of the Executive Board, Klépierre's performance, the average full-time equivalent compensation of Klépierre employees, and the average and median ratios over the last five years:

	2023	2022	2021	2020	2019	2018
CHANGE (%) IN THE COMPENSATION OF THE CHIEF FINANCIAL OFFICER, MEMBER OF THE EXECUTIVE BOARD (STÉPHANE TORTAJADA FROM JUNE 22, 2022) [(a)]						
	+87.04%	N/A	N/A	N/A	N/A	N/A
KLÉPIERRE SA SCOPE						
	N/A (no employees)					
ENLARGED SCOPE (KLÉPIERRE MANAGEMENT, WHICH EMPLOYS THE KLÉPIERRE GROUP'S ENTIRE FRENCH WORKFORCE)[(b)]						
Change (%) in the average compensation of Klépierre employees	-3.52%	+16.58%	-14.29%	+1.97%	+0.91%	-1.33%
Ratio of the average compensation of Klépierre employees	16.69	8.61	N/A	N/A	N/A	N/A
Year-on-year change (%)	+93.86%	N/A	N/A	N/A	N/A	N/A
Ratio of the median compensation of Klépierre employees	22.13	11.20	N/A	N/A	N/A	N/A
Year-on-year change (%)	+97.60%	N/A	N/A	N/A	N/A	N/A
KLÉPIERRE PERFORMANCE						
Financial criterion (net current cash flow)	2.48	2.62	2.18	2.05	2.82	2.65
Year-on-year change (%)	-5.65%	+20.18%	+10.6%	-27.30%	+6.42%	+6.85%

(a) Components of compensation included in the calculation are the total (gross) amount paid during the year: (i) the fixed portion; (ii) the variable portion paid during the year in respect of the prior year; (iii) extraordinary compensation paid during the year; (iv) performance shares allotted during the year (IFRS value) and (v) benefits in kind. The components are presented on pages 281 and 282 of this document, as well as pages 314 and 315 of the 2022 Universal Registration Document, page 302 of the 2021 Universal Registration Document, pages 305 and 306 of the 2020 Universal Registration Document and page 261 of the 2019 Universal Registration Document.

(b) The scope of Klépierre Management's staff (France) used for the calculation below represents 67.4% of the permanent workforce of this company as of December 31, 2023.

6.2.4 Summary tables based on AMF and AFEP-MEDEF Code recommendations

TABLE 1 – SUMMARY TABLE OF COMPENSATION IN STOCK OPTIONS AND SHARES ALLOTTED TO EACH EXECUTIVE CORPORATE OFFICER (IN EUROS)

David Simon – Chairman of the Supervisory Board	2022	2023
Compensation due in respect of the fiscal year (itemized in Table 2)	102,667	94,065
Value of options allotted during the fiscal year	–	–
Value of performance shares allotted during the fiscal year	–	–
TOTAL	**102,667**	**94,065**

Jean-Marc Jestin – Chairman of the Executive Board	2022	2023
Compensation due in respect of the fiscal year (itemized in Table 2)	2,086,297	2,181,990
Value of options allotted during the fiscal year	–	–
Value of performance shares allotted during the fiscal year	816,430	825,000
TOTAL	**2,902,727**	**3,006,990**

Stéphane Tortajada – Chief Financial Officer, member of the Executive Board	2022	2023
Compensation due in respect of the fiscal year (itemized in Table 2)	850,458	1,217,992
Value of options allotted during the fiscal year	–	–
Value of performance shares allotted during the fiscal year	235,491	450,000
TOTAL	**1,085,949**	**1,667,992**

TABLE 2 – SUMMARY OF COMPENSATION OF EACH EXECUTIVE CORPORATE OFFICER *(in euros)*

	2022		2023	
David Simon – Chairman of the Supervisory Board	**Amount due**	**Amount paid**	**Amount due**	**Amount paid**
Fixed compensation	–	–	–	–
Short-term variable compensation	–	–	–	–
Extraordinary compensation	–	–	–	–
Compensation in respect of Board membership	–	–	–	–
Benefits in kind	–	–	–	–
Other	–	–	–	–
Compensation in respect of his role as Chairman and member of the Supervisory Board	102,667	100,367	94,065	102,667
TOTAL	**102,667**	**100,367**	**94,065**	**102,667**

	2022		2023	
Jean-Marc Jestin – Chairman of the Executive Board	**Amount due**	**Amount paid**	**Amount due**	**Amount paid**
Fixed compensation	789,658	789,658	825,000	825,000
Short-term variable compensation	1,184,486[(a)]	975,000[(b)]	1,237,500[(c)]	1,184,486
Extraordinary compensation	–	–	–	–
Compensation in respect of Board membership	–	–	–	–
Benefits in kind[(d)]	112,153[(e)]	112,153[(e)]	119,490	119,490
Other	–	–	–	–
TOTAL	**2,086,297**	**1,876,811**	**2,181,990**	**2,128,976**

(a) *Jean-Marc Jestin's variable compensation for fiscal year 2022 was set by the Supervisory Board, acting on the proposal of the Nomination and Compensation Committee. Details of the calculations used appear on pages 302 and 303 of the 2022 Universal Registration Document.*
(b) *Jean-Marc Jestin's variable compensation for fiscal year 2021 was set by the Supervisory Board, acting on the proposal of the Nomination and Compensation Committee. Details of the calculations used appear on page 290 of the 2021 Universal Registration Document.*
(c) *Jean-Marc Jestin's variable compensation for fiscal year 2023 was set by the Supervisory Board, acting on the proposal of the Nomination and Compensation Committee. Details of the calculations used appear on pages 275 and 277 of this document.*
(d) *Corresponds to the provision of a company car, contributions paid by the Company for Jean-Marc Jestin to continue to benefit from the occupational insurance and healthcare benefits plan for Klépierre Group employees, the unemployment insurance subscribed with GSC and the same compulsory private sector supplementary pension plan as other Klépierre Group managers.*
(e) *This amount has been revised upwards compared with the amount published in the 2022 Universal Registration Document to take into account contributions to the compulsory private sector supplementary pension plan.*

Stéphane Tortajada – Chief Financial Officer, member of the Executive Board	2022 Amount due	2022 Amount paid	2023 Amount due	2023 Amount paid
Fixed compensation	450,000	237,945[(a)]	450,000	450,000
Short-term variable compensation	356,918	–	675,000[(b)]	356,918[(a)]
Extraordinary compensation	–	–	–	–
Compensation in respect of Board membership	–	–	–	–
Benefits in kind[(c)]	43,540[(d)]	43,540[(d)]	92,992	92,992
Other	–	–	–	–
TOTAL	**850,458**	**281,485**	**1,217,992**	**899,910**

(a) The annual fixed and short-term variable compensation was calculated on a pro rata basis for the period in office as a member of the Executive Board, i.e., from June 22, 2022 to December 31, 2022.
(b) Stéphane Tortajada's variable compensation for fiscal year 2023 was set by the Supervisory Board, acting on the proposal of the Nomination and Compensation Committee. Details of the calculations used appear on pages 279 and 280 of this document.
(c) Corresponds to contributions paid by the Company for Stéphane Tortajada to continue to benefit from the occupational insurance plan for Klépierre Group employees, the unemployment insurance subscribed with GSC and the same compulsory private sector supplementary pension plan as other Klépierre Group managers.
(d) This amount has been revised upwards compared with the amount published in the 2022 Universal Registration Document to take into account contributions to the compulsory private sector supplementary pension plan.

TABLE 3 – COMPENSATION ALLOCATED TO AND RECEIVED BY NON-EXECUTIVE CORPORATE OFFICERS

Non-executive corporate officers	2022 Amount allotted	2022 Amount paid	2023 Amount allotted	2023 Amount paid
David Simon				
Fixed/variable compensation	102,667	100,367	94,065	102,667
Other compensation	-	-	-	-
John Carrafiell				
Fixed/variable compensation	68,222	68,628	72,065	68,222
Other compensation	-	-	-	-
Béatrice de Clermont-Tonnerre				
Fixed/variable compensation	67,513	56,367	72,309	67,513
Other compensation	-	-	-	-
Steven Fivel				
Fixed/variable compensation	102,444	101,092	98,418	102,444
Other compensation	-	-	-	-
Stanley Shashoua				
Fixed/variable compensation	74,222	75,845	76,418	74,222
Other compensation	-	-	-	-
Catherine Simoni				
Fixed/variable compensation	96,222	91,353	85,242	96,222
Other compensation	-	-	-	-
Rose-Marie Van Lerberghe				
Fixed/variable compensation	65,598	81,614	54,946	65,598
Other compensation	-	-	-	-
Florence von Erb				
Fixed/variable compensation	52,444	56,367	63,242	52,444
Other compensation	-	-	-	-
Robert Fowlds				
Fixed/variable compensation	58,667	56,367	50,065	58,667
Other compensation	-	-	-	-

TABLE 4 – STOCK OPTIONS ALLOTTED DURING THE FISCAL YEAR TO EACH EXECUTIVE CORPORATE OFFICER BY THE COMPANY AND BY ANY KLÉPIERRE GROUP COMPANY

Not applicable.

TABLE 5 – STOCK OPTIONS EXERCISED DURING THE FISCAL YEAR BY EACH EXECUTIVE CORPORATE OFFICER

Not applicable.

TABLE 6 – PERFORMANCE SHARES ALLOTTED DURING THE FISCAL YEAR TO EACH EXECUTIVE CORPORATE OFFICER BY THE COMPANY AND BY ANY KLÉPIERRE GROUP COMPANY

Beneficiary	Plan date	Number of shares allotted during the fiscal year	Value of shares based on method used in the consolidated financial statements	End of vesting period	End of lock-up period	Performance conditions
David Simon Chairman of the Supervisory Board	-	-	-	-	-	-
Jean-Marc Jestin, Chairman of the Executive Board	May 12, 2023	86,842	€825,000	May 12, 2026	– [(a)]	All of these shares are subject to performance conditions in accordance with the principles set out on page 295 of this document.
Stéphane Tortajada Chief Financial Officer, member of the Executive Board		47,368	€450,000			

(a) Obligation to hold in registered form a number of shares equivalent to 50% of the gain on vested shares net of taxes and charges as calculated on delivery of the shares, until the end of his term of office.

TABLE 7 – VESTING OF PERFORMANCE SHARES FOR EACH EXECUTIVE CORPORATE OFFICER

Beneficiaries	Plan	Number of shares that vested during the fiscal year	Vesting conditions
David Simon	-	-	-
Jean-Marc Jestin	2018 Plan	17,500	Yes
Stéphane Tortajada[(a)]		N/A	

(a) Stéphane Tortajada joined the Executive Board with effect from June 22, 2022.

Senior executives remain bound by a holding obligation under Article L. 225-197-1 of the French Commercial Code as recommended in the AFEP-MEDEF Code.

The additional chart below sets out the number of performance shares allotted to Executive Board members as corporate officers, which vested during the fiscal year:

Beneficiaries	Plan	End of vesting period	Number of shares vested
David Simon	-	-	-
Jean-Marc Jestin	2020 Plan	May 6, 2023	23,845
Stéphane Tortajada[(a)]		N/A	

(a) Stéphane Tortajada joined the Executive Board with effect from June 22, 2022.

TABLE 8 – HISTORY OF STOCK OPTION ALLOTMENTS

Not applicable.

TABLE 9 – HISTORY OF PERFORMANCE SHARE ALLOTMENTS

See section 7.1.3.3 of this Universal Registration Document.

TABLE 10 – SUMMARY OF MULTI-ANNUAL VARIABLE COMPENSATION FOR EACH EXECUTIVE CORPORATE OFFICER

Not applicable.

TABLE 11 – SITUATION OF THE MEMBERS OF THE EXECUTIVE CORPORATE OFFICERS AS OF DECEMBER 31, 2023

	Employment contract		Supplementary pension plan		Compensation or benefits due or conditionally due on termination or change of function		Compensation related to non-compete clause	
	Yes	No	Yes	No	Yes	No	Yes	No
David Simon Chairman of the Supervisory Board Date appointed: February 12, 2012 Term expires: 2024 General Meeting		X		X		X		X
Jean-Marc Jestin, Chairman of the Executive Board Date appointed[(a)]: June 22, 2022 Term expires[(a)]: June 21, 2025		X		X	X			X
Stéphane Tortajada Chief Financial Officer, member of the Executive Board Date appointed[(a)]: June 22, 2022 Term expires[(a)]: June 21, 2025		X		X	X			X

(a) To the Executive Board.

7

SHARE CAPITAL AND SHAREHOLDING, GENERAL MEETING, AND SHARE BUYBACK PROGRAM

7 SHARE CAPITAL AND SHAREHOLDING, GENERAL MEETING, AND SHARE BUYBACK PROGRAM

7.1 SHARE CAPITAL AND SHAREHOLDING

7.1.1 General information on the share capital

7.1.1.1 Share capital – Type of shares

As of December 31, 2023, the share capital totaled €401,605,640.80, divided into 286,861,172 fully paid-up shares each with a par value of €1.40.

In accordance with Article 29 of the Company's bylaws, each share confers a single vote.

The shares may be held in either registered or bearer form, at the shareholder's discretion. The share capital may be modified under the conditions provided by law.

7.1.1.2 Delegations of authority and authorizations granted to the Executive Board

As of the date of this document, the Executive Board had been granted the following delegations of authority and authorizations that are in force:

General Meeting of April 26, 2022

Purpose of the resolution	Maximum nominal amount or percentage	Duration of the authorization	Utilization during fiscal year 2023
Authorization to allot free shares of the Company without preemptive subscription rights	1% of the share capital	38 months with effect from April 26, 2022 (20th resolution)	Allotment of 549,210 free shares representing 0.19% of the share capital as of December 31, 2023

General Meeting of May 11, 2023

Purpose of the resolution	Maximum nominal amount or percentage	Duration of the authorization	Utilization during fiscal year 2023
Authorization for the Company to buy back its own shares	Maximum program amount: 10% of the share capital and €1,004,014,095 Maximum purchase price: €35 per share with a par value of €1.40	18 months with effect from May 11, 2023 (21st resolution)	None
Authorization to reduce the share capital by canceling treasury shares	10% of the share capital in a 24-month period	26 months with effect from May 11, 2023 (22nd resolution)	None
Capital increase with preemptive subscription rights through the issue of shares or securities giving rights to shares of the Company or its subsidiaries, or securities giving rights to debt securities[(a)]	Maximum nominal amount: €120 million and €1.5 billion for debt securities	26 months with effect from May 11, 2023 (23rd resolution)	None
Capital increase without preemptive subscription rights through the issue of shares or securities giving rights to shares of the Company or its subsidiaries, or securities giving rights to debt securities, by means of a public offering or private placement[(a)(b)]	Maximum nominal amount: €40,160,564 million and €1.5 billion for debt securities	26 months with effect from May 11, 2023 (24th and 25th resolutions)	None
Increase in the number of securities to be issued in the event of an issue of ordinary shares or securities giving rights to shares of the Company, any subsidiary or any other company, with or without preemptive subscription rights[(a)]	At the same price as that decided for the initial issue, within the periods and limits specified by the applicable regulations as of the date of the issue[(c)]	26 months with effect from May 11, 2023 (26th resolution)	None
Capital increase without preemptive subscription rights through the issue of shares or securities giving rights to shares of the Company as consideration for contributions in kind in the form of equity securities or securities giving rights to shares of the Company[(a)]	Up to 10% of the share capital	26 months with effect from May 11, 2023 (27th resolution)	None
Capital increase by capitalizing premiums, reserves, profits or other items[(a)]	€100 million	26 months with effect from May 11, 2023 (28th resolution)	None

(a) Overall maximum nominal amount of the share capital increases, whether immediate or future, that may be carried out pursuant to the authorizations granted to the Executive Board: €120 million (29th resolution) (plus the nominal amount of any additional shares issued to protect the rights of the holders of securities giving rights to shares of the Company).
Overall maximum nominal amount of debt securities giving rights to shares of the Company: €1.5 billion (29th resolution).
(b) Private placement: issues may not exceed the limits specified by the applicable regulations as of the date of the issue (20% of the share capital per year, pursuant to Article L. 225-136-2 of the French Commercial Code).
(c) Within 30 days of the close of the subscription period and within the limit of 15% of the initial issue, pursuant to Article R. 225-118 of the French Commercial Code.

7.1.1.3 Distributions

The distributions made in the last five fiscal years are as follows:

Fiscal year	2018	2019	2020[c]	2021[c]	2022
Number of shares	[a]	[b]	294,848,054	286,861,172	286,861,172
Net distribution	€2.10	€2.20	€1.00	€1.70	€1.75
Net amount distributed	€642,619,152	€665,861,009	€294,848,054	€487,663,992	€502,007,051[d]

(a) *The dividend of €2.10 consisted of (i) an interim dividend in a total amount of €322,794,781.05, or €1.05 per share (based on a total of 307,423,601 shares), with the shares going ex-dividend on March 7, 2019 and the interim dividend being paid in cash on March 11, 2019; and (ii) a final dividend to the shareholders representing an additional distribution of €319,824,370.95, or €1.05 per share (based on a total of 304,594,639 shares), with the shares going ex-dividend on July 8, 2019 and the final dividend being paid in cash on July 11, 2019.*

(b) *The dividend of €2.20 consisted of (i) an interim dividend in a total amount of €332,930,504.50, or €1.10 per share (based on a total of 302,664,095 shares), with the shares going ex-dividend on March 9, 2020 and the interim dividend being paid in cash on March 11, 2020; and (ii) a final dividend to the shareholders representing an additional distribution of €319,824,370.95, or €1.10 per share (based on a total of 299,939,198 shares), with the shares going ex-dividend on July 7, 2020 and the final dividend being paid in cash on July 9, 2020.*

(c) *The distributed amount qualifies as an equity repayment.*

(d) *The dividend of €1.75 consisted of (i) an interim dividend in a total amount of €249,569,220, or €0.87 per share, with the shares going ex-dividend on March 28, 2023 and the interim dividend being paid in cash on March 30, 2023; and (ii) a final dividend to the shareholders representing an additional distribution of €252,437,831, or €0.87 per share, with the shares going ex-dividend on July 7, 2023 and the final dividend being paid in cash on July 11, 2023.*

Dividends unclaimed after a period of five years from the date of payment are paid to the French State.

Shares held by the Company do not confer rights to dividends.

7.1.1.4 Share capital and stock market

Shares

All the Company's share capital is traded on Euronext Paris (compartment A).

	2019	2020	2021	2022	2023
Market capitalization *(in millions of euros)*	10,245	5,516	5,981	6,176	7,080
Number of shares traded (daily average)	726,782	1,456,093	1,089,183	974,916	791,834
SHARE PRICE *(in euros)*					
High	33.85	34.66	25.76	26.37	25.09
Low	26.53	10.21	16.53	17.34	19.70
Closing	33.85	18.39	20.85	21.53	24.68

Trading volume over the last 18 months (in number of shares and amount of equity traded)

		High (in euros)	Low (in euros)	Number of shares traded	Amount of equity traded (in euros)
2021	September	20.96	18.91	18,788,723	369,516,667
	October	21.21	18.61	21,066,654	415,769,271
	November	22.34	18.69	25,373,297	516,284,520
	December	20.85	18.79	19,646,866	382,700,218
2022	January	24.04	21.14	23,716,023	545,769,964
	February	26.37	22.38	21,530,034	529,824,344
	March	24.89	20.61	28,392,907	652,990,980
	April	24.04	21.82	15,326,088	353,608,425
	May	22.96	20.50	23,397,422	508,913,823
	June	21.65	18.36	20,993,903	422,468,305
	July	21.65	18.36	20,993,903	422,468,305
	August	23.02	20.46	17,437,988	376,790,627
	September	20.94	17.34	21,344,318	406,274,044
	October	20.37	17.41	20,947,417	391,033,940
	November	22.70	19.91	21,396,418	465,342,640
	December	22.55	21.11	15,520,322	341,037,266
2023	**January**	**23.55**	**22.00**	**16,338,292**	**370,839,480**
	February	**24.73**	**22.69**	**17,539,864**	**418,955,340**
	March	**24.51**	**19.70**	**27,173,470**	**608,435,136**
	April	**22.96**	**20.49**	**16,432,865**	**355,340,296**
	May	**22.27**	**20.75**	**19,510,964**	**419,938,428**
	June	**22.72**	**21.29**	**18,171,360**	**405,141,052**
	July	**24.15**	**22.39**	**15,069,167**	**356,594,412**
	August	**24.40**	**23.36**	**14,170,585**	**339,471,064**
	September	**25.09**	**22.71**	**14,151,032**	**340,793,902**
	October	**22.98**	**21.76**	**15,213,788**	**341,264,731**
	November	**24.43**	**22.48**	**18,013,066**	**415,269,148**
	December	**24.90**	**23.30**	**14,092,398**	**340,580,161**
2024	January	24.85	23.37	12,931,726	311,811,022
	February	24.14	22.69	15,542,668	366,077,496

Source: Bloomberg.

Dilutive instruments

There are no outstanding dilutive instruments.

7.1.1.5 Bonds

Issue date	Maturity date	Currency	Outstanding nominal	Coupon	ISIN code
EUROBOND ISSUES LISTED ON THE PARIS STOCK EXCHANGE (EMTN)[(a)]					
11/06/2014 – 01/28/2015 – 11/06/2015	11/06/2024	EUR	556,700,000	1.75%	FR0012283653
10/22/2015	10/22/2025	EUR	255,000,000	2.125%	FR0013030038
02/19/2016	02/19/2026	EUR	500,000,000	1.875%	FR0013121753
02/16/2017 – 02/27/2017	02/16/2027	EUR	600,000,000	1.375%	FR0013238045
05/21/2012	05/21/2027	EUR	50,000,000	4.23%	FR0011255280
05/12/2020 – 06/14/2023	05/12/2029	EUR	700,000,000	2.00%	FR0013512233
07/01/2019 – 06/26/2023 – 07/13/2023	07/01/2030	EUR	700,000,000	0.625%	FR0013430741
11/17/2020	02/17/2031	EUR	600,000,000	0.875%	FR0014000KT3
09/29/2016	09/29/2031	EUR	600,000,000	1.250%	FR0013203825
12/11/2017 - 05/06/2020 - 06/16/2020 - 09/20/2023	12/13/2032	EUR	750,000,000	1.625%	FR0013300605

(a) Prospectuses for the EMTN (Euro Medium Term Notes) program are available on Klépierre's website (www.klepierre.com/en), in the "Finance" section.

7.1.2 Changes in the share capital – Breakdown of the share capital and voting rights

7.1.2.1 Changes in the share capital over the last five fiscal years as of December 31, 2023

Dates	Nature of change	Number of shares concerned	Additional paid-in capital	Share capital on completion of the transaction
February 20, 2019	Share capital reduction	6,932,462	€240,363,057.51	€430,393,041.40
June 20, 2019	Share capital reduction	2,828,962	€96,011,667.47	€426,432,494.60
December 17, 2019	Share capital reduction	1,930,544	€63,912,225.52	€423,729,733.00
June 22, 2020	Share capital reduction	2,724,897	€79,529,401.12	€419,914,877.20
January 19, 2021	Share capital reduction	5,091,144	€150,713,532.84	€412,787,275.60
June 22, 2021	Share capital reduction	4,493,022	€135,709,688.50	€406,497,044.80
December 15, 2021	Share capital reduction	3,493,860	€94,856,813.12	€401,605,640.80

7.1.2.2 Changes in the breakdown of the share capital and voting rights over the last three fiscal years

To the best of the Company's knowledge and based on disclosures of crossings of thresholds set in the bylaws, the share capital breaks down as follows:

	Position as of December 31, 2021				Position as of December 31, 2022				Position as of December 31, 2023			
	Number of shares	% of share capital	% of theoretical voting rights[(a)]	% of voting rights exercisable in GMs[(b)]	Number of shares	% of share capital	% of theoretical voting rights[(a)]	% of voting rights exercisabl e in GMs[(b)]	Number of shares	% of share capital	% of theoretical voting rights[(a)]	% of voting rights exercisable in GMs[(b)]
Simon Property Group[(c)]	63,924,148	22.28	22.28	22.40	63,924,148	22.28	22.28	22.39	63,924,148	22.28	22.28	22.38
APG Group	17,648,751	6.15	6.15	6.18	17,648,751	6.15	6.15	6.18	14,926,023	5.20	5.20	5.23
BlackRock	17,918,808	6.25	6.25	6.28	17,918,808	6.25	6.25	6.28	17,918,808	6.25	6.25	6.27
Norges Bank[(d)]	14,747,803	5.14	5.14	5.17	14,747,803	5.14	5.14	5.17	–	–	–	–
Employees/ corporate officers	651,988	0.23	0.23	0.23	617,976	0.22	0.22	0.22	388,507	0.14	0.14	0.14
Free float	170,492,253	59.43	59.43	59.74	170,643,365	59.49	59.49	59.76	188,491,749	65.71	65.71	65.98
Treasury shares	1,477,421	0.52	0.52	–	1,360,321	0.47	0.47	–	1,211,937	0.42	0.42	–
TOTAL	**286,861,172**	**100**	**100**	**100**	**286,861,172**	**100**	**100**	**100**	**286,861,172**	**100**	**100**	**100**

(a) *Theoretical voting rights correspond to the total number of voting rights attached to the total number of outstanding shares, including any shares that do not have voting rights.*
(b) *Exercisable voting rights correspond to the total number of voting rights, less any shares that do not have voting rights.*
(c) *As per the press release issued by the Simon Property Group on November 7, 2023, on November 14, 2023, its subsidiary Simon Global Development BV issued three-year bonds in the aggregate principal amount of €750 million exchangeable for existing ordinary shares of Klépierre SA. The bonds are fully and unconditionally guaranteed by Simon Property Group, and were issued at 100% of their principal amount and pay a fixed coupon of 3.50% per annum, with the initial exchange price set at €27.2092. In relation to the total amount of the bond, the price corresponds to 27,564,206 Klépierre SA shares, or 9.61% of the Company's share capital. Application was made for the bonds to be admitted to over-the-counter trading on the Frankfurt stock exchange. For further details, see the Simon Property Group press release: https://investors.simon.com/news-releases/news-release-details/simon-property-group-announces-offering-euro-denominated-bonds.*
(d) *The Company is no longer required to declare Norges Bank's shareholding as its ownership interest fell below the 5% threshold in late 2023.*

Since December 31, 2023, no share capital reductions have been carried out under the delegation of authority granted in the twenty-second resolution to the Ordinary and Extraordinary General Meeting of May 11, 2023.

To the Company's knowledge, on January 9, 2024, the APG Group crossed below the threshold of 5% of the share capital and voting rights, and now holds 4.98% of the share capital and voting rights.

Employee share ownership

In December 2018, the Executive Board decided to set up a share ownership plan reserved for certain Klépierre Management SNC employees (the **"Beneficiaries"**), through the Klépierre Management SNC company savings plan (*plan d'epargne d'entreprise* – PEE). Under this plan, the Beneficiaries had the opportunity to purchase shares in the Company at a price of €24.96 per share.

Further to the centralization of the Beneficiaries' purchase requests, the Executive Board noted that 326,689 shares of the Company had been sold to the Beneficiaries, for a total price of €8,154,157.44.

Shareholders' agreements

To the best of the Company's knowledge, no agreement existed as of December 31, 2023 that could result in a change of control at a later date.

Upon the conclusion of the agreement between Klépierre and Corio on July 29, 2014, Simon Property Group ("**SPG**"), BNP Paribas SA ("**BNPP**"), Klépierre's reference shareholders, and the Dutch foundation (*stichting*) Stichting Depositary APG Strategic Real Estate Pool, represented by its management company APG Asset Management NV ("**APG**"), Corio's reference shareholder, each acting directly or through affiliates (respectively, the "**SPG group**", the "**BNPP group**" and the "**APG group**", and together, the "**Parties**"), entered into a shareholders' agreement (the "**Shareholders' Agreement**") to organize their relationship as Klépierre shareholders. The agreement was published by the French financial markets authority (*Autorité des marchés financiers* – AMF) as required by law, in decision 214C2161 of October 16, 2014.

The Shareholders' Agreement entered into force on January 15, 2015 (the "**Completion Date**").

I – Klépierre's Governance

Representation on the Supervisory Board

Under the Shareholders' Agreement, both the SPG and APG groups must be represented on Klépierre's Supervisory Board. As such, each group undertakes to vote in favor of the representatives presented by the other at General Meetings of Shareholders and Supervisory Board meetings (solely for appointments by way of co-option).

In particular, the Shareholders' Agreement provides that three Supervisory Board members must be representatives of the SPG group (including the Chairman of the Board who will have a casting vote) and one member must be a representative of the APG group. The Supervisory Board must have at least five independent members within the meaning of the AFEP-MEDEF Code, appointed by Klépierre's General Meeting of Shareholders.

In the event that the SPG group's stake falls below the lowest of (i) 13.6% of the total number of Klépierre shares, (ii) the BNPP group's stake in the Company or (iii) the APG group's stake in the Company:

(a) The number of representatives of each Party on the Supervisory Board will be determined pro rata to their respective stakes in Klépierre; and

(b) The Chairman of the Board will no longer be appointed on a proposal from the SPG group.

Representation on the Supervisory Board's Specialized Committees

Under the Shareholders' Agreement, the Supervisory Board is assisted by the following advisory committees: the Audit Committee, the Nomination and Compensation Committee, the Sustainable Development Committee and the Investment Committee.

The Shareholders' Agreement also determines the membership of the Investment Committee and provides for mutual voting commitments on the part of the SPG and APG groups for that purpose, such that the representatives of each Party on the Supervisory Board are appointed as members of the Investment Committee.

II – Transfers of securities

The Shareholders' Agreement includes the following commitments with regard to transfers of Klépierre securities, which were still in force as of the date of this document:

Right of first refusal

After the Completion Date, (i) the APG group undertook to give the SPG group, and (ii) the SPG group undertook to give the APG group, a right of first refusal on all the securities offered at the price proposed by the selling entity within the SPG or APG groups (the "**Seller**"), within a period of five business days from the date of receipt of the notice.

This right of first refusal applies in the event of a transfer of Klépierre securities to a third party, on the understanding that "transfer" includes any transfer of the right of ownership, immediately or in the future, as well as any division of ownership, any form of security or trust and any derivative transaction.

However, the following transactions are excluded from the right of first refusal: (i) the tendering of securities to a public takeover bid for the Company; (ii) sales on the market (in the form of block sales, market placements or similar procedures); (iii) derivative contracts providing for settlement in cash; (iv) issues of indexed debt securities; and (v) securities lending and other temporary ownership transfer transactions (a "**Market Transaction**").

By way of exception, the right of first refusal will in any event apply in the case of the Market Transactions referred to in (i), (iii) and (v) above, as well as in the case of a Market Transaction with an identified third party, provided that the transfer is made to a competitor of SPG, and in the case of a Market Transaction (in the form of a placement) representing at least 7.5% of Klépierre's share capital and voting rights. In the case of a Market Transaction in the form of a sale on the market or a placement below this threshold, or in the case of the Market Transactions referred to in (iv) above, they will be conducted in good faith, in order to avoid the transfer of a substantial portion of the stake whose sale to a competitor of SPG is under consideration.

In the case of a Market Transaction to which the right of first refusal applies, the abovementioned period of five days is reduced to three business days.

Lastly, each Party undertakes to ensure that sales take place in an orderly fashion so as not to disrupt the market in Klépierre securities.

The Shareholders' Agreement was concluded for a term of 10 years. It may be terminated at any time as regards a Party, in the event that such Party comes to own less than 5% of Klépierre's share capital and voting rights.

Under the terms of the Shareholders' Agreement, SPG and APG declared that they were not acting in concert as regards Klépierre (within the meaning of Article L. 233-10 of the French Commercial Code [*Code de commerce*]), which was a key prerequisite to the signature of the Shareholders' Agreement, and they also undertake not to act in concert in future.

7.1.2.3 Crossing of thresholds set by law or in the bylaws

According to Article 7 of the bylaws, any individual or legal entity, acting alone or in concert, that acquires at least 2% of the Company's share capital (or any multiple thereof) is required to inform the Company by registered letter with acknowledgment of receipt indicating the number of shares held, within five trading days of the date of the threshold crossing.

If the 10% threshold of the Company's share capital is directly or indirectly exceeded (i.e., ownership of 10% or more of the rights to the dividends paid by the Company), any shareholder other than an individual is required to indicate in its threshold crossing disclosure whether or not it is a Shareholder Subject to Withholding (as defined in Article 32 of the bylaws). Should such shareholder declare that it is not a Shareholder Subject to Withholding, it would have to substantiate the claim whenever requested to do so by the Company, as well as provide the Company with a legal opinion from an internationally reputed tax law firm whenever requested to do so. Any shareholder other than an individual who informs the Company that it has directly or indirectly exceeded the 10% threshold of the Company's share capital must promptly notify the Company of any change in its tax status that may cause it to acquire or lose the status of Shareholder Subject to Withholding.

Unless they have been disclosed in accordance with the conditions set out above, the shares exceeding the disclosure threshold will be stripped of voting rights at General Meetings of Shareholders where the failure to disclose is brought to the attention of the Meeting or where one or more shareholders together holding at least 2% of the Company's share capital ask the Meeting to do so. Voting rights will be suspended at all General Meetings of Shareholders held within two years of the date on which the appropriate disclosure is duly made.

All shareholders are also required to inform the Company, in accordance with the procedures and deadlines set out above, if their shareholding falls below any of the abovementioned thresholds.

The table below summarizes all crossings of thresholds, set by law or in the bylaws, of which the Company was notified during fiscal year 2023 :

	Date of crossing	Number of shares held after threshold crossing	Date of the letter of notification sent to the Company	Above or below (% share capital held)	Above or below (% voting rights held)
Ameriprise Financial Group	April 14, 2023	5,741,673	April 21, 2023	Above (2.002%)	Above (2.002%)
	May 12, 2023	5,341,109	May 18, 2023	Below (1.862%)	Below (1.862%)
Amundi	Not Communicated	5,719,387	May 31, 2023	Below (1.99%)	Below (1.99%)
	Not Communicated	5,740,999	June 19, 2023	Above (2.00%)	Above (2.00%)
	Not Communicated	5,735,176	July 10, 2023	Below (1.99%)	Below (1.99%)
	Not Communicated	5,740,302	July 14, 2023	Above (2.00%)	Above (2.00%)
	Not Communicated	5,736,411	July 31, 2023	Below (1.99%)	Below (1.99%)
	Not Communicated	5,774,534	August 3, 2023	Above (2.01%)	Above (2.01%)
	Not Communicated	5,505,767	August 25, 2023	Below (1.92%)	Below (1.92%)
	Not Communicated	5,745,677	September 13, 2023	Above (2.00%)	Above (2.00%)
	Not Communicated	5,732,884	December 13, 2023	Below (1.99%)	Below (1.99%)
CDC group	November 10, 2023	6,462,615	November 16, 2023	Above (2.25%)	Above (2.25%)
	December 21, 2023	5,667,962	December 26, 2023	Below (1.97%)	Below (1.97%)
Norges Bank	September 12, 2023	14,341,210	September 14, 2023	Below (4.99%)	Below (4.99%)
Zürcher Kantonalbank	April 17, 2023	5,923,661	April 19, 2023	Above (2.065%)	Above (2.077%)
	April 18, 2023	4,120,039	April 19, 2023	Below (1.436%)	Below (1.444%)

7.1.2.4 Transactions by corporate officers and similar individuals in Company securities (Article L. 621-18-2 of the French Monetary and Financial Code [*Code monétaire et financier*])

No transactions were reported by corporate officers and similar individuals to the French financial markets authority (*Autorité des marchés financiers* – AMF) during fiscal year 2023.

7.1.3 Stock purchase options and performance shares

7.1.3.1 Stock option and performance share allotment policy

Stock options and performance shares are allotted to executive corporate officers and employees in order to strengthen their motivation over the long term, aligning the interests of senior executives and those of shareholders with a view to creating long-term value.

Prior to 2012, the Company implemented several stock purchase option plans for its senior executives and certain employees. However, since 2012, the Company has given preference to performance shares.

Beneficiaries

The beneficiaries of these plans are senior executives, to whom allotments are made in accordance with the executive corporate officer compensation policy, and particularly dedicated Group employees, in order to foster loyalty. As a result, the list of beneficiaries changes each year, along with the number of shares allotted to each beneficiary.

Allotment by the Supervisory Board

These allotments are made pursuant to the recommendations of the AFEP-MEDEF Code, and generally occur during the second or third quarter of the year.

Cap on the number of performance shares offered

Pursuant to the AFEP-MEDEF Code, the Supervisory Board determines the maximum percentage of performance shares that may be allotted to the members of the Executive Board (currently 0.3% of the share capital over a 38-month period from the General Meeting of Shareholders of April 26, 2022, which is deducted from the overall percentage of 1% of the share capital authorized by that General Meeting of Shareholders over the same period).

The number of performance shares allotted to individual members of the Executive Board must be previously approved by the Supervisory Board following recommendation by the Nomination and Compensation Committee, and is determined with regard to the executive corporate officer's total annual compensation.

Hedging arrangements

In accordance with the AFEP-MEDEF Code, the members of the Executive Board have not implemented any hedging instruments with regard to the stock options and performance shares allotted to executive corporate officers.

7.1.3.2 Stock purchase option plan

The most recent stock option plan was adopted by the Executive Board on May 27, 2011. The stock options had a term of eight years and therefore expired on May 26, 2019, as described on page 275 of the 2019 Universal Registration Document.

Accordingly, tables 8 and 9 on allotments of stock options provided for in Appendix 2 of AMF position-recommendation 2021-02 are not currently required.

7.1.3.3 Performance share plans

Conditions common to all plans adopted up to December 31, 2023

Share vesting period and lock-up period

- **Vesting period:** the shares allotted to beneficiaries vest and are delivered in the form of Company shares at the end of a vesting period set by the Executive Board. In accordance with the authorization of the General Meeting of Shareholders, the vesting period may not be less than three years.
- **Lock-up period:** following the vesting period, beneficiaries are required to hold the shares for a period set by the Executive Board.
- **Plans implemented by the Supervisory Board:** on the basis of the above principles, the Executive Board has implemented "3+2" plans (three-year vesting period and two-year lock-up period) for French tax residents and "4+0" plans (four-year vesting period and no lock-up period) for non-French tax residents, as well as "3+0" plans (three-year vesting period and no lock-up period)(1) for all beneficiaries.

Service condition

The shares will only vest if the beneficiary is still with the Klépierre Group at the end of the vesting period, barring exceptional cases where rights are maintained pursuant to the rules of the relevant plan.

Should the beneficiary leave the Group before the expiration of the term set for assessing the performance share performance criteria, maintenance of all or a portion of the entitlement to the performance shares is subject to the decision of the Supervisory Board and must be substantiated. With respect to the Executive Board members, the Supervisory Board will authorize a partial waiver of the service condition, such that performance shares vest pro rata to members' service to the Group.

Performance conditions

Performance conditions are determined by the Executive Board after consultation with the Nomination and Compensation Committee and the Supervisory Board. They are identical for all performance share beneficiaries, as described below.

As regards the 2022 and 2023 plans, vesting of certain free shares, for a total not exceeding 0.15% of the capital, allocated to beneficiaries other than members of the Group's management, are not subject to performance conditions in accordance with the authorization given by the General Meeting of April 26, 2022 (20th resolution).

Overview of plans adopted between January 1, 2020 and the filing date of this document

2020 Plans

On May 7, 2020 and December 22, 2020, the Executive Board adopted two plans for 312,900 shares in respect of 109 beneficiaries and 7,250 shares in respect of two beneficiaries, representing, on the basis of the Company's share capital as of December 31, 2023, a maximum potential dilution of 0.11%.

At the end of the vesting period, the performance conditions were measured as follows:

Criteria	Weighting	Outcome
Absolute performance of Klépierre	10%	10% of performance shares vested
Relative performance of Klépierre	30%	0% of performance shares vested
Internal performance of Klépierre	40%	38.13% of performance shares vested
Klépierre's CSR performance	20%	20% of performance shares vested

2021 Plan

On July 1, 2021, the Executive Board adopted a plan for 486,500 shares in respect of 117 beneficiaries, representing, on the basis of the Company's share capital as of December 31, 2023, a maximum potential dilution of 0.17%.

(1) *In addition to the shareholding obligation set by the Supervisory Board, the Chairman and members of the Executive Board are required to hold in registered form a number of shares equivalent to 50% of the gain on vested shares net of tax and expenses as calculated on delivery of the shares, until the end of their term of office.*

Under the 2021 Plan, the performance conditions are assessed against the following achievement scale:

Absolute performance: 10% weighting		Relative performance: 30% weighting		Internal performance: 40% weighting		CSR performance: 20% weighting		
Performance	**% of shares delivered**	**Performance**	**% of share s delivered**	**Performance**	**% of shares delivered**	**Criteria**	**Target**	**% of shares delivered**
≤16.5%	0%	Index -1%	0%	<1%	0%	GRESB rating (12% of the allotment)		100%
20%	33.3%	Index	33.3%	1%	30%	Reduction in the Group's energy consumption ("REDUC") (2% of the allotment)	REDUC > -40%	0%
							REDUC ≤ -44%	100%
22.5%	50%	Index +1%	50%	≥3%	100%	Shopping centers with sustainable development certification ("CERTIF") (2% of the allotment)	CERTIF = 100%	100%
25%	66.7%	Index +2%	66.7%			Shopping centers contributing to local employment ("EMP")(2% of the allotment)	EMP = 100%	100%
27.5%	83.3%	Index +3%	100%			Employees receiving training ("TRAIN") (2% of the allotment)	TRAIN = 100%	100%
≥30%	100%							

If the result obtained is between two thresholds, the number of performance shares vested is calculated on a linear basis.

2022 Plan

On July 7, 2022, the Executive Board adopted a plan for 522,357 shares in respect of 140 beneficiaries, representing, on the basis of the Company's share capital as of December 31, 2023, a maximum potential dilution of 0.17%.

Under the 2022 Plan, the performance conditions are assessed against the following achievement scale:

Absolute performance: 20% weighting		Relative performance: 25% weighting		Internal performance: 20% weighting		CSR performance: 35% weighting		
Performance	**% of shares delivered**	**Performance**	**% of shares delivered**	**Performance**	**% of shares delivered**	**CSR performance**	**Target**	**% of shares delivered**
≤10%	0%	Below the median	0%	<1%	0%	***GRESB rating*** 15% of the allotment	The Company must rank in the top five in its category and have a "5-star" rating in the latest ranking published prior to the vesting date	100%
12%	33.3%	6th (median)	50%	1%	30%			
14%	50%	5th	60%	≥3%	100%	***Carbon emissions in 2024 ($CARB_{2024}$)*** 20% of the allotment	$CARB_{2024}$ > 4.4 kgCO_2e/sq.m.	0%
16%	66.7%	4th	70%				$CARB_{2024}$ = 4.4 kgCO_2e/sq.m.	50%
18%	83.3%	3rd	80%				$CARB_{2024}$ ≤ 3.86 kgCO_2e/sq.m.	100%
≥20%	100%	2nd	90%					
		1st	100%					

For the absolute stock market performance, internal performance and CSR performance, if the result obtained is between two thresholds, the number of performance shares vested is calculated on a linear basis.

2023 Plan

On May 12, 2023, the Executive Board adopted a plan for 549,210 shares in respect of 139 beneficiaries, representing, on the basis of the Company's share capital as of December 31, 2023, a maximum potential dilution of 0.19%.

Under the 2023 Plan, the performance conditions are assessed against the following achievement scale:

Absolute performance: 20% weighting		Relative performance: 25% weighting		Internal performance: 20% weighting		CSR performance: 35% weighting		
Performance	**% of shares delivered**	**Performance**	**% of shares delivered**	**Performance**	**% of shares delivered**	**CSR performance**	**Target**	**% of shares delivered**
≤10%	0%	Below the median	0%	<1%	0%	***GRESB rating*** 15% of the allotment	The Company must rank in the top five in its category and have a "5-star" rating in the latest ranking published prior to the vesting date	100%
12%	33.3%	6th (median)	50%	1%	30%			
14%	50%	5th	60%	≥3%	100%	***Carbon emissions in 2025 ($CARB_{2025}$)*** 20% of the allotment	$CARB_{2025}$ > 3.68 kgCO_2e/sq.m.	0%
16%	66.7%	4th	70%				$CARB_{2025}$ = 3.68 kgCO_2e/sq.m.	50%
18%	83.3%	3rd	80%				$CARB_{2025}$ < 3.68 kgCO_2e/sq.m.	100%
≥20%	100%	2nd	90%					
		1st	100%					

For the absolute stock market performance, internal performance and CSR performance, if the result obtained is between two thresholds, the number of performance shares vested is calculated on a linear basis.

TABLE 9 – AMF/AFEP-MEDEF CODE RECOMMENDATIONS – HISTORICAL DATA OF FREE SHARES ALLOTTED – INFORMATION ON PERFORMANCE SHARES

	2020 Plans	2021 Plan	2022 Plan	2023 Plan
Date of Executive Board meeting	May 7, 2020 December 22, 2020	July 1, 2021	July 7, 2022	May 12, 2023
Total number of performance shares allotted	320,150	486,500	522,357	549,210
o/w allotted to corporate officers:				
• Jean-Marc Jestin	35,000	64,000	93,413	86,842
• Stéphane Tortajada[(a)]	N/A[(a)]	N/A[(a)]	26,944	47,368
End of vesting period	France Plans: May 7, 2023 and December 22, 2023 International Plan: May 7, 2024	France Plan: July 1, 2024 International Plan: July 1, 2025	July 7, 2025	May 12, 2026
End of lock-up period	France Plans: May 7, 2025 and December 22, 2025 International Plan: May 7, 2024	France Plan: July 1, 2026 International Plan: July 1, 2025	No lock-up period[(c)]	No lock-up period[(c)]
Performance condition	Performance conditions assessed based on four criteria: • Absolute performance of the Klépierre share relative to its TSR; • Performance of the Klépierre share compared to a panel of peers; • Internal performance assessed based on the average change over three years in net rental income on a like-for-like basis; • Group CSR performance, assessed based on the GRESB rating and on the achievement within three years of the Group's CSR strategic priorities.	Performance conditions assessed based on four criteria: • Absolute performance of the Klépierre share relative to its TSR; • Performance of the Klépierre share compared to a panel of peers; • Internal performance assessed based on the average change over three years in net rental income on a like-for-like basis; • Group CSR performance, assessed based on the GRESB rating and on the achievement within three years of the Group's CSR strategic priorities.	Performance conditions assessed based on four criteria: • Absolute stock market performance of Klépierre's shares, assessed relative to their rate of return; • Relative stock market performance of Klépierre's shares compared to peer performance, measured against their profitability; • Internal performance, assessed in relation to the average change in net rental income over three years as shown in Klépierre SA's last three consolidated financial statements approved and available on the vesting date; • CSR performance, assessed based on the GRESB rating of the Klépierre Group and the level of attainment of the carbon emissions reduction target.	Performance conditions assessed based on four criteria: • Absolute stock market performance of Klépierre's shares, assessed relative to their rate of return; • Relative stock market performance of Klépierre's shares compared to peer performance, measured against their profitability; • Internal performance, assessed in relation to the average change in net rental income over three years as shown in Klépierre SA's last three consolidated financial statements approved and available on the vesting date; • CSR performance, assessed based on the GRESB rating of the Klépierre Group and the level of attainment of the carbon emissions reduction target.
Number of shares vested as of December 31, 2023	111,684	0	0	0
Total number of shares canceled or lapsed	165,837	142,496	61,620	24,992
Shares outstanding at the fiscal year end	42,629[(b)]	344,004	460,737	524,218

(a) Stéphane Tortajada joined the Klépierre Executive Board on June 22, 2022.
(b) Still under service condition.
(c) Pursuant to Article L. 225-197-1 of the French Commercial Code as set out in the AFEP-MEDEF Code, the Supervisory Board set the holding obligation for the Chairman and members of the Executive Board: they are required to hold in registered form a number of shares equivalent to 50% of the gain on vested shares net of tax and expenses as calculated on delivery of the shares, until the end of their term of office.

7.1.4 Material contracts

7.1.4.1 Material financing contracts

2022

Update on the Euro Medium Term Note (EMTN) program

- Purpose: legal framework enabling the rapid issuance of a broad range of bonds.
- Maximum amount €7 billion.
- Listing: Paris.
- Governing law: French.
- Dealers: ABN Amro, Banco Sabadell, Barclays, BNP Paribas, BofA, CaixaBank, CIC, Crédit Agricole CIB, Deutsche Bank, DnB, Goldman Sachs, HSBC, ING, Intesa Sanpaolo, JP Morgan, Mediobanca, Mizuho, Morgan Stanley, MUFG, Natixis, NatWest, Santander, Société Générale, SMBC, UBS, Unicredit.
- Program rating: BBB+.

In 2022, Klépierre did not issue any notes under the EMTN program.

Credit facility agreements

- Purpose: credit facility agreement for a total maximum amount of €100 million.
- Repayment terms: in full at maturity (2027) where the two one-year extension options are not exercised.
- Interest: indexed to three-month Euribor, plus a fixed margin and a drawdown fee.

Bank loan agreements

- Purpose: setting up a bank loan in the amount of €75 million.
- Repayment terms: in full at maturity (2027).
- Interest: fixed rate.

2023

Update on the Euro Medium Term Note (EMTN) program

- Purpose: legal framework enabling the rapid issuance of a broad range of bonds.
- Maximum amount €7 billion.
- Listing: Paris.
- Governing law: French.
- Dealers: ABN Amro Bank, Banco de Sabadell, Banco Santander, Barclays Bank Ireland, BNP Paribas, BofA Securities Europe, CaixaBank, CIC, Crédit Agricole CIB, Deutsche Bank, DnB Bank, Goldman Sachs Bank Europe, HSBC Continental Europe, ING, Intesa Sanpaolo, JP Morgan, Mediobanca, Mizuho Securities Europe, Morgan Stanley Europe, MUFG Securities, Natixis, NatWest, Société Générale, SMBC, UBS, Unicredit.
- Program rating: BBB+ by S&P and A- by Fitch.

In 2023, Klépierre topped up the amount allocated to the program by €250 million.

Credit facility agreements

- Purpose: credit facility agreement for a total maximum amount of €75 million.
- Repayment terms: in full at maturity (2028) where the two one-year extension options are not exercised.
- Interest: indexed to three-month Euribor, plus a fixed margin and a drawdown fee, and to ESG criteria.

Mortgage loan agreement

- Purpose: ESG mortgage loan agreement for a total maximum amount of €260 million.
- Repayment terms: in full at maturity (2028) where the two one-year extension options are not exercised.
- Interest: indexed to three-month Euribor, plus a fixed margin and a drawdown fee.

Bank loan agreements

- Purpose: four bank loan agreements in euros and yen in the amount of €412 million.
- Repayment terms: in full at maturity (2027 and 2028) for the yen-denominated loans, and where the two one-year extension options are not exercised for the euro-denominated loans.
- Interest: the yen-denominated loans are at fixed interest rates, while euro-denominated loans are indexed to three-month Euribor plus a fixed margin and a drawdown fee, subject to ESG criteria.

Renegotiation of credit facility agreements

- Purpose: renegotiation of four credit facility agreements for a total maximum amount of €650 million.
- Repayment terms: in full at maturity (2026 and 2028) where the two one-year extension options are not exercised for three of the agreements.
- Interest: indexed to three-month Euribor, plus a fixed margin and a drawdown fee, subject to ESG criteria for three of the agreements.

7.1.4.2 Material investment and disposal contracts

This section sets out transactions exceeding €100 million.

2022

Sale of an office complex in Utrecht – Netherlands

Date of sale: December 22, 2022 (promissory agreement signed on December 19, 2022).

- Parties: Hoog Catharijne Mall of the Netherlands B.V. as seller; ITC HCO BV, ITC HCO TB BV, ITC HCO SB BV as buyers.
- Purpose: Sale of part of the office complex in the Hoog Catharijne mall in Utrecht.

Sale of a portfolio of restaurants – France

Date of sale: June 8, 2022, June 28, 2022, July 21, 2022 and December 19, 2022 (promissory agreement signed on April 27, 2022).

- Parties: Klémurs as seller and Épargne Pierre, My Share SCPI, Foncière Remusat, Société d'aménagement de Montpellier Méditerranée Métropole and two individuals as buyers.
- Purpose: Disposal of 58 Buffalo Grill restaurants.

2023

None.

7.1.4.3 Related-party agreements

Annual review of related-party agreements

On February 13, 2024, the Supervisory Board reviewed (i) the related-party agreements and commitments entered into and authorized by the Supervisory Board during fiscal year 2023 as well as (ii) the related-party agreements and commitments entered into and authorized by the Supervisory Board during previous fiscal years that remained in force during fiscal year 2023.

Related-party agreements authorized during fiscal year 2023

No related-party agreements were authorized by the Supervisory Board or entered into during fiscal year 2023.

Previously authorized related-party agreements that remained in force during fiscal year 2023

Date of the authorization granted by the Supervisory Board	Date of signature of the agreement	Parties to the agreement	Purpose of the agreement	Description of the agreement
October 3, 2008	October 6, 2008	Nordica Holdco AB and Stichting Depositary APG Real Estate Pool assuming the rights of APG Real Estate Pool NV, the latter itself assuming the rights of Stichting Pensioenfonds ABP	Intra-group loan granted as part of the Steen & Strøm transaction	Amount as of December 31, 2023: €84,891,017.99 Term: undated Interest rate: 6.50% until October 5, 2013; 4.70% from October 6, 2013 to October 5, 2018; 3.30% from October 6, 2018 to October 5, 2023; 8.30% thereafter 2023 interest expense: €3,796,041.16
November 30, 2015	December 18, 2015	Klépierre and APG Strategic Real Estate Pool NV (parent companies of the shareholders of Nordica Holdco AB) in favor of Nordica Holdco AB	Intra-group loan granted as part of the Oslo Center acquisition	Amount as of December 31, 2023: €23,115,721.70 Term: undated Interest rate: 3.20% until December 17, 2020; 3% from December 18, 2020 2023 interest expense: €683,144.51
October 18, 2022	November 21, 2022	Klépierre SA, Klépierre Management SNC and Jean-Michel Gault	Settlement agreement	Press release available on the Klépierre SA website at the following address: https://www.klepierre.com/en/finance/publication-d-une-convention-reglementee-conformement-aux-articles-l-22-10-30-et-r-22-10-19-du-code-du-commerce

Internal charter relating to the classification of agreements (the "Charter")

The Company has adopted a Charter that clarifies the rules used internally to classify the various agreements likely to be entered into within the Klépierre Group. The Charter applies to the French companies of the Group.

The Charter was implemented in response to AMF recommendation 2012-05 of July 2, 2012 as amended on October 5, 2018.

Procedure applicable to agreements entered into by Klépierre SA in the ordinary course of business and on arm's length terms (the "Procedure")

Article L. 22-10-29 of the French Commercial Code states that: "*in companies whose shares are admitted to trading on a regulated market, the Supervisory Board shall put in place a procedure to regularly assess whether agreements entered into in the ordinary course of business and on arm's length terms, as stated in Article L. 225-87 of the French Commercial Code, still qualify as such. All persons directly or indirectly involved in any such agreements shall not take part in their assessment*." Accordingly, the Company introduced the Procedure applicable to agreements entered into by the Company in the ordinary course of business and on arm's length terms.

In accordance with the Procedure, the Executive Board[(1)] shall meet at least once a year to identify all existing agreements entered into in the ordinary course of business and on arm's length terms and to verify whether they still qualify as such. Thus, for each agreement entered into in the ordinary course of business and on arm's length terms, the Executive Board shall specifically assess, on a case-by-case basis:

- "Ordinary course of business" condition: Several criteria shall be examined, in particular the ordinary nature of the agreement in view of the business of the Company, as well as the legal importance or the economic consequences of the agreement;
- "Arm's length terms" condition: The terms usually employed by the Company in its relations with third parties can be regarded as arm's length, provided that they are also in line with the practices of external companies engaged in the same business. For example, an agreement could be regarded as having not been entered into at arm's length if the economic data of that agreement differ too much from the terms under which agreements are usually entered into with third parties.

After its examination, the Executive Board shall recommend either (i) that the agreement continue to be classified as an agreement entered into in the ordinary course of business and on arm's length terms, on the grounds that the related conditions are still satisfied; or otherwise, (ii) that the agreement be reclassified as a related-party agreement. The Executive Board shall then submit its recommendations to the Audit Committee in a written report. The Audit Committee shall decide whether or not to reclassify each agreement submitted to it by the Executive Board. In this respect, it may ask the opinion of the Statutory Auditors. It may also decide to involve any experts or, more generally, request any further information that it deems useful. In the event that the original classification as an agreement entered into in the ordinary course of business and on arm's length terms is retained by the Audit Committee, the Procedure will no longer apply to that agreement. Otherwise, the Audit Committee shall issue a recommendation to the Supervisory Board to approve or reject the agreement concerned. In addition, the agreement shall be disclosed to the Statutory Auditors, who may prepare a special report explaining the circumstances under which the advance authorization procedure provided for in Article L. 225-86 of the French Commercial Code was not followed. If the Supervisory Board approves the agreement, the following General Meeting of the Company will then be asked to ratify it.

(1) *In the event that the Executive Board cannot carry out the assessment of an agreement, such agreement will be assessed by the Group General Secretary or the Group General Counsel.*

7.1.5 Statutory Auditors' report on related-party agreements

This is a translation into English of a report issued in French and it is provided solely for the convenience of English-speaking users. This report should be read in conjunction, and construed in accordance with, French law and professional auditing standards applicable in France.

Annual General Meeting held to approve the financial statements for the year ended December 31, 2023

To the Annual General Meeting of Klépierre,

In our capacity as Statutory Auditors of your Company, we hereby report to you on related party agreements.

The terms of our engagement require us to communicate to you, based on information provided to us, the principal terms and conditions of those agreements brought to our attention or which we may have discovered during the course of our audit, as well as the reasons justifying why they benefit the Company, without expressing an opinion on their usefulness and appropriateness or identifying such other agreements, if any. It is your responsibility, pursuant to Article R. 225-58 of the French Commercial Code (*Code de commerce*), to assess the interest involved in respect of the conclusion of these agreements for the purpose of approving them.

Our role is also to provide you with the information provided for in Article R. 225-58 of the French Commercial Code (*Code de commerce*) in respect of the performance of the agreements, already authorized by the Annual General Meeting and having continuing effect during the year, if any.

We conducted our procedures in accordance with the professional guidelines of the French National Institute of Statutory Auditors (*Compagnie Nationale des Commissaires aux Comptes*) relating to this engagement.

Agreements submitted for approval to the Annual General Meeting

Agreements authorized and concluded during the year ended December 31, 2023

We have not been informed of any agreement authorized and concluded during the during the year ended December 31, 2023 to be submitted for approval of the Annual General Meeting pursuant to Article R. 225-86 of the French Commercial Code (*Code de commerce*).

Agreements previously approved by the Annual General Meeting

Agreements, previously approved by the Annual General Meeting during previous fiscal years, continued during the year

Pursuant to Article R. 225-57 of the French Commercial Code (*Code de commerce*), we have been informed that the performance of the following agreements, previously approved by the Annual General Meeting during previous fiscal years, continued during the year.

With Nordica Holdco AB, 56.1% indirectly held by Klépierre

Agreement no. 1

Nature and purpose

On October 3, 2008, your Supervisory Board approved the granting of an inter-group loan to Nordica Holdco AB bearing annual fixed interest of 6.5% with indefinite life duration. This interest rate came to 4.7% starting October 6, 2013 and then 3.3% from October 6, 2018, rising to 8.3% from October 6, 2023, and in accordance with the interest rate adjustment mechanism stipulated in the agreement.

Terms and conditions

This loan was granted on October 6, 2008. As of December 31, 2023, the loan balance totaled €84,891,017.99 and the interest recorded in the respect of the fiscal year amounted to €3,796,041.16.

Agreement no. 2

Nature and purpose

On November 30, 2015, your Supervisory Board authorized an intercompany loan with indefinite life duration, granted by your Company and APG Strategic Real Estate Pool NV to Nordica Holdco AB and bearing annual fixed interest of 3.2%. This interest rate has been reduced to 3% starting December 18, 2020 in accordance with the interest rate adjustment mechanism stipulated in the agreement.

Terms and conditions

This loan was granted on December 18, 2015. As of December 31, 2023, the loan balance totaled €23,115,721.70 and the interest recorded in the respect of the fiscal year amounted to €683,144.51.

Settlement agreement between Jean-Michel Gault, Klépierre Management SNC (a subsidiary of Klépierre) and Klépierre

Following a disagreement on the assignments entrusted to him, Klépierre Management SNC and Jean-Michel Gault entered into amicable discussions in order to settle the consequences and terms and conditions of the termination of Jean-Michel Gault's duties as an employee and to reach a settlement agreement signed November 21, 2022.

Terms and conditions

As the settlement agreement was entered into between Klépierre and a former member of the Executive Board, Klépierre decided, in the interest of transparency and governance, to subject it to the regulated related party agreements regime.

The signature and the content of the settlement agreement (including the financial undertakings contained therein) were authorized by the Supervisory Board of Klépierre on October 18, 2022, upon recommendation of the Nomination and Compensation Committee which met on October 17, 2022.

Jean-Michel Gault will receive the conventional redundancy payment due by Klépierre Management SNC as a result of the termination of his employment contract in the amount of €719,693 gross, the elements of his account balance and in particular an indemnity in lieu of paid vacations, as well as the variable compensation for the period from June 22, 2022, until December 9, 2022, i.e., the effective date of the termination of his duties as employee.

Financial conditions

The settlement agreement provides for the payment by Klépierre Management SNC of a gross amount of €936,307 as a settlement indemnity. In total, the amount of this indemnity, added to the above-mentioned conventional redundancy payment, is equivalent to approximately eighteen months' salary (gross) against almost 28 years of seniority.

The agreement also provides that Jean-Michel Gault may retain the benefit of 45,595 Klépierre performance shares out of the 71,000 initially granted to him under the 2020 and 2021 plans, pro rating his presence between the granting dates under the concerned plans and his actual departure date, based on the entire vesting period. This concession required the partial waiver, by the Supervisory Board of Klépierre on October 18, 2022, of the service condition until the effective date of exercise of the concerned plans. In any event, the number of performance shares that will definitively vest to Jean-Michel Gault under the 2020 and 2021 plans will depend on the satisfaction of the performance conditions that remain attached to them until the end of the vesting period.

The reciprocal concessions made in the context of the settlement agreement and, in particular, the financial undertakings taken by Klépierre Management SNC and Klépierre SA as described above, were subject to the approval of the General Meeting of Klépierre SA's shareholders, held to approve on the financial statements for the fiscal year ended December 31, 2022.

Interested person

Jean-Michel Gault, employee of Klépierre Management SNC, member of the Executive Board of Klépierre until June 22, 2022.

Paris-La Défense, March 7, 2024

The Statutory Auditors

French original signed by

DELOITTE & ASSOCIES		Ernst & Young Audit
Damien Leurent	Jean-Vincent Coustel	Gilles Cohen

7.2 GENERAL MEETING OF SHAREHOLDERS

Report of the Executive Board to the Ordinary and Extraordinary General Meeting

The Report of the Executive Board presents to the Company's shareholders the draft resolutions that will be submitted to their vote on May 3, 2024. Shareholders are nevertheless invited to read the draft resolutions in full before exercising their voting rights.

Dear Shareholders,

We have called this Ordinary and Extraordinary General Meeting of Shareholders to submit the following draft resolutions to the agenda for your approval:

Agenda

Resolutions of the Ordinary General Meeting

1. Approval of the Company financial statements for the fiscal year ended December 31, 2023 – Approval of non-deductible expenses and costs;
2. Approval of the consolidated financial statements for the fiscal year ended December 31, 2023;
3. Appropriation of net income for the fiscal year ended December 31, 2023 and setting of the dividend;
4. Approval of the Statutory Auditors' special report on the agreements referred to in Article L. 225-86 of the French Commercial Code;
5. Appointment of Deloitte & Associés as joint Statutory Auditor in charge of certifying sustainability information;
6. Appointment of Ernst & Young Audit as joint Statutory Auditor in charge of certifying sustainability information;
7. Re-appointment of David Simon as a member of the Supervisory Board;
8. Re-appointment of John Carrafiell as a member of the Supervisory Board;
9. Re-appointment of Steven Fivel as a member of the Supervisory Board;
10. Re-appointment of Robert Fowlds as a member of the Supervisory Board;
11. Appointment of Anne Carron as a member of the Supervisory Board to replace Rose-Marie Van Lerberghe;
12. Approval of the 2024 compensation policy for the Chairman of the Supervisory Board and the other members of the Supervisory Board;
13. Approval of the 2024 compensation policy for the Chairman of the Executive Board;
14. Approval of the 2024 compensation policy for the members of the Executive Board (excluding the Chairman);
15. Approval of the information referred to in paragraph I of Article L. 22-10-9 of the French Commercial Code relating to the compensation of corporate officers paid during or allotted for the fiscal year ended December 31, 2023;
16. Approval of the fixed, variable and exceptional components of the total compensation and benefits in kind paid during or allotted for the fiscal year ended December 31, 2023 to David Simon in his capacity as Chairman of the Supervisory Board;
17. Approval of the fixed, variable and exceptional components of the total compensation and benefits in kind paid during or allotted for the fiscal year ended December 31, 2023 to Jean-Marc Jestin in his capacity as Chairman of the Executive Board;
18. Approval of the fixed, variable and exceptional components of the total compensation and benefits in kind paid during or allotted for the fiscal year ended December 31, 2023 to Stéphane Tortajada in his capacity as Chief Financial Officer, member of the Executive Board;
19. Authorization, for a period of 18 months, to trade in the Company's shares, not to be used during a public offer.

Resolutions of the Extraordinary General Meeting

20. Amendment to Article 7 of the Company's bylaws to refer to the application of the legal rules of equivalence for calculating the applicable thresholds in the bylaws;
21. Amendment to Article 12 of the Company's bylaws to bring it into line with the provisions of Article L. 225-25 of the French Commercial Code (*Code de commerce*);
22. Amendment to Article 25 of the Company's bylaws to remove the reference to two Alternate Statutory Auditors.

Resolution of the Ordinary General Meeting

23. Powers for formalities.

Resolutions of the Ordinary General Meeting

First and second resolutions – Approval of the Company financial statements and the consolidated financial statements

Having considered the Executive Board's management report, the Supervisory Board's report and the Statutory Auditors' reports, the General Meeting is invited to approve the Company financial statements for the fiscal year ended December 31, 2023, showing net income of €485,736,198.63 and the consolidated financial statements for the fiscal year ended December 31, 2023, showing net income of €174,262,000.

The Company financial statements for the year ended December 31, 2023 do not report any non-deductible expenses or charges as defined in Article 39-4 of the French Tax Code.

The Company financial statements and the consolidated financial statements, as well as the Statutory Auditors' reports on those statements and the Executive Board's management report, are set out in the present document.

You are invited to approve the first and second resolutions as presented to you.

First resolution

(Approval of the Company financial statements for the fiscal year ended December 31, 2023 – Approval of non-deductible expenses and costs)

The General Meeting, acting under the conditions of quorum and majority required for Ordinary General Meetings and having considered the reports of the Executive Board, the Supervisory Board and the Statutory Auditors, as well as the Company financial statements for the fiscal year ended December 31, 2023, approves said financial statements as presented, which comprise the statements of financial position and income, as well as the notes to the consolidated financial statements, and the operations reflected in said financial statements or summarized in said reports, showing net income of €485,736,198.63

It notes that the Company financial statements for the fiscal year ended December 31, 2023 do not report any non-deductible expenses or charges as defined in Article 39-4 of the French Tax Code (*Code général des impôts*) and do not report any add-back expenses pursuant to Article 39-5 of said Code for the fiscal year.

Second resolution

(Approval of the consolidated financial statements for the fiscal year ended December 31, 2023)

The General Meeting, acting under the conditions of quorum and majority required for Ordinary General Meetings and having considered the reports of the Executive Board, the Supervisory Board and the Statutory Auditors, as well as the consolidated financial statements for the fiscal year ended December 31, 2023, approves said financial statements as presented, which comprise the statements of financial position and income, as well as the notes to the consolidated financial statements, and the operations reflected in said financial statements or summarized in said reports, showing net income of €174,262,000.

Third resolution – Appropriation of net income for the fiscal year ended December 31, 2023 and setting of the dividend

Shareholders are asked to agree to pay a dividend totaling €516,350,109.60 (i.e., €1.80 per share) out of distributable earnings for the year, including retained earnings (€487,176,328.41) and the issue, merger and contribution premiums (€29,173,781.19), after noting that:

- Following this distribution and the appropriation of net income for the fiscal year ended December 31, 2023, equity will continue to exceed half of the share capital plus non-distributable reserves.
- Following the distribution, the "Retained earnings" line will be reduced from a negative balance of €1,440,129.78 to €0.
- Following the distribution of the premium, the "Issue, merger and contribution premiums" account will be reduced from €3,344,908,779.98 to €3,315,734,998.79 .
- Each share will receive a cash distribution of €1.80 (including the interim dividend), which for tax purposes breaks down as follows:
  - €1.6983 deducted from earnings of exempt activities under the SIIC regime, not eligible for the 40% tax relief,
  - €0.1017 deducted from the "Issue, merger and contribution premiums" account and treated for tax purposes as an equity repayment for shareholders;
- Given that the interim dividend of €0.90 (gross) per share decided by the Executive Board on March 1, 2024 (deducted in full from earnings of exempt activities under the SIIC regime, and not eligible for the 40% tax relief) went ex-dividend on March 22, 2024, and was paid on March 26, 2024, the balance of €0.90 (gross) per share will go ex-dividend on July 9, 2024, and will be paid on July 11, 2024. The balance of the dividend breaks down as follows for tax purposes:
  - €0.7983 deducted from earnings of exempt activities under the SIIC regime, not eligible for the 40% tax relief, and
  - €0.1017 deducted from the "Issue, merger and contribution premiums" account and treated for tax purposes as an equity repayment for shareholders;
- In accordance with legal provisions, treasury shares held by the Company on the ex-dividend date do not carry distribution rights.

You are invited to approve the third resolution as presented to you.

Third resolution

(Appropriation of net income for the fiscal year ended December 31, 2023 and setting of the dividend)

The General Meeting, acting under the conditions of quorum and majority required for Ordinary General Meetings, resolves to appropriate the net income for the fiscal year ended December 31, 2023, as follows:

Net income for the period	**€485,736,198.63**
Less amounts allocated to the "Legal reserve" account	€0
Plus "Retained earnings"	€1,440,129.78
i.e., Distributable earnings of	€487,176,328.41
Dividend distributed to shareholders:	**€487,176,328.41**
• Of which dividend deducted from earnings of exempt activities (SIIC)	€487,176,328.41
• Of which dividend deducted from taxable earnings for the year	€0
Premiums distributed to shareholders deducted from the "Issue, merger and contribution premiums" account and treated for tax purposes as an equity repayment for shareholders within the meaning of Article 112-1 of the French Tax Code:	**€29,173,781.19**
TOTAL DISTRIBUTION	**€516,350,109.60**
In addition to the interim dividend paid on March 26, 2024 deducted from distributable earnings for the year and in respect of exempt activities:	**€258,175,054.80**
For a remaining distribution amount of	€258,175,054.80
• Of which dividend deducted from earnings of exempt activities (SIIC)	€229,001,273.61
• Including the issue premium, treated for tax purposes as an equity repayment within the meaning of Article 112-1 of the French Tax Code:	€29,173,781.19
– Amount allocated to "Retained earnings"	€0
– Amount allocated to the "Issue, merger and contribution premiums" account	€0

Following this distribution and the appropriation of net income for the fiscal year ended December 31, 2023, equity will continue to exceed half of the share capital plus non-distributable reserves.

Following the distribution, the "Retained earnings" line will be reduced from a negative balance of €1,440,129.78 to €0.

Following the distribution of the premium, the "Issue, merger and contribution premiums" account will be reduced from €3,344,908,779.98 to €3,315,734,998.79.

The General Meeting notes that each share will receive a cash distribution of €1.80 (including the interim dividend), which for tax purposes breaks down as follows:

- €1.6983 deducted from earnings of exempt activities under the SIIC regime, not eligible for the 40% tax relief; and
- €0.1017 deducted from the "Issue, merger and contribution premiums" account and treated for tax purposes as an equity repayment for shareholders within the meaning of Article 112-1 of the French Tax Code.

Given that the interim dividend of €0.90 (gross) per share decided by the Executive Board on March 1, 2024 (deducted in full from earnings of exempt activities under the SIIC regime, and not eligible for the 40% tax relief) went ex-dividend on March 22, 2024, and was paid on March 26, 2024, the balance of €0.90 (gross) per share will go ex-dividend on July 9, 2024, and will be paid on July 11, 2024. The balance of the dividend breaks down as follows for tax purposes:

- €0.7983 deducted from earnings of exempt activities under the SIIC regime, not eligible for the 40% tax relief; and
- €0.1017 deducted from the "Issue, merger and contribution premiums" account and treated for tax purposes as an equity repayment for shareholders within the meaning of Article 112-1 of the French Tax Code.

In accordance with legal provisions, treasury shares held by the Company on the ex-dividend date do not carry distribution rights.

The General Meeting confers all necessary powers on the Executive Board to determine, based on the number of shares eligible for the dividend at the ex-dividend date, the adjustments to the overall amount of the dividend and consequently, the amount corresponding to treasury shares at the dividend payment date as well as any amounts that shareholders may have waived will be appropriated to "Retained earnings" or "Issue, merger and contribution premiums", depending on whether the distribution was deducted from distributable profit for the fiscal year or from the "Issue, merger and contribution premiums" account, respectively.

Pursuant to Article 243 *bis* of the French Tax Code, distributions for the last three fiscal years were as follows:

Fiscal year	Total amount paid to shareholders *(in euros)*	Net amount per share *(in euros)*	Amount eligible for the tax relief provided for under Article 158-3-2° of the French Tax Code for eligible shareholders *(in euros)*	Amount not eligible for the tax relief provided for under Article 158-3-2° of the French Tax Code *(in euros)*
2020	294,848,054	1.00	0	294,848,054[(a)]
2021	487,663,992	1.70	0	487,663,992[(a)]
2022	502,007,051	1.75	259,949,713	242,057,338[(a)]

(a) Entirely comprising an equity repayment, within the meaning of Article 112-1° of the French Tax Code.

The General Meeting confers all necessary powers on the Executive Board to determine the number of shares held by the Company and the amount of the balance of equity premiums.

Fourth resolution – Related-party agreements

Pursuant to the fourth resolution, you are asked to note that the Statutory Auditors' special report on agreements governed by Article L. 225-86 of the French Commercial Code (*Code de commerce*) does not mention any new agreement authorized by the Supervisory Board during the year ended December 31, 2023 and not yet approved by the General Meeting.

You are invited to approve the fourth resolution as presented to you.

Fourth resolution

(Approval of the Statutory Auditors' special report on the agreements referred to in Article L. 225-86 of the French Commercial Code)

The General Meeting, acting under the conditions of quorum and majority required for Ordinary General Meetings and having considered the Executive Board's report and the Statutory Auditors' special report on the agreements referred to in Article L. 225-86 *et seq.* of the French Commercial Code, places on record that the Statutory Auditors were not made aware of any new agreement that remained in force during the fiscal year ended December 31, 2023, and approves the terms of this report.

Fifth to sixth resolutions – Appointment of Deloitte & Associés and Ernst & Young Audit as joint Statutory Auditors in charge of certifying sustainability information

Following the transposition of the European Corporate Sustainability Reporting Directive (CSRD) into French law, effective January 1, 2024, your Company's sustainability reporting must be certified by a Statutory Auditor or an "independent third party". Accordingly, you are asked to appoint Deloitte & Associés and Ernst & Young Audit as joint Statutory Auditors in charge of certifying sustainability information.

You are invited to approve the fifth to sixth resolutions as presented to you.

Fifth resolution

(Appointment of Deloitte & Associés as joint Statutory Auditor in charge of certifying sustainability information)

On the recommendation of the Supervisory Board, the General Meeting, acting under the conditions of quorum and majority required for Ordinary General Meetings, appoints Deloitte & Associés as joint Statutory Auditor, in charge of certifying sustainability information, for a three-year term, i.e., until the close of the General Meeting to be held in 2027 to approve the financial statements for the year ending December 31, 2026.

Deloitte & Associés has stated that it will accept this appointment.

Sixth resolution

(Appointment of Ernst & Young Audit as joint Statutory Auditor in charge of certifying sustainability information)

On the recommendation of the Supervisory Board, the General Meeting, acting under the conditions of quorum and majority required for Ordinary General Meetings, appoints Ernst & Young Audit as joint Statutory Auditor in charge of certifying sustainability information, for a three-year term, i.e., until the close of the General Meeting to be held in 2027 to approve the financial statements for the year ending December 31, 2026.

Ernst & Young Audit has stated that it will accept this appointment.

Seventh to tenth resolutions – Re-appointment of members of the Supervisory Board

Pursuant to the seventh to tenth resolutions, you are invited to re-appoint David Simon, John Carrafiell, Steven Fivel and Robert Fowlds for terms of three years, expiring at the end of the Ordinary Shareholders' Meeting to be called in 2027 to approve the financial statements for the fiscal year ending December 31, 2026.

As their terms of office are due to expire at the end of the 2024 General Meeting, David Simon, John Carrafiell, Steven Fivel and Robert Fowlds are seeking to be re-appointed. After reviewing the individual situation of each of these four members and given their skills (as presented in the skills matrix below), the quality of their contribution to the Supervisory Board's work and to the Committees of which they are members, their solid understanding of the Group's challenges and their assiduous attendance at meetings, both the Nomination and Compensation Committee and the Supervisory Board are in favor of their re-appointment.

	Retail and consumer goods	International	Finance	Real estate	Management	Digital and online retail	CSR	Corporate governance and compensation	Risk management and compliance
David Simon	•	•	•	•	•	•		•	•
John Carrafiell		•	•	•	•	•	•	•	•
Steven Fivel	•	•	•	•	•		•	•	•
Robert Fowlds		•	•	•	•			•	

David Simon

If this re-appointment is approved, the Supervisory Board will re-appoint David Simon as Chairman of the Supervisory Board and member of the Investment Committee.

David Simon is extremely diligent, involved and active in the work of the Supervisory Board and the Investment Committee of Klépierre, whose interests he is well-placed to defend:

- David Simon is the Chief Executive Officer and main shareholder of Simon Property Group, Inc., Klépierre's leading shareholder;
- Simon Property Group, Inc. operates in the same industry as Klépierre, in which it is a world leader with a portfolio of over 230 commercial property assets in the Americas, Asia and Europe;
- With more than 30 years' experience at Simon Property Group, Inc., David Simon brings to the Company's Supervisory Board his sharp vision and in-depth knowledge of property and retail;
- He initiates and drives high-value discussions regarding Klépierre's strategy, investment choices and organization;
- His attendance rate at 2023 Supervisory Board and Investment Committee meetings was excellent, at 100%. More broadly, since his appointment in 2012, David Simon has attended all but one Supervisory Board and Investment Committee meeting.

David Simon was appointed to the Supervisory Board on the proposal of Simon Property Group, Inc., and is not regarded as independent based on the criteria set out in the AFEP-MEDEF Corporate Governance Code. However, he does not have any business relationships with Klépierre.

His biography can be found on page 234 of this document.

John Carrafiell

If this re-appointment is approved, the Supervisory Board will re-appoint John Carrafiell as member of the Audit Committee.

Leveraging his financial qualifications, John Carrafiell makes a significant contribution to the Supervisory Board and the Audit Committee thanks to his understanding of financial fundamentals and risk analysis. His attendance rate at 2023 meetings of the Supervisory Board and Audit Committee was 100%.

John Carrafiell has been a member of the Supervisory Board since 2014. He is regarded as independent according to the criteria set out in the AFEP-MEDEF Corporate Governance Code.

His biography can be found on page 235 of this document.

Steven Fivel

If this re-appointment is approved, the Supervisory Board will re-appoint Steven Fivel as member of the Sustainable Development Committee, Investment Committee and Nomination and Compensation Committee.

Steven Fivel brings to the Supervisory Board and to the Committees on which he serves his varied expertise, including in the real estate industry and in management and governance. His attendance rate at 2023 meetings of the Supervisory Board, Sustainable Development Committee, Investment Committee, and Nomination and Compensation Committee was 100%.

Steven Fivel was appointed to the Supervisory Board in 2012 on the proposal of Simon Property Group, Inc., and he is not regarded as independent based on the criteria set out in the AFEP-MEDEF Corporate Governance Code. However, he does not have any business relationships with Klépierre.

His biography can be found on page 237 of this document.

Robert Fowlds

If this re-appointment is approved, the Supervisory Board will re-appoint Robert Fowlds as member of the Investment Committee.

Robert Fowlds brings to the Supervisory Board and Investment Committee his financial expertise and specialist knowledge of the real estate industry, including at an international level. His attendance rate at 2023 meetings of the Supervisory Board and the Investments Committee was 100%.

Robert Fowlds was appointed to the Supervisory Board in 2018 on the proposal of Stichting Depositary APG Strategic Real Estate Pool. He is not regarded as independent based on the criteria set out in the AFEP-MEDEF Corporate Governance Code. However, he does not have any business relationships with Klépierre.

His biography can be found on page 238 of this document.

The current membership of the Supervisory Board (which would remain unchanged in the event of the re-appointment of the above members) is set forth on pages 231 *et seq.* of this document. As a result, the Supervisory Board comprises:

- Five independent members, representing 56% of Board members, above the minimum 50% proportion recommended by the AFEP-MEDEF Code;
- Four women, representing 44% of Board members, above the 40% proportion required under the French Commercial Code;
- Five non-French members.

In accordance with the AFEP-MEDEF Code, the Supervisory Board regularly reflects on the desirable balance of its membership and that of the Specialized Committees in order to guarantee shareholders and the market that its duties are carried out with the necessary independence and objectivity, in line with the Group's challenges and strategy. When reviewing its membership and the proposals for appointment or re-appointment submitted to the General Meeting, the Supervisory Board is particularly attentive to the individual situation of each of its members, namely:

- The skills and experience they contribute to the work of the Board and the Specialized Committees;
- Their availability and attendance at meetings, as well as their commitment;
- Their situation as regards conflicts of interest;
- Their contribution to the diversity of the Board in terms of qualifications, age, gender, service, nationality, and professional experience.

At the date hereof, the Supervisory Board considers that its current membership is balanced and satisfactory and meets both regulatory requirements and the recommendations of the AFEP-MEDEF Code. All of its members have expertise and complementary skills. In addition, they all have in-depth knowledge of Klépierre and its operations. The Board also notes that its members are active and attend meetings assiduously.

You are invited to approve the seventh to tenth resolutions as presented to you.

Seventh resolution

(Re-appointment of David Simon as a member of the Supervisory Board)

The General Meeting, acting under the conditions of quorum and majority required for Ordinary General Meetings and having considered the Executive Board's report and the Supervisory Board's corporate governance report, and noted that the term of office of David Simon as member of the Supervisory Board expires at the close of this General Meeting, resolves to re-appoint him for a period of three years expiring at the end of the Ordinary General Meeting to be called in 2027 to approve the financial statements for the fiscal year ending December 31, 2026.

David Simon is seeking re-appointment and has stated that he neither holds any position nor is affected by any impediment that might prevent him from serving another term.

Eighth resolution

(Re-appointment of John Carrafiell as a member of the Supervisory Board)

The General Meeting, acting under the conditions of quorum and majority required for Ordinary General Meetings and having considered the Executive Board's report and the Supervisory Board's corporate governance report, and noted that the term of office of John Carrafiell as member of the Supervisory Board expires at the close of this General Meeting, resolves to re-appoint him for a period of three years expiring at the end of the Ordinary General Meeting to be called in 2027 to approve the financial statements for the fiscal year ending December 31, 2026.

John Carrafiell is seeking re-appointment and has stated that he neither holds any position nor is affected by any impediment that might prevent him from serving another term.

Ninth resolution

(Re-appointment of Steven Fivel as a member of the Supervisory Board)

The General Meeting, acting under the conditions of quorum and majority required for Ordinary General Meetings and having considered the Executive Board's report and the Supervisory Board's corporate governance report, and noted that the term of office of Steven Fivel as member of the Supervisory Board expires at the close of this General Meeting, resolves to re-appoint him for a period of three years expiring at the end of the Ordinary General Meeting to be called in 2027 to approve the financial statements for the fiscal year ending December 31, 2026.

Steven Fivel is seeking re-appointment and has stated that he neither holds any position nor is affected by any impediment that might prevent him from serving another term.

Tenth resolution

(Re-appointment of Robert Fowlds as a member of the Supervisory Board)

The General Meeting, acting under the conditions of quorum and majority required for Ordinary General Meetings and having considered the Executive Board's report and the Supervisory Board's corporate governance report, and noted that the term of office of Robert Fowlds as member of the Supervisory Board expires at the close of this General Meeting, resolves to re-appoint him for a period of three years expiring at the end of the Ordinary General Meeting to be called in 2027 to approve the financial statements for the fiscal year ending December 31, 2026.

Robert Fowlds is seeking re-appointment and has stated that he neither holds any position nor is affected by any impediment that might prevent him from serving another term.

Eleventh resolution – Appointment of Anne Carron as a member of the Supervisory Board

Rose-Marie Van Lerberghe resigned from her office as member of the Supervisory Board on February 9, 2024, as of the end the 2024 General Meeting. As her successor, you are asked to appoint Anne Carron as a member of the Supervisory Board for a three-year term, expiring at the end of the Shareholders' Meeting to be called in 2027 to approve the financial statements for the fiscal year ending December 31, 2026. Anne Carron will also be a member of the Board Committees on which Rose-Marie Van Lerberghe previously sat.

After review by the Supervisory Board at its meeting of February 13, 2024, Anne Carron was classified as independent based on the criteria of the AFEP-MEDEF Code.

Chief Human Resources Officer at the Eutelsat group

International | Management | CSR | Corporate governance and compensation

During an extensive and diverse career, she has supported the growth and transformation of companies, first as a Corporate and M&A lawyer at Linklaters, and subsequently within the Carrefour group in the posts of Deputy Legal Director, then Human Resources Director. Anne was instrumental in enhancing Carrefour's operational performance by leveraging HR strategies to reinforce the customer mindset across Carrefour teams, support digitization and assist the company as it evolved, developing greater agility and a culture of collaboration. She left Carrefour to found the consultancy HR Mobiliwork, which offers HR services aimed at developing the collaboration between large groups and start-ups.

Anne Carron is a graduate in Business Administration from ESSEC Business School and holds a Certificate in Artificial Intelligence from the MIT Sloan School of Management. She is also a member of the Paris Bar and an INSEAD Certified Director in Corporate Governance.

You are invited to approve the eleventh resolution as presented to you.

Eleventh resolution

(Appointment of Anne Carron as a member of the Supervisory Board to replace Rose-Marie Van Lerberghe)

The General Meeting, acting under the conditions of quorum and majority required for Ordinary General Meetings and having considered the Executive Board's report and the Supervisory Board's corporate governance report, appoints Anne Carron as a member of the Supervisory Board, to replace Rose-Marie Van Lerberghe, for a period of three years expiring at the end of the Ordinary General Meeting to be called in 2027 to approve the financial statements for the fiscal year ending December 31, 2026.

Anne Carron has indicated that she would accept this appointment and has stated that she neither holds any position nor is affected by any impediment that might prevent her from serving the term.

Twelfth to fourteenth resolutions – 2024 compensation policies applicable to the Supervisory Board and Executive Board

Pursuant to the twelfth to fourteenth resolutions, you are asked to approve the 2024 compensation policies for the Chairman and the other members of the Supervisory Board and the Chairman and the other members of the Executive Board, respectively, for the performance of their offices.

2024 compensation policy for the Chairman and the other members of the Supervisory Board

No changes are envisaged in the compensation policy of the Chairman and the other members of the Supervisory Board for 2024 versus the policy in place for fiscal year 2023.

As a reminder, the compensation of the Chairman and members of the Supervisory Board consists solely of an overall budget, the maximum of which was set at €700,000 by the Ordinary and Extraordinary Shareholders' Meeting of April 19, 2016 (i.e., €688,000 for a nine-member Supervisory Board).

Taking into account the fact that the number of Supervisory Board members was reduced to nine following the General Meeting of April 18, 2017, the utilization in fiscal year 2024 of the annual fixed budget of €700,000 is not expected to exceed €688,000. Subject to the approval of the 2024 General Meeting (12th resolution), the annual budget will be determined in 2025 by the Supervisory Board based on the duties of each member on the Board and its various Committees, distinguishing between Chair or Vice Chair and members, as well as their actual presence at Board and Committee meetings during the year, as follows:

Office	Compensation	Total
Chair (of the Supervisory Board or Committees) or Vice Chair of the Supervisory Board	Fixed portion: €22,000 per office Variable portion: N/A	€132,000
Supervisory Board members	Fixed portion: €12,000	€108,000
	Variable portion: amount based on attendance record at Board meetings	€224,000
Committee members	Fixed portion: N/A Variable portion: Amount based on attendance record at the relevant Committee meetings	€224,000
TOTAL		**€688,000**

The table above shows that the variable component is the major portion, representing up to 65% of the overall amount, in accordance with the recommendations of the AFEP-MEDEF Code.

Supervisory Board members may also obtain the reimbursement of all reasonable costs and expenses arising from the exercise of their duties, subject to providing the necessary supporting documentation.

No other components of compensation are awarded to the Chairman and members of the Supervisory Board or its Committees, and no agreements (employment or service agreements) have been entered into by Board or Committee members with the Company or any other Klépierre Group entity.

Pursuant to Article L. 22-10-34, paragraph II of the French Commercial Code, the amounts payable under this policy will be submitted for the approval of the shareholders at the General Meeting called to approve the financial statements for the fiscal year ending December 31, 2024.

The compensation policy for the Chairman and the other members of the Supervisory Board is presented in detail in sections 6.2.1.1 "Fundamental principles for setting the compensation policy", 6.2.1.2 "Decision-making process for setting, revising and implementing the compensation policy" and 6.2.2.1 "Compensation of the Chairman and the other members of the Supervisory Board for fiscal year 2024" of the present document.

2024 compensation policy for the Chairman and the other members of the Executive Board

The compensation applicable to the Chairman and the other members of the Executive Board for 2024, as established by the Supervisory Board on February 13, 2024 based on the work of the Nomination and Compensation Committee meeting of February 9, 2024, remains unchanged versus 2023.

SUMMARY PRESENTATION OF THE 2024 COMPENSATION STRUCTURE FOR THE CHAIRMAN AND THE OTHER MEMBERS OF THE EXECUTIVE BOARD AS PROPOSED TO THE 2024 GENERAL MEETING

Fixed compensation	Short-term variable compensation (capped at: 150% of fixed compensation)	Long-term variable compensation (capped at: 100% of short-term compensation[(a)])			
Annual compensation Benefits in kind	Quantitative criteria (up to 100% of fixed compensation) + Qualitative criteria (up to 50% of fixed compensation)	Absolute stock market performance of Klépierre (TSR)	Relative stock market performance versus a panel of comparable companies (TSR)	Internal performance (change in shopping center net rental income)	CSR performance
		20%	25%	20%	35%
		Performance assessed over three years (except in cases provided for in the plan regulations; see page 267)			
		Shareholding obligation (see page 269)			

(a) Short-term compensation is equal to the sum of fixed compensation and short-term variable compensation when the target is fully met.

The Nomination and Compensation Committee regularly benchmarks the practices of companies comparable in size and activities to Klépierre, notably to verify (i) the appropriateness of Executive Board member compensation with regard to the Group's size and to Board members' experience as well as (ii) the competitiveness of the compensation offered to Executive Board members versus the benchmark.

In addition, the Supervisory Board may, in exceptional circumstances and after having solicited the opinion of the Nomination and Compensation Committee, use its judgment to adapt or amend the criteria or calculation scale (upwards or downwards) used to determine the annual short-term variable compensation of the Chairman and the other members of the Executive Board, in the event that the impact of such an exceptional circumstance were disproportionate with regard to the fundamental principles of the compensation policy.

In any event, the Supervisory Board's faculty in this regard (which is separate from the powers granted under the legal exemption provided for in Article L. 22-10-26 of the French Commercial Code) may not give rise to a change in either the weighting of the quantitative component of short-term variable compensation (capped at 100% of fixed compensation) or of the qualitative component of short-term variable compensation (capped at 50% of fixed compensation). If this faculty were to relate to the modification of the assessed components subject to performance criteria, the modification may not lead to a significant change in the components initially provided for.

Exceptional circumstances that may give rise to the use of this faculty include any exogenous event that could not reasonably have been taken into consideration or quantified at the time the compensation policy was set, such as a pandemic and any events with a comparable impact on Klépierre's business.

The Supervisory Board is required to give account to shareholders in the event that it exercises this discretionary faculty. It will ensure that any adjustments make it possible to measure the effective performance of the Chairman and the other members of the Executive Board in light of the circumstances that justified the use of the faculty, and taking into account the interests of all stakeholders.

The proposed 2024 compensation policy for the Chairman and the other members of the Executive Board is presented in detail in sections 6.2.1.1 "Fundamental principles for setting the compensation policy", 6.2.1.2 "Decision-making process for setting, revising and implementing the compensation policy" and 6.2.2.2 "Compensation of the Chairman and the other members of the Executive Board for fiscal year 2024" of this document.

You are invited to approve the twelfth to fourteenth resolutions as presented to you.

Twelfth resolution

(Approval of the 2024 compensation policy for the Chairman of the Supervisory Board and the other members of the Supervisory Board)

The General Meeting, acting under the conditions of quorum and majority required for Ordinary General Meetings, and having considered the Supervisory Board's corporate governance report describing the compensation policy for executive corporate officers drawn up in accordance with Article L. 22-10-26 of the French Commercial Code and as set out in this document in sections 6.2.1.1 "Fundamental principles for setting the compensation policy", 6.2.1.2 "Decision-making process for setting, revising and implementing the compensation policy", and 6.2.2.1 "Compensation of the Chairman and the other members of the Supervisory Board for fiscal year 2024", approves the 2024 compensation policy for the Chairman and the other members of the Supervisory Board, including the principles and criteria for distributing and allotting sums allocated to the compensation of the Chairman and the other members of the Supervisory Board as set out in the aforementioned document.

Thirteenth resolution

(Approval of the 2024 compensation policy for the Chairman of the Executive Board)

The General Meeting, acting under the conditions of quorum and majority required for Ordinary General Meetings, and having considered the Supervisory Board's corporate governance report describing the compensation policy for corporate officers and drawn up in accordance with Article L. 22-10-26 of the French Commercial Code and as set out in this document in sections 6.2.1.1 "Fundamental principles for setting the compensation policy", 6.2.1.2 "Decision-making process for setting, revising and implementing the compensation policy", and 6.2.2.2.1 "Components of compensation for the Chairman of the Executive Board for fiscal year 2024", approves the compensation policy for the Chairman of the Executive Board for fiscal year 2024, including the principles and criteria for distributing sums allocated to the compensation of the Chairman of the Executive Board as set out in the aforementioned document.

Fourteenth resolution

(Approval of the 2024 compensation policy for the members of the Executive Board (excluding the Chairman))

The General Meeting, acting under the conditions of quorum and majority required for Ordinary General Meetings, and having considered the Supervisory Board's corporate governance report describing the compensation policy for corporate officers and drawn up in accordance with Article L. 22-10-26 of the French Commercial Code and as set out in this document in sections 6.2.1.1 "Fundamental principles for setting the compensation policy", 6.2.1.2 "Decision-making process for setting, revising and implementing the compensation policy", and 6.2.2.2.2 "Components of compensation for the members of the Executive Board (excluding the Chairman) for fiscal year 2024", approves the 2024 compensation policy for the members of the Executive Board (excluding the Chairman), including the principles and criteria for distributing and allotting sums allocated to the compensation of said members of the Executive Board as set out in the aforementioned document.

Fifteenth resolution – Approval of the disclosures on the compensation for 2023 of the Chairman and the members of the Supervisory Board and the Chairman and the members of the Executive Board required under paragraph I of Article L. 22-10-9 of the French Commercial Code

The General Meeting is invited to hold an *ex-post* vote on the disclosures on corporate officer compensation required under paragraph I of Article L. 22-10-9 of the French Commercial Code, as presented in section 6.2.3 "Supervisory Board and Executive Board compensation for fiscal year 2023" of this document.

You are invited to approve the fifteenth resolution as presented to you.

Fifteenth resolution

(Approval of the information referred to in paragraph I of Article L. 22-10-9 of the French Commercial Code relating to the compensation of corporate officers paid during or allotted for the fiscal year ended December 31, 2023)

The General Meeting, acting under the conditions of quorum and majority required for Ordinary General Meetings and having considered the Supervisory Board's corporate governance report, approves, pursuant to Article L. 22-10-34 paragraph I of the French Commercial Code, the information required under Article L. 22–10-9 paragraph I of said Code, as presented in the Supervisory Board's corporate governance report referred to in Article L. 225-68 of said code and set out in this document in section 6.2.3 "Supervisory Board and Executive Board compensation (fiscal year 2023)".

Sixteenth to eighteenth resolutions – Approval of the components of compensation paid during or allotted for fiscal year 2023 to the Chairman of the Supervisory Board, the Chairman of the Executive Board and the other members of the Executive Board

The General Meeting is invited to hold an *ex-post* vote on the amount or value of the components of compensation paid during or allotted for fiscal year 2023 to the Chairman of the Supervisory Board, the Chairman of the Executive Board and each of the members of the Executive Board.

The components of compensation paid during or allotted for fiscal year 2023 to executive corporate officers are presented in section 6.2.3 "Supervisory Board and Executive Board compensation for fiscal year 2023" of this document.

You are invited to approve the sixteenth to eighteenth resolutions as presented to you.

Sixteenth resolution

(Approval of the fixed, variable and exceptional components of the total compensation and benefits in kind paid during or allotted for the fiscal year ended December 31, 2023 to David Simon in his capacity as Chairman of the Supervisory Board)

The General Meeting, acting under the conditions of quorum and majority required for Ordinary General Meetings and having considered the Supervisory Board's corporate governance report, approves, pursuant to paragraph II of Article L. 22-10-34 of the French Commercial Code, the fixed, variable and exceptional components comprising the total compensation and benefits in kind paid during or allotted for fiscal year 2023 to David Simon in his capacity as Chairman of the Supervisory Board, as set out in this document in section 6.2.3.1 b) "Chairman of the Supervisory Board".

Seventeenth resolution

(Approval of the fixed, variable and exceptional components of the total compensation and benefits in kind paid during or allotted for the fiscal year ended December 31, 2023 to Jean-Marc Jestin in his capacity as Chairman of the Executive Board)

The General Meeting, acting under the conditions of quorum and majority required for Ordinary General Meetings and having considered the Supervisory Board's corporate governance report, approves, pursuant to paragraph II of Article L. 22-10-34 of the French Commercial Code, the fixed, variable and exceptional components comprising the total compensation and benefits in kind paid during or allotted for fiscal year 2023 to Jean-Marc Jestin in his capacity as Chairman of the Executive Board, as set out in this document in section 6.2.3.2.1 "Components of compensation paid during or allotted for fiscal year 2023 to Jean-Marc Jestin, Chairman of the Executive Board".

Eighteenth resolution

(Approval of the fixed, variable and exceptional components of the total compensation and benefits in kind paid during or allotted for the fiscal year ended December 31, 2023 to Stéphane Tortajada in his capacity as Chief Financial Officer and member of the Executive Board)

The General Meeting, acting under the conditions of quorum and majority required for Ordinary General Meetings and having considered the Supervisory Board's corporate governance report, approves, pursuant to paragraph II of Article L. 22-10-34 of the French Commercial Code, the fixed, variable and exceptional components comprising the total compensation and benefits in kind paid during or allotted for fiscal year 2023 to Stéphane Tortajada in his capacity as Chief Financial Officer, member of the Executive Board, as set out in this document in section 6.2.3.2.2 "Components of compensation paid during or allotted for fiscal year 2023 to Stéphane Tortajada, member of the Executive Board, Chief Financial Officer".

Nineteenth resolution – Authorization for the Company to buy back its own shares

The General Meeting is invited to renew the authorization granted to the Executive Board on May 11, 2023, for a further period of 18 months, to trade in the Company's shares, notably in order:

- To maintain the secondary market in or liquidity of the Klépierre SA share through an investment services provider pursuant to a liquidity agreement that complies with decision 2021-01 of June 22, 2021 of the French financial markets authority (*Autorité des marchés financiers* – AMF) or with market practices permitted by the AMF; or
- To hold the shares purchased for subsequent delivery (as exchange, payment or other) as part of an acquisition, merger, spin-off or asset transfer transaction; or
- To allot free shares of the Company under the provisions of Articles L. 225-197-1 *et seq.* and L. 22-10-59 *et seq.* of the French Commercial Code or of any similar plan; or
- To allot or sell shares to employees in connection with an employee profit-sharing plan or pursuant to an employee savings plan under the conditions provided for by law, in particular Articles L. 3332-1 *et seq.* of the French Labor Code (Code du travail); or
- To implement any Company stock option plan in accordance with the provisions of Articles L. 225-177 and L. 22-10-56 *et seq.* of the French Commercial Code or any other similar plan; or
- In general, to honor obligations with respect to stock option programs or other share allotments to employees or corporate officers of the Company or of a related company; or
- To deliver shares on the exercise of rights attached to securities giving rights to shares of the Company by redemption, conversion, exchange, presentation of a warrant or any other means; or
- To cancel all or a portion of the securities purchased in this way.

The Executive Board may not use this authorization during the offer period in the event of a public offer initiated by a third party for the Company's shares without the prior authorization of the General Meeting.

The shares may be purchased, sold, exchanged or transferred by any means, on one or more occasions, in particular on the market or over-the-counter, including in whole or in part, by purchasing, selling, exchanging or transferring blocks of shares. Where appropriate, these means shall include the use of financial futures.

The number of Company shares that may be purchased in this manner would be subject to the following ceilings: on the date of each buyback, the total number of shares purchased by the Company since the start of the buyback program may not exceed 10% of the shares comprising the Company's share capital, and the number of shares held by the Company at any time may not exceed 10% of the shares comprising the Company's share capital at the relevant date.

The maximum purchase price per share would be €35, representing a total amount allocated to the share buyback program of €1,004,014,095, excluding acquisition costs.

This authorization is requested for a period of 18 months and would supersede the authorization granted by the General Meeting of May 11, 2023.

For information purposes, no shares were bought back during the fiscal year ended December 31, 2023.

You are invited to approve the nineteenth resolution as presented to you.

Nineteenth resolution

(Authorization, for a period of 18 months, to trade in the Company's shares, not to be used during a public offer)

The General Meeting, acting under the conditions of quorum and majority required for Ordinary General Meetings and having considered the Executive Board's report, authorizes the Executive Board, which may delegate under the conditions provided for by law and the Company's bylaws, in accordance with the provisions in Articles L. 22-10-62 *et seq.* and L. 225-210 *et seq.* of the French Commercial Code, Regulation (EU) 596/2014 of the European Parliament and of the Council of April 16, 2014 and Commission Delegated Regulation (EU) 2016/1052 of March 8, 2016, as well as any other legal and regulatory provisions which may be applicable, to purchase or arrange for the purchase of the Company's shares, notably in order:

- To maintain the secondary market in or liquidity of the Klépierre share through an investment services provider pursuant to a liquidity agreement that complies with decision 2021-01 of June 22, 2021 of the French financial markets authority (*Autorité des marchés financiers* – AMF) or with market practices permitted by the AMF; or

- To hold the shares purchased for subsequent delivery (as exchange, payment or other) as part of an acquisition, merger, spin-off or asset transfer transaction; or
- To allot free shares of the Company under the provisions of Articles L. 225-197-1 *et seq.* and L. 22-10-59 *et seq.* of the French Commercial Code or of any similar plan; or
- To allot or sell shares to employees in connection with an employee profit-sharing plan or pursuant to an employee savings plan under the conditions provided for by law, in particular Articles L. 3332-1 *et seq.* of the French Labor Code (*Code du travail*); or
- To implement any Company stock option plan in accordance with the provisions of Articles L. 225-177 and L. 22-10-56 *et seq.* of the French Commercial Code or any other similar plan; or
- In general, to honor obligations with respect to stock option programs or other share allotments to employees or corporate officers of the Company or of a related company; or
- To deliver shares on the exercise of rights attached to securities giving rights to shares of the Company by redemption, conversion, exchange, presentation of a warrant or any other means; or
- To cancel all or a portion of the securities purchased in this way.

The General Meeting resolves that this program is also intended to enable any future market practices permitted by the AMF to be implemented, and more generally, any transaction in accordance with the legislation and regulations in force or which may become applicable. In that event, the Company will inform its shareholders by way of a press release.

The General Meeting resolves that the number of shares that may be purchased by the Company is subject to the following limits:

- The total number of shares purchased by Company since the start of the buyback program (including those subject to the said buyback) may not exceed 10% of the shares comprising the Company's share capital, at any time whatsoever, this percentage being applied to the share capital as adjusted to take into account the impact of any transactions affecting the share capital after this General Meeting, on the understanding (i) that the number of shares purchased by the Company with a view to their being held and subsequently delivered as payment or exchange as part of a merger, spin-off or asset transfer transaction may not exceed 5% of the share capital; and (ii) in accordance with the provisions in Article L. 22-10-62 of the French Commercial Code, that when the shares are purchased to maintain a liquid market under the conditions defined by the General Regulation of the AMF, the number of shares included in the calculation of the abovementioned 10% ceiling corresponds to the number of shares purchased, less the number of shares resold during the authorization period;
- The number of shares held by the Company at any given time may not exceed 10% of the shares comprising the Company's share capital at the relevant date.

The General Meeting resolves that such operations may be carried out on one or more occasions, at any time within the limits authorized by the legal and regulatory provisions in force and in those provided for in this resolution (except during a public offer initiated by a third party for the Company's shares), and by any means, on regulated markets, multilateral trading systems, using systematic internalizers or over-the-counter, including by purchasing or selling blocks of securities (without limiting the proportion of the buyback program that may be carried out in this way), by public tender or exchange offer, or by using options or other financial futures, or by delivering shares following the issue of securities giving rights to shares of the Company by conversion, exchange, redemption, exercising of a warrant or any other means, whether directly or indirectly through an investment services provider.

The General Meeting sets the maximum purchase price of the shares under this resolution at €35 per share (or the exchange value of this amount in any other currency at the same date), excluding acquisition fees. This maximum price only applies to purchases decided after the date of this General Meeting and not to future transactions carried out pursuant to an authorization granted by a previous General Meeting and providing for purchases after the date of this General Meeting. In the event of transactions affecting the share capital, and in particular share splits or consolidations or the allotment of free shares, or of transactions affecting shareholders' equity, the abovementioned amount will be adjusted to take account of the impact of the value of such transactions on the share value.

The General Meeting notes, for information purposes, that the maximum purchase price per share of €35 (or the exchange value of this amount in any other currency at the same date), excluding acquisition fees and on the basis of the number of shares comprising the Company's share capital at December 31, 2023, corresponds to the total amount allocated to the share buyback program, the subject of this resolution, i.e., €1,004,014,095, excluding acquisition fees.

The General Meeting delegates to the Executive Board, which may sub-delegate under the conditions provided by law, in the event of a change in the par value, the power to carry out the following transactions (i) capital increase by capitalization of reserves, (ii) allotment of free shares, (iii) share splits or consolidations, (iv) reserve or other asset distributions, (v) capital amortization, or (vi) any other transaction affecting the shareholders' equity, as well as the power to adjust the abovementioned maximum purchase price to take into account the impact on the value of the share.

The General Meeting delegates to the Executive Board, which may sub-delegate under the conditions provided by law, all powers to implement this authorization, to carry out these transactions, to determine the terms and conditions thereof, to enter into any agreements and to complete any formalities, to issue stock exchange instructions, to allocate or reallocate purchased shares to various objectives, and to submit any declarations to the AMF or any other competent authority.

The General Meeting sets the authorization period at 18 months, from the date of this General Meeting, and notes that, from this same date, this delegation of authority supersedes the delegation of authority granted by the 21st resolution of the Company's General Meeting of May 11, 2023.

Resolutions of the Extraordinary General Meeting

Twentieth to twenty-second resolutions – Amendments to the Company's bylaws to take into account certain provisions of the French Commercial Code

The General Meeting is asked to amend the Company's bylaws to take into account certain provisions of the French Commercial Code and updates to French Company law, as follows:

- Article 7: include in the calculation of statutory thresholds the cases of assimilation provided for in Article L. 233-9 of the French Commercial Code with regard to legal thresholds, and thus harmonize the methods for calculating legal and statutory thresholds;
- Article 12: bring the bylaws into line with the provisions of Article L. 225-25 of the French Commercial Code;
- Article 25: remove the reference to two Alternate Statutory Auditors.

You are invited to approve the twentieth to twenty-second resolutions as presented to you.

Twentieth resolution

(Amendment to Article 7 of the Company's bylaws to refer to the application of the legal rules of equivalence for calculating the applicable thresholds in the bylaws)

The General Meeting, acting under the conditions of quorum and majority required for Extraordinary General Meetings and having reviewed the Executive Board's report, resolves to amend Article 7 of the Company's bylaws in order to:

- Explicitly include in the calculation of statutory thresholds the cases of assimilation provided for in Article L. 233-9 of the French Commercial Code with regard to legal thresholds, and thus harmonize the methods for calculating legal and statutory thresholds;
- Correct material cross-referencing errors.

Accordingly, Article 7 of the Company's bylaws now reads as follows, with the changes in bold:

Old version	New version
Fully paid-up shares are in registered or bearer form, at the holder's discretion.	*Fully paid-up shares are in registered or bearer form, at the holder's discretion.*
Shares are registered in a shareholder account in accordance with the terms and conditions provided for in the applicable laws and regulations.	*Shares are registered in a shareholder account in accordance with the terms and conditions provided for in the applicable laws and regulations.*
Shares resulting from a capital increase may be traded as soon as the capital increase has been completed.	*Shares resulting from a capital increase may be traded as soon as the capital increase has been completed.*
Any individual or legal entity, acting alone or in concert, that acquires at least 2% of the Company's share capital (or any multiple thereof) is required to inform the Company by registered letter with acknowledgment of receipt indicating the number of shares held, within five trading days of the date of the threshold crossing.	*Any individual or legal entity, acting alone or in concert, that acquires at least 2% of the Company's share capital (or any multiple thereof) is required to inform the Company by registered letter with acknowledgment of receipt indicating the number of shares held, within five trading days of the date of the threshold crossing.*
If the 10% threshold of the Company's share capital is directly or indirectly exceeded (i.e., ownership of 10% or more of the rights to the dividends paid by the Company), any shareholder other than an individual is required to indicate in its threshold crossing disclosure whether or not it is a Shareholder Subject to Withholding (as defined in Article 32 of the bylaws). Should such shareholder declare that it was not a Shareholder Subject to Withholding, it would have to substantiate such a claim whenever requested to do so by the Company, as well as provide the Company with a legal opinion from an internationally reputed tax law firm whenever requested to do so. Any shareholder other than an individual who informs the Company that it has directly or indirectly exceeded the 10% threshold of the Company's share capital must promptly notify the Company of any change in its tax status that may cause it to acquire or lose the status of Shareholder Subject to Withholding.	*If the 10% threshold of the Company's share capital is directly or indirectly exceeded (i.e., ownership of 10% or more of the rights to the dividends paid by the Company), any shareholder other than an individual is required to indicate in its threshold crossing disclosure whether or not it is a Shareholder Subject to Withholding (as defined in Article 32 of the bylaws). Should such shareholder declare that it was not a Shareholder Subject to Withholding, it would have to substantiate such a claim whenever requested to do so by the Company, as well as provide the Company with a legal opinion from an internationally reputed tax law firm whenever requested to do so. Any shareholder other than an individual who informs the Company that it has directly or indirectly exceeded the 10% threshold of the Company's share capital must promptly notify the Company of any change in its tax status that may cause it to acquire or lose the status of Shareholder Subject to Withholding.*
Unless they have been disclosed in accordance with the conditions set out in paragraphs 5 and 6 of the present article, the shares exceeding the disclosure threshold will be stripped of voting rights at General Meetings of Shareholders where the failure to disclose is brought to the attention of the Meeting or where one or more shareholders together holding at least 2% of the Company's share capital ask the Meeting to do so. Voting rights will be suspended at all General Meetings of Shareholders held within two years of the date on which the appropriate disclosure is duly made.	*Unless they have been disclosed in accordance with the conditions set out in paragraphs* ***4 and 5*** *of the present article, the shares exceeding the disclosure threshold will be stripped of voting rights at General Meetings of Shareholders where the failure to disclose is brought to the attention of the Meeting or where one or more shareholders together holding at least 2% of the Company's share capital ask the Meeting to do so. Voting rights will be suspended at all General Meetings of Shareholders held within two years of the date on which the appropriate disclosure is duly made.*
All shareholders are also required to inform the Company, in accordance with the procedures and deadlines set out in paragraph 5 above, if their shareholding falls below any of the thresholds mentioned in that paragraph.	All shareholders are also required to inform the Company, in accordance with the procedures and deadlines set out in paragraph **4** above, if their shareholding falls below any of the thresholds mentioned in that paragraph.
	The thresholds referred to in paragraphs 4 and 7 are calculated in accordance with the legal rules of equivalence set out in Article L. 233-9 of the French Commercial Code.

Twenty-first resolution

(Amendment to Article 12 of the Company's bylaws to bring it into line with the provisions of Article L. 225-25 of the French Commercial Code (Code de commerce))

The General Meeting, acting under the conditions of quorum and majority required for Extraordinary General Meetings and having reviewed the Executive Board's report, resolves to amend Article 12 of the Company's bylaws, to bring it into line with the provisions of paragraph 2 of Article L. 225-25 of the French Commercial Code.

Accordingly, Article 12 of the Company's bylaws now reads as follows, with the changes in bold:

Old version	New version
Except where the French Commercial Code allows otherwise, each member of the Supervisory Board must hold at least 60 shares throughout his/her term of office.	*Except where the French Commercial Code allows otherwise, each member of the Supervisory Board must hold at least 60 shares throughout his/her term of office.*
If, on the date of his or her appointment, Supervisory Board members do not own the required number of shares or if, during their term of office, they cease to own them, they are automatically deemed to have resigned if the situation is not remedied within three months.	*If, on the date of his or her appointment, Supervisory Board members do not own the required number of shares or if, during their term of office, they cease to own them, they are automatically deemed to have resigned if the situation is not remedied within* ***six*** *months.*

Twenty-second resolution

(Amendment to Article 25 of the Company's bylaws to remove the reference to two Alternate Statutory Auditors)

The General Meeting, acting under the conditions of quorum and majority required for Extraordinary General Meetings and having reviewed the Executive Board's report, resolves to amend Article 25 of the Company's bylaws, in order to remove the reference to the two Alternate Statutory Auditors.

Accordingly, Article 25 of the Company's bylaws now reads as follows:

Old version	New version
Two Statutory Auditors and two Alternate Statutory Auditors are appointed, who perform their duties in accordance with the law.	*Two Statutory Auditors are appointed, who perform their duties in accordance with the law.*
Their fees are set in accordance with the applicable regulations.	*Their fees are set in accordance with the applicable regulations.*

Resolution of the Ordinary General Meeting

Twenty-third resolution – Powers for formalities.

The Executive Board requests all necessary powers to carry out the publication and filing formalities involved in holding this General Meeting.

You are invited to approve the twenty-third resolution as presented to you.

Twenty-third resolution

(Powers for formalities)

The General Meeting, acting under the conditions of quorum and majority required for Ordinary General Meetings, confers all necessary powers on the bearer of an original, copy or extract of the minutes of this General Meeting to carry out all filing and other formalities required by law.

7.3 DESCRIPTION OF THE TREASURY SHARE BUYBACK PROGRAM

Pursuant to Articles 241-1 *et seq.* of the General Regulation of the AMF, this section provides details of the treasury share buyback program that will be submitted to the Ordinary and Extraordinary General Meeting of May 3, 2024 (the "**2024 Share Buyback Program**").

7.3.1 Date of the General Meeting of Shareholders called to approve the 2024 Share Buyback Program

May 3, 2024.

7.3.2 Shares held by the Company as of January 31, 2024

As of January 31, 2024, Klépierre directly or indirectly held 1,275,541 shares, representing 0.44% of its share capital for an overall amount of €27,178,783.84 (book value).

The above figures and the following information take into account the total number of shares comprising the Company's share capital as of January 31, 2024, i.e., 286,861,172 shares.

7.3.3 Breakdown by objective of the shares held by Klépierre as of January 31, 2024

As of January 31, 2024,

- 1,211,937 shares are allocated to any stock purchase option plans offered by the Company, allotments of free shares or external growth transactions;
- 63,604 shares are allocated to maintaining an orderly market in the Klépierre share on Euronext Paris under the liquidity agreement entered into with Kepler Cheuvreux in January 2023[1] that complies with the applicable legal framework, in particular Regulation (EU) 596/2014 of the European Parliament and of the Council of April 16, 2014, Commission Delegated Regulation (EU) 2016/908 of February 26, 2016, Articles L. 22-10-62 *et seq.* of the French Commercial Code, decision 2021-01 of June 22, 2021 and the legislation referred to therein.

7.3.4 Objectives of the 2024 Share Buyback Program

The objectives of the 2024 Share Buyback Program are as follows:

- To maintain the secondary market in or liquidity of the Klépierre SA share through an investment services provider pursuant to a liquidity agreement that complies with decision 2021-01 of June 22, 2021 of the French financial markets authority (*Autorité des marchés financiers* – AMF) or with market practices permitted by the AMF; or
- To hold the shares purchased for subsequent delivery (as exchange, payment or other) as part of an acquisition, merger, spin-off or asset transfer transaction; or
- To allot free shares of the Company under the provisions of Articles L. 225-197-1 *et seq.* and L. 22-10-59 *et seq.* of the French Commercial Code or of any similar plan; or
- To allot or sell shares to employees in connection with an employee profit-sharing plan or pursuant to an employee savings plan under the conditions provided for by law, in particular Articles L. 3332-1 *et seq.* of the French Labor Code (*Code du travail*); or
- To implement any Company stock option plan in accordance with the provisions of Articles L. 225-177 and L. 22-10-56 *et seq.* of the French Commercial Code or any other similar plan; or
- In general, to honor obligations with respect to stock option programs or other share allotments to employees or corporate officers of the Company or of a related company; or
- To deliver shares on the exercise of rights attached to securities giving rights to shares of the Company by redemption, conversion, exchange, presentation of a warrant or any other means; or
- To cancel all or a portion of the securities purchased in this way.

(1) *https://www.klepierre.com/en/finance/cessation-du-contrat-de-liquidite-existant-et-mise-en-oeuvre-d-un-nouveau-contrat-de-liquidite*

7.3.5 Maximum portion of the share capital to be acquired and maximum number of shares that may be acquired under the 2024 Share Buyback Program

The number of shares that the Company will be authorized to purchase may not exceed 10% of the shares comprising the Company's share capital at any time, this percentage being applied to the share capital as adjusted to take into account any transactions affecting the share capital after this General Meeting.

For information purposes, based on the share capital as of January 31, 2024, less the 1,275,541 shares held in treasury at this date, the maximum number of shares that may be purchased is 27,410,576.

The number of shares that the Company will be authorized to hold at any given time may not exceed 10% of the shares comprising the Company's share capital at the relevant date. For information purposes, based on the share capital existing at January 31, 2024, the maximum number of shares that can be held totals 28,686,117.

7.3.6 Maximum authorized purchase price per share

The maximum purchase price would be €35 per share, on the understanding that this price may be adjusted in the event of any transactions affecting the share capital or shareholders' equity, in order to take into account the impact of such transactions on the share value.

The maximum amount of funds that can be used to finance the 2024 Share Buyback Program is estimated at €1,004,014,095, calculated on the basis of a maximum purchase price of €35 per share and the share capital of Klépierre on January 31, 2024.

7.3.7 Duration of the 2024 Share Buyback Program

In accordance with the nineteenth resolution of the General Meeting, the 2024 Share Buyback Program may be carried out over an 18-month period following that date, i.e., until November 3, 2025.

8

ADDITIONAL INFORMATION

8 ADDITIONAL INFORMATION

8.1 GENERAL INFORMATION

8.1.1 Legal information

Company name	Klépierre
Registered office	26, boulevard des Capucines, 75009 Paris (France)
Legal form	French joint-stock corporation (*société anonyme*) with an Executive Board and a Supervisory Board subject to the legal provisions applicable to French joint-stock corporations, in particular Articles L. 225-57 to L. 225-93 of the French Commercial Code (*Code de commerce*) and all subsequent amendments.
Applicable law	French law
Term of the Company	99 years, expiring on October 3, 2067
Trade and Companies Registry	Paris, 780 152 914
Registration number	SIRET number: 780 152 914 00237
NAF/APE code	6820B
Legal entity identifier	969500PB4U31KEFHZ621
Fiscal year	The fiscal year runs for a period of 12 months beginning on January 1 and ending on December 31.
Website	www.klepierre.com[a]

(a) The information on the corporate website does not form part of this document, unless incorporated by reference.

8.1.2 Corporate purpose

Klépierre's corporate purpose is set out in Article 2 of the bylaws, as follows:

- To acquire, sell or exchange, whether directly or indirectly, any land, real-estate rights and buildings, located in France or abroad, as well as all goods and rights that might constitute an addition or annex to said buildings;
- Through its subsidiaries, to construct buildings on its own account or on behalf of Group companies and engage in all operations directly or indirectly related to the construction of these buildings;
- To operate and enhance property value by leasing such properties or otherwise;
- To enter into any lease agreement as a tenant, in France or abroad;
- To acquire direct or indirect equity interests in the persons indicated in Article 8 and in paragraphs 1, 2 and 3 of Article 206 of the French Tax Code (*Code général des impôts*) and, more generally, to acquire equity interests in any company whose purpose is to operate rental properties;
- As a subsidiary matter, to acquire or dispose of equity interests in any company or enterprise exercising any type of activity in the real estate sector; and
- More generally, to engage in all types of civil, commercial, financial, investment and real estate transactions directly related to the aforementioned purpose or in the furtherance thereof, in particular, borrowing and the constitution of any guarantees or pledges required in relation thereto.

8.1.3 Tax regime

The Company has elected to be taxed under the French real estate investment company (*Sociétés d'investissement immobilier cotées* – SIIC) tax regime in accordance with the terms of Article 208 C of the French General Tax Code.

As such, it is exempt from corporate income tax on:

- Earnings from rental properties, provided that 95% of such earnings are distributed to shareholders before the end of the fiscal year that follows the year in which they are generated;
- Capital gains from the sale of property, investments in partnerships with a corporate purpose identical to that of a SIIC or shareholdings in subsidiaries that have elected for the SIIC regime, provided that 70% of these capital gains are distributed to shareholders before the end of the second fiscal year following the year in which they are generated;
- Dividends received from subsidiaries having elected for SIIC status where these dividends arise as a result of profits and/or capital gains that are exempt from corporate income tax under the SIIC regime, provided that they are distributed during the fiscal year following the year in which they are generated.

8.1.4 Other disclosures

The Company's bylaws are available in full on its website and are incorporated by reference in this Universal Registration Document.

8.2 DOCUMENTS AVAILABLE

The updated bylaws, as well as appraisals and statements made by experts at the Company's request, and all other documents that must be kept at the disposal of shareholders in accordance with the law, may be consulted at the Company's registered office:

26, boulevard des Capucines, 75009 Paris
(tel.: +33 (0)1 40 67 54 00).

Copies of this Universal Registration Document are available free of charge from the Company's registered office and on its website (www.klepierre.com), as well as on the website of the French financial markets authority (*Autorité des marchés financiers* – AMF) (www.amf-france.org).

8.3 STATEMENT BY THE PERSON RESPONSIBLE FOR THE UNIVERSAL REGISTRATION DOCUMENT, WHICH SERVES AS THE ANNUAL FINANCIAL REPORT[1]

I hereby declare that the information contained in this Universal Registration Document is, to my knowledge, in accordance with the facts and contains no omissions likely to affect its import.

I further declare that, to the best of my knowledge, the financial statements have been prepared in accordance with the applicable accounting standards and give a true and fair view of the assets, liabilities, financial position and results of operations of the Company and of all the entities included in the scope of consolidation, and that the management report (for which a cross - reference table is set out below on pages 330 and 331) presents fairly the changes in business, results of operations and financial position of the Company and of all the entities included in the scope of consolidation and describes the main risks and uncertainties facing them.

Paris, March 26, 2024

Jean-Marc Jestin

Chairman of the Executive Board

8.4 PERSONS RESPONSIBLE FOR THE STATUTORY AUDIT AND THE FINANCIAL INFORMATION

8.4.1 Persons responsible for the statutory audit

Statutory Auditors

Deloitte & Associés

6, place de la Pyramide
92908 Paris-La Défense Cedex France
572 028 041 RCS Nanterre

Damien Leurent/Jean-Vincent Coustel

First appointed: General Meeting of Shareholders of June 28, 2006

Last re-appointed: General Meeting of Shareholders of April 26, 2022

Term expires: General Meeting of Shareholders of 2028 to be called to approve the financial statements for fiscal year 2027

Ernst & Young Audit

Tour First
TSA 14444
92037 Paris-La Défense Cedex
344 366 315 RCS Nanterre

Gilles Cohen

First appointed: General Meeting of Shareholders of April 19, 2016

Last re-appointed: General Meeting of Shareholders of April 26, 2022

Term expires: General Meeting of Shareholders of 2028 to be called to approve the financial statements for fiscal year 2027

8.4.2 Person responsible for financial information

Stéphane Tortajada

Chief Financial Officer, member of the Executive Board

(1) *In accordance with the template of annex 1 of AMF Instruction DOC-2019-21 –* Modalités de dépôt et de publication des prospectus *(in French only, Procedures for submitting and publishing prospectuses).*

8.5 PROPERTY PORTFOLIO AS OF DECEMBER 31, 2023

8.5.1 Shopping centers

France

Property valuation of €7,481 million (total share basis, including transfer taxes)[(1)]

Center	Country	Region	Opening date	Last renovation /extension	Acquired by Klépierre	Gross leasable area[(a)]	Rentable floor area[(b)]	Klépierre equity interest
Marne-la-Vallée – Serris, Val d'Europe	France	Île-de-France	2000	R/E 2017	2000	133,306	87,158	55%
Créteil, Créteil Soleil	France	Île-de-France	1974	2019-20	1991	135,145	102,301	80%
Thiais, Belle Épine	France	Île-de-France	1971	R 2015	2019	148,263	148,263	10%
Toulouse, Blagnac	France	Occitanie	1993	R/E 2009	2004	96,140	96,140	54%
Montpellier, Odysseum	France	Occitanie	2009		2009	73,386	53,434	100%
Louvain-la-Neuve, L'Esplanade	Belgium	Walloon Brabant	2005		2005	55,659	55,659	100%
Clermont-Ferrand, Jaude	France	Auvergne-Rhône-Alpes	1980	R/E 2015	1990	43,208	43,208	100%
Boulogne-Billancourt, Les Passages de l'Hôtel de Ville	France	Île-de-France	2001	R 2013	2001	23,738	23,738	50%
Bègles, Rives d'Arcins	France	Nouvelle Aquitaine	1995	R/E 2013	1996	54,057	31,858	52%
Grenoble, Grand Place	France	Auvergne-Rhône-Alpes	1976	R/E 2002	2015	72,519	46,839	100%
Noisy-le-Grand, Arcades	France	Île-de-France	1978	R/E 2009	1995	61,974	42,600	54%
Paris, Saint-Lazare	France	Île-de-France	2012		2012	18,813	12,357	100%
Écully, Grand Ouest	France	Auvergne-Rhône-Alpes	1972	R (car park) 2009	2001	47,505	16,975	83%
Caen, Mondeville 2	France	Normandy	1995		2015	46,747	23,726	100%
Claye-Souilly, Les Sentiers de Claye-Souilly	France	Île-de-France	1972	E 2012	2001	66,122	35,173	55%
Portet-sur-Garonne, Grand Portet	France	Occitanie	1972	2018	2001	51,030	23,653	83%
Marseille, Grand Littoral	France	Provence-Alpes-Côte d'Azur	1996	R/E 2013	2015	107,376	58,074	100%
Villiers-en-Bière	France	Île-de-France	1971	2016	2001	66,203	23,330	83%
Marseille, Prado	France	Provence-Alpes-Côte d'Azur	2018		2018	23,147	23,147	60%
Lattes, Grand Sud	France	Occitanie	1986	R/E 1993	2002	40,467	16,515	83%
Nice, Nice TNL	France	Provence-Alpes-Côte d'Azur	1981	R 2005	2015	27,345	12,369	100%
Annecy, Courier	France	Auvergne-Rhône-Alpes	2001	R 2016	2001	21,502	21,120	58%
Tourville, Tourville-la-Rivière	France	Normandy	1990	R 2011	2007	28,210	10,547	85%
Le Havre, Espace Coty	France	Normandy	1999		2000	26,799	26,799	50%
Pontault-Combault	France	Île-de-France	1978	R/E 1993	2001	36,000	11,284	83%
Rennes, Colombia	France	Brittany	1986	R 2016	2005	26,243	18,323	100%
Toulon, Centre Mayol	France	Provence-Alpes-Côte d'Azur	1990		2015	46,296	20,517	40%
Saint-Étienne, Centre 2	France	Auvergne-Rhône-Alpes	1979	2022	2015	38,103	27,929	100%
Roques-sur-Garonne	France	Occitanie	1995	R/E 2009	2011	40,871	26,871	100%
Toulouse, Saint-Orens	France	Occitanie	1991	R/E 1998	2004	66,472	66,472	54%
Givors, 2 Vallées	France	Auvergne-Rhône-Alpes	1976	R 2016	2001	34,899	16,702	83%

(a) Total sales area (including the hypermarket if there is one), plus storage area and not including aisles and shared tenant space.
(b) Area owned by Klépierre or its joint ventures on which it collects rents.

Ten other assets, accounting for 4.2% of the property valuation of France, are not included in the above table: Creil, Saint-Maximin – Toulouse, Nailloux Outlet Village – Dieppe, Belvédère – Sevran, Beau Sevran – Aubervilliers, Le Millénaire – Valence, Victor Hugo – Riom, Riom Sud – Drancy, Avenir – Sète Balaruc – Marseille, Bourse.

(1) Excluding €150 million reclassified to "Convenience shopping centers and other retail properties".

Italy

Property valuation of €4,163 million (total share basis, including transfer taxes)(1)

Center	Region	Opening date	Last renovation /extension	Acquired by Klépierre	Gross leasable area[a]	Rentable floor area[b]	Klépierre equity interest
Roma, Porta di Roma	Lazio	2007	R 2016	2015	95,461	73,069	50%
Naples, Campania	Campania	2007	E 2014	2015	92,597	87,187	100%
Turin, Shopville Le Gru	Piedmont	1994	R 2013/2022/2023	2015	83,194	83,194	100%
Bologna, Shopville Gran Reno	Emilia-Romagna	1993	R/E 2022	2015	53,030	37,956	100%
Venice, Nave de Vero	Veneto	2014		2015	38,824	38,824	100%
Assago (Milan)	Lombardy	1988	E 2018	2005	49,487	30,714	100%
Lonato, Il Leone di Lonato	Lombardy	2007		2008	46,724	30,239	50%
Modena, Grand Emilia	Emilia-Romagna	1996		2015	39,685	19,776	100%
Savignano s. Rubicone (Rimini), Romagna Center	Emilia-Romagna	1992	R/E 2014	2002	72,572	51,395	100%
Milan, Globo I-II-III	Lombardy	1993/2001/2004	E 2006	2015	94,284	30,424	100%
Cagliari, Le Vele-Millennium	Sardinia	1998	R 2013	2015	43,515	32,285	100%
Varese, Belforte	Lombardy	1988	E 2012	2002	28,904	10,029	100%
Pavia, Montebello della Battaglia, Montebello	Lombardy	1974	E 2005	2002	62,791	43,996	100%
Udine, Città Fiera	Friuli Venezia Giulia	1992	E 2015	2015	117,147	47,994	49%
Vittuone, El Destriero	Lombardy	2009		2009	27,240	16,043	50%
Bergamo, Seriate, Alle Valli	Lombardy	1990	R/E 2008	2002	34,347	10,984	100%
Citta S. Angelo, Pescara Nord	Abruzzo	1995	R/E 2010	2002	33,910	19,512	83%

(a) Total sales area (including the hypermarket if there is one), plus storage area and not including aisles and shared tenant space.
(b) Area owned by Klépierre or its joint ventures on which it collects rents.

Eight other assets, accounting for 5.5% of the property valuation of Italy, are not included in the table above: Verona, Le Corti Venete – Colonnella, Val Vibrata – Rome, La Romanina – Vignate, Acquario Center – Lecce, Cavallino – Pesaro, Rossini Center – Rome, Tor Vergata – Senigallia, Il Maestrale.

Scandinavia

Property valuation of €2,399 million (total share basis, including transfer taxes)(2)

Center	Country	Opening date	Last renovation /extension	Acquired by Klépierre	Gross leasable area[a]	Rentable floor area[b]	Klépierre equity interest
Copenhagen, Field's	Denmark	2004	E 2015	2009	92,736	92,736	56%
Malmö, Emporia	Sweden	2012		2008	68,858	68,858	56%
Oslo, Oslo City	Norway	1988		2015	23,110	23,110	56%
Aarhus, Bruun's Galleri	Denmark	2003		2008	34,885	34,885	56%
Partille, Allum	Sweden	2006		2008	49,947	49,947	56%
Örebro, Marieberg	Sweden	1988	2009	2008	33,753	33,753	56%
Lørenskog, Metro Senter	Norway	1988	2009	2008	53,896	53,326	28%
Borlänge, Kupolen	Sweden	1989	2005	2008	38,599	38,599	56%

(a) Total sales area (including the hypermarket if there is one), plus storage area and not including aisles and shared tenant space.
(b) Area owned by Klépierre or its joint ventures on which it collects rents.

Two other assets, accounting for 3.0% of the property valuation of Scandinavia, are not included in the above table: Kristianstad, Galleria Boulevard (Sweden) - Vejle, Bryggen (Denmark).

(1) Excluding €78 million reclassified to "Convenience shopping centers and other retail properties".
(2) Excluding €75 million reclassified to "Convenience shopping centers and other retail properties".

Iberia

Property valuation of €2,193 million (total share basis, including transfer taxes)(1)

Center	Country	Region	Opening date	Last renovation /extension	Acquired by Klépierre	Gross leasable area[(a)]	Rentable floor area[(b)]	Klépierre equity interest
Madrid, Plenilunio	Spain	Madrid	2006	R 2018	2015	70,509	70,509	100%
Madrid Vallecas, La Gavia	Spain	Madrid	2008	R/E 2013	2008	85,364	50,084	100%
Murcia, Nueva Condomina	Spain	Murcia	2006	R 2014	2017	116,435	96,790	100%
Santa Cruz de Tenerife, Meridiano	Spain	Canary Islands	2003	R 2015	2003	42,957	27,370	100%
Gondomar (Porto), Parque Nascente	Portugal	North	2003		2003	66,249	49,875	100%
Madrid, Principe Pio	Spain	Madrid	2004		2015	28,981	28,981	100%
Barcelona, Maremagnum	Spain	Catalonia	1995	R 2012	2015	21,818	21,818	100%
Portimão, Aqua Portimão	Portugal	South	2011		2011	35,713	23,999	50%
Guimarães, Espaço Guimarães	Portugal	North	2009		2015	49,391	33,122	100%

(a) Total sales area (including the hypermarket if there is one), plus storage area and not including aisles and shared tenant space.
(b) Area owned by Klépierre or its joint ventures on which it collects rents.

Netherlands/Germany/Central Europe

Property valuation of €2,682 million (total share basis, including transfer taxes)(2)

Center	Country	Opening date	Last renovation /extension	Acquired by Klépierre	Gross leasable area[(a)]	Rentable floor area[(b)]	Klépierre equity interest
Utrecht, Hoog Catharijne	Netherlands	1973	R/E 2015	2015	221,215	119,213	100%
Prague, Nový Smíchov	Czech Republic	2001	R 2011	2001	57,595	44,935	100%
Rotterdam, Alexandrium	Netherlands	1984	2023	2015	49,988	47,509	100%
Dresden, Centrum Galerie Dresden	Germany	2009	R/E 2014	2015	67,979	67,979	95%
Duisburg, Forum Duisburg	Germany	2008	R/E 2008	2015	59,420	59,420	95%
Istanbul, Akmerkez	Turkey	1993	2010	2015	33,077	33,077	45%
Poznan, Poznan Plaza	Poland	2005	R 2019	2005	29,369	29,369	100%
Warsaw, Sadyba Best Mall	Poland	2000		2005	26,250	26,250	100%
Plzeň, Plzeň Plaza	Czech Republic	2007		2008	19,704	19,704	100%
Lublin, Lublin Plaza	Poland	2007	R 2018	2007	25,965	25,965	100%
Rotterdam, Markthal	Netherlands	2014	-	2015	11,802	11,802	100%

(a) Total sales area (including the hypermarket if there is one), plus storage area and not including aisles and shared tenant space.
(b) Area owned by Klépierre or its joint ventures on which it collects rents.

Five other assets, accounting for 7.2% of the property valuation of the Netherlands/Germany/Central Europe portfolio, are not included in the table above: Amsterdam, Villa Arena (Netherlands) - Hildesheim, Arneken Galerie Hildesheim (Germany) - Tekirdağ, Tekira (Turkey) - Bursa, Anatolium (Turkey) - Denizli, Teras Park (Turkey).

(1) Excluding €38 million reclassified to "Convenience shopping centers and other retail properties".
(2) Excluding €72 million reclassified to "Convenience shopping centers and other retail properties".

8.5.2 Convenience shopping centers and other retail properties

Property valuation of €413 million (total share basis, including transfer taxes)

Country	City, center
France	• Chartres, La Madeleine – Angoulême, Champ de Mars – Besançon, Les Passages Pasteur – Marseille, Le Merlan – Cholet, La Séguinière Outlet – Carcassonne, Salvaza – Marzy (Nevers) • Other retail properties (formerly Klémurs, 54 retail units)
Other countries	• Italy: Solbiate Olona, Le Betulle – Serravalle Scrivia, Serravalle – Moncalieri (Turin) – Cremona (Gadesco), Cremona Due – Bergame, Brembate – Como, Grandate – Collegno (Turin), La Certosa – Matera • Scandinavia: Oslo, Økernsenteret (Norway) – Odense, Viva (Denmark) • Iberia: Parla, El Ferial (Spain) – Jaén, La Loma (Spain) – Vinaroz, Portal Mediterráneo (Spain) – Oviedo, Los Prados (Spain) • Netherlands/Germany/Central Europe: Rybnik, Rybnik Plaza (Poland) – Tarsus, Tarsu (Turkey) – Ruda Slaska, Ruda Slaska Plaza (Poland) – Duisbourg, Königsgalerie (Germany) – Sosnowiec, Sosnowiec Plaza (Poland) – Thessaloniki, Makedonia (Greece) – Patras, Patra Mall (Greece) – Thessaloniki, Efkarpia (Greece)

8.5.3 Overview of valuation reports prepared by Klépierre's independent external appraisers

General context of the valuation

Context and terms of the engagement

This is a free translation into English of the valuation report issued in French and is provided solely for the convenience of English-speaking readers. In accordance with the instructions of Klépierre ("the Company") as detailed in the signed valuation agreements between Klépierre and the appraisers, we have valued the assets held by the Company taking account of the nature of their ownership (freehold, ground lease, etc.). This Summary Report, which outlines the terms of our engagement, has been prepared for inclusion in the Company's Universal Registration Document.

The valuations were undertaken by our valuation teams in each of the various countries and were reviewed by the pan-European valuation teams. In order to estimate the market value for each asset, we have taken into consideration domestic real estate transactions as well as the other transactions undertaken in Europe, so as to maintain a consistent approach and to take account of all available market transactions and information.

The valuations were performed using the discounted cash flow and capitalization methods, which are regularly used for these types of assets.

Our valuations were performed as of December 31, 2023.

Standards and general principles applied

We confirm that our valuations were performed in accordance with the appropriate sections of the January 2022 Edition of the RICS Valuation – Global Standards 2022 ("Red Book"), effective January 31, 2022. This is an internationally-accepted valuation basis. Our valuations are compliant with IFRS and IVSC guidance. The valuations were prepared on the basis of the recommendation of the French financial markets authority (*Autorité des marchés financiers* – AMF) on valuation data pertaining to the real estate assets of listed companies, as published on February 8, 2010. They also take into account the recommendations of the Barthès de Ruyter report on the valuation of real estate of listed companies, as published in February 2000.

We confirm that we have prepared our valuations as external and independent valuers, as defined by the RICS Red Book. We also confirm that the appraisals were performed in accordance with the principles of IFRS 13, i.e., on the basis of the "highest and best use" of each asset.

The market value set out hereafter generally approximates fair value within the meaning of IFRS, and particularly IFRS 13.

Basis of valuation

Our valuations correspond to market values and are reported to the Company on both a net basis (after deduction of transfer duties and costs) and gross basis (before deduction of transfer duties and costs).

Valuation considerations and assumptions

Information

The Company's management was asked to confirm that the information provided relating to the assets and tenants was complete and accurate in all significant aspects. Consequently, we have assumed that all relevant information known by Company employees that could have an impact on values was made available to us and that this information was up to date in all material respects. This includes running costs, work undertaken, financial information (including doubtful debts), turnover rents, lettings signed or in the process of being signed and lease incentives, in addition to the list of leases in force and vacant units.

Floor areas

We have not measured the assets and have therefore based our valuations on the floor areas that were provided to us.

Environmental analysis and ground conditions

We have not been asked to undertake a study of ground conditions or an environmental analysis, and therefore have not investigated past events in order to determine if the ground or buildings are or have been contaminated. Unless provided with information to the contrary, we have worked on the assumption that the assets are free from historic ground contamination or potential contamination, and that the condition of the land will not affect its current or future usage.

Inclusion of CSR criteria

We have been provided information relating to the energy consumption, BREEAM In-use certification, exposure of assets to climate risks, and presence of renewable energy production facilities at the various sites, and have taken these factors into account in our valuations.

Planning regulations

We have not reviewed the relevant planning permissions and have assumed that the assets have been built, and are occupied and used, in conformity with all necessary authorizations and that the land is free of legal restrictions. We have assumed that the layout of the assets conforms to legal requirements and planning regulations, including as regards structures, fire protection, health and safety, and security. We have also assumed that any extensions in progress are being undertaken in line with planning regulations and that all necessary authorizations have been obtained.

Title deeds and tenancy schedules

Our work was based on the tenancy schedules, summaries of additional revenues, non-recoverable charges, capital projects and business plans provided to us. We have assumed, beyond that which is set out in our individual asset reports, that the assets are not subject to any constraints that could impede a sale, and that they are free from any restrictions or charges. We have not reviewed the title deeds and have taken as correct the rental, occupational and all other pertinent information provided to us by the Company.

Condition of the assets

We observed the general condition of each asset during our inspection. While our engagement does not include a building or structural survey, we have indicated in our report any disrepair that was visible during our inspection. The assets were valued based on the information provided by the Company, which states that no deleterious or harmful materials were used in their construction.

Taxation

Our valuations were performed without taking into account any fees or taxes that may be applicable in the event of a transfer. Rental and market values are stated net of value-added taxes.

Confidentiality and disclosure

In accordance with our standard practice, we confirm that our valuation reports are confidential and are addressed solely to the Company. Accordingly, we accept no liability to third parties. This report, or an extract thereof, may not be published or reproduced in any document, declaration, memorandum or communication with any third party without our prior written consent as regards the form and context in which this information may appear. In signing this Summary Report, the individual valuation firms accept no liability for the valuations carried out by the other firms.

Jean-Philippe Carmarans
Head of Valuation, France Cushman & Wakefield

Jean-Claude Dubois
Chairman BNP Paribas, Real Estate Valuation France

Gwenola Donet
Head of Valuation, JLL Expertises

Christian Robinet
Executive Director, CBRE Valuation

8.6 SIMPLIFIED ORGANIZATION CHART AS OF DECEMBER 31, 2023

Shopping centers

France	Real estate companies 100	Progest 100	Klécar France 83		
	Klépierre Management 100	Klépierre Brand Ventures 100	Klé Start 100	Klépierre Procurement International 100	Klépierre Finance 100
Belgium	Real estate companies 100				
	Klépierre Management Belgique 100	KFI Belgique 100			
Spain	Real estate companies 100				
	Klépierre Management España 100				
Italy	Real estate companies 100	Klécar Italia 83	Clivia 50	Italian Shopping Centre Investment 50	Acquario 95.06
	Klépierre Management Italia 100	Klépierre Finance Italia 100			
Portugal	Real estate companies 100	Klege Portugal 100			
	Klépierre Management Portugal 100				
Luxembourg	Holding Klégé 50				
	Reluxco 100				
Greece	Real estate companies 100				
	Klépierre Management Hellas 100				
Netherlands	Real estate companies 100				
	Klépierre Management Nederland BV 100	Klépierre Management 100			
Turkey	Real estate companies 100	Akmerkez (listed real estate company) 44.85	Tan Gayrimenkul 51		
Germany	Real estate companies 100	Klépierre Duisburg, Klépierre Duisburg II, Klépierre Dresden 94.99			
	Klépierre Management Deutschland 100				
Poland	Real estate companies 100				
	Klépierre Management Polska 100				
Czech Republic	Real estate companies 100				
	Klépierre Management Ceska Republika 100				
* Norway Sweden Denmark	Steen & Strøm AS 56.1	Real estate companies			
	Management companies				

Legend:

- % Direct or indirect percentage control of Klépierre SA at December 31, 2023
- Real estate business
- Service business
- Company management and/or administration
- * Subsidiary (Steen & Strøm) covering the Scandinavian countries, 56.1%-owned with Storm ABP

Other activities

France	Klémurs 100	Klé Dir 100
	Klépierre Conseil 100	

8.7 INFORMATION ABOUT THE SHARES

Klépierre shares are traded on Euronext Paris (compartment A).

ISIN code	FR0000121964
Ticker symbol	LI
Trading market	Euronext Paris – Compartment A
Number of shares	286,861,172
Core indices	Euronext CAC Next 20, Euronext SBF 120, Euro STOXX Index, MSCI World, MSCI Europe, S&P Developed ex-US, S&P Europe, STOXX Europe 600
Real Estate Sector indices	DJ Global Select Real Estate Securities, Euronext IEIF REIT Europe, Euro Stoxx Real Estate, S&P Eurozone REIT, S&P Global Ex-US Property, Stoxx Europe 600 Real Estate, FTSE EPRA/NAREIT Developed , FTSE EPRA/NAREIT Global
ESG indices	Euronext Eurozone ESG Large 80, Euronext Vigeo Euro 120, Euronext Vigeo Europe 120, MSCI Europe ESG Leaders, MSCI Global Green Building, Stoxx Europe 600 ESG, Stoxx Europe Climate Impact, Stoxx Sustainability, MSCI World Custom ESG Climate Series, FTSE4Good Europe, FTSE4Good Global, CAC SBT 1.5, CAC 40 ESG

For more information, please see chapter 7 of this Universal Registration Document, "Share capital and shareholding, general meeting and share buyback program".

8.8 CROSS-REFERENCE TABLES

Cross-reference table for the headings in Annex 1 of Commission Delegated Regulation (EU) 2019/980

The cross-reference table below helps to identify, within this Universal Registration Document, the information referred to in the headings of Annex 1 of Commission Delegated Regulation (EU) 2019/980.

		Page no.
SECTION 11	**PROFIT FORECASTS OR ESTIMATES**	**43**
SECTION 12	**ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES AND SENIOR MANAGEMENT**	
Item 12.1	Information concerning members of the Executive Board and Supervisory Board	230-231/254-255
Item 12.2	Information concerning conflicts of interests	245-256
SECTION 13	**COMPENSATION AND BENEFITS**	
Item 13.1	Amount of remuneration paid and benefits in kind granted to the corporate officers	272-280
Item 13.2	Total amounts set aside or accrued to provide for pension, retirement or similar benefits	156/152-154/182
SECTION 14	**BOARD PRACTICES**	
Item 14.1	Date of expiration of the current term of office	230-233/254-255
Item 14.2	Information about members of the management or supervisory bodies' service contracts with Klépierre or any of its subsidiaries providing for benefits upon termination of employment	245-256
Item 14.3	Information about the Audit Committee and the Nomination and Compensation Committee	250-251
Item 14.4	Statement attesting to compliance with a corporate governance regime	230
Item 14.5	Potential material changes on corporate governance	N/A
SECTION 15	**EMPLOYEES**	
Item 15.1	Number of employees and breakdown by category and location	94-95
Item 15.2	Shareholdings and stock options	293-295
Item 15.3	Description of any arrangements for involving the employees in Klépierre's capital	152-153/291
SECTION 16	**MAJOR SHAREHOLDERS**	
Item 16.1	Shareholders holding more than 5% of the share capital or voting rights	290
Item 16.2	Existence of different voting rights	288
Item 16.3	Control of Klépierre	290
Item 16.4	Arrangements, known to Klépierre, the operation of which may at a subsequent date result in a change in control	291
SECTION 17	**RELATED-PARTY TRANSACTIONS**	**165/297-298**
SECTION 18	**FINANCIAL INFORMATION CONCERNING THE ISSUER'S ASSETS AND LIABILITIES, FINANCIAL POSITION AND PROFITS AND LOSSES**	**122-176-202**
Item 18.1	Historical financial information	
Item 18.2	Interim and other financial information	-
Item 18.3	Auditing of historical annual financial information	172-175/197-200
Item 18.4	Pro forma financial information	N/A
Item 18.5	Dividend policy	43
Item 18.6	Legal and arbitration proceedings	151-152
Item 18.7	Significant change in Klépierre's financial position	N/A
SECTION 19	**ADDITIONAL INFORMATION**	
Item 19.1	Share capital	288
Item 19.2	Bylaws	321
SECTION 20	**MATERIAL CONTRACTS**	**297-298**
SECTION 21	**DOCUMENTS AVAILABLE**	**321**

Information incorporated by reference

Pursuant to Article 19 of Regulation (EU) 2017/1129 of the European Parliament and of the Council of June 14, 2017, the following information is incorporated by reference into this Universal Registration Document:

- For fiscal year 2022: the consolidated financial statements and the Statutory Auditors' report on the consolidated statements for the year ended December 31, 2022, and the Company financial statements, the Statutory Auditors' report on the Company financial statements for the year ended December 31, 2022, as well as the financial information included in the management report, as presented in the Universal Registration Document filed with the AMF on April 6, 2023, under number D.23-0243;
- For fiscal year 2021: the consolidated financial statements and the Statutory Auditors' report on the consolidated statements for the year ended December 31, 2021, and the Company financial statements, the Statutory Auditors' report on the Company financial statements for the year ended December 31, 2021, as well as the financial information included in the management report, as presented in the Universal Registration Document filed with the AMF on March 30, 2022, under number D.22-0203.

The portions of these documents that are not referred to above are either not relevant for the investor, or are included elsewhere in this Universal Registration Document.

Annual financial report cross-reference table

In order to facilitate navigating this Universal Registration Document, the cross-reference table below helps to identify, within this Universal Registration Document, the information that makes up the annual financial report to be published by listed companies in accordance with Article L. 451-1-2 of the French Monetary and Financial Code (Code monétaire et financier) and Article 222-3 of the General Regulation of the AMF.

Annual financial report	Page no.
STATEMENT BY THE PERSONS RESPONSIBLE FOR THE DOCUMENT	**321**
MANAGEMENT REPORT	**SEE CROSS-REFERENCE TABLE TO THE MANAGEMENT REPORT ON PAGES 330 TO 331**
FINANCIAL STATEMENTS	
Company financial statements	176-196
Statutory Auditors' reports on the Company financial statements	197-200
Consolidated financial statements	122-171
Statutory Auditors' reports on the consolidated financial statements	172-175

Management report cross-reference table

The cross-reference table below helps to identify, within this Universal Registration Document, the information to be included in the management report, according to the provisions of the applicable Commercial Code.

	Page no.
1. INFORMATION RELATING TO THE COMPANY'S BUSINESS ACTIVITIES	
INFORMATION COVERED BY FRANCE'S "SAPIN II" LAW NO. 2016-1691 OF DECEMBER 9, 2016	
Anti-corruption system	221-222
INFORMATION REFERRED TO IN ARTICLE L. 225-102-4 OF THE FRENCH COMMERCIAL CODE	
Duty of care plan and report on its implementation	206-226
INFORMATION REFERRED TO IN ARTICLE L. 225-100-1 OF THE FRENCH COMMERCIAL CODE	
Objective, in-depth analysis of changes in the Company's business, results of operations and financial position, notably as regards debt, and the volume and complexity of the business	24-43
Key financial performance indicators and, where applicable, non-financial performance indicators specifically related to the Company's business, notably information concerning environmental and social matters	24-43/45-116
Description of the main risks and uncertainties to which the Company is exposed	208-217
Details of the financial risks associated with the effects of climate change and the presentation of measures taken to mitigate them by implementing a low-carbon strategy across all aspects of its business	45-116
Main features of the internal control and risk management procedures put in place relating to the preparation and processing of financial and accounting information	218-226
INFORMATION REFERRED TO IN ARTICLES L. 232-1 AND L. 233-36 OF THE FRENCH COMMERCIAL CODE	
Overview of the Company's situation and business during the fiscal year	24-43
Details on the Company's prospects	43
Significant events arising between the fiscal year-end and the date on which this report was prepared	166
Details of research and development activity	N/A
Details of any Company branches	N/A
Non-tax-deductible expenses	N/A
NON-FINANCIAL PERFORMANCE STATEMENT REFERRED TO IN ARTICLE L. 225-102-1 OF THE FRENCH COMMERCIAL CODE	
Information about the manner in which the Company takes into account the social and environmental consequences of its activity, as well as its impacts on the respect for human rights and the prevention of corruption and tax evasion	111-114
Information on the impact of climate change on the Company's business, and the use of the goods and services it produces	111-114
Societal commitments with regard to sustainability, the circular economy, combating food waste and insecurity, respect for animal welfare and fair, healthy and sustainable food	111-114
Details of any collective bargaining agreements entered into by the Company and their impacts on its economic performance, as well as on the working conditions of employees, and actions undertaken to prevent discrimination and promote diversity and measures to support disabled persons	111-114
INFORMATION REFERRED TO IN ARTICLES L. 441-14 AND D. 441-6 OF THE FRENCH COMMERCIAL CODE	
Information on payment times for suppliers and clients	203
INFORMATION REFERRED TO IN ARTICLES L. 511-6 AND R. 511-2-1-3 OF THE FRENCH MONETARY AND FINANCIAL CODE	
Amounts of loans due within less than two years granted by the Company on an ancillary basis to microenterprises, SMEs or middle-market companies with which it has economic ties justifying such loans	N/A
Statutory Auditors' statement appended to the management report	N/A

	Page no.
2. INFORMATION ON CORPORATE OFFICERS	
INFORMATION REFERRED TO IN ARTICLE L. 621-18-2 OF THE FRENCH MONETARY AND FINANCIAL CODE AND ARTICLE 223-26 OF THE GENERAL REGULATION OF THE AMF	
Summary of transactions in the Company's securities during the past fiscal year by executives and the persons referred to in Article L. 621-18-2 of the French Monetary and Financial Code	293
3. TAX, LEGAL AND FINANCIAL INFORMATION	
INFORMATION REFERRED TO IN ARTICLE L. 225-102 OF THE FRENCH COMMERCIAL CODE	
Report on employee profit-sharing as of the last day of the fiscal year	291
INFORMATION REFERRED TO IN ARTICLE L. 233-6 OF THE FRENCH COMMERCIAL CODE	
Details of investments made during the year representing one-twentieth, one-tenth, one-fifth, one-third or one-half of the share capital or control of companies whose head offices are located in France	202
INFORMATION REFERRED TO IN ARTICLE L. 233-13 OF THE FRENCH COMMERCIAL CODE (BREAKDOWN OF THE SHARE CAPITAL, CHANGES IN SHARE OWNERSHIP AND TREASURY SHARES)	
Identity of private individuals or legal entities holding, directly or indirectly, more than one-twentieth, one-tenth, three-twentieths, one-fifth, one-quarter, one-third, one-half, two-thirds, eighteen-twentieths or nineteen-twentieths of the share capital or voting rights at the Company's general meetings	291
Details of any changes during the year	291
Details of the names of controlled entities holding treasury shares and the proportion of the share capital held	N/A
INFORMATION REFERRED TO IN ARTICLES L. 233-29, L. 233-30 AND R. 233-19 OF THE FRENCH COMMERCIAL CODE (CROSS HOLDINGS)	
Share transfers carried out by the Company to reduce cross holdings to within the legal limits, in application of Articles L. 233-29 and L. 233-30 of the French Commercial Code	N/A
INFORMATION REFERRED TO IN ARTICLES L. 225-211 OF THE FRENCH COMMERCIAL CODE RELATING TO PURCHASES AND SALES OF TREASURY SHARES	
Number of shares purchased and sold during the year, in application of Articles L. 225-208, L. 225-209, L. 225-209-2, L. 228-12 and L. 228-12-1 of the French Commercial Code, average purchase and sale price, amount of trading fees, number of shares recorded in the name of the Company at the end of the fiscal year and their value based on the purchase price, as well as the nominal value of shares allocated to each specific objective, the number of shares used, any reallocations and the proportion of the share capital that they represent	203
INFORMATION REFERRED TO IN ARTICLES R. 228-90, R. 225-138 AND R. 228-91 OF THE FRENCH COMMERCIAL CODE ON ADJUSTMENTS	
Details of adjustments to conversion ratios and the terms applicable to the subscription to and exercise of securities giving access to the share capital and stock options	N/A
INFORMATION REFERRED TO IN ARTICLE L. 464-2 OF THE FRENCH COMMERCIAL CODE (INJUNCTIONS OR SANCTIONS FOR ANTI-TRUST PRACTICES)	
Details of any injunctions or sanctions for anti-trust practices handed down by the anti-trust authorities	N/A
INFORMATION REFERRED TO IN ARTICLE 243 BIS OF THE FRENCH TAX CODE RELATING TO AMOUNTS OF DIVIDENDS PAID AND OF REVENUE DISTRIBUTED OVER THE LAST THREE FISCAL YEARS	
Amounts of dividends paid and of revenue distributed over the last three fiscal years	289
Details of changes made to the presentation of the Company financial statements	127-129
Observations made by the AMF on proposed appointments and re-appointments of Statutory Auditors	N/A
FIVE-YEAR FINANCIAL SUMMARY APPENDED TO THE MANAGEMENT REPORT, REFERRED TO IN ARTICLE L. 225-100 OF THE FRENCH COMMERCIAL CODE	**202**

Cross-reference table to the corporate governance report

The table below sets out the required information and specifies the sections of this document in which this information is presented.

Required Information	References
COMPENSATION	
Compensation policy for corporate officers	Section 6.2.1 "Compensation policies applicable to the Supervisory Board and Executive Board": 262 *et seq.*
Application of the provisions of Article L. 225-45 of the French Commercial Code	N/A
Presentation of total compensation and benefits in kind paid to each corporate officer during the fiscal year or allocated to them in respect of that year	Section 6.2.2 "Supervisory Board and Executive Board compensation for fiscal year 2023": 264
Relative proportion of fixed and variable compensation	
Use of the possibility to request the repayment of variable compensation	
Presentation of all commitments made by Klépierre in favor of its corporate officers, including components of compensation, compensation or benefits due or conditionally due on taking up, termination or change of function, or following the exercise of such rights, in particular pension obligations and other lifetime benefits, the methods for determining these commitments and estimates of the amount that may be paid in their respect	
Presentation of any compensation paid or allotted by an undertaking within the scope of consolidation	
Presentation of executive corporate officer compensation in relation to the average compensation, on a full-time equivalent basis, of employees other than corporate officers	
Presentation of executive corporate officer compensation in relation to the median compensation, on a full-time equivalent basis, of employees other than corporate officers	
Presentation of the year-on-year change in Klépierre's performance-based compensation, the average compensation on a full-time equivalent basis of employees other than corporate officers, and the average of the aforementioned ratios over the last five years	
How the total compensation complies with the compensation policy adopted, including how it contributes to the long-term performance and how the performance criteria were applied	
Consideration of the vote of the June 17, 2021 General Meeting	
Description of any discrepancies with or departure from the compensation policy	
INFORMATION REFERRED TO IN ARTICLES L. 225-197-1 II AND L. 225-185 OF THE FRENCH COMMERCIAL CODE	269, 296
Details of executive corporate officers' obligation to hold shares for the duration of their term of office set by the Supervisory Board upon the decision to grant free shares or stock options	
GOVERNANCE	
Application of a Corporate Governance Code	230
Provisions of the Corporate Governance Code not applied along with the reasons for non-application	
Location at which the Corporate Governance Code can be consulted	
List of all offices and positions held in any company by Supervisory Board members during the fiscal year	
List of all offices and positions held in any company by Executive Board members during the fiscal year	Section 6.1.2.1 "Membership and operating methods of the Executive Board": 253-255
List of agreements signed, directly or by proxy, between, on the one hand, a corporate officer or a shareholder owning more than 10% of the voting rights of a company and, on the other, a second company over which the first exercises control within the meaning of Article L. 233-3 of the French Commercial Code, with the exception of agreements relating to ordinary transactions concluded under arm's length conditions	Section 7.1.4.3 "Related-party agreements": 298
Procedure for reviewing agreements entered into and concluded under arm's length conditions	Section 7.1.4.3 "Related-party agreements": 298
Explanation of the choice of one of the two general management methods stipulated in Article L. 225-51-1 of the French Commercial Code	230
Membership, conditions of preparation and organization of the work of the Supervisory Board	Section 6.1.1.2 "Rules governing the membership of the Supervisory Board and Specialized Committees": 243-245
	Section 6.1.1.3 "Operating methods of the Supervisory Board": 245-247
	Section 6.1.1.4 "Work of the Supervisory Board in fiscal year 2023": 248
Description of the diversity policy applied to members of the Supervisory Board with regard to criteria such as age, gender, qualifications and professional experience, and a description of the objectives of this policy, the ways in which it is implemented and the results achieved in the last fiscal year	Section 6.1.1.2 "Rules governing the membership of the Supervisory Board and Specialized Committees": 243-245
Information on how Klépierre seeks to ensure gender balance within its executive bodies and details on diversity in the top 10% of senior responsibility positions	Section 6.1.3 "Gender balance": 257
Gender and diversity policy within governing bodies	Section 6.1.3 "Gender balance": 257
Limitations placed by the Supervisory Board on the Executive Board's powers	Article 3 ("Exercise by the Supervisory Board of its powers") of the rules of procedure of the Supervisory Board (available online at www.klepierre.com/en)

Required Information	References
OTHER	
Special arrangements regarding shareholder attendance at the General Meeting	Title V ("General Meetings") of the Company's bylaws (available online at www.klepierre.com/en)
Table summarizing the delegations in force that have been approved by the General Meeting of Shareholders in the area of capital increases, by application of Articles L. 225-129-1 and L. 225-129-2 of the French Commercial Code, and showing the use made of these delegations during the fiscal year	Section 7.1.1.2 "Delegations of authority and authorizations granted to the Executive Board": 288
Factors that may have an impact in the event of a takeover bid or public exchange offer	Note 9.2 "Liquidity risk" to the consolidated financial statements: 171
	Section 7.1.1 "General information on the share capital": 288-290
	Section 7.1.2 "Changes in the share capital – Breakdown of the share capital and voting rights": 291-293
Supervisory Board's observations on the report of the Executive Board and the financial statements for the fiscal year	Section 4.5 "Report of the Supervisory Board to the Ordinary and Extraordinary Annual General Meeting of May 3, 2024": 201

9

GLOSSARY

9 GLOSSARY

Act4Good™

Launched in 2023, Act4Good™ is Klépierre's new CSR strategy. With Act4Good™, Klépierre is raising the bar of its three historical commitments in order to:

- achieve zero net emissions by 2030;
- serve those who make Klépierre what it is (employees, clients, brands, partners); and
- step up commitment to communities and territories.

The new fourth pillar - promoting more sustainable lifestyles among visitors, brands and partners - marks a major turning point in Klépierre's CSR strategy.

This plan reaffirms the Group's ambition to build the most sustainable platform for commerce by 2030.

More information on this strategy is available in chapter 3 "Sustainable development" of this Universal Registration Document.

Anchor tenant

A retailer whose broad appeal as a consumer magnet plays a leading role in attracting and driving footfall within a specific retail or commercial zone, or shopping center.

Box

A stand-alone retail space that is generally situated near or in the parking lot of a shopping mall or retail park, designed to enhance its appeal.

Building Research Establishment Environmental Assessment Method (BREEAM)

Environmental assessment scale for buildings, developed by UK-based Building Research Establishment.

Capitalization rate (cap rate, exit rate)

The average capitalization rate corresponds to the ratio of total expected net rents for occupied and vacant properties to the value, excluding transfer taxes, of these same properties. Transfer taxes are paid upon change in ownership when the asset or its owning company is sold (notary fees, deed and title, registration, etc.).

Catchment area

A habitual or theoretical area from which a point of sale or shopping center draws its potential customers. The scope of this area is influenced by the distance and time it takes to gain access.

Collection rate

The collection rate is calculated as the ratio of rents and charges collected to the amount of rents and charges billed to tenants.

Corporate governance

The system of rules, practices and processes through which the executive officers and Board of Directors or Supervisory Board direct and control a company in the interest of its shareholders and other stakeholders. Corporate governance also provides the framework within which corporate objectives are set, the resources needed to achieve them are defined, and performance assessment standards are agreed.

Destination Food®

Destination Food® is an overarching plan aimed at developing and enhancing the food and beverage offer in Klépierre's shopping centers. More information is available in chapter 1 "Group overview" of this Universal Registration Document.

Development pipeline

Collective name given to the investments the Group plans to undertake over a given period of time, concerning the extension or renovation of portfolio assets.

The Klépierre development pipeline is broken down into two categories:

- Committed projects: projects that are in the process of completion or have been fully approved by the relevant Klépierre governance body; and
- Controlled projects: retail projects that are under advanced review, for which Klépierre has control over the land (acquisition made or under offer, contingent on obtaining the necessary administrative clearance and permits).

Environmental Management System (EMS)

A management tool that allows businesses to roll out processes that help mitigate adverse environmental impacts. These systems are designed to help organizations achieve lasting improvements and make continuous progress in environmental matters. The ISO 14001 family of standards, for example, sets out specifications and guidelines for the implementation of EMS, as well as defining the principles, procedures and criteria governing environmental audits.

EPRA Cost Ratio

The purpose of the EPRA Cost Ratio is to reflect the relevant overhead and operating costs of the business. It is calculated by expressing the sum of property expenses (net of service charge recoveries and third-party asset management fees) and administrative expenses as a percentage of gross rental income.

EPRA NDV (Net Disposal Value)

EPRA Net Disposal Value (NDV) aims to represent the shareholders' value under an orderly sale of business, where RETT, deferred taxes, financial instruments and certain other adjustments are calculated to the full extent of their liability while discarding completely any tax optimization. Intangible assets are excluded from this methodology.

EPRA Net Initial Yield (NIY)

EPRA NIY is calculated as the annualized rental income based on passing cash rents, less non-recoverable property operating expenses, divided by the gross market value of the property.

EPRA Net Tangible Assets (NTA)

The EPRA Net Tangible Assets value (NTA) reflects only the Company's tangible assets and assumes that companies buy and sell some of their assets, thereby crystallizing certain levels of unavoidable deferred tax liability and RETT. By definition, EPRA NTA aims at valuing solely tangible assets and therefore, as regards Klépierre, does not incorporate the fair value of management services companies (unlike the former indicators EPRA NAV and NNNAV).

EPRA NRV (Net Reinvestment Value)

The EPRA Net Reinstatement Value (NRV) scenario aims to highlight the value of net assets on a long-term basis and to represent the value required to rebuild the entity assuming that no selling of assets takes place.

EPRA Vacancy Rate

EPRA Vacancy Rate is calculated by dividing the market rents of vacant spaces by the market rents of the total space of the whole property portfolio (including vacant spaces), excluding properties that are under development and strategic vacancies. See chapter 2 "Business of the year" of this Universal Registration Document for more information on the methodology used to calculate this indicator.

Estimated rental value (ERV)

Estimated rental value is the value at which space would be let in market conditions prevailing at the valuation date assuming that the space would be re-let to a tenant operating in the same business sector.

European Public Real Estate Association (EPRA)

The European Public Real Estate Association is the voice of the publicly traded European real estate sector. With more than 290 members, EPRA's mission is to promote, develop and represent the European public real estate sector. It achieves this through the provision of better information to investors and stakeholders, active involvement in the public and political debate, improvement of the general operating environment, promotion of best practices (financial and non-financial) and the cohesion and strengthening of the industry. Financial and non-financial best practice recommendations contribute to improving the transparency, comparability and relevance of reporting in the whole industry.

Flagship

A large, iconic shop in a strategic location within Klépierre's shopping centers.

French commercial rent index (*Indice des loyers commerciaux* – ILC)

The ILC is published quarterly by the French National Institute of Statistics and Economic Studies (INSEE) and comprises the ICC (construction cost index, 25%), ICAV (retail trade sales index, expressed in value, 25%), and IPC (consumer price index, 50%) indices.

French cost of construction index (*Indice du coût de la construction* – ICC)

This is one of two benchmark indices used to adjust rents on retail properties. It is published quarterly by the French National Institute of Statistics and Economic Studies (INSEE), and is calculated using data from the quarterly survey on trends in the cost of new housing (PRLN). Using a representative sample of building permits, it provides information on market trends, construction characteristics and factors that can be used to derive the cost of land (price of land, demolitions, taxes, etc.). It is also currently the benchmark index used to adjust office rents.

French council of shopping centers (*Conseil national des centres commerciaux* – CNCC)

Trade organization bringing together a range of stakeholders in the promotion and development of shopping centers: developers, owners, managers, retailers, service providers and merchant organizations.

French REIT (*société d'investissement immobilier cotée* – SIIC)

Tax regime allowed under Article 208-C of the French General Tax Code that allows joint stock companies that are publicly listed and whose stated share capital exceeds €15 million, optionally, as part of their primary business activity of acquiring and/or constructing buildings for the purpose of leasing them and direct or indirect ownership of equity in corporations whose business purpose is identical, to qualify for corporate tax exemption on:

- Earnings from rental properties, provided that 95% of such earnings are distributed to shareholders before the end of the fiscal year that follows the year in which they are generated;
- Capital gains from the sale of property, investments in partnerships with a purpose identical to that of a SIIC or shareholdings in subsidiaries that have elected for the SIIC regime, provided that 70% of these capital gains are distributed to shareholders before the end of the second fiscal year following the year in which they are generated; and
- Dividends received from subsidiaries having elected for SIIC status (or SIIC equivalent) where these dividends arise as a result of profits and/or capital gains that are exempt from corporate income tax under the SIIC regime, provided that they are distributed in full during the fiscal year following the year in which they are generated.

Klépierre elected for SIIC status in 2003. No shareholder, acting alone or in concert with others, may control more than 60% of the equity capital of a company that has opted for SIIC status. Failing to comply with this threshold would lead to the Company losing SIIC status.

Global Real Estate Sustainability Benchmark (GRESB)

Non-profit organization whose primary purpose is to assess the environmental and social performance of companies specializing in the real estate sector. Created in 2009, the GRESB brings together the leading pension fund managers and key property sector bodies, including EPRA (European Public Real Estate Association) and ECCE (European Centre for Corporate Engagement - an international research association based at the University of Maastricht).

Global Reporting Initiative (GRI)

Originally established in 1997, this initiative seeks to develop directives that are applicable internationally in the area of sustainable development and report on the economic, environmental and social performances of companies. It proposes a range of benchmarks and indicators used to measure progress made in corporate sustainability programs.

Gross rent

Contractual rent calculated as the minimum guaranteed rent plus any additional variable rent based on retailer sales.

Gross leasable area (GLA)

Total sales area of a shopping center (including the hypermarket, where applicable), plus storage area and excluding aisles and shared tenant space.

Hypermarket

A large self-service retail store selling a broad assortment of food and non-food products over a sales space that exceeds 2,500 sq.m.

Interest coverage ratio (ICR)

This ratio measures the company's ability to cover the cost of its debt. See chapter 2 "Business of the year" of this Universal Registration Document for more information on the methodology used to calculate this indicator.

ISO 14001

International environmental certification used for the implementation of Environmental Management Systems (EMS).

Late payment

Late payment (rent, utilities and taxes, including VAT) corresponds to any payment that has not been received by the due date. Payments are classified as "late payments" as of the first day following the due date.

Like-for-like/reported portfolio basis

The Group analyzes changes in certain indicators either based on all holdings actually owned during the comparative periods (reported portfolio), or by separating out the impact of any acquisitions, extensions or disposals during the period under review, in order to obtain a stable underlying comparison basis with the prior period (like-for-like portfolio).

Liquidity position

Liquidity position is the total financial resources available to a company. This indicator is therefore equal to the sum of the cash at hand at the end of the year, confirmed and unused revolving credit facilities (net of commercial paper) and uncommitted credit facilities.

Loan-to-Value ratio (LTV)

Calculated by dividing consolidated net debt by the total value of the Group's property portfolio as determined by independent appraisers (total share, including transfer taxes).

Mid-size unit

A retail unit with a sales area of more than 750 sq.m.

Minimum guaranteed rent (MGR)

The minimum guaranteed rent payable under the terms of the lease. Also known as base rent.

Net Asset Value (NAV)

NAV is an indicator that measures the break-up value of a real estate company. It essentially represents the difference between the value of the Company's assets (as estimated by independent appraisers) and the total sum of its liabilities. See chapter 2 "Business of the year" of this Universal Registration Document for more information on the methodology used to calculate this indicator.

Net current cash flow

This indicator corresponds to cash flow generated by the recurring operations and business of the Company, after interest and tax. See chapter 2 "Business of the year" of this Universal Registration Document for more information on the methodology used to calculate this indicator.

Net rent

Gross rent less fees, non-recovered rental charges (in particular due to vacancies), expenses chargeable to the owner and, where applicable, expenses related to the land on which the rental unit is situated.

Non-financial rating agencies

Agencies that rate businesses on their performances in the three key sustainability areas: quality of environment, governance and social performance. They provide investors with guidelines for assessing businesses from a non-financial perspective.

Occupancy cost ratio

The occupancy cost ratio represents the ratio of rent and tenant charges (excluding taxes) to revenues (excluding taxes).

Rentable floor area

Gross leasable area owned by Klépierre and in respect of which Klépierre collects rents.

Reversion

Additional minimum guaranteed rent (MGR) obtained as a result of re-letting or when a lease is renewed with the same tenant (excluding additional MGR obtained when a property is leased for the first time). Therefore, the rate is calculated by comparing the resulting additional rent obtained with the former minimum guaranteed rent (MGR). Reversion is negative if the new rent is lower than the previous one.

Right-sizing

A Klépierre initiative consisting of ensuring that retailers are able to offer the right format for the right location. In many cases, this implies expanding or reducing the size of stores, and/or relocating them to more appropriate sites within a given shopping center.

Sale and purchase promissory agreement

A contractual instrument signed between seller and buyer, under which both parties undertake to proceed with the sale of an asset at an agreed price and before a specified date.

Senior workers

Pursuant to applicable law in France, any employee who is aged 55 or over is considered to be a senior worker with respect to career management. For new hires, the threshold is set at 50. The Group entered into an agreement pertaining to the employment of senior workers in October 2009.

Shopping center

A group of at least 20 stores and services that form a gross leasable area (GLA) of at least 5,000 sq.m., designed, built and managed as a single entity.

Specialty leasing

Package of services offering a wide range of communication media to retail chains in order to promote their products (in- and out- of- store poster campaigns for shopping centers, plasma screens, event organization, temporary lets for promotional purposes, etc.).

Stakeholders

Any individual or group that may affect or be affected by the accomplishment of the objectives of the organization. Stakeholders may be part of the Group (employees) or be external parties (clients, suppliers, shareholders, lenders, etc.).

Universal Registration Document (URD)

Following the entry into force of the Prospectus Regulation (EU) 2017/1129 (the "Prospectus Regulation 3" or "PD 3"), the new Universal Registration Document (also known as the URD) replaced the Registration Document as of July 20, 2019. The document presents the Company's organization, business, financial position, earnings and prospects. In addition to the information already presented in the Registration Document, more information is provided and/or presented differently on: strategy, non-financial information and risk factors.

Yield

Unlike the cap rate, the yield is based on property values excluding transfer taxes, and is used by independent appraisers to estimate the value of the Group's property portfolio. It is determined using analyses of comparable recent transactions and criteria specific to the type of asset under consideration (location, sales area, rental reversion potential, possibility of extensions, percentage of ownership, etc.).

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