



Sustainable development

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5.1 KLÉPIERRE'S SUSTAINABILITY STRATEGY, GOVERNANCE AND MAIN ACHIEVEMENTS

5.1.1 Environmental and social context



Klépierre adapting and collaborating to navigate the Covid-19 crisis

The pandemic has been a real-life resilience test and has thrown up new challenges for businesses all over the world. In Europe, starting with Italy, Klépierre was broadly impacted by the Covid-19 pandemic and the lockdowns enforced since mid-March in all countries where the Group operates. Amid unprecedented uncertainty, this crisis has highlighted not only business challenges but also opportunities to find new ways of managing buildings, supporting the local communities and innovating to find solutions to keep in contact even in a fully home-working world.

Klépierre has been able to effectively adapt its organization to deal with the crisis. Firstly, anticipating the oncoming emergency, the Group set up a crisis cell in mid-February with a strong relay network in each country. As Klépierre's priority has been to preserve the health and safety of all stakeholders whilst supporting our retailers, crisis cell members have been working on temporary and lasting measures to ensure the safety of customers and staff while preparing for the reopening of centers in the best possible health conditions.

In addition, in order to guarantee the safety and well-being of its employees, Klépierre quickly deployed home working arrangements. Through a holistic approach to well-being, the Human Resources teams have adapted to offer employees new tools and services to support their mental health and enrich the quality of their working conditions. Traditional training sessions have been replaced with online courses, regular discussions with management, employee representatives and the entire body of staff were held remotely, and an array of digital activities has been proposed to employees, from sport sessions to eye-opening presentations. In addition, the Group has forged new partnerships with leading organizations such as International SOS.

On the operational side, shopping center management teams have been truly committed to supporting their retailers and to working closely with the Corporate teams on stringent cost cuts in order to pass on service charge savings to them. Despite the complexity of this unprecedented situation, the crisis period had a positive impact on environmental issues. Klépierre continued to improve its assets' environmental performance while using the lockdown period to analyze the specificities of its malls more deeply. Like their colleagues from the technical teams, the marketing teams played a key role in dealing with this troubled period, innovating and creating new concepts to support both local communities and retailers. Although this period has been challenging, the capacity to innovate, to collaborate closely between departments and countries, and the agility shown by Klépierre's teams have ensured that the quality of the Group's portfolio has been maintained.

Klépierre's business model (explained in section 1) covers the development, management and operation of shopping centers in 12 European markets. With a portfolio consisting of largely dominant assets in dynamic urban centers, the Group delivers value for its stakeholders through a proactive approach to shopping center management, its commitment to developing strong partnerships with its retailers, and its relentless focus on delivering compelling destinations for its customers.

The principal non-financial resources that Klépierre's business model relies upon include human capital to deliver its strategy, technology for the maintenance and safe operation of the Group's assets, its marketing activities and engagement with visitors, innovation to develop its service offering and anticipate consumer trends, and natural capital to power its properties and provide the raw materials necessary for development projects.

The availability of these resources, and their importance to the Group's strategy, has changed significantly in recent years. This has been fueled by broader macro-trends that are not exclusive to the retail industry.

LONG-TERM TRENDS AFFECTING THE GROUP'S PRINCIPAL NON-FINANCIAL RESOURCES

Increasing awareness of environmental issues	Consumers are more concerned than ever about where their products come from, and how they are produced, sustainability considerations increasingly shape their purchasing decisions. Grassroots movements such as the Global Carbon Strike have pushed climate change to the forefront of the political, social and business agenda. Its prominence in public discourse and impact on policy makers, investors and occupiers alike is materializing in the international and domestic policy arena with the emergence of regulations covering minimum energy efficiency standards and carbon emissions.
A competitive job market	Global demand for talent and the shift to a knowledge-based economy mean that organizations must hire and retain the right people, and up-skill existing employees in new ways of working to retain their competitive advantage. In a marketplace where competition for the right skills is fierce, leading companies need to offer a dynamic and engaging work environment that places a premium on development and well-being. At the same time, organizations must demonstrate their sustainability credentials and their adaptation to new methods such as home working as employees look to join companies that match their values.
New modes of consumption	Digitalization and the rise of e-commerce were major trends before the pandemic, and the ongoing health crisis has accelerated them. During the lockdown, e-commerce enabled millions of people to shop from home. In order to maintain customer access, Klépierre centers relayed news from retailers through its websites and social network pages. As lockdowns were lifted, click & collect services allowed consumers to regain human contact while guaranteeing safety. Despite the rapid growth of e-commerce, demand for social contact remains and consumers continue to expect it when making purchases. As people begin returning to shopping centers after lockdowns, Klépierre ensures that its sites are secure so that visitors and retailers can communicate safely on collection of their goods.
European metropolization	According to UN projections, 65% of the population will be urban by 2025, and more than 80% in many countries. By 2050, more than two-thirds of the world's population will live in cities. This gives rise to a number of challenges, including (but not limited to) preserving social cohesion, guaranteeing safety, limiting pollution and guaranteeing air quality. Klépierre has a role to play in this transformation. Shopping centers – whether inside or outside the city – are spaces that where people from different horizons mix and come together. Klépierre's objective in its centers is to re-create genuine communities in which people can come together in a safe and healthy environment.

5.1.2 Approach to sustainability

Klépierre views its real estate investments as an inherently long-term undertaking. How its shopping centers are designed, built and managed has far-reaching impacts on the environment and society over the many decades of their operational lives.

The size of the Group's portfolio, covering a total floor area of 4 million sq.m., more than 13,000 leases and hundred of millions of visits annually, means its direct impacts on the consumption of natural resources and the people who use its buildings can be significant. It also has a much wider influence through the actions of its retailers and visitors, and its contribution to the economic and social fabric of local communities.

Understanding how these impacts may evolve over time and their relationship with the resources that Klépierre relies upon, is fundamental to delivering sustainable financial returns and creating value for the Group's stakeholders.

This long-term perspective is built into Klépierre's business model. The Group's approach is characterized by a commitment to both its physical assets and the communities in which they are located, and manifests itself through a strategy that prioritizes assets, people and territories.

Given the complex interaction between these impacts and resources, Klépierre's ability to thrive and extract value from its portfolio is underpinned by its relationships with its key stakeholders. These include the national and international brands that occupy its properties (many of whom represent the dominant retailers in their segment), the millions of consumers who visit its shopping centers each year, its shareholders and lenders, employees and local communities.

BEST-IN-CLASS PERFORMANCE WITH NON-FINANCIAL RATING AGENCIES

Klépierre's CSR performance is recognized by a number of external bodies, including non-financial rating agencies.

Klépierre has been recognized as Global Retail Sector Leader by the Global Real Estate Sustainability Benchmark (GRESB), the world's leading environmental, social and governance ("ESG") benchmark for real estate and infrastructure investments. In 2020, out of hundreds of real estate portfolios assessed by the GRESB for ESG performance, Klépierre was ranked first in the following categories: Global Retail Listed Companies, European Listed Companies and European Retail Companies. With a score of 97/100, a four-point increase since 2019, the Group maintained its five-stars rating.

Moreover, in 2020, Klépierre was one of the few real estate companies in the world to be included in the prestigious Climate "A list" of the CDP, a non-governmental organization specializing in corporate environmental transparency. The CDP assigns a grade from A to D based on the completeness of information provided, the management of environmental risks and the setting of ambitious and relevant targets. More than 5,800 companies worldwide were rated by CDP this year for their environmental performance. Of these, only 16 real estate companies made it on to the Climate "A list", including just seven in Europe. The CDP distinction is testament to the ambition of the Act for Good® policy and attests to the quality of the operational implementation of this climate strategy.

In March, Klépierre's climate strategy was also approved by the SBTi, the UN-backed scientific body responsible for verifying the adequacy of environmental commitments with the 2015 Paris Climate Agreement. The approval was made with the highest level of recognition possible ("well below 1.5°C"), demonstrating Klépierre's commitment to the fight against climate change. This SBTi target classification is derived from the Paris Agreement, which calls for a global commitment to limit temperature increases to 1.5°C above pre-industrial levels.

Klépierre also obtained an "AA" ESG rating from MSCI, the best ranking achieved among real estate companies. MSCI's ESG rating is designed to measure companies' long-term resilience and assess material ESG risks. According to MSCI, companies with an "AA" rating demonstrate leadership in their industries when it comes to managing their most significant ESG risks and opportunities.

Lastly, Klépierre received a "Gold" award from the European Public Real Estate Association (EPRA), which promotes, develops and represents the European public real estate sector. Since 2011, EPRA has actively participated in the debate on sustainability practices through different initiatives including the development of Sustainability BPR (Best Practices Recommendations) and guidance for European listed real estate companies. A separate report presenting the Group's performance against these EPRA SBPR is available on the CSR section of Klépierre website (<https://www.klepierre.com/en/notre-identite/l-engagement-rse>).

ACT FOR GOOD[®] WITH KLÉPIERRE



ACT FOR THE PLANET

Ensure that Klépierre has a positive impact on the environment



ACT FOR TERRITORIES

Contribute to our centers' territorial integration and to the development of local communities with which we are involved



ACT FOR PEOPLE

Put people at the heart of actions to create value for all



ACT FOR THE PLANET



- Climate strategy
- Energy efficiency
- Renewable energy sourcing



- Responsible waste management
- Circular economy approach together with retailers



- Sustainable certification for all assets in operation
- Sustainable certification for development projects
- Using of certified wood in development projects



- Connection to public transportation
- Support to the electric vehicles usage



ACT FOR TERRITORIES



- Local recruitment of partners to operate our assets
- Contribution to local employment facilitating stakeholders meetings



- Free allocation of spaces in our asset to showcase local economic & charity players



- Solutions for a second life of products bought in our malls through charitable drives
- Impacts amplification of our retailers' own CSR initiatives in shops



Development projects :

- Systematic integration of local concertation
- Responsible procurement
- Biodiversity action plan



ACT FOR PEOPLE



- Visitors care in every step of the customer path
- Customer listening and feedback



- Promotion of healthy lifestyle to visitors
- Special attention to our retailers' staff



- Development & meaningful career paths
- Work-life balance
- Associate employees to the future of the Company



- Internal trainings & external sensitization to ethical business practices
- Responsible procurement practices



- Organization of charity initiatives for our staff
- Philanthropy

CO-CONSTRUCTION WITH STAKEHOLDERS

Act for Good® was developed following Klépierre's most recent materiality review, which was conducted in 2017.

This was a rigorous, multi-stakeholder engagement exercise involving a representative panel of Klépierre's main, internal and external stakeholders, including retailers, investors, human resources and CSR experts, scientists, non-governmental organizations and public authorities.

The panel assessed 38 pre-identified items based on their importance to Klépierre and ranked the top ten issues in terms of risks or opportunities for the Group. Following this assessment, the panel was asked to contribute to the development of a new sustainability strategy that would achieve the following objectives:

- Meet the expectations of Klépierre's stakeholders;
- Ensure a positive correlation between sustainability activities and financial performance;
- Focus on key impact areas; and
- Reflect the Group's operating context and make it meaningful for employees.

With these goals in mind, the panel and Group representatives explored stakeholders' perceptions of the Group's sustainability activities and developed its strategy for consultation. Klépierre's Executive Board participated in these discussions and in the joint development of the Act for Good® strategy by sharing its vision and goals for Klépierre, and by outlining its commitment to the development and roll-out of the new strategy.

This collaboration produced four key themes for Klépierre, which became the major commitments underpinning the Act for Good® strategy: climate change, sustainable assets, health and well-being, and local value creation.

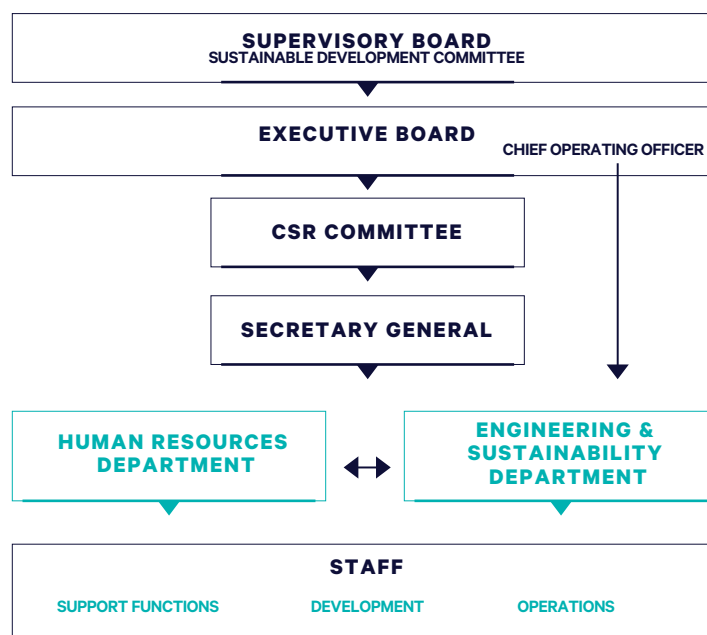
The draft strategy was then discussed with all Country Directors, practice leaders and the internal CSR Committee, before being reviewed by the Klépierre Supervisory Board's Sustainable Development Committee.

In addition to the materiality review, the materiality matrix is a foundation element in the definition of the Act for Good® strategy. Materiality analysis helps define issues that can have a significant impact on the organization's activities. It also helps determine the Group's ability to create value, both for Klépierre and its stakeholders. For more information, the business model provides further details on Klépierre's stakeholders (see Chapter 1 of Klépierre's 2020 Universal Registration Document), and the materiality matrix (published in the 2020 non-financial data supplement on the Group website) presents the initial CSR risks and opportunities analysis.

5.1.2.1 Sustainability governance

Klépierre's sustainability strategy is firmly rooted in the Group's management structure. The commitments are implemented across all countries and supported by dedicated tools used to track performance. Sustainability is also embedded within the various external initiatives in which the Group participates.

Sustainability governance is integrated within Klépierre's corporate operations and governance structure.



The Supervisory Board has overall responsibility for the Group's sustainability performance. The Board is supported by the Sustainable Development Committee which reports to it. This Committee reviews the Group's processes and performance with respect to sustainability, including climate risks and opportunities.

The Committee comprises four Board members and is chaired by Steven Fivel, General Counsel and Corporate Secretary of Simon Property Group (Klépierre's leading shareholder). It met three times in 2020.

The CSR Committee supports Klépierre's Executive Board in implementing the Group's sustainability strategy. The Committee is responsible for setting targets and approving action plans, and reports to the Board on results achieved. It is chaired by Klépierre's Secretary General, who is responsible for CSR within the Corporate Management Team. The Committee includes all other members of the Corporate Management Team as well as members of the CSR team representing the following Group-level departments:

- The Engineering & Sustainability Department, which brings together employees responsible for technical engineering in centers, operational investments and sustainable development. This department reports to the Chief Operating Officer and oversees all technical challenges facing the operation of the Group's shopping centers. It also ensures the distribution of the Group's environmental and societal policy across its portfolio. Within this department, three staff are dedicated to sustainability matters; and
- The Human Resources Department, which oversees the Group's Human Resources strategy. This includes talent management, skills development and performance challenges in line with the Group's values and social commitments. Two members of staff are dedicated to the implementation and continuous improvement of the HR aspects of the Group's CSR policy.

Responsibility for implementing Act for Good® commitments is reflected within the objectives of Executive Board members, country managers, country heads, country technical directors and officers at regional and shopping center levels. Moreover, key Act for Good® commitments are incorporated within the performance share allocation criteria for the Group's principal managers.

Country management and operational departments implement the Group's goals and policies, as appropriate given their local context, across Klépierre's 12 markets. Each country then determines its annual action plan – in terms of investment and management – for all technical and sustainable development issues shaping its performance level. This includes setting tailored targets for individual assets in collaboration with the Corporate Engineering & Sustainability Department. They are supported by best practices guides which help define the appropriate actions a country can take, based on initiatives already implemented across the Group under each Act for Good® pillar.

These action plans are then discussed at a special annual meeting that brings together the entire European network, before being presented to the Group's Chief Operating Officer.

A network of approximately 30 local ambassadors covering all Klépierre subsidiaries is responsible for carrying out local actions and reporting on best practices. These representatives work in close contact with head office teams, including the Engineering & Sustainability Department through regular monthly meetings. These meetings assist with accelerating the rollout of approved actions, increasing information-sharing and building stronger cross-functional teams. In addition, all representatives meet in person twice a year for two days of discussions, strategy setting and inter-country collaborative work.

Finally, the Group's Act for Good® approach is systematically addressed in all communications intended for employees. The Group's Executive Board clearly communicates its vision, ambition and requirements in these areas.

In 2020, the assessments and projects developed at local level made it possible to adapt swiftly to the Covid-19 crisis. Throughout the crisis, central teams were able to quickly mobilize resources, make decisions and act on them, in large part thanks to their knowledge of the specificities of each center and their involvement in ensuring their safety. The daily management of buildings, both in terms of energy and safety, was effectively adapted to the situation. With their deep local roots, centers were able to provide support conducive to the needs of each territory.

5.1.2.2 Investments

The European Taxonomy sets out technical criteria on activities for mitigation and adaptation to climate change. As a leader in its sector, Klépierre strives to consider sustainable criteria in its investments decisions, all in accordance with recommendations of the Taskforce for Climate-Related Disclosure (TCFD). This consideration meets expectations of the Company's internal and external stakeholders and allows Klépierre to play a part in transforming society towards a more sustainable future.

In order to align investment decisions with its Act for Good® strategy, Klépierre has defined a set of sustainable development criteria. The objective is to embed these criteria within maintenance, renovation and extension Capex.

For Renovation and Extension Capex, depending on the specific needs, investments are approved using a special assessment grid created by Klépierre, which includes criteria related to safety, security and the environment. For example, it involves determining the investment's impact on energy, waste and water consumptions. Return on investment is measured in financial terms but also in terms of operational gains (management of flow of waste, water consumption, etc.).

A 10-year vision has been developed to smooth out investments and maintain these at a consistent level. Track – a Group tool set up three years ago – is used by both project teams and management to monitor the investments.

5.1.3 Main non-financial risks and opportunities

Social, environmental, human rights and anti-corruption risks affecting Klépierre's business model and core activities are reviewed on an annual basis as part of the Group's overall risk assessment. The Group's Risk Management Framework is described in detail in chapter 2 "Risk management".







At Group level, 12 risks (grouped in 2 main categories) were identified following the latest risk analysis work in 2020. This analysis includes a description of the Group's main risk factors, impacts and mitigation measures. Seven of them relate to non-financial issues, including:

- Health, safety and security;
- Compliance;
- Climate change, and;
- Human resources.






In parallel, the Group has identified six non-financial risk themes covering the scope of its environmental, social and governance impacts⁽¹⁾, following the most recent materiality review conducted in 2017, the results of which also informed the development of the Group's Act for Good® sustainability strategy.





This list is reviewed annually by the CSR Committee drawing on internal and external research to ensure that it accurately reflects the most immediate non-financial risks and opportunities facing the Group's operations. In 2020, the impact of Covid-19 was considered for each risk assessed. Klépierre found that human resources risks are now more prevalent and mental health risks related to home working were among the main extra-financial risks.

The tables on the following pages present the non-financial risks identified during this exercise. Issues are defined based on their importance to stakeholders and the gross risk they present to Klépierre before taking into account the mitigation measures the Group has put in place. The table provides further information on each risk, Klépierre's management approach and the key performance indicators used.








Theme	Associated risks	Stakeholders	Evaluation	Change	Controls and actions	Key indicators	United Nations Sustainable Development Goals	Reference in this document
Climate change	Closure or deterioration of centers due to weather events (snow, flooding...)	Visitors, Tenants, Providers, Shareholders and Investors	Moderate	Stable	<ul style="list-style-type: none"> • Analysis of the portfolio's exposure to physical and transition risks (asset by asset) • Structure audits every five years with associated Capex plan (monthly review) • Energy saving approach • Increased use of renewable energy • Internal digital tool for steering and monitoring deployed for all assets 	<ul style="list-style-type: none"> • Number of assets with a carbon neutral balance sheet: 23 (2030 target: carbon neutrality of the entire portfolio) • Reduction in the carbon intensity of assets: 44% (reported, market based) versus 2019 (objective 2030: carbon neutrality of the entire portfolio) 	  	Section 5.2.1
	Regulatory tightening in building energy efficiency requirements	Tenants and Public authorities	Moderate	Increasing	<ul style="list-style-type: none"> • BREEAM In-Use certification of the entire portfolio • Support to tenants • Participation in specialized industry bodies • Approval of the climate strategy by the Science-Based Targets initiative (SBTi) 	<ul style="list-style-type: none"> • Reduction in energy consumption in common areas: -43% (reported) against 2013 (objective 2022: -40%) • Proportion of electricity consumption from renewable sources: 93% (reported) (target 2022: 100%) • Percentage of assets certified BREEAM In-Use: 100% (target 2022: 100%) 	  	



⁽¹⁾ In view of the publication of French Act no. 2018-898 of October 23, 2018 on combatting tax fraud, the Group has not identified fraud as a material risk. For more information on the Group's management of risks associated with business ethics, please see section 5.4.4.1.

Theme	Associated risks	Stakeholders	Evaluation	Change	Controls and actions	Key indicators	United Nations Sustainable Development Goals	Reference in this document
Natural resources and circular economy	Inadequate performance on waste management in operations	Tenants, Visitors, Providers	Moderate	Stable	<ul style="list-style-type: none"> Internal digital tool for piloting and monitoring deployed for all assets Renegotiation of contracts with waste service providers to include performance targets (sorting, recovery, etc.) Customer support and training BREEAM In-Use certification of the entire portfolio 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 (Too Good To Go partnership, Cradle to Cradle certification, Cycle Up partnership, etc.) 	<ul style="list-style-type: none"> Percentage of assets certified BREEAM In-Use: 100% (target 2022: 100%) Percentage of recovered waste: 96% (target 2022: 100%) Percentage of assets that have engaged their customers (brands) in a circular economy approach: 86% (target 2022: 100%) Proportion of development projects certified by BREEAM New Construction, minimum level Excellent: 100% (target 2022: 100%) 	    	Section 5.2.2
	Tension over materials needed for development projects	Providers and Suppliers, Public authorities	Moderate	Stable				

Theme	Associated risks	Stakeholders	Evaluation	Change	Controls and actions	Key indicators	United Nations Sustainable Development Goals	Reference in this document
Human capital	Lack of staff engagement	Employees	Low	Increasing	<ul style="list-style-type: none"> Priority given to internal mobility Promotion of co-building of company's future 	<ul style="list-style-type: none"> Happiness Index (staff component): 3.56/5 (summer 2020) Share of staff participating to co-building of company's future in 2020: 38% 		Section 5.4.3
	Difficulty in attracting and retaining staff	Employees	Moderate	Stable	<ul style="list-style-type: none"> Development of training policy Individual development interviews campaign 	<ul style="list-style-type: none"> Staff access to training in 2020: 100% Share of recent graduates who have been given the opportunity to receive personalized career guidance in 2020: 100% Turnover in 2020: 9.1% 	  	
	Lack of diversity and gender equality	Employees	Moderate	Stable	<ul style="list-style-type: none"> Objectives of proportion of women among management bodies Comprehensive gender diversity policy (training, personalized coaching, mentoring, etc.) 	<ul style="list-style-type: none"> Share of women among managers in 2020: 40% 		
	Ill mental health	Employees	Low	Stable	Free psychological support platform	<ul style="list-style-type: none"> Absenteeism rate in 2020: 2.6% 		

Theme	Associated risks	Stakeholders	Evaluation	Change	Controls and actions	Key indicators	United Nations Sustainable Development Goals	Reference in this document
Health, safety and security	Assault (terrorist attack, armed robbery, etc.)	Visitors, Tenants, Providers	Low	Stable	<ul style="list-style-type: none"> On-site internal and external audits Development and deployment of specific Covid-19 policies 	<ul style="list-style-type: none"> Percentage of shopping centers audited and certified by Bureau Veritas in the context of the health crisis: 100%. 	 	Section 5.4.2
	Fire	Visitors, Tenants, Providers	Low	Stable	<ul style="list-style-type: none"> Legionella tests Anti ram cars barriers Alarm and/or 24/7 security agents Video protection systems Structure audits every five years 	<ul style="list-style-type: none"> Major incidents caused by building defaults: none 		
	Non-compliance with regulations	Employees, Tenants, Providers	Low	Stable	<ul style="list-style-type: none"> Operational standards on all EHS risks, monitoring in the future Komply IT tool Training Quarterly follow-up of incidents (country and regional levels) before consolidation by internal audit to prepare a remediation plan 			
	Pandemic	Employees, Tenants, Service providers, Public authorities, Shareholders and investors	Moderate/ Strong	Increasing				
	Building collapse	Visitors, Tenants, Providers	Low	Stable				

Theme	Associated risks	Stakeholders	Evaluation	Change	Controls and actions	Key indicators	United Nations Sustainable Development Goals	Reference in this document
Territorial anchoring, local impact	Inadequate contribution to local social and economic development	Public authorities, Local communities, Customers	Moderate	Stable	<ul style="list-style-type: none"> Use of local service providers for the day-to-day operation of centers Local partnerships and events to promote local employment Opening of spaces within centers to members of the local community Solidarity-based operations in response to the needs of the territories Support and strengthening of customers' responsible initiatives in centers Local consultation for each new development project 	<ul style="list-style-type: none"> Proportion of centers using local service providers for their day to day operation: 87% (2022 target: 100%) Proportion of centers having promoted local employment: 95% (2022 target: 100%) Proportion of centers having offered space to members of the local community: 98% (2022 target: 100%) Proportion of centers having organized a solidarity collection: 96% (2022 target: 100%) Proportion of centers having supported a citizen's initiative organized by a retailer in the center: 98% (2022 target: 100%) Proportion of development projects having organized local consultations upstream: 100% (2022 target: 100%) 	      	Sections 5.3.1 and 5.3.3
	Risk of local protest and local unacceptability of activities (especially during construction, extension, renovation work)	Public authorities, Local communities, Customers	Low	Stable				

Theme	Associated risks	Stakeholders	Evaluation	Change	Controls and actions	Key indicators	United Nations Sustainable Development Goals	Reference in this document
Business ethics	Bribery and non-compliance with regulations on advocacy	Employees vs. public authorities, Tenants, Suppliers and Providers	Low	Stable	<ul style="list-style-type: none"> Code of business ethics Anti-corruption Code of Conduct Third-party evaluation procedures Internal accounting controls E-learning ("InKorruptibles!") Disciplinary sanctions provided within internal regulations 	<ul style="list-style-type: none"> Percentage of employees aware of the fight against corruption in 2020: 100% Percentage of employees trained in the fight against corruption in 2020: 96% Number of "key" employees trained in the fight against fraud in 2020: 110 	 	Section 5.4.4
	Money laundering	Tenants	Low	Stable	<ul style="list-style-type: none"> Multi-channel alert device (internal and external, phone and web) Annual internal audit of the sourcing and monitoring of suppliers and service providers Prior checks of on-site workers 	<ul style="list-style-type: none"> Share of service providers selected on the basis of CSR criteria: 100%* (objective 2022: 100%) Share of external stakeholders aware of business ethics: 50% (target 2022: 100%) 		
	Fraud and conflicts of interest	Employees	Low	Stable	<ul style="list-style-type: none"> Responsible Purchasing Charter 			
	Economic dependence of service providers	Suppliers and Providers	Low	Stable				
	Business partners with poor CSR practices	Suppliers and Providers	Low	Stable				

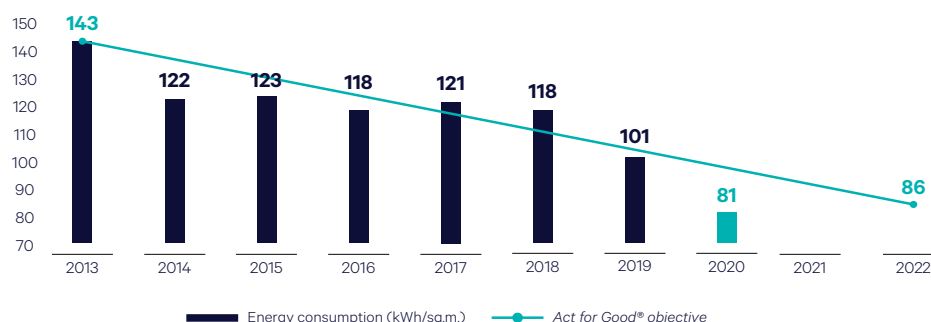
5.1.4 2020 main achievements

Thanks to the active involvement of its teams, Klépierre has accelerated the implementation of its sustainability strategy with a strong performance in 2020, and the Group is confident in its ability to achieve its ambitious long-term targets. The most significant 2020 achievements include:

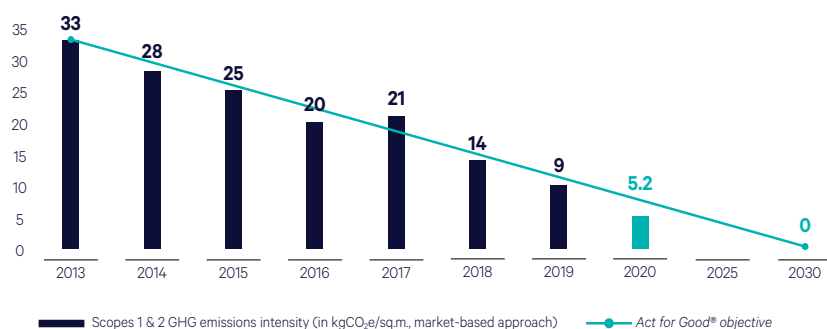
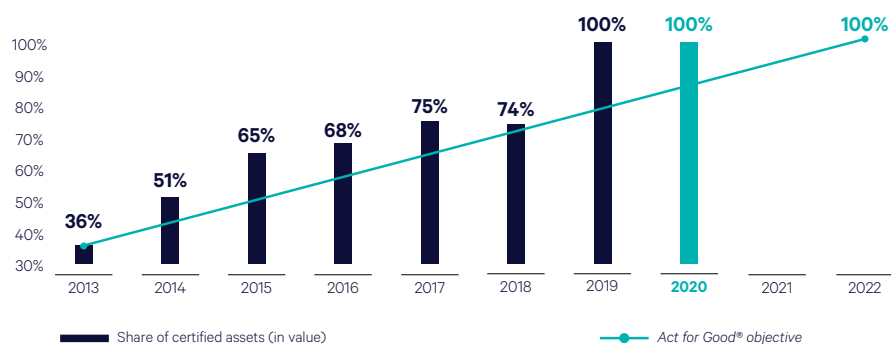
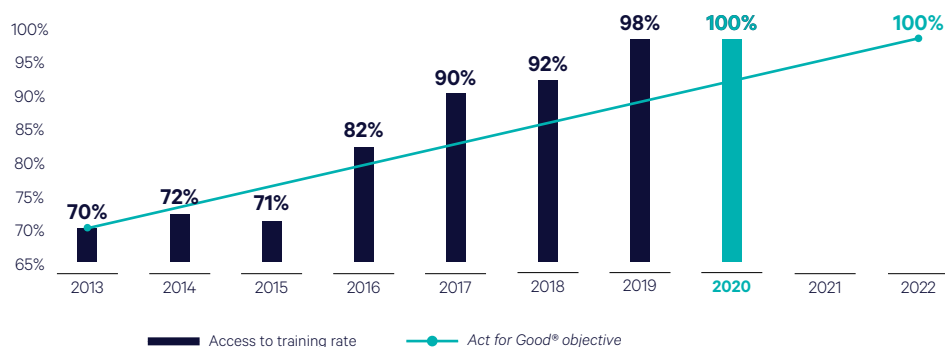
- A 20% reduction in common and serviced areas energy intensity across the Group's shopping centers compared to 2019, and a 43% reduction against the 2013 baseline;

- A 44% reduction in the Group's direct greenhouse gas emissions intensity compared with 2019, and an 84% reduction against the 2013 baseline (Scopes 1 & 2, market-based approach, reported scope);
- BREEAM In-Use certification for 100% of its portfolio – Klépierre's portfolio being the largest by value fully certified; and
- 100% access to training for Klépierre employees.

ENERGY INTENSITY FOR COMMON AND SERVICED AREAS (kWh/sq.m., reported scope, baseline: 2013)



* Calculated on the scope managed by the Group Procurement Department, i.e., 42% of Klépierre (key) suppliers.

DIRECT GHG EMISSIONS INTENSITY (SCOPES 1 & 2) SINCE 2013 (kgCO₂e/sq.m., reported scope, baseline: 2013)**PROPORTION OF SHOPPING CENTERS WITH A SUSTAINABLE CERTIFICATION** (in value, reported scope, baseline: 2013)**RATE OF STAFF ACCESS TO TRAINING** (baseline: 2013)

5.2 ACT FOR THE PLANET





ACT FOR THE PLANET

The first pillar, Act for the Planet, brings together the major environmental challenges that Klépierre faces as it carries on its activities: acting in favor of a low-carbon future, contributing to a circular economy, innovating for sustainable mobility, and developing a portfolio of fully-certified assets. It extends the initiatives undertaken by the Group over the past few years and demonstrates Klépierre's determination to raise its ambitions in these areas and cement its industry leadership.

While Klépierre continues to target improvements in the environmental performance of its assets, such as reducing their dependence on fossil fuels, this pillar requires the Group to work more closely with brands and suppliers to achieve sustainable and meaningful results, particularly in terms of energy consumption and waste reduction. It also provides a framework for the Group to respond more broadly to emerging trends in its sector and in society, notably through the promotion of a zero carbon and zero end-waste portfolio.

In recent years, Klépierre has achieved a very encouraging environmental performance, which it intends to capitalize on to accelerate the environmental innovation and differentiation of its assets. Thanks to its continuous improvement system, Klépierre has made significant progress towards these commitments. The Group remains on track to accomplish its long-term targets and has achieved BREEAM In-Use certification for its entire portfolio, and has fostered a culture of constructive engagement among its key stakeholders, supported by robust internal reporting mechanisms to identify inefficiencies and put in place improvement plans. This approach is manifested in the successful "BOOST" interventions which have contributed to successive reductions in the Group's energy consumption and have been extended to support the Group's target of eliminating waste to landfill.

2030 AMBITIONS	Turn promising assets into an efficient carbon neutral portfolio	Operate a zero end-waste business in collaboration with our retailers	Support new trends in mobility to accelerate customers' switch to sustainable modes of transportation.	Be a recognized leader in environmental performance
2022 COMMITMENTS	 Act for a low-carbon future	 Contribute to a circular economy	 Innovate for a sustainable mobility	 Develop a 100% certified assets portfolio
OPERATIONAL TARGETS	<p>-40% Reduction in energy consumption for common and serviced areas compared with 2013.</p> <p>100% Percentage of electricity coming from renewable sources in the total consumption of electricity of common and serviced areas.</p> <p> Certification of the Group's climate strategy by the Science Based Targets Initiative.</p> <p>TOP 5 The five biggest shopping centers in our portfolio are committed to having a positive carbon footprint within five years.</p>	<p>100% Percentage of recovered waste.</p> <p>100% Percentage of centers that have involved retailers in a circular economy effort (joint action to repurpose products, awareness raising in shopping centers, etc.).</p>	<p>100% Percentage of centers accessible via public transportation and equipped with charging stations for electric vehicles.</p>	<p>100% Percentage of centers that have earned a sustainable development certification (BREEAM In-Use, ISO 14001, etc.).</p> <p>100% Percentage of development projects that have obtained a BREEAM New Construction certification (with a minimum level of "Excellent").</p> <p>100% Percentage of new developments using wood from a certified forest during construction.</p>

5.2.1 Act for a low-carbon future

Climate change is a central concern for investors, citizens and governments. As an industry leader, Klépierre has a duty to ensure that its assets are sustainably embedded in their environment. The Group is committed to the fight against climate change and to putting in place all possible actions to reduce its portfolio's carbon footprint, thereby contributing to the goal of limiting global warming to 1.5°C above pre-industrial levels.

Klépierre is attentive to climate-related good practices and guidelines upgrades such as the TCFD, and the EU taxonomy for sustainable activities. The Group's climate strategy launched in 2017 is threefold: reducing energy consumption, seeking alternatives to energy derived from fossil fuels, and building a resilient portfolio.

The climate policy aims to implement a dynamic framework for managing Klépierre's direct environmental footprint, as well as active commitments relating to mitigate climate-related risks and to develop the opportunities.

Klépierre's commitments have been recognized externally: in 2020, Klépierre was recognized by the SBTi for its carbon strategy (see below) and was once again included in the CDP "A list". On decarbonizing its portfolio, the intermediary results of the strategy are highly promising. Twenty-three Klépierre centers are already carbon neutral, including one of its five largest centers.

KLÉPIERRE RECOGNIZED BY THE SCIENCE BASED TARGETS INITIATIVE FOR ITS LOW CARBON STRATEGY

The SBTi is a collaboration between the CDP, the World Resources Institute (WRI), the World Wide Fund for Nature (WWF) and the United Nations Global Compact (UNGC). It promotes the best practices of companies aiming to sustain their growth by transitioning to a low-carbon economy. The SBTi is one of the only global external bodies able to provide third-party validation of organizations' climate strategies.

To approve Klépierre's low-carbon approach, the SBTi steering committee specifically considered the Group's target to decrease direct greenhouse gas emissions by 80% per sq.m. by 2030 from the 2017 baseline (Scopes 1 & 2). It also considered the Group's commitment to reducing the indirect emissions of its assets generated by retailers in its shopping centers (Scope 3) by 41% per sq.m. over the same period. This certification positions Klépierre as the leading European real estate company in the fight against climate change, with SBTi approval being obtained at the highest possible level ("well below 1.5°C").

Jean-Marc Jestin, Chairman of the Klépierre Executive Board, commented: *"The approval of our low-carbon strategy is a very encouraging mark of recognition for all of our teams and partners. Carbon neutrality represents a long-term challenge that we intend to take up with our brands and our visitors. We are resolutely determined to turn this commitment – one of the Group's core engagements – into reality."*

Achieving ever greater levels of energy efficiency remains a priority for Klépierre. Doing so helps the Group curb greenhouse gas emissions and reduce exposure to energy market risks, as well as providing an indicator of the strength of the Group's operational management and contributing significantly to cost control strategies on behalf of the Group and its retailers.

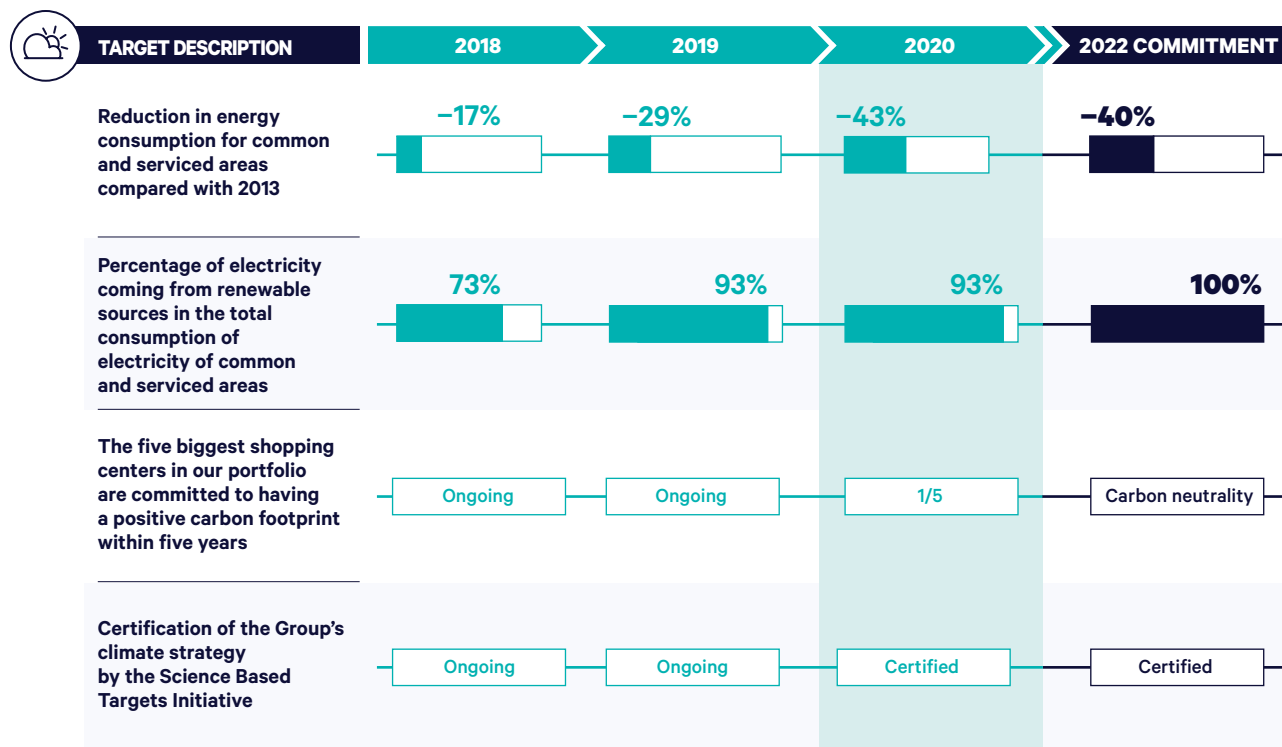
The commitment of every Klépierre employee is fundamental to this strategy, and while the good results in 2020 are partly attributable to the effect of lockdown, they mainly reflect the efforts of the technical management team to limit energy costs and optimize building

management (see section 5.2.1.1 "Energy performance management in a Covid-19 context" for further information on this topic).

In 2020, the Group's total energy consumption was approximately 324 GWh, reflecting a cost of around €35 million and contributing to 20,883 metric tons of CO₂e emissions. On a like-for-like basis, this equates to a 20% reduction in energy consumption compared to 2019, enabling the Group to save €7.8 million in energy costs and avoid 7,988 tons of greenhouse gas emissions (market based, like-for-like scope).

SUMMARY OF PERFORMANCE AGAINST TARGETS

ACT FOR A LOW-CARBON FUTURE

5.2.1.1 Energy⁽¹⁾

5.2.1.1.1 Energy efficiency

Klépierre tracks the performance of its portfolio and individual assets in relation to energy efficiency and has set a long-term target to reduce energy consumption (kWh per sq.m.) in shopping centers' common and serviced areas by 40% by 2022, compared to the 2013 baseline.

ENERGY INTENSITY FOR COMMON AND SERVICED AREAS (kWh/sq.m., reported scope, baseline: 2013)

2013 (baseline)	2019	2020	2020 v. 2013	2022 target
143	101	81	-43%	-40%

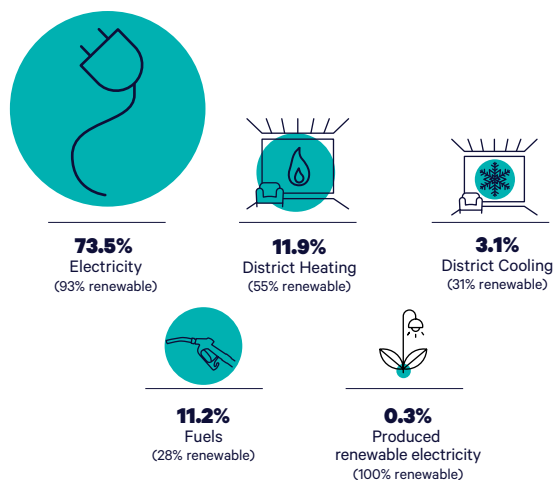
In 2020, effective energy consumption across the Group's shopping centers decreased by 20% compared to 2019. This equates to a 43% reduction since 2013, lowering the average shopping center consumption from 143 kWh/sq.m. to 81 kWh/sq.m. in 2020.

The bulk (73.5%) of the Group's energy consumption is electricity used to power its centers' electrical and mechanical equipment. 11.2% of energy consumed is derived from the on-site combustion of gas and fuel oil to operate heating and power generators, with the remaining

14.9% drawn externally from district heating and cooling systems in some of its markets. The remaining 0.4% corresponds to energy produced on site.

The improvements in Klépierre's energy efficiency can be attributed to an effective energy reduction strategy (see the following page) that combines monitoring, in-depth analysis of an individual shopping center's energy performance, the sharing of best practices and investments in energy efficient equipment.

(1) Unless otherwise specified, all 2020 energy consumption figures contained in this section apply to the following scope: 123/124 owned and managed shopping centers (excluding Utrecht, Hoog Catharijne) + 8/8 managed only shopping centers + 5/8 owned only shopping centers (excluding Greece). The corresponding coverage rate amounts to 95.8% of owned and managed shopping centers.

ENERGY MIX IN COMMON AND SERVICED AREAS *(Reported scope)*

ENERGY PERFORMANCE MANAGEMENT IN THE CONTEXT OF COVID-19

Even though the health crisis and Europe-wide lockdowns forced the technical teams to find new ways of working and to adapt the way they run shopping centers, Klépierre was able to maintain a strong energy performance in 2020.

In France, for example, the technical teams set up a twice-weekly monitoring process. The idea of this periodic control was to support shopping center teams in identifying possible progress in both reducing energy consumption and baseload savings.

Operating under unprecedented constraints has pushed Klépierre to delve deeper into analyzing shopping centers' technical performance and to better understand the specificities of each one.

During lockdown, Klépierre immediately implemented "100% fresh air" circulation (regular automatic renewal of all air in the centers) to protect the health and security of its customers, retailers and staff, in accordance with the recommendations of the international HVAC Association (REHVA in Europe – Federation of European Heating, Ventilation and Air Conditioning Association) and International SOS medical consultants.

The operation of air conditioning was meticulously monitored to take account of health risks, without neglecting its environmental impact. While this could have led to a spike in consumption, the management setup and inter-territory best practice sharing enabled continuous improvement in building performance.

Anticipating the positive impacts of Covid-19 on environmental performance, during 2020, Klépierre decided to reset its energy targets and fix even more ambitious objectives. The aim was to ensure that at the end of the year, data reflect the work done by all teams to optimize energy consumption. In addition, Klépierre has conducted data analysis to separate out the impact of Covid-19 from the impact of the overall operating performance⁽¹⁾.

Energy, water and waste consumption is monitored using Deepki, a tool implemented in all centers that enables the Group to implement a standardized approach to monthly data reporting for these categories. Energy consumption is measured based on Watt hours (Wh) divided by floor area (sq.m.) and benchmarked according to opening hours and other variables.

Deepki allows the Group to analyze data at the shopping center and portfolio level, control climate factors and undertake a robust shopping center performance benchmarking assessment. By establishing 'clusters' of shopping centers that have similar variables such as retailer density, car park management, coverage of heating and cooling supply, surface area and inauguration and/or renovation dates, the Group has been able to identify the strongest and weakest performing assets in its portfolio and target energy management interventions accordingly. This benchmark is also used to determine centers requiring "BOOST" interventions as a matter of priority (details on BOOST interventions in the inset below).

Klépierre's energy reduction strategy is supported by energy management software, which records and analyzes shopping center energy performance data.

These systems use a range of meters to record the energy use of individual appliances, which is then reported in real-time at shopping center, territory and Group level. As of the end of 2020, these systems covered 76% of the Group's portfolio with five new centers equipped during the year.

The Group has also intensified communication with technical directors and shopping center teams to develop a culture of energy management optimization. Monthly webinars provide an opportunity to take stock of environmental performance data and highlight best practices. Individual shopping centers are encouraged to share successful initiatives that have helped them reduce energy consumption. The meetings encourage further engagement within countries and between regions, while fostering a spirit of positive competition among shopping center teams. Since the onset of the health crisis, these discussions have increased in frequency so as to better deal with arising issues and maintain contact between shopping centers.

Together with quarterly Act for Good® meetings, monthly webinars are used to review performance against targets for each region, as well as for individual shopping centers. This approach ensures accountability among country managers, country function heads, shopping center managers, and shopping center technical managers for the performance of their assets.

(1) The full 2020 energy results, as well as the details on the analysis regarding Covid-19, can be consulted in the supplement "2020 Non-financial data" available on the website.

“BOOST” INTERVENTIONS: KLÉPIERRE’S TAILORED METHOD TO IMPROVE PERFORMANCE

Klépierre uses “BOOST” interventions for poorer-performing assets identified according to their benchmark performance and/or weather-adjusted performance.

The Group convenes specialist and on-site staff over two days to assess each shopping center’s operations (looking at both common and retailers areas) and consults with all relevant members of the shopping center team to develop an action plan that is practical and feasible.

The team analyzes energy consumption and operational systems during opening hours, and when the center is closed, builds up a comprehensive understanding of its energy patterns. The findings are used to develop concrete action plans supported by tailored performance targets which are reviewed during monthly follow-up calls to track progress.

BOOST action plans prioritize no- or low-cost interventions. For shopping centers that have already implemented all identifiable operational measures to increase energy efficiency, investments are made to upgrade technical equipment such as heating, ventilation and air-conditioning (HVAC) components, retrofitting LED lighting and the roll-out of CO₂ sensors to reduce air flow and optimize the functioning of air-treatment plants.

BOOST’s inclusive approach bringing together multiple stakeholders helps shopping center teams to identify both quick win actions and medium-term energy efficiency interventions that could improve the asset’s performance. These interventions are also an opportunity for the teams involved to go beyond usual practices and daily tasks. The aim is to create a disruptive and collaborative moment to identify solutions that may initially seem “outside the box” but add real value when implemented. BOOST results are also a good means to enrich ongoing discussions with retailers, providing them with feedback on what could be optimized to make savings on a store-wide scale.

By the end of 2020, BOOST interventions had been conducted at 79% of the Group’s portfolio to address energy performance (93 assets). The results have been marked, with some centers reporting reductions in energy consumption of up to 40% immediately following the intervention. In 2020, in France, fifteen centers benefited from this program with swift impacts on energy consumption. For instance, Nîmes Étoile reduced its energy consumption by 38% in 2020, further to applying the BOOST methodology.

Best practices are also promoted as reference guidelines presenting possible efficiency improvements across the Group’s portfolio, as well as the corresponding savings. These range from managing the temperature and operation schedules of HVAC system equipment, to purchasing new devices such as sensors and variable speed drives to better control energy-consuming equipment. Additionally, new best practices are shared among peers on a regular basis during webinars led by shopping center technical managers. Cross-center experience-sharing and innovation proposals provide staff with informative examples of projects and initiatives (Do’s and Don’ts, idea of cost, identified partners, etc.).

In terms of investments, capex approvals may be reviewed based on whether shopping centers have been diligent in implementing all operational energy efficiency measures identified. In order to make the right investments, Klépierre first ensures that the center is as close as possible to its optimum performance.

Lastly, energy efficiency is an important consideration for the development of shopping center expansions and renovations. The Group targets the BREEAM “Excellent” rating, which sets out expectations covering both energy performance and energy efficient design, as the minimum performance standard. This evaluates a range of energy-related management and operational impacts, from life-cycle assessments and construction practices, to energy monitoring, lighting and technical equipment specification. In addition, the Group aims to implement energy efficiency measures above and beyond BREEAM requirements by focusing on local conditions, for example by making sure to build insulation and ventilation that reduces energy demands from heating and air-conditioning.

5.2.1.1.2 Renewable energy supply

Klépierre’s long-term target is to ensure that 100% renewable electricity is used to power the common and serviced parts of its shopping centers by 2022. As the Group renegotiates electricity contracts, it is progressively switching over to “green” tariffs. By the

end of 2020, 93% (reported scope) of Group electricity consumption originated from renewable sources.

“Green gas” is also procured across the Group’s operations in some regions as all French and Belgium centers but also in other countries like on the site of La Romanina in Italy.

At the regional level, Scandinavia, Iberia, the Netherlands and Germany all procure 100% of electricity for their common and serviced areas from renewable sources, and 100% of district heating consumption in the Netherlands comes from renewable sources as well.

Overall, 80% of the total energy consumed in Klépierre’s centers in 2020 was from renewable sources, an improvement of five percentage points compared to the previous year.

5.2.1.1.3 On-site renewable energy production

Klépierre is developing on-site renewable energy production to strengthen its environmental commitments. Renewable energy systems have already been installed, and represent a generating capacity of 929 MWh at eight sites: Nave de Vero (Venice, Italy), Romagna Shopping Valley (Rimini, Italy), Hoog Catharijne (Utrecht, the Netherlands), Field’s (Copenhagen, Denmark), Maremagnum (Barcelona, Spain), Grand Portet (Toulouse, France) L’Esplanade (Louvain-la-Neuve, Belgium) and Riom Menetrol (Riom, France). Feasibility studies are underway across the Group’s portfolio to identify further opportunities, including its development portfolio.

The L’Esplanade shopping center in Louvain-la-Neuve (Belgium) recently installed 1,538 solar panels on its roof, producing 425 MWh per year. Less than a year elapsed between the first installation and effective energy production. This now accounts for 28% of the shopping center’s total electricity consumption – equivalent to the annual electricity consumption of 210 Belgian households.

On-site electricity generation is a local initiative that forms part of the Group’s energy optimization program.

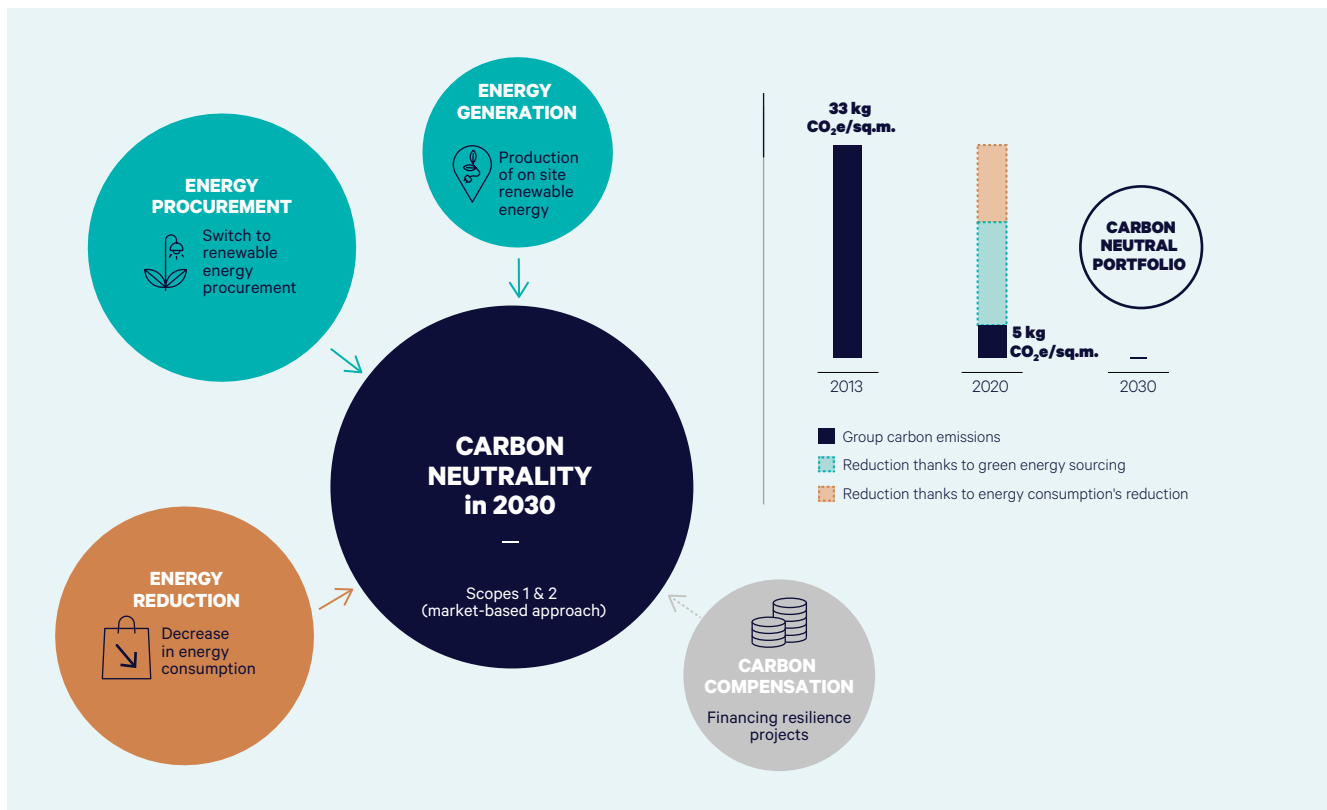
5.2.1.2 Climate change⁽¹⁾

Klépierre is committed to the fight against global warming, and is targeting carbon neutrality for its entire portfolio across Europe by 2030. The results from this strategy are highly encouraging –Klépierre's carbon footprint has already decreased by 84% (Scopes 1 & 2, market-based, reported scope) since the adoption of this strategy. The outcomes can be attributed to four key actions:

- Reducing energy consumption (see section 5.2.1.1): reduction is the first step of any relevant energy plan. Klépierre tracks the energy efficiency performance of its portfolio and individual assets, so that concrete actions can be implemented. Monthly reporting and follow-ups are carried out using the Deepki reporting tool. These can be adapted to each center's specificities, in order to ensure a dedicated and efficient energy-saving program led by on-site managers;
- Renewable energy supply (see section 5.2.1.2): in order to decrease the carbon footprint associated with its energy consumption, the Group engaged to reduce its dependency on fossil sources of energy. This is why Klépierre has committed to use 100% of electricity

produced from renewable sources in 2022. Current contracts are being re-negotiated, or new contracts are being signed with green energy suppliers;

- On-site renewable energy production (see section 5.2.1.3): Klépierre believes that sustainable solutions are even more meaningful when local. The Group is therefore developing its own on-site renewable energy production to provide direct access to renewable energy for shopping malls. In Europe, eight centers are already partially supplied by their own renewable energy production;
- Carbon offsetting: in addition to a strong operational strategy for reducing carbon emissions, carbon offsetting projects also help to mitigate climate change. These generate financing for projects dedicated to supporting carbon-positive actions, such as reducing GHG emissions and strengthening natural carbon sinks. Klépierre considers carbon offsetting to be the "finishing touch" after having drastically reduced its carbon emissions through operational actions in its malls. Accordingly, the Group is currently investigating the most suitable and relevant offsetting projects to support its long-term climate ambition.

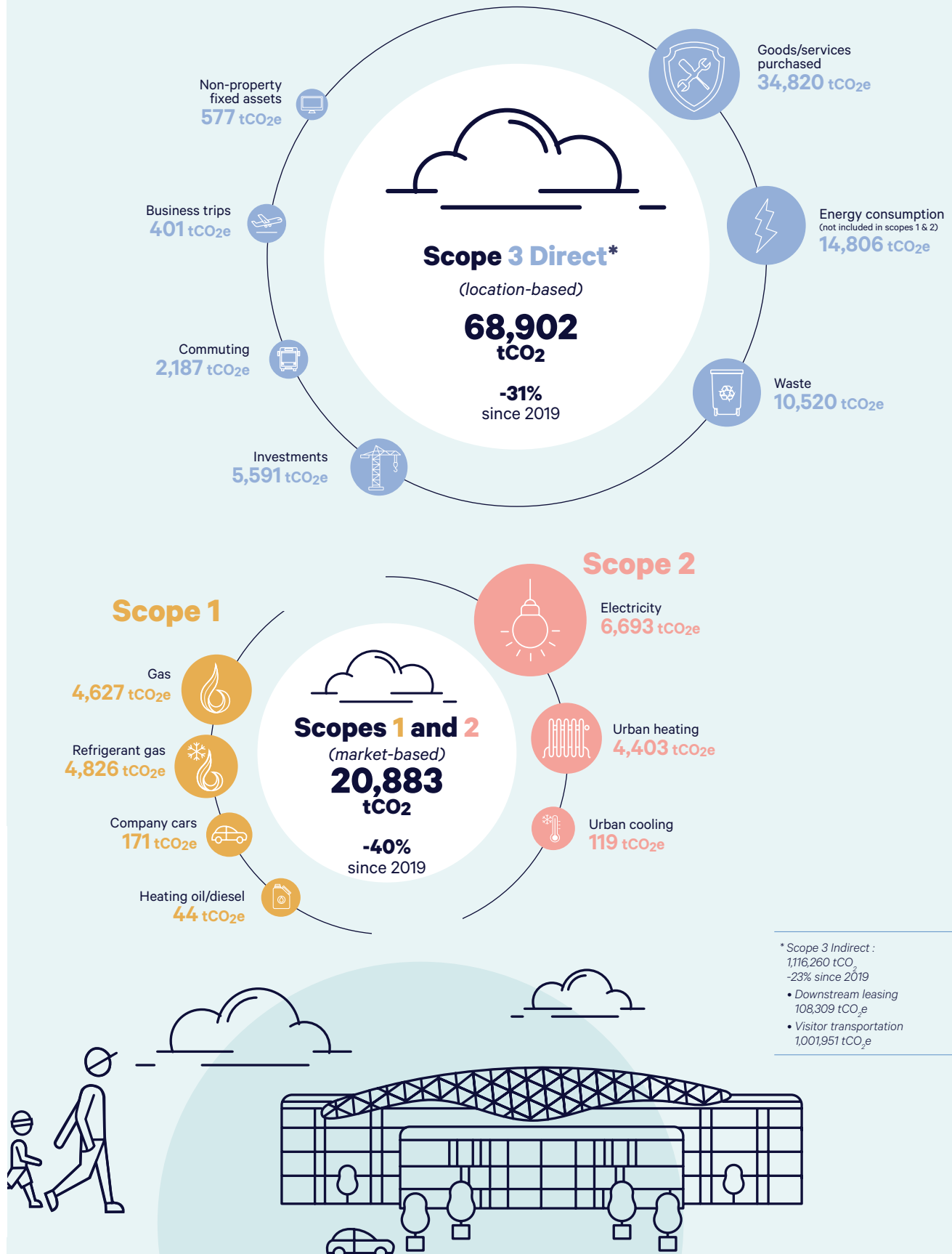


Klépierre tracks its direct and indirect greenhouse gas (GHG) emissions in accordance with Scopes 1 & 2 of the GHG Protocol, using both location- and market-based methods. Together, these account for 10.9% (Scopes 1, 2 & 3 direct leverage, location-based, reported scope) of the Group's total carbon footprint

Beyond accounting for its Scopes 1 & 2 GHG emissions, Klépierre seeks to measure the broader carbon footprint of its activities by calculating emissions associated with sources identified under Scope 3 of the GHG Protocol. In order to develop its action plans, Klépierre has identified parts of Scope 3 which are related to direct and indirect leverage (see section 5.2.1.2.2).

(1) Unless otherwise specified, all 2020 GHG emissions figures contained in this section apply to the following scope: 123/124 owned and managed shopping centers (excluding Utrecht, Hoog Catharijne) + 8/8 managed only shopping centers + 5/8 owned only shopping centers (excluding Greece). The corresponding coverage rate amounts to 95.8% of owned and managed shopping centers.

GROUP GHG EMISSIONS, REPORTED SCOPE



Klépierre discloses its carbon strategy using a global approach. It is one of the few real estate companies to publish its GHG emissions for all three Scopes in a genuinely extensive manner. Scope 3 emissions are divided into:

- Direct leverage sources of emissions: for which Klépierre can directly implement reduction actions;
- Indirect leverage sources of emissions: for which direct actions are managed by Klépierre's stakeholders.

5.2.1.2.1 Direct GHG emissions performance: Scopes 1 & 2

In 2020, Klépierre achieved Scopes 1 & 2 GHG emissions intensity from building energy consumption of 5.2 kgCO₂/sq.m. across its portfolio using the market-based calculation method of the GHG protocol. This represents a 44% reduction compared with 2019, and an overall reduction of 84% since 2013.

DIRECT GHG EMISSIONS INTENSITY (SCOPES 1 & 2) SINCE 2013 (kgCO₂e/sq.m., reported scope)

2013 baseline	2019	2020	2020 v. 2013	2030 target
33	9.4	5.2	-84%	Carbon neutrality

The Group's performance reflects both the implementation of the energy management measures described in section 5.2.1.1 above, incremental increases in the proportion of renewable energy supplied through the national grid mixes in the countries where it operates, and purchases of electricity from renewable sources.

The market-based calculation method enables energy purchased through renewable energy tariffs to be counted as lower emissions in comparison to national average (because utilizing the emission factor directly from the supplier), and illustrates the impact of efforts to switch to these in Belgium, France, Italy, Norway, Sweden, the Netherlands, Portugal and Spain.

The Group continues to pilot measures to make its five largest centers (by value) "carbon neutral" by 2022. The centers – Field's (Copenhagen, Denmark), Créteil Soleil (Greater Paris Area, France), Val d'Europe (Greater Paris Area, France), Porta di Roma (Rome, Italy) and Emporia (Malmö, Sweden) – represent a diverse range of climatic conditions, energy mixes and ages. Therefore, they provide an ideal testing ground for different strategies as the Group expands its carbon neutral program to cover all assets in its portfolio by 2030.

In 2020, Emporia (Malmö, Sweden) had already achieved carbon neutrality with Val d'Europe (Greater Paris Area, France) close behind (a residual three tons of CO₂). For the three other major centers, the Group is working on different local solutions to achieve carbon neutrality for them by 2022.

Carbon emissions forecasts have been conducted for each of these assets based on estimated reductions in line with the Act for Good® strategy, and taking into account emissions-cutting actions already planned such as equipment upgrades and changes to the energy mix from renewable electricity purchases. Based on these forecasts, Klépierre has identified a range of further measures that can be taken to achieve neutrality at these five centers. Options under review include the installation of renewable energy infrastructure, shifting technical equipment from local gas to district connections, and identifying local offsetting opportunities.

Emissions-cutting actions have also been taken in collaboration with the district heating/cooling production and distribution companies. This made it possible to reduce the carbon footprints of sites and the territory as a whole.

Klépierre uses carbon offsetting for certain emissions. Carbon offsetting involves generating finance to reduce GHG emissions and strengthen natural carbon sinks (forests, land use, oceans) or technological sinks. It is used for residual emissions and as a last resort, so accordingly, local emissions reduction projects are preferred. Using this offsetting model, for example, Klépierre's operations in Iberia have established a carbon neutrality plan following the Group's participation in a government-sponsored reforestation program.

5.2.1.2.2 Broader carbon footprint: Scope 3

The Corporate Value Chain Standard for Scope 3 emissions published by the GHG Protocol identifies 15 broad categories of Scope 3 emissions, covering both upstream and downstream activities such as purchased goods and services, transportation and product use.

Klépierre's measurement of Scope 3 emissions is amongst the most comprehensive in its industry. The Group reports nine categories of Scope 3 emissions. These are divided between those the Group has direct leverage over, meaning they fall under its immediate sphere of influence (e.g., waste, the purchase of goods and services and business travel), and those it has indirect leverage over. Indirect emissions constitute the bulk of Klépierre's Scope 3 emissions, and are mainly associated with retailers' activities and visitors travelling to and from its centers.

In 2020, the carbon footprint of Scope 3 (reported scope) is distributed between:

- Direct leverage: 68,902 tCO₂e (energy (used by retailers), investments, commuting, business trips, non-property fixed assets, goods/services purchased, waste);
- Indirect leverage: 1,116,260 tCO₂e (visitor travel, downstream leasing).

Indirect leverage represents emissions from visitor travel (90%) and downstream leasing (10%). These emissions are not directly controllable. However, Klépierre has taken actions to raise awareness among its external stakeholders, which may reduce them. Emissions from upstream leasing are not yet included in the Scope 3 calculations, and represent a non-material share of Klépierre's global GHG emissions.

In approving Klépierre's low-carbon approach, the SBTi committee considered its various quantitative objectives that the Group has committed on. These are equivalent to reducing direct greenhouse gas emissions from centers by 80% per sq.m. between 2017 and 2030 (Scopes 1 & 2). It also considered the Group's commitment to reducing indirect emissions from its assets and retailers (Scope 3) by 41% per sq.m. over the same period. Klépierre's indirect emissions are far from negligible:

- Retailers consume a significant amount of energy, making them important stakeholders to take into account in environmental planning. Their GHG emissions are calculated from available sources of information, completed by extrapolation methodology to cover retailers' overall footprints;
- Visitor travel also represents a significant proportion of Scope 3 emissions. As such, visitors have been identified as a key stakeholder to support in order to reduce Klépierre's carbon footprint. GHG emissions are calculated using a survey on visitor travel habits (to and from shopping centers), extrapolated in line with the total number of visitors.

In 2020, retailers' energy consumption in Klépierre shopping centers accounted for 108,309 tCO₂e, equal to 9% of the whole Group's Scope 3 emissions. This falls outside Klépierre's direct control as its relationship with retailers is influenced by operational and legal factors that are common to the shopping center industry. Retailers' electricity is mostly sub-metered directly to each unit, meaning data collection and monitoring is not available without their permission. Furthermore, in most countries where Klépierre operates, commercial leases provide no obligation for retailers to reduce their energy consumption or share information about their consumption with landlords.

However, Klépierre does encourage its retailers to reduce energy consumption. At the corporate level, the Group is promoting a collaborative approach with its strategic retailers to achieve reductions in energy use, and dedicated clauses to that effect are included in contracts.

At the local level, the Group encourages shopping center teams to engage with retailers to help reduce energy consumption and associated GHG emissions. BOOST action plans and operational best practice guides are also shared with retailers to raise awareness and provide support on the steps they can take to improve energy efficiency in their stores, along with other environmental impacts including water consumption and waste management. In 2020 a pilot project was set up in France, both within the framework of the Tertiary Decree but also to move ahead on Scope 3 emissions linked to direct leverage. For two shopping centers, all retailers' consumption data were collected. These data will then be used to conduct analysis and to define energy efficiency improvement measures.

Furthermore, sustainability clauses are included in all signed standard lease contracts for the Group's retailers across Europe. Sustainability clauses have also been introduced for new leases in Sweden and Denmark since the end of 2019. These clauses cover requirements to share waste and utility data, integrate sustainability considerations into store fit-outs and design to minimize waste and energy consumption, and a commitment to adhere to practices that are consistent with each center's environmental management system and building certification.

The largest contribution to the Group's carbon footprint is, by a considerable margin, visitor travel to and from its shopping centers. In 2020, this generated 1,007,951 tCO₂e, accounting for 85% of the Group's entire Scope 3 emissions (location-based method). In this context, and in keeping with national and local strategies to encourage sustainable urban travel, Klépierre has made sustainable mobility a priority and is already taking action on this front (see section 5.2.4.1 below).

5.2.2 Contribute to a circular economy and resource conservation

Consumption patterns are constantly evolving, and consumers are becoming increasingly interested in business operating procedures – notably information on the use, reuse and recycling of raw materials.

The operation, refurbishment and expansion of shopping centers consumes a significant amount of natural resources and generates substantial volumes of waste. Conventional shopping center development and management follows the typical linear economy model, whereby resources and products are sourced or made, used and then disposed of without being recovered or replenished. This often occurs in ways that pollute the natural environment.

5.2.1.2.3 Develop resilient assets

With the impacts of climate change already manifesting themselves, and some degree of further global warming inevitable, Klépierre has been seeking to anticipate and prepare for the potential effects of extreme weather and increased regulation in relation to its assets.

The Group is decreasing its dependence on fossil fuels, having achieved a 43% reduction in common and serviced area energy consumption since 2013 and increasing the proportion of energy procured from renewable sources to 80%. It also participates in industry working groups on reducing risks associated with energy market volatility and changes to the regulatory regime.

The fact that the Group's assets are located in major European cities decreases their relative exposure to physical risks from climate change. Nonetheless, in 2017 the Group commissioned a specialized consultancy firm to conduct an extensive study of the climate change impacts that could affect its entire portfolio of shopping centers over the next 70 to 100 years. This included risks from higher average temperatures, and from changes in the intensity or frequency of heatwaves, cold spells, intense rainfall and/or snowfall and droughts. While the findings revealed that no assets were exposed to significant physical risks, they have nonetheless informed the review of structural requirements for the Group's assets. This has included the introduction of a mandatory requirement for an asset-level structure audit every five years, including additional components relating to climate change risks.

The Group is also using scenario planning to influence the design and specification of its development activity. Modelling software is being developed to predict how energy management systems and building materials can be designed and optimized given different climatic conditions, and thereby influence the operational performance of shopping centers.

As part of its existing activities, Klépierre is acting to protect its assets from higher heating and cooling requirements due to temperature change, and to ensure that the physical building fabric is designed to withstand the impact of extreme weather events. This is reflected both in relation to operational management (e.g., energy efficiency measures) and development and refurbishment (e.g., efficient, high-quality and locally-adapted design).

Several of the Group's assets feature green roofs and walls that help to reduce flood risks. Nový Smíchov in Prague (Czech Republic), for example, featured a green wall that is being partially funded by the municipality due to the wider impact it will have on improved air quality and reduced noise pollution. At the same time, features such as green roofs can decrease heat gain to the mall, reducing the need for air-conditioning and thereby contributing to the Group's energy, carbon and green building targets.

A circular economy model, by contrast, is one which decouples economic activity from the consumption of finite resources, designs out waste and pollution, keeps products and materials in use and regenerates natural systems. Beyond reducing impacts on the environment, following a circular economy model can increase efficiency by extending the useful life of materials and resources, while also reducing costs.

As Klépierre integrates new models of product use and recycling, including closed-loop and circular economy principles into its business model, it is rethinking the management of waste and resource consumption associated with the operation of its shopping centers. Crucially, this extends to the Group's retailers. Klépierre has set a goal for all shopping centers to involve their retailers in a circular economy approach by 2022.

To date, Klépierre has focused on limiting waste and controlling the consumption of natural resources, including water. This has been done by applying the BREEAM certification standard, and by specifying products and materials that promote resource efficiency and are associated with low emissions. Such products and materials are easy to maintain, recycle and reuse, and have an eco-label and/or a lower environmental impact (such as PEFC™ or FSC-certified timber). At all stages of the building life cycle, preference is given to suppliers with certified environmental management systems.

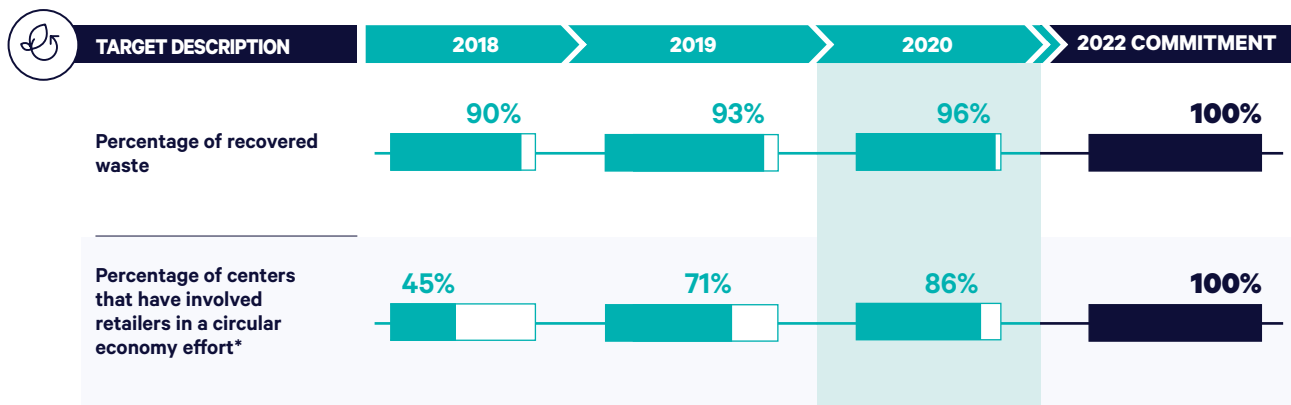
On development projects, Klépierre positions itself as an opinion leader. Increasingly, the Group is working with its architects and designers

to specify materials that contain recycled contents and are easily recyclable themselves. The Group has subsequently embarked on partnerships with organizations such as Cycle Up to promote the reuse of construction materials during the renovation of two assets in France: Créteil Soleil in Greater Paris and Grand Place in Grenoble.

On the operational side, waste management issues depend on the centers' specificities. Performance improvements require the daily involvement of technical teams and close collaboration with retailers' employees and waste management companies.

SUMMARY OF PERFORMANCE AGAINST TARGETS

CONTRIBUTE TO A CIRCULAR ECONOMY



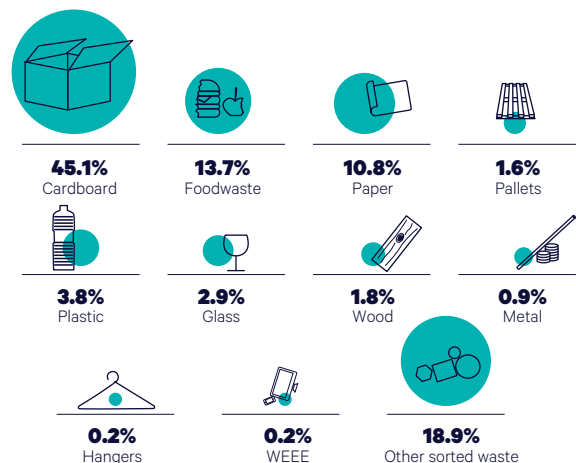
* Every collaboration with retailers to improve waste sorting and recycling performance in the centers.

5.2.2.1 Waste management⁽¹⁾

Klépierre has set a target to ensure that 100% of shopping centers' operational waste is recovered by 2022. In 2020, the Group adjusted the methodology used to calculate this KPI, excluding shopping centers for which municipalities or hypermarkets are in charge of waste removal – where Klépierre has no direct leverage on waste sorting – from the calculation. Over the past seven years, the proportion of recovered waste has increased from 59% in 2013 to 96% in 2020 (reported scope).

The bulk of the waste generated in the Group's shopping centers (99.6%) is classified as non-hazardous and is made up of a range of recyclable waste streams, including: cardboard, organic waste, paper, plastic, glass wood and metal. Hazardous waste, which accounts for just 0.4% of total waste production, mostly comprises used lightbulbs and fluorescent tubes, electronic waste, electrical appliances and paint. These waste streams are separated on site and processed through special recovery channels.

BREAKDOWN OF SORTED WASTE BY TYPE (by tonnage)



(1) Unless otherwise specified, all 2020 waste figures contained in this section apply to the following scope: 93/124 owned and managed shopping centers (excluding Bratislava, Danubia; Duisburg, Königsgalerie; Angoulême, Champ de Mars; Bordeaux, Saint-Christoly; Valence, Victor Hugo; Chartres, la Madeleine; Paris Saint-Lazare; Bergamo, Seriate Alle Valli; Bologna, Shopville Gran Reno; Lecce, Cavallino; Modena, Grand Emilia; Varese, Belforte; Metz, Saint Jacques; Toulon, Mayol; Citta S. Angelo, Pescara Nord; Pavia Montebello d.B. Montebello; Pesaro, Rossini Center; Savignano s.R. Romagna Center; Venice, Nave de Vero; Kristianstad, Galleria Boulevard; Adapazarı, Adacenter; Bursa, Anatolium; Denizli, Teras Park; Tarsus, Tarsu; Tekirdag, Tekira; Madrid, Principe Pio; Oviedo, Los Prados; Santa Cruz de Tenerife, Meridiano; Vallecas, La Gavia; Madrid, Plenilunio; Orebro, Marieberg) + 7/8 managed-only shopping centers (excluding Nîmes, Étoile) + 4/8 owned only (excluding Greek shopping centers & Istanbul, Akmerkez). This corresponds to a coverage rate of 84.3% of owned and managed shopping centers.

The Group's strategy is to increase the proportion of waste that can be sorted on site, thereby reducing overall waste management costs. Most of its assets are equipped with multi-compartment trash cans to promote waste awareness towards visitors, and retailers receive training on correct waste segregation as well as being provided with appropriate facilities.

Approximately 30 different types of waste can be sorted at the best-performing centers, and where combined with proper incentives for employees, retailers and contractors, waste recovery rates of 100%

have been achieved, as demonstrated by centers in Germany, the Netherlands and Scandinavia.

France and Belgium achieved a waste recovery rate of 99% in 2020 making it one of the Group's top performing regions. Its achievements are partly due to a concerted effort to increase engagement with its waste contractors and to set key performance indicators supported by targets and training to increase the number of waste streams that can be sorted and collected.

THE SORTING AMBASSADOR: A NEW POINT OF CONTACT TO DEVELOP THE CIRCULAR ECONOMY

At the Blagnac shopping center in Toulouse, a dedicated person is designated as the waste sorting contact. The "sorting ambassadors" ensure that the waste zones function correctly. Their responsibilities are as follows: research and development, performance monitoring, support for retailers, communication and education, management of bio-waste, of the teams and of relations with service providers. The "Greeners" – a community of committed retailers – was created to instill a team ethic and boost sorting performance. Communications (posters, social media posts, etc.) are regularly distributed to raise awareness among all those in the sorting chain. These investments have already brought about positive results:

- 90% of retailers sort their bio-waste compared to 21% in July 2019;
- Common waste decreased from 250 tons in 2018 to 150 tons in 2020, thanks to better sorting;
- New specific sorting channels have been set up for glass, cigarette ends, cartridges and cans.

The success enjoyed with the sorting ambassadors will provide the stimulus to continue developing and sharing waste treatment best practices.

Each shopping center's waste data is entered and analyzed on a monthly basis in Deepki, the reporting platform. Using Deepki helps the Group monitor waste flows using specific performance indicators, focusing on the types of waste being processed as well as waste disposal destinations, and enables the Group to set appropriate targets at the level of each asset.

Klépierre has extended its BOOST interventions to cover waste management (see section 5.2.1.1 above), and by the end of 2020, these had been conducted at 11 assets across France, Spain, Italy and Scandinavia. Operating based on a similar format pioneered by the Group's energy audits, the program brings together shopping center teams, suppliers, waste contractors and Group or country-level technical experts to conduct a deep-dive analysis of individual shopping center waste management practices over a 24-hour period. This timeframe allows teams to observe waste management practices during the shopping center's operating hours, focusing not only on the number of waste streams but also the facilities, processes and products in place to ensure they are operating effectively. Following this period of observation, the team creates an action plan which can include a range of low-cost measures such as changes to the layout and design of waste substations and storage facilities, improved signage and guidance for retailers, changes to cleaning schedules to increase the number or frequency of visits to certain areas of the shopping center, and the introduction of new waste streams for waste contractors.

5.2.2.2 Circular economy

The deployment of BOOST interventions has enabled Klépierre to increase its direct engagement with retailers, bringing it closer to its target of 100% of shopping centers involving their retailers in a circular economy approach.

As well as identifying specific training needs or improved communications, BOOST action plans provide a much deeper insight into the potential challenges faced by retailers that prevent 100% diversion rates. These may include the use of products or packaging which are not compatible with shopping center waste flows and that prevent the effective sorting of waste and/or cannot be recycled. In these cases, the solution is often to engage directly with the retailer's corporate headquarters and procurement departments to encourage them to seek alternative materials.

The Company is also piloting innovative approaches to embed circular economy principles into the daily management of its assets. For example, Klépierre was the first company in its industry to sign a Europe-wide partnership with the start-up "Too Good to Go" which provides a mobile app to facilitate the sale of unsold food on its last possible purchase day. In order to promote the use of the app, Klépierre will continue to communicate on this initiative raise in order to awareness among visitors to its centers.

START-UP SUPPORT FOR MOBILIZATION AGAINST FOOD WASTE

Starting June 2020, Hoog Catharijne in the Netherlands initiated an innovative partnership with De Clique, a local start-up in charge of collecting food waste.

Since the beginning of the project, De Clique has collected a significant amount of waste: 489 kg of coffee grounds, 951 kg of orange peel and 1,645 kg of pallets. By August, a total of 2,959 kg CO₂e had already been saved. Beyond the success of the collections, De Clique also gives a second life to recovered waste, with materials used to form the basis of new products for projects led by the startup and its partners. As an example, collected orange peel has been used to create essential oils, which are used to make locally-produced soap.

This circular economy approach is virtuous and benefits many stakeholders. It also enables the shopping center to involve its retailers in a shared project with visible and tangible results.

As the initial results of this partnership are encouraging, the project will be prolonged and extended to other types of waste in 2021.

This type of project enables Klépierre to be involved in promoting the work and commitment of a local startup, while making it possible to educate both employees and visitors on social and environmental challenges.

Klépierre's focus on the circular economy extends to its visitors, retailers and communities. At Tarsu (Turkey), the center gathers food waste from restaurants every day, which is then collected daily by the local authorities and delivered to animal shelters. In 2020, an average of 13 kg of food waste was collected per day. The center also encourages visitors to take part by inviting food court customers to separate out non-food items on their plates.

Klépierre also launches actions that allow visitors to genuinely participate in the circular economy. In Germany, a special market was set up for children to sell their old toys, with a total of 40 families participating and almost 3,500 people attending this family event. Unsold toys were donated local charities.

5.2.2.3 Water use⁽¹⁾

Although Klépierre has not identified water as having a material environmental impact, the Group nonetheless measures its water consumption and applies best practices to ensure the most efficient use as part of its broader efforts to reduce consumption of natural resources.

In 2020, 2.9 million cu.m. of water was consumed across Klépierre's shopping centers. This includes retailers' water consumption, as retailer data is collected across all centers. On a like-for-like portfolio basis, water consumption intensity by building use (measured as liters per visit) was down 3% over the past 12 months, from 4.6 in 2019

to 4.5 in 2020. This decrease can be explained by improved monitoring of leaks, best practice sharing, and the continued upgrading of equipment, although it also reflects the effect the lockdown period and the consequent lower footfall.

Water consumption data is recorded and analyzed monthly using the Deepki reporting platform, which also enables Klépierre to benchmark shopping centers' water efficiency based on the same analysis by type of center used for energy benchmarking. In the case of water, shopping centers are grouped together according to similarities in relation to the proportion of greenery present, the characteristics of their cooling towers and the proportion of retailers' and operators' floor space dedicated to more water intensive services (e.g., restaurants and hairdressers).

Water efficiency interventions are targeted at the three largest water consuming systems and activities in the Group's shopping centers (air-conditioning, toilets and cleaning), as well as the use of more drought-tolerant plant species in green areas and the recovery and reuse of rainwater where feasible. Investments in more efficient equipment, such as cooling towers and low-flow sanitary fittings are made as and when replacements are required. As an example, in the Créteil Soleil center, a rainwater recovery tank has been installed, allowing water to be stored for sanitary purposes. This system makes it possible to limit water consumption from the mains supply, using the latest technologies available to limit water requirements.

5.2.3 Develop a fully-certified portfolio

The appetite for certified "green" and "healthy" buildings is growing among investors, and numerous studies point to the economic benefits that these assets can yield in terms of retailer attraction and retention, and operational cost savings.

In the retail industry, green building certification provides an opportunity for developers and owners to differentiate their products by demonstrating higher standards of environmental quality and implementing design features to sustain long-term asset values. Furthermore, studies show a correlation between sustainability features such as indoor air quality, greenery and daylight levels, increased visitor dwell time, visitor loyalty and retailer sales⁽²⁾.

Klépierre favors the use of two green building certification standards, BREEAM New Construction for extensions and BREEAM In-Use for shopping centers in operation and undergoing renovation, as well as ISO 14001 certification for operational shopping centers' environmental management systems.

The Group has found these standards to be complementary: ISO 14001 provides a framework to target, deliver and monitor environmental improvements at each center, and establish procedures for continuous improvement; BREEAM standards, meanwhile, provide a consistent and comparable framework for assessing impacts and costs from a lifecycle perspective, and enhancing the environmental quality of the building and its socio-economic contribution to the local area. BREEAM gives retailers, visitors and investors the assurance that the project has been developed, and that it operated based on a robust process to minimize damage to ecosystems and natural resources while exploiting opportunities to create a better built environment for people and the planet.

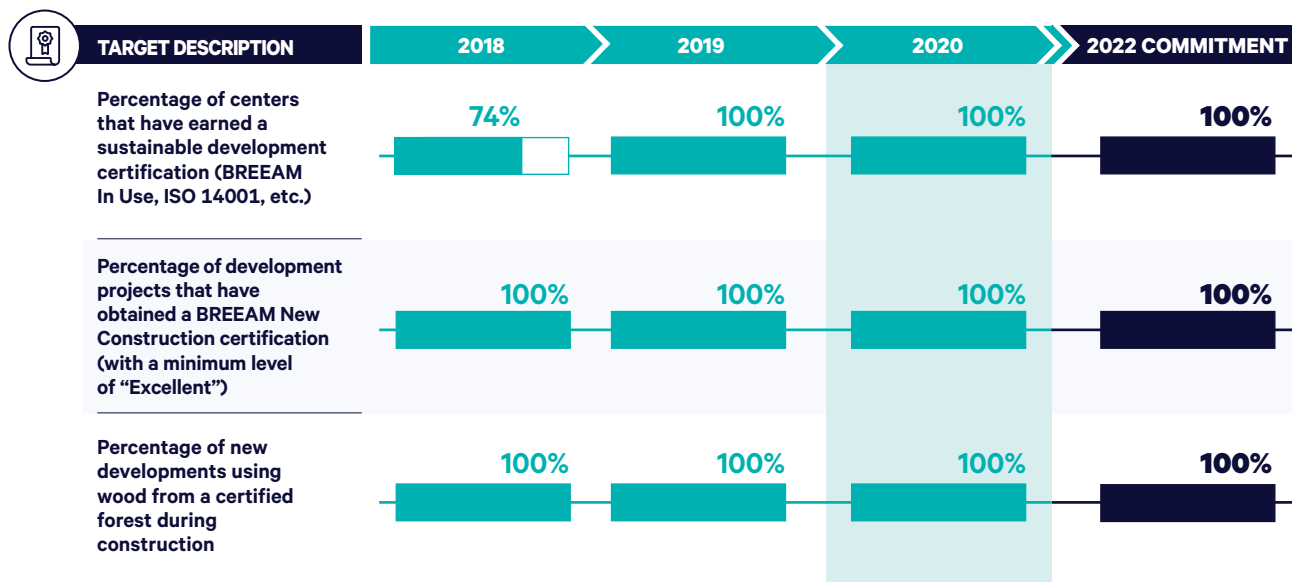
In addition, Klépierre operates a portfolio-wide environmental management system covering 100% of the assets it owns and manages. This means that all assets establish environmental targets, implement actions and monitor their performance, with this process being supported and reviewed by dedicated specialists at national and Group levels.

(1) Unless otherwise specified, all the 2020 water figures contained in this section apply to the following scope: 123/124 owned and managed shopping centers (excluding Vittuone Il Destriero) + 8/8 managed only shopping centers + 4/8 owned only (excluding Riom Menetrol & Greece shopping centers). The corresponding coverage amounted to 99.4% of shopping centers owned and managed or owned only.

(2) See World Green Business Council, "Health, Well-being & Productivity in Retail: The Impact of Green Buildings on People and Profit" (February 2016), pages 22, 26 and 33.

SUMMARY OF PERFORMANCE AGAINST TARGETS

DEVELOP A FULLY-CERTIFIED PORTFOLIO



5.2.3.1 Standing assets⁽¹⁾

In 2019, the Group reached its long-term target to certify all centers according to BREEAM In-Use.

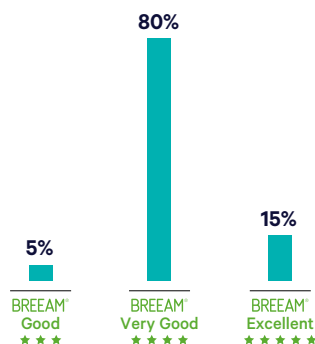
The certification of all the Group's assets three years ahead of schedule followed an intensive program of work launched in 2018. The Group now boasts as a minimum Part 1 BREEAM In-Use certification covering asset performance for its entire portfolio. Of these Part 1 certifications, 15% have been awarded a rating of "Excellent", with the majority (80%) achieving "Very Good" and a further 5% achieving "Good". In addition, 66% of centers have achieved Part 2 certification that focuses on building management.

By certifying its entire portfolio under BREEAM In-Use (Part 1), Klépierre is the second company in its industry – but the largest portfolio under management – to be fully covered by the BREEAM In-Use portfolio approach. Under this approach, BREEAM does not require every property to be reassessed every three years for the certificates to remain valid. Instead, Klépierre will adopt a sampling approach whereby a smaller group of properties that are representative of its wider portfolio will be submitted for an audit, with all certificates renewed on this basis, allowing the Group to reinvest and concentrate its efforts on asset optimization.

2020 was devoted to analyzing shopping centers' scores and performances, while 2021 will be dedicated to working closely with the various countries to define a challenging roadmap to maintain or achieve higher certification, taking into account the new version of the standard.

In addition, 44% of the Group's properties operate ISO 14001-certified environmental management systems. A further five shopping centers in Spain have obtained ISO 50001 certification, recognizing their best-in-class approach to energy management: La Gavia and Plenilunio (both located in Madrid), Maremagnum (Barcelona), Nueva Condomina (Murcia) and Santa Cruz de Tenerife (Tenerife).

SUSTAINABILITY CERTIFICATIONS OF ASSETS – BREAKDOWN BY BREEAM IN-USE LEVELS (Reported scope)



122/124 owned and managed shopping centers (excluding Paris, Saint Lazare; Bratislava, Danubia) + 8/8 managed-only shopping centers. The corresponding coverage rate amounted to 98.8% of owned and managed shopping centers.

⁽¹⁾ Unless otherwise specified, all 2020 certification figures contained in this section apply to the following scope: 122/124 owned and managed shopping centers (excluding Paris, Saint-Lazare; Bratislava, Danubia) + 8/8 managed-only shopping centers + 5/8 owned-only shopping centers. The corresponding coverage rate amounted to 98.8% of owned and managed shopping centers.

5.2.3.2 New construction and renovation

The Group's development activity focuses on its standing assets, where there are significant opportunities to unlock additional value through expansions and/or refurbishments. The Group's overarching development strategy, which is tailored to the unique needs of each project, pursues four objectives:

- Better integrating the assets, and adding greater value to the surrounding district;
- Positioning projects towards mixed-use themes, while maintaining retail as the predominant activity;
- Extending existing assets when sufficient potential is identified; and
- Implementing the Group's operational initiatives (Retail First®, Destination Food® and Clubstore®) to fine-tune the retail mix and introduce new retail, leisure and culinary concepts to enhance the Group's customer-centric approach.

The Group's Act for the Planet approach is deployed alongside these pillars through the application of the BREEAM standards for New Construction or Refurbishment and Fit-Out (as befits the project). BREEAM Excellent for New Construction, for example, sets out criteria that benefit the customer experience, including internal and external lighting levels, indoor air quality and acoustic performance. Requirements to improve accessibility to and from the site by providing alternative forms of transport promote integration with the broader community and the urban environment.

Adhering to the BREEAM standard is therefore fundamentally important for the Group's developments. BREEAM certification with "Excellent" as a minimum level is a key requirement of the Group's Act for Good® Development Checklist, which is applied to all projects involving the creation of over 10,000 sq.m. of new development area. It also includes requirements for:

- All timber to be certified to PEFC™ or FSC standards;
- Undertaking community engagement at the initial stages of the project;
- Ensuring that the main contractor has committed to adhering to the sustainability standards set by Klépierre during the procurement and worksite phases; and
- Creating a biodiversity action plan.

In 2020, one development project over 10,000 sq.m has been delivered: the extension of Créteil Soleil in France. In line with the Group's commitments, this new project has obtained the BREEAM New Construction certification with the Excellent level. Moreover, Créteil Soleil achieved "Gold" level WELL certification for its renovation and extension, which is a first for a shopping center. WELL is the leading tool for advancing health and well-being in buildings globally. The wider renovation includes a complete update to the center's technical equipment as well as improvements to the look and feel of the property, in order to improve its appearance and visitor comfort.

5.2.4 Innovate towards sustainable mobility

Air pollution is currently considered to be one of the greatest environmental risks to public health in Europe. Concerns about air quality, congestion and global warming are prompting national and local governments to develop plans to increase the use of more environmentally sustainable and healthier forms of mobility, including walking, cycling, the use of public transport and electric vehicles.

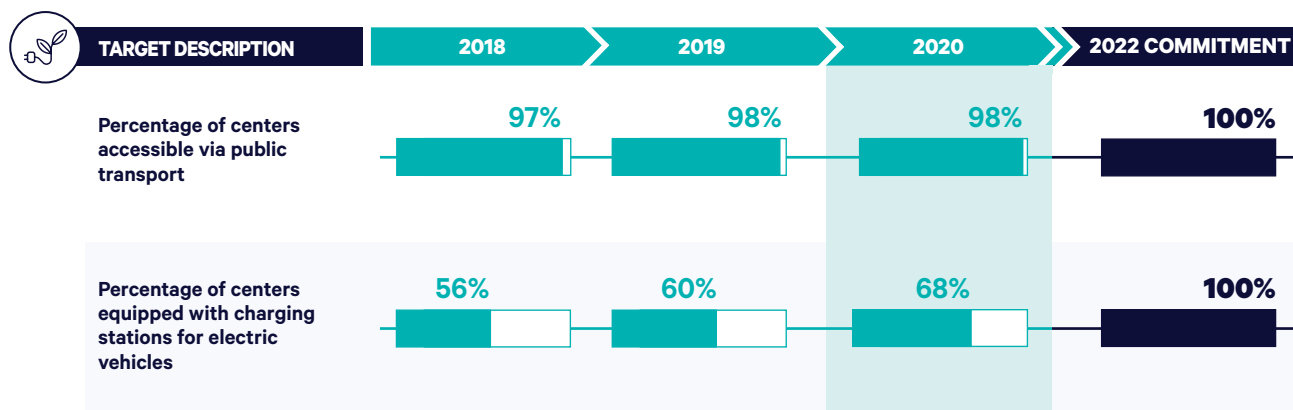
Ensuring accessibility by different forms of mobility is an integral part of Klépierre's strategy. Location, urban density and transport connectivity are key criteria which are reviewed as part of the Group's investment selection process. Across its operational portfolio, Klépierre

is undertaking actions to diversify the transportation and mobility offer associated with its shopping malls.

The intentions behind this approach are fourfold: it supports the integration of its assets within the communities they serve, supplements efforts to increase footfall by enabling easy access by as many people as possible, reduces pollution and GHG emissions associated with the use of motor vehicles and helps to future-proof the Group's assets in the context of the shift towards greater use of electric and automated vehicles, walking and cycling.

SUMMARY OF PERFORMANCE AGAINST TARGETS

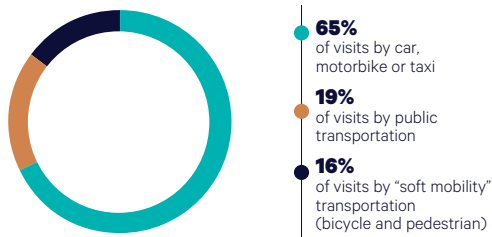
INNOVATE FOR SUSTAINABLE MOBILITY



5.2.4.1 Visitors' travel modes⁽¹⁾

In 2020, 35% of visits to Klépierre's shopping centers were made using soft mobility (walking, cycling, etc.) or public transport.

VISITORS' TRAVEL MODES



Klépierre has set a target for 100% of its shopping centers to be accessible by public transport and equipped with charging stations for electric vehicles by 2022. As of December 31, 2020, 98% of the Group's centers met this definition, meaning that at least one bus, train or tram stop located less than 500 meters away from a mall entrance with services at least every 20 minutes.

Also, 99% of the Group's shopping centers are easily accessible by bicycle, including all centers located in Scandinavia, Germany and the Netherlands.

This summer at the Lublin Plaza center (Poland), a dedicated and permanent space was created in the parking lot for electric scooters, in partnership with a local operator. This new mode of transport is easy to use and allows users to travel to the center in an innovative way. Environmentally friendly transport is also promoted in Germany. Residents and visitors can use the new bicycle repair station with a range of tools, various air pumps and a rack for their bikes.

2020 saw the Group expand its electric vehicle charging station coverage, with 73 shopping centers across France, Germany, Denmark, Italy, the Netherlands, Sweden, Norway, Portugal and Spain equipped with charging stations. This figure reflects both charging points managed by the shopping centers and available stations within a radius of 200 meters (managed by the local authorities or by private

operators). Electric vehicle charging stations are also installed in the Group's development projects, including Créteil Soleil and Gran Reno.

By the end of 2020, 68% of the Group's assets (in value) had electric vehicle charging points in place, including 98% of centers in Scandinavia and 97% of centers in the Netherlands (where the use of electric vehicles is most prominent).

The Group promotes initiatives to reduce private vehicle use to and from its shopping centers. These include car-sharing, renting and encouraging alternative forms of transport. A sample of other initiatives to promote more sustainable travel to and from various shopping centers includes:

- Dedicated parking spaces for carpooling (26% of centers);
- Private shuttle bus services (11% of centers); and
- Live displays of public transport timetables (19% of centers).

5.2.4.2 Master planning transport solutions

Klépierre's development activity offers additional opportunities to promote sustainable mobility by integrating shopping centers successfully within neighborhood masterplans, and by engaging with local authorities and services. Indeed, all assets developed, extended or renovated by the Group since 2012 are served by public transport owing to these efforts.

The Group exploits all possible opportunities to connect with new and existing public transport infrastructure, cycling paths and pedestrian zones in its redevelopment activities. Créteil Soleil (Greater Paris Area, France), for example, is already well served by public transport – in 2020 almost 47% of visitors arrived by public transport, and the new extension at this center should enhance this further. Whereas previously visitors arriving at the adjacent Créteil metro station had to cross the shopping center car park, they now access the center directly from the station. Furthermore, the car park has been remodeled to improve traffic flows and increase cycle access, with expanded bicycle storage facilities.

The Group takes a longer-term view as it seeks to future proof assets in light of evolving trends in mobility, urban transportation, logistics and supply chains. This includes studying the impact of changes in visitor travel on shopping center design, taking into account factors such as the expected growth in autonomous cars, and understanding how assets will need to adapt to retailers' changing needs in view of new retail and distribution models.

⁽¹⁾ Unless otherwise specified, all 2020 travel mode figures contained in this section apply to the following scope: 123/124 owned and managed shopping centers (excluding Paris, Saint-Lazare) + 8/8 managed-only shopping centers + 5/8 owned only SC (excluding Greece). This corresponded to a coverage rate of 98.8% of owned and managed shopping centers.

5.3 ACT FOR TERRITORIES



ACT FOR TERRITORIES

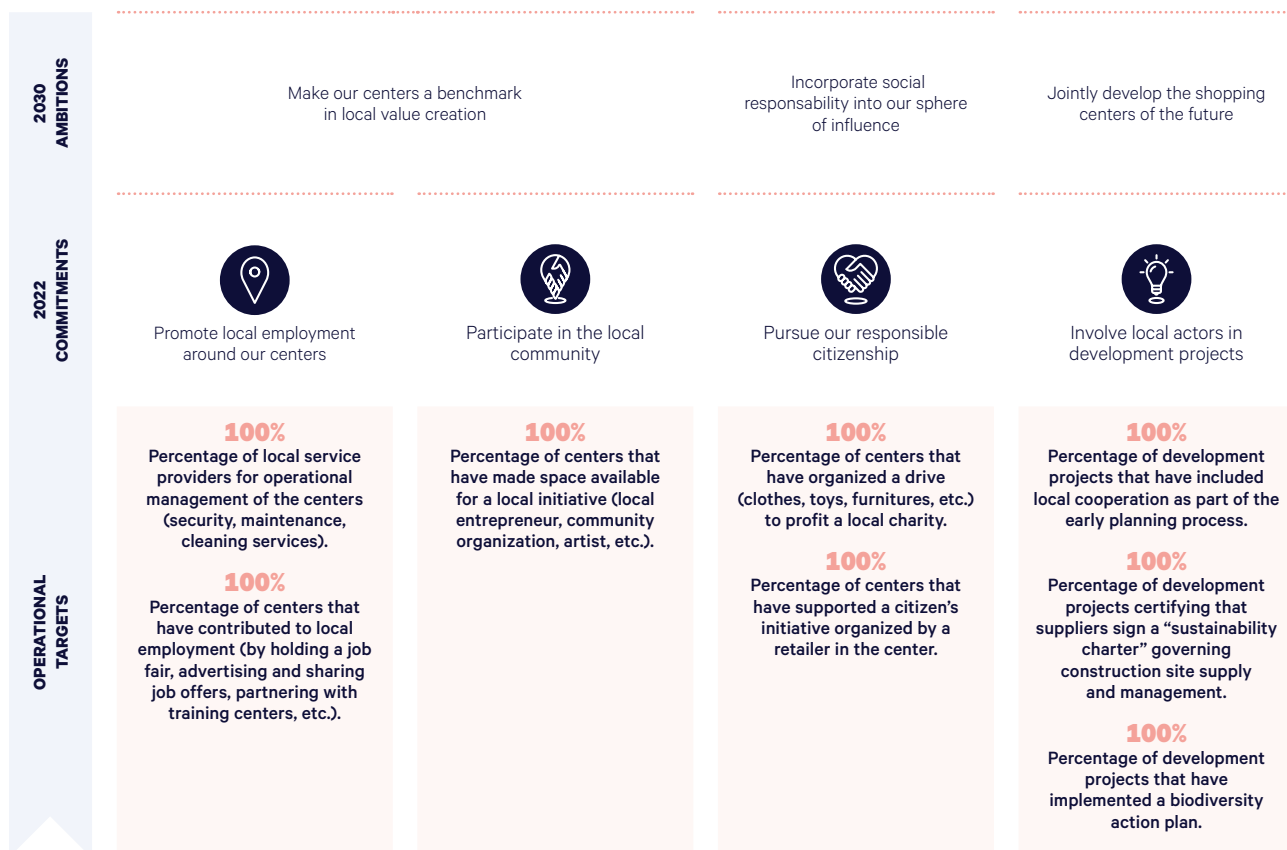
The Group's commitments under this pillar cover a large range of actions, which position each Klépierre shopping center at the heart of local challenges. Under the Act for Territories pillar, the Group believes that it can fully play its role as a catalyst in supporting many community-based initiatives, and amplifying actions initiated by local community players on key issues: tackling unemployment, supporting local economic development, encouraging better social outcomes and participating in the local community.

Driven by its conviction that the best way to support territories is to offer a local response to their needs and to propose tailored action, the Group's strategy is to structure the many initiatives developed by shopping centers under priority commitments and let each team find a local response that reflects the specific circumstances and priorities of its catchment area.

Through the Act for Territories pillar, Klépierre wishes to meet complementary objectives – reinforce the sense of community among its main stakeholders: suppliers, tenants, customers, local organizations, amplify meaningful local initiatives, contribute to the social and economic life and development of its territories.

Klépierre's efforts have been supported by best practice guidelines that highlight examples of successful initiatives from across the Group's portfolio. The guidelines help shopping centers address each target within their local context. Monitoring the progress of each Act for Territories target is also part of the Group's quarterly performance reporting. In 2020, a new reporting tool was implemented to reinforce oversight of the Group's commitments at both shopping center and country level, and a comprehensive review of actions and expectations was conducted to attest to the quality of its initiatives.

In order to maintain strong relations with the community even during the Covid-19 crisis, exceptionally this year, on-the-ground actions were replaced by digital initiatives for most commitments. Klépierre's shopping centers were nonetheless always able to offer space to local organizations – in compliance with health protocols – to respond to emergencies. The Covid-19 crisis has confirmed the relevance of the Act for Territories strategy and its ability to respond rapidly to local basic needs. Thanks to the commitment of its local teams, Klépierre is on track to achieve its 2022 objectives and is now focusing on nurturing the long-term relationships that will be required to achieve its 2030 ambitions.



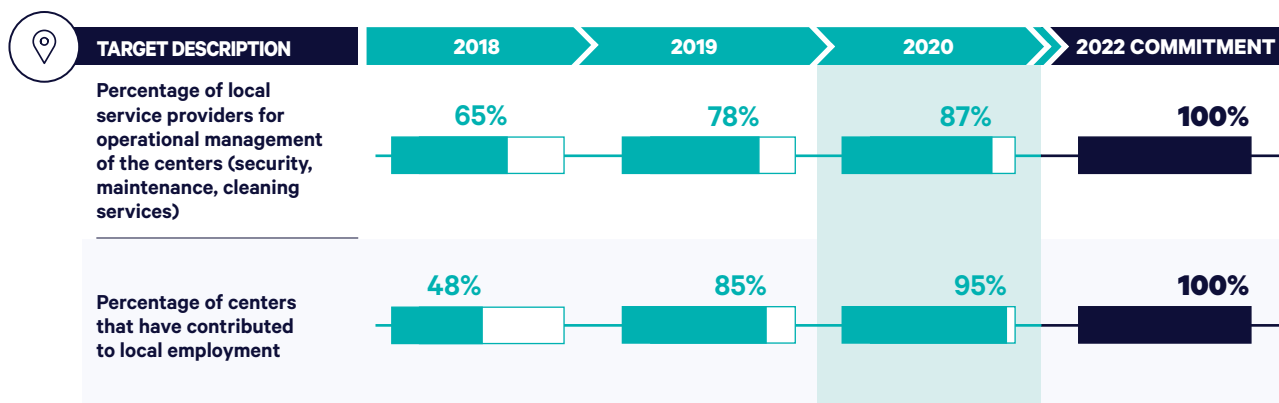
5.3.1 Promote local employment around shopping centers

As major economic hubs that attract many thousands of visitors daily, Klépierre's shopping centers make a significant contribution to local employment. Firstly, the Group generates employment in the construction sector when it launches new shopping center developments or redevelopments. It then recruits staff directly to fill shopping center management posts. Jobs are subsequently

created by the suppliers it contracts to provide cleaning, security and maintenance functions, as well as by its retailers, who require personnel to run their shop units. Klépierre's presence has a strong overall bearing on local economic development by favoring local partners and acting in support of local companies and retailers in meeting their human capital needs.

SUMMARY OF PERFORMANCE AGAINST TARGETS

PROMOTE LOCAL EMPLOYMENT AROUND OUR CENTERS



The Group's long-term ambition is to make its centers a benchmark in local value creation. As such, it has set out a long-term commitment to ensure that all shopping centers in its portfolio promote local employment. The Group's strategy to deliver this commitment is twofold:

- Through its supply chain, by ensuring all service suppliers behind the day-to-day operations of its centers are recruited from the local community;
- Using its local networks to facilitate employment opportunities by working with tenants and employment agencies, and more widely with local employment actors.

5.3.1.1 Encourage procurement from local suppliers

The Group's annual shopping center operating budget amounted to ca. €465 million in 2020, and was mostly redistributed to locally-based service suppliers. Klépierre is committed to ensuring that 100% of its shopping centers use local service suppliers by 2022. As of the end of 2020, 87% of service suppliers met the Group's definition of local (regional and/or within 300 km of the shopping center) *versus* 78% in 2019.

Procurement activities are managed at country level, and as contracts come up for renewal, procurement teams prioritize suppliers that meet the Group's definition of local. As of the end of 2020, Scandinavia, Iberia, Netherlands and Germany had already reached the target. Future calls for tenders should also make it possible for the remaining centers to join them.

5.3.1.2 Partnerships to boost local employment

Most job opportunities generated through the Group's operations are created indirectly by its tenants, which represent a broad spectrum of small businesses, national and international brands. Since recruitment

can be a resource-intensive process for both employers and job seekers, the most significant role Klépierre can play is to facilitate local employment opportunities using both its local presence and national scale to work with employment organizations such as recruitment agencies and specialized non-governmental organizations to bring retailers and job seekers together.

Since the launch of the strategy, the number of shopping centers facilitating local employment has steadily increased, with 117 centers organizing an initiative in 2020. The Group's long-term target for all centers to facilitate local employment is integrated into each shopping center's marketing plan, with marketing and center management responsible for finding relevant partners to propose events and initiatives adapted to each shopping center. This approach encourages marketing teams to think creatively about what actions can be organized, such that they reflect both the needs of each center's retailers and the communities within their broader catchment areas.

While recognizing that local needs are best identified at shopping center level, Klépierre also promotes certain regional initiatives to amplify its impact. These include organizing recruitment fairs, posting job offers on shopping center websites and within the centers themselves, and by working with local and national recruitment organizations.

In France, shopping centers frequently collaborate locally with the government employment agency, Pôle emploi. In 2020, nine job fairs could be maintained in collaboration with Pôle emploi to connect retailers and local businesses with job seekers. In Poland, all shopping centers added a job offer space on their website to share retailers' career opportunities. A successful pilot initiative was run with Swarovski, leading the way for a more widespread deployment to other retailers. In Spain, billboards have been erected to advertise open positions within the shopping centers, with the center's teams in charge of collecting job offers from retailers and updating the displays. This in-mall initiative gives retailers a free opportunity to promote vacant positions and facilitates communication with potential applicants.

KLÉPIERRE COMMITTED TO GIVING YOUNG PEOPLE PROFESSIONAL FUTURES

Set against the backdrop of persistently high youth unemployment in many of its territories, Klépierre's centers are committed to act.

French shopping centers naturally focus on actions in favor of young people. In 2020, Klépierre continued to support *La Cravate Solidaire*, an employment-focused charity. In two shopping centers near Paris, car parks were made available to host *La Cravate Solidaire*'s mobile caravan, which is used to offer job seekers 360-degree coaching covering CVs, job interviews and interview presentation.

In Marseille, Le Prado also joined forces with *L'Académie des métiers*, which for five weeks trained a group of young people on sales techniques. This course included three weeks of theory lessons and a one-week internship in shopping center stores, rounded out with a week of personalized coaching. At the end of the course, a job-dating event was organized to help participants secure job opportunities.

Working together with the charity *Les Apprentis d'Auteuil*, as part of its Skola program at Place d'Armes (Valenciennes), a vacant space was transformed into a pop-up store where for three months a dozen participants were trained for their future positions as salespeople. In addition to the professional experience they acquired, the proud participants attended a graduation evening with the local mayor and journalists.

A similar type of partnership is in progress in the Group's Italian centers, through the Generation program. Proposed by the consultancy McKinsey, this program is organized in three phases: collecting CVs in nine shopping centers, selecting thirty motivated applicants and lastly, the selected candidates are trained up to become salesmen over a three-week period.

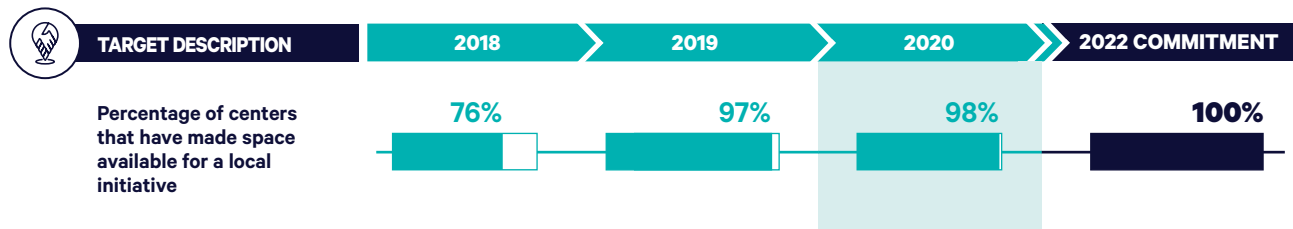
5.3.2 Participate in the local economy

Klépierre positions its shopping centers as 'local hubs' at the heart of the communities they serve. They are dynamic places that bring people together from the immediate catchment area and further afield to gather, shop, meet and connect. Their outreach provides a significant opportunity for local organizations and charities to engage with the millions of visitors who pass through the Group's shopping centers each and every day.

The Group has a long-term commitment to make its centers a benchmark in local value creation. It encourages shopping center teams to strengthen their ties with local residents and organizations, and provide the best possible experience for visitors, thereby fostering mutually beneficial relationships as well as increasing footfall and customer loyalty.

SUMMARY OF PERFORMANCE AGAINST TARGETS

PARTICIPATE IN THE LOCAL COMMUNITY



To fulfil its commitment, the Group has set a long-term target for all centers to participate in the local economy by offering free space to showcase local initiatives at least once a year. In 2020, 98% of the centers across Klépierre's portfolio met this target.

In parallel with Klépierre's approach to job creation, each shopping center has the freedom to select initiatives based on their local circumstances and community needs within an overarching framework that provides a consistent Group-wide approach. It provides guidance for shopping centers in identifying relevant initiatives and establishes comparable metrics that can be used to calculate the Group's overall value created, such as footfall and social media reach. The range of organizations supported covers non-governmental organizations, local entrepreneurs and sports clubs, student bodies and local artists. Due to Covid-related restrictions in 2020, when it was not possible to host initiatives in the mall, shopping centers showed their support by providing digital visibility on their websites and social networks.

In Italy, Klépierre's marketing team created a successful social media campaign dubbed "Time for kindness" for the Red Cross. The animation helped to address the Red Cross' urgent needs by sharing a meaningful message. The two-minute video campaign was published on the social media pages of 29 shopping centers and presents the Italian Red Cross teams day-to-day work and missions, demonstrating the positive impact they have on people in need and encouraging people to join forces with them. The aim was to support the Italian Red Cross' national campaign, designed to recruit volunteers to fetch and deliver groceries to elderly and disadvantaged individuals. The video generated thirty thousand views in the first week, thanks in particular to the buzz created by Klépierre's online community, allowing the Red Cross to expand its care capacities. For Klépierre's Italian team, it was also a means of driving social responsibility and making it possible for everyone to help.

Since the annual “Une Jonquille pour Curie” daffodils sale could not be held due to lockdown, the French centers had to adapt the format in order to honor their long-term partnership with the Institut Curie charity. The annual daffodil event was therefore transformed into a mask sale to raise money for the charity. In total, nine shopping centers in France participated in the operation, 1,136 masks were sold and over €5,700 was collected. The teams’ agility and strong coordination with the national marketing team enabled them to stage a physical event in compliance with all health protocols.

The Akmerkez center in Turkey partnered with Givin, an app that allows users to make clothing donations to create offline stores. Thanks to customer donations and the support of famous artists and

influencers, €3,000 was handed over to around fifteen charities in support of causes such as the fight against cancer, the education of young girls, animal protection, etc. The success of this kind of action has encouraged Klépierre’s teams to innovate and to propose new concepts to visitors. In another innovative example, the Beaulieu center in Nantes showcased the popularity of solidarity initiatives that allow everyone to take part. A vacant space was transformed into an “anti-waste and solidarity store”, where people with disabilities magically turned unsold products into delicious pastries, cookies and jam. This project was driven by the unique synergy created between the various contributors, including the center hypermarket, the ESAT center, which works to promote employment among people with disabilities, and the shopping center team.

KLÉPIERRE SHOPPING CENTERS PLAYED A MAJOR ROLE IN RESPONDING TO COVID-19

When the initial social and economic effects of the Covid crisis emerged, thanks to their local anchoring all over Europe, Klépierre’s shopping centers were able to swiftly and efficiently address urgent local needs.

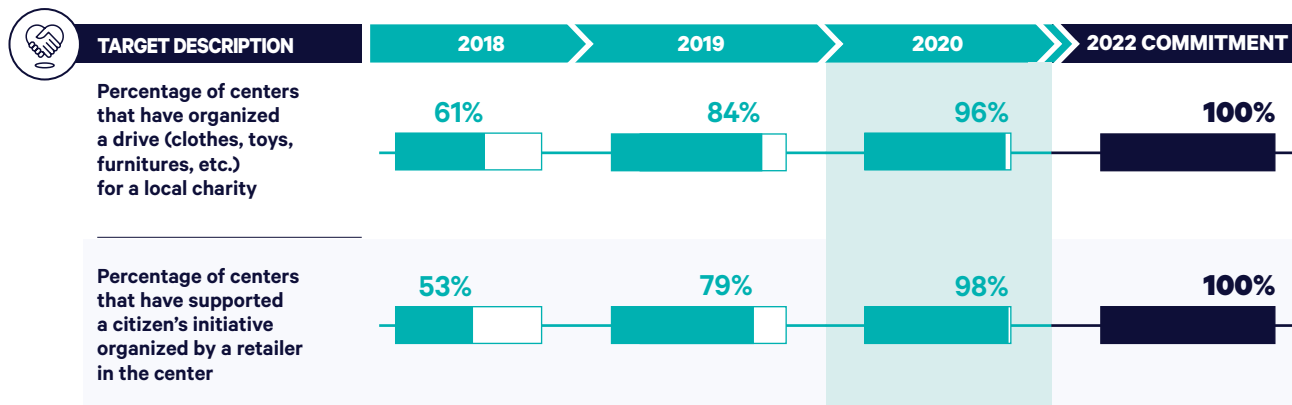
Once again, the agility and ingenuity of the Group’s teams came to the fore in organizing solidarity actions to meet the needs of the territories.

- Supporting local NGOs: all over Europe, Klépierre’s centers have set aside space for local charities, all while observing social distancing and other health protocols to help them pursue their missions:
 - In several European centers, food, essential goods and clothes drives were put in place to support both large and local NGOs;
 - In France, in partnership with organizations for women victims of domestic violence, 22 centers answered the government’s call to set aside zones free of charge for mental health support, anonymous counselling and legal services for women abuse sufferers.
- Providing health assistance:
 - In several European centers, masks and hand sanitizer were donated to hospitals;
 - With blood donation being a real concern during the crisis, most shopping centers set aside safe spaces for donors;
 - Caregivers and frontline workers were given priority access to malls, including dedicated time slots, in order to help facilitate their lives as much as possible during this challenging time;
 - Facilitating access to tests: in France, shopping centers organized dedicated spaces in parking lots for Covid-19 testing. These measures freed up space for laboratories while ensuring social distancing between patients.
- Maintaining contact with the local community:
 - Thanks to their digital communities, Klépierre’s centers right across Europe successfully maintained contact with their visitors and, above all, amplified the local initiatives of their partners and boosted visibility for retailers’ actions during this crisis.

5.3.3 Pursue our corporate citizenship

Klépierre uses its influence to generate positive economic benefits for communities. As it wishes to support its stakeholders’ projects, ranging from their business activities to social actions, the Group’s long-term ambition is to boost the social impact of its operations as it pursues its commitment to be a responsible member of the various communities it serves.

To do so, the Group believes that it must offer visitors the possibility to take part in meaningful actions and collaborate with its retailers to co-build projects that have real purpose and meet visitor expectations.

SUMMARY OF PERFORMANCE AGAINST TARGETS
PURSUE OUR CORPORATE CITIZENSHIP

5.3.3.1 Promoting charitable giving among shopping center visitors

Klépierre is aiming for all its shopping centers to organize a clothing, toys and/or furniture drive for a charity by 2022. The Group remains firmly on track, as 96% of shopping centers organized at least one initiative in 2020. These events provide an opportunity for centers to help local charitable organizations, and support visitors who are keen to donate new or second-hand gifts and objects to help those who are less fortunate.

While Klépierre centers are places for buying and promoting new products, the Group wants to gradually promote the idea that shopping centers can also be a place where products such as clothes or toys bought in the shopping centers themselves can be given a "second life" by being donated to charity. For instance, the Principe Pio (Spain) center set up a permanent clothing and footwear collection space, in collaboration with the San Isidro Homeless Shelter. Two boxes were installed at the entrance, where people could drop off items at any time. By encouraging consumers to recycle and repurpose old belongings such as clothing, toys and furniture, the events have also prompted visitors to consider the benefits of the circular economy.

Certain times of the year are particularly propitious for organizing this kind of action. Christmas, for example, is traditionally the busiest time of year for many of the Group's centers, and the spirit of giving is strongly encouraged. At Alexandrium in the Netherlands, in collaboration with the Prins Alexander poverty platform, a wishing tree is installed each year where children note down their wishes and hang them on the tree. Visitors could then choose one of the wishes and buy the desired gift for the child.

In 2020, due to the health crisis, major events that are usually held physically had to be cancelled or postponed. However, shopping centers were creative in finding solutions to maintain these actions while observing all health protocols.

In Berlin, to help people overcome the effects of the pandemic, a donation area was created in front of the main entrance where visitors were invited to drop off items such as food, personal hygiene products, books and clothes, and from which the disadvantaged could take what they needed.

In addition, the Group's Italian centers, in collaboration with the municipality in Rome, helped create a dedicated and safe area to collect food parcels. By the end of the initiative, more than 1,200 food parcels for around 250 families has been collected.

The success of these actions has been amplified by strong communications on social networks, showcasing centers' ability to involve their visitors in their projects.

5.3.3.2 Partnering with tenants to amplify their collective impact

As the Group's strategic partners on a local, national and international level, Klépierre works closely with its retailers on shared sustainability objectives to amplify their impact and strengthen cooperation.

The Group has set a target for all of its centers to support an in-house responsible initiative organized by a retailer. By the end of 2020, 98% of Klépierre's shopping centers had promoted at least one action by providing mall space, media coverage or logistical support.

In Denmark, Field's launched the #TakeCareTuesday campaign to create regular content on the commitments of its brands. Every Tuesday, publications presenting environmental or social initiatives initiated by retailers are shared on the center's social media pages. This digital campaign has allowed the center to forge a special link with its community while sharing sustainable initiatives and advice.

Following in the footsteps of Field's, many centers have relayed the initiatives of their retailers. During the pandemic, for example, most centers shared their retailers' actions in support of their local territories. In France, the centers' social networks were used to disseminate the contributions of their retailers, including Jeff de Bruges, Kiabi, Rituals, Pharmacy, Figaret, Sabon, and La Fabrique de cookies. These initiatives also helped retailers maintain their local bond with shoppers.

In Norway, an initial local collaboration was set up with H&M to present its conscious collection in the Oslo City center. The video was presented by a famous local influencer introducing the new conscious collection and explaining H&M's program in the local shop of this international brand.

In Italy, Le Gru provided free space to LEGO for a Christmas workshop with a charity purpose. LEGO organized a construction zone where children could create their own Christmas decorations. For each ornament, LEGO gave free toys to children in hospital.

5.3.4 Involve local actors in development projects

The Group's development activities predominantly involve the expansion, repurposing and modernization of existing assets within its portfolio. Given the nature of the Group's properties as prime assets located in major urban centers throughout Europe, development activities inherently bring a unique set of challenges with potentially significant impacts on local communities, the urban environment and infrastructure.

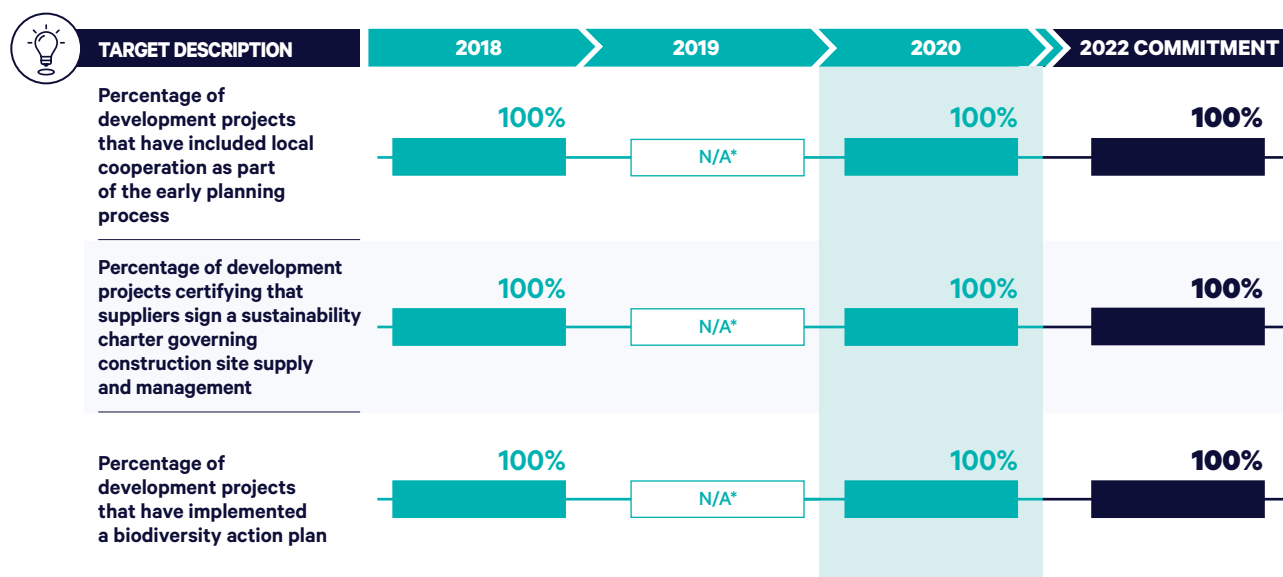
Klépierre has set long-term commitments to not only minimize potentially adverse impacts on the environment and society, but also to deliver positive outcomes by developing properties that meet local needs.

Firstly, the Group aims to engage with local stakeholders to influence the design, purpose, facilities and retail mix of its shopping centers to ensure each one reflects the unique context of their respective catchment areas and creates a compelling commercial and leisure offer. Secondly, the Group has committed to taking positive steps to embed responsibility into its supply chain and protect and enhance biodiversity. Further details concerning this can be found below in sections 5.3.4.2. and 5.3.4.3.

The Créteil Soleil project, completed at the end of 2019, meets all of the Group's commitments in terms of local involvement. At the beginning of the project and during its various phases, local actors were consulted, suppliers signed responsible construction charters and a biodiversity impact study was conducted.

SUMMARY OF PERFORMANCE AGAINST TARGETS

INVOLVE LOCAL ACTORS IN DEVELOPMENT PROJECTS



* No development project was delivered in 2019.

5.3.4.1 Local participation

Klépierre aims for its developments to follow a participatory process by integrating stakeholder views into the development and planning process. This enables the Group to secure local support and contributes to the commercial success of each project. The Group has set a long-term target to guarantee that all development projects include a locally-agreed participatory initiative to ensure this commitment is embedded into the Group's development activities.

The Group complies with all legal planning and consultation requirements in each market where it is present, and goes a step further by actively seeking the views of the communities surrounding its projects. By encouraging local participation, seeking stakeholder input and consulting with residents from the outset, the Group gathers valuable feedback on the local commercial offering, leisure facilities and infrastructure to identify unique opportunities to introduce mutually beneficial outcomes into each project.

Klépierre has refined its approach by using the experiences gained from its development activity to ensure best practice is shared and a consistent standard is applied to new developments, while allowing enough flexibility to reflect the specific circumstances of each project. The approach blends structured engagement between development and shopping center management teams with local municipalities and residents at specific intervals, such as traffic impact studies, market research and surveys. In addition, shopping center managers regularly consult with community members in advance of proposed developments and also discuss local issues with them. For example, the Créteil Soleil center has submitted several potential designs for its vegetable garden to the wider community for consultation and feedback.

5.3.4.2 Supplier participation

The Group's development activities can have significant indirect impacts through the actions of its suppliers. Throughout its supply chain – from the procurement of construction materials to site management – Klépierre's priority is to work with its suppliers to ensure the Group's sustainable procurement standards are adhered to and integrated into the procurement process.

The Group's long-term target is for all development suppliers to sign a sustainability charter covering both procurement and construction site management. The charter sets out Klépierre's expectations regarding the selection of materials, employment conditions and broader community impacts. Each of the service providers is briefed on integrating the three pillars of the Act for Good® strategy into each project action. By signing the charter, suppliers commit to minimizing the adverse impacts of their activities, such as air pollution, noise and waste management, and to meeting required standards on working conditions and the selection of materials.

5.3.4.3 Biodiversity action plans

In the context of its urban portfolio setting, Klépierre takes active measures to protect and enhance biodiversity, not just during the operational phase of its shopping centers, but also during the design and development of new projects, in alignment with its long-term target for all development projects to implement a biodiversity plan. Ecologists and landscapers are systematically involved in the design of every project.

As well as a mandatory requirement within Klépierre, and a legal obligation in some markets, taking steps to conserve and enhance biodiversity aligns with the Group's broader goals by supporting credits towards green building standards such as BREEAM New Construction. Accordingly, Klépierre has developed a standardized approach to biodiversity enhancement that assesses significant biodiversity impacts and mitigation measures aligned with BREEAM "Excellent" level requirements, while allowing enough flexibility to account for local conditions.

The Group's design and development teams regularly solicit the advice of ecologists during development projects for new assets or extensions of existing buildings to develop a greater understanding of the surrounding natural environment. Their advice guides the architects and developers to consider existing ecosystems and select the most appropriate plant species to preserve local flora and fauna. Green roofs are now a common feature across the portfolio, having been incorporated at the design stage of new projects.

At Créteil Soleil, the development team worked with an external ecologist to design the center's green areas included the revegetation of a large portion of the roof and the development of a vegetable garden on an accessible terrace that will be used as an educational tool to engage visitors.

5.4 ACT FOR PEOPLE



ACT FOR PEOPLE

Klépierre's business project places people at the heart of its strategy and value creation. It mobilizes women and men around a shared project. It is devoted to the well-being of visitors, employees, retailers and suppliers.

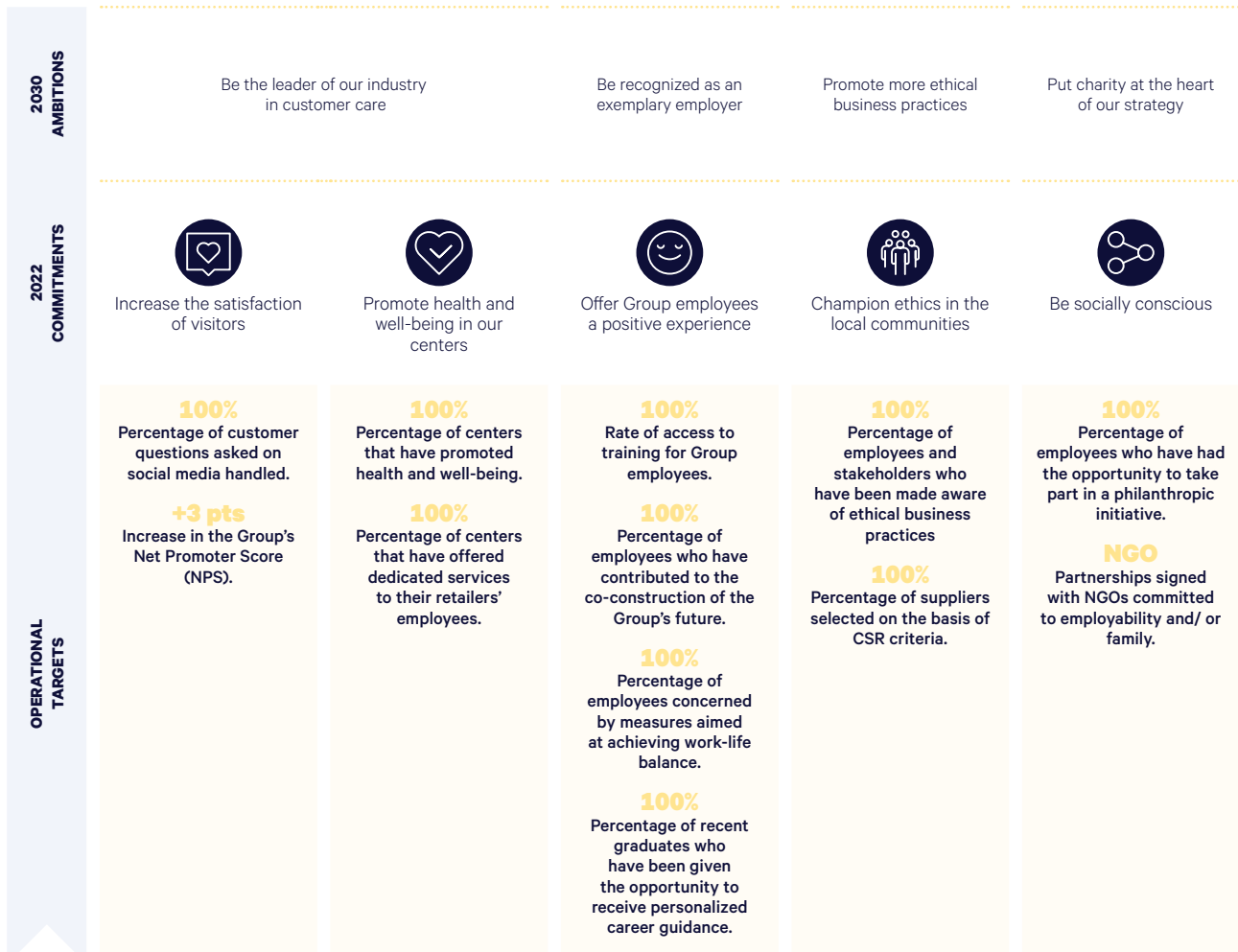
With hundreds of millions of people visiting its shopping centers annually, Klépierre is first and foremost committed to offering each visitor a veritable shopping experience, in centers where safety and well-being are key priorities, but which also offer high quality services and a broad range of activities. The care to visitors extends to the retailers' employees who work daily in the shopping centers of the Group.

The Group's workforce is much less numerous than the visitors of its malls. Yet integrating the main priorities of the human resources policy of Klépierre into the Act for People pillar of its sustainability strategy is not only a matter of consistency, it is also a matter of efficiency. For the Group, taking care of its human capital directly contributes to

running a sustainable business, which entails focusing on adequate and continuous training, engaging the staff on the co-building of the future of the Company, ensuring a proper work-life balance and granting recent graduates a personalized career path support.

Klépierre's sphere of responsibility extends to suppliers and business partners which the Group aims at aligning on a shared view business ethics.

The Group's 2030 ambitions are to position its centers as leading destinations in their communities, be recognized as an exemplary employer, promote ethical business practices and place charity at the core of its strategy. These ambitions are supported by 13 long-term targets that will guide the Group's activities until 2022. Klépierre's commitments are embedded in its everyday operations, whether it is in ensuring visitor satisfaction or in providing special care for its employees.



5.4.1 Increase visitors' satisfaction

Shopping centers must offer more than just a shopping experience to remain relevant in today's increasingly competitive retail market. Consumer expectations are changing, fueled by advances in technology that offer new and innovative experiences. This comes alongside rapid change in social and environmental attitudes, as concerns about climate change and waste rise to the top of the social and political agenda.

Against this backdrop – and as the volume of online purchases continues to grow – the traditional 'brick and mortar' retail model must evolve. Its success depends on the ability of retail property owners and operators to support innovation that provides new and compelling experiences; to foster a diverse mix of tenants; to provide a safe and welcoming environment that is highly accessible and encourages long dwell times, and to create a physical and emotional connection with the products and services it offers.

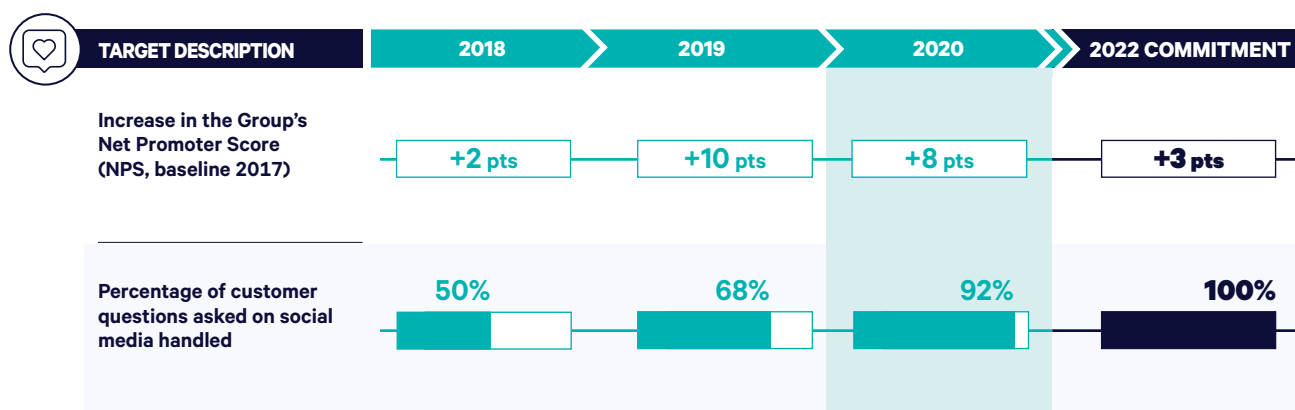
In practice, this means housing a range of international, local and niche brands and broadening the service offering to enrich the

visitor experience, including click & collect services, family zones and children's plays areas, concerts and cultural events, healthcare facilities, high-quality dining and experiential entertainment that attracts and maintains higher footfall and increases visitors' loyalty. Moreover, an increasing number of shopping center owners and retailers are offering omnichannel services, providing customers with a unified experience connecting multiple touchpoints and physical stores.

Industry insights are corroborated by the Group's own research which demonstrates the importance of convenience, accessibility, tenant mix and a welcoming and safe environment as variables that influence visitor satisfaction. This is why Klépierre aims to position its shopping centers as leading destinations by continually innovating its offering, and tailoring shopping center experience to the needs of each visitor. Its success is contingent on engagement with retailers and developing sound partnerships with tenants – its first-tier customers. These allow Klépierre to effectively cater to the evolving needs of individual people and the wider communities served by its shopping centers.

SUMMARY OF PERFORMANCE AGAINST TARGETS

INCREASE THE SATISFACTION OF VISITORS



5.4.1.1 A customer-centric approach

Clubstore® is Klépierre's comprehensive approach to creating a compelling customer experience that builds visitor loyalty and drives footfall into the Group's shopping centers. The approach encompasses a holistic set of 16 touchpoints that define Klépierre's customer journey.

The Clubstore® standards inform shopping center design, services and hospitality, and are applied across the entire portfolio. They cover aspects ranging from digital connectivity and online or in-person services (such as pre-booking of tables in restaurants, matching service for lost items), to streamlined access and parking (indications of free spaces, car parks designed to make it easier to locate the vehicle), creating enticing spaces that appeal to all the senses.

The Clubstore® standards allow centers to offer visitors an enjoyable time, from planning their visit through to the moment they leave the center:

- A new website that makes life easier for visitors (up-to-date news, multi-device access, etc.);
- Consistent accessibility (building on all points of contact);

- Efficient digital equipment (interactive terminals, provision of charging stations, etc.); and
- A perfectly connected center (broadband Wi-Fi, 4G, etc.).

Internally, a platform is used to share best practices between employees and service providers, in order to promote continuous improvement in visitor hospitality, and driving up visitor satisfaction.

Since 2018, the Group has gathered feedback through visitor surveys (more than 100,000 in 2020) and online reviews to track customer preferences on individual shopping centers using a tool called Critizr.

Critizr is a multi-functional tool that can collate and monitor visitor feedback from multiple social media and online channels (including Google My Business, TripAdvisor and Facebook). The system gives each center a dashboard view, enabling them to understand how the customer journey is being experienced by visitors. Each shopping center has a target of collecting at least 1,500 such surveys per year. In 2020, the Group performed 100,522 surveys, a decreased number in comparison to last year because of the many lockdowns as part of the pandemic. The Group remains with its yearly target to have 212,500 surveys performed each year. In turn, this allows the Group to fine-tune its offering, improve the consumer journey and provide a unique experience.

Klépierre also uses the Net Promoter Score (NPS) to measure customer satisfaction based on whether the respondent is a “promoter” or “detractor” for the mall. It enables the Group to track the number of positive, neutral and negative comments, allowing it to go beyond customer satisfaction measuring how likely each visitor is to recommend the shopping center to their friends and family. In 2020, the Group achieved an 8-point increase in its average NPS score from 2017.

The Clubstore® Charter strengthens synergies with other elements of Klépierre's Act for Good® strategy by promoting features which demonstrate the Group's commitments to People, Territories and the Planet. These include dedicated electric vehicle charging stations, bicycle racks, renewable energy and rainwater harvesting systems, the use of natural materials and biophilic design elements. Such features support the Group's commitment to reducing its ecological footprint, and match visitors' increased concerns regarding the environment and the impact of their own purchasing decisions.

Building on these synergies, local marketing teams are responsible for organizing Act for Good®-related marketing initiatives to strengthen the integration of sustainability into customer marketing. The events ranged from fundraising activities for local charitable organizations to environmental awareness campaigns. Also, a new event strategy with a strong focus on “Act for Good®” topics will be rolled-out in 2021. The main idea of this updated roadmap is to reinforce the link between the Act for Good® strategy and the events proposed by shopping centers. Local marketing teams are encouraged to build their events around at least one CSR topic. Significant emphasis is placed on event design and content, with the aim of reinforcing communication on Klépierre's responsible commitment to its end customers.

5.4.1.2 Maintaining the connection to visitors through digital

Klépierre has developed a strong social media presence with around 4.82 million combined Facebook and Instagram subscribers across its

individual shopping center profiles. This provides another important tool for interacting with visitors, collecting feedback and gauging consumer trends. To keep this community active and respond to requests, in 2020, the marketing teams took training courses to develop their digital skills (social media, digital media buying, CRM, website content management, etc.). More than 100 employees have been trained remotely in 12 countries.

The Group's long-term target is to respond to 100% of customer questions on social networks. To achieve this, Klépierre has initiated a customer care commitment available via Facebook – #JustAsk – selected based on visitors' stated preference for this particular communications platform. #JustAsk promises to answer all questions through Facebook Messenger during opening hours. The service, which is available at 91 shopping centers, has enabled Klépierre to increase the number of conversations it has with visitors threefold, and to provide up-to-date information about shopping center brands, products, promotions, services and events.

Also, as surveys are a key tool for stakeholder dialogue, the marketing teams will be systematically initiating surveys on social networks with center visitors. The goal is to gather opinions on key areas that would improve their customer experience, and thereby reinforce the sense of community. For instance, Créteil Soleil's visitors participated in selecting the new installation of a kids' playground. Additionally, at the end of the year, a social wall has been set up on Klépierre's website. This new functionality showcases content posted by our communities and is already available in seven shopping centers including Val d'Europe and Hoog Catharijne. By the end of 2021, it will be deployed to the Group's 50 largest centers.

In 96 shopping centers this year, a real-time footfall meter was added to Klépierre's websites to inform customers about the busy and quieter periods in the shopping centers. This tracking tool was useful during the Covid-19 crisis, giving visitors the option to choose the best time to visit the center based on footfall.

5.4.2 Promote health, safety and well-being

Klépierre's malls attract hundreds of millions visits across Europe each year. They also provide a workplace for tens of thousands of people.

First and foremost, Klépierre has a responsibility to ensure the safety of all shopping center users, guaranteeing that the risk of incidents and injuries is minimized and that the mall complies with all applicable safety standards and regulations, especially so since the onset of the Covid-19 pandemic. However, above and beyond risk management necessities, health and well-being present opportunities for the Group. Klépierre drives visitor attraction and retention by positioning its shopping centers as places where people can feel safe, relaxed and well, and by actively promoting health and well-being products, services and activities to visitors and staff.

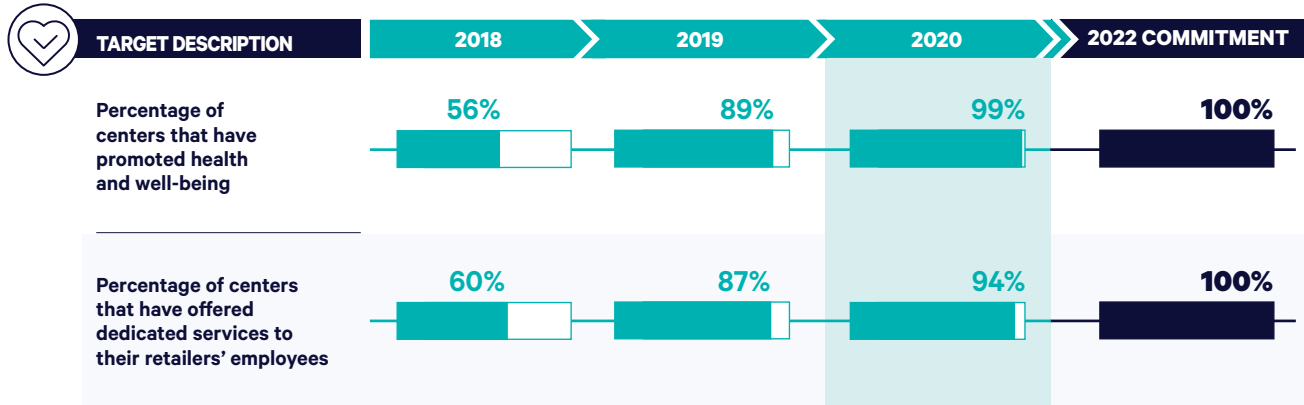
The Group works to improve the quality of working life for all workers in its centers in the same way as for Klépierre's own employees. For each center, Klépierre encourages initiatives allowing non-Klépierre employees to feel like they are full members of the center, that they are treated with consideration and benefit from services that make their daily lives easier. Annual events also help strengthen the feeling of belonging (team building events for salespeople, Christmas parties, breakfast functions). People working in the center can also enjoy

specific advantages (internal discount cards, reserved parking spaces, access to local fruit and vegetable delivery plans, facilities for team meetings, rest and meals).

Klépierre also provides a comfortable work environment for its employees and tenants, and contributes to broader efforts to create a healthier society by using its ability to communicate with millions of people.

Klépierre's approach to promoting health and well-being is fully integrated within the Act for Good® program and is also in line with the Group's operational strategy for customer service. It encompasses engagement with tenants and consumers to encourage healthier lifestyles.

Consequently, Klépierre is constantly monitoring risks, adapting its safety and security strategies and implementing robust control practices and staff training to maintain high standards within its shopping centers, as well as sharing its expertise with partners and retailers. Responsibility for safeguarding the public in the context of the heightened safety risk surrounding the pandemic is overseen by the Group's Safety & Security Department, and Group and country crisis management teams, with support from Internal Audit.

SUMMARY OF PERFORMANCE AGAINST TARGETS
PROMOTE HEALTH AND WELL-BEING IN OUR CENTERS

5.4.2.1 Health and safety standards

Health and safety risk prevention is a top priority for Klépierre. Each shopping center takes responsibility for identifying, assessing and managing safety risks in accordance with the Group's policy and management systems, which are reviewed on an ongoing basis to ensure that they constantly abide by local regulations and the highest international standards, to ensure the same level of compliance and efficiency across all countries and assets within our portfolio.

Fire, building collapse due to extreme weather conditions or other unforeseen events, major pollution and public health risks, slips, trips and falls, and work at height, constitute the most serious health and safety risks for the Group. These risks with a priority status are addressed through several procedures, including:

- Crisis management response testing, involving a simulation of an emergency scenario once or twice a year (with or without visitors present) in every shopping center;
- Dedicated training on health and safety risks and prevention measures, covering aspects such as fire risk prevention, health and safety in the workplace and first aid. In 2020, 1,091 hours of health and safety and risk prevention training were provided by the Group to 412 members of staff;
- Relentless monitoring by operational teams and periodic checks by Internal Audit to ensure that all relevant risk controls are in place, including:
 - Continuous monitoring of cooling equipment to guarantee the prevention of Legionella contaminations, and bacterial and/or viral propagation. Procedures for Legionella control were updated for 2019;
 - Standardized Group safety measures designed to minimize safety incidents occurring as a result of day-to-day activities by Klépierre's staff, subcontractors or even tenants' staff and/or suppliers within shop units;
- Incidents among visitors are monitored on a regular basis and reported at management level, with incident investigation and data analysis forming the basis of action plans to further improve risk prevention;
- Accidents that occur within tenants' units fall outside the scope of Klépierre's responsibility, nevertheless the Group does require tenants to submit plans for any work being undertaken and inspects shop units once these are completed;
 - Based on these plans, Klépierre issues a permit that identifies the significant safety risks associated with the proposed work and any recommended preventative measures;
 - Ongoing work is inspected on a regular basis by the shopping center safety and technical management team;
 - Additional permits are required for any hot work (such as welding or metal cutting); the work itself is inspected on a regular basis as well as within two hours of its completion so as to prevent any fire risks;
- Creation of a Group-wide health, safety and environment compliance application to support the management and reporting of health and safety performance data at shopping center level. In 2019, a cross-departmental team including the Group's Engineering & Sustainability and Safety & Security departments, Internal Audit and IT, worked together to define the specifications and roll out the tool;
- Intensification of compliance checks and safety and security reminders for all shopping centers. The actions of technical center managers and directors is coordinated via monthly Engineering & Sustainability and Safety webinars;
- Integration of Health and Safety key performance indicators in the annual objectives for all supporting functions, including Country Directors, Operations Directors and Engineering & Sustainability departments at the country and shopping center level.

A SPECIFIC AND LOCAL RESPONSE TO THE COVID-19 CRISIS

In February 2020, thanks to its presence in Italy and ability to quickly comprehend the severity of the approaching crisis, Klépierre immediately activated Group and regional crisis cells in each country, to ensure a swift, efficient and round-the-clock crisis management response. This organization, recommended by International SOS and backed by regulatory intelligence law firms, has produced numerous strategy documents defining a stringent "Covid prevention standard" within the Group, thereby guaranteeing compliance with local and national guidelines for the prevention of Covid-19 at head offices and shopping centers.

The proper implementation of these strategies by our operational teams has been audited, via a two-level internal audit system, at country and Group levels, with oversight from Bureau Veritas and building testing, inspection and certification specialist, Socotec.

Bureau Veritas certification attests to Klépierre's centers' compliance with its Global Safe Site Excellence standard. In total, more than 100 centers are affected by Global Safe Site certification. Klépierre has selected Bureau Veritas to assess the maturity, relevance and effectiveness of the procedures implemented for Covid-19 risk prevention and reduction, thanks to the specific Covid-19 risk management action plan implemented throughout its multi-site network. Klépierre has requested that Bureau Veritas inspect all sites in order to confirm that the centralized hygiene and safety system has been correctly implemented and is in line with organizational requirements as well as best health practices (surface cleaning procedures, layout modifications to reduce risks, systems to minimize contamination, etc.). Inspections also address measures designed to minimize the risk of contamination for Klépierre staff, retailers and visitors, as well as auditing compliance among suppliers and sub-contractors with Klépierre's rules and guidelines in addition to their own.

Twelve of the centers audited were located in Spain and Portugal: *"With all of these measures, we are sending a clear message about our unwavering commitment to safety and the prevention of Covid-19. At the same time, we are positioning ourselves for the resumption of business activity by facilitating access for visitors to our shopping centers to the extent possible, insofar as is permitted by law. The well-being of the people who visit our shopping centers is our absolute priority. This is why we sought out the support of Bureau Veritas' experts in ensuring that each and every regulatory requirement for reopening is met,"* explains Luis Pires, Managing Director of Klépierre Iberia.

Throughout the crisis, the Group crisis cell, which centralizes all information reported by the country crisis cells, has been processing information on a daily basis to support decision-making at Group level, as well as monitoring the implementation of business continuity plans at shopping center and country levels.

Health awareness information and training for staff, in addition of robust processes, has been the cornerstone of the Group's Crisis Management Plan, ensuring psychological resilience and safety from a health perspective. All employees have been trained to factor Covid prevention into their daily routines, and dedicated presentations have been led by International SOS at various key stages of the crisis, including lockdown and reopening phases.

This robust and proven crisis management system has evolved and adapted quickly to unforeseen developments in the health crisis to cope with the unexpected challenges brought about by the pandemic.

5.4.2.2 Security risk management

Klépierre has adopted a comprehensive security strategy and a phased action plan to anticipate, mitigate and thwart the evolving security threats facing the Group's assets. This strategy covers crime; anti-social behavior and civil unrest, as well as terrorism risks.

Klépierre's vision of security is based on a wide-spectrum approach that takes into account all stakeholders, a holistic approach to security where knowledge of the environment is paramount. E-learning courses deployed in 2020 promote this approach so as to enable employees to take ownership of their security environment, develop partnerships with stakeholders, including tenants, municipal and governmental authorities, civil protection organizations, emergency services, state or local police forces, and other private security teams deployed in the area.

The Group's strategy to strengthen its security resilience and preparedness focuses on the implementation of Standard Operating Procedures (SOPs), dedicated training at all levels, employee empowerment, investment in physical infrastructure to ensure the resilience of its assets, as well as standardized Group security purchasing and procurement processes.

On-site implementation of the security strategy is overseen by the Group Head of Security and Safety whose role is to assist operational teams with all elements of the Group's SOPs.

The Group Security SOPs deal with the protection of strategic on-site zones including technical premises, security control rooms, management office protection, delivery dock protection, fire control room surveillance and new air intake equipment protections. They

also organize the Group's response to terrorist attack, including the prevention of vehicle-ramming attacks, reaction to the discovery of suspicious packages and cars. Since their launch in 2017, the SOPs have been rolled out across the Group's portfolio and all Country and Shopping Center managers and Technical Directors have been trained in their implementation.

All shopping centers are required to complete a self-assessment using a Group security tool that provides an analysis of their level of security preparedness and compliance with the SOPs. This focuses not only on the technical and physical aspects of each center, but also on the security processes implemented by management and security teams. This assessment is updated annually, and is used to orientate site action plans identifying the steps to be followed to ensure each center is fully compliant.

Any investments in physical security infrastructure required to comply with Group standards are identified via self-assessment tools and are reviewed closely by each business unit under the control of the Group's Security Department. Group Internal Audit ensures, through annual checks, that this self-assessment tool is used properly to ensure compliance with security standards and the improvement of physical security in a streamlined and cost-effective manner.

The Group Head of Security and Safety, whose main role is to guarantee security preparedness throughout the portfolio, adapts the SOPs and action plans to evolving threats, oversees the preparation and delivery of dedicated training for key employees, produces Group security standards to be included in tenders for security services, reinforces security awareness throughout the organization, and advises management at all levels on dealing with security challenges.

Security is included as a standard agenda item in all team meetings at both management and shopping center levels to ensure risks and mitigation measures are monitored and tracked. Through this process, the Group is progressively strengthening the capabilities of individual shopping center management teams to respond to security threats.

The emphasis on the holistic approach of security involving the broader stakeholders surrounding the Group's assets, anchors Klépierre's shopping centers within their unique environment to create a tactical bubble. This allows a coordinated approach to detecting and thwarting potential security threats. With its local presence, the Group can also play a valuable role as an intermediary to facilitate coordination between tenants and regional security forces. The most visible demonstration of this partnership is the regular drills the Group organizes to test and refine its procedures and the tools developed to improve interaction with local security and civil protection agencies. In 2019, the Group launched an "intervention assistant server" tool to strengthen the Group's partnership approach. The tool shares shopping center information such as property maps, videos and photographs with emergency services to improve response quality.

Through this symbiotic approach to security of actively sharing of information and coordinating responses, the Group has enhanced its centers' ability to anticipate and respond to security risks, while at the same time positioning them as secure and friendly destinations where visitors can have a relaxing time in complete security.

5.4.2.3 Promote health and well-being for visitors and tenants

In line with the operational objectives described in the previous section, Klépierre seeks to promote the health and well-being of its retailers and visitors through various touchpoints.

When developing and refurbishing its shopping centers, the Group sets high standards for health quality, including the use of materials with low volatile organic compound content and effective ventilation systems, and encourages the integration of biophilic design features such natural light and vegetation. Additional minimum standards covering internal and external lighting levels, indoor air quality and acoustic performance are applied as part of the Group's commitment to achieve BREEAM New Construction "Excellent" certification for all new developments with a gross leasable area in excess of 10,000 sq.m.

During the operational phase, a broad range of activities are offered to visitors and tenants, from regular sports activities to promoting meetings with healthcare professionals and nutritionists. Through such initiatives, Klépierre's shopping centers forge closer connections with their visitors and tenants.

With visitors seeking more active and healthier lifestyles, the Group has set a target for 100% of its shopping centers to promote health and well-being by 2022. Currently 99% of shopping centers have implemented this goal with a wide range of events and initiatives across the portfolio in 2020. This commitment covers three dimensions of health and well-being:

- **Facilitate access to care:** this aspect of well-being implies helping people to stay informed and access good quality care. In Campania (Naples, Italy), there is a permanent health center where all customers can access medical examinations and checks,

fitness tests and holistic treatments for free, thus contributing to the health and well-being of the community. The Sadyba Best mall also organized a health promotion project in 2020, with free consultations by private coaches and sports diet specialists. These professionals prepared personalized programs to address individual visitors' needs. This year, due to the health situation, many centers have oriented their actions towards organizing free collective testing campaigns in partnership with hospitals and local laboratories. For instance, in June and July, near Caen (France), two shopping centers offered vacant space to a medical team to conduct a total of 577 Covid-19 tests. To address other local needs, many shopping centers have joined forces with community members to organize blood donations in compliance with the applicable health protocols. For example, at La Gavia (Madrid, Spain), a special zone was set aside for the Red Cross where over two days, 82 donors gave blood for the benefit of 246 patients.

- **Promote healthy lifestyles and offer new services:** together with a focus on health and well-being, visitors are also increasingly concerned about environmental and societal issues. In that context, Klépierre is aiming to offer new services and create new leisure hubs for its visitors, enabling them for example to join in group sports sessions, participate in collective cooking classes or learn more about sustainability challenges. This year, in order to maintain contact with consumers during lockdown, most of the shopping centers decided to produce digital content proposing recreational activities such as cooking lessons via Instagram, sports session on Facebook and arts and crafts activities for kids.
- **Position shopping centers as third places:** the objective is to turn shopping centers into communal venues where visitors can meet, share experiences, learn together and discover new things. For instance, the Grand Littoral Center (Marseille, France) initiated a partnership with the Marseille museums collective and Paris' Centre Pompidou to relocate French sculptor Henri Laurens' *La Sirène* in the mall. This type of partnership is a great way to position shopping centers as places where visitors can do more than shopping, by making art and culture accessible for all.

Klépierre also aims for all of its malls to offer dedicated services to retailers. The purpose of this commitment is to improve the work-life quality of retailers' employees and offer them a great place to work. The Group sets out to create a sense of community among those working in its shopping centers and to ensure that everyone feels warmly welcomed and motivated. Currently 94% of shopping centers have such services in place, ranging from dedicated rest areas to sports and fitness sessions through to childcare services. For example, at Place d'Armes (Valenciennes, France), free and secure bike and scooter storage has been installed for the employees of its retailers in order to promote sustainable, healthy commuting. Elsewhere, Grand Place (Grenoble, France) partnered with Potager City to provide a fresh fruit and vegetable delivery service for the center's management team and tenants, and Marieberg Galleria (Örebro, Sweden) organized first aid training for tenants, which is crucial for increasing accident survival rates.

LET'S JOIN: INTRANET IN YOUR POCKET

The Let's Join application was created to facilitate communication between retailers and center management. This app helps foster and strengthen the sense of community within each center and improves communication between all members. Center management and retailer teams, technical managers and security staff all have access to *Let's Join*. Members can easily communicate using the online chat function, and have access to a range of different services: shopping center news, job offers, ticketing system for maintenance and cleaning requests, alert system and a summary of discounts and services available to retailers.

Launched in September 2018, as a pilot project in seven shopping centers across five countries, the test phase has been a great success with 96% of the stores in the centers continuing to use the app.

According to the Marketing manager of Val d'Europe (Paris region, France), "*Let's Join is an effective way for Val d'Europe to maintain the link with our retailers, to instantly send information and to receive information from them (good deals, shop operations, sales, etc.). Today and during the closure periods, the app has helped us strengthen our bonds with retailers by adapting the platform for other uses such as quizzes, reopening guidelines, sharing advice during lockdown, etc.*"

In view of its success, *Let's Join* is set to be deployed on a larger scale during 2021 and 2022.

5.4.3 Offer Group employees a positive experience

Klépierre has long acknowledged the link between a positive employee experience and business success. Attracting and retaining highly skilled employees, while ensuring their competencies remain relevant and up to date, is a continuous challenge in an environment where competition for skills and experience is fierce. Therefore, the Group commits to providing a quality workplace that spurs engagement, innovation and creativity.

As part of its HR policy, the Group has set four long-term targets that reflect its ambition to be recognized as an exemplary employer, covering talent management and development, quality of life at work and engagement with the Company.

As it works towards these targets, the Group positions its Human Resources function within the executive management team,

reflecting its strategic role in supporting the Group's performance and the importance of providing an attractive offering to employees to boost appeal. These steps are being supported by the formation of a Group-wide Human Resources Committee to share policies and best practices and establish common guidance across all Klépierre's operating countries. The Committee is attended by all HR leads in each country and provides an opportunity to discuss successful initiatives and share strategies as the Group aligns its approach and employee value proposition.

A Group-wide Human Resources dashboard tracks the Group's performance against its Act for Good® targets, as well as country level performance indicators such as turnover to identify potential risks and put in place remediation plans that draw from the Group's collective experience.

ADAPTING TO COVID-19: MAINTAINING SOCIAL CONNECTIONS, STAYING SAFE

At the onset of the health crisis, immediate measures such as home working were organized to protect the staff. IT offered all the necessary equipment such as large screens and smartphones to guarantee efficient home working conditions. The availability of IT equipment was quickly adjusted and more accessible to all employees. In addition, working methods were adapted to focus on business continuity, including for instance, the roll-out of collaborative web conferencing tools that had been initiated in 2019 was stepped up a gear to cover 100% of employees in 2020.

Klépierre collaborated with International SOS to ensure the safety of all its employees. Once on site, employees were provided with four surgical masks for each day's work. Social distancing and other Covid-prevention behaviors were instilled, especially thanks to revisions to the layout of open spaces and the ground marking of a circulation direction in the office building. Special attention was paid to on-site staff given that they interact with more people, so they were equipped with FFP2 masks and given detailed guidelines, while staff rotation schedules were put in place to minimize contamination risk.

Numerous consultations with employee representative bodies made it possible to adapt in a way that protected the health of employees. For instance, employees wishing to go by bicycle to work could benefit from a bicycle bonus to avoid public transport.

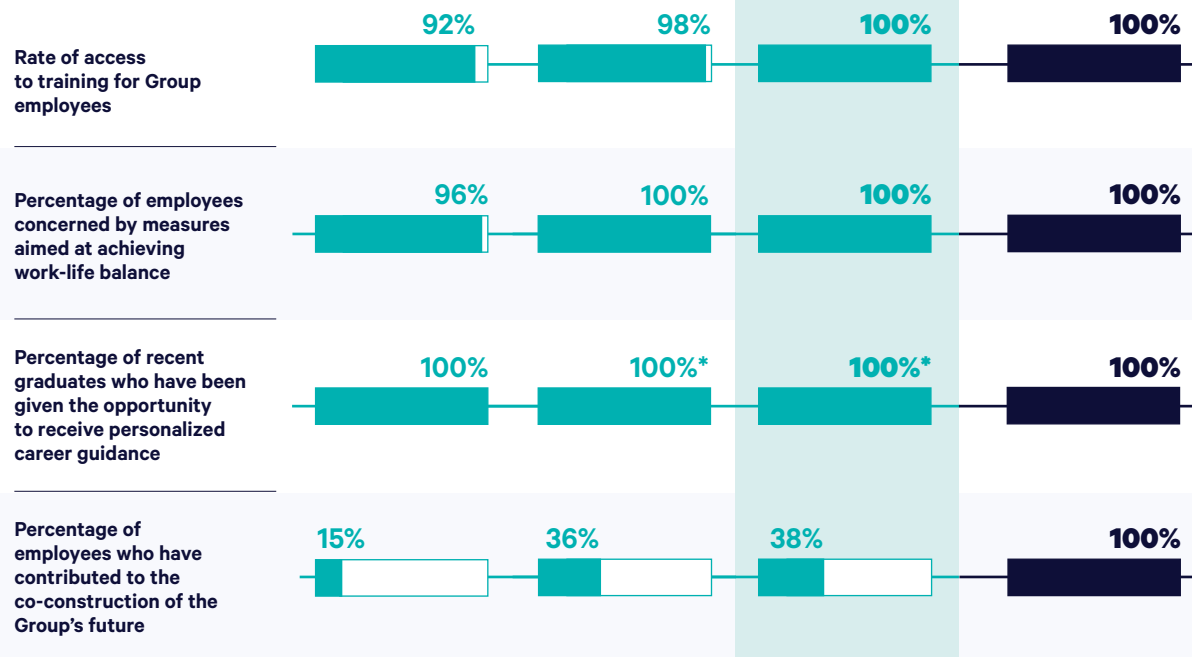
Frequent communication with staff has been key to maintaining social links and sharing good practices. Members of senior management have regularly communicated on business organization, and a weekly Group newsletter entitled "Connected" was designed to keep in touch with employees.

During the second half of 2020, a dedicated program of remote weekly activities dubbed "Let's stay connected" was set up for Group staff. Averaging 45 minutes per day, the program covered five key themes, including:

- Let's stay connected to Klépierre, with business update presentations from the Executive Board;
- Let's stay connected to self, focusing on employee well-being with yoga classes and talks on sleep and nutrition;
- Let's stay connected to retail, which provides insights on retail and innovation;
- Let's stay connected together, with fun items such as cooking classes; and
- Let's stay connected to the future, with inspiring personal and professional development sessions covering a variety of themes.

Let's stay connected has been a success, with several hundreds staff attending the same event simultaneously and even more employees reached thanks to replay links accessible on the Group's intranet.

SUMMARY OF PERFORMANCE AGAINST TARGETS
OFFER GROUP EMPLOYEES A POSITIVE EXPERIENCE

TARGET DESCRIPTION
2018
2019
2020
2022 COMMITMENT


*99.8%.

5.4.3.1 Talent management

Klépierre's talent management policy is based on five pillars: attraction, onboarding, learning and development, performance review and internal mobility. In 2020, for each of these pillars and associated projects, the focus was on digitization, internationalization and promoting the "Klépierre culture."

By the end of 2020, Klépierre directly employed 1,096 employees, including 1,057 on permanent contracts. Klépierre's continued investment in its workforce is reflected in the average length of service of the Group's employees (8.9 years in 2020). Taking into account the departures in 2020, Klépierre's turnover rate decreased to 9.1% from 12% in 2019, which should be viewed within the context of a highly competitive yet more challenging job market.

TOTAL HEADCOUNT

Territory	2020	2019
France-Belgium	444	463
Italy	180	187
Scandinavia	139	143
Iberia	114	113
Central Europe & Other	112	115
Netherlands	57	58
Germany	50	52
GROUP TOTAL	1,096	1,131

HEADCOUNT AT YEAR-END, BY TYPE OF CONTRACT

	2020	2019
Permanent	1,057	1,094
Temporary	39	37
TOTAL	1,096	1,131

HEADCOUNT AT YEAR-END, BY AGE

	2020	2019
<30	12%	13%
30–39	31%	33%
40–49	34%	33%
≥50	23%	21%

5.4.3.1.1 Attraction

Klépierre's ability to attract and retain talented employees is key to its capacity to grow and thrive. By investing in a diverse workforce through recruitment and retention, the Group sustains a wellspring of knowledge and skills that remains one of the most important success factors for its business and employer brand.

In 2020, 139 new hires joined the Group with the majority being recruited by the Group's businesses in France, Central Europe and Scandinavia. Given the competition for talent, and the importance of growing its brand as an employer of choice, Klépierre has developed partnerships with leading business and engineering schools to identify and attract top talent. The Group's HR team and representatives from across the business regularly attend careers fairs to connect directly with high-potential candidates, with the objective of hiring and training them on the job to circumvent the current talent shortage.

Klépierre offers students exciting internships, apprenticeships and permanent positions to build its talent pipeline. The Group also continues to provide "VIE" international work experience volunteer placements (*Volontariat international en entreprise*), cooperating with the French government agency Business France to create international assignments for European graduates. In 2020, 50% of VIE recruits were hired on permanent contracts at the end of their international assignments. In addition, 50% of the new VIE recruitments were filled by former Klépierre interns.

From January to November 2020, Klépierre attended half a dozen forums organized by business schools. These were an opportunity to present the Company and meet students. Despite the lockdown and home working, Klépierre maintained 93% of its planned internships this year and welcomed 25 of its 57 interns through online onboarding sessions. During the second half of the year, the Group digitalized recruitment processes through online forums organized by partner schools. To deepen its brand attractiveness, the Group also leverages online tools such as the graduate recruitment platform Jobteaser to expand the reach of its recruitment activities.

In 2020, Klépierre continued strengthen its external communications in order to raise the Group's profile, its career opportunities and the broader employment offering. For example, the Group collaborated with recruitment platform Welcome to the Jungle to increase its brand awareness among talented young people working in the marketing, technology and innovation sectors. The Klépierre profile page includes interviews with current employees detailing their experience of working for the Company, along with a description of their roles to directly appeal to this target audience.

In the Czech Republic, a partnership has been set up with Cocuma, a community site that brings together companies with a strong culture. It allows companies to create a profile and share their convictions through interactive content (testimonials, videos, etc.). This popular site is visited by young talent looking to join companies where the working atmosphere is young, flexible and embodies their values.

5.4.3.1.2 Onboarding

The Group's onboarding programs enable new employees to acquire essential knowledge about the Company's business lines and build their internal network. Onboarding programs are organized at both a Group and country level to provide new employees with a tailored introduction to the Company based on their role and location.

All new managers and graduates are invited to the Group-level onboarding program which includes presentations by members of the Executive Board and insights into the Group's organization, strategy and corporate culture. The program provides a valuable networking opportunity and supports internal mobility by introducing new joiners to the senior management team, as well as improving their understanding of the business. Importantly, this includes an introduction to the Group's various business lines and the roles and responsibilities of key people, including shopping center teams who represent its core function. 39 hires from six countries benefited from this initiative in 2020. This year all onboarding programs were adapted and turned into remote courses due to the health situation.

For French new joiners on permanent contracts, the customary local onboarding was also adapted to a remote format. For one day, new staff had the opportunity to get to know each other virtually and discover Klépierre's vision and strategy, operational challenges and development opportunities, before learning about the Company's organization and human resources structure. A virtual escape game was organized to forge links between participants.

On a local scale, and despite the Covid-19 crisis, special events continue to be organized for newcomers. In 2020, the Iberia head office created a video focused on young people and the experiences of new joiners. The video presented training sessions, development projects, social benefits and CSR actions. This type of project allows new joiners to discover Klépierre in a unique and less formal way.

5.4.3.1.3 Learning and development

Klépierre promotes learning and development among all of its employees, both to build the technical and professional skills required by the Group to execute its business model and fulfil its objectives, and to support employee engagement. In 2020, two years ahead of plan, the Group reached its target of 100% rate to access to training for Group employees, up from 98% in 2019. Among other success factors, this achievement results from the creation of key business e-learning modules, the transformation of face-to-face training sessions into virtual classrooms and the implementation of a learning influencer community whose role is to spread the word and emphasize communication on all training modules at country level.

The Group's priority is to provide clear development pathways for its employees, mapping out the professional and soft skills that will support their career aspirations and internal mobility, with a focus on new joiners, experienced hires and existing long-term employees.

Klépierre University is the Group's main learning and development hub that supports the Group's HR ambitions in five main areas:

- Training new graduates with a general academic background in the Group's specific businesses;
- Helping the Group adapt to evolving business needs and market changes through the development of soft skills;
- Providing a wide range of training to all employees to favor cross-business and cross-country mobility;
- Supporting managers in adapting to scattered teams and to distance management;
- Propagating a common corporate culture of innovation across all lines of business.

In the Covid-19 context, and with the development of home working, Klépierre University has placed digitization at the heart of its development so that every employee can easily access all Group content. Emphasis is also placed on the development of individual courses and personalization, with training courses tailored to each person's career (senior employees, young talent, etc.) being put in place. Examples include the setting up of a new managerial program, with 90% of the Group's leasing managers attending this training during 2020. The program supports managers in improving key aspects of their roles, such as managing complex situations, mobilizing stakeholders and negotiating.

Klépierre offers over 150 courses to support its objectives, and over 12,250 hours of training were delivered by the University in 2020. This was done through a blended approach that combined face-to-face and e-learning sessions.

Classroom and virtual classroom sessions provide a valuable opportunity for unique teaching methods, such as interactive discussions and case studies delivered by subject matter experts (many of whom are Klépierre employees). In 2020, 25% of the Group's face-to-face hours were delivered by internal trainers, reflecting the Group's technical expertise. To cope with the unusual context in 2020, Klépierre University quickly acted to transform face-to-face sessions – whether delivered by internal or external trainers – into virtual classrooms.

In first-quarter 2020, special e-modules on working efficiently from home were put in place to ensure the well-being of home workers. Two modules have been made available online, one for staff and another for managers addressing the issues specific to their role.

The Group continued projects in 2020 to internationalize and digitize training, in order to ensure accessibility for its employees. Importantly, the Group has extended its common international training catalog to complement its classroom offering and build up a core foundation of knowledge for all employees, regardless of their location or business area. By the end of 2020, 107 courses were available through the *Learn Up!* digital training app.

Since its launch in 2018, *Learn Up!* has established itself as a core component of Klépierre's training program by providing all employees with a comprehensive suite of online training modules. In 2020, a total of 1,060 employees (97%) completed more than 1,700 hours of training using *Learn Up!* Beyond increasing access to the Group's training offering, the ongoing digitalization of training supports the Group's goal of personalizing training paths in line with individuals' career aspirations, knowledge and specific needs. It also improves access, reduces training times and costs, and makes learning relevant and accessible by encouraging on-the-go training.

Over the past two years, Klépierre employees have grown accustomed to personalized training via the internal e-learning application, which is accessible from any device (cellphone, tablet and laptop) and facilitated the rollout of digital programs during the Covid-19 crisis. Digital training has become the core solution, with staff benefiting greatly from innovative and fun online content. For instance, the first edition of the Digital Summer School in July and August gave employees the opportunity to train on a range of subjects of their choice, with 29% of staff participating in at least one e-course.

5.4.3.1.4 Performance and development review

The Group's performance and development review process is delivered through two one-to-one meetings each year, one on performance and the other on career development. By providing separate meetings, the Group allows employees and their line managers to focus their discussions on these separate, but complementary topics.

The performance review is mandatory for each employee. The meeting takes place between November and January and aims to assess the accomplishments of the past year and set personal objectives for the coming year. It also helps identify the resources and training needed for each employee to develop their skills in line with the Group's priorities.

An additional mid-year review is available for employees at their discretion and/or that of their manager. This provides employees with the opportunity to review their performance and check progress against objectives. Despite its optional nature, 383 employees (37% of the workforce) took advantage of the mid-year review procedure in 2020, updating individual objectives to the priorities resulting from the Covid-19 crisis.

All managers are expected to take responsibility for the development of their team members by offering feedback and support in setting out personalized development plans. Development reviews are organized at the request of any employee. The review provides an opportunity for employees to discuss their career and mobility aspirations in the short, medium and long term, and identify training that may be needed to bridge any gaps in their competencies. Employees are invited to self-assess their skills, which encourages self-reflection and greater engagement in the process and its outcome. The goal is to make each person's development path consistent with the resources put in place to achieve it, in order to ensure that the business has the right people for the right jobs at the right time. Staff training requirements are therefore collected systematically during performance and career development reviews.

While the career development review is optional, the Group recommends that each employee takes advantage of this set-piece occasion at least every other year, and once a year for junior employees under 30. Throughout the process, all Group employees are offered personalized career guidance, meeting the Group's long-term target for 2022.

In 2020, 62% of graduates participated in the career development process compared with 61% in 2019. This demonstrates an increasing willingness to discuss their development early in their career with the Company. This continuous rise in participation reflects targeted and intensified communications and outreach by the HR Department toward recent graduates, despite the home working conditions.

The Group is also aiming to improve career opportunities for more senior employees, who represent 23% of its workforce, as it seeks to retain their knowledge and skills. Options under review to achieve this include a program for long-serving employees to refresh their knowledge of the Group's strategy, involving them in a mentoring program for new hires and promoting internal mobility.

These annual meetings and evaluations have taken on a renewed importance in light of the Covid-19 crisis and increase in home working arrangements. Beyond informal daily conversations, these meetings provide a space for focused discussions on key subjects and challenges, and are an important vector for engaging and reassuring Group employees.

5.4.3.1.5 Internal mobility

For employees, the opportunity to advance their careers, broaden their skills and experience new cultures is increasingly important in determining their professional choices. The Group is very well positioned to offer these opportunities due to its international footprint. Employee mobility, both within functions and between businesses, is promoted to support the Group's succession planning, recruitment and retention objectives. Klépierre pushes job opportunities to high-potential employees in order to develop their specialist expertise, take on new responsibilities, consolidate their leadership through

managing cross-functional projects, and enhance their ability to grow in a multicultural environment.

Most positions in the Company are eligible for internal promotion, and the Group's HR practices – such as development reviews and training and development programs – are designed to support this.

The Group favors internal candidates over external hires, and in 2020, 17% of open job positions were filled by internal mobility.

HR teams from across the Group coordinate and guide employees throughout the entire mobility process, starting with the identification and matching of job opportunities with individual employee's mobility objectives, through to the stage when the employee effectively moves into the new position. The process is supported by the Group's competitive compensation and benefits program. For executive-level promotions, a support team and mentoring program are in place to assist in the transition and in acclimatizing to the responsibilities that executive positions entail.

5.4.3.2 Diversity and inclusion

In 2020, Klépierre renewed its dedicated policy on diversity. Going forward, the adoption of this diversity policy is a key priority in the human resources space, as Klépierre aims to ensure equal treatment for all employees.

Over 30 nationalities are represented throughout the Group, making Klépierre an inherently diverse organization. The real estate industry nonetheless faces diversity challenges, particularly regarding gender balance at senior management levels.

Klépierre is committed to promoting greater diversity in its workforce and to rely on inclusion in daily HR practices to benefit from all talents, and across the wider industry, with a focus on gender, age and disability. As a proof of this long-standing commitment, the Klépierre Diversity Charter (signed in 2010), demonstrates its ambition to promote equal opportunities for all employees and prohibit discrimination based on age, disability, family status, race, religion or gender.

PROPORTION OF WOMEN IN THE WORKFORCE

	2020	2019
Executive Management ^(a)	27%	27%
Managers	40%	39%
Non-managers	74%	73%
TOTAL	60%	59%

(a) Executive Board and Corporate management team.

In 2020, the Company completed its second equal pay index as required by French legislation. With an index score of 90/100, Klépierre is compliant with its legal obligations in France in terms of equal pay, but intends to raise this score by ensuring more stringent controls over the absence of gender biases in pay raises and promotions. In this context, a new training course is being distributed to employees. This half-day training session on unconscious biases has been launched

successfully for a pilot group of 15 participants and will be rolled out Group-wide in 2021. Unconscious biases are implicit positive or negative convictions and acquired beliefs, which result in thoughts or actions that may disadvantage or exclude an individual from a group. The objective of this training course is to help employees understand that teams, and especially organizations, perform to a higher standard when they are diverse and inclusive.

A NEW AMBITIOUS POLICY FOR GENDER EQUALITY

Ethics & Boards, the independent international observatory of governance within listed companies, ranked Klépierre in 40th place out of 119 firms assessed in 2019, a 7-place jump compared to 2018. Evaluation criteria considered the composition of management bodies, proportion of women in the top 100 positions of greatest responsibility, awareness and training of managers in professional equality and the existence of a network for women.

Progress made by Klépierre in terms of diversity, recognized both by Ethics & Boards and by the professional equality index, must still be consolidated and sustained going forward.

Although the Group's workforce to date is predominantly female (60% female, 40% male), senior management is primarily male: the proportion of women within the management team (Executive Board and Corporate Management Team) is 27%, and 21% of the top 100 positions in the Group are occupied by women.

In late 2020, Klépierre adopted a new gender equality policy which sets to bring the proportion of women on the management team up to at least 30% by December 31, 2022, and at least 40% by December 31, 2025. The same targets are set for the top 100 managers by December 31, 2022, and December 31, 2026 respectively.

To do so, Klépierre will deploy an action plan focusing on women's career development, parenthood and family-work balancing measures; equal pay; training, support and development programs; and networking, events and communication.

5.4.3.3 Quality of life at work

The mutual benefits of a high-quality workplace are increasingly acknowledged as a growing body of research shows a positive correlation between healthy workplaces, employee well-being and productivity.

5.4.3.3.1 Health, safety and well-being at work

Occupational health and safety is a central component of Klépierre's commitment to enhance employees' working life, and the Group promotes health and safety training, awareness raising and well-being initiatives to improve the quality of its workplaces and spaces.

Given the nature of its workforce and the type of work undertaken, serious health and safety incidents such as fatalities are extremely rare. Instead, occupational health and safety issues such as mental-health risks are among the most significant incidents contributing to employee absence. In the current health crisis context, home working has been extended to many employees. New mental health risks have materialized and must be anticipated and taken into account in order to ensure that employees in need receive the requisite support.

Accordingly, the management of mental-health risks such as stress is a priority for Klépierre. The Group provides mental health and well-being training to managers and all employees. This is administered through Klépierre University and delivered through online modules and face-to-face sessions. The Group also provides a free and anonymous mental health helpline available to all French and Belgian employees in partnership with Axis Mundi, and a similar assistance program has been set up in Turkey. At the Netherlands head office, an extensive preventive medical examination for all of Klépierre's Dutch employees was put in place on a voluntary basis, with employees registering online. It took place in two stages: first, employees answered an online survey so that the medical team could prioritize cases. Then, a one-hour medical visit was planned to fit in with employees' schedules. Employees could choose to attend examinations in several locations country wide, facilitating access to care for all.

In addition, operating countries offer a range of well-being initiatives designed to promote physical and mental well-being. These include fruit baskets and yoga classes at the French head office, and a physiotherapy service available to all head office employees in Spain and Portugal.

5.4.3.3.2 Benefits and work-life balance

Klépierre's benefits and work-life programs are largely managed at a country level and designed to reflect local needs and practices. While each country is responsible for the development of their own benefits program, the Group nonetheless ensures that certain benefits are available to all employees, thereby meeting its long-term target for all employees to be covered by work-life balance measures.

Providing a competitive benefits and compensation program supports the Group's recruitment activities and helps to improve retention and engagement levels. Compensation is only one element, and the Group aims to offer a range of non-financial benefits that collectively provide a rewarding work environment and lessen the challenge employees face in managing work-life commitments.

While the extent and range of benefits and work-life balance measures differ across the Group, flexible work arrangements are offered in Italy, Germany, the Netherlands, Scandinavia and Poland. Additional parental leave and part time working opportunities are available in France and Sweden, and Klépierre offers a benefits allowance in Italy and Spain that employees can put towards health and well-being activities.

The Company also applies a "right to disconnect" policy outside of working hours following a collective bargaining agreement enacted in France in 2017.

Thanks to these initiatives, the transition to home working during the health crisis was made smoothly by all staff. All employees were equipped with laptops, cloud solutions were deployed company wide and the daily use of collaborative tools has been widespread. This has facilitated remote team-based work and enhanced employee responsiveness on various subjects.

In France, Klépierre launched its first employee share plan to boost participation and engagement in the Group's long-term performance. Employees were given the opportunity to invest all or a portion of their profit share in Klépierre shares for a five-year period, with Klépierre matching employees' investments up to a certain amount. The shares were offered at a 20% discount, and close to 82% of eligible employees participated in it.

5.4.3.4 Co-design of the Company's future

Klépierre believes an effective working environment is founded on trust and inclusivity. Its approach to employee engagement seeks to provide employees with the opportunity to positively contribute to the Group's success. Accordingly, it has set a long-term target for all employees to contribute to building the Company's future.

5.4.3.4.1 Co-construction for long-term social relations

Klépierre promotes transparent and direct communication between all management levels, and encourages employees to actively take part by expressing their views. Maintaining a good level of social dialogue is central in all Klépierre countries where the management has continuous and qualitative discussions with employee representatives.

In France, Klépierre's representative body – the Social and Economic Committee (CSE) – is made up of 26 members. The Committee discusses issues such as gender diversity, compensation and benefits and working conditions with Group management.

Aside from these channels, the Group's internal social network, Workplace by Facebook, connects virtually all Klépierre's employees.

Everyone is encouraged to join, and the social network has established itself as the go-to place to share individual and collective initiatives, experiences, achievements and new ideas.

On a more intimate level, small-scale "Let's Chat" breakfast meetings with the Chief Executive Officer are organized to provide direct feedback about the Group's strategy and the state of the industry. This emphasis on two-way dialogue is further promoted through performance reviews and career development interviews that encourage employees and line managers to talk frankly about their objectives and share their opinions. In July, networking lunches with members of the senior management team rounded out this program, aimed at tightening bonds and sharing feedback about the gradual reopening of the shopping centers.

In Scandinavia, all employees were invited to a two-day workshop in January to share their vision of Klépierre's future on topics such as agility, sales and cost efficiency. The findings of the workshops led each Scandinavian country to implement concrete action plans.

Encouraging these types of interactions and empowering all employees to feel like they can make an active contribution to the development of the Company remain priorities going forward.

HAPPINESS INDEX: A NEW SURVEY TO MEASURE EMPLOYEE SATISFACTION

In 2020, as part of its innovation workstreams, Klépierre introduced a new key performance indicator: the Happiness Index. This KPI is intended to enable the Group to measure the satisfaction of its four main stakeholders on an annual basis: employees, retailers, shoppers, and suppliers.

To measure the satisfaction of employees, Klépierre surveys all staff with permanent employment contracts, regardless of which country they work in or what position they hold within the Group.

The survey is completed anonymously using a dedicated web platform. Respondents are asked to assess their satisfaction with the following seven items: their physical and digital working environment, the daily interactions with their co-workers, their professional development, their missions and assignments, their compensation and benefits, their workload and work-life balance, and their manager.

The survey conducted during the third quarter of 2020 recorded a score of 3.56 for employee satisfaction. This second score reflects Klépierre's investment in the well-being and development of its employees. Our wish is to anchor the Happiness Index in our Group practices. Our current projects and actions cover all the topics addressed in the survey. For instance, we plan to continue working on labor flexibility, maintaining bonds in between teams and accompanying people and managers in their adaptation to a changing environment.

5.4.3.4.2 Fostering employee innovation

Innovation is essential to the Group's success, and supports targets covered in all pillars of the Act for Good® strategy. By encouraging the exchange of ideas, Klépierre positions itself as a leader in the retail real estate sector.

Internal innovation is led by a network of 28 ambassadors from 10 different branches, with contributions from over 100 Klépierre employees representing virtually all the Group business lines. Employees are divided into seven project groups tackling some of the most pressing issues facing the Group: outstanding customer/retailer care, smart buildings, city connection and mobility; new ways of working and more. These 28 ambassadors are part of the Group-wide

"Klépierre ID" open innovation platform that aims to create value for the business by responding to rapidly evolving technological, social and environmental factors that are transforming the industry.

Due to Covid-19, innovation projects could not progress as initially planned, but the teams continue to work on these projects. For example, in January 2020, around ten people were able to attend the CES Consumer Electronics Show and find inspiration. In the German head office, a two-day hackathon event was organized by the local team, including special guest talks on innovation and a start-up elevator pitch. Teams engaged in brainstorming sessions to generate ideas and recommendations for process optimization. The results were presented to the staff, with local teams exchanging on how the ideas generated could be used in the future.

5.4.4 Champion ethics in the local communities

The Group's relationships with its service providers and suppliers are governed by a concern for propriety and integrity. Klépierre endeavors to extend its principles of responsibility through its value chain, which is crucial to the safety and quality of the shopping experience offered to retailers and visitors (see section 5.4.4.2 below).

The main principles are covered in two documents: The Responsible Procurement Charter, which is distributed to external partners, and the Code of Professional Conduct for Klépierre personnel.

Klépierre's Code of Professional Conduct sets out the Group's commitment to ethics and human rights. It is available on the corporate website and has been distributed to all Group personnel.

It informs employees on what is expected of them, and in turn, what they are entitled to expect from Klépierre. It is applied on the basis that national laws take priority when they impose regulations that are stricter than the Code and, conversely, that the Code's stipulations take priority if they are more stringent than national regulations, providing that national regulations are nonetheless respected.

The rules of conduct outlined by the Code cover the following aspects:

- Respect for the law and local customs;
- Customer service;
- Confidentiality and observance of professional secrecy;

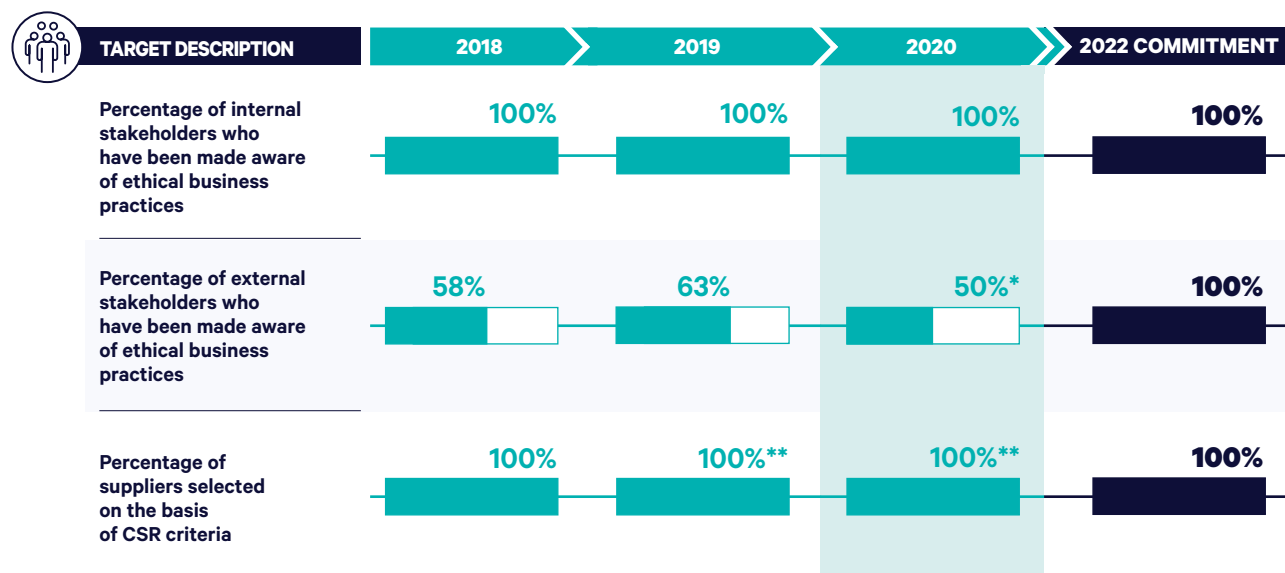
- Financial and media communication;
- Delegations of authority and signatures;
- Protection and utilization of Company assets;
- Whistleblowing;
- Health and safety;
- Prevention of acts of discrimination and harassment, and respect for privacy; and
- Environmental responsibility.

Human rights standards are also supported by strict national and European regulations. All Klépierre employees, and indeed all of the Group's first-tier suppliers and service providers, are based in countries that have ratified the eight fundamental conventions of the International Labor Organization (ILO) including: the elimination of discrimination in the workplace, respect for freedom of association and the right to collective bargaining, the elimination of any form of forced or compulsory labor and the abolition of child labor.

Klépierre became a signatory to the United Nations Global Compact in 2012, and the Group conducts an annual review of human rights risks, policies, monitoring and reporting procedures across all countries where it operates using the UN Global Compact's analysis tool.

SUMMARY OF PERFORMANCE AGAINST TARGETS

CHAMPION ETHICS IN THE LOCAL COMMUNITIES



* Suppliers, service providers and M&A teams.

** Calculated on the scope managed by the Group Procurement Department, i.e., 42% of Klépierre (key) suppliers.

5.4.4.1 Key business ethics standards

5.4.4.1.1 Main texts governing business ethics

At Klépierre, business ethics is fundamental. Klépierre is committed to applying its values in all business practices, including its relationships with employees and external stakeholders.

France's "Sapin II" law stipulates that large companies must establish an anti-corruption program to identify and mitigate relevant risks. This includes obligations to draw up a risk map, a dedicated Code of Conduct, an internal whistleblowing system, third-party due diligence, accounting controls, a compliance training program, a disciplinary mechanism and internal evaluation controls.

At Klépierre, two ethical codes responding to different issues are deployed. They are embedded within internal procedures for enforceability purposes:

- The Code of Professional Conduct governs all ethical issues such as money laundering and insider trading; and
- The Anti-corruption Code of Conduct sets out the Group's expectations regarding the giving and receiving of gifts and invitations, conflicts of interest, facilitation payments, patronage and sponsorship and lobbying activities.

Whistleblowers can use two separate channels to raise alerts. Internally, based on a confidential reporting procedure, or externally, using an independent specialist service provider to act as an intermediary with Klépierre. Whistleblowers can choose to raise an alert anonymously or publicly, provided that local regulations allow for this. Klépierre updated its internal procedure to extend and specify requirements, and the Group then launched a communication campaign throughout Europe in 14 different languages, in order to reach all of the Group's territories.

In January 2020, the Group's Chief Executive Officer reissued the Anti-corruption Code of Conduct by email (in both English and French) to all internal and external Group employees and partners, ensuring that everyone was aware of Klépierre's policy on ethics. It is also available in Spanish, Italian, German and Polish, meaning it is accessible to all of the Group's employees.

Additionally, during 2019, the Group developed its first e-learning course on anti-corruption issues. The module was completed in 2019 by several key function holders. In 2020, the *InKorruptible!* training course was made mandatory for all Klépierre employees. It aims to strengthen the internal approach to the prevention of corruption, and to continue to raise awareness among internal stakeholders. To promote the dissemination of this mandatory training module, the Chief Executive Officer spearheaded a dedicated communication campaign and the contents were translated in seven languages.

5.4.4.1.2 Money laundering and terrorism financing

In order to ensure compliance with the anti-corruption aspects of the "Sapin II" law, and with the French transposition of the 4th and the 5th European Directive on money laundering and terrorist financing, the Compliance team has drawn up a set of specific "Know Your Business Partner" procedures. These are primarily applicable to business relationships with retailers, but also to buyers and sellers of assets, key suppliers and service providers, and intermediaries recruited as part of development transactions.

In 2013, the Group adopted an electronic tool to assess the probity risk of third parties through a database containing lists of sanctions, convictions, politically exposed persons and negative press articles. In 2019, the Group also acquired an electronic tool to facilitate identifying beneficial owners and external stakeholders.

These processes enabled Klépierre to raise awareness of business ethics with 50% of its external stakeholders⁽¹⁾ in 2020, bringing it within reach of the target set for 2022, which is to raise awareness of business ethics with all internal (employees) and external stakeholders (retailers, suppliers, service providers, buyers and sellers of assets).

5.4.4.1.3 Insider trading

As previously mentioned, the Code of Professional Conduct sets out the Group's procedures with regard to insider trading and inside information.

In addition, the Inside Information Committee meets on a regular basis – as well as on an ad hoc basis where required – to assess whether business event and decisions such as acquisition or disposal transactions could be considered insider information using guidance published by the French financial markets authority (*Autorité des marchés financiers* – AMF).

However, the Group also goes beyond the minimum legal requirements defined by the AMF: all key function holders (members of the Corporate Management Team, Executive Board, Supervisory Board and Board Committees) receive a quarterly email informing them of when closed periods (during which the buying and selling of Klépierre shares is forbidden) start and end.

5.4.4.2 Responsible purchasing

Klépierre purchases goods and services from approximately 14,000 suppliers across the 12 countries it operates in. They range from small local businesses, to the large regional, national and international companies which together constitute Klépierre's first-tier supply chain. This is characterized by five major service categories, which together represent approximately 90% of the Group's operating budget. They include: utilities (energy and water), general operations, cleaning, maintenance, and safety and security.

Klépierre views its major suppliers as partners, and its relationship with them is built on trust and mutual respect. The Group is proud of its reputation for maintaining on-time payments to service providers and endeavoring to develop long-term relationships which extend beyond the bounds of each formal contractual agreement. As an example, the annual "partners' day" brings together the Group's key suppliers to meet Klépierre's senior management at the Company's head office. The day is dedicated to share challenges and identify opportunities to work on common objectives. This type of action helps to strengthen the Group's long-term partnerships with its service providers.

Klépierre's procurement activities are overseen by a central procurement team in France which evaluates and monitors the Group's top 120 suppliers (representing 42% the Company's supply chain by spend) and provides support and advice for country-level procurement teams to ensure the consistent application of the Group's standards and procedures. The provision of services is closely controlled at country level, where decision-making is supported by local multi-disciplinary teams, and overseen by Country Heads, Operational Departments and Procurement Departments. Within this context, most of the Group's procurement activities are administered locally with country procurement teams managing the procurement process on behalf of their shopping centers and according to the specific context, such as prioritizing local businesses to support the Group's long-term targets (see Act for Territories).

(1) Suppliers, service providers and M&A teams.

Also, suppliers must commit to and sign the CSR responsible purchasing Charter in order to work with Klépierre. Updated in 2020, Klépierre's Responsible Procurement Charter sets out the standards which the Group expects of its suppliers in relation to environmental and social aspects. More specifically, the Charter sets out requirements in relation to human rights, ethics, security, energy performance, waste management, sustainable behavior, local development and building certification. It requires a signature of formal commitment from all of Klépierre's service providers. The charter has been signed by the Group's top suppliers (92 at the end of 2020) and shared with each operating company for wider distribution. In order to constantly improve business practices, new elements have been added, focusing on responsible sourcing. By 2022, and in accordance with Klépierre commitments, all suppliers and service providers will have been selected based on CSR criteria.

For technical services, the Group prefers to select suppliers with management systems certified to ISO 9001 or 14001 as an indicator of responsible business practices. Across Europe, 83% of cleaning suppliers and 75% of facility management suppliers are certified against at least one of these standards. For all key suppliers, the Group uses an assessment matrix that evaluates a potential suppliers' policies and practices against several requirements, including social and environmental practices as a prerequisite for further engagement.

In 2020 Klépierre devoted around €465 million to services and supplies for the operational management of its shopping centers. As these operating expenses are mostly passed on to tenants through the service charge, they are subject to extensive scrutiny by retailers. The Group continually seeks to reduce costs on behalf of its tenants, for example by consolidating energy and waste management

contracts at regional and/or national level. The Group also operates a stringent selection and approval processes. The signing of framework agreements and continuous on-site monitoring ensures that risks in relation to operating expenses are identified and minimized. The financial sustainability of suppliers is considered as part of this process, and the proportion of suppliers' total revenue that is derived from business with Klépierre may not exceed 22%.

Purchasing teams pay close attention to corporate responsibility and business ethics considerations. Firstly, they follow two fundamental principles: neutrality, to ensure fair, ethical, objective and transparent processes; and the consideration of the life-cycle cost of purchased products. Secondly, they have progressively incorporated the Group's social and environmental commitments into contractual agreements.

As part of the Happiness Index survey (see inset in section 5.4.3.4.1), Klépierre has measured the satisfaction of its main suppliers. A range of questions was put to the Group's major partners, from the quality of business relationships to compliance with contractual terms, and they gave Klépierre an excellent 4.5/5 rating.

Lastly, since the onset of the health crisis, the purchasing team has been reactive and has found solutions to efficiently adapt its partnerships to the urgency of the situation. On the procurement side, more than two million masks have been ordered, along with 25,000 liters of hand sanitizer. In addition, 350 amendments to the local application of contracts were signed to meet additional needs in terms of security, allowing Klépierre to host visitors in the best possible health conditions. Agility, strong relationship and great collaboration with suppliers have been key to maintaining a high level of service quality for all stakeholders.

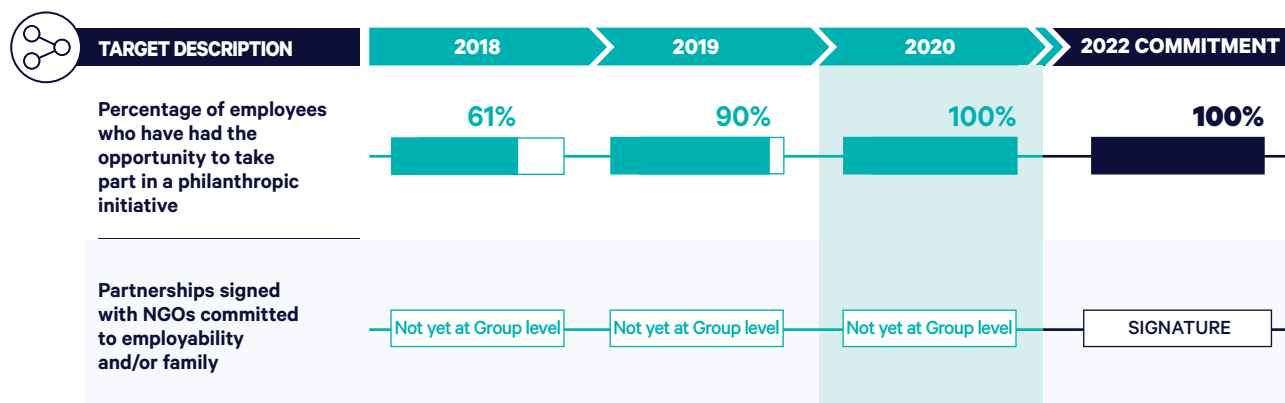
5.4.5 Be socially conscious

Beyond the involvement of the Company, Klépierre makes sure to provide its employees with the opportunity to support local charities. Convinced that it can positively contribute to engagement and satisfaction levels, while at the same time strengthening the

Group's ties with its communities, Klépierre encourages its employees to play an active part in their communities and has set a long-term commitment for all employees to have the opportunity to support a charitable organization.

SUMMARY OF PERFORMANCE AGAINST TARGETS

BE SOCIALLY CONSCIOUS



By the end of 2020, 100% of the Group's employees had been given the opportunity to donate time to support local charitable organizations, achieving the Group's target initially intended for 2022 in advance.

As Klépierre works towards its target to sign a Group-level partnership with a non-governmental organization dedicated to employability

and family, individual shopping centers continue to take the lead in supporting families and young people in their catchment areas. In 2020, 94% of the Group's properties organized at least one philanthropic activity, and shopping centers are encouraged to identify long-term partnerships with community organizations that enable them to leverage their key strengths and scale up their support.

LONG TERM SUPPORT FOR THE LOCAL COMMUNITY

In Spain, near Madrid, the head office and La Gavia shopping center teams have been providing support for many years to the local community of Vallecas, a district of Madrid that has suffered financial hardship for several decades and a high unemployment rate (around 50% of inhabitants are impacted by long-term unemployment, and 30% of the under 30s).

For more than 10 years, Klépierre teams have created meaningful and long-term projects within the community. They provide assistance in three ways. First, they help children born into poverty by donating food and milk to families. Each month, more than 30 tons of food is donated to the local community, and clothes amassed during year-round collection drives are given to the charity.

Second, Klépierre's teams act in the field of education, providing training subsidies and the resources needed to set up tutoring schemes. These actions include setting up a computer room, offering scholarships to higher education and hosting trainees from the local community. Activities such as football and dance are proposed to youngsters to get them off the street.

Lastly, particularly through the La Gavia shopping center, Klépierre gives the community a warm welcome and a sense of belonging. According to the representative of the community: *"Young people are always welcome at the mall, and that is really important for a segment of our community that is used to being rejected. They always have a special thought for the young people. For instance, each year they give Christmas vouchers to them so they can come to the center and buy gifts or food for their families."*

In 2020, the Klépierre CSR team in France organized its Solidarity Week initiative, which allows employees to get involved in charities and support them in their missions. This year, in order to comply with health constraints and expectations of all participants, Klépierre changed the range of workshops offered, with workshops being run remotely.

No specific skills were required, making participation open to all. This was an opportunity to contribute working hours toward solidarity initiatives, in parallel with charitable actions already carried out in shopping centers. The results of the week were very positive, with three charity organizations benefitting from 130 hours of volunteering by French Klépierre staff.

5.5 SUMMARY OF PERFORMANCE AGAINST LONG-TERM COMMITMENTS, METHODOLOGY AND CONCORDANCE TABLES

5.5.1. Summary performance against 2022 Act for Good® commitments

For all indicators, the reference year is 2017 as this corresponds to the baseline of the current Act for Good® strategy, with the exception of energy for which the Group has chosen a target in relative terms (40% decrease vs. 2013).

ACT FOR THE PLANET

	2019	2020	2022 commitment
ACT FOR A LOW-CARBON FUTURE			
Reduction in energy consumption for common and serviced areas compared with 2013 ^(a)	-29%	-43%	-40%
Percentage of electricity from renewable sources in common and serviced areas	93%	93%	100%
The five biggest shopping centers in our portfolio to be carbon neutral (Scopes 1 & 2)	Ongoing	1/5	Carbon neutral
Certification of the Group's climate strategy by the Science Based Targets Initiative	Ongoing	Achieved	Certification achieved
CONTRIBUTE TO A CIRCULAR ECONOMY			
Percentage of recovered waste	93%	96%	100%
Percentage of centers that have involved retailers in a circular economy effort	71%	86%	100%
DEVELOP A FULLY CERTIFIED PORTFOLIO			
Percentage of centers that have earned a sustainable development certification (BREEAM In-Use, ISO 14001, etc.)	100%	100%	100%
Percentage of development projects that have obtained BREEAM New Construction certification (with a minimum level of "Excellent")	100%	100%	100%
Percentage of new developments using wood from a certified forest during construction	100%	100%	100%
INNOVATE FOR SUSTAINABLE MOBILITY			
Percentage of centers accessible via public transport	98%	98%	100%
Percentage of centers equipped with electric vehicle charging stations	60%	68%	100%

(a) 2013 baseline : 143 kWh/sq.m.

ACT FOR TERRITORIES

	2019	2020	2022 commitment
ENCOURAGE LOCAL EMPLOYMENT AROUND OUR CENTERS			
Percentage of local service providers for operational management of the centers (security, maintenance, cleaning services)	78%	87%	100%
Percentage of centers by value that have contributed to local employment	85%	95%	100%
PARTICIPATION IN THE LOCAL COMMUNITY			
Percentage of centers that have made space available for a local initiative	97%	98%	100%
PURSUE OUR CORPORATE CITIZENSHIP			
Percentage of centers that have organized a drive (clothes, toys, furniture, etc.) for the benefit of a local charity	84%	96%	100%
Percentage of centers that have supported a citizen's initiative organized by a retailer in the center	79%	98%	100%
INVOLVE LOCAL STAKEHOLDERS IN DESIGNING NEW DEVELOPMENTS			
Percentage of development projects that have included local cooperation as part of the early planning process	N/A ^(a)	100%	100%
Percentage of development projects certifying that suppliers sign a sustainability charter governing construction site supply and management	N/A ^(a)	100%	100%
Percentage of development projects that have implemented a biodiversity action plan	N/A ^(a)	100%	100%

(a) No development projects were completed during the year.

ACT FOR PEOPLE

	2019	2020	2022 commitment
CONTINUOUSLY INCREASE VISITOR SATISFACTION			
Increase in the Group's Net Promoter Score (NPS) ^(a)	+10 pts	+8 pts	+3 pts
Percentage of customer questions asked on social media handled	68%	92%	100%
PROMOTE HEALTH AND WELL-BEING IN THE CENTERS			
Percentage of centers promoting health and well-being	89%	99%	100%
Percentage of shopping centers offering dedicated services to the employees of their retailers	87%	94%	100%
OFFER GROUP EMPLOYEES A POSITIVE EXPERIENCE			
Rate of access to training for Group employees	98%	100%	100%
Percentage of employees concerned by measures aimed at achieving work-life balance	100% ^(b)	100% ^(b)	100%
Percentage of recent graduates who have been given the opportunity to receive personalized career guidance	100%	100%	100%
Percentage of employees who have contributed to the co-construction of the Group's future	36%	38%	100%
SPREAD ETHICS IN OUR COMMUNITIES			
Percentage of internal stakeholders who have been made aware of ethical business practices	100%	100%	100%
Percentage of external stakeholders who have been made aware of ethical business practices	63%	50%	100%
Percentage of service suppliers selected based on CSR criteria	100% ^(c)	100% ^(c)	100%
BE SOCIALLY CONSCIOUS			
Percentage of employees who have had the opportunity to take part in a philanthropic initiative	90%	100%	100%
Sign Group partnerships with NGOs dedicated to employability and/or family	Not yet at Group level	Not yet at Group level	Signature

(a) 2017 baseline

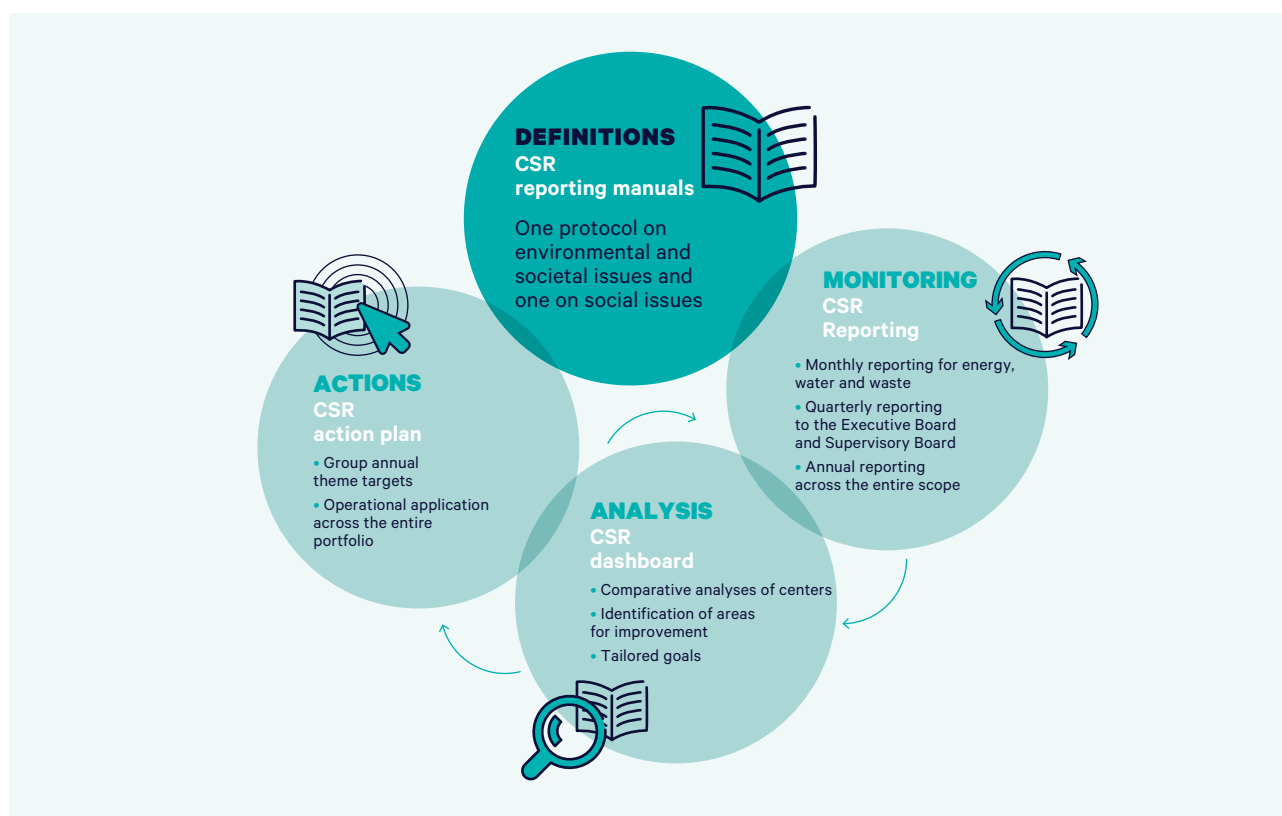
(b) 99.8%

(c) Calculated on the scope managed by the Group Procurement Department, i.e., 42% of Klépierre key suppliers.

5.5.2 Management system and tools

The Group uses a suite of tools and processes to integrate environmental and societal issues into its operational procedures. These tools cover all the Group's operations to provide a uniform approach and are organized into four families for greater clarity internally:

1. Definitions;
2. Monitoring;
3. Analysis;
4. Actions.



5.5.2.1 Definitions: CSR reporting manuals

The Group has established standard definitions for the environmental, social and societal impacts that all shopping centers and Group operations are expected to monitor.

The definitions are grouped into two reporting protocols:

- One on social aspects, which is sent to Human Resources Managers in each country, and which includes both quantitative and qualitative data; and
- The other on environmental and societal aspects, which is communicated to each country and to each asset, and which contains 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 activities of the Group, and changes to regulation in each of the Group's operating countries.

5.5.2.2 Monitoring: CSR reporting

5.5.2.2.1 Internal reporting

Klépierre monitors environmental, social and societal data covering 96% of its portfolio of owned shopping centers by value and of all its staff, against the defined impacts and key performance indicators (for full details on reporting scope, please refer to section 4.6).

Center Managers and Technical Directors monitor utility consumption (energy and water) and waste production at least once a month. 76% 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 analyses of the actual performance of assets. Performance data is collected and analyzed using Deepki, a tool which allows for a standardized approach to monthly reporting of energy, water and waste data. Deepki enables the Group to analyze data at shopping center and portfolio level, control for climate factors, and undertake a robust shopping center performance benchmarking assessment.

Social data in relation to the Group's Act for People activities are monitored using an information system shared with all Group Human Resources teams, thereby enabling standardized and structured management of data based on a single source. The Group's progress against its Act for Territories activities is monitored on a country and shopping center basis during quarterly meetings (see below) which are supported by regular communications between relevant teams and the Group's Engineering & Sustainability Department. Since 2020, a dedicated Deepki reporting schedule has been put in place: open all year round, it allows a quarterly review for each commitment.

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.

Quarterly meetings attended by Country Directors, Technical and Marketing Directors, Human Resources Directors and Heads of Operations are organized to share progress against each Act for Good® pillar and monitor key performance indicators. The meetings also serve to identify areas where individual countries and/or shopping centers may need additional support, and this is aided by the best practice guidelines referred to above (see section 5.1.2.1 "Sustainability governance").

5.5.2.2.2 External reporting

The Group reports performance against its Act for Good® commitments, key performance indicators, 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 is environmental, social and governance performance using voluntary reporting standards including the EPRA Sustainability Best Practices Recommendations (sBPR), the Global Reporting Initiative Reporting Standards, the Task Force on Climate-related Financial Disclosures (TCFD) and the UN Sustainable Development Goals.

A separate supplementary report presenting the Group's performance against the third edition of the EPRA sBPR is available for download from the CSR section of the Klépierre website (<https://www.klepierre.com/en/notre-identite/l-engagement-rse>).

Although the report is not fully prepared in accordance with the GRI Standards, a cross-reference table with the relevant GRI Standards covered by the contents of this report is available in section 4.6.3.

5.5.2.2.3 Actions: CSR action plan

The detailed performance analysis described above makes it possible for the Engineering & Sustainability Department and Group Human Resources Department to identify areas for improvement at all levels, and in particular at the beginning of the year:

- Shared 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;
- Proposed individual goals for shopping centers; these are discussed with each country department for possible readjustment considering local conditions. Once jointly approved, these goals are implemented in each center. Progress is monitored monthly.

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

5.5.3 Industry initiatives and charters supported by Klépierre

Klépierre is an active member of the following national and international trade associations that the Group 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 200 European listed real estate companies. EPRA publishes the EPRA Sustainability Best Practices Recommendations (sBPR) that aim to establish a standardized approach to reporting on the environmental and social impacts that are material for publicly traded real estate companies. Klépierre is a member of the Sustainability Committee.

French Council of Shopping Centers (CNCC)

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

French Real Estate Association (FSIF)

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

Global Real Estate Sustainability Benchmark (GRESB)

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

United Nations Global Compact

As signatory to the United Nations Global Compact since 2012, Klépierre makes 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). In 2017, the Group reached the "advanced" level in this improvement process, thus affirming the maturity of its commitment and accomplishments.

5.5.4 Methodological note

Group CSR reporting is one of the key methods of monitoring, organizing and overseeing Klépierre's CSR 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; and
- **Accuracy and reliability:** records are kept at site level and at the various sub-groups, to ensure traceability.

Charter for energy efficiency of tertiary buildings

The 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 in 2017 following publication of the new version of the Charter.

Diversity Charter

The Charter commits signatories to promote diversity in their workplaces and confirm their commitment to non-discrimination and equal opportunities. Klépierre has been a signatory since 2010.

Charter for Parenthood

Enacted by the French Monitoring Agency for Parenthood in the Workplace (OPE), this Charter promotes better work-life balance and has three objectives: to bring about a change in attitudes towards working parents, to create a favorable environment for working parents, and to respect the principle of non-discrimination in career development for such employees. The Group has been a signatory since 2009.

The Palladio Foundation

Klépierre is a founding member of the Palladio Foundation. The Palladio Foundation was created in 2008 (under the aegis of 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 livable as possible.

Association pour le développement du Bâtiment Bas Carbone (BBCA)

BBCA's goal is to reduce the carbon footprint of buildings, and to promote approaches that help develop low carbon buildings. It has developed a certification program that was published in 2016.

5.5.4.1 Methodological note for environmental and societal indicators

5.5.4.1.1 Key industry indicators and benchmarks

Definitions of key indicators

A reporting protocol for environmental and societal indicators has been circulated Group-wide since 2006 to ensure the consistency and reliability of the CSR reporting procedure and the qualitative and quantitative data published by the Group. It acts as a reference framework for all participants in the reporting process. The protocol is updated each year to ensure that it is as relevant as possible to Klépierre's CSR commitments and strategy, and to take account of feedback received following each reporting period, of regulatory changes and of evolving industry practices and standards.

Above all, it sets out the method for collecting and calculating the data underlying the indicators, including definitions, scopes, units, formulas, contributors involved, 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) in order to better reflect their contribution to the Group's overall portfolio.
- Energy, carbon and water data are presented both in gross terms (kWh, tCO₂e, cu.m.) for the purposes of assessing volumes, and as ratios (gross value divided by floor area or footfall) in order 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 and greenhouse gas emissions of serviced areas and shared equipment: consumption intensity and energy performance indicators expressed in kWh or kWh/sq.m. reflect the heating and air conditioning consumption of serviced areas which include the common areas of the shopping centers and 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, emissions factors used in the calculations are sourced from the French Environment and Energy Management Agency's (ADEME) Bilans GES database (average national factors). For market-based data, emissions factors are sourced directly from each energy supplier.
- 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 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 2020 reporting scope correspond to projects delivered during the course of the year, except for carbon data, for which emissions relating to project construction are spread over the years of the corresponding work.
- All key indicators are calculated based on actual and exhaustive data. For certain missing data, Klépierre has provided estimates detailed in the charts or tables concerned.

Industry frameworks

The environmental and societal management system takes into account the recommendations included in the four leading industry and/or international frameworks, namely:

- Global Reporting Initiative (GRI) Standards;
- European Public Real Estate Association (EPRA), Sustainability Best Practices Recommendations;

- French Council of Shopping Centers (*Conseil national des centres commerciaux – CNCC*) – CSR industry reporting guide/Non-financial performance statement;
- United Nations (UN) Sustainable Development Goals (SDGs); and
- Taskforce on Carbon-related Financial Disclosure (TCFD)

Cross-reference tables with the non-financial information presented by Klépierre in this document covering the CNCC non-financial performance statement, the GRI Standards and the UN SDGs are provided in section 4.6.3

5.5.4.1.2 Reporting scope

2020 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.

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

In addition, the notion of operational management, which is specific to the shopping center industry, is used to determine which assets are included in the scope.

The Group's scope aggregates assets owned and managed by Klépierre, and assets managed but not owned by the Group (where data are available), in order to reflect its activities as accurately as possible. Assets owned but not managed by Klépierre are included in the Group's reporting scope when data are available. For these assets, the Group is only responsible as a delegate. However, as owners of these assets, Klépierre strives each year to increase the amount of information it collects, and which the Group is gradually including in the coverage scope.

Reported scope

The reported scope is used to assess the CSR impact of the property portfolio over a calendar year. It reflects the impacts of management, renovation and arbitrage (acquisitions and disposals) policies. In 2020, it includes:

- All shopping centers owned and managed by Klépierre (124 assets);
- Shopping centers not owned by Klépierre but managed by the Group on behalf of third parties, and for which operating data are available (8 assets, all in France);
- Shopping centers owned by Klépierre but not managed by a third party, and for which operating data are available (8 assets: 2 in France, 3 in Greece, 2 in Italy and 1 in Turkey).

Shopping centers acquired and managed by the Group are included in the scope as from the first full year following the acquisition. Real estate development projects are not included in the reporting scope during development or construction, but as from the first full year following completion (except for carbon footprint calculation). Additionally, certain centers under redevelopment, extension and/or renovation may be excluded from the reported scope. As an illustration, Hoog Catharijne (Utrecht, the Netherlands) was excluded from this year's energy calculations due to the fact that work is still ongoing and would distort results accordingly.

This configuration may vary slightly for assets managed on behalf of third parties. 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. Typically, only centers that Klépierre manages outright and has full control over energy, water and waste consumption data are included in the reported scope, which explains the difference in coverage rates between the various indicators.

Coverage rates are expressed in terms of the total value of owned and managed shopping centers. Shopping centers which are only managed are not included in the coverage rate calculation as their values are unavailable.

The 2020 reported scope represented 96% of the Group's total shopping center portfolio value as of December 31, 2020, which comprises all owned shopping centers. The remaining 4% represents 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 shopping centers owned and managed. However, it excludes shopping centers acquired or completed during the year as well as those not managed for the entire period.

The 2020 like-for-like scope represents 95% of the Group's portfolio as of December 31, 2020.

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

Reporting periods

Klépierre uses two different reporting periods, depending on the indicator. This arises from the Group's determination to minimize the use of estimates and to collect and consolidate real data.

In order to reflect actual data promptly within the short reporting time frame, the Group decided to use a rolling one-year measurement period for consumption indicators.

For all energy, climate change, 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, 2020 to September 30, 2020 for the 2020 reporting scope). Social impact indicators, such as NPS data, suppliers and initiatives 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, 2020 to December 31, 2020 for the 2020 reporting scope.

5.5.4.1.3 Data collection process

Data collection tool

In 2017, the Group began rolling out an online data collection tool to its entire reporting scope aimed at automating and improving the reliability of data collection for the environmental and societal impacts of its activities. Now deployed for all assets, the online tool is accessible remotely and in real time by all teams on-site in the shopping centers, as well as by 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, as well as – 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 on a monthly basis for all assets. Data for certain additional indicators are collected quarterly (Act for Good® follow-up meeting per country) and/or annually, in particular for the production of the universal registration document.

5.5.4.2 Methodological note for social indicators

5.5.4.2.1 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, 2020, 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.

5.5.4.2.2 Definitions and clarifications

Workforce: total number of employees at 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 of 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).

5.5.4.3 Audit by the independent third-party verifier

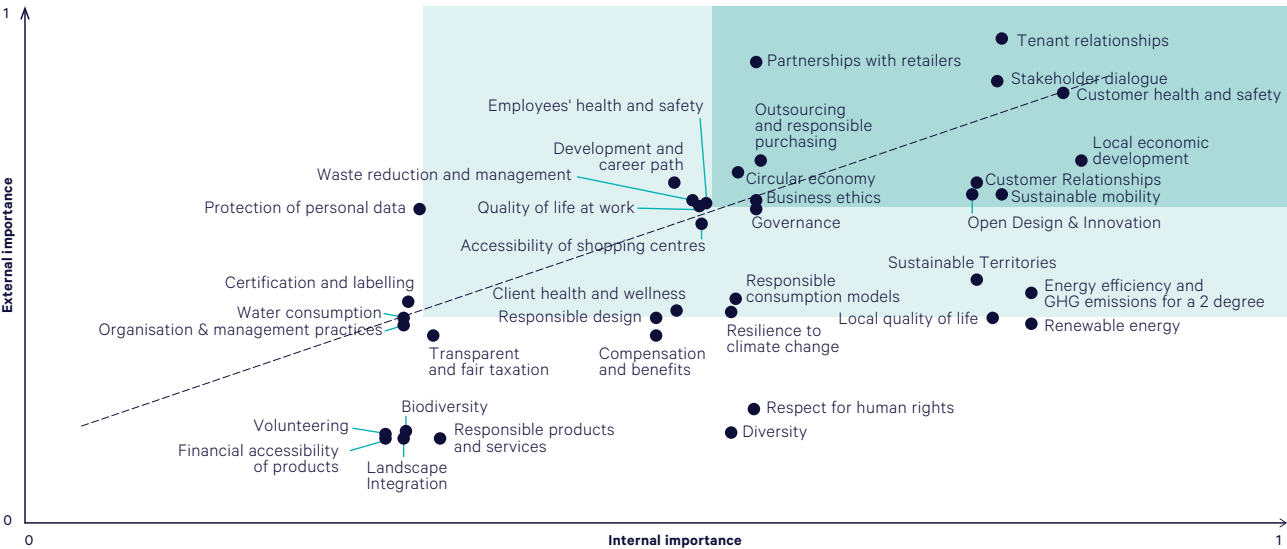
Over the last nine years, Klépierre has been committed to ever greater transparency and accordingly, all of its non-financial information is independently verified.

This external audit is carried out each year, based on the Group's regulatory obligations and industry best practices.

5.5.5 Materiality analysis

Materiality analysis helps to define issues which can have a significant impact on the organization's activities. It also helps to determine the ability to create value for itself and its stakeholders. In order to adapt to permanent changes and maximize its value creation with its stakeholders, the Klépierre materiality analysis is at the heart of the Act for Good® strategy. This analysis allows Klépierre to

identify environmental, human resources and social issues in order to implement relevant actions. The materiality analysis also guides Klépierre in defining projects in compliance with NFPD requirements, G4 guidelines from the Global Reporting Initiative (GRI) and the European Public Real Estate Association (EPRA).



Issues comprising major risks	Issues offering the greatest opportunities
<ul style="list-style-type: none"> • Business ethics • Respect for human rights • Customer health and safety • Outsourcing and responsible purchasing • Governance 	<ul style="list-style-type: none"> • Partnership with retailers • Local economic development • Dialogue with stakeholders • Renewable energy • Circular economy

5.5.6 Cross-reference tables

The following tables include an analysis of the cross-referencing between the information published by Klépierre in this document and the main (European and Global) reporting standards for non-financial information: the Global Reporting Initiative GRI Standards and the TCFD.

A separate report presenting the Group's performance against the third edition of the EPRA Sustainability Best Practices Recommendations (sBPR) is available to download from the CSR section of the Klépierre website (<https://www.klepiere.com/en/notre-identite/l-engagement-rse>).

Links between the UN SDGs and CSR risks and opportunities can be identified in the table included in section 5.1.3.

Non-financial statement

Topics	Universal Registration Document
Description of the business model	1
Description of the principal non-financial risks relating to the Company's business	5.1.3
Description of the policies to identify, prevent and mitigate non-financial risks and their outcomes, including key indicators	5.1.3/5.5.1
Respect for human rights	5.4.4
Anti-corruption measures	5.4.4
Climate change (contribution and adjustments)	5.2.1.2
Circular economy	5.2.2
Food waste	5.2.2.2
Collective bargaining agreements and their impacts	5.4.3.3.2
Measures taken to combat discrimination and promote diversity	5.4.3.2
Societal commitments	5.3/5.4

Global Reporting Initiative GRI Standards (2016)

GRI Standard	GRI Standard no.	Universal Registration Document
Economic	200	
Economic performance	201	4
Market presence	202	1
Indirect economic impacts	203	1
Procurement practices	204	5.3.1.1/5.3.4.2
Anti-corruption	205	5.4.4.1
Anti-competitive behavior	206	5.4.4.1
Environmental	300	
Materials	301	5.2.3
Energy	302	5.2.1.1
Water	303	5.2.2.3
Biodiversity	304	5.3.4.3
Emissions	305	5.2.1.2
Effluents and waste	306	5.2.2
Environmental compliance	307	5.1.3/5.1.2.1/5.5
Supplier environmental assessment	308	5.4.4.2
Social	400	
Employment	401	5.4.3
Labor/management relations	402	5.4.3
Occupational health and safety	403	5.4.3.3
Training and education	404	5.4.3.1.3
Diversity and equal opportunity	405	5.4.3.2
Non-discrimination	406	5.4.3.2
Freedom of association and collective bargaining	407	5.4.3.3.2
Child labor	408	5.4.4
Forced or compulsory labor	409	5.4.4
Security practices	410	5.4.2.2
Rights of indigenous peoples	411	
Human rights assessment	412	5.4.4
Local communities	413	5.3.4
Supplier social assessment	414	5.4.4.2
Public policy	415	
Customer health safety	416	5.4.2
Marketing and labeling	417	5.4.2.1
Customer privacy	418	
Socio-economic compliance	419	

TCFD cross reference table

Topics	TCFD recommendations	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. 1. b) Describe the role of management in assessing and managing climate-related risks and opportunities.	2.3 Risk Management – Organization 2.2 Risk Management – Main risk factors 5.1.2.1 Sustainability governance 2.1 Risk Management 5.2.1 Act for a low carbon future
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. 2. b) Describe the impacts of climate-related risks and opportunities on the organization's operations, strategy, and financial planning. 2. c) Describe the resilience of the organization's strategy, taking into consideration different climate scenarios, including a scenario at 2°C or less.	2.3 Risk Management 5.1.3 Main non-financial risks and opportunities 5.2.1 Act for a low carbon future 5.2.1.2.3 Develop resilient assets 5.2.1 Act for a low carbon future
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. 3. b) Describe the organization's processes for managing climate-related risks. 3. c) Describe how the processes for identifying, assessing and managing climate-related risks are integrated into the organization's risk management.	2.3 Risk Management – Organization 5.1.3 Main non-financial risks and opportunities 2.3 Risk Management – Organization 2.2 Risk Management – Main risk factors 5.1.2.1 Sustainability governance 2.3 Risk Management 5.1.3 Main non-financial risks and opportunities 5.2.1 Act for a low carbon future
4. Metrics & 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 management process. 4. b) Publish greenhouse gas (GHG) emissions from Scope 1, Scope 2, and, where relevant, Scope 3, and the corresponding risks. 4. c) Describe the objectives used by the organization to manage climate-related risks and opportunities, and its performance against the objectives.	5.2 Act for the Planet (indicators) 5.2.1.2 Climate change 5.2 Act for the Planet (indicators and objectives)

5.5.7 Independent third party's report on consolidated non-financial statement

Year ended on December 31st, 2020

Independent third party's report on consolidated non-financial statement presented in the management report

This is a free translation into English of the original report issued in the French language and it is provided solely for the convenience of English-speaking users. This report should be read in conjunction with, and construed in accordance with, French law and professional standards applicable in France.

To the General Assembly,

In our quality as an independent verifier, accredited by the COFRAC under the number n° 3-1681 (scope of accreditation available on the website www.cofrac.fr), and as a member of the network of one of the statutory auditors of your company Klépierre (hereafter "entity"), we present our report on the consolidated non-financial statement established for the year ended on December 31st, 2020 (hereafter referred to as the "Statement"), included in the management report pursuant to the requirements of articles L. 225-102-1, R. 225-105 and R. 225-105-1 of the French Commercial Code (*Code de commerce*).

The entity's responsibility

The management board is responsible for preparing the Statement, including a presentation of the business model, a description of the principal non-financial risks, a presentation of the policies implemented considering those risks and the outcomes of said policies, including key performance indicators.

The Statement has been prepared in accordance with the entity's procedures (hereinafter the "Guidelines"), the main elements of which are presented in the Statement or which are available on request at the entity's head office.

Independence and quality control

Our independence is defined by the requirements of article L. 822-11-3 of the French Commercial Code and the French Code of Ethics (*Code de déontologie*) of our profession. In addition, we have implemented a system of quality control including documented policies and procedures regarding compliance with applicable legal and regulatory requirements, the ethical requirements and French professional guidance.

Responsibility of the independent third party

On the basis of our work, our responsibility is to provide a report expressing 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 in accordance with article R. 225-105 I, 3° and II of the French Commercial Code, i.e., the outcomes, including key performance indicators, and the measures implemented considering the principal risks (hereinafter the "Information").

However, it is not our responsibility to comment on the entity's compliance with other applicable legal and regulatory requirements, in particular with the French duty of care law and anti-corruption and tax avoidance legislation nor on the compliance of products and services with the applicable regulations.

Nature and scope of the work

The work described below was performed in accordance with the provisions of articles A. 225-1 et seq. of the French Commercial Code, as well as with the professional guidance of the French Institute of Statutory Auditors ("CNCC") applicable to such engagements and with ISAE 3000⁽¹⁾.

- we obtained an understanding of all the consolidated entities' activities and the description of the principal risks associated;
- we assessed the suitability of the criteria of the Guidelines with respect to their relevance, completeness, reliability, neutrality and understandability, with due consideration of industry best practices, where appropriate;
- we verified that the Statement includes each category of social and environmental information set out in article L. 225-102-1 III of the French Commercial Code as well as information set out in the second paragraph of article L. 22-10-36 regarding compliance with human rights and anti-corruption and tax avoidance legislation;
- 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 principal risks associated with all the consolidated entities' activities, including where relevant and proportionate, the risks associated with its business relationships, its products or services, as well as its policies, measures and the outcomes thereof, including key performance indicators associated to the principal risks;

(1) ISAE 3000 - 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 presented in Appendix 1; concerning certain risks (safety and security), our work was carried out on the consolidating entity, for the others risks, our work was carried out on the consolidating entity and on a selection of sites: Grand Place and Odysseum (France), Plenilunio (Spain), Campania (Italy), Emporia (Sweden) and Poznan Plaza (Poland);
- we verified that the Statement covers the scope of consolidation, i.e. all the consolidated entities in accordance with article L. 233-16 of the French Commercial Code;
- we obtained an understanding of internal control and risk management procedures the entity has put in place and assessed the data collection process to ensure the completeness and fairness of the Information;
- for the key performance indicators and other quantitative outcomes that we considered to be the most important presented in Appendix 1, we implemented:
 - analytical procedures to verify the proper consolidation of the data collected and the consistency of any changes in those data;
 - tests of details, using sampling techniques, in order to verify the proper application of the definitions and procedures and reconcile the data with the supporting documents. This work was carried out on a selection of contributing entities and covers between 10% and 13% of the consolidated data relating to the key performance indicators and outcomes selected for these tests (10% of energy consumption, 12% of waste production, 13% of water consumption and 13% of headcount);
- we assessed the overall consistency of the Statement based on our knowledge of all the consolidated entities.

We believe that the work carried out, based on our professional judgement, is sufficient to provide a basis for our limited assurance conclusion; a higher level of assurance would have required us to carry out more extensive procedures.

Means and resources

Our verification work mobilized the skills of five people and took place between September 2020 and March 2021 on a total duration of intervention of about ten weeks.

We conducted four interviews with the persons responsible for the preparation of the Statement representing in particular the CSR, maintenance, human resources and health and safety departments.

Conclusion

Based on the procedures performed, nothing has come to our attention that causes us to believe that the consolidated non-financial statement is not presented in accordance with the applicable regulatory requirements and that the Information, taken as a whole, is not presented fairly in accordance with the Guidelines, in all material respects.

Paris-La Défense, March 26th, 2021

French original signed by:
Independent third party
EY & Associés

Jean-François Bélorgey
Partner

Thomas Gault
Partner, Sustainable Development

Appendix 1 : The most important information

Social Information	
Quantitative Information (including key performance indicators) <ul style="list-style-type: none"> • Turnover rate • Absenteeism rate • Rate of access to training and average number of training hours per employee • Representation of women in the Group and by management level • Percentage of employees concerned by measures aimed at achieving work-life balance • Percentage of employees who have contributed to the co-construction of the Group's future 	Qualitative Information (actions or results) <ul style="list-style-type: none"> • Employment (attractiveness, retention), • Organization of work (organization, absenteeism), • Social relations (social dialogue, collective agreements), • The digitalization of training and the development of soft skills and managerial training • Equal treatment (equality between men and women, fight against discrimination) • Employee health, safety and well-being • Strengthening measures to guarantee the health, safety and well-being of employees in the context of a health crisis
Environmental Information	
Quantitative Information (including key performance indicators) <ul style="list-style-type: none"> • Primary energy consumption in kWh and kWh/m² • The share of energy consumed from renewable sources in the common areas • Reduction in energy consumption for common areas compared to 2013 • The Group's greenhouse gas emissions in tCO₂ and per m² (scopes 1, 2 and 3) in location-based and market-based • Percentage of CO₂ emissions reduction compared to 2013 • Percentage of waste not landfilled and percentage of recovered waste • Percentage of centers that have involved retailers in a circular economy effort • Water consumption in m³ and m³/visitor • Percentage of centers certified BREEAM In-Use • Percentage of centers accessible via public transport • Percentage of centers equipped with electric vehicle charging stations 	Qualitative Information (actions or results) <ul style="list-style-type: none"> • Improving energy performance (especially through the implementation of BOOST programs) • Improvement of technical equipment • Implementation of energy metering and monitoring systems • Use of energy sources that emit less greenhouse gases • Limiting the exposure to climate change • Implementing waste sorting and recovery solutions • Promoting circular economy among tenants • Strengthening green value and environmental quality (quality, labels and certifications) • Use of rainwater in the centers (sanitary facilities, watering, etc.)
Societal Information	
Quantitative Information (including key performance indicators) <ul style="list-style-type: none"> • Percentage of centers that have contributed to local employment • Visitor satisfaction score (Net Promoter Score) • Percentage of centers promoting health and well-being • Percentage of centers that have made space available for a local initiative • Percentage of internal and external stakeholders who have been made aware of ethical business practices • Percentage of service suppliers selected based on CSR criteria 	Qualitative Information (actions or results) <ul style="list-style-type: none"> • Promotion of local employment around the centers • Dialogue with retailers and visitors • Visitor satisfaction and implementation of well-being and comfort measures • Promoting safety and security in shopping centers • Health measures in the centers and measures to prevent the Covid-19 epidemic implemented during the year (in particular the "SAFEGUARD" label from Bureau Veritas) • Actions in favor of human rights, in particular the compliance with the fundamental conventions of ILO • Actions taken to prevent corruption and tax evasion