

# SOCIÉTÉ GÉNÉRALE SRI CONFERENCE

NOVEMBER 12, 2019



KLEPIERRE

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# 01

## KLÉPIERRE AT A GLANCE

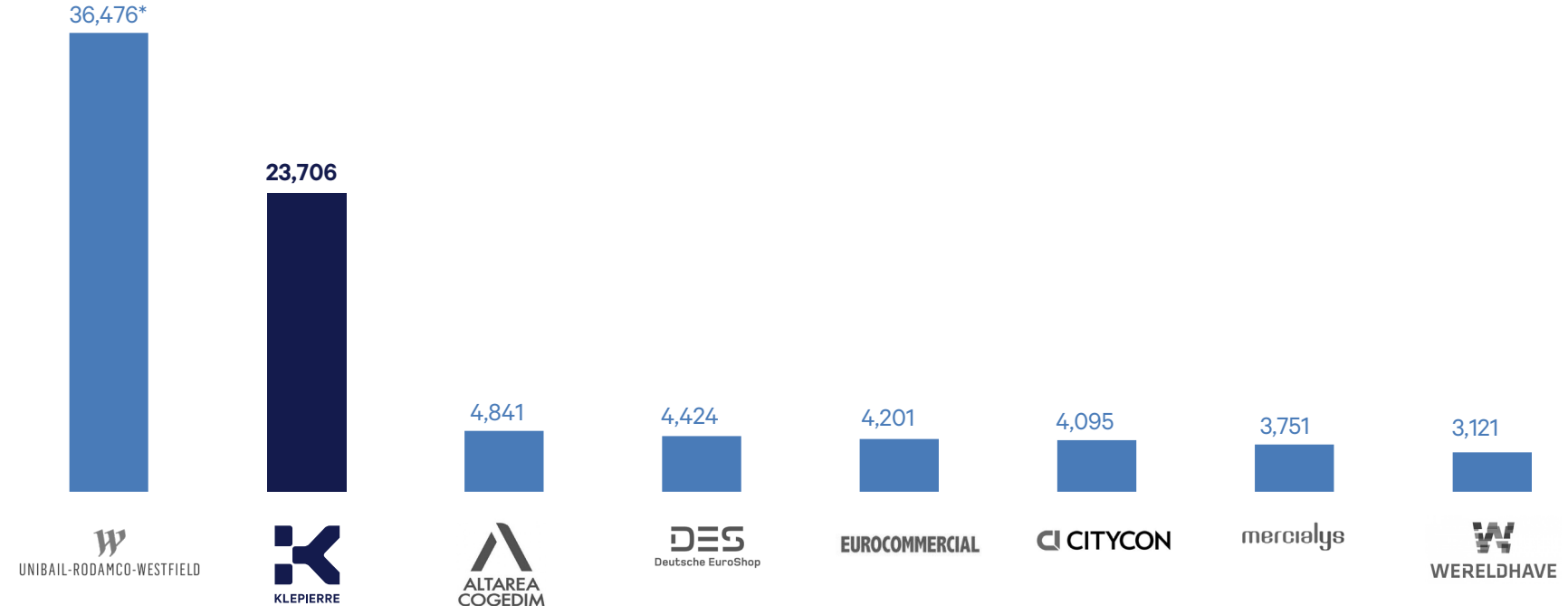


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# LEADING EUROPEAN PLAYERS IN THE LISTED RETAIL PROPERTY MARKET

Shopping centers property value in € millions



Source: Companies' financial reports, as of June 30, 2019.

\* Continental European shopping centers portfolio.

## KLÉPIERRE KEY FIGURES



**€24.0bn**

**Portfolio value<sup>(1)</sup>**



**€1.3bn**

**2018 Total revenues<sup>(2)</sup>**



**1.1bn**

**Visits**



**€10.1bn**

**Market capitalization<sup>(3)</sup>**



**A-**

**S&P Credit rating**

(1) As of June 30, 2019 (total share, including transfer taxes)

(2) As of December 31, 2018

(3) As of November 6, 2019

(4) As of July 23, 2019, free float including treasury shares

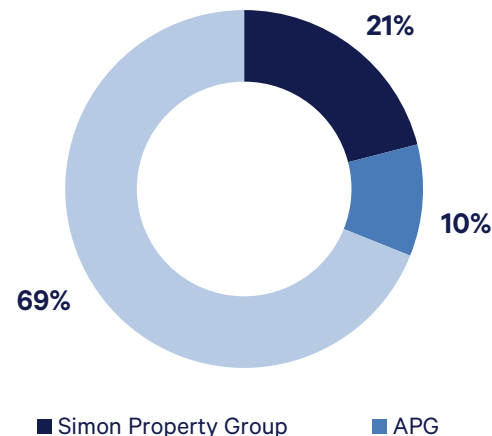
## SHAREHOLDER BASE<sup>(4)</sup>



**1 share = 1 voting right**



**Large presence of long-term shareholders**



# KLÉPIERRE: THE LARGEST PAN-EUROPEAN PLATFORM HOSTING THE BEST INTERNATIONAL BRANDS

**INDITEX**

196 stores

**SEPHORA**

53 stores

**PRIMARK®**

11 stores

GrandVision 

110 stores



34 stores



80 stores

**BESTSELLER®**

81 stores

**PANDORA** 

43 stores



59 stores

**CALZEDONIA**

134 stores



**YVES ROCHER**  
FRANCE

75 stores

**RITUALS...**

28 stores

# A PORTFOLIO MAKEOVER TO ACCOMMODATE THE TRANSFORMATION OF RETAIL

Since end 2012:



**€10bn** in assets **acquired or developed**



**€6bn** in assets **divested**<sup>(1)</sup>



**45%** increase in the **portfolio value** to **€24bn**

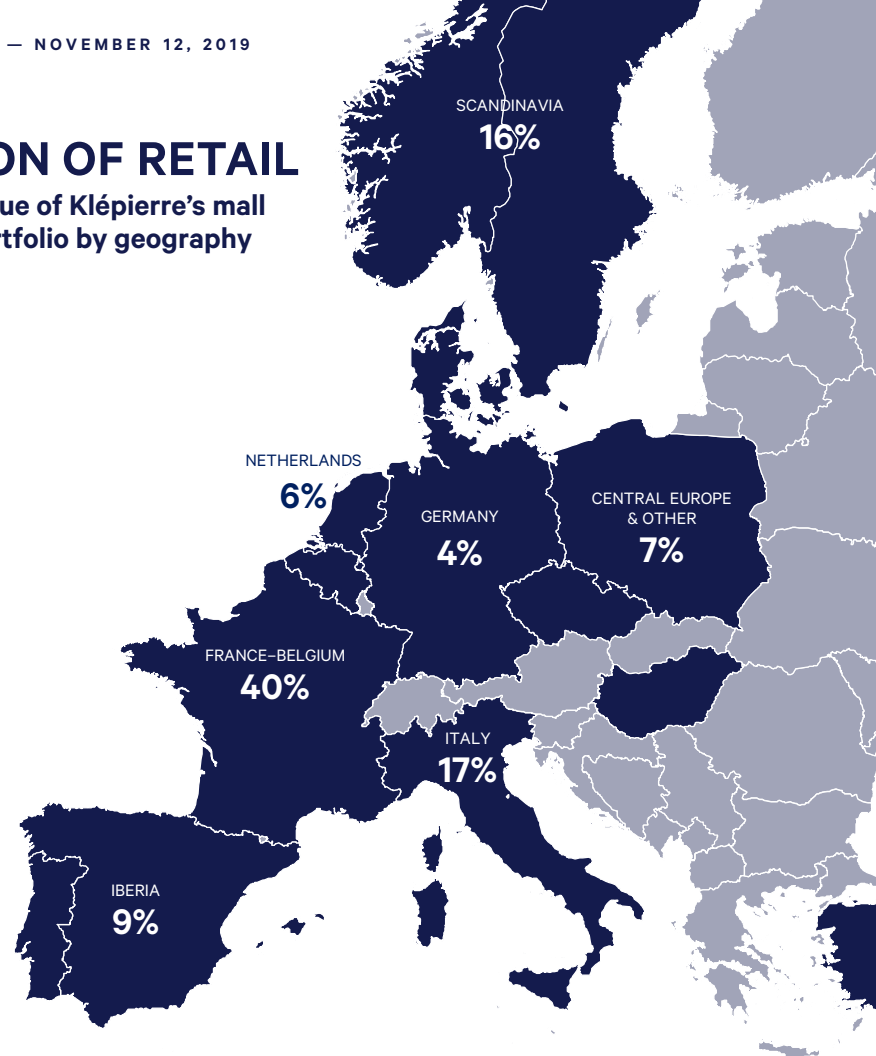


**Balanced geographic** footprint, with 9 countries accounting for 92% of shopping center value<sup>(2)</sup>

(1) Between 2012 and H1 2019

(2) France, Italy, Spain, Norway, Netherlands, Sweden, Denmark, Germany, and Czech Republic. Valuation as of June 30, 2019 (total share, including transfer taxes).

Value of Klépierre's mall portfolio by geography





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## OUR OPERATIONAL INITIATIVES



**RETAIL FIRST®**

**Rightsizing**

**Destination Food®**

**Brands going retail**



**LET'S PLAY®**

**Retailtainment**

**Digital**

**Emotion**



**CLUBSTORE®**

**Experience**

**Hospitality**

**Design**



**ACT FOR GOOD®**

WITH KLÉPIERRE

**Planet**

**Territories**

**People**

# WHY IS CSR AT THE HEART OF KLÉPIERRE'S STRATEGY?

CSR impacts of a Klépierre average mall (2018 data)



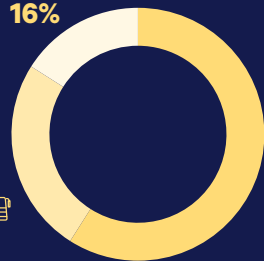
ca. **6.2m**  
Visitors/year



ca. **2** kg CO<sub>2</sub>e  
Emissions/visit



16%

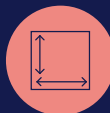


59%

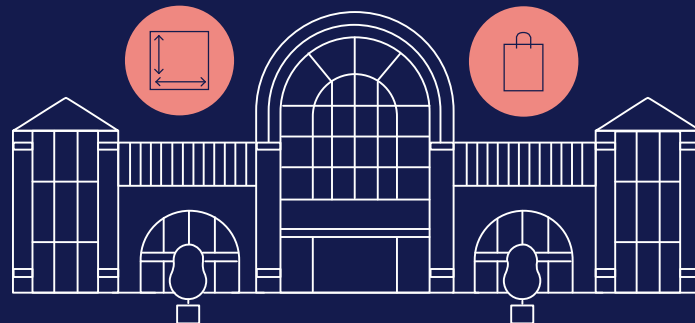


25%

ca. **39,530** sq.m.  
Gross leasable area



**81**  
Tenants



**560**

Jobs

**3.7m** kWh  
Energy consumed



**554** tons  
Waste generated



ca. **29,730** m<sup>3</sup>  
Water consumed



# 02

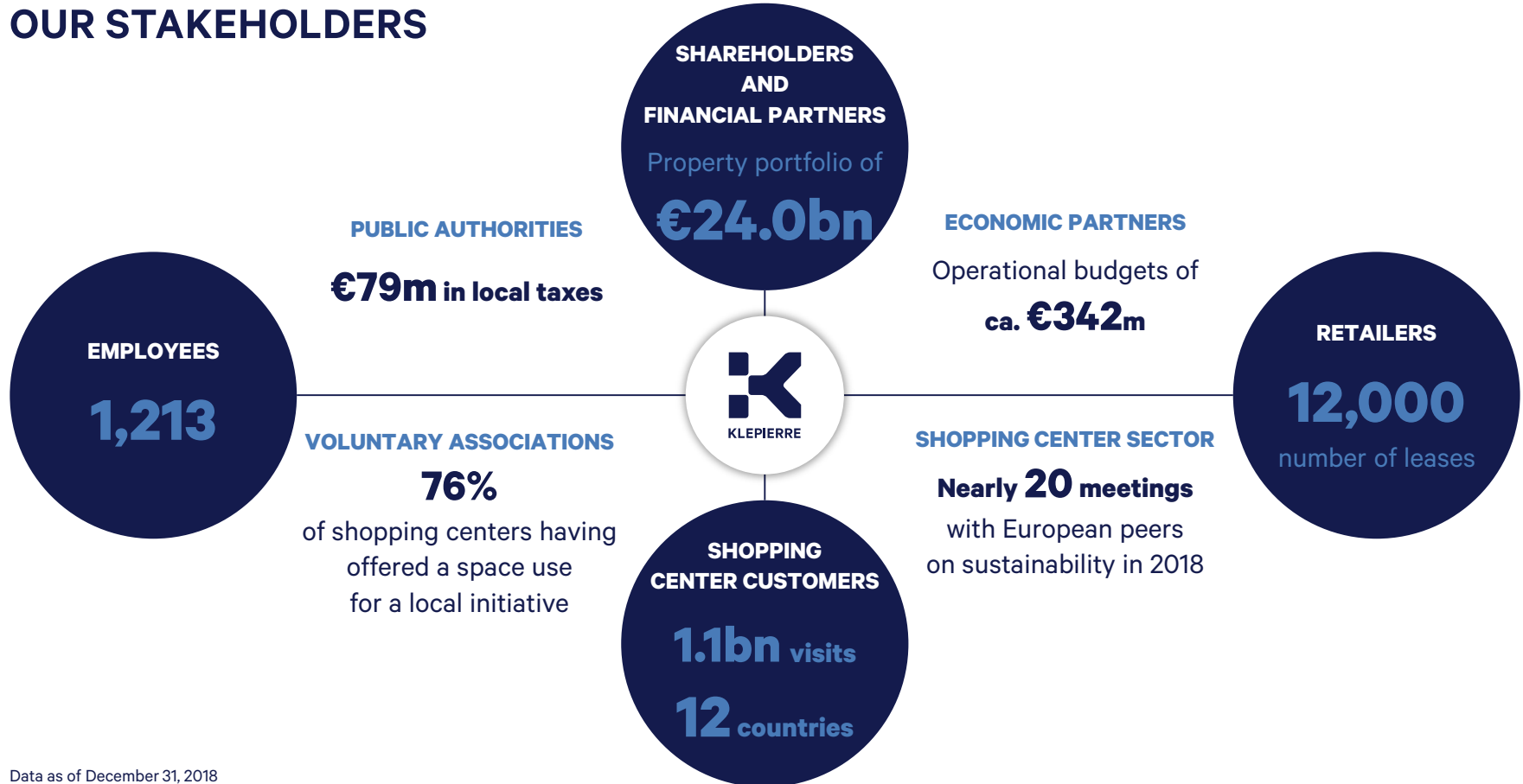
## SUSTAINABILITY FRAMEWORK & PERFORMANCE



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# OUR STAKEHOLDERS



Data as of December 31, 2018

# A ROBUST MONITORING SYSTEM



## DEFINITIONS

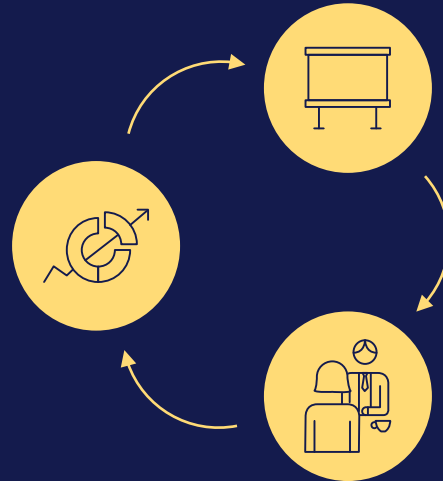
### *Sustainability Reporting Manual*

One protocol covering environmental and societal issues and another one covering community issues

## MONITORING

### *Sustainability Reporting*

- Monthly monitoring for energy, water and waste
  - Quarterly reporting to the Executive Board and Supervisory Board
- Quarterly follow-up meetings with all countries
- Annual reporting across the entire scope



## ANALYSIS

### *Sustainability Dashboard*

- Benchmark analysis of centers
- Identification of areas for improvement
- Personalized goals

## ACTIONS

### *Sustainability Action Plan*

- Group annual theme targets
- Operational application across the entire portfolio

# **AN AMBITIOUS CSR STRATEGY TO SUPPORT THE BUSINESS AND PROMOTE SUSTAINABLE PERFORMANCE**



## **ACT FOR GOOD®**

**WITH KLÉPIERRE**

# A 3-TIER APPROACH

With an ambition for 2030, and an action plan for 2022

## “ACT FOR THE PLANET”

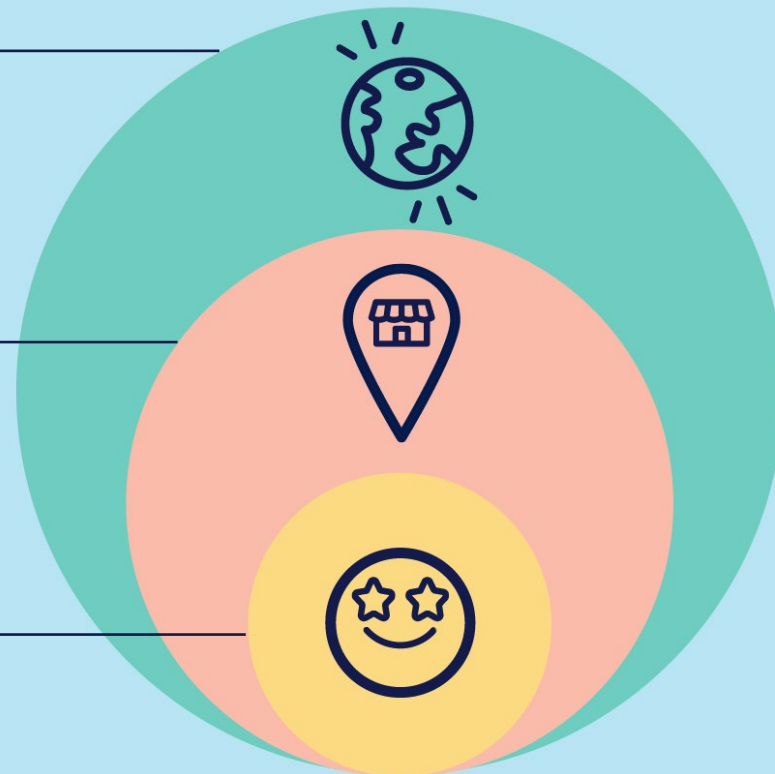
*Developing a portfolio of shopping centers that generate environmental benefits*

## “ACT FOR TERRITORIES”

*Designing and operating our centers as “local hubs” that stimulate value creation*

## “ACT FOR PEOPLE”

*Empowering our communities in a sustainable way*





# ACT FOR THE PLANET

2030 Ambition



**Move from “good-performing” assets to an efficient and carbon positive portfolio**



**Together with our retailers, transform our activity in a zero-waste business**



**To be acknowledged as an environmental leader**



**Foster new mobility trends to accelerate the transition to sustainable transport for our clients**

# ACT FOR THE PLANET

5-year action plan: 4 commitments to develop a portfolio of shopping centers that generate environmental benefits



## Working for a low-carbon future

- **-40% in energy consumption** (vs 2013)
- **100% renewable electricity** for common part consumptions
- The **5 larger shopping centers** to be **carbon positive**
- To certify our climate change strategy by the **Science Based Target Initiative**



## Strive for a circular economy

- **100% waste diverted from landfill**
- **100% of centers having involved their retailers in a circular economy approach** (common action on second life of products, sensitization in centers, dedicated meeting...)



## Develop a fully-certified portfolio

- **100% of our assets with a sustainable certification** (ISO 14001, BREEAM...)
- **100% development projects certified** at least BREEAM Excellent
- **100% development projects use certified wood**



## Innovate towards green mobility

- **100% shopping centers accessible to public transportation & equipped with electrical charging station**

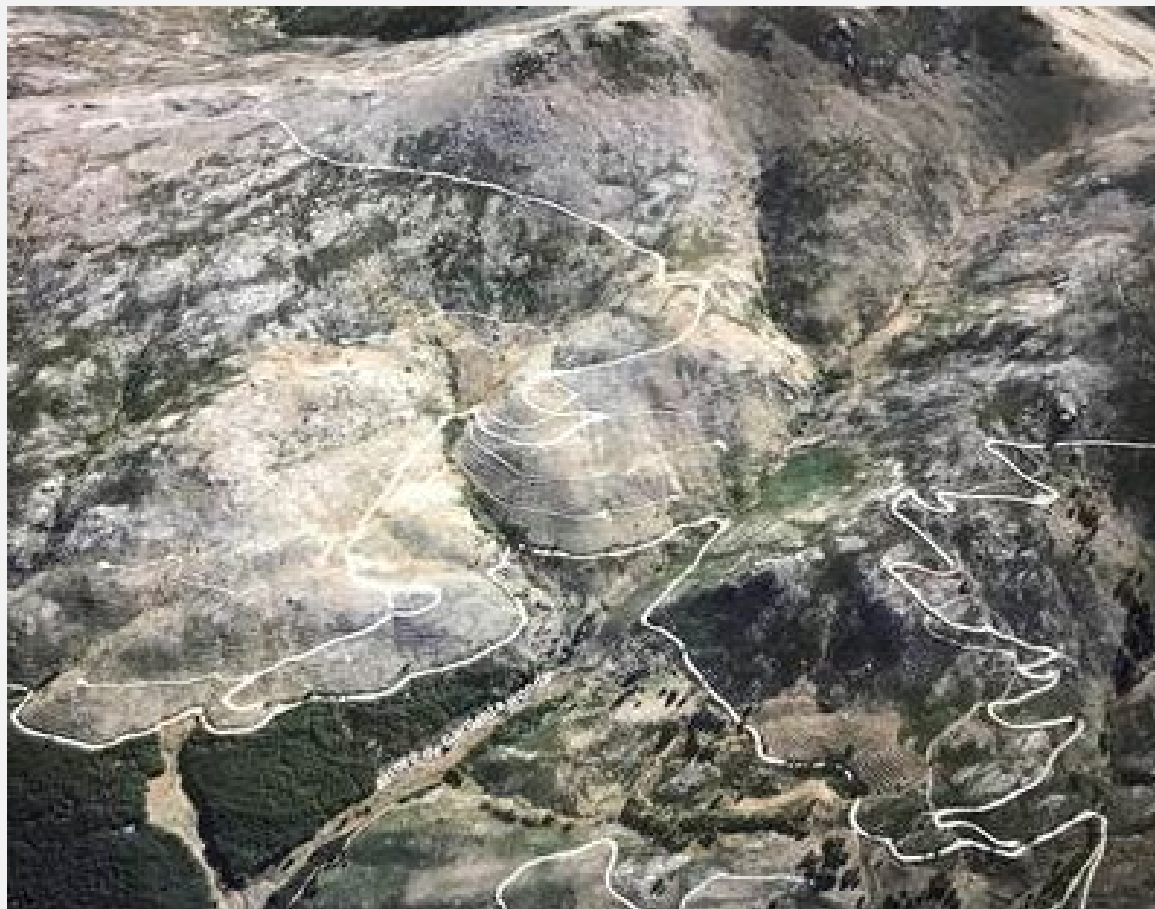
## SPAIN IS ALREADY CARBON NEUTRAL AT KLÉPIERRE



In cooperation with the Spanish government, in the Avila Forest



**800** tons of CO<sub>2</sub> compensated  
**3 hectares** of land covered  
**4,400 trees** will be planted



## PRADO CENTER CRADLE TO CRADLE® CERTIFIED

(Marseille, France)



**First French shopping center to  
obtain this certification**



**Aim:** encouraging the use of  
recyclable or reusable materials  
while considering their future  
processing from the outset.





# WASTE MANAGEMENT

Emporia (Malmö, Sweden)



26

types of waste sorted on site



Reverse logistic  
mechanism



# WORLD'S BIGGEST UNDERGROUND BIKE PARKING CENTER

Hoog Catharijne (Utrecht, Netherlands)



Ability to stow away  
**12,500** bicycles



# ACT FOR TERRITORIES

2030 Ambition



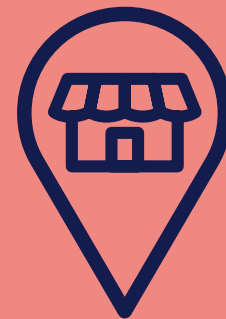
**Impose our centers  
as  
local value creators**



**Drive social responsibility  
in our sphere of influence**

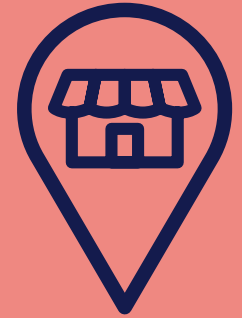


**Co-design  
the shopping malls  
of the future**



# ACT FOR TERRITORIES

5-year action plan: 4 commitments to design and operate our centers as “local hubs” that stimulate value creation



## Increase local employment around our centers

- **100% local service suppliers** for the daily operations of our centers
- **100% centers having facilitated local employment** (e.g., organized a job fair, shared job offers with local job centers, partnered with job centers for trainings...)



## Participate in local economy

- **100%** of centers having offered at least once a year a space for a **local initiative** (e.g., local entrepreneur, local associations...)



## Pursue citizenship engagement

- **100%** of our centers having organized a **clothes/toys/furniture drive for a local charity**
- **100%** of centers having supported an **in-house solidarity event organized by a retailer**



## Involve local stakeholders in designing new developments

- **100%** development projects rely on a **participative initiative**
- **100%** development projects have all providers sign a “**sustainable charter**” both for procurement & worksite management
- **100%** development projects **design and implement a biodiversity plan**



## PEDAGOGICAL GARDEN

Campania (Naples, Italy)



**99%** recycled waste



**25 restaurants/bars** of the center give their organic waste to produce compost



**10,000 kids** welcomed every year (50 schools nearby)



## “LUNCH FOR KIDS” CHARITY PROJECT

Prague HQ (Czech Republic)



CZ HQ employees cooked  
breakfast for more than  
**400** people



**CZK18,100** were collected  
(representing more than 700  
lunches offered to kids)





# FRENCH TEST SHOP FOR LOCAL ENTREPRENEURS

Espace Coty (Le Havre, France)



**First French test shop in partnership with the municipality**



**Aim:** encouraging young entrepreneurs to work on their start-up projects



# ACT FOR THE PEOPLE

2030 Ambition



**Be the leader of  
our industry in  
customer care**



**Achieve  
recognition as  
an employer of  
reference**



**Enable  
a more  
ethical  
business**



**Put  
philanthropy  
at the heart  
of our action**

# ACT FOR THE PEOPLE

5-year action plan: 5 commitments to empower our communities in a sustainable way



## Continuously increase the satisfaction of our visitors

- **+3 points** on the Group Net Promoter Score
- **100%** of questions by our customers on social networks replied in **less than 1 hour**



## Promote health & well-being in our centers

- **100%** shopping centers **promoting health**
- **100%** shopping centers offer **dedicated services to their retailers**



## Offer a positive employee experience

- **100% training access rate**
- **100%** staff coverage with **work-life balance measures**
- **100%** of young graduates benefit from a **personalized career path**
- **100%** of employees having participated to the co-construction of the company's future



## Spread ethics among our communities

- **Promotion of business ethics towards 100%** of employees and stakeholders
- **100% providers selected based on CSR criteria**



## Be social conscious

- **100% employees** having been given the opportunity to **participate to a charity program**
- Sign up **Group partnerships** with NGOs dedicated to people employability and family

## SPORTS NATIONAL DAY

Marieberg Galleria & Kupolen  
(Kristianstad & Borlänge, Sweden)



**20** associations present  
at the event



**Aim:** Involve individuals of all  
ages in sports activities



Footfall **+25%**



## HOSPITAL IN ESPAÇO GUIMARÃES

(Guimarães, Portugal)



Six former vacant units were  
Transformed into a  
**4,000-sq.m.** clinic



**Aim:** promote health and well-  
being in our shopping center





## KIDS RUN

Marieberg Galleria (Kristianstad, Sweden)



**250** kids participated and ran together 637 laps



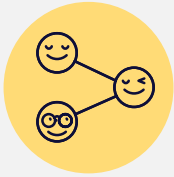
Footfall **+15%**



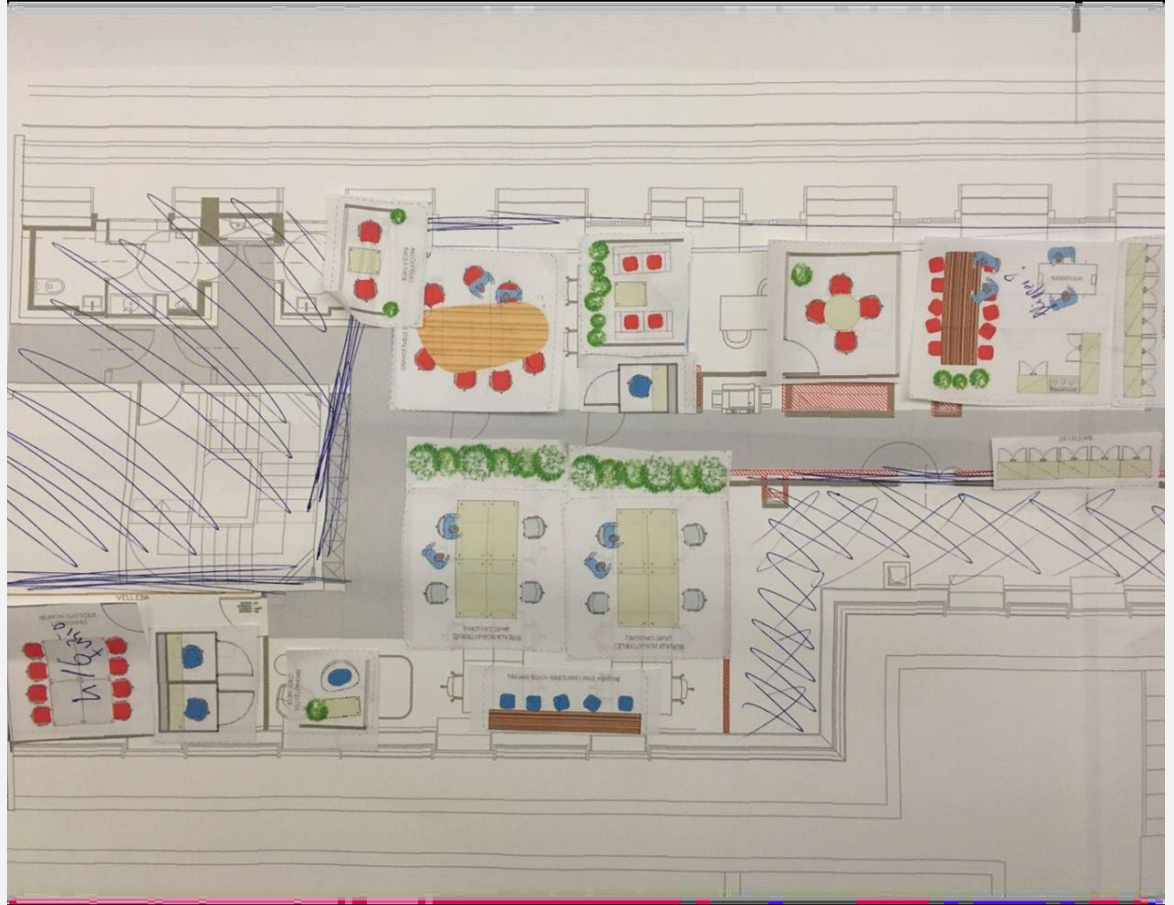


# PARTICIPATE IN THE COMPANY'S FUTURE

(Paris, France)



On the occasion of the grouping of teams from the Paris HQ in the 26 Capucines building, a team **co-designed** the development of its **new work space** with the help of a consultant



## ACT FOR GOOD® EVENT “GREEN WEEK”

Blagnac (Toulouse, France)



**10** associations in Toulouse

**54** retailers involved

**3,832** bags saved



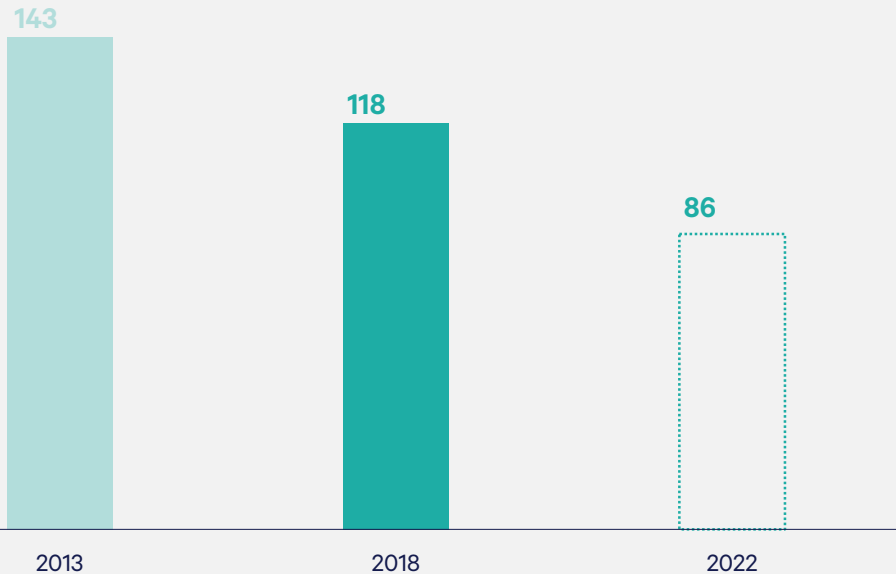
Retailers proposed to clients to shop with their own bags and for each bag saved, **50** cents were donated to one of the 10 associations





## ENERGY FOOTPRINT

- Like-for-like energy consumption (kWh/sq.m.)<sup>(1)</sup>
- Act for Good® 2022 Target<sup>(1)</sup>



**-17.5%**

in 5 years  
(2013-2018)

Target

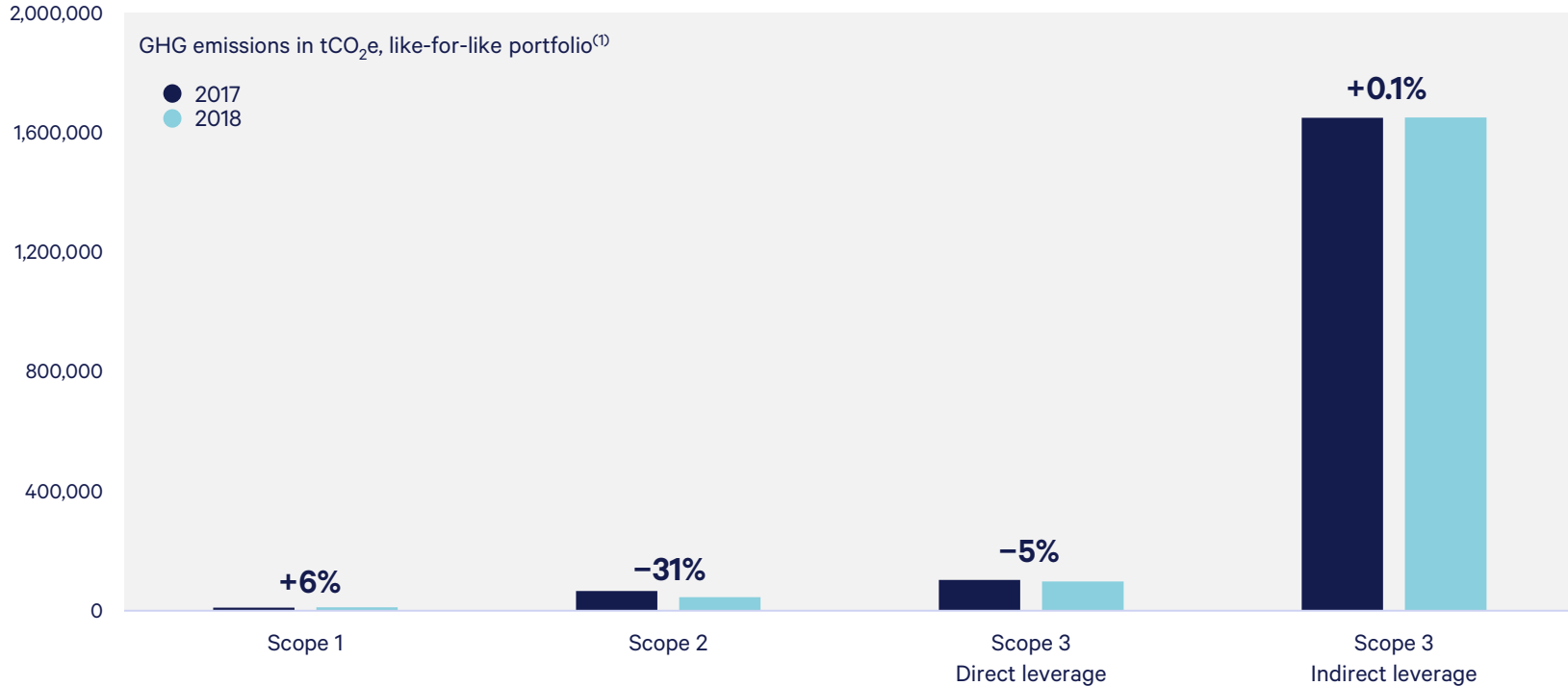
**-40% in 2022**

in kWh, vs. 2013

(1) Data for the portfolio as of December 31, 2018. For methodological details, please refer to page 208 of the 2018 Registration Document.



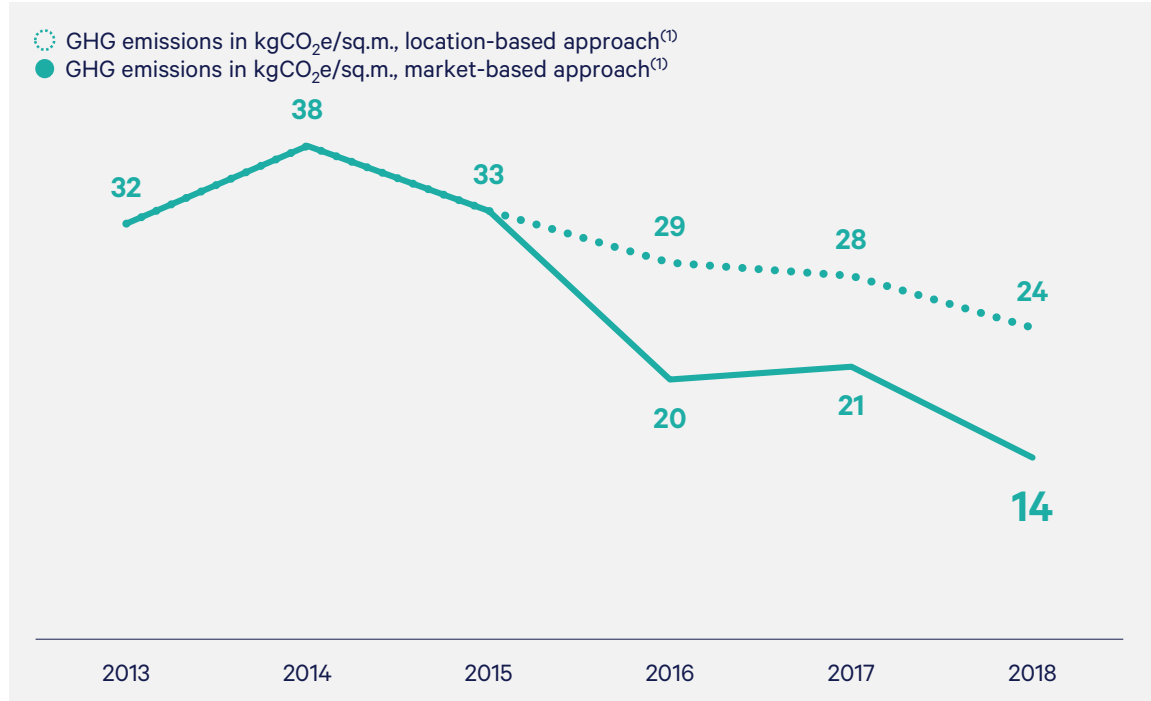
## CLIMATE CHANGE (CARBON FOOTPRINT)



(1) Data for the portfolio as of December 31, 2018. For methodological details, please refer to pages 168 and 208 of the 2018 Registration Document.



## CLIMATE CHANGE (CARBON EMISSIONS)



(1) Reported portfolio data, scopes 1 and 2. Procurement of electricity from renewable sources started in 2016; hence, the distinction between location-based and market-based approaches made no methodological sense until then. For further methodological details, please refer to page 168 of the 2018 Registration Document.

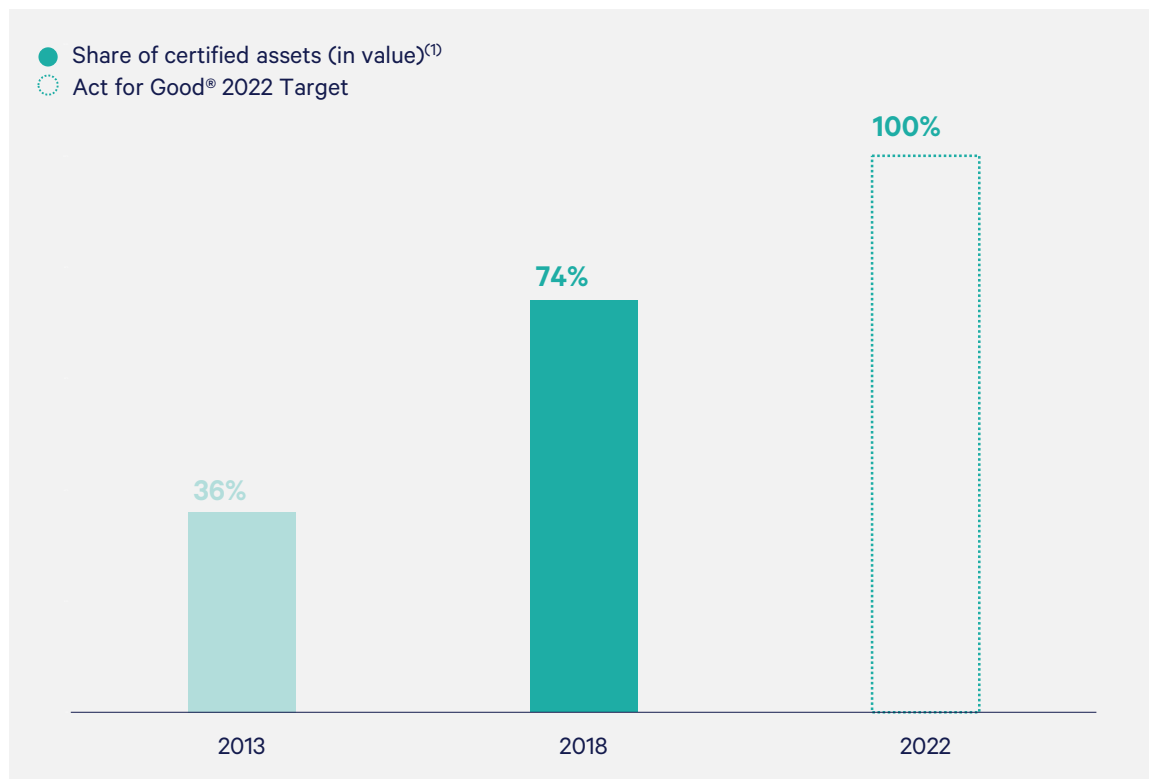
**-56%**

In carbon emissions  
since 2013

Target  
**Carbon positive  
portfolio  
by 2030**



## BUILDING CERTIFICATION



**74%**  
assets certified  
in 2018

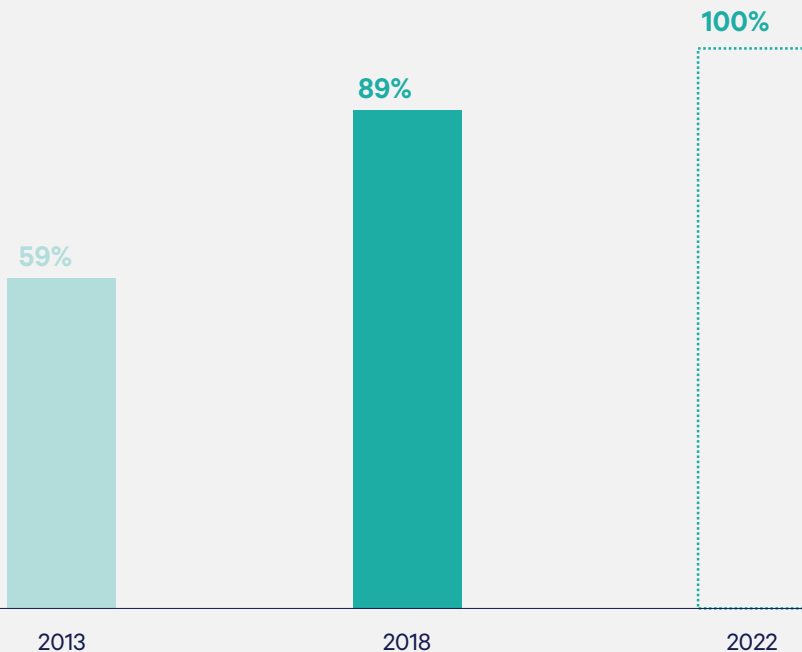
Target  
**100%**  
in 2022

(1) Reported portfolio data. For methodological details, please refer to page 208 of the 2018 Registration Document.



## WASTE EFFICIENCY

- Share of waste diverted from landfill
- Act for Good® 2022 Target



**89%**  
of waste  
recovered in 2018

Target  
**100% of waste  
diverted from  
landfill** in 2022

(1) Reported portfolio data. For methodological details, please refer to page 208 of the 2018 Registration Document.

# BUILDING UP ON AN UNDISPUTED SUSTAINABILITY LEADERSHIP IN EUROPE



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## 2019 GREEN STAR

2<sup>nd</sup> among European  
listed retail property companies



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## 2019 GOLD AWARD

1 of just 5 companies to  
receive this award for the  
8<sup>th</sup> year in a row



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## 2018 A-LIST

Ranked in the “A-list”  
of CDP



# 03

## GOVERNANCE

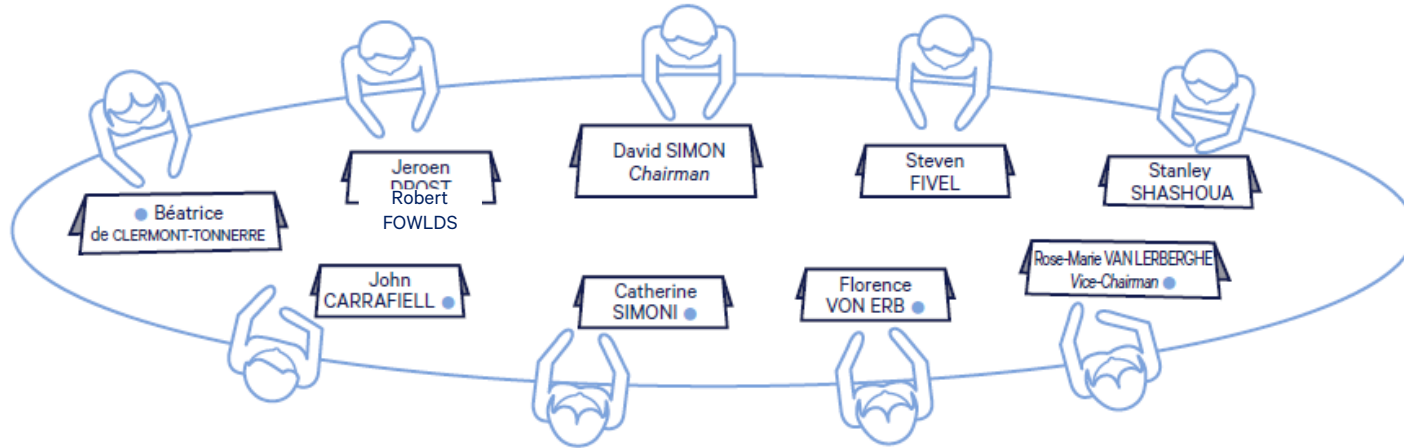


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# COMPOSITION OF THE SUPERVISORY BOARD

A gender-balanced, international and largely independent composition



● Independent member



56

Average age of Board members  
as of December 31, 2018



5

Independent Board  
members



4

Female Board  
members



5

Non-French Board  
members

# HIGHLY KNOWLEDGEABLE BOARD

A diversified mix of high-profile Board members with industry-wise expertise

Board member	International Experience	Real Estate Sector	Finance	Retail	Managerial Experience	Human resources and governance	Digital
David Simon	●	●	●	●	●	●	
John Carrafiell	●	●	●		●	●	
Béatrice de Clermont-Tonnerre	●				●		●
Robert Fowlds	●	●	●		●		
Steven Fivel	●	●	●		●	●	
Stanley Shashoua	●	●	●	●	●		
Catherine Simoni	●	●			●	●	
Rose-Marie Van Lerberghe			●		●	●	
Florence Von Erb	●		●		●		

# COMPOSITION OF THE SPECIAL COMMITTEES

Compliant with the best standards



## 4 committees

### **Audit**

3 meetings in 2018, participation rate of 100%

### **Nomination & Compensation**

4 meetings in 2018, participation rate of 92%

### **Sustainable Development**

3 meetings in 2018, participation rate of 100%

### **Investment**

5 meetings in 2018, participation rate of 100%

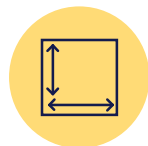


## **Audit** and **Nomination & Compensation Committees**

Chaired by **independent** members

Respectively **75%** and **67%**  
independence rate

# OPTIMAL SHAREHOLDERS/MANAGEMENT ALIGNMENT THROUGH INNOVATIVE & FULLY-DISCLOSED COMPENSATION POLICY



**72%**

Share of Executive Board **compensation** that is **variable**



**CSR performance criteria**

Integrated in the **variable** compensation



**> 4X fixed compensation**

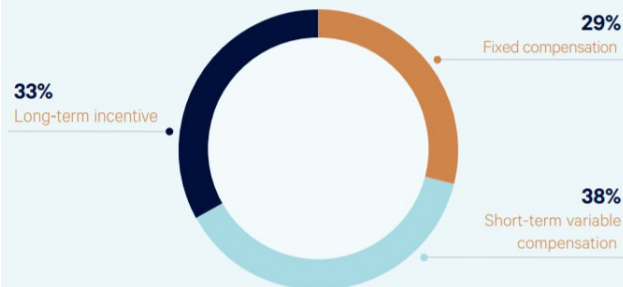
High amount of **shares** owned by the Executive Board members



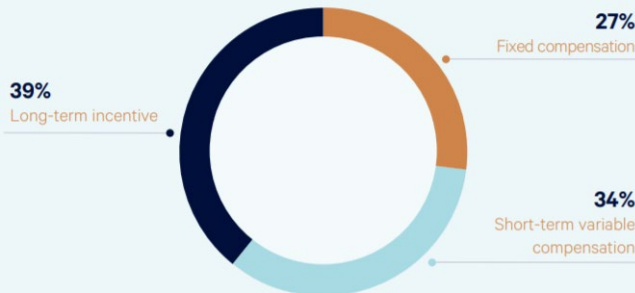
**96%**

Rate of approval of **say-on-pay** at 2018 AGM

## ► JEAN-MARC JESTIN

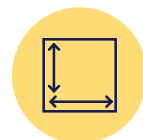


## ► JEAN-MICHEL GAULT



# COMPENSATION POLICY FOR 2019

## Short-term variable compensation



**Capped at 130%**  
of the fixed compensation



### Quantitative component

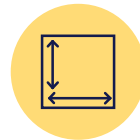
- **80%** of the fixed compensation
- Company Performance measured by **net current cash flow per share target**



### Qualitative component

- **50%** of the fixed compensation
- Application of **several individualized criteria**

## Long-term incentive



**Shares granted subject to performance conditions**



**Capped at 125%** of the short-term compensation

- **Market absolute performance** (10% of the allocation)  
*Total shareholder return on Klépierre shares*
- **Market relative performance** (30% of the allocation)  
*Share performance compared to a panel of industry players*
- **Internal performance** (40% of the allocation)  
*Net rental income growth*
- **CSR performance** (20% of the allocation)  
*Completion of the targets set in Act for Good®*

Contact

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