

Be green

Environmental policy

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EUROCOMMERCIAL



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Introduction

About us

Eurocommercial Properties (Eurocommercial) is a long-term investor and manager of prime shopping centres in Belgium, France, Italy and Sweden with assets of over €4 billion. The Company is Euronext listed and was founded in 1991 and has a broad shareholder base. The Company has a focussed property investment strategy based on rigorous economic and market research.

Our ESG ambition

Eurocommercial is of the view that building a sustainable and resilient business is the foundation for long-term success. Our ESG and business strategies are carefully aligned and each business decision is approached with a long-term view supported by detailed research in order to evaluate its environmental and socio-economic impact. Our objective is to continue to create and operate sustainable centres with a clear vision and full transparency towards our stakeholders.

Our approach is articulated around three strategic pillars:

Be Green	Be Engaged	Be Responsible
<p>Real estate contributes up to 30% of global annual greenhouse gas (GHG) emissions and consumes around 40% of the world's energy annually, providing us with the opportunity to make a real difference. Changes we make can significantly reduce both our imprint and operational costs. We work on improving our understanding of climate change and its effects on our real estate portfolio, joining forces with our tenants to reduce our combined impact. Being green is the basis of our operations as we work to synchronise the mindset of all stakeholders in our communities.</p>	<p>We believe that engaging with our tenants, retailers and local communities is essential for success. We are in constant dialogue with our customers and tenants and we listen to their feedback and ensure that our shopping centres evolve with the changing retail landscape and customer aspirations. We help our retailers invest in their teams through the Eurocommercial Retail Academy®, working together to improve the overall shopping experience in our centres which form an integral part of their communities, making a positive social, economic and environmental impact.</p>	<p>Our aim is to create a workplace in which our employees can thrive and develop professionally, providing a broad corporate and property experience and education supported by carefully targeted training programmes. We provide employees with a fair and enjoyable platform ensuring they work professionally, ethically and sustainably. We pride ourselves on our diversity and collegiate culture with our country teams working together and sharing best practices. We want our employees to feel engaged and motivated towards our common goals.</p>

The long-term success of our commercial activities will depend on sustaining the natural environment. To achieve our aspirations, we employ strategies and technologies to provide efficient energy and waste management and prevent pollution.

We will comply with current and future environmental legislation, regulations and other requirements. In addition, we will measure and report our performance against internationally recognised environmental management systems and standards and have set aggressive reduction targets in energy consumption and pollution in order to minimise our environmental impact.

Roles and responsibilities

We take responsibility for reducing the impact of our daily operations on the environment. Our ESG Committee, including the Board of Directors, is responsible for setting the objectives of the environmental strategy and putting in place appropriate working practices together with its employees, contractors, tenants, property managers and suppliers in order to achieve the optimum results. The ESG workgroup implements the ESG strategy and monitors and reports quarterly on energy, water and waste performance. The local country teams are responsible for preparing and implementing action

plans and programmes at an individual asset level in order to meet environmental objectives and targets.

Purpose

The purpose of this Environmental Policy is to outline Eurocommercial's commitment to environmental sustainability and to incorporate these principles within its daily operations and business keeping key stakeholders fully informed.

Scope

This Environmental Policy covers the Group's operations in all countries where it operates and it includes, but is not limited to, the assessment and management of its real estate with respect to climate change, pollution prevention, biodiversity protection, water conservation and resource scarcity.

Our environmental principles

The basis of sustainable operations is having appropriate and effective policies and procedures in place and being fully transparent to all stakeholders. As a responsible owner of shopping centres, setting environmental objectives and achieving efficiencies are at the core of our business.

To support this Environmental Policy, Eurocommercial aims to:

- Create sustainable and resilient shopping centres and communities in order to reduce any contribution to climate change.
- Minimise and prevent pollution linked to its operations.
- Protect and consider biodiversity and ecosystems in its operations.
- Value water as a natural resource and conserve its use.
- Recognise the scarcity of resources through responsible procurement and the use and management of materials.
- Exceed best practice using innovative technology in the design, delivery and operation of high-performance, green shopping centres.
- Fully consider European, national and local environmental legislation, Codes of Practice and standards including the Paris Agreement.
- Inform, instruct and educate employees and suppliers on these environmental principles and procedures.
- Follow internal reporting frameworks that are in line with ISO 14001 requirements as well as other international standards, reporting quarterly on environmental performance.
- Regularly review its environmental performance and be ready to establish new objectives within its ESG strategy.
- Make best sustainable practices standard throughout the Group and maintain a working environment where successes are shared. Investigate opportunities to partner up and collaborate with other leading organisations and suppliers in order to improve environmental outcomes.

Climate change

Target: Operate carbon neutral by 2030

Climate change is the biggest challenge faced by the current generation. The real estate industry uses around 40% of the world's energy annually and contributes up to 30% of global annual greenhouse gas (GHS). The impact is large, and so is the opportunity to make a notable difference. Choices we make for the environment can significantly reduce our imprint on the world as well as operational costs and is the reason why we join forces with our tenants to reduce our combined impact. Being green is the standard of our operations and we will continue to take all the necessary actions to keep the environmental issue in the mindset of all stakeholders in our communities. Our objective is to significantly reduce greenhouse gas emissions from our activities and thereby decrease our contribution to human-induced climate change. Our target is to operate carbon neutral by 2030 across all business, including our properties and the business operations where we can control and monitor the use of energy sources.

Operating carbon neutral means we will continue the switch to renewable energy procurement and generate on-site renewable energy where possible. We will analyse and report on the carbon impact of our portfolio to the ESG committee and our stakeholders in the annual report. Our actions and targets are in line with the United Nations Sustainable Development Goals (UNSDG) and illustrates our support and contribution to these development goals as responsible shopping centre owners. Eurocommercial also carries out its building projects in accordance with international environmental certification procedures in order to minimise construction-related environmental impact (e.g. BREEAM or other relevant green certification schemes). Improving the energy efficiency of our shopping centres is the most effective way to minimise greenhouse gas emissions.

Building adaptation

The changing climate and extreme weather threatens not only our buildings but also their surrounding communities. Extreme weather affects consumer behaviour and puts a higher demand on technical plant, in particular cooling and heating equipment. The adaptability of buildings and technical equipment to climate change will become increasingly important and Eurocommercial use the BREEAM guidelines in their design and operational procedures.

Flood risk

Climate change is expected to increase the risk of flooding in some regions. We use BREEAM as a tool to identify flood risk with reference to government defined flood zones. Where shopping centres are located in areas considered to be at risk from flooding, appropriate action is taken to mitigate the possible impact on our buildings and communities.

Climate change risk assessments

Through the BREEAM certification process, we conduct risk assessments to identify and evaluate the impact of extreme weather conditions and map current and future challenges. Risk assessments identify potential hazards as well as risk estimation, evaluation and management. These assessments allow us to anticipate and prepare carefully for possible future impacts and to take appropriate action.

Energy management

We use our Environmental Management System (EMS) to identify energy efficiency measures across the portfolio. The EMS structure supports local teams in their implementation of uniform routines including accurate internal data collection and meeting appropriate energy reduction targets set by the ESG country workshops as reported to the ESG Committee.

Precise data collection is fundamental for managing the environmental performance of each shopping centre. Every asset has its own energy reduction programme forming part of the annual business plan. Local teams exchange knowledge and best practices in developing these programmes and reporting results. Smart metering provides energy consumption data to support energy management in order to reduce electricity, gas, district heating and cooling consumption. Energy data is collected and analysed quarterly and reported to the ESG committee and documented in the annual report.

Renewable energy

Eurocommercial continues to invest in renewable energy as part of our objective to operate carbon neutral including solar panels installed on the roofs of our shopping centres or parking areas. We evaluate our investments in on-site solar panels across our portfolio by analysing the production and cost of renewable energy.

Waste and resource management

Target: Zero waste to landfill by 2030

Our target is for all our business operations and shopping centres to generate zero waste to landfill by 2030. We continue to reduce the generation of waste and recover resources for recycling and reuse within all waste streams. To improve waste management we increase recycling and reduce waste going to landfill directly and invest in cost-effective waste services and programmes for our tenants. We actively cooperate with waste management companies and local authorities and our waste management policy includes separating waste flows and collecting them as efficiently as possible, thereby reducing both carbon emissions and transport costs.

Cooperation with tenants and waste management providers is a key component of maintaining a high recycling rate. We provide clear guidelines, online training and advice to make recycling simple and motivating for all parties. We collect and analyse waste data quarterly and report back to the ESG committee. Waste data is included in the annual report.

Building certifications

Target: BREEAM certifications in place for all shopping centres by 2025

Eurocommercial uses the certification tool BREEAM frameworks to both standardise and improve the sustainable quality of buildings and their management. We aim for all shopping centres to be evaluated as attaining BREEAM best 'In Use' green building status. This covers a complete range of environmental criteria including waste, energy, water, pollution prevention, indoor environment quality, materials, land use and ecology, management and transport. BREEAM "New Construction" certification is used for new construction projects.

BREEAM certification

The framework includes accessibility, health and safety, tenant satisfaction, maintenance, biodiversity, waste management and energy and water efficiency. Our management teams organise the certification process which assists in the evaluation and analysis of our shopping centres in order to operate them efficiently. The certification process supports our local teams to improve their knowledge and understanding of the assets and to create a consistent management approach across the portfolio, develop policies and procedures to reduce their environmental impact and provide a consistently high quality approach to the design, delivery and operation of green buildings and green areas that exceed best practice through innovation.

Water conservation

Water consumption is reduced by using and re-using water more efficiently in our business operations and developments. This not only reduces our environmental impact but also the operational costs of the shopping centres. Water is used for cleaning the centres, restroom facilities, water plants and vegetation, cooling and fire protection systems and tenant consumption. Water consumption levels are reported quarterly by all countries to the ESG committee. Tenants are the main consumers of water in our centres and we collaborate with them to reduce consumption and waste. We develop and implement programmes at an asset level and include all BREEAM standards and criteria that drive water-efficient specifications and processes, including the reduction of water wastage.

Connectivity and accessibility

Connections to public transport are an essential part of our ESG and overall business strategy and are essential for our communities and the environment. We encourage visitors and employees to use public transport to our shopping centres and we therefore integrate our assets within the local public transport network. We use extensions and development activities as opportunities to work with local municipalities to improve the integration of public transport and the accessibility of our centres. We provide affordable and environmentally friendly transport options for our visitors such as parking for electric vehicles, charging stations, and dedicated parking areas for low-emission cars, car-sharing,

bicycle parking and other facilities. Our centres are easily accessible for pedestrians and for visitors with disabilities.

Green infrastructure and biodiversity

Being green also means having a positive impact on local ecology, biodiversity and ecosystems. We invest in facilities that enhance the ecosystems that our shopping centres form part of and support. Part of the BREEAM certification process includes an independent ecologist assessment of local ecological values and assists Eurocommercial in its action programmes. We do not operate in World Heritage areas and IUCN Category I-IV protected areas. We contribute to local biodiversity by investing in green roofs, beehives, bird boxes, insect hotels and educational projects. Green roofs also promotes water retention, air purification, insulation and heat regulation.

Responsible procurement

Eurocommercial works alongside trusted partners and require its suppliers as well as employees and other third parties to respect Eurocommercial's Supplier Code of Conduct and procurement procedures. We outsource services at our shopping centres to specialised external parties, including cleaning, security and maintenance. Contracts with our service suppliers include conditions provided in the Code concerning responsible use of materials and risk management. The Supplier Code of Conduct sets the Environmental, Social and Governance standards for all suppliers and outlines the importance of reducing our environmental impact. Working with our suppliers, we search for improved efficiencies in the use of energy and select low consumption and renewable energy options. We prefer working with local businesses to positively impact local employment and reduce transportation and packaging. We select building materials and maintenance products with the highest care and only use those with sustainability labels and certificates. The Supplier Code of Conduct can be viewed on our corporate website.

Green lease agreements

Eurocommercial includes 'Green Lease' clauses in its lease agreements providing positive collaboration with its tenants and sharing ambitions and responsibilities to gradually reduce the environmental footprint of the real estate portfolio and producing lower utility costs. The main focus areas of the Green Lease agreements are: data sharing, lowering energy and water consumption, stimulate the use of renewable energy, improve waste management and recycling, support building certification procedures and ensuring that our centres remain environmentally healthy and attractive for current and future generations. Eurocommercial's Green Lease Standard is published on its corporate website.

Resilience

At Eurocommercial, we design shopping centres as social spaces not merely shopping centres but rather as cornerstones for their local communities. By staying flexible and adapting to future changing customer demands, we implement new concepts and services that we believe are important for the long-term success of our shopping areas. An integral part of this strategy includes providing the right tenant mix, upgrading food courts, malls and incorporating high quality, best practice property management and tailored marketing programmes. Our success is illustrated by our long-term high occupancy rates.

We strategically prepare our shopping centres for climate change so that we can anticipate and prepare for hazardous events, trends or disturbances related to the climate and respond to them accordingly. With building structures and technical systems that provide flexibility, management can adapt their operations to meet climate challenges.