



ESG update report

July 2020



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About Eurocommercial Properties

Eurocommercial Properties (Eurocommercial) is a long term investor and manager of prime retail property in Belgium, France, Italy and Sweden with assets over € 4 billion. The Company was founded in 1991 and is a Euronext listed company with a broad shareholder base.

We buy, manage and develop well-located retail properties in established, wealthy markets, and work in partnership with our tenants to maximise the centres' value and attraction.

Focused investment strategy

- Prime retail property
- Four wealthy markets
- Research led investments
- Retail sales transparency
- Professional management

[Corporate website](#) →



retailer relationships

By working together we are able to create successful shopping centres and better experiences for our customers.



understanding customers

We take great efforts to understand our customers and ensure that our centres are visited time and again.



property location

Shopping centres depend on a number of factors for their success, the most important being one that cannot be changed: location.



asset management

We work hard to ensure that our centres are fresh and modern through regular refurbishments and extensions that are designed to increase footfall and add further value to the property.

Portfolio Characteristics

December 2019

€ 4.1bn

Asset value

28

Number of properties

€ 2.4bn

Retail sales

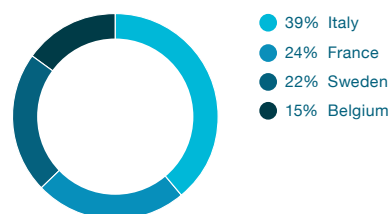
€ 217.5m

Rental income

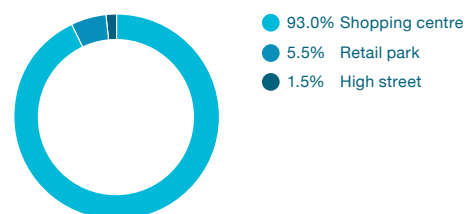
+1,039,000m²

Lettable area

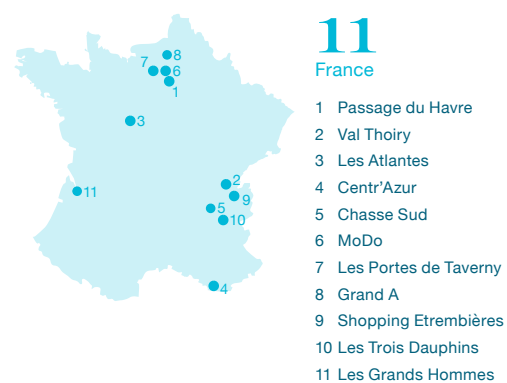
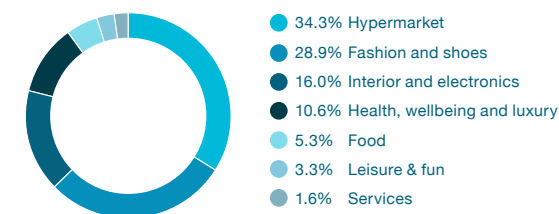
Country distribution



Property type (% of total floor area)



Retail mix (floor area)



ESG strategy

As a long-term investor, Eurocommercial believes building a sustainable and resilient business is the foundation for success. We approach each business decision with a long-term view and support our choices with thorough research in order to evaluate their environmental and social-economic impact.

Our ESG and business strategies are carefully aligned and involve operating more efficiently, positively engaging with local stakeholders and being an attractive and responsible employer. With our updated ESG strategy, we will continue to create sustainable centres with a clear vision and full transparency towards our stakeholders.

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Materiality assessment

Environmental, Social and Governance (ESG) applies to all aspects of our business operations. Last year, we mapped out particular topics and targets that will help us develop our business with impact while enhancing value. These clear objectives underpin our current strategy.

The first step was executing a detailed materiality assessment in 2019 to thoroughly assess a wide range of ESG facets. We then selected which topics would create the most value for us and our stakeholders and are in line with the United Nations Sustainable Development Goals on the global agenda.

We carefully examined the core aspects of our business strategy, while progressing the integration of ESG, over the short, medium and long term. An analysis among peers, data collection from different stakeholders, and an in-house workshop led us to develop a materiality matrix that is shown here. It illustrates the ESG topics that were identified and their relative importance to Eurocommercial and our key stakeholders corresponding to the Global Reporting Initiatives (GRI) materiality principles.

As we develop our ESG programme, we will continue to evaluate and revise it where appropriate and will respond to new circumstances and opportunities as they arise.

EUROCOMMERCIAL MATERIALITY MATRIX



Three strategic pillars

Each of our shopping centres is unique and offers its own set of challenges and opportunities. Yet, we have developed a broad ESG vision and strategy to ensure that we can meet global challenges and future demands from our customers, tenants and employees and create sustainable centres. Our approach is articulated around three strategic pillars: Be green, Be engaged and Be responsible.

Eurocommercial is committed to report on its ESG performance every year. In 2019, we were awarded the EPRA Gold Award for sustainability reporting for the sixth consecutive year. Our ESG performance was also recognised by the Global Real Estate Sustainability Benchmark (GRESB) with a Green Star position in line with industry best practices.



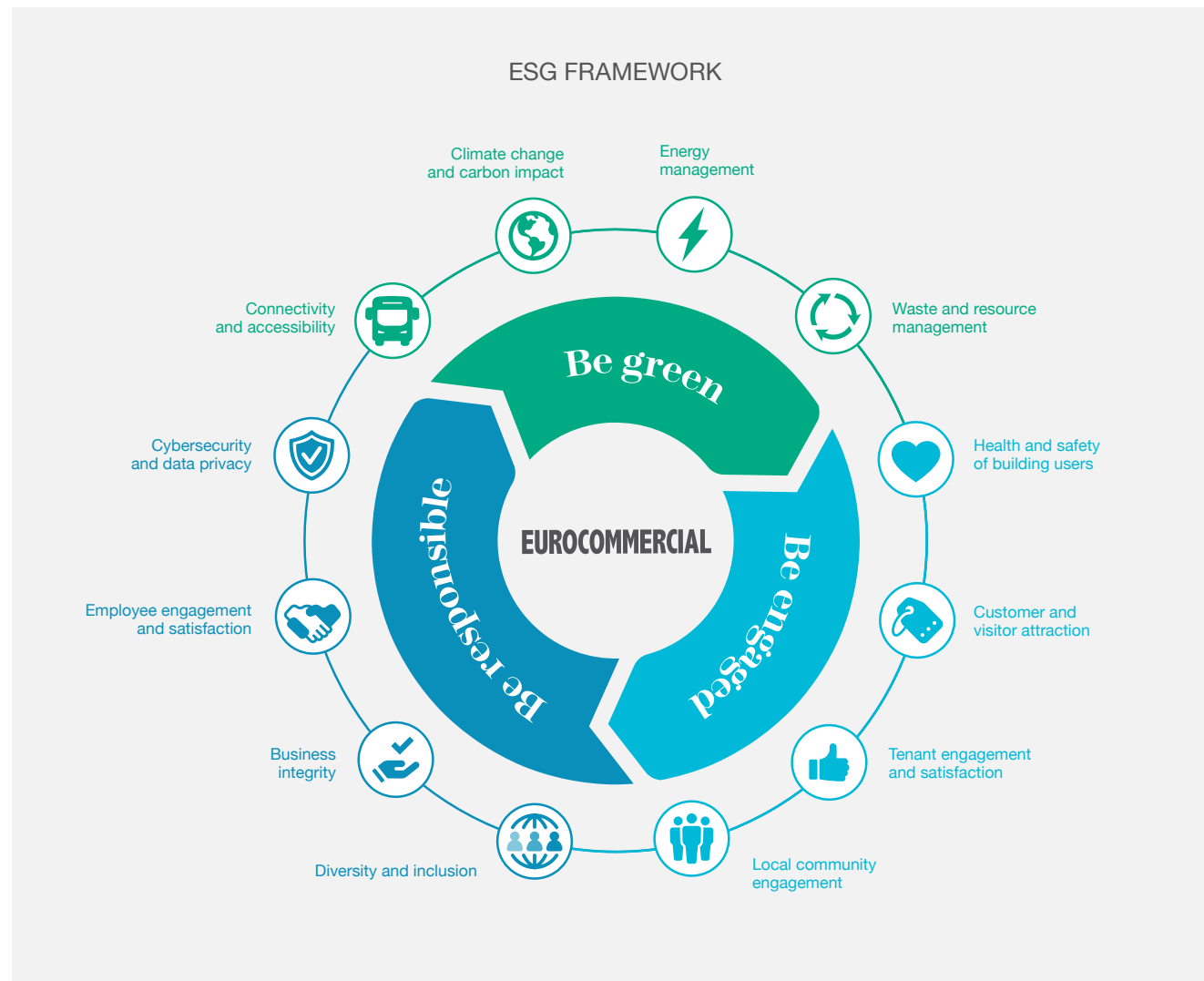
Gold
EPRA sBPR Gold Award



Green
GRESB Green Star (4th year in a row)



Vision
updated ESG strategy



ESG framework and targets



Be green

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 change the mindset of all stakeholders in our communities.

Targets

- Operate carbon neutral by 2030
- Zero waste to landfill by 2030
- BREEAM certifications in place for all shopping centres by 2025

[Read more →](#)



Be engaged

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 centres evolve with the changing retail landscape and customer aspirations. We help our retailers invest in their teams through the Eurocommercial Retail Academy® and work together to improve the overall shopping experience in our centres. Our shopping centres are valuable for the community and have a positive social impact on the territories in which they operate.

Targets

- Maintain all customer satisfaction scores above 7.5 by 2025
- Improve the average retailer satisfaction scores towards 7.0 by 2025
- Roll out the Eurocommercial Retail Academy® at an additional eight shopping centres by year-end 2023

[Read more →](#)



Be responsible

Our aim is to create a workplace where our employees thrive. We offer all employees a fair and enjoyable working environment ensuring they behave ethically and sustainably. We pride ourselves on our diversity and collegial culture. Our country teams work together and share best practices. We work alongside our tenants to make retail greener and more sustainable. We want our employees to feel engaged and motivated towards our common goals.

Targets

- Zero breaches against the Code of Conduct annually
- Create an attractive and professional workplace

[Read more →](#)

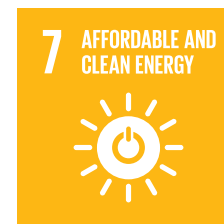
Sustainable Development Goals



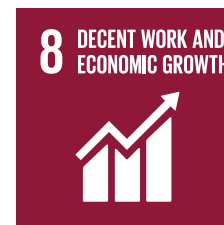
Small actions can have a big impact, and at Eurocommercial, we are fully aware of the global effect of our local activities. A review of the United Nations Sustainable Development Goals (UNSDG) provided insight on how our people and business operations can help meet them. These SDGs were a focus point when prioritising our ESG strategy and contributing on a global level.

United Nations SDGs

What can Eurocommercial do?



Generate more renewable energy on-site, e.g. solar and reduce energy consumption by operating more efficiently. Employ an active Environmental Management System.



Provide employees with professional and career development. Provide tenants with customers and sales training through the Eurocommercial Retail Academy®. Promote local employment by organising trade and business events, in addition to the 16,000 local people already employed in our shopping centres.



Provide sustainable transport options for visitors and create attractive, green environments in and outside the shopping centres.



Reduce energy and carbon emissions (see 7) while educating tenants and consumers about climate change. Have updated plans in place in case of extreme weather and climatic events.

Be green

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, environmental objectives and efficiency are at the core of our business.

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Be green

Eurocommercial will continue addressing environmental challenges and make sure our business activities are meeting current legislation and public expectations. We work closely with critical stakeholders on aspects like climate change, circularity, local biodiversity, low carbon transportation and pollution prevention.

Climate change and carbon impact

Our aim to become carbon neutral by 2030 is fundamental to becoming a green company. Being carbon neutral means our operations in all our locations will not produce any carbon, so that our direct impact is emission-free. This includes all areas in which we can directly influence the use of energy sources through efficient energy management that provides for switching to renewable energy, generated on-site when possible. Our actions and targets are consistent with the United Nations Sustainable Development Goals and illustrate that as local and responsible shopping centres owners, we fully appreciate our global impact and ways we can contribute to common goals.

Energy management

During 2019, we continued to implement energy efficiency measures identified through our Environmental Management System (EMS). Our EMS structure supports local teams to provide uniform measures including internal data collection, setting clear reduction targets reported regularly to senior management. Over the last year we organised two workshops for ESG representatives from each country to exchange knowledge and experiences across our portfolio. We are rolling-out 'green leases' to encourage our tenants to act responsibly, and we gather robust data to consider how we can improve the environmental performance of each centre.

Eurocommercial's total energy consumption in its shopping centres decreased by 6% compared to the previous year on a like for like basis. The carbon footprint decreased by 14% between 2018 and 2019 on a like-for-like basis.

Renewable energy

As part of our objective to operate carbon neutral, we continue to review opportunities to install renewable energy on the roofs of our shopping centres or on parking areas. Prior to 2019, we had solar panels in Collestrada and I Gigli. In 2019, we went a step further, installing: 615 solar panels at Elins Esplanad which should generate an estimated 180 MWh per annum, 364 in Curno to generate 144 MWh for the benefit of the food court and 300 in Cremona Po Retail park for the exclusive usage of the tenants.

In early 2020, we installed 255 MWh of Solar panels in Grand Samarkand and 4,000 m² of solar panels on the roof of Woluwe, planning to install a further 480 before year-end. At the same time, we are procuring electricity from 100% renewable energy sources in all assets in Sweden, in Woluwe and in Curno, while for Castello, Fiordaliso, Cremona and I Portali we have an average of 20% renewable energy.

Connectivity and accessibility

Proximity to public transport is integral to the community and environment and the well-being of each community. We want our shopping centres to integrate seamlessly with public transport options in our locations to encourage their use by our customers. Today, 11% of our visitors come to the shopping centres using public transport. Extensions and retail development provide opportunities to work with the municipalities to improve the integration of public transport and general accessibility to enhance the environment for our customers and neighbours.

TARGETS



2030

Operate carbon neutral by 2030



zero

waste to landfill by 2030



BREEAM

BREEAM certificates in place for all shopping centres by 2025

We often provide affordable and environmentally friendly transport options for our visitors to access our shopping centres—for example, shuttle buses in Carosello and Fiordaliso, and car sharing schemes at I Gigli. We have also installed electric vehicle charging stations at our centres MoDo, I Gigli, Cremona Po, Collestrada, Fiordaliso, Val Thoiry, Chasse Sud, Shopping Etrembières, Bergvik, Ingelsta Shopping, Grand Samarkland, Valbo, C4, Les Portes de Tarverny and Woluwe. Most of our centres have extensive and dedicated bicycle parking. In Woluwe, we have also installed secure bike lockers and two smart bicycle parking bays. All our centres are easily accessible for people with disabilities, and we have dedicated parking areas for low-emission cars, families and car sharing.

Zero waste aspiration

To manage waste efficiently, we endeavour to increase recycling and reduce the amount of waste going directly to landfill. We invest in cost-effective waste services for our

tenants and encourage them to have a programme to handle waste efficiently. Eurocommercial aims to minimise the waste it produces and eliminate waste to landfill by 2030. We are committed to working hard together with waste services and local authorities to meet these targets.

The waste directly sent to landfill has already decreased to 11% and the focus point for the next two years will be to get a detailed audit and qualitative information on waste streams, so that we prioritise actions to increase recycling.

Green building certifications

In 2019, we continued to use green building certifications as part of our EMS. This certification process assists our local teams to improve their understanding of the objectives and create a uniform approach to management across the portfolio developing programmes to reduce our environmental impact. Eleven shopping centres already had a BREEAM certificate

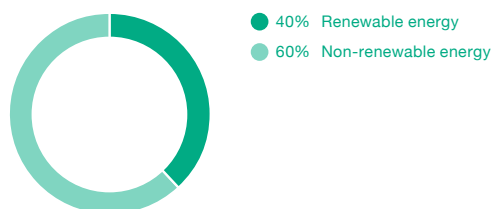
in place by 2019. In 2020, I Gigli has obtained a BREEAM certificate and the performance of the shopping centre has improved from Very Good to Excellent in Building Management. Another four assets are currently under assessment. By year end 2019, 44% of our portfolio was certified with green building certificates (BREEAM) based on total floor area. We aim to have all of our shopping centres BREEAM certified by 2025.

Water conservation

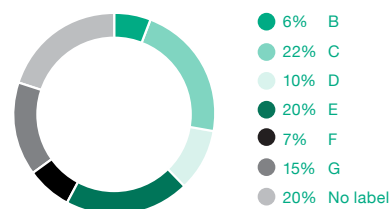
The water used in the centres is mainly for the benefit of the tenants and we collaborate with them to reduce its consumption and waste. The water consumed in 2019 was 2% less (like-for-like) than the amount used in 2018. Our centres consumed 5.3 litres per visitor, which was 3% less than the year before. Over the past three years, we have introduced green walls in five of our centres. Here, we use greywater to irrigate the greenery in and around our centres whenever possible.

PERFORMANCE INDICATORS 2019

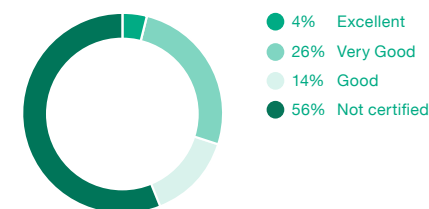
Energy mix (% of total energy consumption)



Energy Performance Certificates (EU EPC) (% of floor area)



Building certification (% of floor area)



Case study

Sustainable food court designed to enhance shopper experience

The Curno shopping centre extension includes a new and sustainable food court. Located in an affluent catchment area on the western edge of the city of Bergamo with a population of nearly 600,000 people, Curno Shopping Centre is becoming an increasingly popular destination for shoppers.

Seventeen new restaurants are included in a new food court comprising 3,000 m² of GLA and 2,000 m² of themed dining space in an impressive interior plaza design providing a diverse range of food and beverage outlets. The central space is filled with natural light by a large stained glass-domed roof. We configured stationing areas as separate green islands to create a multitude of spaces for a wide variety of dining experiences.

The aim was to design a low environmental impact structure, using carefully selected materials and energy monitoring systems to create a place where customers could enjoy their leisure time. Be green has been introduced throughout the entire design and construction process: solar panels, enough to cover the electricity consumption for food court lighting, and toilet facilities flushed with rainwater were installed. The building is covered with a no-pillar glass dome to maximise natural light without increasing the heating and cooling consumption.

The new façade is made of 100% recyclable terracotta, a product made from clay. The whole production process is low emission: production waste is re-used, the extraction cave is located next to the production site to limit transport costs and emissions, the delivery packaging is re-used not to create waste.



“
A future proof
space that
brings multiple
experiences
together for our
customers.”

200
jobs created

In the construction phase, we worked together with 24 companies, mainly locally based, and created over 200 new jobs.

364
solar panels

New solar panels were installed in the food court with a capacity of 144,000 kWh per year.

BREEAM
certificate to be achieved

The extension is in the process of achieving a BREEAM certificate, demonstrating the environmental aspects addressed during the design and construction.

Eco-friendly
eating

100% recycled and recyclable plastic trays and special doggy bags to take home food leftovers and reduce food waste.



Be engaged

At Eurocommercial, we design shopping centres as social spaces not merely shopping destinations but rather cornerstones for their local communities. Our centres serve both our customers' everyday shopping needs and the needs of the local communities, providing them with a safe, service-oriented and enjoyable experience.

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Be engaged

We pay great attention to the changing needs of our tenants and customers. We continuously liaise with them and learn from their feedback to enhance the overall experience in our shopping centres. Our tenant engagement surveys illustrate where we can further improve our centres and invest for the future.

By rolling out the Eurocommercial Retail Academy®, we offer retailers the opportunity to invest in their teams and customer service which is resulting in higher service levels for the entire centre. This engagement plays a key role in making sure that our centres are always aligned with our tenants and customer's needs. The ongoing pandemic has highlighted the importance of hygiene and security and we ensure that our centres have best-in-class cleaning procedures and health and safety policies.

Understanding our customers and markets

Physical shopping experience is more relevant than ever in today's digital world. Our research shows that omnichannel customer experience has supported the integration of online and physical retail as customers value frictionless online and offline purchases, having the freedom to choose where they buy and how their purchase is delivered. Physical shops will continue as the main channel for brands to engage with their customers but retailers are concentrating on the most important and relevant shopping centres in their catchment as they rationalise their estate.

It is therefore even more important that we interact with our tenants and our customers so that we can rapidly adapt and respond to their changing requirements and needs.

€13 million is invested on marketing annually to ensure that our shopping centres remain attractive, relevant and engaging for the local community. Retailers at all our locations share their trading data with our field teams monthly so we can work dynamically with our tenants to implement changes to marketing, merchandising, technology and customer experience. This way, we can adapt and respond quickly to changing local demand, as well as global trends.

To further understand our customers, Eurocommercial is developing a CRM system that consolidates customer data, enabling management to gain greater visibility of customer behaviour and therefore to better target our customers with relevant marketing and offers. Our CRM programme is ambitious and all customers who give consent online or in-person are registered with the centre, along with their details. This database represents a ready-made panel of consumers to monitor and to work with in order to improve customer experience.

We also strongly believe that technology is our ally, and we have been investing in social media, our websites and innovative store formats to enhance our data, marketing penetration and the customer experience when they visit our centres.

TARGETS



>7.5

Maintain all customer satisfaction scores above 7.5 by 2025



7.0

Improve the average retailer satisfaction scores towards 7.0 points by 2025



8

Roll out the Eurocommercial Retail Academy® at an additional eight shopping centres by year-end 2023

Case study

Share retail knowledge via the Eurocommercial Retail Academy®

It is our ambition to develop an inspiring educational programme to improve knowledge and training in sales and customer service and develop the most professional and dedicated staff to serve a customer base that increasingly values personal service.

In 2017, we introduced the Eurocommercial Retail Academy® for all the 3,600 staff members working in our Swedish shopping centres. The education programme includes four sessions a year held before opening hours in our seven Swedish shopping centres. We carefully devised the programme using external lecturers specialising in sales, service and customer psychology. The academy focuses on building confidence, self-understanding and interaction with consumers adopting the core values behind each centre brand to send a consistent message into the thousands of face-to-face meetings that take place in the centres daily.

Core aspects of the training include basic training in sales and customer service. It teaches how employees can “release their inner energy” to help meet the different needs of customers, building self-esteem and confidence and customer psychology and four different customer personality types and how to recognise them.

The response has been very positive among all participants who each receive an officially recognised diploma on completing the programme. Eurocommercial has received very positive feedback from the retailers’ head office and senior management, further strengthening relationships with those tenants. We aim to roll out the Eurocommercial Retail Academy® at an additional eight shopping centres by year end 2023.



“
The Eurocommercial Retail Academy® helps our employees become the most knowledgeable and skilled customer service professionals.”

3,600

retail staff members participated

Graduates are more active with sales and face to face interactions. They are also highly motivated and proud to be Eurocommercial Retail Academy® ambassadors.

7

centres have rolled out the Eurocommercial Retail Academy®

We aim to spread the success of our programme throughout our portfolio in all our markets.

Extend

to an additional eight centres by 2023

In the next three years, we plan to host the academy at an additional eight shopping centres to provide tenants with an opportunity to learn and benefit from the Eurocommercial Retail Academy®.

4

centres performed Mystery Shopping

These four shopping centres use findings from the Mystery Shopping to identify areas for improvement to focus on during training courses.

Customer surveys

Customer satisfaction and engagement are essential to our business, and we actively seek to adapt our centres to the needs, desires and expectations of customers by researching and monitoring them extensively. In the past year, we have conducted more than 45,000 interviews among our customers and gathered data through other touchpoints both in the centres and on social media platforms. We analyse and cross-check the data we collect in order to understand new developments and trends in spending habits and what customers like or dislike about our centres. This data also helps us analyse the local catchments around our centres and identify groups of consumers that we are possibly missing. Constantly monitoring the information we gather allows us to review the evolution of each centre and the effectiveness of any changes adopted. Our management teams discuss results and use them to align them with our marketing plans, tenant mix choices and refurbishment projects.

We are committed to continuing this extensive research in the next years in order to optimise customer experience and tenant mix. In 2019, we achieved an average customer satisfaction score of 8.1, ranging from 7.5 to 8.8. We have set a target of maintaining a minimum score of 7.5 for each shopping centre in our entire portfolio by 2025. We have also introduced the Net Promotor Score (NPS) in several surveys to monitor the loyalty of our customers. We carefully value the scores obtained and we discuss these to set action plans in place to improve the percentage of the NPS and, ultimately, increase the positive image of the shopping centre.

Genuine retailer partnerships

We strongly value our business relationships with our retailers and actively seek feedback to identify areas where we can make improvements. The continuous exchange of data, and regular monitoring retailer satisfaction through anonymous surveys are important factors behind the success of our centres. In 2019, we started a pilot study on mystery shopping in four French shopping centres. We extensively discussed the results with the centre management, asset managers and the leasing team and formulated action plans and presented these to our tenants. In some cases, we have organised workshops for tenants to discuss results, expectations and possible actions.

In our Eurocommercial Retail Academy®, which is already well-established in all of our seven Swedish shopping centres, Eurocommercial organises sales and customer training alongside its tenants and employees working as a team. As a result, retailers come to our shopping centres knowing that they will be actively involved in the commercial operations and that their stores will be part of a successful shopping centre. In return, the retailers often respond by bringing their latest formats, delivering novelty to our customers. Similar programmes have been conducted in two of our Italian shopping centres with our partner, Savills Tenants School by Eurocommercial. Following the positive experience we plan to install our own retail academy in these two Italian centres and in an additional four French centres. By the end of 2023, we aim to have the Eurocommercial Retail Academy® established in at least fifteen of our shopping centres.

In 2019, we achieved an average tenant satisfaction score of 6.7. We aim to improve these scores to achieve an average satisfaction score of 7.0 in our entire portfolio by 2025. We have introduced the NPS also in our tenant surveys alongside the Satisfaction Index, as we believe the two scores together are very revealing about our tenants' appreciation and also makes clear what actions are required in order to improve in our relationship.

Developing local communities

The success of our shopping centres is closely linked to the active role we play within the local community. We want our centres to be much more than a retail destination, creating inviting places where people want to socialise, spend leisure time with family and friends and feel at the heart of their community.

Shopping centres create value for the community and have a positive social impact on the territories in which they operate. Our centres stimulate employment and economic activities with over 16,000 local employees working in Eurocommercial's centres, supporting many families in their communities. Our centres also play a key social role through collaboration with public administrations and local associations for social projects such as charity and fundraising initiatives and edutainment activities to promote pro-active forms of learning for local schools. We promote events that are suited to the needs and interests of the local catchment.

Responsible partners

Working alongside trusted partners, Eurocommercial has a number of sustainable procurement policies and procedures in place for each country that meet local regulations and standards.

Our procurement process includes clear guidelines with a constant focus on quality, innovation and creativity. We actively search for improved efficiencies in the use of energy, choosing low consumption and renewable energy options. We favour local businesses in order to help local employment and reduce transportation and packaging. In France, we are introducing green clauses in our shopping centres management contracts to encourage best sustainability practises.

We carefully select building materials and maintenance products, using those with sustainability labels and certificates. Waste reduction and pollution risk management are also focus points. Chemicals and other materials that could harm the environment are identified and handled with care and taken to appropriate recycling or disposal facilities in compliance with regulations. We train staff who process these products, equip them with the right tools to handle them safely and have emergency procedures in place in case of an accident posing a risk to them or the environment.

Suppliers have to ensure that their employees comply with safety rules and working conditions that respect the health, comfort and hygiene regulations applicable to their sector as part of our social and societal commitments.

Health and safety – a top priority

We have taken several steps and measures to ensure safety in our centres. These include regular reviews and maintenance of our properties which is carried out by the local technical team reporting to the country Director. Our centres are fully insured against damage and consequential loss of rental income. We assess the health and safety of all shopping centres at least once a year and during these assessments we identify and control risks that may affect our visitors, tenants, suppliers or the local community. Based on the results of these risk assessments, action plans are implemented. We aim at continuing to have best-in-class cleaning procedures and health and safety policies.



PERFORMANCE INDICATORS 2019



8.1
average customer
satisfaction score



6.7
average tenant
satisfaction



16,000
local retail
jobs

Case study

Promoting a healthy lifestyle within our communities

A healthy lifestyle is the most effective ways to prevent health issues. Changing deeply rooted behaviour, however, can be challenging, and this is where creating a healthy and balanced environment can make the difference.

As responsible shopping centres owners, we can play an important role in improving the wellbeing of our tenants and customers by creating a safe environment and by encouraging them to adopt a healthy and active lifestyle. We have promoted this through a variety of programmes and initiatives.

At Il Castello, we involved the community in creating a programme to address health and prevention, providing and distributing essential information. Various appointments were hosted in the gallery, to provide customers with prevention tools, from instructions about self-examination to food education. Live streams of these health and wellbeing events were made available and advertised through social media channels. The events were made possible due to the collaboration of the local health authority that shared their specialists with our customers and therefore reached thousands of local families

Partnerships with local health organisations have also led to a number of big events in our Swedish centres, raising awareness about children's health and encouraging young people to exercise. We initiated fundraising for different foundations and associations that support people suffering from illness, such as The Pink Band that fights breast cancer and The Diabetes Association. In France, we collaborate with many health associations such as Octobre Rose, that promoted a campaign against breast cancer, together with three food charities: Secours Populaire, Banque Alimentaire and Resto du Coeur.



“

Working together with local health organisations to promote a healthy lifestyle for everyone

Relax

Taking away the daily stress of our customers

During an event in Le Passage du Havre, customers were invited to participate with a virtual augmented reality experience to relax and meditate.

5,000

Italian students reached through workshops

In Italy, over one year, collaborations with 110 associations were in place, freely hosting them for 330 days facilitating campaigns and hosting events.

Promotion

and prevention

Through hosting sports personalities and players and campaigns, like "Alcohol does not drive", self-defence courses, Sport Days and Fitness Week.

Be responsible

Eurocommercial is a pan-European owner of shopping centres. We want to be an attractive employer, now and in the future, and therefore provide a competitive work environment where people can develop, learn and fulfil their potential. We aim at creating a work environment where employees can express themselves and feel valued as part of a collegiate team. We believe this provides circumstances in which employees can function at their best and develop their capabilities.

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Be responsible

At Eurocommercial, we build strong teams which perform at their best because people feel appreciated and engaged. We strive to create an environment where everyone receives the same opportunities and ensure that our methods and systems are fair for all and train staff on corporate ethics. We benefit from having multiple experienced local teams which work together and share best practices.

Our workforce

We are based in different locations across Europe and our teams in Belgium, France, Italy and Sweden carry out all property and asset management functions including leasing, rent collection, technical supervision and administration.

Eurocommercial has a diverse culture with differences in nationality, age and gender. In 2019, we employed 92 people in Belgium, France, Italy, Sweden, United Kingdom and the Netherlands. Of our workforce, 55% are female and 45% are male, 10% of all employees are under the age of 30, 69% of employees are aged between 30 and 50 and 21% are over the age of 50.

Business ethics and training

We promote clear and open communication and responsibility that represent our values of transparency, reporting and accountability. We set and maintain high standards of ethical business practice and expect our colleagues to respect them as being fundamental to long-term value creation. Good relationships with tenants, local communities and governments require dedicated and professional staff who understand good business practice and ethics and will respect and build on our long standing reputation.

We train our management and staff in these areas and organise regular management visits and meetings cross-country to ensure proper internal knowledge sharing and best practice and a solid understanding of how Eurocommercial management and staff should operate. Our Code of Conduct sets out our procedures, guidelines and core values.

All employees receive ethics training and review the Code of Conduct regularly to keep updated with business standards. Full transparency is provided to stakeholders concerning any breaches against the Code of Conduct. In 2019, no breaches of the Code occurred, in-line with our target to have zero breaches every year.

TARGETS



zero

breaches against the
Code of Conduct annually



create

an attractive and
professional place to work

Engaged employees

We are proud of our open and collegiate culture, and we encourage Eurocommercial colleagues to share their ideas for the improvement of the business. We organise regular group meetings for employees from different offices to share best practises, in particular with our leasing, marketing and sustainability teams. We are committed to our employees, and as a result, we experience commitment in return and benefit from very loyal and engaged employees. Our low employee turnover at 2.2% and low sickness ratio at 1.7% illustrate that we have motivated and dedicated teams. Furthermore, we maintain a gender balance within the Company that strengthens our positive internal culture and is in-line with the gender balance of our customers.

Professional development and alignment of interests

We invest in the professional development of our staff by encouraging them to participate in various training courses. Our staff have regular review meetings with management to monitor performance and provide employee feedback.

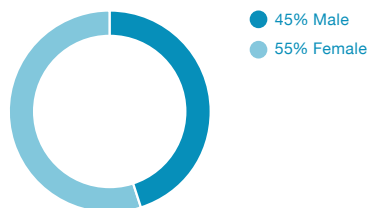
All employees under a permanent labour contract are entitled to participate in the group's long-term Performance Share Plan, which aims at linking remuneration to a long-term commitment of the individual employee and the performance of the Company. This plan aligns management and staff with the interests of the Company and its stakeholders and demonstrates that we consider that each individual contributes to the success of the Company.

Diversity and inclusion

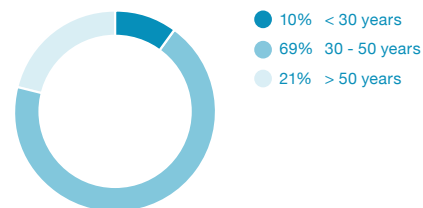
We aim to create a fair work environment where all employees receive the same experience and opportunities and where they can express themselves and feel included in order to function at their best. People must feel appreciated and included which helps build stronger teams that perform better. We strive to create an environment where everyone gets the same chances and opportunities and focus on making sure our methods and systems are fair for all.

PERFORMANCE INDICATORS 2019

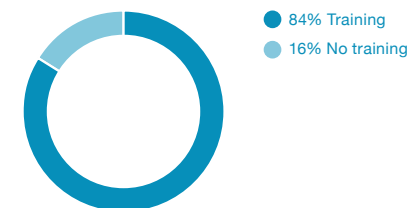
Gender diversity (% of total employees)



Age group distribution (% of total employees)



Employee development (% of total employees)



Case study

Building a conscious mindset for the future

We aim to operate carbon neutral by 2030 by working efficiently to diminish our environmental footprint while providing an attractive workplace for our current and future employees.

A wide range of initiatives are taken by the country teams to minimize their environmental impact and promote a healthy work style. Step by step, our actions in different areas are building the bigger picture we have in mind for 2030.

Eurocommercial promotes a healthy lifestyle for its employees. For example, we encourage employees to train through a gym subsidy programme. Our Paris colleagues can join daily yoga and meditation sessions in the garden of Passage du Havre. Our Stockholm team participates in the Stafesten, a yearly sport event to support UNICEF. We also collaborate with many health associations such as Octobre Rose in France, a campaign in support of breast cancer research.

Recycling initiatives are incorporated in all our offices. To encourage drinking water while eliminating single use plastics, reusable water bottles have been provided to our French and Italian colleagues. Our Milan office recycles chewing gum to be transformed into “Gum-Tec”, an innovative material with which to make new objects, thus closing the virtuous recycling circle.

We also encourage our employees to travel responsibly, which in Sweden means increasingly travelling by train which is a more climate-friendly option. For any domestic flights taken, we offset our carbon impact.



“

Many small actions add up to establishing a responsible mindset with all our employees and operating carbon neutral.

+9,000

plastic bottles saved

By promoting the use of personalised drinking bottles and saving over 15,000 plastic drinking glasses.

Carbon

neutral in 2030

Travel efficiently and responsibly and reduce waste and energy usage in our offices.

Recycling

initiatives in 100% of our offices

All our local offices have taken several initiatives to increase recycling rates.

Promote

a healthy lifestyle

We promote a healthy lifestyle by offering a variety of sporting initiatives for our employees.

Key Performance Indicators

The following pages provide more detailed information about the ESG performance over 2019 compared to 2018. Eurocommercial pledges to provide transparency on its ESG performance towards all stakeholder groups. In 2019, we were awarded the EPRA Gold Award again for sustainability reporting, a reporting standard for listed real estate companies in Europe.

- 25 EPRA environmental performance
- 25 EPRA sustainability intensity measures
- 25 Building certifications
- 27 EPRA social & governance indicators



EPRA environmental performance

		Absolute measure (Abs)		Like-for-like measure (LfL)									
		Total		Belgium		France		Italy		Sweden		Total	
Impact area		2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019
Energy (MWh)	Total electricity	82,809	84,041	3,011	3,521	19,168	18,462	23,188	20,924	33,700	31,002	79,067	73,909
	Proportion of electricity from renewable sources	50%	58%	100%	100%	8%	6%	1%	14%	99%	100%	48%	52%
	Total district heating and cooling	20,141	21,334	6,155	5,498	1,666	1,151	-	-	9,877	9,638	17,698	16,287
	Proportion heating and cooling from renewable sources	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
	Total fuels	17,765	17,279	3,389	3,385	3,616	3,686	10,761	10,208	-	-	17,765	17,279
	Proportion of fuels from renewable sources	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
	Total energy	120,715	122,654	12,555	12,404	24,449	23,299	33,948	31,132	43,577	40,640	114,530	107,475
Greenhouse gas emissions (tonnes CO ₂ e)	Total direct GHG emissions (Scope 1)	1,173	1,119	9	17	225	239	939	864	-	-	1,173	1,119
	Total indirect GHG emissions (Scope 2 and 3)	10,026	8,703	594	453	1,703	1,640	7,303	5,975	155	155	9,755	8,223
	Energy and asociated GHG disclosure coverage (if applicable)	32 of 32		1 of 1		12 of 12		11 of 11		6 of 6		30 of 30	
	Proportion of energy and associated GHG estimated	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Water (cubic metres)(m³)	Total water withdrawal	694,666	697,606	23,416	23,264	87,516	91,653	498,597	480,134	61,318	63,739	670,847	658,789
	Water disclosure coverage (if applicable)	30 of 32		1 of 1		11 of 12		10 of 11		6 of 6		28 of 30	
	Proportion of water disclosure estimated	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Waste (landlord-handled) (metric tonnes)	Total weight of non-hazardous waste	11,709	11,438	551	561	4,075	4,097	5,241	4,713	1,383	1,335	11,250	10,706
	Total weight of hazardous waste	44	14	-	-	-	-	-	2	5	10	5	12
Disposal routes (by weight %)	Reuse	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
	Recycling	40%	37%	35%	35%	29%	30%	48%	41%	47%	50%	40%	38%
	Composting	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
	Material Recovery Facility	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
	Incineration	29%	25%	65%	65%	27%	27%	24%	16%	24%	32%	27%	25%
	Landfill	11%	11%	0%	0%	30%	29%	1%	0%	1%	0%	11%	11%
	Other	21%	28%	0%	0%	15%	13%	27%	43%	29%	18%	21%	26%
	Waste disclosure coverage	28 of 29		1 of 1		11 of 11		8 of 9		6 of 6		26 of 27	
	Proportion of waste disclosure estimated	17%	0%	0%	0%	48%	0%	0%	1%	1%	0%	18%	0%

EPRA sustainability intensity measures

Environmental intensities		2018	2019
Energy (kWh/m ² /year)	Building energy intensity (like-for-like)	198.6	186.1
Greenhouse gas emissions (kg CO ₂ e/m ² /year)	GHG intensity from building energy (like-for-like)	12.0	10.4
Water (m ³ /m ² /year)	Building water intensity (like-for-like)	15.5	15.9

Building certifications

Building certifications - BREEAM	% of floor area 2019	Energy Performance Certificates (EU EPC)	% of floor area 2019
Excellent	4%	A	0%
Very Good	26%	B	6%
Good	14%	C	22%
Not certified	56%	D	10%
		E	20%
		F	7%
		G	15%
		No label	20%

Qualifying notes

Organisational boundaries, reporting period and coverage

All retail assets included in this report are within Eurocommercial's operational control; corporate offices and sold assets were excluded from the tables. Eurocommercial provided performance data for all indicators in the calendar years 2018 and 2019. Two Swedish assets are excluded from the like-for-like comparisons: C4 Shopping located in Kristianstad, as it was opened in Q4 2018 and 24 month data were therefore not available; Shopping centre Hallarna located in Halmstad, due to major renovations which impacted on at least 50% of the asset.

Energy consumptions

All electricity, fuel, district heating and cooling consumptions are landlord-obtained for common parts and services provided to tenants. For Wuluwe Shopping Centre, MoDo and Valbo district heating, cooling or electricity consumptions that are sub-metered and in control of tenants were included in the report. Like-for-like energy consumptions decreased (-6%) in 2019 compared to 2018, mainly due to retrofits, improved operational management and weather conditions. The proportion of electricity from renewable sources increased due to the installation of on-site solar panels and renewed contracts with electricity suppliers.

Greenhouse gases (GHG)

GHG emissions are reported as tonnes of CO₂ equivalent (t CO₂e). The Scope 3 emissions include landlord-obtained consumptions sub-metered to tenants as well as tenant-obtained energy consumptions. These tables do not include any business travel or supply chain emissions.

Emissions were calculated using location-based emission factors provided by local energy suppliers for 20 out of 32 assets. For the remaining 12 assets, local energy suppliers were not able to report conversion factors, hence DEFRA conversion factors were applied to convert energy consumptions into carbon emissions. Emissions were reported using the Greenhouse Gas Protocol and EPRA Sustainability Best Practices guidelines.

Water consumptions

Water consumptions represent water that is landlord-obtained and used for common areas and tenants. Water consumptions for shopping centres Carosello and Fiordaliso were relatively high, due to watering needs of green roofs and walls in dry summers. Like-for-like water consumptions decreased by 2% in 2019 compared to 2018. Water consumptions within Eurocommercial portfolio are obtained via municipal supplies.

Through in-depth analysis, errors were identified in the reported water data of previous reporting years. The reported water consumptions for shopping centre Cremona Po were adjusted in this ESG update report. For this reason, total water consumptions were lower compared to previous reporting years.

Waste management

All waste figures are reported by mass (metric tonnes), in line with EPRA Sustainability Best Practice Recommendations. Waste disposal companies provided waste data for 28 assets in 2019. Waste data for 2018 were estimated for Chasse Sud Gallery, Les Grands Hommes, MoDo and Moraberg based on 2019 information.

Intensity calculations

Data quality has improved during the reporting period. The match between nominators and denominators is now more accurate, and provides a better overview of the actual intensities. The numerators and denominators were determined asset-by-asset. For most assets, data were provided for whole building level (common areas and tenant consumptions) both tenant- and landlord-controlled. For these assets, the whole building size was used as a denominator. A few assets only reported common area consumptions; for these assets, the size of common parts was used as the denominator.

Eurocommercial acknowledges, as recommended in page 19 of the EPRA Sustainability Best Practices recommendations, that the intensity indicators may still be affected due to a mismatch between numerator and denominator in the methodology for calculating intensities. Please note that percentage figures may not add up to 100% due to rounding.

EPRA social & governance indicators

ALL EMPLOYEES		2019			2018		
Diversity - Emp 405-1	Employee Gender diversity (based on headcount)	Total	Male	Female	Total	Male	Female
	Board	4	4	-	4	4	-
	Management	6	4	2	6	5	1
	Staff	82	33	49	79	31	48
	Total numbers of employees	92	45%	55%	89	45%	55%
	Age group distribution (percentage)						
	Under 30 years old	10%			17%		
Diversity - Pay 405-2							
	Gender Pay Ratio		Male	Female		Male	Female
	Board		100%	—		100%	—
	Management		55%	45%		50%	50%
	Staff		64%	36%		66%	34%
	Employee training and development (based on headcount)		Male	Female		Male	Female
	Training hours per employee		15	17		11	5
Emp - Training 404 - 1	% of employees who received professional training		91%	78%		100%	100%
	% of employees who received ESG training		91%	78%		100%	100%
Emp - Dev 404-3	Employee performance appraisals						
	% of employees	100%			100%		
Emp - Turnover 401 - 1	New hires and Turnover (number)		New hires	Departures		New hires	Departures
	Male		2	1		4	1
	Female		3	1		5	3
	Total		5	2		9	4
	Employee turnover	2.2%			4.5%		
H&S - Emp 403 - 2	Employee Health & Safety						
	Workstation and / or workplace checks (%)	97%			96%		
	Absentee rate (%)	1.7%			1.7%		
	Injury rate (%)	0.0%			0.0%		
	Work - related fatalities (number)	0			0		
H&S - Asset 416 - 1	Asset health and safety assessments						
	Health & Safety - assessments (in % of assets)	100%			100%		
H&S - Comp 416 - 2	Asset health and safety compliance (number of incidents)						
	Health & Safety - incidents	0			0		
Comty - Eng 413-1	Community engagement, impact assessments and development programmes						
	Community engagement programmes in place (in % of assets)	100%			100%		

Qualifying notes

Organisational boundaries, reporting period and coverage

All employees that directly work for Eurocommercial properties in the Netherlands, United Kingdom, Sweden, Italy, France and Belgium were included in these figures. Eurocommercial provided performance data for the calendar years 2018 and 2019 for all social and governance indicators.

Gender pay ratio

The gender pay ratio as reported in the table is the ratio of the base salary and remuneration of men to women in the mentioned employee categories. Base salary represents the salary excluding additional remuneration such as bonuses, share options or overtime pay. Please note that Eurocommercial only employed 92 persons at the end of 2019. Therefore, it is not possible to disclose more detailed information on gender pay ratio, due to the limited number of employees with the same function and experience within the organization.



EPRA social & governance indicators

ALL EMPLOYEES

Gov - Board 102-22	Composition of highest governance body	
	Number of executive board members	4
	Number of independent board members (Supervisory Board)	6
	Average tenure of all board members	12 years
	Number of independent board members with competencies relating to environmental and social topics.	1
Gov - Selec 102-25	Process for nominating and selecting the highest governance body	The members of the Supervisory Board are appointed by the General Meeting of Shareholders from a binding nomination to be drawn up by the Supervisory Board. Relevant information is reported in the Annual Report 2018-2019 (see pages 62-64) .
Gov - Col 102-25	Process for managing conflicts of interest	For Eurocommercial it is very important that members of the Executive Board and Supervisory Board act independently. There have been no conflicts of interest with rules, regulations or the Dutch Corporate Governance Code in this reporting year. Relevant information is reported in the Annual Report 2018-2019 (page 63). The process for managing conflicts is included in the Rules and Regularions of the Supervisory Board and the Code of Conduct which can be found within the governance section on the corporate website.

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