

**MERCIALYS WAS AWARDED  
THE GRESB GREEN STAR STATUS  
FOR ITS FIRST PARTICIPATION**

**FIRST CSR CONVENTION  
WITH MERCIALYS' RETAILERS**

**FIRST EMPLOYEE SURVEY**



La caserne de Bonne, Grenoble

# 06

## CORPORATE SOCIAL RESPONSIBILITY PART

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## 6.1 **MERCIALYS' CORPORATE SOCIAL RESPONSIBILITY STRATEGY**

The Mercialys CSR strategy, MERY'21, is nurtured by dialog with the stakeholders and a rigorous identification of the most significant sustainable development issues. Its goal is to transform Mercialys into a player in the socio-ecological transition of the territory. It was adopted in 2015 and sets goals to be reached by 2020 for each one of the 15 selected projects. The strategy was launched operationally thanks to a dedicated organization and reporting and steering tools.

### 6.1.1 **Context and issues**

#### 6.1.1.1 **PRIORITY ISSUES**

In 2016, Mercialys performed its materiality analysis. This approach aims to prioritize sustainable development issues with regard to the priorities of the business and the expectations of its stakeholders. It identifies the "material" issues on which Mercialys can concentrate its CSR efforts.

This work has nurtured the construction of the MERY'21 strategy and also constitutes a basis for the establishment of CSR reporting, in accordance with the applicable norms and standards, particularly the Global Reporting Initiative.

Mercialys requested a panel of eight internal stakeholders and 25 external stakeholders, 21 of whom accepted to participate. The stakeholders requested and the respondents are representative of the Company's ecosystem: retailers, financiers, suppliers, industry organizations and local players.

The cross-analysis of the importance of the issue with regard to the activities and strategic goals of Mercialys (impacts from internal stakeholders) with the level of expectation of the stakeholders (impacts for the external stakeholders) has made it possible to build the materiality matrix shown below.

The four most material issues for Mercialys, meaning those identified as the most significant both for the external stakeholders and also for the business, are the following:

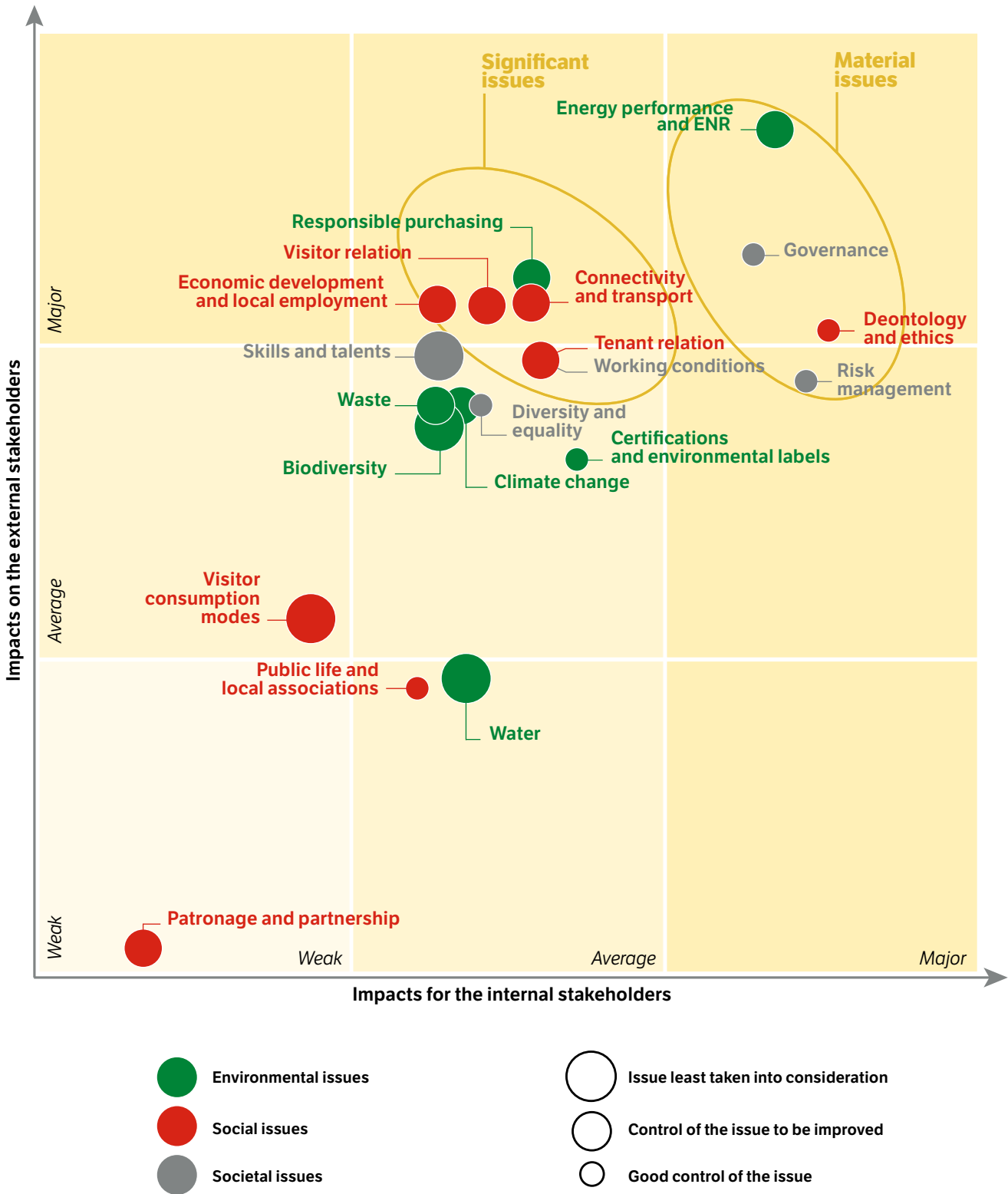
- energy performance and renewable energy
- governance
- deontology and ethics
- risk management

The following six issues have also been specified as significant by all of the stakeholders:

- responsible purchasing
- connectivity and transport
- visitor relations
- tenant relations
- working conditions
- economic development and local employment

The materiality analysis is subject to regular updates, based on the evolution of stakeholders' expectations and Mercialys' operations.

Mercialys' materiality matrix



Note: control of the issue has been evaluated according to a score given from 1 to 3 and the significance of the issue according to a scale of 1 to 5.



### 6.1.1.2 STAKEHOLDERS AND FORMS OF DIALOGUE

Mercialys maintains regular dialog with all its stakeholders, whether tenants, customers, service providers or suppliers, local players (local associations and authorities), investors and the financial community as well as professional organizations (the French Federation of Real Estate and Property Companies, the French Council of Shopping Centers and the European Public Real Estate Association). Sudeco, the company to which Mercialys has entrusted the property management of its shopping centers,

and Casino Group, to which it delegates, via a service provision agreement, some support functions necessary for its operations, are also two of the main partners.

This dialogue enables Mercialys to address the increasing demands of its stakeholders in terms of the transparency, accuracy and comparability of non-financial information. It is also an opportunity to strengthen the credibility of its actions, to create useful partnerships and, more generally, to adopt a process of innovation and continuous improvement.

Below is a table summarizing Mercialys' various stakeholders and detailing the forms of dialogue that the Company uses with each of them.

Stakeholder	Main CSR issues	Forms of dialogue
<b>Visitors</b>	Listening and dialog Customer reviews Customer satisfaction Loyalty Comfort and safety	Websites Facebook pages Twitter Loyalty challenge (Challenge Fidélité) Satisfaction barometer Operational excellence Local press communications
<b>Retailers</b>	Sales performance Appeal/standing out Building loyalty Environmental collaboration	Retailers' meeting Green committees Project visits Le Mag (external communication support) Retailer events Trade fairs Salesforce (CRM tool)
<b>Investors</b>	Financial performance Business ethics	Roadshows Site visits Le Mag Financial information review Registration documents Press communications
<b>Local authorities</b>	Project environmental performance Economical contribution	Departmental Commission of Commercial Development ("CDAC") Half-year financial report
<b>Organizations Professional</b>	Sharing of best practices	Participation in the commissions ("CNCC, FSIF") Participation in governance
<b>Employees</b>	Involvement Building loyalty Commitment Diversity/discrimination Employee dialogue Raising CSR awareness	Breakfast meetings with Management Dialogue (internal communication support) Merynews (internal communication support) Mery & Co (internal communication support) Le Mag Annual plenary Financial information review Integration pathway Welcome booklet Employee survey
<b>Associations</b>	Solidarity Support	Website Partnership
<b>Service providers and suppliers</b>	Quality of services Responsible purchasing	Tenders

## 6.1.2 Strategy and goals

The material and significant issues identified in the materiality matrix may be linked to legal or financial responsibility (ethics, risk, etc.), social or environmental responsibility (waste, health and safety, etc.) or finally to extended social responsibility (mobility, accessibility, etc.). Thanks to its two priorities, the MERY'21 CSR strategy aims to support the objectives relating to both these forms of responsibility. The issues of governance, ethics, and risk management are cross-functional and supported by several Mercialys roles and businesses.
















For Mercialys, 2016 was the year MERY'21 was first launched. It is an essential step in the transformation of Mercialys into a player in the socio-ecological transition of the territory. The conviction behind the creation of this strategy was that shopping centers can and should become both a place for social interaction and a site for

commercial activities. Starting from the observation that a shopping center acts as an engine for growth in the area where it is present, Mercialys aims to assume this role and restore shopping centers to their rightful place.

A twofold approach involving responsibility and innovation determined the strategic options:

- Responsibility is the cornerstone of the strategy and this solidifies all of the historical strengths of Mercialys and the level of compliance that all the stakeholders expect from the property company.
- Innovation helps sustain the relationship with other involved parties such as merchants, consumers and local authorities to facilitate changes in use, promote new spaces for consumption and greater responsibility.

### Goals of the MERY'21 strategy

	Projects	2020 objective
<b>PRIORITY 1: A responsible company</b>		
	Certification of centers	Advance by one grade the certification level of all of our centers
	Energy	20% less energy consumption per m <sup>2</sup> compared to 2015
	Climate change	20% fewer greenhouse gas emissions per visitor compared to 2015
	Water	15% less water consumption compared to 2015
	Waste	55% more waste recycled compared to 2015
	Biodiversity	Being involved in the protection of ordinary biodiversity
	Employees	Improving employee commitment levels
	Health and Safety of consumers and retailers	Ensuring 100% of the centers with high-level risk management
	Responsible purchasing	Ensuring 80% of the contracts over Euro 10 thousand have responsible clauses
	Responsible investments	Become an ISR benchmark
<b>PRIORITY 2: Active sites in urban areas</b>		
	Connection and mobility	Increasing by 15% the number of visitors arriving by means of transport other than by gasoline-propelled car compared to 2015
	Local economic development	Contributing to local economic development
	Accessibility for everyone	80% of visitors having a positive perception of the accessibility of our centers
	Public life and citizenship	Being a facilitator of Living Together ("Vivre Ensemble")
	Engaged and alternative consumption	15% more leases for these new forms of consumption compared to 2015

## 6.1.3 Organization and steering

### 6.1.3.1 OUR ORGANIZATION

Given that CSR is at the heart of Mercialys' corporate plan, the teams responsible for these subjects have been combined with one of Mercialys' business units, namely marketing and communication, which reports to the Deputy Executive Management. This organization ensures that decisions are taken in compliance with corporate strategy. In 2016, in order to strengthen the synergies, the CSR teams had recurring involvement in the Management Committee, in order to review the implementation of the CSR strategy.

Additionally, to insure operational launch of the CSR actions and production of the reporting, the CSR team has relied on a network of associates distributed throughout all of the departments of the Company and the support and operating functions.



### 6.1.3.2 OUR TOOLS

In order to monitor and manage the CSR strategy and in particular the key performance indicators associated with each of the 15 strategic projects, a dedicated tool, MERY CSR, was launched. It helps to facilitate data collection and underpin the reliability of indicators calculated. It therefore serves to strengthen the reliability of the non-financial reporting.

This tool also enables the implementation of Mercialys' CSR strategy to be managed and monitored. Thus, the CSR performance of the various sites in the Mercialys real estate portfolio are monitored with regard to the objectives described above.

Upstream of the tool's implementation phase, workshops were organized with future users. These exchanges have helped to identify the specific needs and issues of future contributors and to formalize specifications as close as possible to expectations.

Once the tool had been developed, regional training sessions were delivered by the CSR team in order to support users in "taking ownership" of the tool and in handling the various functionalities.

## 6.1.4 2016 Achievements

Mercialys' CSR strategy covers all issues connected to the activities of the business. The action plan envisages the implementation of concrete activities for each of the 15 projects covered by the strategy during the period from 2016 to 2020.

The actions below constitute the first achievements of the strategy and illustrate the desire of Mercialys to be listening to all of its stakeholders.

### 6.1.4.1 EMPLOYEE SURVEY

In 2016, Mercialys conducted a survey among its employees. With an 81% response rate, this first survey gave Mercialys a picture of the social issues in the business. Based on the conclusions of the survey, an action plan was devised jointly with the teams and

its implementation began at the end of 2016 and will continue throughout 2017.

This survey will be conducted every two years in order to monitor the implementation of its actions and the progress of the results.

### 6.1.4.2 ESG SURVEYS

In 2016, Mercialys responded to the GRESB (Global Real Estate Sustainability Benchmark) survey for the first time. The responses supplied on the survey make it possible for investors to assess ESG performance (Environment, Social, Governance) of a portfolio of real estate assets. Following its first participation, Mercialys was ranked second in the Retail France category and obtained the "Green Star" status.

Mercialys is also continuing its efforts by way of responses to non-financial rating agencies. In 2016, Mercialys was evaluated by Vigeo-Eiris, Sustainalytics and Ethifinance.

#### 6.1.4.3 CSR STRATEGY STEERING TOOLS

Mercialys has continued its investments in CSR steering, leadership and awareness raising. 2016 was the first year of full launching and increasing the reliability of the data via the MERY CSR tool. Workshops and training sessions were organized throughout the year to favor better adoption of the tools and improve the tool (MERY CSR).

#### 6.1.4.4 RETAILER CSR CONVENTION

For the first time, Mercialys hosted a convention in 2016 bringing together CSR and sustainable development managers from about thirty retailers nationwide with the goal of identifying their main issues and aligning their actions with those of Mercialys in the shopping centers. This approach falls within the scope of a dynamic of long-term cooperation and will be monitored by working together on specific projects, especially on waste in 2017.

## 6.2 ACTIVE SITES IN URBAN AREAS

The stakeholders are at the core of the CSR strategy of Mercialys because it is through dialog and partnership that the Company will become a player in the socio-economic transition of the territories.

Mercialys serves the retail chains and also the visitors to the centers. To serve its two types of customer, the Company uses

several categories of suppliers and service providers. To attract and retain its customers with the right value proposition, Mercialys interacts and collaborates with all of the local players, public and associations.

### 6.2.1 Customers

As a shopping center owner, Mercialys has two types of customer:

- “direct customers”: retailers who lease premises or locations in its shopping centers;
- “indirect customers”: shopping center visitors, retailers’ customers.

#### 6.2.1.1 RETAILERS

In order to improve the overall environmental performance of its shopping centers, Mercialys wishes to involve its tenants in its approach. This is why, in 2013, it signed its first environmental appendices to the lease, which have since been made standard for all new contract signatures, from the very first m<sup>2</sup>.

**In 2016, 132 new environmental appendices were signed.**

In order to bolster this partnership dynamic, in 2016 Mercialys organized its first Retailer CSR Convention. In partnership with the French “*Club Génération Responsable*”, a club for retailers committed to CSR, this convention’s purpose was to understand the difficulties that retailers encounter in launching their CSR strategy in shopping centers.

The CSR and sustainable development managers from national retailers such as Beaumanoir, Sephora, L’Occitane, Eram, McDonald’s, etc, were present and actively participated in workshops and debates. Three themes, energy performance, waste management and transports were studied in specific work sessions, aimed at identifying common improvement actions.

#### 6.2.1.2 VISITORS

##### Customer satisfaction

Customer satisfaction is at the heart of Mercialys’ business. Indeed, visit frequency and customer loyalty are the basis of asset performance.

Mercialys regularly conducts an annual customer satisfaction survey. This qualitative and quantitative survey enables it to measure the level of customer satisfaction, to better understand their expectations in terms of offers and services, and to assess the reputation and appeal of the shopping center compared to its competitors.

57% of Mercialys’ real estate assets (in portfolio value) have been part of a satisfaction survey for the past two years. The average score for Mercialys shopping centers is 7.4 out of 10, an improvement of 4% compared to the previous edition.

In addition, customers can also interact with Mercialys shopping center management via the shopping center websites or Facebook pages.

##### Customer awareness-raising campaigns

Mercialys uses various channels to make customers to its shopping centers aware of sustainable development issues:

- news is posted online on the shopping centers’ website to provide information on certain actions undertaken;
- messages are broadcast via media screens and/or noticeboards located in the shopping centers;
- *ad hoc* events are organized in the shopping centers, tied in with environmental or societal themes.



## 6.2.2 Suppliers and service providers

Mercialys calls upon many economic players to manage and build its shopping centers: real estate managers, project managers, architects, communication agencies, real estate experts, land surveyors, etc.

Its purchasing therefore has a major societal impact, due to the amount of purchasing, its ongoing nature and the diversity of business sectors concerned.

Mercialys' purchasing policy is structured around the following four requirements:

- quality;
- cost reduction;
- innovation;
- CSR integration, beginning with regulatory compliance.

The following major purchasing ranges can be found in shopping centers:

- fluids purchases (energy and water);
- maintenance services purchases;
- safety-related purchases;
- cleaning service purchases;
- waste removal and treatment purchases;
- purchases related to the upkeep of green spaces.

As contractor or sponsor, Mercialys is in a position to influence its service providers so as to direct them towards better consideration of social and environmental issues. Gradually, the company is making tender offers. This is why the maintenance contract for the green spaces now envisages the implementation of a limited pesticide use approach (*zéro phyto*) while the service providers responsible for waste management must report monthly on the sorting of waste and propose an annual progress plan.

## 6.2.3 Local Players

### 6.2.3.1 ASSOCIATIONS

Mercialys shopping centers regularly host sporting and charitable associations for fundraising initiatives, promotional campaigns and awareness-raising.

Mercialys has been a partner of Doctors of the World since 2015. **In 2016, 45 shopping centers from Mercialys' real estate portfolio took part in the operation which recruited over 1,000 donors.**

Lastly, Mercialys' support for the local associations' network was displayed through the Maison des Associations, set up at the following shopping centers: La Galerie Niort, La Galerie Nacarat and La Galerie Le Phare de Europe. These spaces, located within open-air galleries, are made available free of charge to associations. Associations can use them to host meetings and fundraising events, recruit new volunteers, and tell customers about their activities, etc.

### 6.2.3.2 COMMUNITIES

Public authorities are stakeholders with whom there is dialog at all stages of a real estate project:

- upstream, in order to determine jointly how to stimulate the local area while minimizing the project's environmental impact;
- during asset management, in order to support local employment or any initiatives that could be taken up by public authorities;
- during an extension or renovation project, in order to determine jointly how to strengthen the commercial hub without increasing considerably its environmental footprint.

## 6.3 A RESPONSIBLE COMPANY: CONTROLLING ENVIRONMENTAL IMPACTS

Risk management and controlling environmental impacts constitute the cornerstones of the CSR strategy. The management of real estate and environmental risks is a regulatory imperative for which Mercialis employs all means necessary in order to be in

compliance. Controlling environmental impacts is a strategic goal for which Mercialis manages and monitors its performance on each component of the environment (waste, water, energy, climate, etc.) and puts action and progress plans in place.

### 6.3.1 Management of real estate risks

#### 6.3.1.1 SAFETY AND SECURITY

##### Asbestos

Asbestos represents a health risk for all people who might be exposed to it.

Asbestos risk is managed by the Sudeco teams, responsible for the property management of the Mercialis centers. Therefore, in accordance with the regulations, in the event of detection of asbestos materials:

- If the condition of the materials makes it possible to keep them on the asset, tests are performed regularly in order to check that no additional degrading has occurred;
- if the materials need to be removed, removal is performed by authorized service providers and the waste is sent through dedicated channels.

Mercialis has a virtual database that houses all of the technical files (*Dossiers Techniques Amiante – DTA*). In accordance with the regulations, these DTA are updated in the event of asset disposal.

Furthermore, Mercialis uses all opportunities (renovation work, changes of tenant, etc.) to carry out asbestos removal work.

##### Legionnaires' disease

Legionnaires' disease is caught by inhaling water vapor containing bacteria suspended in the air. The facilities considered to be at risk at a shopping center are therefore the air cooling towers.

Mercialis pays particular attention to this risk: internal procedures stricter than current regulations have been put in place (frequency of measurements and selected alert threshold). The slightest suspicion is thus detected and managed immediately.

In 2016, no air cooling towers at Mercialis shopping centers exceeded the regulatory warning threshold.

Additionally, Mercialis is trying to eliminate this risk permanently by gradually replacing its air cooling towers.

##### Natural and seismic risks

In accordance with regulations, Mercialis appends a natural, mining and technological risk statement (*État des Risques Naturels, Miniers et Technologiques – ERNMT*) to all of its leases for the areas affected by these risks.

##### Accessibility

Pursuant to the French law of February 11, 2005:

- all of Mercialis' properties have been assessed for accessibility;
- all new projects comply with disability regulations.

Given that it was not possible to cover certain sites within the prescribed time frames (voting at General Meeting or technically not possible), all sites needing it were subject to a scheduled accessibility appointment (*Agendas d'Accessibilité Programmés – Ad'AP*) filing.

#### 6.3.1.2 ENVIRONMENTAL RISKS

Environmental risks relate to the possibility of widespread pollution or of an accident likely to have an impact on the environment. Preventing these risks is a key component of shopping centers management priorities. For Mercialis, the main risks relate to the operation of certain technical facilities in common areas and to the activities of certain retailers that may present a risk of pollution. Mercialis' risk management policy includes prevention measures and procedures to manage exceptional events.

##### ICPE sites

Certain technical facilities in common areas of the shopping centers, due to the power or the type of discharges involved, may also be subject to rules governing *Installations Classées pour la Protection de l'Environnement* (ICPE) (installations classified for environmental protection). In the commercial real estate sector, this regulation applies, in particular, to air-conditioning units and cooling towers, due to the risk of explosion and contamination by Legionnaires' disease.

Sudeco, the company in charge of property management at Mercialis shopping centers, ensures that the facilities comply with the regulations. Mercialis checks that all shopping centers concerned are in possession of the permits or declarations required to operate these facilities.

##### Risk of oil pollution

Some of the assets belonging to Mercialis host potentially polluting activities, including fuel distribution stations (service stations).

To have a comprehensive overview of the risk to the environment posed by these facilities, we regularly investigate the quality of the soil and groundwater directly below these service stations. This

gave rise to a status report on “polluted sites and soil” for all of Mercialys metropolitan real estate assets. To ensure these maps are updated, the quality of underground water is measured annually.

## 6.3.2 Reduction of the environmental footprint

### 6.3.2.1 ENVIRONMENTAL CERTIFICATION

To improve the environmental performance of its projects and real estate assets, Mercialys has embarked upon an environmental certification process. The BREEAM assessment method was chosen to this end, as it is the benchmark for commercial real estate companies.

#### BREEAM In - Use

The Breeam In - Use certification is a valuable tool for the teams due to its comprehensive benchmarking (nine thematic areas monitored), its relevance to the shopping centers and its level of requirements. It enables framing a virtuous circle of continuous improvement and competitive spirit, and for the external stakeholders assessing the environmental quality of the operation of the Mercialys shopping centers.

Since 2014, Mercialys has embarked upon a gradual certification of the operation of its assets. As of December 31, 2016, five Mercialys assets have been Breeam In - Use certified with a rating of *Outstanding* on the part Operating the standard (priority 2).

	Number of BREEAM In - Use certified centers at the Outstanding level	Coverage rate by asset value
2016 Current scope	5	26%

The Galerie Géant Pessac, held jointly by Union Investment and Mercialys is also certified Breeam In-Use at the *Outstanding* level.

#### BREEAM CONSTRUCTION

Mercialys is also adopting the BREEAM certification for its new construction. Thus, in 2016, the expanded and renovated La Galerie Espaces Fenouillet shopping center was certified *Excellent* in the Design Stage phase.

### 6.3.2.2 ENERGY PERFORMANCE

Energy efficiency is a major concern for Mercialys. It allows Mercialys to reduce the environmental footprint of its shopping centers and also protects its tenants from changing energy prices.

#### Managing energy performance during construction

The design and construction phases are critical to reducing the energy consumption of a building. This involves following bio-climatic architecture principles to reflect or even take advantage of natural elements (such as wind or sun) to reduce the building's energy requirements, particularly by encouraging natural lighting or enhancing its insulation.

These principles are summarized in the architectural design guide given to architects and project managers commissioned by Mercialys.

#### Managing energy performance during operations

Mercialys is also working to reduce the energy consumption of its properties in use. Thus on a like-for-like basis, Mercialys reduced the energy consumption of its centers by 2% between 2015 and 2016.

As of December 31, 2016, Mercialys' real estate assets consumed about 63,959 MWh of energy, *i.e.* equivalent to the annual electricity consumption of 13,687 French households.<sup>(1)</sup>

(1) Source: French Energy Regulatory Commission – 2015.

73% of the energy consumed by Mercialys' shopping centers is electricity (see the table below).

### Energy consumption by energy type

	Total energy consumption (in kWh)	Energy consumption (in kWh)	Gas consumption (in kWh)	Urban heat consumption (in kWh)	Coverage rate by asset value	Scope (in number of assets)
2015 Current scope	72,600,161	51,780,758	19,436,403	1,383,000	91%	56/60
2015 Like-for-like	65,230,307	46,707,861	17,139,446	1,383,000	86%	53/59
<b>2016 Current scope</b>	<b>63,958,983</b>	<b>46,548,649</b>	<b>15,948,334</b>	<b>1,462,000</b>	<b>82%</b>	<b>54/59</b>
<b>2016 Like-for-like</b>	<b>63,881,427</b>	<b>46,473,461</b>	<b>15,945,966</b>	<b>1,462,000</b>	<b>82%</b>	<b>53/59</b>
<b>Change 2016/2015</b>	<b>-2%</b>					

The consumption of fuel oil has not been filled in because it is minimal. It only concerns the supply from generators likely to function in the event of a breakdown of the facilities.

### Energy consumption

	Total energy consumption (in kWh)	Coverage rate by asset value	Scope (in number of assets)
2015 Current scope	72,600,161	91%	56/60
2015 Like-for-like	65,230,307	86%	53/59
<b>2016 Current scope</b>	<b>63,958,983</b>	<b>82%</b>	<b>54/59</b>
<b>2016 Like-for-like</b>	<b>63,881,427</b>	<b>82%</b>	<b>53/59</b>
<b>Change 2016/2015</b>	<b>-2%</b>		

Mercialys' average energy intensity is 188 kWh/m<sup>2</sup>/year, corresponding to class D of the energy performance certificate (DPE) for shopping centers.

Mercialys reduced its energy intensity per unit area by 4% on a like-for-like basis between 2015 and 2016 and 5% in terms of its intensity of energy use, expressed in kWh per visitor.

### Energy intensity per m<sup>2</sup>

	Surface energy intensity (in kWh/m <sup>2</sup> )	Coverage rate by asset value	Scope (in number of assets)
2015 Current scope	183	84%	49/60
2015 Like-for-like	178	79%	46/60
<b>2016 Current scope</b>	<b>188</b>	<b>82%</b>	<b>54/59</b>
<b>2016 Like-for-like</b>	<b>170</b>	<b>75%</b>	<b>46/59</b>
<b>Change 2016/2015</b>	<b>-4%</b>		

### Energy intensity per visitor

	Energy intensity per visitor (in kWh/visitor)	Coverage rate by asset value	Scope (in number of assets)
2015 Current scope	0.38	77%	32/60
2015 Like-for-like	0.42	76%	31/60
<b>2016 Current scope</b>	<b>0.40</b>	<b>72%</b>	<b>31/59</b>
<b>2016 Like-for-like</b>	<b>0.40</b>	<b>72%</b>	<b>31/59</b>
<b>Change 2016/2015</b>	<b>-5%</b>		

### Energy consumption of the tenants

In order to have a vision on the energy performance of the large food stores which it acquired in 2014, 2015 and 2016 in order to transform them, Mercialis began collecting private data in 2016.

	Total energy consumption (in kWh)	Energy consumption (in kWh)	Gas consumption (in kWh)	Scope (in number of assets)
<b>2016 Current scope</b>	<b>77,910,421</b>	<b>70,636,790</b>	<b>7,273,631</b>	<b>18</b>

### Renewable energy

Mercialis promotes the development of renewable energies by installing photovoltaic shading in its parking lots and rooftop solar installations in collaboration with GreenYellow.

Mercialis has 39 photovoltaic power facilities on its properties. The photovoltaic shading in the parking areas also enhances customer comfort, as it protects them from the sun and rain.

As of December 31, 2015, 82% of energy consumption within Mercialis' current scope was offset by renewable energy from generating plants installed on its real estate assets. On a like-for-like basis, the production of renewable energy increased by 11% between 2015 and 2016.

### Renewable energy

	Number of plants	Total power (in peak kWh)	Production (in kWh)	Total area of solar panels (in sq.m)	Scope (in number of assets)
2015 Like-for-like	32	43,369	47,315,896	216,101	20
<b>2016 Current scope</b>	<b>39</b>	<b>43,432</b>	<b>52,718,655</b>	<b>216,489</b>	<b>27</b>
<b>2016 Like-for-like</b>	<b>32</b>	<b>43,369</b>	<b>52,496,468</b>	<b>216,101</b>	<b>20</b>
<b>Change 2016/2015</b>			<b>+11%</b>		

To increase the general public's awareness of energy issues, real-time production is displayed at each of the shopping centers.

### 6.3.2.4 CIRCULAR ECONOMY

Three types of waste are generated by Mercialis' shopping centers:

- construction site waste, associated with building or renovating the shopping centers;
- waste from visitors to the shopping centers;
- operating waste from the retail tenants of Mercialis.

Aware of the challenges associated with recycling waste, Mercialis is striving to increase awareness of this issue among teams working on construction sites, and among its employees and tenants.

#### Construction waste

In France, around 78% of all construction waste by volume comes from business activities<sup>(1)</sup>. Construction site waste is therefore a significant concern.

Therefore, upstream of projects, Mercialis provides project managers working on its construction sites with a guide on how to "manage waste from demolition, recycling and rubble/filling" to ensure that best environmental practices are applied. This guide helps them learn the best way to reuse waste from demolition sites.

In addition, a low environmental impact construction site charter requiring the selective sorting of waste at construction sites is appended to work contracts. It also comprises a certain number of obligations that construction companies must fulfil in order to reduce the disturbances related to the site (scheduling tasks that generate high levels of noise disturbance, limiting dust and dirt, limiting machinery noise, etc.).

#### Operational waste

In the shopping centers, the waste generated is directly linked to the packaging of products sold by the retailers and their logistical operations.

Thence, for Mercialis, beyond the quantities produced, the main challenge lies in recycling such waste. In fact, today's waste is tomorrow's resources. For a property company, the complexity of this challenge lies in "the behavioral component": waste from retailers is placed in dedicated areas and trash cans. Recycling is therefore dependent on the way the retailers sort their waste.

In addition to reducing the impact of their business activities on the environment, retailers can also benefit economically from recycling waste. In fact, cardboard, plastic and other recyclable materials are bought by services providers in order to resell them as secondary raw materials. By improving the way it sorts its waste, a shopping center can therefore reduce the cost of removing and processing such waste.

(1) Source: Ademe – Key figures for waste – 2015 edition.



Mercialys' responsibility for its waste is twofold:

- first, it needs to provide appropriate space, equipment and processing channels for both its tenants and visitors to the shopping centers;
- second, it needs to raise awareness and encourage retailers to better sort their waste.

Within the current scope, Mercialys' properties generated 6,695 metric tons of waste in 2016. This represents an average of 159 metric tons of waste for each shopping center.

79% of the waste produced by the properties is made up of non-hazardous industrial waste, 20% is cardboard and less than 0.6% is plastic and compostable materials.

### Tonnage of waste

	Quantity of waste (in metric tons)	Non-hazardous waste (in metric tons)	Cardboard (in metric tons)	Plastic (in metric tons)	Compostable materials (in metric tons)	Coverage rate by asset value	Scope (in number of assets)
2015 Current scope	6,528	5,142	1,344	20	22	84%	46/60
2015 Like-for-like	6,202	4,905	1,255	20	22	77%	41/60
<b>2016 Current scope</b>	<b>6,695</b>	<b>5,324</b>	<b>1,330</b>	<b>24</b>	<b>17</b>	<b>75%</b>	<b>42/59</b>
<b>2016 Like-for-like</b>	<b>6,623</b>	<b>5,252</b>	<b>1,330</b>	<b>24</b>	<b>17</b>	<b>73%</b>	<b>41/59</b>

20% of this waste was recycled in 2016. On a like-for-like basis, the recovery rate remained stable between 2015 and 2016.

### Recycling rate

	Quantity of waste (in metric tons)	Recycling rate	Coverage rate by asset value	Scope (in number of assets)
2015 Current scope	6,528	21%	84%	49/60
2015 Like-for-like	6,202	21%	77%	41/60
<b>2016 Current scope</b>	<b>6,695</b>	<b>20%</b>	<b>75%</b>	<b>42/59</b>
<b>2016 Like-for-like</b>	<b>6,623</b>	<b>21%</b>	<b>73%</b>	<b>41/59</b>

### 6.3.2.5 WATER MANAGEMENT

#### Water consumption

Since the Company's assets are not located in areas subject to water stress and the Company's business does not consume excessive amounts of water, this is not a material issue for Mercialys. In 2016, 134,207 m<sup>3</sup> of water have been used on 75% of Mercialys' properties (in value). On a like-for-like basis, water consumption has slightly increased in 2016 versus 2015 (+1%).

Nevertheless, in order to reduce its environmental footprint, Mercialys is working to reduce water consumption in its shopping centers. Its actions can be seen in the introduction of water-saving equipment (dry urinals, pressure reducers, dual-flush systems, etc.) in the bathroom facilities in the centers, as well as regular monitoring of consumption carried out by the teams. Rainwater storage tanks are also used to provide water to the toilet facilities and water the green areas, thereby reducing the water used for such purposes. Finally, consideration of the types of plant species chosen by landscapers in the projects also reduces the need for watering the green spaces in the shopping centers.

### Water consumption

	Water consumption (in m <sup>3</sup> )	Coverage rate by asset value	Scope (in number of assets)
2015 Current scope	137,064	84%	49/60
2015 Like-for-like	130,563	75%	44/60
<b>2016 Current scope</b>	<b>134,207</b>	<b>75%</b>	<b>48/59</b>
<b>2016 Like-for-like</b>	<b>130,703</b>	<b>72%</b>	<b>44/59</b>
<b>Change 2016/2015</b>	<b>+1%</b>		

## Water intensity per visitor

	Water intensity (in L/visitor)	Coverage rate by asset value	Scope (in number of assets)
2015 Current scope	1.10	71%	28/60
2015 Like-for-like	1.20	66%	26/60
<b>2016 Current scope</b>	<b>1.17</b>	<b>66%</b>	<b>28/59</b>
<b>2016 Like-for-like</b>	<b>1.20</b>	<b>64%</b>	<b>26/59</b>

## Water quality

Mercialys also pays close attention to the quality of the water it discharges, in order to preserve aquatic resources and the ecosystems that depend on them. The majority of Mercialis shopping centers are equipped with oil separators to treat water before it is discharged into the network.

In addition, to ensure the high quality of water discharged, the Company is progressively signing discharge agreements with water utility companies. These agreements provide, in particular, for the regular monitoring of physical and chemical quality of water discharged into the network.

For Mercialis, preserving biodiversity is not limited to “out-of-the-ordinary” species. For this reason, the Company aims to become a protector of “urban” and “ordinary” biodiversity. Thus, Mercialis’ commitment to protecting biodiversity is mainly manifested through the maintenance of green spaces in its shopping centers.

After conducting environmental audits on certain centers it owns, Mercialis amended the maintenance agreements for the green spaces in order to:

- put in place a “zero phytosanitary products” policy;
- fight against invasive species that harm native biodiversity by disturbing and destroying it;
- promote the use of indigenous species to limit the need for external intervention.

## 6.3.2.6 BIODIVERSITY

The impact of Mercialis on biodiversity is limited as most of its assets are located in urban or semi-urban areas.

## 6.3.3 Combatting climate change

Climate change is a major challenge for the real estate sector:

- some shopping centers may need to put in place adjustment measures to climate change that could have a significant economic impact (flooding, extreme heat, etc.);
- shopping center operations must adjust to these changes (outside temperature, recurrence of exceptional events, etc.).

In 2016, the carbon footprint of Mercialis’ activities including the emissions associated with energy consumption, refrigerant leaks and visitors travelling is 346,538 equivalent tons of CO<sub>2</sub>. Nearly 97% of emissions are the result of visitors travelling to the shopping centers.

## Greenhouse gas emissions Scope 1 and 2

	Greenhouse gas emissions (in kg of equivalent CO <sub>2</sub> )	Direct emissions (in kg of equivalent CO <sub>2</sub> )	Indirect emissions (in kg of equivalent CO <sub>2</sub> )	Coverage rate by asset value	Scope (in number of assets)
2015 Current scope	9,908,043	4,005,984	5,902,059	87%	50/60
2015 Like-for-like	9,181,119	3,583,434	5,597,685	78%	50/60
<b>2016 Current scope</b>	<b>8,892,201</b>	<b>3,318,723</b>	<b>5,573,478</b>	<b>79%</b>	<b>51/59</b>
<b>2016 Like-for-like</b>	<b>8,887,253</b>	<b>3,318,286</b>	<b>5,568,967</b>	<b>78%</b>	<b>50/59</b>
<b>Change 2016/2015</b>	<b>-3%</b>				

In 2016, Mercialis developed an estimation methodology for greenhouse gas emissions related to visitors travelling to the center (scope 3 of the Carbon Assessment). This methodology

will be refined in 2017 in order to make it possible to guide the CSR strategy project “connection and mobility”.

### Greenhouse gas emissions (Scope 1, 2 and 3)

	Greenhouse gas emissions (in kg of equivalent CO <sub>2</sub> )	Coverage rate by asset value	Scope (in number of assets)
<b>2016 Current scope</b>	<b>346,538,113</b>	<b>79%</b>	<b>51/59</b>

Mercialys' average carbon intensity stands at 29.8 tonnes of CO<sub>2</sub> equivalent/sq.m, corresponding to class D of the energy performance certificate (DPE) for shopping centers. On a like-for-like basis, Mercialis reduced its carbon intensity per unit area by 3% between 2015 and 2016.

### Carbon intensity per m<sup>2</sup> (Scope 1 and 2)

	Surface carbon intensity (in equivalent kg of CO <sub>2</sub> /m <sup>2</sup> )	Coverage rate by asset value	Scope (in number of assets)
2015 Current scope	30.2	80%	46/60
2015 Like-for-like	31.0	71%	43/60
<b>2016 Current scope</b>	<b>29.8</b>	<b>79%</b>	<b>51/59</b>
<b>2016 Like-for-like</b>	<b>30.0</b>	<b>78%</b>	<b>50/59</b>
<b>Change 2016/2015</b>	<b>-3%</b>		

### Carbon intensity per visitor (Scope 1 and 2)

	Carbon intensity per visitor (in equivalent kg of CO <sub>2</sub> /visitor)	Coverage rate by asset value	Scope (in number of assets)
2015 Current scope	0.06	75%	31/60
2015 Like-for-like	0.06	69%	30/60
<b>2016 Current scope</b>	<b>0.10</b>	<b>67%</b>	<b>29/59</b>
<b>2016 Like-for-like</b>	<b>0.10</b>	<b>67%</b>	<b>29/59</b>

#### 6.3.3.1 GREENHOUSE GAS EMISSIONS RELATING TO VISITOR TRANSPORT

Changing the modes of transport used by visitors to travel to and from the centers is key to reducing Mercialis' carbon footprint.

By seeking to reduce its overall emissions of greenhouse gases, including Scope 3 emissions, Mercialis is setting itself an ambitious goal as it takes into account emissions for which it is not directly responsible and whose decrease mainly relies on changing the behavior of visitors to its shopping centers.

For this reason, the Company is focusing its efforts in two areas:

- **development of an innovative less carbon-intensive transportation offer**, in conjunction with local authorities and partnerships. Thus, in its car parking areas, Mercialis is providing special equipment:
  - bicycle shelters;
  - parking spaces reserved for people carpooling;
  - charging stations for electrical and hybrid vehicles.
- **promotion of the use of modes of transport that are more sustainable for the environment** for visitors and retailers at its shopping centers, including real-time display of bus timetables in the center, messages raising awareness on screens in the center, information on the shopping centers' website, etc.

### Greenhouse gas emissions related to visitor transportation

	Greenhouse gas emissions related to visitor transportation (in equivalent kg of CO <sub>2</sub> )	Coverage rate by asset value	Scope (in number of assets)
<b>2016 Current scope</b>	<b>364,178,000</b>	<b>82%</b>	<b>57/59</b>

In 2015, 11% of visitors to Mercialis shopping centers used “soft” modes of transport when visiting Mercialis’ shopping centers.

#### Mode of transport used by visitors

	Percentage of visitors using “soft methods”	Percentage of visitors using public transport	Coverage rate by asset value	Scope (in number of assets)
2015 Current scope	11%	7%	59%	16/60

Mercialys’ portfolio of shopping centers are generally well served by public transportation: 83% of the portfolio is located within 500 meters of a public transport stop and in the shopping centers, and visitors generally have a choice of three different lines.

#### Accessibility of the centers to public transport

	Part of the portfolio that is located less than 500 m from a public transport stop	Average number of transportation lines serving an asset	Scope (in number of assets)
<b>2016 Current scope</b>	<b>83%</b>	<b>3</b>	<b>52/59</b>

### 6.3.3.2 GREENHOUSE GAS EMISSIONS RELATING TO ENERGY CONSUMPTION

By working on reducing energy consumption, Mercialis also contributes to combating climate change by reducing associated greenhouse gas emissions. Thus on a like-for-like basis, Mercialis reduced its greenhouse gas emissions relating to the energy consumption of its centers by 3% between 2015 and 2016.

#### Greenhouse gas emissions relating to energy consumption

	Greenhouse gas emissions related to energy consumption (in equivalent kg of CO <sub>2</sub> )	Coverage rate by asset value	Scope (in number of assets)
2015 Current scope	9,672,707	91%	56/60
2015 Like-for-like	8,945,693	86%	53/60
<b>2016 Current scope</b>	<b>8,688,363</b>	<b>82%</b>	<b>54/59</b>
<b>2016 Like-for-like</b>	<b>8,683,416</b>	<b>82%</b>	<b>53/59</b>
<b>Change 2016/2015</b>	<b>-3%</b>		

### 6.3.3.3 GREENHOUSE GAS EMISSIONS RELATED TO LIQUID REFRIGERANTS

The air conditioning systems in Mercialis’ shopping centers work using refrigerants.

Due to their age and the fact that they operate under high pressure, these facilities can leak. Refrigerants leaking from air conditioning

systems release gases with a particularly high global warming potential.

In the current scope, such leaks have a minor contribution to the overall carbon footprint of Mercialis as the leakage rate is particularly low (3% in 2016).

## Greenhouse gas emissions related to refrigerant leaks

	Greenhouse gas emissions related to refrigerant leaks (in equivalent kg of CO <sub>2</sub> )	Coverage rate by asset value	Scope (in number of assets)
2015 Current scope	560,446	92%	57/60
2015 Like-for-like	560,446	87%	54/60
<b>2016 Current scope</b>	<b>410,898</b>	<b>83%</b>	<b>54/59</b>
<b>2016 Like-for-like</b>	<b>410,898</b>	<b>83%</b>	<b>54/59</b>
<b>Change 2016/2015</b>	<b>-27%</b>		

## Greenhouse gas emissions by liquid type

	Total greenhouse gas emissions related to refrigerant leaks (in equivalent kg of CO <sub>2</sub> )	R22 emissions (in equivalent kg of CO <sub>2</sub> )	R407C emissions (in equivalent kg of CO <sub>2</sub> )	R410A emissions (in equivalent kg of CO <sub>2</sub> )	RS 70 emissions (in equivalent kg of CO <sub>2</sub> )	Coverage rate by asset value	Scope (in number of assets)
2015 Current scope	560,446	25,320	155,616	319,500	60,010	92%	57/60
2015 Like-for-like	560,446	25,320	155,616	319,500	60,010	87%	54/60
<b>2016 Current scope</b>	<b>410,898</b>	<b>0</b>	<b>150,461</b>	<b>260,437</b>	<b>0</b>	<b>83%</b>	<b>54/59</b>
<b>2016 Like-for-like</b>	<b>410,898</b>	<b>0</b>	<b>150,461</b>	<b>260,437</b>	<b>0</b>	<b>83%</b>	<b>54/59</b>

### 6.3.3.4 ADAPTING TO THE EFFECTS OF CLIMATE CHANGE

There are numerous consequences of climate change, such as flooding, heavy snowfall and drought. Mercialys' portfolio is therefore exposed to a number of risks –such as destabilization of structures and pollution– that may eventually have a significant

economic impact, such as increasing insurance premiums, maintenance capital expenditure and reputational risks, for example.

Before each project, we systematically analyze historical climate events in order to optimize site design.



## 6.4 A RESPONSIBLE COMPANY: DEVELOP EMPLOYEE ENGAGEMENT

Growth and engagement of employees are sources of success and performance for the company. Also, Mercialys pays particular attention to detecting talent, training its workers and ensuring their wellbeing at work.

2016 was marked by the creation of an employee survey. The questions included cover a dozen different themes, such as perception of the work relationships, the management process, work-life balance and team cohesion.

The results of the survey were presented and shared with all of the workers who were divided into small groups. Following this presentation, a work discussion group also made it possible for the teams to identify actions that improve management practices as well as working conditions. The proposals were then consolidated to make an action plan which was presented and validated in the Mercialys Management Committee. The implementation of these actions began in 2016 and should continue in 2017. A new survey will be conducted in 2018 in order to measure the progress accomplished and to determine new progress priorities.

### 6.4.1 Employment

#### 6.4.1.1 EMPLOYEES

The staff at Mercialys continued to grow in 2016, especially under the effect of the launching of the Real Estate Academy (alternate contracts). The majority of the workforce (83%) at the Company have permanent contracts (CDI). Additionally, in 2016 Mercialys welcomed 12 interns.

##### Distribution of the workforce by type of work contract

	2016		2015		2014	
Staff with permanent employment contracts (CDI)	96	83%	91	96%	81	91%
Staff with temporary employment contracts (CDD)	20	17%	4	4%	8	9%
<b>TOTAL NUMBER OF EMPLOYEES</b>	<b>116</b>	<b>100%</b>	<b>95</b>	<b>100%</b>	<b>89</b>	<b>100%</b>

#### 6.4.1.2 ORGANIZATION OF WORKING HOURS

According to the status of the workers, there are two types of systems for organizing work hours:

- daily rate for managers;
- the weekly hour rate for supervisors and employees.

91% of Mercialys employees work full-time. Employees working part-time have requested to do so.

##### Distribution of the workforce by length of work

	2016		2015		2014	
Full-time staff	106	91%	85	90%	78	88%
Part-time staff	10	9%	10	10%	11	12%
<b>TOTAL OF EMPLOYEES</b>	<b>116</b>	<b>100%</b>	<b>95</b>	<b>100%</b>	<b>89</b>	<b>100%</b>

#### 6.4.1.3 STAFF TRENDS

In 2016, Mercialys recruited 42 workers

Additionally, 18 alternating employees joined the company in 2016.

Particular attention was afforded to integrating the new hires. The welcome booklet and the integration path were reviewed to adapt them to changes in the Company and its organization.

## Recruitment

	2016	2015	2014
New hires with permanent employment contracts (CDI)	23	26	34
New hires with temporary employment contracts (CDD)	19	3	8
<b>TOTAL NUMBER OF STAFF HIRED</b>	<b>42</b>	<b>29</b>	<b>42</b>

In 2016, during the setting up of a breeding ground for future center directors, the Real Estate Academy was created, in partnership with a training organization (IMSI). It makes it possible to train in the technical and commercial trades while preparing a Bachelor-level training.

Thus, in 2016, six external people and two Mercialys employees made up the first class of the Real Estate Academy.

Further, in 2016, in order to bolster the appeal of the Mercialys employer brand, it has been decided to improve the Company's visibility by increasing its presence on the professional social networks LinkedIn and JobTeaser.

## Departures

	2016	2015	2014
Economic redundancies	0	0	0
Redundancies for other reasons	4	8	8
<b>Total departures</b>	<b>21</b>	<b>15</b>	<b>8</b>

In 2016, 21 employees left the Company and the turnover in CDI was 16.06%.

## 6.4.2 Compensation

### 6.4.2.1 EMPLOYEES

To increase its appeal and retain its employees, Mercialys implements an attractive, incentive-based remuneration policy.

The remuneration of Mercialys employees is made up of a fixed salary and a variable component. The variable component represents up to 32% of the overall compensation and is correlated to the achievement of three types of targets:

- Mercialys' targets;
- individual targets, related to the performance of the worker evaluated by his/her manager;
- Managerial Attitudes and Behavior (ACM), the managerial behaviors and actions expected by the Company from each of its employees. The ACM was revised in 2016 to take into account the CSR dimension so that each worker will integrate it into his/her trade and daily life. They are now organized around the acronym "LIDERS": Leadership, Innovation, Decision, Commitment, Customer care, Social and Societal Responsibility.

### Changes in compensation

	2016	2015
Average annual increase for employees	1.0%	0.7%

In 2016, the average percentage increase stipulated by compulsory annual negotiations was 1%.

### 6.4.2.2 INCENTIVE PLANS

Mercialys employees benefit from an incentive plan.

Sums received from the company for the incentive and profit sharing plans can be placed in the Company savings plan (*Plan d'Épargne Entreprise* – PEE) or in the retirement savings plan (*Plan d'Épargne pour la Retraite Collectif* – PERCO), added to by the Company.

#### Incentive plans

Sum allocated to Mercialys Group employee incentive plans for 2016	Euro 61,182
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### 6.4.2.3 BONUS SHARES

Mercialys started a bonus share allocation plan in order to help retain its highest performing employees.

Thus, 42,464 shares were distributed free of charge in 2016.

For more details, refer to Section 12.4.4 of this Registration Document.

## 6.4.3 Skills development

### 6.4.3.1 GENERAL TRAINING POLICIES

#### General training policy

Mercialys' training policy is structured around two areas:

- development of skills and knowledge for employees;
- support for staff during the course of their career or profession.

To meet their needs, employees are invited to express their interest in training as part of their annual performance assessment, which includes a section on their professional development.

In 2016, 52% of employees attended one or more courses. On average, a trained Mercialys employee received 18 hours of training.

For employee training, Mercialys uses a training center that offers three types of training:

- specific face-to-face training for the various professions (real estate finance, commercial negotiation, *management*, etc.);
- cross-functional face-to-face training, which may be useful for all employees (communications, languages, etc.);
- training in *e-learning*.

#### Training

	2016	2015	2014
Total number of training hours	1,082	962	648
Average number of hours of training per employee	9.3	10.1	7.2
Average number of hours of training per employee trained over the course of the year	18		
Number of employees who benefited from training over the course of the year	60		
Budget allocated to training (in euros)	81,402		

In 2016, several specific training courses were designed and taught:

- a stock market ethics training course, provided by the Administrative and Financial Director to all employees;
- a complex negotiations training course, provided to the letting teams by the RAID trainers;
- a real estate expertise course, provided to the asset management teams.

To complete this system, a stock market ethics training course was provided by the Administrative and Financial Director to all employees in 2016.

#### Solidarity

The Company is committed to enabling displays of employee solidarity.

Thus, Mercialys employees can demonstrate their solidarity by "donating" holidays to colleagues who have a relative (young or old), whose health situation requires their constant presence. In 2016, 4 days' leave were donated in this way by employees of Mercialys under the scope of the "Help the Caretakers" program.

Mercialys employees are also invited to take part in the annual national Food Bank collection, by providing help to warehouse volunteers during the last weekend in November.

### 6.4.3.2 EMPLOYEE ENGAGEMENT

#### Ethics

Mercialys' Code of Business Conduct which is given to all new Company employees sets out the rules of conduct applicable to all persons carrying out their professional activities. It contains rules based on the law and ethics, including those preventing conflicts of interest and fighting against corruption. It is re-distributed annually to all workers as a reminder.

#### Solidarity

	2016	2015
Number of days given to the caretakers	4	5

## 6.4.4 Social dialog

Mercialys employees benefit from a collective agreement on employee dialogue. This defines the role of the various parties involved, determines how information and communication technologies are used and identifies the modus operandi of constructive employee dialogue.

On account of Mercialys' size, employee dialogue is conducted through staff representatives. Staff representatives are invited to monthly meetings to raise questions or to receive information from Management. In 2016, 18 meetings took place with staff representatives.

Mercialys employees are covered by 13 collective agreements. The following are the agreements:

- the framework agreement on professional training of March 11, 2005;
- the agreement on development modes of the day of solidarity of April 29, 2005 ;
- the Group agreement on Equal Opportunities, Diversity and Discrimination Prevention of October 14, 2005;
- the agreement on the Time Savings Plan (CET) of May 20, 2008;

- the agreement relating to the Group Savings Plan (PEG) of July 31, 2008;
- the agreement relating to the Collective Retirement Savings Plan (PERCO) of September 25, 2009;
- the agreement on health and safety in the workplace of December 8, 2010;
- the agreement on equality between men and women in the workplace of November 21, 2011;
- the agreement on employee dialog of 2012;
- the agreement on incentive and profit sharing plans and the amendment to the agreement on incentive and profit sharing plans of March 27, 2013;
- the agreement on projected management of the employees and skills of May 10, 2013;
- the Group agreement on the Employment of Workers with Disabilities of December 5, 2013;
- the collective agreement relating to the generation contract of 2013.

The collective agreements are available to all workers on the intranet.

### Collective agreements

	2016
Number of employees covered by a collective agreement	96

Furthermore, several communication tools are in place to ensure regular dialogue between employees and the Management team:

- the bimonthly internal information newsletter, Merynews. In particular, it enables certain success stories to be highlighted and shared with all employees;
- Dialogue, a consultation platform, allows employees to address their questions to General Management;
- breakfast meetings are held quarterly between the Chairman and a limited number of employees. In 2016, 25 workers participated in these breakfasts.

In 2016, a new communication support, Mery & Co was created: a bi-annual newsletter with a focus on one of the services of the Company in order to present it in detail to all of the employees.

Two annual events also provide the opportunity for Management to share information with all teams about shared success stories and forthcoming projects: the Mercialys plenary meeting and the Financial Information Review, to which all employees are invited and where the annual results are presented.

## 6.4.5 Health and safety in the workplace

Mercialys' activities do not present a major risk to the health and safety of workers. Mercialys' key actions on health and safety in the workplace therefore relate to the prevention of psychosocial risks.

Various mechanisms are in place to prevent such risks: training, crisis lines, collective agreements, etc.

### Workplace accidents

	2016	2015	2014
Number of occupational illnesses	0	0	0
Number of work-related accidents resulting in lost time of at least one day	0	0	1
Frequency rate of work-related accidents resulting in lost time of at least one day	0	0	8%
Severity rate of work-related accidents resulting in lost time of at least one day	0	0	0.03%

## Absenteeism

	2016	2015	2014
Gross absenteeism rate	4.7%	5.0%	5.0%
Net absenteeism rate	3.3%	-	-

Due to regular travel by certain teams, particular attention is paid to road safety. A full campaign, including an information booklet called "the road safety memo," an e-learning module on preventing risks on the road, a guide to "10 sustainable driving tips" and specific

training sessions, has been launched in order to raise employee awareness about the dangers of driving and remind them of the rules of safe driving.

## 6.4.6 Diversity

Mercialys firmly believes that diversity is a source of healthy competition and innovation and is beneficial for all. The Company has therefore been committed for many years to combating all forms of discrimination, including gender, age, disability, sexual preference, religion, etc.

### 6.4.6.1 EQUALITY BETWEEN MEN AND WOMEN IN THE WORKPLACE

Women make up 53% of the Mercialis workforce and 43% of Mercialis supervisory staff.

## Employee breakdown by gender

	2016		2015		2014	
Female executives	35	43%	31	40%	27	39%
Male executives	46	57%	46	60%	41	61%
Female employees	13	59%	12	100%	12	92%
Male employees	9	41%	0	0%	1	8%
Female supervisors	13	100%	4	67%	6	75%
Male supervisors	0	0%	2	33%	2	25%
<b>TOTAL WOMEN</b>	<b>61</b>	<b>53%</b>	<b>47</b>	<b>49%</b>	<b>45</b>	<b>51%</b>
<b>TOTAL MEN</b>	<b>55</b>	<b>47%</b>	<b>48</b>	<b>51%</b>	<b>44</b>	<b>49%</b>

In 2016, women represented 43% of supervisors in Mercialis group.

Women are also present on the Company's Board of Directors (five out of the 12 members are women). The Board's Investment and Audit Committees are also chaired by women.

Mercialys therefore sets a particularly good example in terms of equality between men and women at the executive level. Because

of this, in 2016, the Company was on the list of award winners for the ranking of female representation on the executive bodies of SBF 120 companies for the third consecutive year. It was ranked sixth in the general classification and won the prize for best female representation of the top 100 (proportion of women in the top 100 jobs in the company).

## Equality in the managerial staff

	2016		2015	
Number of women in top management	2	22%	1	13%
Number of women promoted during the year	1	100%	-	75%
Number of women on the Board of Directors	5	42%	4	36%



Moreover, Mercialis works towards achieving effective workplace equality in terms of remuneration and responsibility. For the same position and educational level, there is no difference in remuneration between men and women. Additionally, in order to guarantee a similar development in remuneration, the

average salary increase expected by the collective agreement is automatically applied to the salaries of women during their maternity leave. Finally, during maternity and paternity leave, Mercialis makes up the difference of the salary differential not paid by social security.

#### Remuneration by gender

	2016
Average salary for male executives	Euro 69,389
Average salary for female executives	Euro 66,802

#### 6.4.6.2 WORKPLACE INTEGRATION OF DISABLED PEOPLE

Mercialis' policy concerning the employment of disabled workers focuses on three areas:

- hiring disabled people in all types of jobs, particularly by strengthening the development of work-based training contracts and apprenticeships;
- improving workplace and/or digital accessibility;
- raising employee awareness.

Mercialis also contributes to the indirect employment of disabled people by using companies in the protected sector for services provided at its shopping centers, such as the upkeep of green spaces and cleaning.

In 2016, Mercialis did not have any disabled employees in its workforce.

#### 6.4.6.3 KEEPING OLDER PEOPLE IN EMPLOYMENT AND INTEGRATING YOUNG PEOPLE

The average age of Mercialis' workers is 37.

In 2016, 20 workers under 26 and two workers over 50 were incorporated in the Mercialis teams.

In 2016, 26 workers supported 18 work-study interns in the scope of their apprenticeship.

#### Distribution of workforce by age group

	2016		2015		2014	
Staff under 30	36	31%	16	17%	14	16%
Staff aged between 30 and 50 (inclusive)	66	57%	68	71%	66	74%
Staff over 50	14	12%	11	12%	9	10%

## 6.5 METHODOLOGY AND DATA VERIFICATION

### 6.5.1 Note on methodology

The indicators provided below in the CSR part of the Mercialis reference document have been selected to meet external requirements concerning non-financial information, both regulatory (Article 225 of the Grenelle 2 Act, Article 173 of the law relating to energy transition for green growth, the law relating to the fight against food waste) and sector-related (GRESB, EPRA, etc.).

Mercialys' non-financial reporting complies with the sector guide on CSR reporting drawn up by the CNCC (*Conseil National des Centres Commerciaux* – French National Council of Shopping Centers) and with EPRA Sustainability Best Practice Recommendations.

#### 6.5.1.1 SCOPE

##### Scope of current reporting

The scope of current reporting comprises shopping centers in Mercialys' real estate asset portfolio as of December 31, 2016. The Monoprix assets are therefore not included in the reporting scope. Further, pursuant to the financial reporting, the assets held by a company in which Mercialys is a minority shareholder (less than 51%) are not considered in the reporting, unless Mercialys directly holds units in the centers.

In accordance with the recommendations of the CNCC's CSR reporting guide, assets acquired or disposed during the year have been excluded from the reporting scope. Similarly, assets undergoing work representing GLA surface creation of more than 20% are excluded from the scope (see diagram below).

##### Scope of constant reporting

The scope of constant reporting, for CSR purposes, comprises shopping centers held and managed on behalf of Mercialys for 24 months.

For each indicator, the coverage rate is given in terms of market value and in number of assets. The market value of each asset is based on appraisals conducted on behalf of Mercialys in 2016. The values from the 2015 appraisals were used for the ongoing 2015 scope.

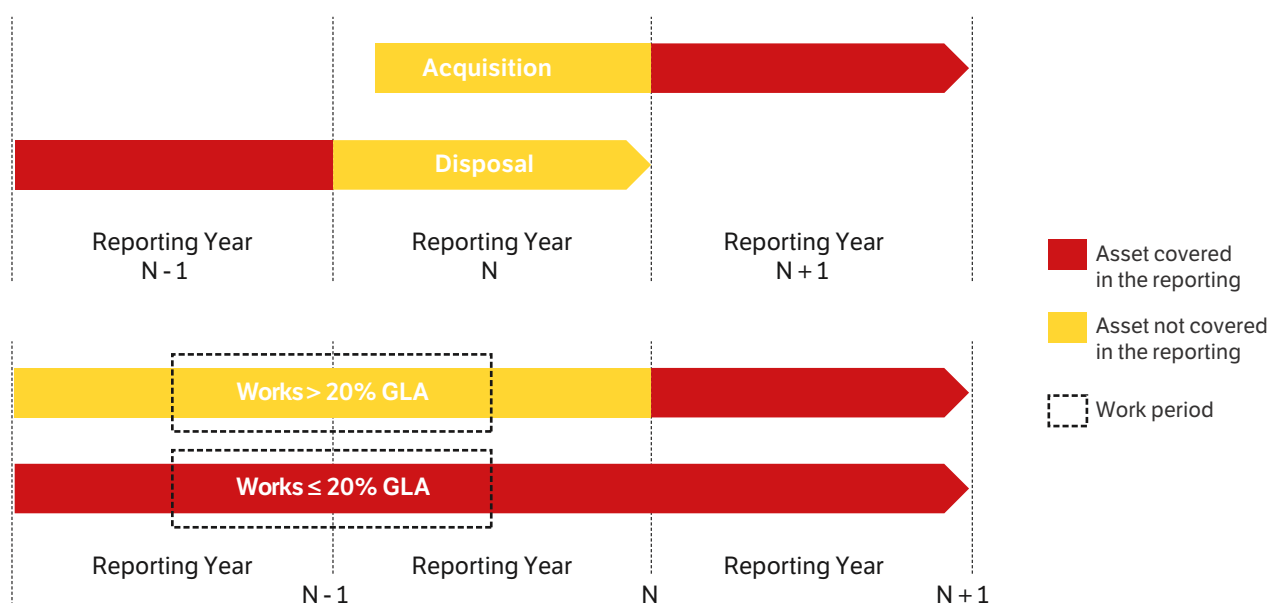
##### Reporting period

The environmental indicators (energy consumption, water consumption, greenhouse gas emissions, waste quantities, etc.) are reported over 12 rolling months, October 1, 2015 to September 30, 2016. The data given as "2016" thus correspond to environmental indicators calculated from October 1, 2015 through September 30, 2016. Likewise, the 2015 data are those consolidated from October 1, 2014 through September 30, 2015.

Social and societal indicators are always reported on a calendar basis, from January 1 to December 31, 2016.

#### 6.5.1.2 COVERAGE RATE

For each indicator, the coverage rate is given in terms of market value and in number of assets (shopping centers only). The market value of each asset is based on appraisals conducted on behalf of Mercialys.



Corsican assets are consolidated at 60%, in line with the financial report.

For the coverage rate by market value, Monoprix assets and those owned by a company in which Mercialis has a minority interest (less than 51%) are taken into account when calculating the denominator (total market value of Mercialis' real estate assets taken into account).

For the coverage rate by number of assets, only "shopping center"-type assets are taken into account.

### 6.5.1.3 EXCLUSIONS

Certain information required by Article 255 of the French Grenelle Act 2, by the French law relating to energy transition for green growth and the French law relating to the fight against food waste are not reported because of the nature of Mercialis' activities and its structure. The reasons behind these exclusions are explained below.

#### Employee breakdown by geographical area

Mercialis operates solely in France. Its employees are therefore split between offices in Paris and regional offices. It does not therefore seem very relevant to go into such level of detail.

#### Promoting and respecting the stipulations of the International Labor Organization's fundamental conventions relating to freedom of association, the elimination of discrimination in employment and occupation, the elimination of forced or compulsory labor and the effective abolition of child labor.

Mercialis operates solely in France.

France has ratified the eight fundamental conventions of the International Labor Organization (ILO), namely:

1. Convention 29 on forced labor;
2. Convention 87 on freedom of association and protection of the right to organize;
3. Convention 98 on the right to organize and collective bargaining;
4. Convention 100 on equal remuneration;
5. Convention 105 on the abolition of forced labor;
6. Convention 111 concerning discrimination;
7. Convention 138 on the minimum age for admission to employment;
8. Convention 182 on the worst forms of child labor.

France has transposed the fundamental principles of these conventions into its national law.

More specifically:

- freedom of association is included in the French law of July 1, 1901;
- the right to collective bargaining was included in the French Employment Code by the law of July 12, 1971.

Mercialis therefore respects these principles in the same way as other regulatory requirements.

#### Other actions undertaken to support human rights

Mercialis operates solely in France. France adopted the Universal Declaration of Human Rights in 1948 and ratified the European Convention on Human Rights in 1974.

#### Water supply according to local constraints

All of Mercialis' properties are located in France. Its shopping centers are therefore not located in areas of water stress (according to the UN definition, regions for which availability of water per year and per person is less than 1,700 m<sup>3</sup>).

#### Consumption of raw materials and measures taken to improve efficiency of use

Owing to the nature of its activities, Mercialis does not buy raw materials directly.

However, the Company does consume raw materials indirectly through its construction operations. A set of best practices on managing the demolition and recycling of a building sorting is distributed to companies working on its construction sites, along with a low environmental impact construction site charter to improve site waste.

#### Land use

Mercialis did not cause any material artificialization of land in 2016.

#### Amount of provisions and guarantees for environmental risks

The major environmental risks identified are correlated with an operating activity.

As of December 31, 2016 Mercialis did not set aside any provisions for environmental risk.

#### Measures for the fight against food waste

In 2016, Mercialis did not carry out any particular action in the fight against food waste. Nevertheless, the Company relays the initiatives of its tenants or its large food stores adjoining its galleries.

### 6.5.1.4 DEFINITIONS

#### 6.5.1.4.1 Social indicators

##### Recruitment

Recruitment is accounted for in the number of new contracts signed.

### Absenteeism rates

The rate of gross absenteeism is calculated with the help of the total number of hours of absence. The net rate of absenteeism removes the gross rate of absenteeism of the hours of absence for maternity and paternity leave.

#### 6.5.1.4.2 Environmental indicators

### Energy consumption

This relates to electricity, gas and heating consumption paid for and managed by Mercialys' real estate manager, Sudeco, or Corin Asset Management for properties in Corsica.

This indicator therefore includes energy consumption for the communal parts of shopping centers (mall and parking lots) and potentially any consumption by stores and the hypermarket if these are connected to communal facilities. Consumption is reported on the basis of actual billed consumption. They are not adjusted for climate variations.

### Renewable energy

A plant installed on the roof of a shopping center or shading over a car park constitutes a photovoltaic power facility.

When a shopping center is equipped with installations atop the roof and car park shading, two power facilities are recognized. Further, the assets held by a Company in which Mercialys is a minority shareholder are taken into account in this indicator.

### Level of use

The attendance used to calculate the level of use (kWh/visitor, m<sup>3</sup>/visitor, etc.), come from counting systems which equip certain centers. They are calculated over the same period as the environmental indicators (i.e., October 1, 2015 to September 30, 2016).

### Greenhouse gas emissions

These mean greenhouse gas emissions generated by:

- energy consumption (see definition above);
- refrigerant leaks from air conditioning systems installed in the center

The conversion factors used to obtain greenhouse gas emissions generated by energy consumption are taken from the French Base Carbone national database.

These are set out in the table below.

Emission factor (in kg CO <sub>2</sub> eq/kWh)	Electricity	Gas
<b>Mainland France</b>	0.060	
<b>Corsica</b>	0.530	0.184
<b>La Réunion</b>	0.701	

Emission factor (in kg CO <sub>2</sub> eq/kWh)	Urban heat
<b>Paris</b>	0.195
<b>Valence</b>	0.295
<b>Grenoble</b>	0.146

### Greenhouse gas emissions relating to refrigerant leaks

Greenhouse gas emissions generated by refrigerant leaks from air conditioning systems are calculated as follows:

*greenhouse gas emissions generated by liquid = quantity of liquid x GWP of the liquid*

*With greenhouse gas emissions in kilograms of CO<sub>2</sub>, and the quantity of liquid in kilograms.*

Refrigerant leaks are data stated by the service provider responsible for maintaining air conditioning systems.

The Global Warming Potential (GWP) of the various refrigerant gases used in systems is taken from the French national carbon database. These are set out in the table below.

Refrigerant fluid	100-year GWP
R22	2,110
R134A	1,550
R407C	1,920
R410A	2,250
R 717	1
RS 45	3,245
RS 70	1,765

### Waste

This relates to waste:

- produced by retailers;
- left by visitors in shopping center waste containers.

Waste quantities are given by the service provider that collects and handles the treatment of waste on a web platform.

### Water consumption

This means consumption of drinking water by communal areas is expressed in m3. This consumption is associated with the shopping center's sanitation facilities, cleaning and watering of green spaces. It does not include water consumption relating to fire safety, such as sprinklers and storage tanks. These consumption figures are taken from meter readings.

### Head office data

The environmental indicators related to the Mercialys head office are limited to the surface area occupied by Mercialys in the building (percentage shares).

## 6.5.2 EPRA Indicators

In accordance with EPRA (sBPR) reporting best practices, Mercialys reports its energy consumption, greenhouse gas emissions, waste generation and water consumption of its centers and its head office.

### 6.5.2.1 METHODOLOGY AND CHANGES

EPRA performance indicators are shown within the scope of the common and private areas served by common facilities, in keeping with Mercialys' scope of operational responsibility.

Surface area intensity figures are calculated using the surface area of the common and private areas served, in order to match the scope served and the surface areas taken into account.

EPRA performance indicators are calculated based on actual data, taken from invoices. They are not estimated.

Purely private consumption paid directly by lessees is reported separately on page 156 of this Registration Document.

For each EPRA performance indicator, the coverage rate is entered as a percentage of the total value of Mercialys' real estate assets.

EPRA performance indicators are shown according to only one asset type, since the reporting scope contains only shopping centers over the reporting period.

Published data is subject to verification by an independent third party with a moderate level of assurance. The opinion of the auditors is given on page 174 to 175 of this Registration Document.

EPRA performance indicators for offices are reported separately from those of the portfolio as the asset type is different, and they are not owned by Mercialys.

As regards Mercialys' real estate assets, EPRA performance indicators related to energy and carbon fell on a like-for-like basis. Performance indicators relating to water remained stable while those relating to waste increased, most likely due to the activity of lessees.

In terms of offices, EPRA performance indicators mostly increased due to an increase in workforce.



## 6.5.2.2 EPRA INDICATORS

## 6.5.2.2.1 Mercialis real estate assets

Indicator	EPRA	Unit	2015	Coverage	2016	Coverage	Change 2016/2015
Total electricity consumption	Elec-Abs	kWh	51,780,758	91%	46,548,649	82%	
Like-for-like electricity consumption	Elec-LFL	kWh	46,707,861	86%	46,473,461	82%	-0.5%
Total energy consumption from district heating and cooling	DH&C-Abs	kWh	1,383,000	91%	1,462,000	82%	
Like for like consumption from district heating and cooling	DH&C-LFL	kWh	1,383,000	86%	1,462,000	82%	+6%
Total energy consumption from fuel	Fuels-Abs	n.a.	19,436,403	91%	15,948,334	82%	
Like-for-like consumption from fuel	Fuels-LFL	n.a.	17,139,446	86%	15,945,966	82%	-7%
Building energy intensity	Energy-Int	kWh/m <sup>2</sup>	183	84%	188	82%	
Direct GHG emission (total) Scope 1	GHG-Dir-Abs	tCO <sub>2</sub>	4,006	87%	3,319	79%	
Direct GHG emission (Like-for-like) Scope 1	GHG-Dir-LFL	tCO <sub>2</sub>	3,583	78%	3,318	78%	-7%
Indirect GHG emission (total) Scope 2	GHG-Indir-Abs	tCO <sub>2</sub>	5,902	87%	5,573	79%	
Indirect GHG emission (Like-for-like) Scope 2	GHG-Indir-LFL	tCO <sub>2</sub>	5,598	78%	5,569	78%	-0.5%
Building GHG emissions intensity	GHG-Int	tCO <sub>2</sub> /m <sup>2</sup>	30.2	80%	29.8	79%	
Total water consumption	Water-Abs	m <sup>3</sup>	137,064	84%	134,207	75%	
Like-for-like water consumption	Water-LFL	m <sup>3</sup>	130,563	75%	130,703	72%	+0.1%
Building water consumption intensity	Water-Int	m <sup>3</sup> /visit	1.1	71%	1.17	66%	
Weight of waste by disposal route (total)	Waste-Abs	tons	6,528	84%	6,695	75%	
		% recycled	21%	84%	20%	75%	
		% sent to landfill	79%	84%	80%	75%	
Weight of waste by disposal route (Like-for-like)	Waste-LFL	tons	6,202	77%	6,623	73%	+7%
		% recycled	21%	77%	21%	73%	
		% sent to landfill	79%	77%	79%	73%	
Type and number of assets certified	Cert-Tot	% of portfolio certified OR number of certified assets	5	27%	5	26%	

## 6.5.2.2.2 Offices occupied by Mercialys

Indicator	EPRA	Unit	2015	Coverage	2016	Coverage	Change 2016/2015
Total electricity consumption	Elec-Abs	kWh	181,000	100%	225,000	100%	
Like-for-like electricity consumption	Elec-LFL	kWh	181,000	100%	225,000	100%	+24%
Total energy consumption from district heating and cooling	DH&C-Abs	kWh	137,000	100%	156,000	100%	
Like for like consumption from district heating and cooling	DH&C-LFL	kWh	137,000	100%	156,000	100%	+14%
Total energy consumption from fuel	Fuels-Abs	n.a.	6,000	100%	6,000	100%	
Like-for-like consumption from fuel	Fuels-LFL	n.a.	4,000	100%	4,000	100%	-33%
Building energy intensity	Energy-Int	kWh/m <sup>2</sup>	n.a.	n.a.	n.a.	n.a.	
Direct GHG emission (total) Scope 1	GHG-Dir-Abs	tCO <sub>2</sub>	1.104	100%	0.736	100%	
Direct GHG emission (Like-for-like) Scope 1	GHG-Dir-LFL	tCO <sub>2</sub>	1.104	100%	0.736	100%	-33%
Indirect GHG emission (total) Scope 2	GHG-Indir-Abs	tCO <sub>2</sub>	37.6	100%	43.9	100%	
Indirect GHG emission (Like-for-like) Scope 2	GHG-Indir-LFL	tCO <sub>2</sub>	37.6	100%	43.9	100%	+17%
Building GHG emissions intensity	GHG-Int	tCO <sub>2</sub> /m <sup>2</sup>	n.a.	n.a.	n.a.	n.a.	
Total water consumption	Water-Abs	m <sup>3</sup>	478	100%	608	100%	
Like-for-like water consumption	Water-LFL	m <sup>3</sup>	478	100%	608	100%	+27%
Building water consumption intensity	Water-Int	m <sup>3</sup> /visit	n.a.	n.a.	n.a.	n.a.	
Weight of waste by disposal route (total)	Waste-Abs	tons	4.7	100%	5.7	100%	
		% recycled	35%	100%	34%	100%	
		% sent to landfill	65%	100%	66%	100%	
Weight of waste by disposal route (Like-for-like)	Waste-LFL	tons	4.706	100%	5.678	100%	+21%
		% recycled	35%	100%	34%	100%	
		% sent to landfill	65%	100%	66%	100%	
Type and number of assets certified	Cert-Tot	% of portfolio certified OR number of certified assets	0	100%	0	100%	

## 6.5.3 Opinion of independent third-party

### INDEPENDENT VERIFIER'S REPORT ON CONSOLIDATED SOCIAL, ENVIRONMENTAL AND SOCIETAL INFORMATION PRESENTED IN THE MANAGEMENT REPORT

To the shareholders,

In our quality as an independent verifier accredited by the COFRAC<sup>(1)</sup>, under the number n° 3-1050, and as a member of the network of one of the statutory auditors of the company Mercialys, we present our report on the consolidated social, environmental and societal information established for the year ended on the December 31, 2016, presented in the "Sustainable Development" section of the management report, hereafter referred to as the "CSR Information," pursuant to the provisions of the article L. 225-102-1 of the French Commercial code (*Code de commerce*).

#### Responsibility of the company

It is the responsibility of the management board to establish a management report including CSR Information referred to in the article R. 225-105 of the French Commercial code (*Code de commerce*), in accordance with the environmental protocol (hereafter referred to as the "Criteria"), of which a summary is included in the management report and available on request at the company's headquarters.

#### Independence and quality control

Our independence is defined by regulatory requirements, the Code of Ethics of our profession as well as the provisions in the article L. 822-11 of the French Commercial code (*Code de commerce*). In addition, we have implemented a quality control system, including documented policies and procedures to ensure compliance with ethical standards, professional standards and applicable laws and regulations.

#### Responsibility of the independent verifier

It is our role, based on our work:

- to attest whether the required CSR Information is present in the management report or, in the case of its omission, that an appropriate explanation has been provided, in accordance with the third paragraph of R. 225-105 of the French Commercial code (*Code de commerce*) (Attestation of presence of CSR Information);
- to express a limited assurance conclusion, that the CSR Information, overall, is fairly presented, in all material aspects, in according with the Criteria.

Our verification work was undertaken by a team of four people between September 2016 and February 2017 for an estimated duration of eight weeks.

We conducted the work described below in accordance with the professional standards applicables in France and the Order of May 13, 2013 determining the conditions under which an independent third-party verifier conducts its mission, and in relation to the opinion of fairness, in accordance with the international standard ISAE 3000<sup>(2)</sup>.

## 1. ATTESTATION OF PRESENCE OF CSR INFORMATION

#### Nature and scope of the work

We obtained an understanding of the company's CSR issues, based on interviews with the management of relevant departments, a presentation of the company's strategy on sustainable development based on the social and environmental consequences linked to the activities of the company and its societal commitments, as well as, where appropriate, resulting actions or programmes.

We compared the information presented in the management report with the list provided in the Article R. 225-105-1 of the French Commercial code (*Code de commerce*).

In the absence of certain consolidated information, we verified that the explanations were provided in accordance with the provisions in Article R. 225-105-1, paragraph 3, of the French Commercial code (*Code de commerce*).

We verified that the information covers the consolidated perimeter, namely the entity and its subsidiaries, as aligned with the meaning of the Article L.233-1 and the entities which it controls, as aligned with the meaning of the Article L.233-3 of the French Commercial code (*Code de commerce*).

#### Conclusion

Based on this work, we confirm the presence in the management report of the required CSR information.

(1) Scope available at [www.cofrac.fr](http://www.cofrac.fr)

(2) ISAE 3000 – Assurance engagements other than audits or reviews of historical information.

## 2. LIMITED ASSURANCE ON CSR INFORMATION

### Nature and scope of the work

We undertook two interviews with people responsible for the preparation of the CSR Information in charge of the data collection process and, if applicable, the people responsible for internal control processes and risk management, in order to:

- Assess the suitability of the Criteria for reporting, in relation to their relevance, completeness, reliability, neutrality, and legibility, taking into consideration industry standards;
- Verify the implementation of the process for the collection, compilation, processing and control for completeness and consistency of the CSR Information and identify the procedures for internal control and risk management related to the preparation of the CSR Information.

We determined the nature and extent of our tests and inspections based on the nature and importance of the CSR Information, in relation to the characteristics of the Company, its social and environmental issues, its strategy in relation to sustainable development and industry best practices.

For the CSR Information which we considered the most important<sup>(3)</sup>:

- At the level of the consolidated entity and of the controlled entities, we consulted documentary sources and conducted interviews to corroborate the qualitative information (organisation, policies, actions, etc.), we implemented analytical procedures on the quantitative information and verified, on a test basis, the calculations and the compilation of the information, and also verified their coherence and consistency with the other information presented in the management report;
- At the level of the representative selection of sites that we selected<sup>(4)</sup>, based on their activity, their contribution to the consolidated indicators, their location and a risk analysis, we undertook interviews to verify the correct application of the procedures and undertook detailed tests on the basis of samples, consisting in verifying the calculations made and linking them with supporting documentation. The sample selected therefore represents 5% of the gross market value of the Group's assets and 4% of the energy consumption of the 2016 reporting scope.

For the other consolidated CSR information, we assessed their consistency in relation to our knowledge of the company.

Finally, we assessed the relevance of the explanations provided, if appropriate, in the partial or total absence of certain information taking into account, if relevant, professional best practices formalised in the CSR reporting sectorial Guide of the National Council of Shopping Centre. According to this Guide, the environmental impacts (energy and waste) of shopping centres are monitored for the volumes that are managed and procured (i.e. volumes used for common areas and private areas connected to the common network), except those procured directly by tenants.

We consider that the sample methods and sizes of the samples that we considered by exercising our professional judgment allow us to express a limited assurance conclusion; an assurance of a higher level would have required more extensive verification work. Due to the necessary use of sampling techniques and other limitations inherent in the functioning of any information and internal control system, the risk of non-detection of a significant anomaly in the CSR Information cannot be entirely eliminated.

### Conclusion

Based on our work, we have not identified any significant misstatement that causes us to believe that the CSR Information, taken together, has not been fairly presented, in compliance with the Criteria.

Paris-La Défense, the 27<sup>th</sup> of February 2017

Independent Verifier

ERNST & YOUNG et Associés

Partner, Sustainable Development

Éric Duvaud

Partner

Bruno Perrin

#### (3) Environmental and societal information

- *KPIs: The consumption of thermal and electrical energy per surface (kWh/m<sup>2</sup>), the share of renewable energies, GHG emissions (scope 1 and 2), the share of hazardous and non-hazardous waste, consumption of water per visitor (m<sup>3</sup>/visitor);*
- *Qualitative information: Company's organisation to take into account environmental matters and environmental assessment approaches or certification, means devoted to the prevention of environmental risks and pollution), circular economy (prevention, recycling, other forms of waste recovery and disposal, water consumption, energy consumption, measures to improve energy efficiency and the use of renewable energies), climate change (significant GHG generated by the company's activities, including the use of the goods and services it produces, adaptation to the consequences of climate change); Territorial, economic and social impact (employment, regional development, impact on local populations), relations with stakeholders (conditions for dialogue, partnership or patronage actions), loyalty of practices (measures taken to promote consumer health and safety).*

#### Social information

- *KPIs: Total headcount, absenteeism, occupational accidents, training;*
- *Qualitative information: Employment (total headcount, hiring and dismissals), occupational health and safety conditions, occupational accidents, diversity and equal opportunities and treatment (measures taken in the field of equality, fight against discrimination).*

(4) Niort and Lanester shopping centers.