



100%  
green debt

5,000  
jobs launched in 2022  
under the partnership  
with Initiative France

93/100  
on the gender  
equality index

# 2

## CORPORATE SOCIAL RESPONSIBILITY

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Mercialys firmly believes that the consideration of environmental, societal and social issues is a major differentiating factor. It has made this an integral part of its corporate strategy. This is reflected in the day-to-day implementation of responsible and ethical management of

all its owned and managed assets. This chapter sets out in detail its strategic Corporate Social Responsibility (CSR) projects, its policies and action plans implemented, as well as its results.

## 2.1 Non-financial risks and opportunities covered by Mercialys' CSR strategy

### 2.1.1 CSR governance designed to effectively manage risks and opportunities and ensure the successful implementation of the strategy

The management of CSR risks is an integral part of Mercialys' risk management process. Indeed, the Risks Prevention Committee (RPC) is composed of the Chief Executive Officer, the Deputy Chief Executive Officer, the Director of Human Resources, the Head of Internal Control, the CSR Director and the Ethics and Compliance Director. This RPC is responsible for:

1. identifying the risks to which Mercialys is exposed;
2. identifying and assessing existing procedures;
3. implementing a plan to supplement and optimize risk management;
4. organizing the oversight and proper application of procedures.

The 52 risks identified by the RPC are divided into 8 categories, one of which is dedicated to environmental, social and societal risks. All risks are then assessed annually according to their impact and probability of occurrence. Probability of occurrence assesses the possibility that a risk will materialize at least once, in the short, medium and/or long term. The impact quantifies possible consequences, either in terms of the Company's financial position (change in operating results or Net Asset Value), or obstacles to the ongoing implementation of the Company's strategy or operations, or its reputation (importance given by stakeholders or media impact). CSR risks were assessed using this scale, using the results of the stakeholder consultation conducted upstream.

Each year, the RPC reports on its work to the Audit, Risks and Sustainable Development Committee (ARSDC) and the Management Committee. The Board of Directors as a whole is also regularly updated on the progress of the CSR strategy and has approved the Company's carbon strategy. Directors have access to the expertise of Mercialys' teams and sustainability rating agencies. They can also benefit from training or awareness-raising tools on CSR issues. Taking things one step further in 2023, Mercialys' directors underwent two training sessions on CSR. The first combined theoretical e-learning training on the causes and effects of climate change with a face-to-face session on climate change adaptation and mitigation with a case study tailored to retail real estate. The second, delivered face-to-face, focused on CSR in the real estate sector. They were attended by all directors.

To prevent, mitigate and reduce CSR risks while managing the objectives of its CSR strategy 4 Fair Impacts for 2030 presented in the table in § 2.1.2, the Company has set up a dedicated governance. It is cross-functional, in conjunction with the operational departments at Company level and broken down by asset.

#### Supervising cross-functional projects

Mercialys' CSR team defines and implements the Company's CSR strategy. This department reports to the Deputy Chief Executive Officer, proof of the integration of CSR issues at the heart of the Company's strategy. Human Resources development issues such as the implementation of Mercialys' diversity and inclusion policy are the responsibility of the Human Resources Department. The Management Committee, of which the CSR Director and Director of Human Resources are members, shares information on the operational implementation of the CSR strategy and its state of progress with all of the Company's departments.

The CSR strategy, risks and opportunities are regularly assessed, validated and reviewed by the Company's various governance bodies. The Board of Directors is kept informed of the implementation of the CSR strategy and the achievement of the associated criteria at least annually and oversees the management of CSR issues by the Company through its three specialized committees:

- the ARSDC assesses the CSR risks and opportunities, reviews and validates the CSR strategy and verifies its progress once or twice a year. The Chairwoman of the ARSDC has been appointed responsible for monitoring the CSR approach;
- the Strategy and Transformation Committee (STC) takes CSR aspects into account when reviewing strategic projects;
- the Appointments, Compensation and Governance Committee (ACGC) prepares the setting of performance criteria related to climate and nature-related issues within the context of Senior Management compensation.

For more details on the roles of the various bodies and their interactions, see Chapter 5, § 5.1.1, p. 320 *et seq.* and the diagram below.

The Company's executive corporate officers have 20% of their annual variable compensation indexed to the Company's CSR performance. One of their three equally-weighted long-term compensation objectives is systematically also a CSR objective. One of the two CSR criteria for the Chief Executive Officer and the Deputy Chief Executive Officer for 2023 concerns the "greening" of financing and the achievement of the associated CSR objectives, including that related to the Company's carbon roadmap. For more information, see Chapter 4, § 4.2.2, p. 272 *et seq.*

As all Mercialys employees are involved in the successful implementation of this strategy, they all also have an individual CSR objective in their annual variable compensation. It represents at least 10% of their annual bonus, is specific to their roles, and is quantitative for senior staff and qualitative for other categories of employees.

Again with a view to involving as many stakeholders as possible, Mercialys is continuing to green its financing structure. Two major criteria of Mercialys' CSR strategy have been selected to support 6 bank credit lines, for a total amount of Euro 385 million. The margins of these credit lines are indexed to the BREEAM In-Use certified share of the strategic portfolio and the achievement of scope 1 and 2 greenhouse gas emissions reduction targets. The Company benefits from a reduction in the margin in the event of compliance with these two commitments. Otherwise, an increase in this margin is applied. Until now, Mercialys has benefited from this reduction in its margins thanks to the achievement of its ESG (environmental, social and governance) objectives. In 2023, the Company signed a new credit line incorporating these criteria, taking its approach one step further. It includes target scores for the BREEAM In-Use certification, targets related to its scope 1 and 2 carbon roadmap, and to scope 3 for its operational waste management.

### Acting at the asset level

In order to steer the CSR strategy at asset level, the Company's 4 Fair Impacts for 2030 objectives have been broken down by asset, to be relevant to the operational reality. In order to plan the actions to be implemented to achieve these objectives, to phase them in over time, to forecast the budgets to be allocated and to monitor them, CSR roadmaps have been drawn up for each center. They were developed jointly by the Asset Management Department, the Center Management Department, the

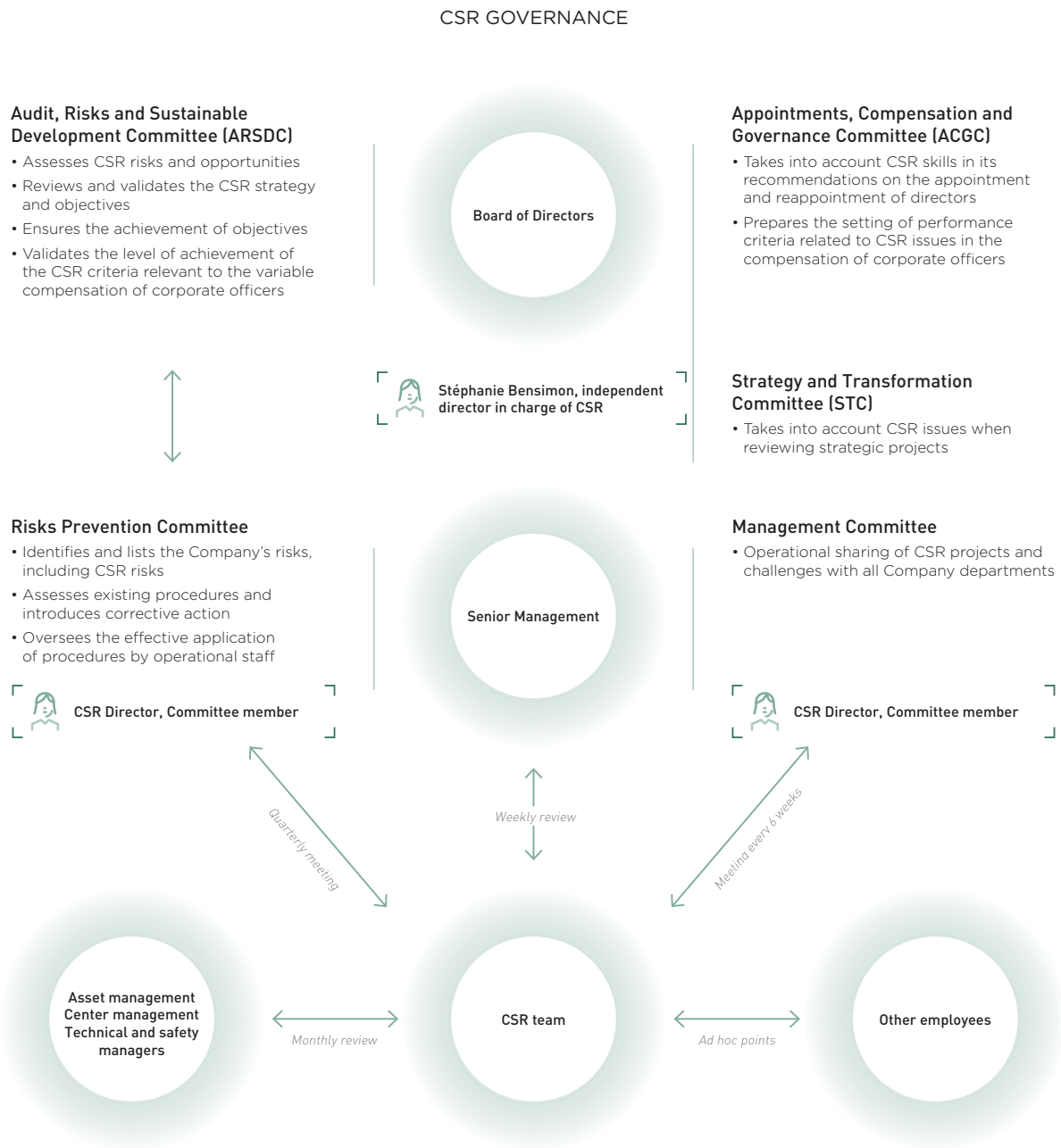
property manager, and the CSR team. They are adapted to the specificities of each site. In addition, during the annual reviews of the business plan by asset, the center directors and asset managers present the progress of the 4 Fair Impacts for 2030 CSR strategy to Senior Management.

To ensure their implementation and to detect any malfunctions as early as possible, a dedicated IT tool facilitates the monitoring, analysis and steering of key CSR performance indicators. It is accessible to all relevant departments as well as to external property managers. In addition, monthly meetings for each geographical area are attended by the property manager and the asset management, center management and CSR departments. They enable the analysis of key performance indicators on energy and water consumption, as well as waste recovery out at the centers. These meetings make it possible to compare assets using different analysis criteria: in absolute value, in relative value compared to activity data, and between centers in the same geographical area, compared to the previous period. Some of the operating problems of the centers are thus identified, enabling them to be corrected quickly, while sharing the best practices already implemented.

Furthermore, other tools have been developed by department to address Mercialys' CSR expectations accordingly. For example, the Center Management Department monitors and analyzes the centers' environmental performance on a monthly basis, and the Technical Department checks that the "construction and maintenance specifications" are properly adhered to while work is carried out.

## 2 CORPORATE SOCIAL RESPONSIBILITY

Non-financial risks and opportunities covered by Mercialys' CSR strategy



### 2.1.2 CSR commitments are jointly developed with its stakeholders

Mercialys has been implementing CSR actions since 2010, the performance of which has been praised annually by sustainability rating agencies (for more information regarding the various ratings, please refer to the Integrated Report on p. 35). In this respect, two examples of outstanding performance in the best market standards can be cited for 2023. First of all, Mercialys maintained its leading position on the Carbon Disclosure Project, remaining on the A List for the 6<sup>th</sup> consecutive year. Similarly, for its 8<sup>th</sup> year of participation in the Global Real Estate Sustainability Benchmark (GRESB), Mercialys reached second place in its category <sup>(1)</sup>.

4 Fair Impacts for 2030, Mercialys' CSR strategy, embodies the Company's ambition in this area. It was determined in perfect compliance with regulations, in order to respond to Mercialys' main CSR risks and opportunities and to the expectations of its stakeholders.

As such, the Company has drawn up a comparative study of the CSR strategies of real estate companies and players recognized in terms of CSR maturity, operating in France and abroad. Furthermore, a widespread consultation process was conducted by a specialized consulting firm with the Company's various stakeholders. It involved employees, shopping center visitors, retailers, investors and banks, local authorities and non-profit organizations. A list of CSR issues previously identified as relevant for a retail real estate company were submitted to them. They commented on the

<sup>(1)</sup> Category: shopping center real estate companies listed in Europe.

importance they attach to them, as well as their perception of Mercialys' level of maturity on these various issues. Qualitative interviews supplemented the results of this questionnaire, in order to identify more specific recommendations or expectations of certain stakeholders. This approach led to the revision of Mercialys' materiality matrix, which can be found on the Company's website <sup>(1)</sup>.

Based on this matrix, cross-referenced with the CSR risks and opportunities previously identified by the Risks Prevention Committee (RPC), the 2030 strategy was structured around four key commitments. Thematic workshops were then held between Senior Management, the CSR team and the Human Resources Department, in consultation with the other departments concerned. They

defined the objectives associated with these commitments, applying a pragmatic approach and incorporating operational realities.

Mercialys' CSR strategy is built around four commitments, broken down into concrete objectives and accompanied by relevant roadmaps.

Mercialys is committed to:

- contributing to carbon neutrality;
- promoting more responsible trade;
- being a major partner for regional development;
- being an involved employer.

#### 4 FAIR IMPACTS FOR 2030 CSR STRATEGY



This strategy was presented and approved by the Audit, Risks and Sustainable Development Committee (ARSDC) and the Board of Directors in December 2020. These bodies regularly monitor the implementation of the strategy and the achievement rate of the associated criteria. In addition, Mercialys has submitted its climate strategy to a shareholder vote, in order to involve the latter in the Company's CSR approach. The climate ambitions and associated action plans were presented in a resolution to the 2022 General Meeting, in accordance with the recommendations of the "Say on Climate" initiative.














The table below establishes the correspondence between the CSR risks and opportunities identified by the RPC and Mercialys' CSR strategy priority issues, then summarizes the main measures implemented to prevent and mitigate these risks and seize CSR opportunities.

(1) Materiality matrix published on the Company's website: <https://www.mercialys.com/sustainability/sustainability-strategy-1/stakeholder-engagement>

MAIN NON-FINANCIAL RISKS AND OPPORTUNITIES

CSR STRATEGY PRIORITY ISSUES	DESCRIPTION OF THE RISK	DESCRIPTION OF THE OPPORTUNITY
<b>Aim for net zero carbon emissions</b>	<ul style="list-style-type: none"> <li>Transition risks related to the transition to a low-carbon society:                             <ul style="list-style-type: none"> <li>increase in investments to respond to changes in regulations (tertiary eco-energy system, etc.)</li> <li>decrease in revenues due to changes in customer behavior</li> <li>difficulties in accessing capital due to the growing concerns of investors about climate change</li> </ul> </li> <li>Physical risks related to more frequent and severe weather events:                             <ul style="list-style-type: none"> <li>damage to buildings, financial impacts (increase in insurance premiums, financial impact of claims associated with more frequent and more intense exceptional natural events, or the cost of adaptation measures, etc.), and disruption of the business activity of the Company and its tenants</li> </ul> </li> <li>Increase in the operating costs of the centers or supply difficulties in the event of scarcity of energy resources</li> </ul>	<ul style="list-style-type: none"> <li>Owning and managing environmentally-certified, energy-efficient and resilient buildings attracts tenants and visitors, and increases asset value</li> <li>Combating climate change attracts investors and lowers the Company's interest rates, notably with the entry into force of the European green taxonomy <sup>(1)</sup> and the SFDR <sup>(2)</sup></li> <li>Developing new innovative low-carbon service offerings to generate additional revenue</li> <li>Controlling the expenses of its tenants to make the Company more attractive to retailers</li> <li>Developing renewable energies can make Mercialys centers energy self-sufficient and protect its tenants from energy price volatility</li> </ul>
<b>100% waste recovered</b>	<ul style="list-style-type: none"> <li>Increase in operating expenses for tenants</li> <li>Increase in investment in response to changing regulations</li> </ul>	<ul style="list-style-type: none"> <li>Collaborate with its tenants to improve the shopping centers' environmental footprint</li> <li>Reduce tenant expenses and therefore be more attractive to retailers</li> </ul>
<b>Zero pesticide used</b>	<ul style="list-style-type: none"> <li>Damage to the Company's reputation due to the use of controversial products or techniques for the management of green spaces, impacting biodiversity and human health</li> </ul>	<ul style="list-style-type: none"> <li>Greening shopping centers to increase their attractiveness and the well-being of occupants and visitors</li> </ul>
<b>Focus on densification and reconversion over soil artificialization</b>	<ul style="list-style-type: none"> <li>Restriction or modification of projects on account of their impact on biodiversity in a context of stricter regulations</li> <li>Technical difficulties in converting or densifying commercial assets</li> <li>Saturation of car parks in case of densification</li> </ul>	<ul style="list-style-type: none"> <li>Benefit from a bonus for new entrants with proven know-how in the conversion, restructuring or rehabilitation of existing sites</li> </ul>
<b>100% of strategic assets certified</b>	<ul style="list-style-type: none"> <li>Deterioration in the value of the portfolio and loss of attractiveness for investors in the event of non-certified assets</li> <li>Difficulties in maintaining good levels of certification in a context of stricter guidelines</li> <li>Contribution to mitigating several risks (carbon, waste, pesticides, retailer relations, safety, responsible purchasing, mobility)</li> </ul>	<ul style="list-style-type: none"> <li>Attract tenants and visitors, and increase the value of the Company's assets</li> <li>Access to sustainable financing</li> <li>Enhance the sound management of the Company's assets on a daily basis</li> </ul>
<b>100% of centers offering responsible stores and services</b>	<ul style="list-style-type: none"> <li>Loss of use and obsolescence of assets in the event of a merchandising mix that does not adapt to new consumer expectations</li> </ul>	<ul style="list-style-type: none"> <li>Ensure the sustainability of the Company's business model by meeting the growing demands of consumers for more responsible and local products and services</li> </ul>
<b>100% of our tenants committed to our "responsible landlord tenant" pact</b>	<ul style="list-style-type: none"> <li>Deterioration of the customer relationship in case of lack of communication</li> <li>Deterioration of asset liquidity in the event of non-compliance with regulations on the overall energy performance of assets</li> </ul>	<ul style="list-style-type: none"> <li>Amplify the positive impact of the Company by collaborating with its tenants</li> <li>Develop new forms of dialog and partnerships with stakeholders</li> <li>Collaborate with its tenants to retain them and improve the environmental footprint of the centers</li> </ul>
<b>Zero health and safety incidents</b>	<ul style="list-style-type: none"> <li>Financial impacts (additional investments in video surveillance or special systems, for example, increase in insurance premiums, repair costs), in the event of health risks (air pollution, water pollution), safety risks (e.g. crime, attack), security (fire, flood)</li> <li>Drop in revenues due to operating losses of affected tenants</li> <li>Damage to the reputation of the shopping centers in question</li> </ul>	<ul style="list-style-type: none"> <li>Ensure customer comfort and satisfaction as a differentiating factor in an increasingly competitive environment, to improve footfall and build visitor loyalty</li> </ul>
<b>100% of centers committed to robust regional development</b>	<ul style="list-style-type: none"> <li>Loss of business and revenues for its tenants and, as a result, a risk on the Company's rental income, in the event of a downturn in the local economic fabric and shopping center catchment area</li> </ul>	<ul style="list-style-type: none"> <li>Establish the reputation of its shopping centers in their catchment area and create social ties thanks to the links forged with the local economic fabric, while strengthening their local roots</li> <li>Strengthen Mercialys' regional roots by promoting local entrepreneurship</li> </ul>
<b>100% of strategic centers with multifunctional spaces</b>	<ul style="list-style-type: none"> <li>Loss of attractiveness in the event of a merchandising mix no longer responding to new consumer practices (coworking, leisure, etc.)</li> </ul>	<ul style="list-style-type: none"> <li>Enhance the attractiveness of the centers and stand out by offering visitors to its centers new experiences</li> </ul>
<b>100% local and responsible purchasing</b>	<ul style="list-style-type: none"> <li>Damage to the Company's reputation in the event of an ethical incident or a negative performance in terms of CSR related to one of its suppliers or subcontractors</li> </ul>	<ul style="list-style-type: none"> <li>Obtain a better quality of service and responsiveness from service providers working in the shopping centers due to their geographical proximity</li> <li>Creating local jobs</li> </ul>
<b>Promoting and supporting eco-mobility</b>	<ul style="list-style-type: none"> <li>Difficulties in meeting the expectations of customers using new modes of transport to reach the shopping centers, leading to a loss of footfall</li> <li>Increase in investments to respond to regulatory changes</li> </ul>	<ul style="list-style-type: none"> <li>Improve the accessibility of its shopping centers and attract non-motorized customers</li> <li>Reduce the indirect carbon footprint of its shopping centers</li> <li>Indirectly participate in the fight against air pollution</li> </ul>
<b>100% of centers open to civil society</b>	<ul style="list-style-type: none"> <li>Lack of ownership of sites by local stakeholders and decreased loyalty</li> </ul>	<ul style="list-style-type: none"> <li>Establish the shopping centers' reputation within their catchment areas and foster community cohesion through the links forged with local non-profit organizations</li> </ul>
<b>Maintaining best practices for equality in the workplace</b>	<ul style="list-style-type: none"> <li>Impact on the Company's performance (lack of innovation, etc.) in the event of a lack of diversity within the Company (age, gender, academic background, etc.)</li> </ul>	<ul style="list-style-type: none"> <li>Develop a lasting dynamic of cohesion and collective emulation in a working environment conducive to the development of all employees</li> </ul>
<b>Development of employee engagement and satisfaction</b>	<ul style="list-style-type: none"> <li>Difficulties in recruiting employees for strategic positions in case of low level of attractiveness on the jobs market</li> <li>Decreased productivity, turnover and loss of skills in the event of Mercialys' inability to retain its talents</li> </ul>	<ul style="list-style-type: none"> <li>Recruit the best talents through employer brand recognition</li> <li>Develop employees' skills and support their development</li> </ul>
<b>Building a culture of exemplary ethical practices</b>	<ul style="list-style-type: none"> <li>Legal and financial impacts for the Company, as well as damage to its reputation, in the event of the involvement of an employee or executive in a case of corruption, insider trading or money laundering</li> </ul>	<ul style="list-style-type: none"> <li>Boost a positive knock-on effect for all employees, enabling overall performance improvement</li> </ul>
<b>Respecting the best work-life balance</b>	<ul style="list-style-type: none"> <li>Drop in productivity and increase in absenteeism and staff turnover due to poor quality of life at work</li> </ul>	<ul style="list-style-type: none"> <li>Offer a safe and high quality working environment, source of its employee buy-in and commitment</li> </ul>

(1) Taxonomy regulation (EU) 2020/852 on "the establishment of a framework to facilitate sustainable investment."  
 (2) Sustainable Finance Disclosure Regulation (SFDR) (EU) 2019/2088 on "sustainability-related disclosures in the financial services sector."

2023 KEY PERFORMANCE INDICATORS	MAIN ACHIEVEMENTS	CONTRIBUTION TO SDGs <sup>(3)</sup>
15.2 kgCO <sub>2</sub> eq./sq.m. scopes 1 & 2	<ul style="list-style-type: none"> <li>Carbon roadmap validated by SBTi <sup>(4)</sup></li> <li>Purchase of green energy</li> <li>Installation of remote reading, optimization and management of equipment</li> <li>Energy sobriety plan</li> <li>Studies on the resilience of its assets to physical and transition risks related to climate change</li> </ul>	
66% of waste recovered	<ul style="list-style-type: none"> <li>Implementation of dedicated communication tools for retailers</li> <li>Regular awareness-raising of retailers</li> <li>Deployment of the five waste and bio-waste streams across its portfolio</li> <li>Waste characterization audits</li> <li>Strengthening of CSR selection criteria in waste calls for tenders</li> </ul>	
5 liters of pesticide products used	<ul style="list-style-type: none"> <li>Implement a "zero pesticides" approach for green spaces</li> <li>Differentiated management of green spaces integrated into contracts</li> <li>Control of green space providers</li> <li>Preparation of a greening guide by geographical area</li> </ul>	
0 sq.m. artificialized	<ul style="list-style-type: none"> <li>Hypermarket decapitalization projects to increase the density of shopping centers</li> </ul>	
100% of strategic assets certified	<ul style="list-style-type: none"> <li>Environmental certification of the portfolio</li> <li>Gradual transition of the certified portfolio to the new version of the guidelines</li> <li>Expansion of the scope of certified assets</li> </ul>	
83% of strategic assets offering responsible retail and services	<ul style="list-style-type: none"> <li>Roll-out of the Le Shop digital and logistics platform</li> </ul>	
0% of our tenants engaged with our "responsible landlord tenant" commitments	<ul style="list-style-type: none"> <li>Generalization of environmental annexes to all leases signed</li> <li>Recovery of environmental data from tenants</li> <li>Annual meetings with tenants including a CSR update</li> <li>Conduct tenant satisfaction surveys</li> <li>Development of a tenant intranet</li> </ul>	
92/100 average score in safety audits	<ul style="list-style-type: none"> <li>Annual audit of the security provider</li> <li>Implementation of preventive measures for health and safety risks</li> <li>Installation of CO<sub>2</sub> sensors and sensors for other types of indoor air pollutants</li> </ul>	
49% of centers committed to robust regional development	<ul style="list-style-type: none"> <li>Operations carried out in the centers</li> <li>Retailer job offers posted on the shopping centers' websites and social media</li> <li>National partnership with Initiative France</li> <li>Director centers mentoring entrepreneurs</li> </ul>	
59% of strategic centers with a multifunctional space	<ul style="list-style-type: none"> <li>Deployment of coworking under the Cap Cowork brand</li> <li>Installation of health centers</li> <li>Development of a leisure offering</li> </ul>	
88% of shopping center purchasing and 33% of corporate purchasing with a CSR clause	<ul style="list-style-type: none"> <li>Map Mercialis' purchases and assess the corresponding CSR risks</li> <li>Inventory of "local" purchases</li> <li>Incorporate CSR criteria into center contracts and call for tenders</li> <li>Establishment of works and maintenance specifications for real estate projects and major maintenance operations</li> <li>Put in place control arrangements</li> </ul>	
100% of shopping centers close to public transport	<ul style="list-style-type: none"> <li>Installation of charging stations for electric vehicles, bicycle racks, and dedicated carpooling spaces</li> <li>Rising awareness of visitors</li> </ul>	
96% of centers having hosted at least one association	<ul style="list-style-type: none"> <li>Provision of spaces for associations and organizations in shopping centers</li> <li>CSR events organized in shopping centers</li> </ul>	
93/100 on the gender equality index	<ul style="list-style-type: none"> <li>Monitoring and management of the main diversity indicators</li> <li>2nd place in the SBF 120 ranking of the feminization of ruling bodies</li> </ul>	
92% response rate in the 360° managers survey	<ul style="list-style-type: none"> <li>Continued implementation of the action plan following the last satisfaction survey</li> <li>Employee training program</li> </ul>	
96% of employees trained in ethics	<ul style="list-style-type: none"> <li>Code of Ethics given to all employees</li> <li>Annual ethics training for employees</li> <li>Whistleblowing procedure in place</li> </ul>	
Retention of arrangements for staff to work from home	<ul style="list-style-type: none"> <li>Application of the charter on the right to disconnect</li> <li>Non-profit partnerships for youth and employment with Article 1</li> </ul>	

(3) SDGs: the Sustainable Development Goals adopted by the UN in 2015 define 17 priorities for development that is socially equitable, environmentally safe, economically prosperous, inclusive and predictable looking ahead to 2030.  
 (4) SBTi: Science Based Target initiative



## 2.2 For our environment

Because the construction sector generates 23% of French greenhouse gas emissions<sup>(1)</sup> and global warming represents physical and transition risks for Mercialis' portfolio, the real estate company is committed to contributing to carbon neutrality by:

- pursuing a very ambitious policy to reduce greenhouse gas emissions validated by the Science Based Targets initiative (SBTi);
- reducing the pressure that the Company exerts on natural resources.

### 2.2.1 Aim for net zero carbon emissions

The effects of climate change are also being observed in France, with 2023 being particularly marked by extreme climate events including record heat waves, forest fires, floods and violent storms. Taking action to mitigate climate change and adapting its assets and their operation accordingly are key challenges for Mercialis and all other economic players. Mercialis' Risks Prevention Committee (RPC) has identified and characterized the Company's risks and opportunities associated with the effects of climate change. It is also transparent about its climate risks, in accordance with the 11 recommendations of the international working group Task Force on Climate-related Financial Disclosure (TCFD) (see p. 119 *et seq.*) and by responding publicly each year to the Carbon Disclosure Project (CDP) since 2017.

#### Adapting to the effects of climate change

In order to ensure the resilience of its portfolio, particularly regarding the physical consequences of climate change, Mercialis has identified the climate risks most likely to affect its assets. Within the framework of its RPC, the Company has mapped the natural risks facing its assets: flooding, forest fires, risk of marine submersion, landslides, clay swelling, mining, seismic activity, and avalanches. 60% of its assets are affected by a Natural Risk Prevention Plan (PPRN), of which 4% have prescribed work on existing projects as part of the Flood Risk Prevention Plans (PPRI).

Taking things one step further, Mercialis carries out detailed studies, asset by asset, on the priority physical hazards and transition risks related to climate change to which it is exposed now or may be in the future, as well as the vulnerability and resilience of its assets to these hazards. These studies comply with the criteria defined in Appendix A of Regulation (EU) 2020/852, known as the Taxonomy Regulation (see Appendix 1 p. 110). The Company has thus assessed the risks of 62% of its portfolio, among the following hazards: heat waves, drought, clay shrinkage and swelling, forest fires, average rise in temperatures, floods/rainfall, storms, marine submersion, coastal erosion, earthquakes and landslides. Different timeframes and scenarios were used to carry out these analyses: at 30 and 50 years to be adapted to the life of a building, and the RCP 4.5 and RCP 8.5 scenarios of the Intergovernmental Panel on Climate Change (IPCC). These are the scenarios corresponding respectively to the implementation of measures to stabilize greenhouse gas emissions, and to the most unfavorable scenario without a climate policy.

It shows that Mercialis' assets are mainly affected by heat waves, average temperature rise and drought. The significant challenges therefore notably relate to the insulation of buildings and the heating and air conditioning systems of the Company's assets, as well as monitoring the structure of buildings. The Company is also investigating various measures to adapt to rising temperatures and heat waves. For example, it has applied a white coating, called cool roof, to the roofs of some of its shopping centers. This helps to reflect sunlight and thus improve the thermal comfort inside the building.

Mercialis is gradually extending these analyses to cover its entire portfolio and implement action plans to prevent priority risks.

#### Contribute to mitigating climate change with a scientifically-validated carbon roadmap

Through its carbon roadmap validated by the Science Based Targets initiative (SBTi) since 2019, the Company is directly involved in the Paris Climate Agreement. It contributes to the collective effort to limit the average rise in global temperatures to well below 2 °C compared to pre-industrial temperatures.

In order to define its objectives to fight climate change submitted to the Science Based Targets initiative (SBTi), Mercialis studied three scenarios, over several timeframes between 2022 (5 years) and 2050:

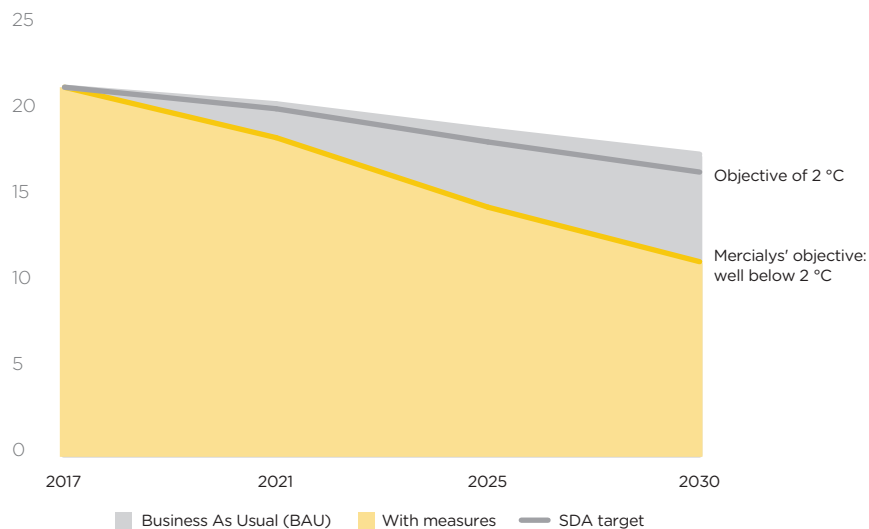
- the "Business-as-Usual" (BAU) scenario, estimating the change in Mercialis' emissions if its efforts remained at the level of the time;
- the "Sectoral Decarbonization Approach" (SDA) scenario of the real estate sector, making it possible to remain below a 2 °C increase (RCP 2.6 scenario of the IPCC Fifth Assessment Report);
- the scenario chosen by Mercialis, which leads to measures to reduce the emissions identified by the Company and limits the increase in global temperatures to "well below 2 °C" (the most ambitious category at that time)<sup>(2)</sup>.

The various scenarios and the roadmap defined by Mercialis are shown in the graph below.

(1) Source: French Ministry for the Energy Transition, September 2020.

(2) When Mercialis submitted its carbon roadmap, the 1.5 °C category had not yet been launched by the SBTi (Science Based Targets initiative).

## MERCIALYS CARBON ROADMAP VALIDATED BY THE SBTI

(in kgCO<sub>2</sub>eq/sq.m./year - current scope)

Aware that the fight against climate change goes beyond its scope of direct responsibility, Mercialis has set itself targets both for the energy consumption of the parts of its assets under its direct management and for refrigerant leaks from its air conditioning systems (scopes 1 and 2), as well as its carbon footprint extended to third-party stakeholders (scope 3). As such, Mercialis' climate strategy is based on four objectives covering the period between 2017 and 2030:

- reducing scope 1 and 2 emissions by 47% per sq.m. using the market-based method <sup>(1)</sup>;
- reducing emissions from tenants' energy consumption by 46% per sq.m.;
- reducing emissions from employee travel by 26%;
- reducing emissions related to the treatment of waste produced by the centers by 26% per metric ton of waste produced.

The Science Based Targets initiative approved these objectives in 2019, making Mercialis one of the first real estate companies in the world to have its objectives scientifically approved. Mercialis plans to review its carbon roadmap in order to align it with current best practices.

In addition, Mercialis has included commitments to reduce its scope 1, 2 and 3 greenhouse gas emissions in its credit lines, and is thus gradually greening its debt (see page 81).

Through its 4 Fair Impacts CSR strategy, Mercialis is reaffirming its contribution to the fight against climate change by setting itself ambitious objectives, beyond those already established and approved by the SBTi. Indeed, Mercialis aims to contribute to carbon neutrality by 2030, across all its emissions (scopes 1, 2 and 3).

### Continuing its actions on scopes 1 and 2

In order to achieve its 2030 objectives for scopes 1 and 2, Mercialis' strategy is based on four areas:

1. Continue to reduce the energy consumption of its centers by using the following levers:

- the modeling of shopping centers' energy consumption, free from the impact of unexpected events (e.g. a breakdown) and influencing factors (e.g. weather, occupancy), is used to identify optimization measures and investments required to improve assets' energy performance. All Mercialis assets have been the subject to such a study;
- the deployment of remote-read energy and water sub-meters at 73% of sites, with an additional 8% planned. They enable the real-time measurement of the energy and water consumption of the sites by use. This system also makes it possible to analyze consumption by cross-referencing it with activity data such as shopping center opening hours and footfall. Alerts are automatically sent in the event of abnormal water consumption so that certain management anomalies can be quickly corrected. This alert system is being rolled out for energy consumption;
- facilities management and supervision through building technical management systems at 93% of Mercialis' assets to regulate temperatures and the operating time slots of the facilities, among other things. In order to anticipate tensions on the energy market, Mercialis implemented an energy sobriety plan in the autumn of 2022, to contribute to the national effort to save energy and determine and test the procedures in the event of power outage. The Company has thus rolled out concrete actions in its shopping centers, including:
  - lowering heating and air conditioning temperatures to 17°C in winter and 26°C in summer,
  - limiting heating at night to the bare minimum,
  - switching off of general lighting and signs one hour after the last store closes,
  - adjusting the air flow rates of ventilation systems,
  - shutting down hot water tanks,
  - using of 100% LED Christmas decorations,
  - lighting Christmas decorations from 11 a.m. indoors and 4 p.m. outdoors,
  - reducing the light intensity of advertising screens and large display walls.

(1) Market-based: method used to calculate CO<sub>2</sub> from energy consumption, which makes it possible to take into account energy suppliers' emission factors and to highlight the renewable energy purchase.

This plan led to an average energy saving of 25% in the winter of 2022/2023 compared to the previous winter.

In order to perpetuate these actions, in 2023 Mercialys signed the Charter for the Energy Efficiency of Tertiary Buildings, initiated by the French Sustainable Building Plan and ADEME.

- multi-year work plans for the installation of energy-efficient equipment, such as the replacement of aging installations, or LED relamping for lighting. Over the past three years, 52% of sites have undergone such work. As proof of the rapid effectiveness of the work to switch the LED lighting in La Galerie Quimper shopping center in 2021, the energy consumption required for this item was halved compared to the previous year;
- improving the insulation of its sites, in particular by taking advantage of the repair of the waterproofing of its sites to improve the overall insulation performance of the building;

All these actions have made it possible to further reduce each year the energy consumption per square meter of the Company's shopping centers, to achieve - 33% between 2018 and 2023;

2. Use less carbon-intensive energy to operate the shopping centers. Thus, in 2023, 36% of Mercialys sites were supplied with exclusively green electricity and 83% of gas-powered centers subscribed to a 100% biogas offer. Mercialys is also able to reduce its carbon footprint with the development of self-produced renewable energy. For example, in 2023, La Galerie Cap Costières in Nîmes produced and consumed 295 MWh of electricity from solar energy thanks to photovoltaic units installed around

the main building. This represents 30% of this center's consumption. The Company is preparing to launch a potential study to develop photovoltaic power plants at its centers. In addition, during replacements, the use of equipment using less carbon-intensive energy is favored. For example, the heating and air conditioning equipment in La Galerie le Phare de l'Europe shopping center in Brest using gas have been replaced by others using electricity, with a much lower carbon impact in metropolitan France.

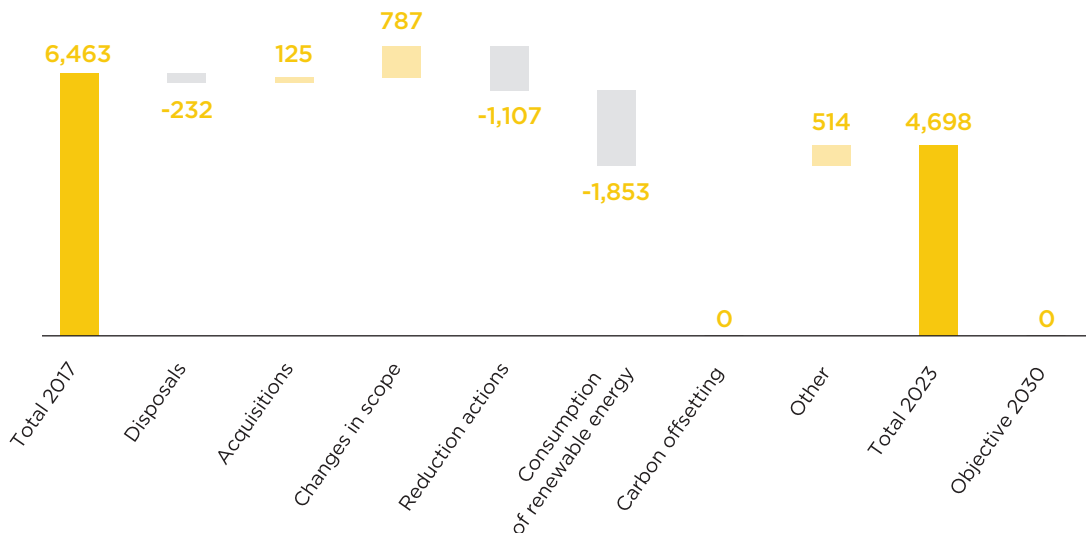
At the end of 2023, 50% of the energy consumption of Mercialys' centers came from renewable sources, and 51% of the electricity consumed by Mercialys' centers in mainland France was from renewable sources;

3. Replace leak-prone air conditioning systems with new units that run on refrigerants with a lower global warming potential (GWP, i.e. the level of contribution to the greenhouse effect). Mercialys checks its facilities regularly and monitors refrigerant leaks on a monthly basis. Its overall leak rate in 2023 was 0.8%, well below the national average, which is 9%<sup>(1)</sup>. At the same time, Mercialys is exploring less-polluting alternatives to conventional refrigerants. All of these factors are an integral part of Mercialys' refrigerant replacement strategy.
4. As a last resort, Mercialys may have to offset its incompressible residual emissions. It has not yet resorted to this option.

Mercialys has assessed the impact of these measures, as well as external factors, to analyze the factors used to reduce its carbon emissions (see graph below).

**CHANGE IN SCOPE 1 AND 2 CARBON EMISSIONS**

(in tCO2eq. - current scope - market based)



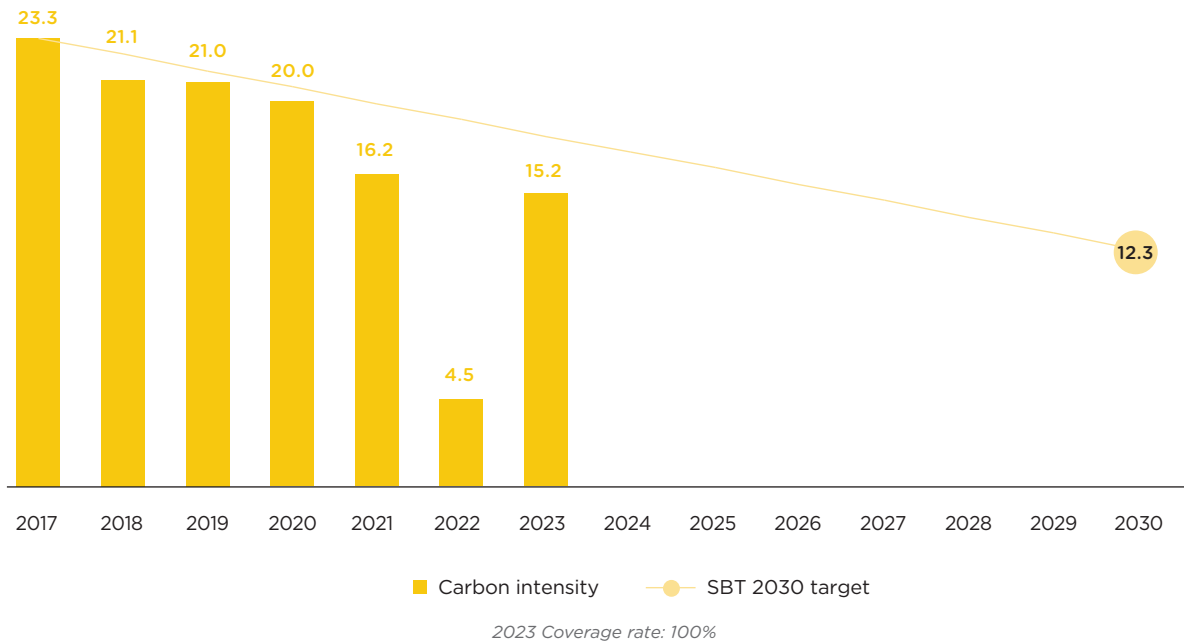
As such, the reduction in greenhouse gas emissions since 2017 is linked to action taken by Mercialys, whether in day-to-day management or investments. Thanks to these

actions carried out over many years, Mercialys is ahead of its carbon roadmap for its scopes 1 and 2, as shown in the graph below.

(1) Source: ADEME - ARMINES, 2011.

CARBON INTENSITY SCOPES 1 AND 2 PER SQ.M.

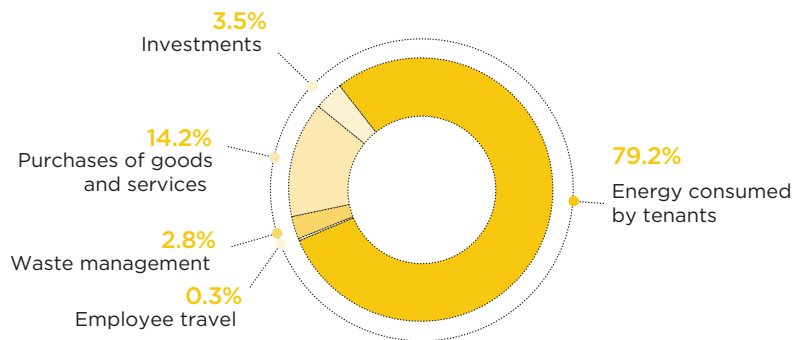
(in kgCO2eq./sq.m. – current scope – market based)



Mercialys' scope 1 and 2 greenhouse gas emissions increased between 2022 and 2023 due to the lower use of green energy contracts in 2023 compared to the previous year. The Company has initially refocused its efforts on reducing its energy consumption, while remaining in line with its carbon roadmap.

Enhance the approach by integrating scope 3

Mercialys' scope 3 breaks down as follows:



Meeting reduction commitments for scope 3 items involves the cooperation of all Mercialys' stakeholders. Its main levers for involving the shopping centers' tenants, employees and service providers are:

- working with retailers to reduce their energy consumption. For the past five years, retailers' consumption has been logged for incorporation into the Company's action plans and to provide them with comparative information useful for their operations (average energy consumption per square meter by type of activity, for instance, see p. 95);
- advising tenants on low-carbon electricity purchasing options;

- raising employees' awareness of their business travel's carbon impact. All employees are equipped with videoconferencing tools, widely used and the preferred option since 2020. The practice of teleworking, in place at Mercialys since 2017, is widespread (see p. 109 et seq.). In addition, the Company car leasing policy has been reviewed and now favors hybrid vehicles;
- working on the end-of-life treatment of the waste produced by the shopping centers. In conjunction with the waste collection services, Mercialys is seeking to optimize waste sorting and select the most energy-efficient outfalls in terms of carbon impact. These aspects were the subject of particular attention during the call for tenders conducted in 2023 (see p. 91).

## GREENHOUSE GAS EMISSIONS

		SBT 2017-2030 objective	2023	2022	2021	2020	2019	2017	Change 2017-2023
<b>Scopes 1 and 2</b>	Energy for common areas and general services (in kgCO <sub>2</sub> eq./sq.m.)	- 47%	<b>15.2</b>	4.5	16.2	20.0	21.0	23.3	- 35%
<b>Scope 3</b>	Energy consumed by tenants (in kgCO <sub>2</sub> eq./sq.m.)	- 46%	<b>52.8</b>	54.0	51.0	62.7	65.0	51.5	+ 3%
	Employee travel (in tCO <sub>2</sub> eq.)	- 26%	<b>157.7</b>	248.4	206.9	188.7	190.0	289.0	- 45%
	Waste management (in tCO <sub>2</sub> eq./metric ton)	- 26%	<b>0.167</b>	0.170	0.172	0.175	0.174	0.280	- 40%

Mercialys is in line with its carbon roadmap and has already achieved two of its four objectives. In recognition of its active commitment to combating climate change, Mercialis has remained on the Carbon Disclosure Project (CDP) A List for the sixth consecutive year. This list is composed of the

346 companies worldwide considered leaders in the fight against climate change, out of over 23,000 participants listed in the CDP's 2023 edition.

Mercialys also presents all of its scope 3 items in the appendices (see p. 123 *et seq.*).

### 2.2.2 100% of waste recovered

In 2023, Mercialis shopping centers produced more than 5,700 metric tons of waste. Nearly all of this waste comes from the retailers' business activities and quantities are dependent on their packaging policies as well as their logistics organization. This topic was also a high expectation for retailers according to the Company's stakeholder consultation. In order to respond to this challenge and optimize the recovery of retailers' operational waste, Mercialis has a three-pronged waste management policy:

- working with retailers to offer them appropriate sorting solutions;
- making tenants aware of the importance of sorting their waste;
- working with waste collection and treatment providers to choose the most appropriate solution for each site.

#### Adapting sites

The Company has systematized the sorting of the 5 waste streams (cardboard/paper, plastics, wood, glass, scrap metal) and bio-waste at its sites <sup>(1)</sup>. In 2023, Mercialis carried out works at 2 of its centers to improve their waste sorting areas and accommodate new streams. On average, a Mercialis center sorts 6 waste streams, compared to 2.5 in 2017, and 97% of strategic centers sort at least five waste streams. This number can be up to 9 sorting flows at a single center: cardboard, bio-waste, plastics, bulky items, scrap metal, paper, Waste Electrical and Electronic Equipment (WEEE), glass and wood. Following the call for tenders for the waste collection service finalized in 2023, Mercialis also asked service providers to carry out a waste characterization audit per site. This helps to identify whether unsorted waste contains waste that could be recovered. Consequently, the Company can either set up a new type of sorted stream, or if this flow is already existing on site, once again make tenants aware of the proper sorting of their waste.

Additional systems are also rolled out for certain categories of waste. For example, to combat food waste, some retailers are working with the start-up Too Good To Go. Its app allows all food-selling companies (restaurants, bakeries, supermarkets, etc.) to sell their unsold products at reduced prices. Since 2017, nearly 90,000 baskets of food have been saved across the Mercialis centers. In addition to contributing to the fight against food waste, this constitutes additional income for retailers, estimated at Euro 270,000 over the period, of which Euro 49,000 for the year 2023. Other shopping centers such as Grand Quartier in Rennes and La caserne de Bonne in Grenoble recycle cigarette butts. Since 2018, 1.8 million cigarette butts have been collected and recovered, the equivalent of more than 46 km of cigarette butts lined up end-to-end.

#### Raising retailer awareness

Mercialys raises retailers' awareness through frequent reminders from its Operations Department, the property manager and on-site service providers. This takes the form, among other, of clear signage put up in the waste sorting areas, or regular formal and informal communications. A generic waste sorting guide, supplemented by a waste booklet tailored to each site, is regularly distributed to tenants. The latter are intended to be simple and educational to best support retailers. It is also included in the welcome booklet given to new tenants to make them aware of best sorting practices as soon as they move in.

Since the summer of 2023, a monthly newsletter dedicated to waste sorting has been sent to retailers in Mercialis centers. The aim is to encourage retailers to sort their waste with a view to achieving the annual sorting targets set by center.

Increased sorting streams and the continuous awareness-raising of tenants have made it possible to improve operational waste sorting rates at Mercialis' shopping centers compared with 2017.

<sup>(1)</sup> Excluding local authority or hypermarket collection.

## Waste recovery

Once the waste has been collected, the waste service provider is responsible for treating it in such a way as to recover it and avoid its disposal in landfill. In 2022, to go further in its approach and in cooperation with its waste management service providers, Mercialis and its property manager, with support from a specialist service provider, launched a call for tenders in this regard. The specifications and contractual provisions have been reviewed to strengthen the CSR aspects, including in the selection criteria. The service providers were chosen according to the methods applied in the treatment of collected waste, favoring recycling or, failing that, energy recovery. Similarly,

in order to minimize the carbon impact of collections, the distance between the shopping center and the processing unit has been taken into account, and plans are in place for systems that automatically trigger collections when the containers are 3/4 full. The aim is to avoid pointless journeys. The use of reconditioned equipment has been also requested, in application of a circular economy approach.

Finally, in order to encourage the service providers in charge of waste collection and treatment to commit to a process of continuous improvement, they are asked to propose an annual sorting performance objective by asset, defined following the characterization audits carried out. This objective is reiterated in the newsletters sent to retailers.

### WASTE RECOVERY

	Objective 2030	2023	2022	2021	2020	2019	2018
Waste recovery rate	100%	66.2%	64.7%	56.1%	53.7%	64.0%	52.1%
Coverage rate		96%	92%	93%	93%	84%	78%

In 2023, thanks to all these actions combined, 22% of the centers achieved the Mercialis 2030 CSR strategy objective to recover 100% of their waste with a 0% burial rate.

## 2.2.3 Zero pesticide use

Mercialis has mapped its interactions with nature during its direct operations and throughout its value chain. In addition, a mapping of its entire portfolio has been drawn up to identify which sites are located near protected areas. It shows that only 27% of its assets are less than 500 meters from a protected area. The Company then assessed its impacts and dependencies related to nature, which enabled it to identify its main risks and opportunities in this area. The results of its work are presented on p. 117 *et seq.*, in accordance with the recommendations of the Taskforce on Nature-related Financial Disclosures (TNFD).

### Careful management of green spaces

On the subject of biodiversity, it seems that Mercialis' main direct impacts relate to the methods and products used to manage its green spaces. Mercialis is therefore committed to promoting biodiversity from the ecosystems surrounding its shopping centers.

To this end, the Company has carried out ecological audits and called upon ecologists to draw up biodiversity action plans for 83% of its portfolio since 2014. These involve conducting inventories of existing biodiversity on its sites and assessing green space management practices to determine improvement recommendations.

Following these audits, Mercialis amended the maintenance contracts for the green spaces of its centers to:

- introduce a "zero pesticide" 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 action.

The Company launched a call for tenders on the management of its shopping centers' green spaces in 2023. In line with its 100% local and responsible purchasing objectives (see page 100), the consultation incorporated discriminatory CSR criteria. Responding service providers were asked to adopt a mandatory "zero pesticide use" approach and the differentiated management of green spaces according to the areas and their ecological sensitivity based on information provided regarding the ecological specificities of each center. In particular, they were supplied with the ecological studies carried out on the relevant sites. The location of service providers in relation to the center to be managed was also taken into account when selecting the service providers.

At the end of 2023, 96% of contracts for the management of green spaces at Mercialis centers included a specific clause specifying that pesticides can only be used as a last resort and prioritizing the use of labeled products that can be used in organic farming. Each year, the service provider is monitored to ensure the proper application of this clause.

**USE OF PESTICIDES**

	<b>Objective 2030</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>
Quantity of pesticides used (t)	<b>0</b>	<b>5.0</b>	5.0	7.0	40.0	0.0	12.8
Coverage rate		<b>92%</b>	94%	91%	85%	41%	46%

In 2023, 90% of centers therefore did not use any pesticides in the maintenance of their green spaces, instead favoring manual or mechanical weeding for instance.

In addition, La Galerie Lanester and Espaces Fenouillet near Toulouse have adopted eco-grazing in collaboration with local companies specializing in this type of maintenance. Eco-grazing is a natural alternative to mechanical and chemical techniques, using herbivores to maintain green spaces. This method is non-polluting, quiet, and preserves biodiversity. Since 2022, two Ouessant sheep have maintained the 1,500 sq.m. of green spaces at La Galerie Lanester. One of the sheep gave birth to a lamb in the spring of 2023. A wooden shelter has been installed in their enclosure, offering them shelter in the event of inclement weather.

In 2023, the Company had specifications drawn up to be followed by its service providers when greening some or all of the interior or exterior spaces of the shopping centers it manages. These specifications include a database of species to be protected in each region due to their endemic or non-invasive nature, classified by type of plant: trees, shrubs, climbers, etc. Each species is then qualified according to 14 criteria, such as its need for water, its size or its interest for biodiversity. It is a practical and concrete guide for operational teams. It helps to establish species adapted to the climate in which they are found and which will therefore require fewer inputs to live, while combating the involuntary

introduction of invasive species, which is one of the five major causes of the erosion of biodiversity as identified by the IPBES (Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services).

**Promoting the development of biodiversity**

Mercialys is also seeking to boost high-value biodiversity at its sites by installing facilities adapted to local fauna. In line with ecologists' recommendations, 73% of shopping centers now have nesting boxes for birds, insect hotels, bat hotels, beehives, living walls, green roofs, etc.

In addition to protecting biodiversity, when protected species are identified at the centers, specific measures are taken to preserve them. For example, the green space service provider at La Galerie Le Phare de l'Europe in Brest has been informed of the presence of a protected species of orchid on the site, and pays particular attention to it during its interventions. In addition, there are lots of swallows' nests in La Galerie Fréjus shopping center and car park. As this species is protected by French law, the shopping center's teams are careful not to destroy their nests.

According to the naturalist inventories produced as part of the ecological studies carried out at Mercialis centers, a nationally protected species was observed at 46% of sites, and one threatened species according to the IUCN classification <sup>(1)</sup> at 17% of sites.

**2.2.4 Effective management of the artificialization of soils**

A study <sup>(2)</sup> sought to model the environmental impact of shopping in a shopping center compared to an online purchase, through the analysis of five major themes: the fight against climate change, the use of resources (packaging), the protection of biodiversity, the emission of fine particles and regional development. Concerning the protection of biodiversity, which covers environmental pollution and land use, the study shows that a purchase in a shopping center has between 4 and 10 times less impact than an online purchase. However, as a real estate company, the fight against the artificialization of soils remains a major issue for Mercialis, on which it has been focused for several years.

Indeed, the Company is fully aligned with the national objective of "net zero artificialization" set out in France's Biodiversity Plan, and helps to protect local biodiversity. Mercialis operates shopping centers in France built around the 1980s in urbanized or semi-urbanized areas.

Since its creation in 2005, Mercialis has favored areas already waterproofed to carry out its projects: car parks or former warehouses have been reused to carry out its major extension projects without altering land use. For example, Mercialis obtained a favorable opinion from the French

National Commercial Development Commission (*Commission Nationale d'Aménagement Commercial - CNAC*) in 2020 for a project to extend its La Galerie Lanester center by more than 2,500 sq.m., on surfaces already waterproofed. This project will not lead to any consumption of permeable soil, and also provides for the permeability of parking spaces.

In addition, the Company may need to rethink the structure of its shopping centers by rebuilding or restructuring the existing building. It might, for example, reduce the surface areas of hypermarkets in order to transform them into several stores, or to increase their density by creating multi-story car parks.

Its urban projects contribute to the redevelopment and densification of (brownfield) spaces, to limit urban sprawl.

As a result, Mercialis is delivering on its 2030 commitment and, for new projects, it ensures that land densification and redevelopment are prioritized over the artificialization of soils. It also considers the possibilities of rewilding when appropriate.

<sup>(1)</sup> IUCN: the International Union for Conservation of Nature is a non-governmental organization composed of scientists whose purpose is the conservation of nature. It is a leading authority on this subject and prepares classifications on the conservation status of species, including its red list, which identifies threatened species at international level.  
<sup>(2)</sup> Source: EY for the French council of shopping centers (CNCC), 2021 - comparative study of the social and environmental impact of physical commerce compared to online commerce.

## 2.3 For our stores

Because retail is undergoing major changes, notably driven by a need for proximity and meaning, Mercialis is committed to promoting more responsible retail by:

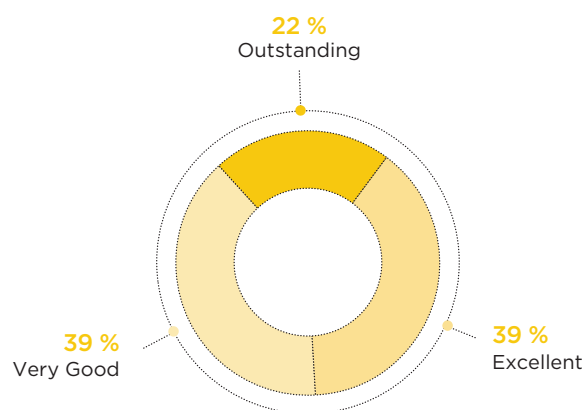
- offering its customers a range of more sustainable and ethical products and services in its certified centers;
- committing to its tenant retailers through a “responsible landlord tenant” pact.

### 2.3.1 100% of strategic assets BREEAM In-Use certified

Mercialis has been using the international environmental certification BREEAM In-Use as a simple, readable and scalable management tool for the assessment of its assets since 2014. This tool is used to support teams in the environmental management of sites. It provides a framework for comparing the assets of a portfolio, identifying best practices and highlighting the teams’ work on a daily basis. Furthermore, certification helps the Company to implement the work necessary to guarantee the resilience of its portfolio, in both environmental and societal terms, by taking into account emerging CSR issues. On the other hand, certified, energy-efficient and resilient shopping centers may represent differentiating added value likely to make the centers more attractive to visitors, tenants and investors. Lastly, certification also addresses the issues that need to be considered from the point of view of financial stakeholders, as evidenced by the Euro 385 million cumulative credit lines signed since 2021 that notably include this indicator (see p. 81).

In 2022, Mercialis began the migration of its certified portfolio to the new version of the BREEAM In-Use standard (version 6). This new version, which is more rigorous than the previous one, strengthens the environmental resilience aspect. All the strategic centers assessed according to this new version were deemed Very Good for the asset management component, and 6 reached the higher level of Excellent. These results attest to the daily commitment of the teams, since only one third of BREEAM In-Use v6 certified retail assets in France are certified Very Good or above<sup>(1)</sup>. Mercialis is thus proving its ability to maintain its assets in line with the highest environmental standards and occupant comfort, in anticipation of new CSR challenges.

CERTIFICATION LEVEL: ASSET MANAGEMENT



All strategic assets are thus certified, with an average score of 72% in asset management. These excellent results testify to Mercialis’ maturity and its teams’ commitment to continually improving operational performance.

To continue its efforts, Mercialis has rolled out this certification beyond its strategic portfolio and currently covers 95% of its portfolio, as well as assets held in partnership with investors, who thus benefit from this expertise.

#### ENVIRONMENTAL CERTIFICATION ON OPERATIONAL PERFORMANCE

	Objective 2030	2023	2022	2021	2020	2019	2018
Share of strategic centers certified	100%	100%	100%	100%	83%	72%	59%

As all strategic centers have been BREEAM In-Use certified since the end of 2021, the objective is now to maintain the highest-level certifications of these centers while migrating them to the new version of the standards.

(1) As of January 3, 2024, according to the list provided by the BRE Group on its website <https://tools.breeam.com/projects/explore/buildings.jsp>



## 2.3.2 100% of centers offering responsible stores and services

### Developing an innovative omnichannel commerce

Having an outlet in a shopping center is an advantage for retailers, who benefit from a physical environment that creates commercial, logistical and environmental synergies (as demonstrated by the FACT study mentioned on p. 92). Thanks to the multiple stores present in the same place, they can implement an effective communication policy in the catchment area. In order to cope with the rise of e-commerce whilst maintaining this strength, Mercialis is adapting its service offering, notably through the development of the Le Shop set of solutions. This ecosystem of services, incorporated directly into the centers' websites, comprising a marketplace, logistics aggregation capacities and delivery means, enables Mercialis to respond to the issue of last mile logistics while responding to changing consumer trends.

Launched at the end of 2019, one of these solutions, Le Shop, is a shared digital marketplace that allows all businesses in the same center to offer their products for sale and to benefit from customized delivery solutions (home delivery or click & collect). Different brands of food and non-food products can be ordered and delivered at the same time, reducing the carbon impact of delivery. Le Shop thus increases lessees' visibility and provides them with an online sales solution, especially useful for stops that do not have the resources to develop their own website and associated delivery services. This offering is thus a major

opportunity for Mercialis and its tenants to generate new revenue growth while increasing the footfall at shopping centers during normal opening hours.

Le Shop also offers retailers a range of services facilitating the consolidation and dispatch of parcels from shops and a suite of last-mile solutions to enable customers to receive their products even more quickly: home delivery or click & collect.

It helps to build up the societal resilience of the Company's shopping centers. At the end of 2023, Le Shop digital marketplace was in operation at 83% of Mercialis' strategic shopping centers.

### Promoting more responsible stores

The 15<sup>th</sup> responsible consumption barometer produced by GreenFlex and ADEME<sup>(1)</sup> highlights changes in French consumption patterns. Indeed, according to this barometer, 76% of French people are committed to responsible consumption.

Mercialis is supporting these changes by rethinking its retail spaces to accommodate more responsible businesses: second-hand items, certified or eco-labeled products, refurbished products, etc. A list of retailers meeting these criteria was drawn up and, in parallel, an inventory of the shopping centers that could accommodate them was produced to identify a pilot site.

#### RESPONSIBLE RETAIL AND SERVICES OFFER

	Objective 2030	2023	2022	2021	2020
Percentage of strategic centers offering responsible retail and services	100%	83.1%	90.3 %	93.4%	79.8%

## 2.3.3 100% of our tenants committed to our “responsible landlord tenant” pact

Tenant retailers are Mercialis' direct customers. The Company is therefore keen to meet their needs and provide them with an environment suitable for carrying out their business and seeks to cooperate with them in a balanced and long-term relationship.

### Promoting awareness with retailers

In order to encourage its tenants to reduce the overall environmental impact, Mercialis signed its first environmental lease clauses in 2013. These have been included in all new contracts, from the first square meter<sup>(2)</sup>. This clause provides, amongst other things, for the exchange of information between the lessor and the tenant and an action plan to improve the overall environmental performance of buildings and leased premises. 100% of the leases signed during 2023 included an environmental clause,

bringing the percentage of leases with an environmental clause to 49% of all Mercialis leases. As tenants' average lease length is relatively long, it will take time to roll out this clause across the entire Mercialis portfolio. Meetings to present the progress of the center's CSR strategy to retailers are held annually, facilitating the practical implementation of these environmental annexes. Such meetings were held on 53% of assets in 2023. Mercialis implements many initiatives to enhance cooperation with retailers, in particular on environmental issues. Firstly, the Company provides them with information documents. Work began to update the welcome packs given to new tenants. These packs include a section on the center's CSR approach and eco-friendly practices. As part of its energy sobriety plan (see p. 87 *et seq.*), Mercialis also distributed a retailer guide to best practices to adopt to prevent energy shortages in the winter of 2022-2023.

(1) Source: GreenFlex-ADEME responsible consumption barometer, 2022.  
(2) Excluding amendments and exceptional leases of less than one year.

In addition, the Company produces and distributes a sorting guide to help retailers easily identify what is recyclable and in which containers to deposit their waste. This is supplemented by a waste booklet, specific to each center, indicating the location of waste sorting areas and offering practical information such as safety instructions related to the use of equipment. They are updated and distributed regularly. Mercialis also dedicates a section of its monthly newsletters to retailers to waste sorting (see page 90).

### Sharing with retailers

Mercialis is continuing to recover the energy and water consumption of its tenants. In 2023, the Company collected the private energy consumption of 64% of its tenants. This information enables it to initiate dialogue with the retailers in question, providing them with comparative information and ways to improve the energy performance of their operations.

In addition, as part of the application of the obligations related to the Tertiary Eco-Energy Decree (DEET), Mercialis is initiating discussions with its tenant retailers. In 2023, these related in particular to the coordination of energy consumption declarations to be made on the OPERAT platform, and will be enhanced in future years. Indeed, to achieve the objectives of the decree, namely to reduce energy consumption by 40% by 2030, then 50% in 2040 and 60% in 2050, lessors and lessees will have to co-develop and monitor action plans.

To ensure tenant satisfaction, Mercialis conducts several satisfaction surveys each year on different and complementary topics. The Company first queried its tenants about their level of well-being within the centers, their level of satisfaction with the services offered and the quality of the service providers' work in the shopping center. The Center Management Department then feeds back the results of these surveys to retailers and proposes an action plan to improve their satisfaction. Administered in digital

format, it was sent to the retailers at 98% of Mercialis centers in 2023. The Company plans to survey its tenants each year in order to analyze changes in their satisfaction.

In collaboration with its retailers, Mercialis organized a joint awareness-raising campaign for visitors to its shopping centers. Over the past few years, Mercialis has taken advantage of European Sustainable Development Week to identify the best CSR practices carried out by its volunteer retailers in order to promote them. They are shared on the websites of each shopping center and may also be displayed on site.

### Structuring relations with tenants

In the context of the bringing back in-house of the rental management function by Mercialis and to standardize the various initiatives described above, Mercialis launched its extranet for tenants in 2023. It contains information and documents that are useful to them.

In addition, Mercialis has begun working on a "responsible landlord tenant" pact. Its objective is to engage all its brands and independent retailers in CSR issues, marketing, or business.

To meet the needs of Mercialis and its tenants, work was carried out in two stages. Firstly, an analysis of Mercialis' existing relationships with its retailers was carried out. Interviews were conducted internally with one or more managers of each department in regular contact with tenants: operations, asset management, letting, legal, rental management, marketing, innovation and customer experience, institutional relations, and CSR.

This inventory was then supplemented by interviews with retailer trade associations as well as a questionnaire for a panel of retailers, which identified their expectations and anticipated potential obstacles to the deployment of this agreement.

## ENGAGEMENT WITH TENANTS

	Objective 2030	2023	2022	2021
Percentage of tenants engaged with the "responsible landlord tenant" commitments	100%	0%	0%	0%

### 2.3.4 Zero health and safety incidents

As a real estate company, Mercialis is responsible for ensuring the safety of visitors and staff working at its shopping centers. In particular, it must ensure compliance with the regulations in force, the quality of safety services and the adequacy of the health safety systems implemented.

In addition to safety, Mercialis seeks to ensure the comfort and well-being of customers visiting its shopping centers and the retail employees who work there. The aim is to retain them by offering a high-quality customer experience, a guarantee of satisfaction. The Company's quest for operational excellence is driven by its desire to provide a welcoming atmosphere to visitors and staff working in Mercialis' shopping centers. This quality approach also applies to security services at the centers, in order to limit security risks.

### Preventing health & safety risks

Mercialis is especially attentive to the management of the health and safety risks by its shopping centers' property manager. A risk prevention and management policy has been drawn up with its stakeholders to identify and assess the risks, then put in place the appropriate risk management procedures and systems.

To ensure that these measures are proportionate, effective and properly applied, multiple drills and checks are carried out. At the same time, the real estate portfolio's regulatory compliance status on these issues is monitored on a quarterly basis by the operations, asset management and CSR departments. This makes it possible to identify future measures to be taken and monitor their progress.

An annual audit of each security provider is carried out. This covers the qualifications of the teams, their continuous training and their knowledge of prevention procedures and measures. It is supplemented by situation tests. In the event of a score below 90%, the service provider must offer the property manager a corrective action plan. It must then undergo a counter-audit within no more than 3 months. If the result of this counter-audit remains unsatisfactory, the contract with the service provider is terminated.

Mercialys' Risks Prevention Committee (RPC) also organizes unscheduled internal audits every year. They focus on the correct application of personal safety procedures by the property manager and the fire safety service provider.

The fire safety service provider also conducts safety drills once or twice a month. "Full-scale" drills can also be organized with public emergency services such as the fire Department or the police.

In addition, Mercialis regularly conducts specific preventive audits and assessments. These may relate, for example, to checking the soundness of roofs and the absence of legionella contamination in water systems. The objective is to ensure that these risks are properly managed, over regulatory requirements.

**Managing economic crises**

In the event of an exceptional crisis, whether related to the political climate, for example the "yellow jackets crisis," international issues such as terrorist attacks, or of any other type, Mercialis prepares itself by adopting specific measures.

The purpose of these measures is to ensure quality levels of hygiene and comfort for visitors and retailers.

Winter 2022/2023 was marked by an energy crisis with potential impacts on the continued operation of the Company's shopping centers. Mercialis and its property manager have prepared for the possibility of electricity outages and have developed a procedure to be implemented should such an event occur. It has also been shared with tenants, who are instructed to evacuate their

customers to the common areas in the event of a power cut. An energy sobriety plan has also been rolled out to reduce the energy consumption of the Company's assets. This measure is still in place (see page 87).

**Securing personal data and information systems**

In addition to physical safety, Mercialis must also secure the personal data of its shopping centers' stakeholders, employees, customers and tenants. A Data Protection Officer (DPO) is responsible for ensuring that the Company's practices comply with applicable regulations and in particular the General Data Protection Regulation (GDPR). A map of this data processing is regularly updated. It aims to ensure that these data are processed in line with previously identified goals, in complete security and confidentiality, whether by Mercialis or its subcontractors.

To improve personal data processing, Mercialis has a GDPR compliance management software platform. In addition, compliance checks are conducted on a regular basis. Care is taken to raise awareness amongst employees, and more particularly, amongst the teams responsible for processing such data.

Furthermore, Mercialis makes every effort to provide people with the clearest and most transparent information on how their data is used by the Company and their right to have their data deleted.

More broadly, Mercialis deploys procedures to ensure cybersecurity, or the protection of its information systems and the data embedded in them. This protection is provided by the IT Department which deploys controls through the architecture of the systems, which can be audited by external service providers. The IT Department reports directly to the Chief Executive Officer, member of the Management Committee. Cybersecurity is also the responsibility of employees, who are regularly informed of related issues and have signed an IT security charter. In 2023, a phishing test was carried out on all Company employees.

Lastly, Mercialis' Board of Directors looks at the reviews carried out by the Company with regard to cybersecurity.

**SAFETY AUDITS**

	<b>Objective 2030</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>
Average score	95%	<b>92.2%</b>	94.4%	92.6%	91.7%	87.3%	86.5%
Percentage of shopping centers that have audited their security service provider		<b>97%</b>	97%	97%	87%	88%	81%

Health and safety risk management procedures are tested on a regular basis and have proven their relevance and effectiveness over time. This approach makes it possible to continuously improve year on year, as shown by the results, to achieve a high level of safety and health quality at the Company's sites.

## 2.4 For our communities

Because Mercialis is deeply rooted in local communities, it is committed to being a major partner to sustainable development, by:

- forging special links that create mutual value with local players;

- developing mixed-use spaces that generate solid and diversified activities;
- supporting local employment through local recruitment and subcontracting and initiatives led by local teams.

### 2.4.1 100% of centers committed to robust regional development

Shopping centers are places where people meet and foster community cohesion. They thus play an active role in the cities where they are located, creating new forms of centrality. Aware of this responsibility, Mercialis places its centers right at the heart of their local ecosystem. They contribute to the economic development of the regions in which they are located, by generating, among other things, local employment.

#### Supporting jobs in the centers

Mercialis centers host more than 16,000 long-term jobs that cannot be relocated, generated by site retailers. Indeed, 95% of shopping center jobs in France are permanent contracts, higher than the national average of 85%<sup>(1)</sup>. Mercialis also broadcasts these jobs by publishing job offers from retailers on each center's website and social media. The Company increased the visibility of 82 job opportunities with its tenant retailers in 2023.

Furthermore, the centers' day-to-day management requires the involvement of numerous service providers (security, cleaning, etc.). In 2023, over 260 jobs were associated with on-site services.

#### Promoting jobs around shopping centers

The Company is also proactive in its support of employment in its economic regions. Every year, employment initiatives, such as job fairs or job datings are organized at the centers in partnership with local or national brands and recruitment agencies. The shopping centers provide these businesses with spaces to advertise their job vacancies. They may be tenants of the shopping center looking to recruit, or companies outside the center, present in the local region. For example, the Emploi Interaction bus was welcomed in the parking lot of the Espace Anjou shopping center in Angers, to promote local recruitment.

As another example, La Galerie Espaces Fenouillet formally opened a Relais Information Emploi unit in 2023. This is a service offered by the Fenouillet town council, the Pôle emploi jobs center and the CBE ("Nord 31 bassin d'emploi" committee). The units hosts workshops as well as providing information for jobseekers, employees and students as well as for companies looking for employees. Individual support is offered, as are collective workshops and local job offers with follow-up and networking.

Over the last two years, 70% of strategic centers have supported an employment or integration initiative.

#### Boosting regions

In order to revitalize the regions and their stores, Mercialis also signed a national partnership in 2021 with the Initiative France network, the leading non-profit network for financing and supporting entrepreneurs in France. It reflects the shared desire of the two players to support, in close synergy with local authorities, the economic development of the regions by facilitating the creation of businesses. The partnership is then implemented at the local level with each regional branch of the Company's centers. At the end of 2023, 54% of strategic centers had committed to local Initiative France associations, which is reflected in a number of ways.

First of all, Mercialis brings its expertise by encouraging its center directors to participate in commissions and panels to award financing to local entrepreneurs. As trade experts, they can support and advise them on their projects by analyzing the business plans presented to obtain financing, for example.

Then, the Company offers spaces to allow entrepreneurs to test their commercial offer in real conditions. One such example is the Cornouaille shop in La Galerie Quimper's allée de la Galerie. 22% of the Company's strategic centers set up such spaces in 2023. In total, Mercialis shopping centers indirectly donated Euro 19,000 in support of local entrepreneurs.

Another example of the partnership with the Initiative France network is the campaign conducted since mid-2022 by La Galerie Hyper 19 in Malemort, called "J'ouvre mon commerce à Malemort" (I open my business in Malemort). La Galerie, the Initiative Corrèze association and the town hall of Malemort have joined forces to promote the establishment of new stores within the shopping center. As part of the regional policy of urban revitalization and economic development, this innovative approach consists of offering people wishing to set up a business all of the conditions needed to open new stores: premises with negotiated rents, 0% interest financial support, bridging loans, assistance in kickstarting their project, technical assistance, and support with administrative procedures. As part of this partnership with the Initiative France association, Mercialis received the "Ethical Innovation" Award from Sopra Steria Next and Public Sénat in 2022.

In addition, Mercialis has renewed its partnership with the Villes de France association and is thus perpetuating its contribution to the economy and employment of "mid-size" cities<sup>(2)</sup>.

Through all of these initiatives, Mercialis is involved in helping to revitalize neighborhood stores by providing its expertise, support and tools, in addition to financial sponsorship.

(1) Source: French National Shopping Centers Council (CNCC), *Shopping centers, creating jobs and social ties*, March 2017.

(2) Cities with between 10,000 and 100,000 inhabitants and their suburbs nationwide.

## REGIONAL DEVELOPMENT

	Objective 2030	2023	2022	2021	2020	2019	2018
Share of strategic centers committed to robust regional development	100%	49.3%	68.3%	30.5%	5.7%	32.5%	35.4%

### 2.4.2 100% of strategic centers with multifunctional spaces

Visitors are increasingly in demand for multi-purpose venues, combining physical retail and services such as coworking, leisure areas, nurseries and medical practices. To maximize the use and enhancement of built-up areas and increase its resilience to changes in use and changes in consumption patterns, Mercialys integrates these multifunctional spaces into its shopping centers.

Mercialys is developing co-working spaces, operated under the “Cap Cowork” brand. In all, this activity uses more than 1,500 sq.m. In 2023, building on the success of these first spaces, Mercialys has extended its co-working space in the Espace Anjou center in Angers. The Company plans to continue to duplicate these spaces over the coming years, in line with the positioning of its sites in their catchment area.

Mercialys is also setting up health centers, such as at the La Galerie La Rocade Furiani near Bastia, home to the first health center inside a Corsican shopping center. It accommodates 9 practitioners with different specialties. These two new uses reflect the same desire to adapt the merchandising mix, generating both economic and societal value and meeting the challenges of functional diversity and local anchoring.

In addition, the Company became the majority shareholder of the DEPUR group in 2023, which will ultimately enable it to enhance its catering, entertainment and leisure offering at its sites and thus accelerate this area of its CSR strategy.

## MULTIFUNCTIONAL SPACES

	Objective 2030	2023	2022	2021	2020	2019	2018
Share of strategic centers with a multi-functional space	100%	59.5%	57.7%	56.7%	48.9%	44.8%	32.6%

### 2.4.3 100% local and responsible purchasing

Purchases represent a significant portion of a company’s expenses and are, therefore, an effective lever for rolling out a corporate CSR policy. As a contracting company, Mercialys is not only responsible for the goods and services it purchases directly (from tier-1 service providers), but also for those purchased on its behalf by its agents and service providers (tier-2 and -3 service providers). Although the Company is not subject to certain provisions of the French Sapin II Law <sup>(1)</sup>, or the law on the “duty of care,” <sup>(2)</sup> it voluntarily implements procedures to address these issues that, whilst not being regulatory prerequisites, are inherent to business ethics.

To ensure that the appropriate measures are in place for each purchasing category, Mercialys has structured its responsible purchasing approach around the following measures:

- mapping its purchases: the Company has identified the main categories of purchases made by Mercialys and its intermediaries;
- assessing its CSR risks and opportunities: each purchasing category was assessed with regard to five aspects of risk, making it possible to identify and rank the categories most at risk:
  - country risk, ethical risk,

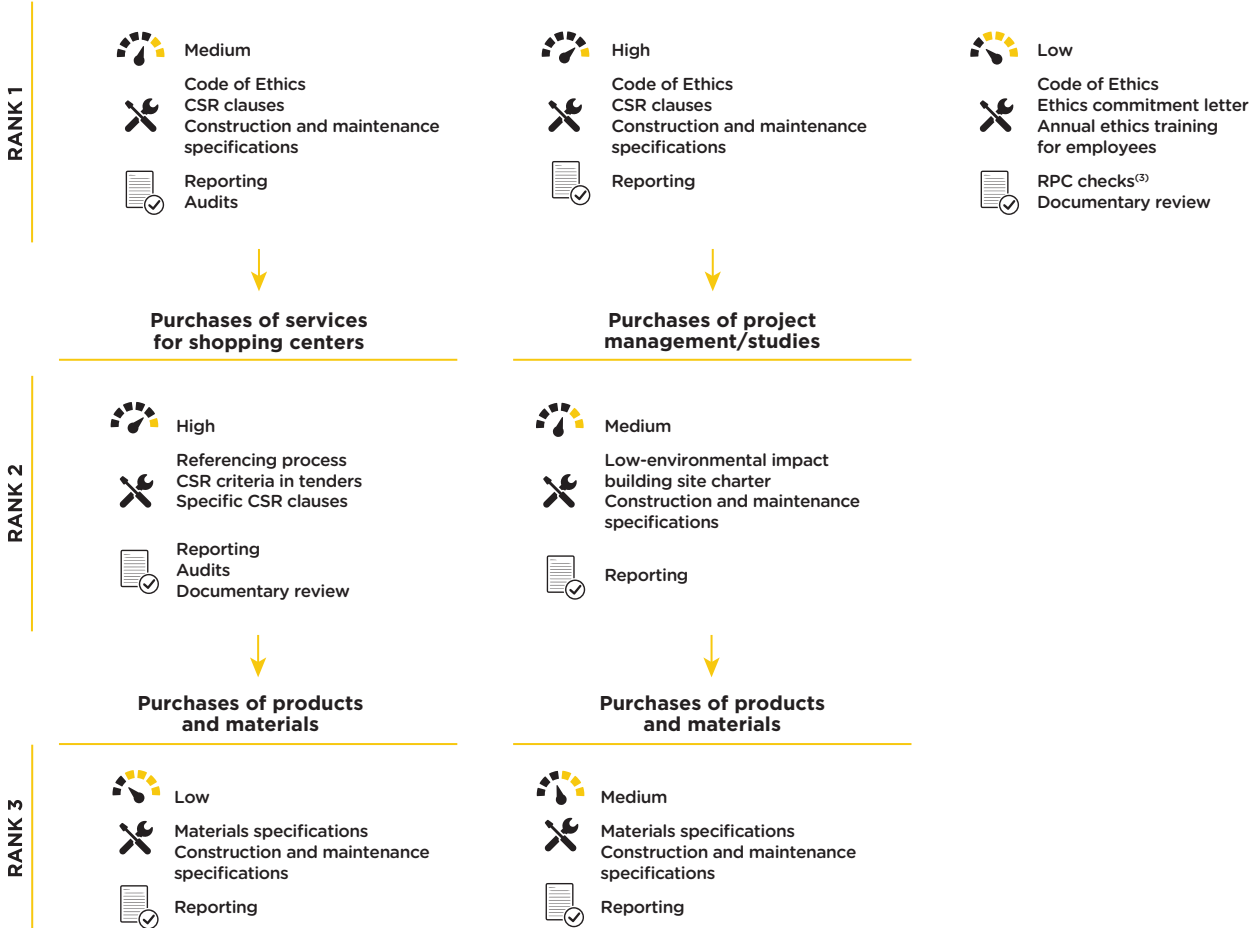
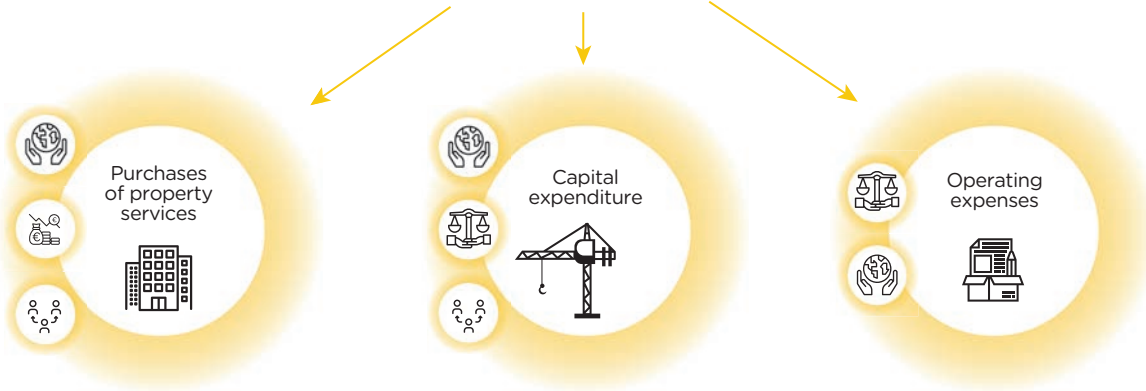
- environmental risk,
- human rights risk,
- risk related to personal health and safety,
- risk related to economic ties;
- developing management measures appropriate to the type and level of risk identified: Mercialys has defined appropriate measures to be implemented to mitigate risks and/or seize identified opportunities. The Company relies on the tools it has designed (such as its “construction and maintenance specifications” or its ethics commitment letter);
- putting into practice the tools and procedures defined by Mercialys to comply with the letter’s requirements: the Company has implemented these tools on an operational level, for example, by including specific CSR clauses in service agreements for its centers;
- monitoring the effective application of these measures: depending on the measures taken, Mercialys has set up reporting processes, requests supporting documents, and carries out on-site audits (for example, security service provider audits), etc.

A summary of this mapping and the various aspects implemented for each purchasing category is presented opposite.

(1) Article 17 of Law No. 2016-1691 of December 9, 2016 relative to transparency, the fight against corruption and the modernization of economic life (the French Sapin II Law).  
(2) Law No. 2017-399 of March 27, 2017 relative to parent companies’ and contracting companies’ duty of care.

MAPPING PURCHASES

MERCIALYS



**Risk/opportunity categories**

- Environment
- Ethics
- Social
- Economic
- Level of risk/opportunity
- Management tools
- Control systems

(1) RPC: Risks Prevention Committee.

## Managing shopping centers purchases

Mercialys works with a large number of economic players to coordinate, operate and renovate its assets: property managers, communications agencies, delegated project management, etc. Some of these companies have direct contracts with Mercialys (tier-one service providers), while the services provided for its assets (tiers two and three) do not have a contract with the Company but with an intermediary.

These services are most likely to be affected by the risks identified above. These services may present:

- social risks: stemming from undeclared work, forced labor or non-compliance with working hours;
- environmental risks: stemming from the use of products which are dangerous for people, or non-compliance with environmental regulations;
- ethical risks: risk of corruption;
- economic risks: risk of dependency.

As a result, Mercialys has included CSR clauses in its main tier-1 contract for its shopping centers, namely the property management mandate.

The technical and property management mandate provides notably helps make tenants aware of Mercialys' CSR strategy with its tenants, as well as supporting the BREEAM In-Use certification of the Company's portfolio. This mandate also provides for the monthly monitoring of energy consumption, water consumption and waste production on Mercialys' reporting tool. The Company conducts monthly reviews with the property manager, the center management department, asset management department and technical managers to ensure the comprehensiveness of this reporting and analyze changes in consumption. The mandate also provides for quarterly reporting on the regulatory compliance of its sites, as well as annual monitoring of the quality of services and compliance with Mercialys CSR requirements for the main services purchased for its shopping centers.

In addition, Mercialys' property management and delegated project management service providers <sup>(1)</sup> are subject to both the "Sapin 2 Law" and the "duty of care" law. A map of corruption risks and a duty of care plan have been drawn up, and determine the implementation of strict measures in terms of referencing, evaluation and monitoring of their purchases, providing additional assurance to Mercialys.

To go further, Mercialys works with its property manager to incorporate CSR into the calls for tenders issued for services at the centers (tiers 2 and 3). Thus, during 2023, a call for tenders for the management of green spaces was carried out, with an emphasis on environmental aspects. The challenges were multiple: engaging service providers in an approach that doesn't involve the use of pesticides, implementing differentiated management of the green spaces on each site thanks to detailed logs, optimizing the carbon footprint of transport by favoring local service providers (see p. 91).

CSR clauses are included in service agreements for the centers, as well as the cleaning contract, which requires the use of eco-labeled products. In 2023, 88% of shopping center purchasing had specific CSR clauses tailored to each type of service.

Mercialys also included all of its social and environmental requirements in its "construction and maintenance specifications" for projects and works. It was drawn up by the Company's teams and is appended to the delegated project management contract. This document stipulates all the requirements for the building's environmental certification, its energy performance, the sorting of construction waste, and the certification of materials used. Thematic specifications are also provided for each type of work. Detailed specifications for the implementation of Centralized Technical Management) and specifications for the greening of interior and exterior spaces were thus drawn up and shared with the service providers involved in these purchases.

Lastly, aware of its impact on employment in its area of activity (see p. 97), Mercialys seeks to promote local jobs for the services provided by its centers, which involve regular trips to the site. Since 2021, a survey has been carried out to find out where suppliers operating in its centers are travelling from. 87% of these purchases are local, with service providers located within an average radius of 60 km of the centers, and 55% of which are located in the same city or department as the center. This aspect, although previously taken into account on an informal basis, is now included as a selection criterion in new contracts and calls for tender.

### RESPONSIBLE SHOPPING CENTER PURCHASING

	Objective 2030	2023	2022	2021	2020	2019	2018
Share of shopping center purchasing covered by CSR clauses	100%	87.9%	83.6%	81.9%	75.3%	78.9%	79.6%
Share of shopping center purchasing not covered by CSR clauses		7.4%	8.4%				
Share of shopping center purchasing still to be assessed		4.7%	8.0%	18.1%	24.7%	21.1%	20.4%

(1) Excluding Corsican assets (accounting for 5% of the portfolio).

## LOCAL SHOPPING CENTER PURCHASING

	Objective 2030	2023	2022	2021
Share of local shopping center purchasing	100%	87.1%	79.8%	59.1%
Share of non-local shopping center purchasing		2.3%	1.3%	1.1%
Share of shopping center purchasing still to be assessed		10.6%	18.9%	39.8%

Clauses are now included in almost every contracts relating to its centers: 88% of them have CSR clauses adapted to the specific nature of each purchasing category and 87% are local. Monitoring procedures are in place to ensure the proper application of these clauses. Each year, the Company works to extend this analysis to all its purchasing to reduce the share yet to be assessed.

### Applying the Company's CSR requirements to its operating purchases

The purchasing necessary for Mercialis' operations mainly pertain to purchases of services with a specific contract (e.g. consulting, marketing), and purchases of ordered goods (e.g. office supplies).

The former in particular can involve ethical risks. In order to prevent these risks, the Ethics and Compliance Director updates a corruption risks map and measures are put in place to mitigate such risks. In fact, for each new service provider codification, mandatory documents are requested such as their URSSAF certificate to combat undeclared labor, as well as the signing of an ethics commitment certificate. By signing this certificate, they undertake to comply with the fundamental principles set out by Mercialis in terms of human rights, working conditions, ethics and environmental protection. The Company also signs confidentiality agreements when the services purchased involve the sharing of certain information.

For purchases of goods that are not the subject of a specific contract, Mercialis incorporates CSR criteria in the selection of the products it purchases. It favors eco-labeled products (FSC, European eco-label, etc.), certified companies (ISO 14001, ISO 9001) and French companies.

## RESPONSIBLE CORPORATE PURCHASES

	Objective 2030	2023	2022	2021	2020	2019	2018
Share of corporate purchases covered by CSR clauses	100%	32.6%	31.2%	26.7%	25.7%	21.4%	22.7%
Share of corporate purchasing still to be assessed		67.4%	68.8%	73.3%	74.3%	78.6%	77.3%

## LOCAL CORPORATE PURCHASES

	Objective 2030	2023
Share of local corporate purchasing	100%	99.5%
Share of non-local corporate purchasing		0.5%
Share of corporate purchasing still to be assessed		0.0%

Mercialis has prioritized its purchasing efforts on its centers, as they have the greatest CSR impact since its corporate purchasing essentially consists of purchases of intellectual services. The Company is gradually working to apply this to its corporate purchasing and will carry out analyses to monitor its results in this area.

## 2.4.4 Promoting and supporting eco-mobility

New modes of transport have been developed in recent years, which are more environmentally-friendly than petrol and diesel cars. In order to follow this trend, Mercialis is seeking to multiply and diversify the transport solutions available to access its shopping centers. Although the Company can implement initiatives to promote these behaviors, it relies heavily on the Government, and action from local authorities in particular, to put in place or optimize public transport services.

Mercialis' primary lever is to support the development of an innovative and low-carbon transport offer. To do so, the Company maintains a regular dialog with its stakeholders, particularly local authorities. The goal is to make the shopping centers as accessible as possible by public transport, whether in relation to service frequency, times or ease of access. At the end of 2023, all centers had at least one entrance less than 500 m from a public transport stop, with an average frequency of less than 15 minutes during peak hours.



At the same time, Mercialis is also involved in the installation of specific equipment in its car parks. It launched a consultation to this end, in order to progress the installation of ultra- or semi-fast charging stations for electric vehicles at these centers. At the end of 2023:

- 99% of centers have bicycle shelters;
- 76% of car parks are equipped with charging stations for electric and hybrid vehicles;
- 61% of car parks offer spaces reserved for carpooling.

The second lever is to promote these modes of transport, in order to encourage visitors and shopkeepers to use them. Several communication channels are used:

- information about the routes serving the centers are regularly displayed on the center's screens;
- directional signage points the way to public transport stops;
- screens display the times of the next public transport service departure;
- the shopping centers websites provide information on center accessibility and facilities available.

Thus, Mercialis supports projects to equip the car parks at its centers with specific facilities encouraging low-carbon mobility, and then ensures their visibility with customers and retailers.

## 2.4.5 100% of centers open to civil society

For Mercialis, being a local player also means promoting solidarity. It thus multiplies the number of non-profit organizations by providing them with free casual leasing, organizing environmental or societal campaigns, and promoting and awareness-raising through posters at these centers or on social media.

Mercialis also seeks to be inclusive to enable everyone to visit its shopping centers in a comfortable manner. It has adapted its centers so that people with reduced mobility and families with strollers can move easily throughout them (e.g. wide corridors, moving walkways, elevators, nurseries). To continue this momentum, Mercialis is supporting the Autisme France association by introducing a quiet hour in some of its centers.

Furthermore, Mercialis was keen to support the Ukrainian population following the outbreak of the war in 2022. In concrete terms, the Company's shopping center management announced that its sites were available to host specific operations. For instance, La Galerie Montauban Albasud hosts the Occitalien association in a previously vacant unit. The association has been able to coordinate its solidarity actions in favor of Ukraine there since February 2022.

To combine the center's activities with CSR action, Mercialis also organizes solidarity events such as clothing drives and yard sales. These are opportunities for customers to bring clothes or toys that they no longer use to be sold by Secours Catholique, the French Red Cross or local associations. These operations combine the fight against waste with solidarity action, contributing to a circular economy. 41% of centers set up such solidarity collections in 2023.

### LOCAL PUBLIC LIFE

	Objective 2030	2023	2022	2021	2020	2019
Share of assets that hosted an association	100%	96.2%	96.3%	96.9%	94.3%	84.1%

In total, these spaces allocated free of charge represent the equivalent of Euro 100,000 in rental income granted by Mercialis. Combined with the time spent on organization, donations, partnerships and sponsorship, over Euro 210,000 has been allocated to non-profit associations.

## 2.5 For our talents

Mercialys firmly believes that strong ethics, combined with strategic, inclusive and dynamic talent management, are sources of wealth and performance for itself and for its stakeholders.

The Company, as a responsible employer, has been committed for several years to a responsible approach based on four pillars:

- maintaining a very high level of ethics;
- promoting diversity and benefiting from inclusion;
- developing skills and enhancing individual potential;
- retaining talent and promoting employee engagement.

### 2.5.1 An employer committed to maintaining a very high level of ethics

#### Clearly defined business ethics commitments and procedures

Mercialys' commitment to this approach is reflected in its employees' strong involvement in ethics and regulatory compliance. This approach is overseen by the Ethics and Compliance Director, who is also the Company's Ethics Officer. She reports directly to the Deputy Chief Executive Officer.

In terms of ethics and compliance, the Company's objective is to reduce its exposure to the risks associated with non-compliance with regulations and thereby contribute to strengthening its reputation and ability to attract and retain employees.

In terms of compliance, Mercialys has structured operational and financial control processes to ensure that all laws and regulations relating to its business are complied with. They apply to the various decision-making chains giving rise to the Company's engagement with its various internal and external stakeholders. This approach contributes to the mitigation of the Company's risks, as described in chapter 5 of this Universal Registration Document. In addition to the control procedures, the compliance approach at Mercialys is deeply linked to the concept of ethics, and is regularly explained and reminded to all employees.

The Mercialys Code of Ethics and Code of Conduct reiterates the need to respect the major international fundamental principles, legislation and the environment. This document also formalizes the commitments made and the resulting rules of behavior in all of the Company's business lines and for all employees.

This charter reiterates that the Company operates exclusively in mainland France, Corsica and Reunion Island, and that all of its employees work in France, a country that has ratified the eight fundamental conventions of the International Labor Organization (ILO). These regulations therefore apply in particular to the fight against discrimination at work, freedom of association and the recognition of the right to collective bargaining, the elimination of all forms of forced or compulsory labor, and the abolition of child labor.

Mercialys strives to scrupulously comply with these conventions and all ethical regulations applicable to the business world.

Moreover, Mercialys has been a signatory to the UN Global Compact since 2018. This commitment demonstrates its will to respect the ten universal principles relating to human rights, international labor standards, environmental protection and the fight against corruption, and to ensure that its suppliers and subcontractors do likewise.

Mercialys has introduced a Code of Ethics and a Code of Conduct that its employees undertake to respect and uphold in the performance of their duties, for the smooth running of the business.

The charter addresses the following topics:

- respect for the environment and the measures implemented to reduce the Company's environmental footprint;
- prevention of conflicts of interests;
- fight against money laundering and financing of terrorism;
- fight against corruption;
- the duty of care;
- oversight of lobbying practices *via* Responsible lobbying guidelines;
- inside information and prevention of insider trading;
- non-financing of political life;
- protection of employees' health and safety;
- prevention of discriminatory actions and the right to union representation;
- the whistleblowing procedure.

This charter is given to all new employees joining the Company. It is also displayed on Mercialys' intranet and websites <sup>(1)</sup>, in French and English.

It should be noted that, although Mercialys is not subject to certain provisions of the so-called "Sapin II" Law <sup>(2)</sup>, the Company applies a determined approach to controlling this risk. Mercialys deals with the risk of corruption both in terms of compliance with the ethical rules that the Company wants all employees to respect, but also as an operational and financial hazard. As such, the Company conducts continuous checks and dialog with its various Departments.

The challenge is not only to deal with significant financial risks, but to identify behavior to be avoided. The scope of controls carried out to prevent corruption concerns the activities managed by Mercialys on its own behalf, the activities subcontracted by Mercialys, as well as the activities managed by Mercialys on behalf of its partners. The aspects of passive and active corruption are addressed by the control procedures put in place.

(1) The Code of Ethics and Code of Conduct are available on the Company's website: <https://www.mercialys.com/strategy-governance/commitments/code-of-ethics>.

(2) Law No. 2016-1691 of December 9, 2016 on transparency, the fight against corruption and the modernization of the economy.

**Specific approaches and procedures to ensure all aspects of the Company’s compliance policy are applied**

As Mercialys is a listed company, compliance with stock market regulations is an important issue for all employees. In this respect, a regularly updated Stock Market Code of Ethics is published on the Company’s intranet site, outlining the regulations applicable to executives, directors, members of the Management Committee, persons closely related to them, insiders and more generally to any other person concerned.

A procedure for the protection of whistleblowers is also in place. Employees are regularly reminded of this procedure, which is also clearly displayed in Mercialys’ head offices, including the measures to improve this protection put in place by the Law of March 21, 2022. It guarantees confidentiality, as required by law, and allows whistleblowers to contact the Ethics Officer directly by telephone or email. The whistleblower is informed in writing of the receipt of their report within seven days. No reports were made *via* this system in either 2022 or 2023. Employees are also free to ask the Ethics Officer about any issues that they may wish to raise.

Furthermore, with a view to maintaining ethical, well-balanced business relations with retailers, Mercialys has

signed the NEGO4GOOD Charter. This charter contains the four fundamental principles of ethical and responsible negotiation.

Responsible lobbying guidelines were also drawn up in 2020. The Director of Development and Institutional Relations is responsible for lobbying activities and ensures that the influencing strategy does not generate conflicts of interests. In 2023, Mercialys declared two interest representatives to the HATVP <sup>(1)</sup> at national level. A register of external persons met and the reason for the meetings has been put in place and is regularly updated. The procedure in place takes into consideration the extension of the regulations to actions carried out at local level, applicable since July 1, 2022.

To ensure that Mercialys’ ethics policy is properly disseminated, training on the following topics is provided annually to all employees:

- representation of interests, prevention of corruption, money laundering and conflicts of interest;
- employee protection mechanisms, particularly in terms of combating discrimination and setting up a whistleblower system;
- stock market ethics;
- the protection of personal data.

**ETHICS TRAINING FOR EMPLOYEES**

	2023	2022	2021	2020	2019
Percentage of employees trained in ethics	96.4%	94.6%	97.1%	96.9%	82.9%

Mercialys aims to have 100% of the Company’s employees trained in ethics every year.

Since 2022, employees sign an annual declaration on the existence or absence of conflicts of interest, in addition to the declaration signed when they join the Company.

**Continuation of solidarity actions and partnerships**

The Company’s approach to ethics is not only based on its policies and processes, but also encompasses a number of solidarity actions.

Solidarity and the associated partnerships are an integral part of Mercialys’ culture. In 2023, Mercialys renewed its non-profit partnership to promote the professional integration of young people and equal opportunities, with the Article 1 association. This association offers young students personalized educational support from a

professional mentor, in order to help them through their integration and professional success, and in particular to find their first job.

Mercialys also supports the commitment of its employees to charity work, confident that this type of initiative is likely to promote employee involvement in civil society. This commitment is reflected in the participation in charitable community and sporting events, which the Company supports, such as the "Course de la Jonquille contre le Cancer" charity run held in March 2023. 53 employees took part in the event, divided into 11 teams, to raise money for the Institut Curie. Another such example is the "Foulées de l'Immobilier" race which took place over 12 days in June 2023.

In the same spirit, Mercialys employees have the opportunity to show solidarity by donating days of leave to colleagues with a relative (ascendant or descendant) whose health condition requires them to be available for significant periods of time.

**2.5.2 An employer committed to the diversity of its employees**

Mercialys firmly believes that diversity in the workplace boosts collective performance for the benefit of all employees.

French regulations prohibit companies from collecting or processing personal data revealing racial or ethnic origins, philosophical or religious choices or relating to the sexual

orientation of employees. As such, companies cannot take these elements into account when developing workforce recruitment or monitoring policies. For Mercialys, as a listed company in France, the concept of diversity is based on non-discrimination, disability and gender equality.

(1) The French authority for transparency in public life.

In this context, Mercialis strives to systematically endorse and implement a talent management policy that promotes the diversity of its employees' profiles and their equal treatment.

This policy contributes to the development of a management team that respects people's differences. This policy improves team cohesion, the circulation of information and the generation of new ideas, for the benefit of economic performance.

### A proactive policy and positive results in terms of gender equality

Mercialis is committed to ensuring professional equality between men and women in terms of compensation, training and access to promotions.

This commitment is reflected in company agreements and the signing of several charters:

- the agreement signed with employee representatives on April 1, 2020 on professional equality between women and men and quality of life at work. This agreement includes five areas of action: effective compensation, recruitment, training, coordination between personal and professional life and raising awareness of the fight against sexism;
- since 2018 Mercialis has been a signatory of the Diversity in Business charter, the content of which goes beyond the legal framework for combating discrimination. The Company is committed to preventing discrimination for any reason, and in particular to ensuring that no distinction is made between employees based on their age, gender, social, cultural, ethnic, racial or national origin, religious or political views, trade union activities, family situation, sexual orientation, health or disability;
- in December 2021, Mercialis adhered to the commitment charter drawn up by the Cercle des Femmes de l'Immobilier in favor of professional female-male parity and equality. By signing this charter, Mercialis is committed to promoting gender equality at the heart of its organization and governance, guaranteeing equal pay, encouraging the promotion of female talent and giving them fair access to decision-making structures.

At the same time, Mercialis applies its commitments on a daily basis, namely to:

- promote the representation of diversity at all levels of responsibility, and particularly within its management bodies, whether in the composition of the Board of Directors or the Management Committee;

- promote the enforcement of the principle of non-discrimination in all its forms in all actions by Management and in all Company decisions, particularly within the various Human Resources management processes;
- communicate its commitment to its employees, particularly when onboarding new employees, in order to encourage them to also adopt this approach.

The fight against all forms of discrimination is at the heart of Mercialis' Human Resources policy, from the hiring process throughout the entire career of employees, targeting in particular the 26 criteria defined by law concerning origin, gender, sexual orientation, gender identity, age, pregnancy, real or assumed belonging to an ethnic group, etc.

Specific awareness-raising actions were carried out in 2023 as part of actions to combat discrimination and promote professional equality. An annual training course, mandatory since 2018 for all teams, on the fight against all forms of discrimination (origin, disability, age, gender, religion, sexual orientation, physical appearance) was provided in 2023, attended by 96% of active employees.

Similarly, Mercialis' objective is for 100% of managers to be made aware of the positive impact of diversity among employees and the importance of non-discrimination.

Employees have multiple points of contact within Mercialis to report any issue that may be related to discrimination, to their line manager, the Human Resources or compliance departments, and lastly, the specific procedure to protect whistleblowers. It should be noted in this respect that no discrimination-related complaints were reported to the Ethics Officer or the Human Resources Department in 2022 or 2023.

### Gender-balanced recruitment and workforce

51 permanent, fixed contract and work-study hires were finalized in 2023, of which 27 women and 24 men.

Mercialis continued its investment in supporting young people by recruiting 17 work-study students during 2023.

### DISTRIBUTION OF WORKFORCE BY TYPE OF EMPLOYMENT CONTRACT

	2023		2022		2021		2020		2019	
Staff with permanent employment contracts (CDI)	145	86%	144	86%	122	89%	109	84%	93	84%
Staff with fixed-term employment contracts (CDD)	23	14%	24	14%	15	11%	20	16%	18	16%
<b>TOTAL WORKFORCE</b>	<b>168</b>	<b>100%</b>	<b>168</b>	<b>100%</b>	<b>137</b>	<b>100%</b>	<b>129</b>	<b>100%</b>	<b>111</b>	<b>100%</b>

As at December 31, 2023, 57% of Mercialis employees were women.

Over the long term, the Company's policy has helped to improve the balance between male and female managers.

BREAKDOWN OF WORKFORCE BY GENDER

	2023		2022		2021		2020		2019	
Female managers	58	46%	59	48%	48	47%	41	45%	33	42%
Male managers	67	54%	63	52%	55	53%	50	55%	45	58%
Female supervisors	23	92%	25	96%	32	94%	21	88%	16	94%
Male supervisors	2	8%	1	4%	2	6%	3	12%	1	6%
Female employees	14	78%	18	90%	0	0%	12	86%	12	75%
Male employees	4	22%	2	10%	0	0%	2	14%	4	25%
<b>TOTAL WOMEN</b>	<b>95</b>	<b>57%</b>	<b>102</b>	<b>61%</b>	<b>80</b>	<b>58%</b>	<b>74</b>	<b>57%</b>	<b>61</b>	<b>55%</b>
<b>TOTAL MEN</b>	<b>73</b>	<b>43%</b>	<b>66</b>	<b>39%</b>	<b>57</b>	<b>42%</b>	<b>55</b>	<b>43%</b>	<b>50</b>	<b>45%</b>

Gender equality at the heart of Mercialys' compensation policy

Mercialys is committed to making professional gender equality effective in terms of compensation, training and access to promotions, considering that this is a major area for implementing gender equality within the Company. More specifically:

- the Mandatory Annual Negotiation (NAO) agreement focused on the lowest salaries and therefore the female workforce at supervisor level, via a higher general increase proportion for this level;
- in order to guarantee a change in compensation that does not penalize the Company's female employees, the average wage increase provided for by collective agreements is automatically applied to the wages of women during their maternity leave. It should be noted that a system is also in place to ensure that employees on paternity leave are not disadvantaged;
- the duration of maternity or paternity leave does not impact the calculation of variable compensation;
- during maternity and paternity leave, Mercialys makes up the entire salary differential not covered by Social Security;

- for employees on paternity and childcare leave, Mercialys has maintained the benefit of three additional paid calendar days compared to the legal number of days, even though the legal number of days of paternity leave was increased from 25 to 28 days in 2021. This means the number of days granted by Mercialys is now 31 days (7 beneficiaries in 2023).

As an illustration of the effectiveness of this policy, Mercialys has recorded very good performance in terms of gender equality, as measured by the gender equality index.

Since 2019, French companies have had to gradually calculate and publish an index relating to gender equality as determined by the Ministry of Labor, Employment and Integration. Designed as a tool to put an end to professional inequalities, this index measures the gaps in pay and status between women and men in companies. If the result is less than 85 points out of 100, they must implement corrective measures that will enable them to reach at least this threshold within three years. Although not subject to this requirement until 2022, Mercialys nevertheless was keen to adopt this approach and has applied the methodology defined by the public authorities since 2019.

The national average score on the gender equality index, published on March 8, 2023 by the Minister of Labor, was 88; this year, Mercialys achieved the much higher score of 93/100.

	2023	2022	2021	2020	2019
Equality index (/100)	93	87	92	96	92

More specifically, Mercialys obtained the maximum scores for equality in the highest pay grades and the individual increases applied, as well as increases for women who have been in maternity leave in 2023. The improvement in the pay gap achieved in 2023 will have to be continued over the coming years.

Mercialys' objective is that its ranking according to this index should be maintained at a high level over the entire period from 2020 to 2030.

A strong desire for diversity in governing bodies

Mercialys implements an ambitious policy in terms of diversity in the management of its teams and in its management bodies.

This policy aims to maintain the highest standards in terms of balanced representation of women and men, both in terms of governance and in the operational management of the Company. It is illustrated by the gender balance prevailing within the Company's Management Committee and Board of Directors. In addition, the Chairmanships of the three specialized committees assisting the Board of Directors (Strategy and Transformation Committee, Audit, Risks and Sustainable Development Committee, and Appointments, Compensation and Governance Committee) are also chaired by women (see Chapter 4, § 4.1.5, p. 256).

	2023		2022		2021		2020		2019	
Women on the Management Committee	8	57%	8	53%	7	50%	8	50%	7	50%
Women on the Board of Directors	5	56%	5	56%	5	50%	5	50%	6	55%

Also illustrating the effectiveness of the actions carried out by Mercialis in this area, the Company has ranked extremely highly in the ranking of the feminization of ruling bodies in SBF 120 companies since the list was created in 2013. This ranking is organized by the French Secretary of State for Gender Equality and the Fight against Discrimination.

Steadily climbing in this ranking, Mercialis obtained 2<sup>nd</sup> place in this ranking in 2023, thus maintaining the excellent position established in 2022 while improving its score (93.4/100 compared to 91.7/100 in 2022).

	2023		2022		2021		2020		2019		2018	
Workforce under 30	50	30%	51	30%	41	30%	42	33%	37	33%	22	20%
Workforce aged between 30 and 50 years (inclusive)	82	49%	82	49%	68	50%	67	52%	54	49%	68	63%
Workforce over 50	36	21%	35	21%	28	20%	20	16%	20	18%	18	17%

21 young people under the age of 26 were recruited in 2023: 81% of them are work-study students, reflecting an active dynamic in terms of professional integration.

In addition, 5 of our work-study students were recruited on fixed-term or permanent contracts in 2023 at the end of their work-study contracts, equal more than 13% of work-study students during the year.

Lastly, 4 new seniors (aged 50 and over) were hired in 2023.

### Workers with disabilities

The fight against discrimination also involves actions renewed each year to promote the employment of workers with disabilities. Mercialis' policy in this respect is based on two main priorities.

On the one hand, the development of partnerships to welcome interns or young graduates with disabilities. In

### A balanced intergenerational distribution

In addition to the specific aspects of gender equality described above, Mercialis pays particular attention to the diversity of its workforce.

This results in a balanced intergenerational distribution. At the end of 2023, 30% of employees were under the age of 30, 49% of the workforce were experienced employees aged between 30 and 50, and 21% of employees were aged over 50.

In 2023, the average age of Mercialis employees was 38.5 years.

2023, Mercialis renewed its partnership in favor of employment for people with disabilities with the ARPEJEH association, which aims to promote the training, qualification and employment of young people with disabilities.

At the same time, Mercialis is raising service provider awareness of recruitment to promote the hiring of people with disabilities. In 2023, this systematic approach led to the hiring of a new employee on a permanent contract with Disabled Worker Status (*Reconnaissance de Qualité de Travailleur Handicapé* or RQTH in French). A second employee on a work-study program also declared their RQTH in 2023.

Furthermore, Mercialis contributes indirectly to the employment of people with disabilities by calling upon companies in the protected sector, in particular for the provision of services provided at its head office and in its centers.

## 2.5.3 Developing skills and enhancing individual potential

Mercialis has continued to strengthen its position over recent years through the development of professional skills and a proactive employee training policy.

### Broadening of professional skills

Since 2019, Mercialis has pursued a policy of bringing back in-house functions historically outsourced to third parties by investing in the development of its teams' know-how, through internal employee transfers and targeted external recruitment.

2023 saw 6 people transfer internally and the Company recruited 29 people on permanent contracts (of which 3 recruited at the end of their work-study contracts).

### A proactive training policy

Employee training is a vital tool for ensuring that the Company is agile and able to adjust quickly to changes in its sectors. It is also a driver of employee satisfaction, fulfillment and loyalty.

Mercialis' training policy is structured around two areas:

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

In order to assess their needs, employees are given the opportunity to express their training requests during their annual performance and professional development review. Training, whether diploma-based or otherwise, can also be formulated on a case-by-case basis by managers according to the needs identified for their employees, to ensure that they have the level of skills required should their current position change or for a planned future role.

Since 2020, Mercialis has set up a digital platform on which each employee can choose the training they need from among the courses available. This solution, made available to all, gives all Mercialis employees easy access to a large number of training courses.

Employees, while benefiting from the support of their managers, thus become participants in their training, which can take different forms:

- face-to-face training focused on the business lines (real estate finance, commercial negotiations, etc.);
- more general face-to-face training (communication, management, etc.);
- e-learning, distance learning, or remote training in the form of MOOC or webinars.

Internal training capitalizing on the expertise developed within the Company and promoting experience sharing is also encouraged.

In 2023, 100% of employees attended one or more training sessions.

	2023	2022	2021	2020	2019	2018
Share of employees trained	100%	100%	100%	100%	99%	100%

### A focus on managerial skills

Mercialys' management team is heavily involved in all organizational development projects, from design to implementation.

Mercialys continued to develop the managerial skills of its main executives in 2023, to strengthen its collective

dynamic, the organization's ability to work collaboratively and make decisions at the right collaborative level.

In this context, Mercialys carried out a 360° assessment for its main employees in management responsibility in October and November 2023. The results of this assessment will feed into specific, individual and collective development actions in 2024.

## 2.5.4 Retaining talent and promoting employee engagement

Mercialys is confident that employee engagement has a decisive impact on the Company's performance, in the short and medium term, by bringing the teams together around common values.

To promote this commitment, Mercialys has put in place a range of competitive advantages based on financial and non-financial valuation factors, as well as measures that contribute to a high level of quality of life at work.

### An attractive compensation policy

In order to develop its attractiveness and retain its employees, Mercialys implements an incentive-based compensation policy in line with the market in which it operates. To this end, the Company regularly participates in sector-based compensation surveys.

### Recognition of individual performance

All Mercialys employees, with the exception of work-study students, receive variable compensation equal to between 4% and 30% of their annual fixed salary. This variable component is based on the achievement of specific individual targets set jointly at the beginning of the year by employees and their managers, assessed at the beginning of the following year.

For 30% of this variable compensation, cross-functional objectives relating to the implementation of the CSR strategy are defined for each employee.

An internal platform set up in 2021 makes it possible to digitize, facilitate and promote fluid exchanges between employees and their managers throughout the year, in relation to the defined objectives.

### Recognition of collective performance

Mercialys places just as much emphasis on collective performance and in 2023 introduced two important levers.

The NAO agreement signed in March 2023 provides for a value-sharing bonus of Euro 1,300 for all employees on permanent and fixed-term contracts with a fixed annual salary of below Euro 80,000.

Mercialys signed a profit-sharing agreement with social partners at the end of November 2023, made possible by the signing of an Economic and Social Unity (ESU) recognition agreement for the various entities comprising it.

This agreement will allow employees to receive a portion of the profit-sharing reserve starting in 2024 (based on 2023 results), which can be paid into the Company Savings Plan (PEE) implemented in 2019, and thus benefit from a matching contribution from the Company. Corporate officers do not benefit from this scheme.

### Maintaining the distribution of bonus shares

In order to involve all Mercialys employees, as shareholders, in the creation and sharing of value, employee shareholding plans are regularly offered.

In 2023, 170 employees were eligible for bonus share plans, resulting in the distribution of 198,740 shares.

In 2022, this figure was 149 employees for 193,937 shares distributed and in 2021, 133 employees were eligible.

	2023	2022	2021	2020	2019
Number of shares distributed	198,740	193,937	155,986	188,433	72,890

### Sustained social dialogue

An agreement to set up an Economic and Social Unit has led to the establishment of a joint Economic and Social Committee for all Mercialys entities.

In addition, Management signed 6 agreements in 2023:

- an agreement to set up the Economic and Social Unit;
- a profit-sharing agreement;

- a Company Savings Plan Agreement;
- an agreement on social dialogue;
- a mandatory annual negotiation (NAO) agreement covering employee benefits, working conditions and compensation for Mercialys employees;
- an agreement on the implementation of a value-sharing bonus;

## A high-quality working environment

Mercialys firmly believes in the positive impact of a high-quality working environment on the well-being and commitment of its employees and, consequently, on the resulting collective effectiveness.

Thus, pleasant, inclusive premises that encourage comfort and concentration, investments in IT equipment and the automation of tasks with low added value, cross-functional projects promoting team cohesion, events and celebrations help to maintain a high level of engagement.

## A Working from Home Charter renewed each year

For Mercialys, working from home is an integral part of Quality of Life and Working Conditions, as well as being beneficial from a CSR point of view.

A Working from Home Charter has been in place since February 2019 and gives Mercialys employees the option to work from home up to two days per week, in accordance with terms and conditions that maintain general cohesion within the Company.

	2023	2022	2021	2020	2019
Number of fatal accidents	0	0	0	0	0
Number of road accidents	0	0	0	0	0
Number of occupational diseases	0	0	0	0	0
Number of workplace accidents resulting in lost time of at least one day	0	0	1	0	0
Absenteeism rate	1.5%	2.4%	1.2%	3.5%	4.4%

Thanks to the policies implemented, Mercialys has fulfilled employees who are more committed to their work and to customer satisfaction.

This translates into limited absenteeism, the rate of which was 1.5% in 2023 (2.4% in 2022), moderate in relation to national and real estate sector averages.

During the Great Place to Work 2022 survey, employees highlighted the relationship of trust and benevolence between themselves and the Company, particularly in terms

## A right to disconnect allowing a fair balance between professional and personal life

In order to protect the work-life balance of its employees, Mercialys has decided, in addition to its legal obligation, to develop a charter on the right to disconnect. The purpose of this charter is to present the recommendations applicable to all employees in order to ensure the effectiveness of their right to disconnect as well as the procedures under which this right is guaranteed.

Mercialys thus reaffirms the importance of the proper use of IT tools with a view to respecting rest periods and holidays and the importance of a good work/life balance.

## An ongoing search for balance promoting low rates of absenteeism and limited turnover

By caring for the health and well-being of its employees whilst ensuring they have a good work-life balance, Mercialys was able to avoid workplace accidents in 2023, but has also maintained a low level of absenteeism and low staff turnover.

Over the course of the year, Mercialys recorded no fatal workplace accidents and no workplace accident with at least one day off work.

of autonomy and the responsibility given to them to achieve their objectives. They also perceive their management as competent, accessible but also reliable and demonstrating ethical behavior.

Mercialys' staff turnover rate also reflects, in its own way, the high level of employee satisfaction with the Company. With a rate of 18.6% in 2023 and 16.4% in 2022, it remains at a level that may be considered low in view of the prevailing pressures on employment in the real estate sector and in the relatively low average age of the Group's employees.

	2023	2022	2021	2020	2019	2018
Permanent staff turnover	18.6%	16.4%	15.8%	13.9%	22.1%	10.2%

Mercialys has already achieved the objectives it set itself in 2020 as part of the 2020-2030 plan, in terms of employee loyalty and engagement. The objectives were as follows:

- maintain an employee satisfaction rate of at least 70% on the criteria relating to the working environment and material conditions (so-called "attention" criteria);
- guarantee the strict application of the charter on the right to disconnect for all employees;
- implement a teleworking system with the highest standards;
- maintain a favorable framework for parenthood and leave policy;
- the Company to remain on the list of "Good Place to Work" companies, *i.e.* a positive score on the overall perception of the Company of at least 65%;
- exceed 70% satisfaction on the 5 criteria relating to respect, fairness, pride in belonging to the Company, a feeling of trust and employee responsibility;
- systematically include an individual CSR objective in the annual roadmaps.



## Appendices

### 1. European Taxonomy Regulation

The European Taxonomy Regulation (EU) 2020/852 of June 18, 2020 on “the establishment of a framework to facilitate sustainable investment,” known as the EU Taxonomy, aims to define a common framework for the classification of environmentally sustainable activities. Its purpose is to drive investments towards activities contributing to the environmental transition to achieve the objectives defined in the European Green Deal.

Due to its size, Mercialys is not subject to the regulation, but nevertheless assesses its share of turnover, operating expenses and eligible investments aligned with sustainable activities according to the six objectives of the EU Taxonomy. In 2023, Mercialys announced its eligibility for and alignment with the first two objectives of the Taxonomy, namely climate change mitigation and climate change adaptation.

Mercialys’ activities correspond to the activity eligible under section 7.7 of the Taxonomy “Acquisition and ownership of buildings.” Indeed, the acquisition, transformation and operation of real estate assets, mainly shopping centers, constitutes Mercialys’ business as presented in the Company’s business model (see p. 8 *et seq.*). Some of the Company’s capital expenditure (CapEx) is used to transform its assets into aligned assets, and thus make a substantial contribution in respect of Activity 7.3 “Installation, maintenance and repair of energy efficiency equipment.”

The data presented corresponds to that in the financial statements, as published in Chapter 1 of this Universal Registration Document for the entire consolidated scope of the Company, as required by the Directive.

The operating expenses (OPEX) to be considered for the purposes of the taxonomy are restrictive and include only: non-capitalized R&D costs, renovation costs for non-capitalized buildings, short-term leases, maintenance and repair and other direct expenses related to the routine maintenance of property, plant and equipment necessary for their proper functioning. Mercialys’ analysis showed that OPEX as defined by the European taxonomy represent less than 5% of the Company’s total OPEX. They are therefore immaterial and are not presented.

Once the Company’s eligible activities have been identified, to be “sustainable” they must make a substantial contribution to at least one of the following objectives while not causing significant harm to others and respecting minimum social standards:

- CCM: climate change mitigation: helping to stabilize greenhouse gas emissions in line with the Paris Climate Agreement;
- CCA: climate change adaptation: helping to prevent or reduce negative impacts related to the current and future climate;
- WTR: the sustainable use and protection of water and marine resources: ensuring the good condition of bodies of water and preventing the deterioration of bodies of water in good condition;
- CE: the transition to a circular economy;
- PPC: pollution prevention and control;
- BIO: the protection and restoration of biodiversity and ecosystems.

The criteria applicable to Mercialys’ activities are as follows.

## CLIMATE CHANGE MITIGATION AND ADAPTATION ALIGNMENT CRITERIA

Objective	Substantial contribution criterion (Activity 7.7)	Do no significant harm criterion (Activity 7.7)	Analysis of Mercialys' alignment
Climate change mitigation	<p><b>For buildings constructed before December 31, 2020</b> EPC A rating or among the top 15% of assets at national or regional level and With an energy performance measurement and management system</p>	<p>Physical risks related to the climate were identified through an assessment and Measures are taken (or within 5 years) when risks are identified</p>	<ul style="list-style-type: none"> <li>Assessment of centers in the top 15% in terms of energy efficiency per sq.m. according to the benchmark defined by Deepki <sup>(1)</sup> and/or with an EPC A rating</li> <li>Use of an energy consumption measurement and analysis tool at all of the Company's sites</li> <li>In-depth studies of the resilience of each site to climate change</li> </ul> <p>32% of the Company's sites made a substantial contribution to this objective</p>
Climate change adaptation	<p>Physical risks related to the climate were identified through an assessment and Adaptation solutions were put in place</p>	<p><b>For buildings constructed before December 31, 2020</b> EPC rating A, B or C or among the top 30% of assets at national or regional level</p>	<ul style="list-style-type: none"> <li>In-depth studies of the resilience of each site to climate change, with an appropriate action plan in the event of a major risk</li> <li>Assessment of centers in the top 30% in terms of energy efficiency per sq.m. according to the benchmark defined by Deepki <sup>(4)</sup> and/or with an EPC of C or higher</li> </ul> <p>58% of the Company's sites made a substantial contribution to this objective</p>
Objective	Substantial contribution criterion (Activity 7.3)	Do no significant harm criterion (Activity 7.3)	Analysis of Mercialys' alignment
Climate change mitigation	<p>Individual measurement <sup>(2)</sup> from among:</p> <ul style="list-style-type: none"> <li>addition of insulation to existing building envelope components</li> <li>replacement of existing windows or doors</li> <li>installation and replacement of energy-efficient light sources</li> <li>installation, replacement, maintenance and repair of heating, ventilation and air-conditioning systems</li> <li>installation of low water consumption kitchen and sanitary water fittings</li> </ul>	<p>Compliance with established criteria for construction materials and components related to pollution and the presence of chemicals and Assessment of the materiality of the risk for the individual measures implemented in assets identified as being the most vulnerable to climate change</p>	<ul style="list-style-type: none"> <li>Identification of CapEx that falls into one of these categories. It emerges that in 2023 the following were carried out: <ul style="list-style-type: none"> <li>Switch to LED lighting in compliance with Directive 2011/65/EU of the European Parliament and of the Council of June 8, 2011 on the restriction of the use of certain hazardous substances in electrical and electronic equipment (OJ L 174, 07/01/2011, p. 88)</li> <li>Replacement of rooftop systems that contain certain refrigerants in compliance with Annexes I and II of Regulation (EC) No. 1005/2009 of the European Parliament and of the Council</li> </ul> </li> </ul>

At the same time, the Company must guarantee minimum social standards. It must operate within the framework of the OECD Guidelines for Multinational Enterprises and the United Nations Guiding Principles on Business and Human Rights (including the ILO Fundamental Conventions). As a signatory of the United Nations Global Compact since 2018, Mercialys is committed to respecting and ensuring that its suppliers and subcontractors respect the ten universal principles relating to human rights, international labor standards, protecting the environment and the fight against corruption. The Company has also formalized its commitments in its Code of Ethics and Code of Conduct, signed by all new employees. This charter reiterates that the

Company operates exclusively in mainland France, Corsica and Reunion Island, and that all of its employees work in France, a country that has ratified the eight fundamental conventions of the International Labour Organization (ILO). These regulations therefore apply in particular to the fight against discrimination at work, freedom of association and the recognition of the right to collective bargaining, the elimination of all forms of forced or compulsory labor, and the abolition of child labor (see p. 98 *et seq.*, and p. 103).

Following these analyses, the share of turnover and capital expenditure (CapEx) eligible for and aligned with the EU Taxonomy are presented in the tables below.

(1) Deepki ESG Index for the retail sector in France, available on the website <https://index-esg.com>.

(2) Compliance with the minimum requirements set for individual components and systems in the applicable national measures implementing Directive 2010/31/EU and energy labels for energy efficiency equipment has been verified.

TURNOVER OF ENVIRONMENTALLY SUSTAINABLE ACTIVITIES

	Share of Turnover / (Absolute turnover)	
	Aligned	Eligible
Climate change mitigation	31%	100%
Climate change adaptation	0%	0%
Water and marine resources	0%	0%
Circular economy	0%	0%
Pollution	0%	0%
Biodiversity and ecosystems	0%	0%

CAPEX FOR ENVIRONMENTALLY SUSTAINABLE ACTIVITIES

	Share of CapEx / (Absolute CapEx)	
	Aligned	Eligible
Climate change mitigation	35%	94%
Climate change adaptation	61%	94%
Water and marine resources	0%	0%
Circular economy	0%	0%
Pollution	0%	0%
Biodiversity and ecosystems	0%	0%

## REVENUES

Economic activities	Codes	Turnover (€M)	Share of revenue	Substantial contribution criteria						Criteria for no significant harm (DNSH: Do not significantly harm)						Share of revenue aligned (year N-1)	Enabling activity	Transitional activity
				Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity			
<b>A. ACTIVITIES ELIGIBLE FOR TAXONOMY</b>																		
<b>A.1. Environmentally sustainable activities (aligned with taxonomy)</b>																		
Acquisition and ownership of buildings	CCM 7.7.	56,1	31%	Yes	N/EL	N/EL	N/EL	N/EL	N/EL	Yes	Yes	Yes	Yes	Yes	Yes	Yes		
Revenue from sustainable activities (aligned) (A.1)		56,1	31%	31%	0%	0%	0%	0%	0%	Yes	Yes	Yes	Yes	Yes	Yes	Yes		
of which enabling		0	0%	0%	0%	0%	0%	0%	0%	Yes	Yes	Yes	Yes	Yes	Yes	Yes	M	
of which transitional		0	0%	0%						Yes	Yes	Yes	Yes	Yes	Yes	Yes	T	
<b>A.2. Activities eligible for the taxonomy but not sustainable (not aligned with the taxonomy)</b>																		
Acquisition and ownership of buildings	CCM 7.7.	121,9	68%	EL	N/EL	N/EL	N/EL	N/EL	N/EL									
Revenue from activities eligible for taxonomy but not environmentally sustainable (A.2)		121,9	68%	%	%	%	%	%	%									
Revenue from activities eligible for taxonomy (A)		178,0	100%	%	%	%	%	%	%									
<b>B. ACTIVITIES NOT ELIGIBLE FOR TAXONOMY</b>																		
Revenue from activities not eligible for taxonomy		0,3	0%															
<b>TOTAL</b>		<b>178,4</b>	<b>100%</b>															

## CAPEX

Economic activities	Codes	Capital expenditure (€M)	Share of capital expenditure	Substantial contribution criteria						Criteria for no significant harm (DNSH: Do not significantly harm)						Minimum safeguards	Share of capital expenditure aligned (Year N-1)	Enabling activity	Transitional activity
				Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity				
<b>A. ACTIVITIES ELIGIBLE FOR TAXONOMY</b>																			
<b>A.1. Environmentally sustainable activities (aligned with taxonomy)</b>																			
Acquisition and ownership of buildings	CCM 7.7/ CCA 7.7	13,43	61,0%	Yes	Yes	N/EL	N/EL	N/EL	N/EL	Yes	Yes	Yes	Yes	Yes	Yes	Yes			
Installation, maintenance and repair of equipment promoting energy efficiency	CCM 7.3.	0,10	0,4%	Yes	N/EL	N/EL	N/EL	N/EL	N/EL	Yes	Yes	Yes	Yes	Yes	Yes	Yes	M		
<b>Capital expenditure related to sustainable activities (aligned)</b>		<b>13,52</b>	<b>61,4%</b>	<b>34,6%</b>	<b>26,8%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>Yes</b>	<b>Yes</b>	<b>Yes</b>	<b>Yes</b>	<b>Yes</b>	<b>Yes</b>	<b>Yes</b>			
<b>of which enabling</b>		<b>0,10</b>	<b>0,4%</b>	<b>0,4%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>Yes</b>	<b>Yes</b>	<b>Yes</b>	<b>Yes</b>	<b>Yes</b>	<b>Yes</b>	<b>Yes</b>	<b>M</b>		
<b>of which transitional</b>		<b>0</b>	<b>0,0%</b>	<b>0,0%</b>														<b>T</b>	
<b>A.2. Activities eligible for the taxonomy but not sustainable (not aligned with the taxonomy)</b>																			
Acquisition and ownership of buildings	CCM 7.7/ CCA 7.7	7,12	32,3%	EL	EL	N/EL	N/EL	N/EL	N/EL										
<b>Capital expenditure eligible for the taxonomy but not environmentally sustainable (A.2)</b>		<b>7,12</b>	<b>32,3%</b>	<b>%</b>	<b>%</b>	<b>%</b>	<b>%</b>	<b>%</b>	<b>%</b>										
<b>Capital expenditure for activities eligible for the taxonomy (A)</b>		<b>20,6</b>	<b>94%</b>	<b>%</b>	<b>%</b>	<b>%</b>	<b>%</b>	<b>%</b>	<b>%</b>										
<b>B. ACTIVITIES NOT ELIGIBLE FOR TAXONOMY</b>																			
Capital expenditure related to activities not eligible for taxonomy		1,3802	6%																
<b>TOTAL (A+B)</b>		<b>22,0</b>	<b>100%</b>																

OPEX

Economic activities	Codes	Absolute operating expenses	Share of capital expenditure	Substantial contribution criteria							Criteria for no significant harm (DNSH: Do not significantly harm)							Minimum safeguards	Share of operating expenses aligned (A.1.) Or eligible (A.2.) With taxonomy, year N-1	Category (enabling activity)	Category (transitional activity)
				Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity						
<b>A. ACTIVITIES ELIGIBLE FOR TAXONOMY</b>																					
<b>Environmentally sustainable activities (aligned with taxonomy)</b>																					
Activity 1			%																		
Operating expenses for environmentally sustainable activities (A.1)			0%																		
of which enabling			0%																		
of which transitional			0%																		
<b>A.2. Activities eligible for the taxonomy but not sustainable (not aligned with the taxonomy)</b>																					
Operating expenses for activities eligible for taxonomy but not environmentally sustainable (A.2)			0%																		
Operating expenses for activities eligible for the taxonomy (A)			0%																		
<b>B. ACTIVITIES NOT ELIGIBLE FOR TAXONOMY</b>																					
Operating expenses for activities not eligible for taxonomy			0%																		
<b>TOTAL (A+B)</b>			<b>100%</b>																		

## 2. Other regulations applied on a voluntary basis

Over recent years, several fundamental aspects of corporate life have become the subject of regulations relative to business ethics and corporate responsibility, in the aim of encouraging companies to better incorporate these aspects into their strategic reflection and action plans.

Due to its size, its business segment and/or its exclusively French activities, Mercialis is exempt from a certain number of these regulations. Nevertheless, as a responsible company, Mercialis is voluntarily implementing certain policies, procedures and action plans to address issues that, while not being regulatory prerequisites, are inherent to business ethics.

The Company has voluntarily implemented best practices, although it is not subject to the following regulations:

- **Article L. 225-102-1 of the French Commercial Code establishing the Statement of Non-Financial Performance (SNPF)**

In Chapter 2 of its Universal Registration Document, Mercialis voluntarily presents the information required under the SNPF. It should be noted that, due to the nature of its activities, Mercialis does not present information regarding tax evasion, actions to promote the nation-army relationship and support involvement in the reserves, nor actions to promote physical and sporting activities and animal well-being. Mercialis operates solely in France, where all its employees are based. Moreover, it is subject to the REIT tax regime specific to listed real estate investment companies, exempting it from corporate tax on income from most of its activities, subject to predetermined conditions.

For further details, please refer to the cross-reference table in Chapter 9, § 9.4.5, p. 416.

- **Article 17 of Law No. 2016-1691 of December 9, 2016 relative to transparency, the fight against corruption and the modernization of economic life (the French Sapin 2 Law)**

All of Mercialis' assets are located in France, a country with a strict legal environment with regards to the fight against corruption. According to the corruption perception index published by Transparency International in 2023, France ranks 20<sup>th</sup> out of 180 countries. Moreover, Mercialis is a signatory to the United Nations Global Compact, under which it has undertaken to respect and ensure respect for universal principles including those concerning the fight against corruption, throughout its value chain. The real estate sector is considered a high-risk sector in terms of potential corruption. All corporate functions may be affected by this risk. Accordingly, the fight against corruption represents a major focus for Mercialis and is based on the following:

- measuring specific corruption risks *via* a dedicated map compiled by the Ethics and Compliance Director (also Ethics Officer) and the Head of Internal Control. It is prepared following regular discussions with all Mercialis Departments and its main service providers. An analysis and update is performed on a regular basis by the Risks Prevention Committee which is chaired by Mercialis' Chief Executive Officer and reports to the Audit, Risks and Sustainable Development Committee;
- control and assessment procedures at operational and financial levels. These procedures notably include:
  1. the limitation of powers to make commitments on behalf of the Company,
  2. the validation process by several departments of expenditure and transactions with tenants, and

3. the capacity restricted to four persons within Management to make payments on behalf of Mercialis;

- the existence of an internal whistleblowing system, of which employees are reminded on a regular basis and which guarantees legally-required confidentiality (see p. 103);
- a Code of Ethics and Code of Conduct, appended to the Rules of Procedure and describing prohibited conduct, in particular that relating to corruption and influence-peddling. Given to all new employees, it is regularly redistributed and is the subject of an annual training session (see p. 103);
- responsible lobbying guidelines, engaging the Company and its employees (as well as its service providers, if applicable) in any discussions that may be held with public officials (see p. 103).
- **Law No. 2017-399 of March 27, 2017 relative to parent companies' and contracting companies' duty of care**

In its business activities, Mercialis is committed to responsible purchasing and vigilance with regard to its value chain. This enables the Company to actively involve its stakeholders in its CSR endeavors. It can thus prevent abuses and mitigate risks in related areas such as ethics, human rights, the health and safety of people, and the environment.

The Company is a signatory to the UN Global Compact, under which it has undertaken to comply, and ensure compliance throughout its value chain, with 10 universal principles relating to human rights, the environment, international labor standards and the fight against corruption. Mercialis is also a signatory to the NEGO4GOOD charter for ethical and responsible business negotiations. Lastly, the Company's Code of Ethics and Code of Conduct cover the subject of the duty of care that the Company has imposed upon itself.

To honor these commitments, Mercialis is working on introducing a vigilance procedure based on the following:

- the precise mapping and monitoring of the nature of the Company's expenses in order to identify and assess the most significant purchases with regard to its responsibility in terms of human rights, health and safety, ethics and the environment (see p. 98 *et seq.*). An analysis and update is performed on a regular basis by the CSR Department, which reports to the Audit, Risks and Sustainable Development Committee;
- the adoption of measures to prevent and mitigate the risks identified, for example through the inclusion of CSR clauses in service contracts and major calls for tenders such as property management and the execution of projects and works within shopping centers (see p. 98 *et seq.*), or by reviewing contracts and procedures to ensure compliance with the GDPR (see p. 96);
- the monitoring of these measures and the performance of specific assessments and audits, such as external audits on the safety of each center, including the monitoring of the implementation of any corrective measures and which may go as far as the termination of the contract in the event of non-compliance with these measures (see p. 96), preventive environmental assessments, in addition to regulatory requirements (see p. 96), or audits on the quality of the shopping centers' main services (see p. 100);
- the existence of an internal whistleblowing system, of which employees are reminded on a regular basis and which guarantees confidentiality (see p. 103).

### 3. Voluntary normative frameworks

Mercialys incorporates nature-related and climate change risk management and opportunities into its corporate strategy. In order to be transparent, the Company's aligns its communications with the recommendations of the Taskforce on Climate-related Financial Disclosures (TCFD) and Taskforce on Nature-related Financial Disclosures (TNFD).

Mercialys is structured to approach all CSR issues in the same way. As a result, the governance and management aspects of nature and climate-related risks are aligned and presented jointly below.

#### 3.1 Common recommendations of the Taskforce on Climate-related Financial Disclosures (TCFD) and Taskforce on Nature-related Financial Disclosures (TNFD)

##### Governance

##### a) Monitoring of climate change risks and opportunities by the Board of Directors and dependencies, impacts, risks and opportunities related to nature by the Board of Directors

Issues related to climate change and nature are discussed quarterly by the Board of Directors, in particular through the Audit, Risks and Sustainable Development Committee (ARSDC), one of the Board's three specialized committees. The ARSDC assesses the Company's risks and opportunities, including those related to climate change and nature. The CSR Director also presents the progress of the CSR strategy to this committee on an annual basis.

The Chairwoman of the ARSDC has been appointed responsible for monitoring the CSR policy and all members of this Committee have expertise in CSR. In total, six members of the Board of Directors are able to claim significant skills in CSR.

The Board of Directors has also approved Mercialis' CSR strategy, 4 Fair Impacts for 2030, which contains the objective of contributing to carbon neutrality and is informed at least annually of the achievement of the objectives associated with this CSR strategy. Each year, it also examines the Company's Universal Registration Document, which includes a chapter on CSR in which the risks, opportunities, dependencies and impacts related to nature and the climate, the objectives set in this area, action plans and associated results are presented. This chapter is audited annually by an independent third party responsible for ensuring the accuracy and reliability of the information provided. This audit report is published annually at the end of this chapter.

The Strategy and Transformation Committee (STC) takes CSR aspects into account when reviewing strategic projects.

The third specialized committee of the Board of Directors, the Appointments, Compensation and Governance Committee (AGCG), prepares the setting of performance criteria related to climate and nature-related issues as part of the compensation of Senior Management.

For more information, see Chapter 0, p. 22 *et seq.*; Chapter 2, § 2.1.1, p. 80 *et seq.*; Chapter 2, § 2.1.2, p. 82.

##### b) Management's role in assessing and managing climate-related risks and opportunities as well as dependencies, impacts, risks and opportunities related to nature

The role of the Risks Prevention Committee (RPC) is to identify and assess the Company's risks, as well as to ensure that appropriate measures are put in place to mitigate them. It is co-chaired by the Company's Head of Internal Control and CSR Director. Its other members include the Chief Executive Officer, the Deputy Chief Executive Officer, the Director of Human Resources and the Ethics and Compliance Director.

The 52 risks identified by the RPC are divided into 8 categories, one of which is dedicated to environmental, social and societal risks. This category includes physical and transition risks related to climate change. Each year, the RPC reports on its work to the ARSDC.

The CSR Director reports directly to the Deputy Chief Executive Officer, proof that the integration of CSR issues, including those related to climate and nature, are at the heart of the Company's strategy. The CSR Director updates the Deputy Chief Executive Officer on a weekly basis on the progress of the CSR strategy and the evolution of key performance indicators.

In addition, the CSR Director sits on the Management Committee and shares progress on the CSR strategy.

This structure ensures that decisions related to CSR risks and opportunities are in line with Mercialis' strategy, while improving communication with all of the Company's departments on progress, objectives and best practices.

See Chapter 2, § 2.1.1, p. 80 *et seq.*; Chapter 2, § 2.1.2, p. 82 *et seq.*

##### c) Human rights engagement policies and activities, as well as Board and management oversight with respect to indigenous peoples, local communities, relevant stakeholders and other stakeholders, in the organization's assessment of and response to nature-related dependencies, impacts, risks and opportunities (TNFD only)

Mercialys maintains regular dialogue with all of its stakeholders: retailers, shopping center visitors, suppliers and service providers with whom it works, as well as all regional players, both public and non-profit, with which it collaborates, in the same way as the financial community and professional organizations. This dialogue is an opportunity to be part of a process of innovation and continuous improvement.

In 2020, Mercialis conducted an extensive consultation with its stakeholders with a view to updating its materiality matrix drawn up in 2015. Employees, service providers, local authorities, associations, retailers, shopping center customers, etc. were asked by an external firm to assess the importance of 33 CSR issues, including those related to nature and human rights. The issues proposed were identified using a sectoral analysis and participant responses were anonymous. There were more than 900 participants, testifying to the quality of the dialogue maintained by Mercialis with its stakeholders over many years. This consultation led to the identification of Mercialis' material challenges and was used in the development of its 2020-2030 strategy. Mercialis' Senior Management and the Board of Directors were presented with a report on the results.

In addition, during urban development projects, Mercialis communicates with all stakeholders including local residents (local populations that may be affected by these projects), town halls, public development institutions, etc. The Company listens to their expectations and involves in the project development stage.

Mercialys operates exclusively in mainland France, Corsica and Reunion Island. All of its employees and the majority of its value chain are based in France. France is one of the countries that has ratified the eight fundamental conventions of the International Labor Organization (ILO). These regulations therefore apply in particular to the fight against discrimination at work, freedom of association and the recognition of the right to collective bargaining, the elimination of all forms of forced or compulsory labor, and the abolition of child labor. Mercialis strives to scrupulously comply with these conventions as well as all regulations relating to human rights and indigenous populations applicable to the business world.



Moreover, Mercialys has been a signatory to the UN Global Compact since 2018. This commitment demonstrates its will to respect the ten universal principles relating to human rights, international labor standards, environmental protection and the fight against corruption, and to ensure that its suppliers and subcontractors do likewise.

In its Code of Ethics and Code of Conduct, Mercialys sets out these commitments and the rules of conduct that its employees undertake to respect and uphold in the performance of their duties. The Mercialys Code of Ethics and Code of Conduct reiterates the need to respect the major international fundamental principles, legislation and the environment. This charter is given to all new employees joining the Company. It is also posted on Mercialys' intranet and website, in French and English.

In its business activities, Mercialys is committed to responsible purchasing and vigilance with regard to its value chain. This enables it to concretely involve its stakeholders in its CSR approach and to prevent violations on subjects relating in particular to human rights and nature. Mercialys is working on:

- mapping its purchases in order to identify and assess the most significant purchases with regard to, among other things, human rights and nature. An analysis and update is performed on a regular basis by the CSR Department, which reports to the Audit, Risks and Sustainable Development Committee;
- adopting measures to prevent and mitigate identified risks, for example through the inclusion of CSR clauses in major service contracts and tenders, such as the management of green spaces at its shopping centers;
- monitoring these measures and carry out specific audits, such as ecological studies on the quality of the green spaces at each center, including any corrective measures to improve on-site management practices;
- the existence of an internal whistleblowing system, of which employees are reminded on a regular basis and which guarantees anonymity.

No complaints or cases related to nature have been brought to the Company's attention. It has not been involved in any controversies of this kind.

See Chapter 2, § 2.1.1, p. 80 *et seq.*

### Risk management

#### a) Process for identifying and assessing climate-related risks as well as dependencies, impacts, risks and opportunities related to nature in its direct operations (A.i) and its upstream and downstream value chain (A.ii)

The identification of risks is the result of work carried out by the Risks Prevention Committee (co-chaired by the CSR Director) on the basis of interviews with each department head and all employees. The Company's risk matrix is presented and validated by the Audit, Risks and Sustainable Development Committee in order to verify the exhaustive coverage of all risks and to monitor risk management procedures. This iterative methodology is likely to identify new risks, particularly climate-related risks, depending on any operational and regulatory changes as well as changes in the commercial real estate market.

The 52 risks identified by the RPC are divided into 8 categories, one of which is dedicated to environmental, social and societal risks. This category includes physical and transition risks related to nature and climate change.

Mercialys reviews the main risks that could have a material impact on its business activities, financial position or results on a quarterly basis.

All risks are assessed according to their impact and probability of occurrence. Probability of occurrence assesses the possibility that a risk will materialize at least once, in the short, medium and/or long term. It is divided into three types of occurrences: improbable, possible, probable.

The impact quantifies possible consequences, either in terms of the Company's financial position (change in operating results or Net Asset Value), or obstacles to the ongoing implementation of the Company's strategy or operations, or its reputation (importance given by stakeholders or media impact). It can be low, moderate, or high.

To support the assessment of CSR risks, Mercialys carries out detailed studies, asset by asset, of the priority physical hazards and transition risks related to climate change that it encounters or will encounter in the future, as well as the vulnerability and resilience of its assets to these hazards.

In addition, stakeholders are regularly consulted and called upon to express their views on the importance of CSR issues for Mercialys, including those related to nature. During the last consultation carried out in 2020, they were also asked about their perception of the Company's maturity on each subject.

See Chapter 2, § 2.1.2, p. 82 *et seq.*; Chapter 5, § 5.2 p. 328 *et seq.*

#### b) Process for managing climate-related risks and dependencies, impacts, risks and opportunities related to nature

Mercialys decides to mitigate, accept or control the risks identified according to their potential impacts. It prioritizes the management and monitoring of its risks according to their materiality. This is defined on the basis of their impact and probability.

Based on the risk mapping, the ARSDC ensures that Mercialys has structured and relevant resources to manage its activities. The RPC is responsible for identifying and assessing existing procedures, implementing a plan to supplement or optimize risk management and ensuring that these procedures have been correctly applied.

Dedicated action plans are put in place to mitigate and manage risks related to the climate and nature with quantifiable objectives and key performance indicators. Mercialys also aims to capitalize on the opportunities that may arise from climate change and is committed to anticipating market changes.

See Chapter 2, § 2.1.1, p. 80 *et seq.*; Chapter 2, § 2.2, p. 86 *et seq.*; Chapter 5, § 5.2, p. 327 *et seq.*

#### c) Integration of processes for identifying, assessing, and managing climate-related risks and those related to nature within the Company's overall risk management

Climate risk management is integrated into the Company's decision-making and operational procedures.

Mercialys' Board of Directors is informed of the main features of the risk management and internal control procedures.

The ARSDC is responsible for verifying that Mercialys has structured and relevant resources to identify, detect and prevent risks, anomalies and irregularities in the management of its activities.

Risks related to climate and nature are included in Mercialys' overall risk identification and assessment. They are part of one of the eight risk families identified.

See Chapter 2, § 2.1.2, p. 82 *et seq.*; Chapter 5, § 5.2, p. 328 *et seq.*

### 3.2 Taskforce on Climate-related Financial Disclosures (TCFD) recommendations

#### Strategy

#### a) Climate-related risks and opportunities identified in the short, medium and long term and b) Impact of climate-related risks and opportunities on the Company's activities, strategy and financial planning

- In the short term:
  - **opportunity related to the development of new services:** each purchase has an impact in terms of carbon emissions, partly due to upstream and downstream logistics. Proposing a solution that minimizes this impact in terms of last mile logistics is a climate opportunity in the sense that it could attract new customers to its shopping centers and generate additional revenues.
- In the medium term:
  - **transition risk related to future regulations:** Mercialys is subject to the tightening of new climate-related regulations, especially since the real estate sector is prone to stricter regulations, both for existing buildings and new constructions. They result in an increase in compliance costs and investments.
  - **market transition risk related to changes in consumer behavior:** consumers are increasingly attentive to the environmental and carbon impacts of their consumption. As a retail real estate company, Mercialys would be directly impacted by changes in consumer behavior and/or mobility and would have to adapt its retail and service offerings accordingly in order to maintain its retailers' revenues. The risk related to changes in consumer behavior has also been identified as a priority risk by the Company's RPC;
  - **reputational risk related to the growing concerns of investors and shareholders regarding climate change:** analysts and investors are gradually incorporating sustainability into their investment decisions, and climate change is one of the main issues they have identified. Inadequate actions by companies on climate-related issues or a poor understanding of the expectations of analysts and investors could make it more difficult or take longer to obtain financing, which may be at higher interest rates;
  - **opportunity related to the development of low-carbon goods and services:** customers are increasingly looking for environmentally-certified, energy-efficient and climate change-resistant buildings. Certified, energy-efficient and resilient shopping centers can represent differentiating added value that can make shopping centers more attractive to visitors and tenants. In addition, certification arouses the interest of investors, as illustrated by questionnaires and sustainability ratings which now include certification as a standard criterion and can increase the fair value of assets;

- In the medium/long term:

- **acute physical risks:** according to IPCC experts, climate change is expected to lead to an increase in the frequency of extreme events, such as storms and floods, as well as an increase in their severity. These events could threaten the safety of shopping centers and visitors. They could eventually force Mercialys to close its shopping centers for a certain period of time in order to carry out appropriate repairs. The Company's assets are mainly exposed to a risk of flooding which can cause a variety of damage to centers, with different levels of severity (structural damage, partitions and screens, property stored by tenants, etc.);

- In the long term:

- **opportunity related to the use of less carbon-intensive energy:** with the Paris Climate Agreement, many investors have committed to fighting climate change. In addition, with Article 173 of the French Energy Transition Law and the SFDR<sup>(1)</sup>, investors are now required to report on the carbon impact of their portfolio and demonstrate how they are aligning themselves with a low-carbon strategy. A company that is committed to combating climate change is therefore more attractive to investors.

See Chapter 2, § 2.1.2, p. 82; Chapter 2, § 2.2.1, p. 86 *et seq.*

#### c) Resilience of the Company's strategy, taking into account different climate-related scenarios, including a 2 °C or lower scenario

In order to develop its climate strategy submitted to the SBTi, Mercialys studied three scenarios, over several timeframes (between 5 years and 2050):

- the "Business-as-Usual" (BAU) scenario, estimating the change in Mercialys' emissions if its efforts remained at the current level;
- the Sectoral Decarbonization Approach (SDA) scenario of the real estate sector, making it possible to remain below a 2 °C increase (RCP 2.6 scenario of the IPCC Fifth Assessment Report);
- the scenario chosen by Mercialys, which leads to measures to reduce the emissions identified by the Company and which limits the increase in global temperature to "well below 2°C."

See Chapter 2, § 2.2.1, p. 86 *et seq.*

#### Metrics and targets

#### a) Indicators used to assess climate-related risks and opportunities are in line with the Company's risk management strategy and process

Mercialys uses a wide range of indicators to monitor the progress of its CSR strategy and ensure that climate-related risks and opportunities are effectively mitigated or taken advantage of.

They are presented throughout this chapter, with a history of 6 years to certify changes over time.

These include greenhouse gas emissions (scopes 1, 2 and 3), energy consumption, energy consumption per sq.m., the share of renewable energy, the portfolio covered by a Natural Risk Prevention Plan (PPRN), and having been the subject of adaptation work.

(1) Sustainable Finance Disclosure Regulation (SFDR) (EU) 2019/2088 on "sustainability-related disclosures in the financial services sector."

See Chapter 2, § 2.2.1, p. 86 *et seq.*; Chapter 2, Appendix 1.3, p. 120 *et seq.*

**b) Scope 1, scope 2 and, if appropriate, scope 3 greenhouse gas (GHG) emissions, and related risks**

Greenhouse gas emissions are presented in the table in the appendix on p. 123 *et seq.*, with details of the various scopes and the items comprising them.

The Company publishes all of its scopes 1, 2 and 3 emissions, as well as performance ratios such as the carbon intensity of its portfolio per sq.m.

See Chapter 2, § 2.2.1, p. 86; Chapter 2, Appendix 4.1, p. 123 *et seq.*

**c) Targets used by the Company to manage climate-related risks and opportunities and performance against these targets**

Mercialys has set objectives for its scopes 1 and 2 and for its broader carbon footprint (scope 3). Mercialis' climate strategy for the 2017 to 2030 period is thus based on the following four objectives:

- reducing scope 1 and 2 emissions by 47% per sq.m. using the market-based method <sup>(1)</sup>;
- reducing emissions from tenants' energy consumption by 46% per sq.m.;
- reducing emissions from employee travel by 26%;
- reducing emissions related to the treatment of waste produced by the centers by 26% per metric ton of waste produced.

The Science Based Targets initiative approved these objectives in 2019, making Mercialis one of the first real estate companies in the world to have its objectives scientifically approved.

Through its 4 Fair Impacts CSR strategy and in the face of the climate emergency, Mercialis is reaffirming its contribution to the fight against climate change by setting itself ambitious objectives, beyond those already established and approved by the SBTi. Indeed, Mercialis aims to contribute to carbon neutrality by 2030, across all its emissions (scopes 1, 2 and 3).

The table on p. 90 presents the Company's performance against these targets. It is ahead of its targets for scopes 1 and 2 as well as for waste treatment, and is in line with its roadmap for targets related to tenant waste and energy consumption.

See Chapter 2, § 2.2, p. 86 *et seq.*

**3.3 Taskforce on Nature-related Financial Disclosures (TNFD) recommendations**

**Strategy**

**a) Nature-related dependencies, impacts, risks and opportunities identified in the short, medium and long term and b) Impacts of dependencies, impacts, risks and opportunities on the activities, value chain, strategy and financial forecasts of the Company as well as the transition plans or analyses in place**

Mercialys has identified its significant dependencies, impacts, risks and opportunities related to nature in several steps, following the LEAP (locate, evaluate, analyze, prepare) approach recommended by the TNFD:

- mapping of Mercialis' interactions with nature, during its direct operations and throughout its value chain;

- mapping of its strategic sites to assess whether they are located near protected areas (< 500 m), or have nationally protected and/or threatened species on site, as classified by the IUCN classification;
- identification of the impacts of Mercialis and its value chain on environmental assets, as well as Mercialis' dependencies on the ecosystem services provided by nature that it needs;
- assessment of the frequency, severity and potential timeframe of Mercialis' impacts and dependencies on the main factors of pressure on nature identified by the international group IPBES (Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services): change in land use, overuse of resources, climate change, pollution and invasive species. The Company carried out its assessment based on its knowledge of its activities and its value chain, and cross-referenced this with the ENCORE <sup>(2)</sup> sector-based external assessment to ensure that no topic was overlooked;
- identification of risks and opportunities arising from these dependent relationships and impacts on nature in the short term (< 2 years), medium term (2-5 years) and long term (> 5 years);
- prioritization of these risks and opportunities based on their potential financial impacts for the Company and probability of occurrence.

This mapping of natural risks then feeds into the overall risk mapping of the Company carried out by the RPC.

Mercialys' priority risks and opportunities related to nature are:

- In the short term:
  - **chronic financial risk:** increase in the prices of resources and raw materials for the operation of the Company, or supply issues in the event of the scarcity of natural resources. For example, Mercialis could be significantly financially impacted by the increase in the price of energy, raw materials and technical facilities required to carry out its work.
  - **legal and political transition risk:** increase in investments and compliance costs related to changes in regulations and/or increase in associated taxes (Tertiary Eco-Energy Decree, F-Gas regulations, ICPE, the 7 flows decree, zero net artificialization, etc.).
- In the medium term:
  - **resource efficiency opportunity:** owning and operating a building that is efficient in terms of insulation and thermal and sound regulation (for instance, through the use of green walls or roofs) helps to reduce operating costs and reduce exposure to fluctuations in the price of natural resources, and increase the value of these assets.
- In the medium/long term:
  - **resilience opportunity:** by integrating adaptation measures into the design of buildings or in the event of extension/renovation, Mercialis could operate a more resilient portfolio. In the event of a natural disaster (e.g. flooding) or the occurrence of a chronic physical risk (e.g. heat island), its portfolio would be less impacted and degraded.

(1) Market-based: method used to calculate CO<sub>2</sub> from energy consumption, which makes it possible to take into account energy suppliers' emission factors and to highlight the renewable energy purchase.

(2) ENCORE: Exploring Natural Capital Opportunities, Risks and Exposure. Mercialis has used the ENCORE materiality analysis of the "real estate activities" process for the upstream part and direct operations. The downstream part has not yet been developed in the tool, so Mercialis' internal assessment alone has been used. The ENCORE tool was developed by the Natural Capital Alliance in partnership with UNEP-WCMC (the World Center for Conservation of Nature, part of the United Nations Environment Program).

- In the long term:
  - **acute physical risks:** the degradation of nature and ecosystems can exacerbate the severity of damage caused by meteorological phenomena such as droughts, floods and heat waves. These include damage to buildings, financial impacts (increase in insurance premiums, financial impact of claims associated with more frequent and more intense exceptional natural events, or the cost of adaptation measures, etc.), and disruption of the business activity of the Company and its tenants.

See Chapter 2, § 2.1.2, p. 82; Chapter 2, § 2.2.1, p. 86; Chapter 2, § 2.2.3, p. 91.

### c) Resilience of the Company's strategy, taking into account different scenarios

Mercialys has carried out an assessment of its risks related to heat waves, drought, clay shrinkage and swelling, forest fires, average rise in temperatures, floods/precipitation, storms, marine submersion, coastal erosion, seismic activity, landslides, over different timeframes and scenarios. Mercialis used a 30-year scenario and a 50-year scenario to be adapted to the life of a building, and the IPCC RCP 4.5 and RCP 8.5 scenarios. These scenarios correspond respectively to the implementation of measures to stabilize greenhouse gas emissions, and to the most unfavorable scenario, without a climate policy.

Concerning the risks of water stress, the analysis was carried out to 2030 and 2040 according to the "pessimistic" scenario of the Aqueduct Water Risk Atlas (SSP3 RCP 8.5 scenario).

See Chapter 2, § 2.1.2, p. 82; Chapter 2, § 2.2.1, p. 86; Chapter 2, § 2.2.3, p. 91.

### d) Interactions of the organization with low integrity ecosystems, high importance ecosystems or areas of water stress

Mercialys has mapped its interactions with nature during its direct operations and throughout its value chain. In addition, a map of its strategic sites has been drawn up in order to identify whether they are located near protected areas (ZNIEFF type I and II and Natura 2000 areas). It shows that few sites are concerned, since only 27% of the portfolio is less than 500 m from the nearest protected area and no site is in a protected area.

In addition, it has mapped its strategic centers to assess whether they are located in a water-stressed area, using the Aqueduct Water Risk Atlas. It emerges that Mercialis' sites, being only in France, are not affected by the risks of water stress in the short or medium term.

See Chapter 2, § 2.2.3, p. 91.

### Metrics and targets

#### a) Indicators used by the organization to assess significant nature-related risks and opportunities in accordance with its risk management strategy and process

In order to monitor the evolution of Mercialis' impact and dependencies on biodiversity, as well as the appropriateness of measures implemented and their effectiveness, the Company uses the indicators constructed taking into account the GRI indicators and IUCN recommendations. The most significant of these are presented throughout this chapter 2, with a history of 6 years when available to certify changes over time.

These include measurement indicators (proportion of sites with green spaces, located near protected areas, having identified protected or threatened species, etc.) and one performance indicator per identified factor of pressure on nature identified by international group IPBES: quantity of pesticides used, net artificial surface area, energy and water consumption per sq.m., carbon footprint (see TCFD recommendations), waste recovery rate, percentage of sites that have undertaken work to combat invasive species.

See Chapter 2, § 2.1.2, p. 82; Chapter 2, § 2.2.3, p. 91; Chapter 2, Appendix 4.1, p. 123.

#### b) Indicators used by the organization to assess and manage dependencies and impacts

In order to monitor changes in Mercialis' impact and dependencies on biodiversity, as well as the appropriateness and effectiveness of the measures implemented, the Company uses indicators developed by taking into account the Global Reporting Initiative (GRI) Indicator Table, the list of fundamental and additional indicators of the TNFD and the recommendations of the IUCN.

Mercialys has defined a relevant key performance indicator for its activity by biodiversity erosion factor:

- changes in the use of land, oceans and freshwater: square meterage artificialized;
- use of resources: energy consumption per sq.m, water consumption per visitor;
- climate change: scopes 1, 2 and 3 carbon footprint;
- pollution: quantity of pesticides used; waste recovery rate;
- invasive species: percentage of centers that have been the subject of operations to combat invasive species.

In addition, the Company monitors measurement and impact indicators.

#### c) Targets used by the Company to manage nature-related dependencies, impacts, risks and opportunities and performance against these targets

Mercialys has committed to several nature-related issues by 2030 in its 4 Fair Impacts for 2030 CSR strategy:

- reducing scope 1 and 2 emissions by 47% per sq.m. between 2017 and 2030, using the market-based method;
- reducing emissions linked to tenants' energy consumption by 46% per sq.m. between 2017 and 2030;
- reducing emissions from employee travel by 26% between 2017 and 2030;
- reducing emissions related to the treatment of waste produced by its centers by 26% per metric ton of waste produced between 2017 and 2030;
- contributing to carbon neutrality;
- zero pesticides used;
- 100% of waste recovered;
- 100% of strategic centers sorting 5 waste streams;
- use of recycled materials in construction products;
- promotion of the reuse of construction materials;
- prioritize densification and reconversion over artificialization.

Annual performance against these objectives is published in chapter 2 of the Mercialis Universal Registration Document.

See Chapter 2, § 2.1.2, p. 82; Chapter 2, § 2.2, p. 86 *et seq.*


### 3.4 EPRA governance indicators

To comply with the EPRA sBPR, the table below shows where to find governance information in this Universal Registration Document.

<b>Information</b>	<b>EPRA code</b>	<b>Universal Registration Document consistency</b>
Composition of the Board of Directors	Gov-Board	Chapter 4, § 4.1.1.2, p. 229 to 248
Procedure for selecting and appointing Board members	Gov-Select	Chapter 4, § 4.1.1, p. 228 and 232 to 233
Procedure for managing conflicts of interests	Gov-Col	Chapter 4, § 4.1.8, p. 265

## 4. Summary of indicators

## 4.1 Additional indicators

CSR STRATEGY PRIORITY ISSUES	INDICATOR	SCOPE	EPRA CODE	UNIT	2019	2020	2021	2022	2023
 For our environment	Energy consumption	○		MWh	54,356	47,015	45,675	45,455	36,566
		□		MWh	50,389	44,351	41,677	41,866	32,604
	Electricity consumption	○	Elec-Abs	MWh	41,645	36,724	33,802	34,631	27,998
		□	Elec-LFL	MWh	39,520	35,352	31,623	32,337	25,702
	Gas consumption	○	Fuels-Abs	MWh	10,806	8,666	10,092	9,180	6,994
		□	Fuels-LFL	MWh	8,964	7,374	8,494	8,070	5,759
	Urban heat consumption	○	DH&C-Abs	MWh	1,905	1,625	1,781	1,644	1,574
		□	DH&C-LFL	MWh	1,905	1,625	1,561	1,460	1,144
	Energy intensity per unit area	○	Energy-Int	kWh/ sq.m.	168.8	156.8	147.1	148.8	118.3
		□	Energy-Int	kWh/ sq.m.	166.7	157.0	148.5	150.8	116.8
	Usage energy intensity	○	Energy-Int	kWh/ visitor	0.4	0.4	0.4	0.4	0.3
		□	Energy-Int	kWh/ visitor	0.4	0.4	0.4	0.4	0.3
	Share of energy consumption from renewable sources	○		%	33.5	16.4	55.3	86.5	50.0
	Percentage of portfolio with a photovoltaic power plant, by value	○		%	48.6	48.9	48.5	50.3	50.8
	Scope 1 greenhouse gas emissions, location-based	○	GHG-Dir-Abs	tCO <sub>2</sub> eq.	1,965	1,615	1,893	1,921	1,367
		□		tCO <sub>2</sub> eq.	1,527	1,280	1,365	1,558	1,059
	Scope 2 greenhouse gas emissions, location-based	○	GHG-Indir-Abs	tCO <sub>2</sub> eq.	4,850	4,348	4,062	3,931	3,773
		□		tCO <sub>2</sub> eq.	4,475	3,982	3,613	3,525	3,364
	Scope 2 greenhouse gas emissions, market-based	○	GHG-Indir-Abs	tCO <sub>2</sub> eq.	4,479	4,375	3,413	191	3,923
	Scopes 1 & 2 greenhouse gas emissions, location-based	○		tCO <sub>2</sub> eq.	6,815	5,964	5,955	5,852	5,140
		□		tCO <sub>2</sub> eq.	6,002	5,262	4,978	5,082	4,423
	Scopes 1 & 2 greenhouse gas emissions, market-based	○		tCO <sub>2</sub> eq.	6,444	5,990	5,037	1,386	4,698
	Scopes 1 & 2 areal carbon intensity, location-based	○	GHG-Int	kgCO <sub>2</sub> eq./ sq.m.	22.2	19.9	19.2	19.2	16.6
		□	GHG-Int	kgCO <sub>2</sub> eq./ sq.m.	22.8	21.4	20.3	21.0	18.1
	Scopes 1 & 2 areal carbon intensity, market-based	○	GHG-Int	kgCO <sub>2</sub> eq./ sq.m.	21.0	20.0	16.2	4.5	15.2
	Scopes 1 & 2 carbon intensity of use, location-based	○	GHG-Int	gCO <sub>2</sub> eq./ visitor	48.3	48.4	54.2	46.8	42.7
		□	GHG-Int	gCO <sub>2</sub> eq./ visitor	57.8	61.0	65.2	58.1	55.1
	Scope 3 greenhouse gas emissions related to purchases	○		tCO <sub>2</sub> eq.		5,106	4,949	5,680	6,402
	Scope 3 greenhouse gas emissions related to work	○		tCO <sub>2</sub> eq.				1,120	1,585
	Scope 3 greenhouse gas emissions relating to the management of operations waste	○		tCO <sub>2</sub> eq.		1,256	1,224	1,365	1,249
Scope 3 greenhouse gas emissions related to employee travel	○		tCO <sub>2</sub> eq.	190.0	188.7	206.9	248.4	157.7	

○ Current □ Like-for-Like

CSR STRATEGY  
PRIORITY ISSUES

INDICATOR	SCOPE	EPRA CODE	UNIT	2019	2020	2021	2022	2023
Scope 3 greenhouse gas emissions related to tenants' energy consumption	○		tCO <sub>2</sub> eq.		45,545	36,389	36,561	35,724
Scope 3 greenhouse gas emissions	○		tCO <sub>2</sub> eq.		53,652	44,893	44,974	45,119
Scope 3 greenhouse gas emissions related to tenants' energy consumption	○		kgCO <sub>2</sub> eq./sq.m.	65.0	62.7	51.0	54.0	52.8
Scope 3 greenhouse gas emissions relating to the management of operations waste	○		tCO <sub>2</sub> eq./metric ton	0.2	0.2	0.2	0.2	0.2
Greenhouse gas emissions from electricity upstream production	○	GHG-Indir-Abs	tCO <sub>2</sub> eq.		1,042	1,041	1,045	874
Total quantity of waste	△	Waste-Abs	metric tons	6,909	5,945	5,188	6,302	5,759
	□	Waste-LfL	metric tons	5,080	4,339	3,754	4,298	4,135
Quantity of non-hazardous industrial waste	△	Waste-Abs	metric tons	4,964	4,198	3,532	4,277	3,749
	□	Waste-LfL	metric tons	3,574	3,037	2,565	2,898	2,717
Quantity of cardboard	△	Waste-Abs	metric tons	1,755	1,536	1,429	1,730	1,634
	□	Waste-LfL	metric tons	1,405	1,192	1,080	1,255	1,150
Quantity of plastic	△	Waste-Abs	metric tons	25.6	24.7	13.9	19.2	13.0
	□	Waste-LfL	metric tons	17.5	21.2	11.3	15.9	9.2
Quantity of bio-waste	△	Waste-Abs	metric tons	80.0	84.4	65.4	130.9	133.8
	□	Waste-LfL	metric tons	53.6	63.7	45.3	70.6	97.2
Quantity of paper	△	Waste-Abs	metric tons	0.0	0.0	1.1	1.1	30.3
	□	Waste-LfL	metric tons	0.0	0.0	1.1	1.1	30.3
Quantity of wood	△	Waste-Abs	metric tons	14.2	22.0	22.9	48.3	54.4
	□	Waste-LfL	metric tons	3.6	10.0	12.9	29.6	36.7
Quantity of glass	△	Waste-Abs	metric tons	13.2	14.8	9.1	14.3	32.2
	□	Waste-LfL	metric tons	2.5	3.2	6.4	14.3	32.2
Quantity of metal	△	Waste-Abs	metric tons	0.0	0.8	3.2	7.3	13.5
	□	Waste-LfL	metric tons	0.0	0.3	2.1	5.3	11.4
Quantity of other waste	△	Waste-Abs	metric tons	57.6	63.8	111.0	74.5	98.7
	□	Waste-LfL	metric tons	23.7	12.4	29.5	8.1	50.7
Waste sorting rate	△		%	28.2	29.4	31.9	32.1	34.9
Waste recovery rate	△		%	64.0	53.7	56.1	64.7	66.2
Percentage of recycled waste	△		%	14.2	11.9	8.4	9.4	10.4
Percentage of composted waste	△		%	0.3	0.4	0.4	0.5	0.7
Percentage of waste incinerated with energy recovery	△		%	9.0	7.0	6.4	5.2	7.5
Percentage of waste recovered in other ways	△		%	40.8	34.7	41.3	50.1	48.3
Total water consumption	△	Water-Abs	m <sup>3</sup>	111,281	108,488	82,091	108,404	110,468
	□	Water-LfL	m <sup>3</sup>	104,431	103,225	77,882	100,033	102,218
Areal water intensity	△	Water-Int	m <sup>3</sup> /sq.m.	0.9	0.9	0.7	0.8	0.8
	□	Water-Int	m <sup>3</sup> /sq.m.	1.0	0.9	0.7	0.9	0.9
Water consumption per visitor	△	Water-Int	L/visitor	1.2	1.3	1.1	1.2	1.3
Quantity of pesticide used during theyear	△		liters	0.0	40.0	7.0	5.0	5.0



○ Current □ Like-for-Like △ RSE

CSR STRATEGY  
PRIORITY ISSUES

INDICATOR

SCOPE

EPRA CODE

UNIT

2019

2020

2021

2022

2023

INDICATOR	SCOPE	EPRA CODE	UNIT	2019	2020	2021	2022	2023
Percentage of BREEAM In-Use certified strategic centers, by value	★	Cert-Tot	%	71.8	82.7	100.0	100.0	100.0
Percentage of BREEAM In-Use certified strategic centers, by surface area	★	Cert-Tot	%	64.4	83.0	100.0	100.0	100.0
Number of BREEAM In-Use certified strategic centers	★	Cert-Tot		15	17	23	23	23
Average score of BREEAM In-Use certified strategic centers in part 2	★	Cert-Tot	%	67.5	80.1	79.5	76.4	72.4
Percentage of the portfolio that is BREEAM In-Use certified, by value		Cert-Tot	Cert-Tot	65.3	76.7	91.2	89.4	95.1
Percentage of BREEAM New Construction certified centers, by value	★	Cert-Tot	%	8.5	8.3	7.9	8.1	8.1
Number of BREEAM New Construction certified centers	★	Cert-Tot		1	1	1	1	1
Percentage of assets covered by a tenant satisfaction survey			%	89.1	94.5	44.1	96.8	97.7
Percentage of leases signed during the year comprising an environmental clause			%	94.2	95.2	97.8	93.7	100.0
Percentage of leases with environmental clause in the portfolio			%		39.0	46.1	46.5	49.5
Percentage of shopping centers placing CSR on the agenda of a meeting with tenants			%	93.8	79.7	91.5	72.5	53.5
Private energy consumption			MWh	83,210	96,227	104,299	95,414	99,651
Water consumption of tenants			m <sup>3</sup>		162,900	126,826	188,537	148,037
Share of tenants whose energy consumptions were collected			%	35.4	52.9	66.1	65.0	63.5
Share of assets covered by a security audit in the year		H&S-Asset	%	88.0	86.8	97.2	97	96.7
Average score on the security audit		H&S-Asset	/100	87	92	93	94	92
Number of convictions related to a health or safety incident		H&S-Comp					0	0
Percentage of shopping centers that hosted an employment event during the year	★	Comty-Eng	%	35.3	38.0	25.9	61.6	70.5
Number of jobs hosted by Mercialys activity				17,222	17,423	16,436	16,606	16,509
Percentage of centers with a multi-functional space	★		%	44.8	48.9	56.7	57.7	59.5
Share of assets purchases covered by CSR clauses			%	78.9	75.3	81.9	83.6	87.9
Share of corporate purchases covered by CSR clauses			%	21.4	25.7	26.7	31.2	32.6
Percentage of purchases by "local" shopping centers			%			59.1	79.8	87.1
Percentage of "local" corporate purchasing			%					99.5
Average number of transport lines accessible to one visitor to a shopping center				3	4	4	4	4
Percentage of shopping centers located less than 500 meters from a public transport stop			%	100.0	100.0	100.0	100.0	100.0
Share of assets equipped with charging stations for electric vehicles			%	49.3	49.3	64.2	68.0	75.9
Percentage of centers having carried out a CSR action during the year		Comty-Eng	%	84.1	94.3	96.9	96.3	97.7
Socio-economic contribution		Comty-Eng	€K		860.1	593.8	345.2	218.3



For our stores



For our communities



CSR STRATEGY  
PRIORITY ISSUES

INDICATOR

EPRA CODE

UNIT

2019

2020

2021

2022

2023



For our  
talents

INDICATOR	EPRA CODE	UNIT	2019	2020	2021	2022	2023
<b>Total staff</b>			111	129	137	168	<b>168</b>
<b>Staff with permanent employment contracts (CDI)</b>			93	109	122	144	<b>145</b>
<b>Staff with fixed-term employment contracts (CDD)</b>			18	20	15	24	<b>23</b>
<b>Number of work-study students accepted during the year</b>			4	9	3	15	<b>37</b>
<b>Number of interns hosted during the year</b>			5	4	2	3	<b>1</b>
<b>Temporary staff</b>			9	9	1	4	<b>1</b>
<b>Full-time staff</b>			105	123	132	160	<b>161</b>
<b>Part-time staff</b>			6	6	5	8	<b>7</b>
<b>Total number of hires</b>	Emp-Turnover		30	44	33	63	<b>51</b>
<b>Number of new hires with fixed-term employment contracts (CDD)</b>	Emp-Turnover		14	16	10	21	<b>22</b>
<b>Number of new hires with permanent employment contracts (CDI)</b>	Emp-Turnover		16	28	23	42	<b>29</b>
<b>Number of redundancies</b>	Emp-Turnover		0	0	0	0	<b>0</b>
<b>Number of dismissals for other reasons</b>	Emp-Turnover		5	4	2	0	<b>2</b>
<b>Total number of departures</b>	Emp-Turnover		21	14	18	22	<b>27</b>
<b>Permanent staff turnover</b>	Emp-Turnover	%	22.1	13.9	15.8	16.4	<b>18.6</b>
<b>Average annual increase for employees</b>		%	1.0	1.0	0.5	4.0	<b>4.0</b>
<b>Number of bonus shares distributed</b>			72,890	188,433	155,986	193,937	<b>198,740</b>
<b>Total number of training hours</b>	Emp-Training	hours	1,402	741	1,525	854	<b>1,418</b>
<b>Average number of training hours per employee trained</b>	Emp-Training	hours/employee	12.9	5.8	11.2	5.6	<b>8.4</b>
<b>Number of permanent employees trained</b>	Emp-Training		96	114	129	133	<b>148</b>
<b>Share of employees trained</b>	Emp-Training	%	99.0	100.0	100.0	100.0	<b>100.0</b>
<b>Budget allocated to training</b>	Emp-Training	Euro	127,767	122,456	150,000	200,000	<b>140,000</b>
<b>Number of workers with disabilities</b>	Diversity-Emp		1	1	0	1	<b>2</b>
<b>Total number of women</b>	Diversity-Emp		61	74	80	102	<b>95</b>
<b>Total number of men</b>	Diversity-Emp		50	55	57	66	<b>73</b>
<b>Total number of female managers</b>	Diversity-Emp		33	41	48	59	<b>58</b>
<b>Total number of female employees</b>	Diversity-Emp		12	12	0	18	<b>14</b>
<b>Total number of female supervisors</b>	Diversity-Emp		16	21	32	25	<b>23</b>
<b>Total number of male managers</b>	Diversity-Emp		45	50	55	63	<b>67</b>
<b>Total number of male employees</b>	Diversity-Emp		4	2	0	2	<b>4</b>
<b>Total number of male supervisors</b>	Diversity-Emp		1	3	2	1	<b>2</b>
<b>Number of women on the Management Committee</b>	Diversity-Emp		7	8	7	8	<b>8</b>
<b>Number of men on the Management Committee</b>	Diversity-Emp		7	8	7	7	<b>6</b>
<b>Number of women on the Board of Directors</b>	Diversity-Emp		6	5	5	5	<b>5</b>
<b>Number of men on the Board of Directors</b>	Diversity-Emp		5	5	5	4	<b>4</b>

CSR STRATEGY  
PRIORITY ISSUES

INDICATOR

EPRA CODE

UNIT

2019

2020

2021

2022

2023

For our  
talents

INDICATOR	EPRA CODE	UNIT	2019	2020	2021	2022	2023
Number of women on permanent employment contracts promoted during the year	Diversity-Emp		1	2	1	1	4
Number of women recruited during the year	Diversity-Emp		22	27	18	41	28
Number of women trained during the year	Diversity-Emp		66	82	81	86	95
Average age		years	37.3	37.6	38.0	38.7	38
Number of employees under 30	Diversity-Emp		37	42	41	51	50
Number of employees between 30 and 50	Diversity-Emp		54	67	68	82	82
Number of employees over 50	Diversity-Emp		20	20	28	35	36
Gender equality index	Diversity-Pay	/100	92	96	92	87	93
Number of referrals to the Ethics Officer as part of the whistleblowing procedure			0	0	1	0	0
Percentage of employees trained in ethics during the year		%	82.9	96.9	97.1	94.6	96.4
Percentage of employees trained in CSR during the year		%		74.0	74.0	1.3	1.2
Percentage of employees with an individual CSR objective		%	100.0	100.0	100.0	100.0	100.0
Lobbying expenses		€K		55.0	27.3	132.0	101.2
Absenteeism rate	H&S-Emp	%	4.4	3.5	1.2	2.4	1.5
Number of fatal accidents	H&S-Emp		0	0	0	0	0
Number of road accidents	H&S-Emp		0	0	0	0	0
Number of workplace accidents	H&S-Emp		0	0	1	0	0
Number of occupational diseases	H&S-Emp		0	0	0	0	0
Frequency rate of workplace accidents	H&S-Emp		0.0	0.0	5.3	0.0	0.0
Severity rate of workplace accidents	H&S-Emp		0.0	0.0	0.2	0.0	0.0
Number of employees teleworking			41	38	33	112	146
Number of people eligible for teleworking			55	74	73	112	146
Number of days donated to caregivers		days	0	7	0	4	0
Percentage of employees covered by a collective agreement		%	100.0	100.0	100.0	100.0	100.0
Number of meetings held with staff representatives			27	33	30	31	10
Percentage of employees who had an annual appraisal interview	Emp-Dev	%		100.0	100.0	100.0	100.0

## 4.2 Head office indicators

INDICATOR	SCOPE	EPRA CODE	UNIT	2019	2020	2021	2022	2023	CHANGE 2022/2023
<b>Total electricity consumption</b>	○ Elec-Abs		MWh	147.0	16.6	35.4	43.1	<b>27.4</b>	
	□ Elec-LfL		MWh	147.0	16.6	35.4	43.1	<b>27.4</b>	
<b>Total energy consumption from district heating or cooling networks</b>	○ DH&C-Abs		MWh	184.0	67.3	160.7	144.7	<b>101.0</b>	
	□ DH&C-LfL		MWh	184.0	67.3	160.7	144.7	<b>101.0</b>	
<b>Total fuel consumption</b>	○ Fuels-Abs		MWh	3.2	0.0	0.0	0.0	<b>0.0</b>	
	□ Fuels-LfL		MWh	3.2	0.0	0.0	0.0	<b>0.0</b>	
<b>Energy intensity of the building</b>		Energy-Int	kWh/sq.m.	Not applicable	Not applicable	Not applicable	Not applicable	<b>Not applicable</b>	
<b>Total direct GHG emissions</b>		GHG-Indir-Abs	tCO <sub>2</sub> eq.	0.58	0.00	0.00	0.00	<b>0.00</b>	
<b>Total indirect GHG emissions</b>		GHG-Indir-Abs	tCO <sub>2</sub> eq.	37.5	11.8	13.8	11.6	<b>13.0</b>	+ 12.4%
<b>Carbon intensity of the building</b>		GHG-Int	tCO <sub>2</sub> eq./sq.m.	Not applicable	Not applicable	Not applicable	Not applicable	<b>Not applicable</b>	
<b>Total water consumption</b>	○ Water-Abs		m <sup>3</sup>	611.0	517.0	400.9	559.4	<b>819.3</b>	
	□ Water-LfL		m <sup>3</sup>	611.0	517.0	400.9	559.4	<b>819.3</b>	
<b>Building's water intensity</b>		Water-Int	m <sup>3</sup> /visitor	Not applicable	Not applicable	Not applicable	Not applicable	<b>Not applicable</b>	
<b>Total waste production by type of treatment</b>	○ Waste-Abs		metric tons	2.9	0.6	0.3	0.4	<b>3.9</b>	
			% recycled	57%	100%	100%	100%	<b>9%</b>	
		% buried	43%	0%	0%	0%	<b>91%</b>		
	□ Waste-LfL		metric tons	2.9	0.6	0.3	0.4	<b>3.9</b>	
			% recycled	57%	100%	100%	100%	<b>9%</b>	
			% buried	43%	0%	0%	0%	<b>91%</b>	

○ Current □ Like-for-Like

## 5. Methodological note

### 5.1 Scopes

#### A. Current scope

The current scope comprises the assets within the CSR scope, excluding acquisitions during the year, in accordance with the CSR reporting guidelines of the FACT (formerly the CNCC).

#### B. CSR scope

The CSR scope includes assets in the portfolio as at December 31 of year N, excluding isolated units and dismembered assets, *i.e.* assets that represent less than 1% of the Mercialis portfolio in terms of surface area. The CSR scope therefore consists solely of shopping centers and represents 94% of the current scope. Unless otherwise stated, the information published relates to the CSR scope.

#### C. Strategic centers

Strategic centers are assets identified by Mercialis as generating added value in the medium term given their size, legal structure and project potential. In 2023, they represented 88% of the current scope.

#### D. Like-for-Like scope

The like-for-like scope comprises the assets within the current scope, excluding assets that underwent construction representing the creation of Gross Leasable Area (GLA) of more than 20%, in accordance with the CSR reporting guidelines of the FACT (formerly the CNCC). The like-for-like scope is calculated in relation to the year 2017.

### 5.2 Reporting period

The environmental and footfall indicators are reported over a rolling 12-month period, from October 1 of year N-1 to September 30 of year N. The data entered as "N" therefore correspond to the indicators calculated from October 1 of year N-1 to September 30 of year N inclusive.

Social and societal indicators are reported on a calendar-year basis, from January 1 to December 31 of year N.

Each time a CSR indicator is used as a compensation criterion on an annual calendar basis, it is calculated in accordance with the rules detailed above.

### 5.3 Coverage rate

For each indicator, the coverage rate is given in terms of fair value, including transfer taxes. The fair value of each asset is based on appraisals conducted for Mercialis.

### 5.4 Business indicators

#### A. Surface area of common areas

Common areas are considered to be the center, areas open to the public and heated, ventilated or chilled/cooled areas and offices.

#### B. Gross Leasable Area (GLA)

The gross leasable areas (used for the calculation of coverage rates in surface area) are those presented in Chapter 1, § 1.3.2.3, p. 73 *et seq.*

#### C. Footfall

Footfall data comes from the counter systems set up at the shopping centers and are collected daily.

The shopping centers for which counters were installed (full installation or modification of existing equipment) during the reporting period are not included in the usage indicators scope. They are factored in after a full year of operation.

### 5.5 Environmental indicators

#### A. Energy consumption

This refers to energy consumption in kWh (final energy) paid for by the property manager and distributed to the common areas as well as the private areas that may be served by shared systems for heating, ventilation and/or air conditioning (connected private areas). The energy produced and consumed on site is also recorded.

#### B. Greenhouse gas emissions

Greenhouse gas emissions are calculated in accordance with the GHG Protocol.

##### Greenhouse gas emissions (scope 1)

Emissions related to energy consumption burned on-site for the common areas and connected private areas (particularly gas) and to refrigerant leaks.

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

Greenhouse gas emissions generated by the refrigerant (kgCO<sub>2</sub>eq.) = quantity of refrigerant leak (kg) × refrigerant's Global Warming Potential (GWP)<sup>(1)</sup>(kgCO<sub>2</sub>eq./kg).

##### Greenhouse gas emissions (scope 2)

Emissions related to electricity consumption and urban heat used for the common areas and connected private areas.

##### Location-based emission factors and Global Warming Potential GWP

The location-based emission factors and GWP used are derived from the most recent version of ADEME's Carbon Base.

##### Market-based emission factors

The market-based emission factors are derived directly from the different energy suppliers. If the emission factor is not available for year N at the time of the Universal Registration Document's publication, the emission factor for N-1 is used.

In addition, for properties for which information is not provided by the energy supplier, the residual factor calculated by the AIB (Association of Issuing Bodies) is used. For Corsican and Reunionese assets, the location-based emission factor of the Carbon Base is used.

##### Employee travel (scope 3)

Greenhouse gas emissions related to Mercialis employee travel are reported over a period from January 1 to December 31 of year N.

(1) Global Warming Potential (GWP): an indicator that measures the cumulative effect of all the substances that aggravate the greenhouse effect.

**C. Waste**

This is waste produced by retailers and left by visitors in the center's bins.

The sites for which waste management is shared between the hypermarket and the shopping center are not taken into account as part of the waste scope.

**Quantity**

Waste quantities are given by the service provider that collects and handles the treatment of waste on a web platform. For removal in volume, the collected tonnage is estimated based on the number of containers removed and an average volume weight.

For removal by the town, an estimation methodology based on average tonnage by square meter has been devised.

Quantities of unclassified waste (waste that is sorted but rejected for recovery because it is insufficiently sorted) is incorporated into the tonnage of non-hazardous industrial waste.

**Outfalls**

Information on outfalls is reported by the waste service providers based on European nomenclature codes. A site is excluded from the scope of this indicator if the end-of-life treatment of more than 30% of the waste produced (in metric tons) is unknown.

**D. Water consumption**

This applies to drinking water consumption in communal areas only. This indicator includes consumption related to:

- the shopping center's sanitation facilities (customer sanitation facilities and those of the shopping center's management);
- cleaning the center (mall, compactors, etc.);
- the watering of green spaces;
- air conditioning systems (cooling towers).

This indicator does not include:

- purely private consumption (shop consumption);
- water consumption related to fire safety (sprinkler tank, etc.).

**E. Head office environmental indicators**

The environmental indicators related to offices occupied by Mercialis are limited to the surface area occupied in the building (percentage shares).

**5.6 Social indicators****A. Training**

All types of training, whether face-to-face or e-learning courses, are taken into account for the training indicators. There is no minimum duration used to calculate training hours.

The proportion of employees trained is calculated on the basis of the number of permanent and fixed-term contracts trained in year N divided by the average number of permanent and fixed-term employees in year N, taking into account new arrivals, departures and long absences that may occur during the year.

**B. Turnover**

Turnover is calculated for staff with permanent employment contracts by dividing the total number of departures of staff with permanent employment contracts by the average staff with permanent employment contracts.

**C. Absenteeism**

The absenteeism rate is calculated based on theoretical working days. It takes into account all days of absence that are not days for parental leave, training hours or days of leave.

**D. Gender equality index**

The gender equality index, established by the French Ministry of Labor, Employment and Economic Inclusion, is made up of five indicators:

- the gender pay gap;
- differences in the distribution of individual pay rises;
- number of employees receiving a pay rise on their return from maternity leave;
- parity among the 10 highest paid employees.

**5.7 Societal indicators****A. Environmental certifications**

A shopping center is considered certified for the period if the certificate is issued before December 31 of year N.

**B. Green leases**

The coverage rate of environmental lease clauses is calculated as a percentage of leases signed during the current year that are eligible for an environmental clause. Exceptional leases of less than one year and amendments to the lease are excluded.

**C. Tenant satisfaction**

Tenant satisfaction is measured using paper or online questionnaires. To be included in the coverage rate, a shopping center must have used the survey in the last 24 months.

**D. Jobs at the portfolio's shopping centers**

These jobs include:

- store positions in shopping centers. These jobs were identified specifically from a sample group of Mercialis portfolio of centers. Based on the corresponding areas, employment ratios per square meter, specific to each business sector, were calculated. These ratios make it possible to extrapolate the jobs hosted by the stores of all Mercialis centers;
- indirect jobs with service providers operating at Mercialis' centers. The following activities were taken into account: maintenance, cleaning, insurance and security.

**E. Local and responsible purchasing**

The percentage of shopping centers with a CSR clause is calculated based on the operating expenses of the centers.

A purchase is considered "local" if it is made:

- in the region or within a radius of 200 km for shopping center purchases;
- in Europe for corporate purchases.

Purchases that do not involve travel by the service provider to the site are excluded from the calculation. These include, for example, Wi-Fi and telephone contracts.

Only purchases representing a cumulative minimum of Euro 10,000 over the reporting period are taken into account in the calculation of these indicators. Indeed, smaller expenses are often not subject to a contract.

**F. Socio-economic contribution**

The amount allocated to the support of non-profit organizations corresponds to the sum of donations made by the centers and Mercialis, whether financial or in the form of vouchers, the monetary value of the time spent by the teams, and the amount of the rents granted on an *ex gratia* basis.

## 6. Opinion of the independent third party

### Report by the independent third party on the consolidated statement of non-financial performance

Fiscal year ended on December 31, 2023

To the General Management,

Following the entity's request and in our capacity as independent verifier, member of the network of one of the statutory auditors of your company (hereinafter "entity"), we present to you our report on the consolidated non-financial statement for the year ended on the 31 December 2023 (hereinafter the "Statement"), with the provisions of Article R. 225-105 of the French Commercial Code (Code de commerce) and on the accuracy of the historical information (observed or extrapolated) provided in accordance with 3° of I and II of Article R. 225-105 of the Commercial Code (hereinafter the "Information") prepared in accordance with the Entity's procedures (hereinafter the "Guidelines"), presented in the management report in accordance with the provisions of Articles L. 225-102-1, R. 225-105, and R. 225-105-1 of the French Commercial Code.

### Conclusion

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

### Preparation of the non-financial performance statement

The absence of a generally accepted and commonly used framework or established practices on which to base the assessment and measurement of information allows for the use of different, but acceptable, measurement techniques that may affect comparability between entities and over time.

Therefore, the Information should be read and understood with reference to the Guidelines, the significant elements of which are presented in the Statement.

### Limitations inherent in the preparation of the Information

The information may be subject to uncertainty inherent in the state of scientific or economic knowledge and the quality of external data used. Certain information is sensitive to the methodological choices, assumptions and/or estimates made in preparing it and presented in the Statement.

### The Entity's responsibility

It is the responsibility of management to:

- select or establish appropriate criteria for the preparation of the Information;

- prepare a Statement in accordance with legal and regulatory provisions, including a presentation of the business model, a description of the main non-financial risks, a presentation of the policies applied in relation to these risks, as well as the results of these policies, including key performance indicators and, moreover, the information provided for in Article 8 of Regulation (EU) 2020/852 (green taxonomy);

- prepare the Statement by applying the Entity's Guidelines as mentioned above;

- implement the internal control that it deems necessary to establish Information that does not contain significant anomalies, whether resulting from fraud or errors.

The Statement has been prepared by the Board of Directors.

### Responsibility of the independent third party

On the basis of our work, our responsibility is to provide a report expressing a limited assurance conclusion on:

- the compliance of the Statement with the requirements of Article R. 225-105 of the French Commercial Code;
- the fairness of historical information (recorded or extrapolated) provided in accordance with article R. 225-105 I, 3° and II of the French Commercial Code, *i.e.*, the outcomes, including key performance indicators, and the measures implemented considering the principal risks.

As it is our responsibility to form an independent conclusion on the Information as prepared by management, we are not permitted to be involved in the preparation of the Information, as this could compromise our independence.

However, it is not our responsibility to comment on:

- the Entity's compliance with other applicable legal and regulatory requirements, in particular the information set out in Article 8 of Regulation (EU) 2020/852 (Taxonomy Regulation), the French duty of care law and anti-corruption and tax avoidance legislation;
- the accuracy of the information required by Article 8 of Regulation (EU) 2020/852 ("Taxonomy Regulation");
- the compliance of products and services with the applicable regulations.

### Professional standards applied

Our work described below has been carried out in accordance with the provisions of Articles A. 225-1 and following of the French Commercial Code, our verification program consisting of our own procedures (Verification Program for the non-financial performance statement, dated July 7, 2023), and the professional standards of the National Association of Statutory Auditors concerning this engagement, notably the technical opinion of the National Association of Statutory Auditors, Auditor's Intervention - OTI Intervention - Non-financial performance statement, and International Standard on Assurance Engagements ISAE 3000 (revised)<sup>(1)</sup>.

### Independence and quality control

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

(1) ISAE 3000 (revised) - Assurance engagements other than audits or reviews of historical financial information

## Means and resources

Our verification work mobilized the skills of four people and took place between October 2023 and March 2024 on a total duration of intervention of about ten weeks.

We enlisted the assistance of our specialists in sustainable development and corporate social responsibility to support us in carrying out our work. We conducted three interviews with the persons responsible for the preparation of the Statement, including in particular the CSR and Human Resources departments and rental management.

## Nature and scope of the work

We planned and performed our work taking into account the risks of material misstatement of the Information.

In our opinion, the procedures we have performed in the exercise of our professional judgment enable us to provide a limited level of assurance:

- we obtained an understanding of all the consolidated entities' activities and the description of the principal risks associated;
  - we assessed the suitability of the criteria of the Guidelines with respect to their relevance, completeness, reliability, neutrality and understandability, with due consideration of industry best practices, where appropriate;
  - we verified that the Statement includes each category of social and environmental information set out in Article L. 225-102-1 III of the French Commercial Code; as well as the information provided for in paragraph 2 of Article L. 22-10-36 on respect for human rights and the fight against corruption and tax evasion and includes, where applicable, an explanation of the reasons for the absence of the information required under paragraph 2 of Article L. 225-102-1-III of the French Commercial Code;
  - we verified that the Statement presents the information provided for in Article R. 225-105-II of the French Commercial Code when it is relevant with regard to the main risks;
  - we verified that the Statement presents the business model and a description of principal risks associated with all the consolidated entities' activities, including where relevant and proportionate, the risks associated with their business relationships, their products or services, as well as their policies, measures and the outcomes thereof, including key performance indicators associated to the principal risks;
  - we referred to documentary sources and conducted interviews to:
    - assess the process used to identify and confirm the principal risks as well as the consistency of the outcomes, including the key performance indicators used, with respect to the principal risks and the policies presented;
    - corroborate the qualitative information (measures and outcomes) that we considered to be the most important presented in Appendix 1. Concerning certain risks (professional equality, employee commitment and satisfaction, ethics and work/life balance), our work was carried out on the consolidating entity, for the others risks, our work was carried out on the consolidating entity and on a selection of entities: La Galerie - Géant Quimper and La Galerie - Géant Lanester;
  - we verified that the Statement covers the scope of consolidation, *i.e.* all the consolidated entities in accordance with article L. 233-16 of the French Commercial Code;
  - we obtained an understanding of internal control and risk management procedures the Entity has put in place and assessed the data collection process to ensure the completeness and fairness of the Information;
  - for the key performance indicators and other quantitative outcomes that we considered to be the most important presented in Appendix 1, we implemented:
    - analytical procedures to verify the proper consolidation of the data collected and the consistency of any changes in said data,
    - tests of details, using sampling techniques or other methods, in order to verify the proper application of the definitions and procedures and reconcile the data with the supporting documents. This work was carried out on a selection of contributing entities listed above and covers between 5% and 10% of the consolidated data selected for these tests (6% of energy consumption, 8% of common areas and 10% of market value);
    - we assessed the overall consistency of the Statement based on our knowledge of all the consolidated entities.
- The procedures implemented as part of a limited assurance engagement are less extensive than those required for a reasonable assurance engagement performed in accordance with professional guidance; a higher level of assurance would have required us to carry out more extensive verification work.

Paris-La Défense, March 12, 2024

**Independent third party**

**EY & Associés**

**Thomas Gault**

**Partner, Sustainable Development**



## Appendix 1: the most important information

<b>Social information</b>	
Quantitative Information <i>(including key performance indicators)</i>	Qualitative Information <i>(actions or results)</i>
Turnover of employees on permanent contracts Distribution of the workforce by age and gender Share of women on the Management Committee Share of women on the Board of Directors Professional equality index (between women and men) Wage equity ratios Share of employees trained Average number of hours of training per employee Frequency rate and severity rate of occupational accidents Absenteeism rate	Measures to promote diversity and professional equality Employee involvement approach in ethics Development of employee engagement and satisfaction Measures to ensure the quality of life at work and the health and safety of employees
<b>Environmental information</b>	
Quantitative Information <i>(including key performance indicators)</i>	Qualitative Information <i>(actions or results)</i>
Total quantity of waste and type of waste Waste sorting rate Waste valorization rate and breakdown by types of waste valorization (recycled, reused, composted, incinerated with energy recovering, other type of valorization) Water consumption of common parts Water consumption of tenants Share of tenants whose energy consumptions were collected Energy intensity per unit area Share of energy consumption from renewable sources Greenhouse gas emissions scope 1 and scope 2 (location-based and market-based) Carbon intensity per unit area scope 1 and scope 2 (location-based and market-based) Greenhouse gas emissions scope 3 (related to the management of waste from operations, related to tenants' energy consumption, related to employees' travel, related to purchasing and related to construction work) Share of BREEAM In-Use certified strategic centers Average score for Part 2 BREEAM In-Use certifications Share of BREEAM New Construction certified strategic centers Quantity of phytosanitary product used in the year	Monitoring of the carbon trajectory Measures to improve energy efficiency and implementation of the application measures of the Tertiary Decree Measures for waste management and recovery Measures to promote biodiversity
<b>Societal information</b>	
Quantitative Information <i>(including key performance indicators)</i>	Qualitative Information <i>(actions or results)</i>
Share of assets equipped with charging stations for electric vehicles Share of assets located within 500 meters of a public transport stop Share of assets covered by a tenant satisfaction survey Share of assets covered by a security audit in the year Average score on the security audit Number of jobs hosted by Mercialis activity Share of assets that hosted an association during the year Percentage of centers having carried out a CSR action during the year Socio-economic contribution of the assets Share of strategic centers that have carried out an employment action Share of leases signed within the year covered by an environmental annex Share of corporate purchases covered by CSR clauses Share of assets purchases covered by CSR clauses Share of local assets purchases Number of cases referred to the Ethics Officer as part of the alert procedure	Development of a responsible retail offering Measures implemented to promote alternative means of transport to personal gas-powered cars Implementation of local employment initiatives Actions to promote solidarity within the assets Actions to promote environmental awareness towards tenants and visitors Actions to promote local and responsible purchasing Measures to ensure safety, health quality and well-being within the assets