

SUSTAINABILITY REPORT 2017



Becoming
g.r.e.a.t.



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LETTER TO STAKEHOLDERS (G4-1)

Dear Stakeholders,

We are pleased to present IGD's eighth Sustainability Report, which contains several new features regarding the reporting technique for environmental, social and governance (ESG) performance. First of all, it is important to highlight that for the first time this Report is, like the Consolidated Financial Statements, subject to certification by the company PricewaterhouseCoopers, which verifies its compliance with the most important international standards (GRI Standards). This is an important step for us, which bears witness to our commitment to offer all of you, our stakeholders, an accurate, clear and transparent examination of all the data and information that define our operational performance whether related to economic-financial aspects or to social-environmental ones. This procedure, which arises from the decision made last year to have the Board of Directors approve the Sustainability Report together with the Consolidated Financial Statements, demonstrates how well the process of integration between the two documents is advancing. In addition to this, we are pleased to highlight how this Report is the result of work carried out to adapt it to international trends and to continuously improve it. Since 2011, when we embarked on this initiative, we have expressed our determination to participate, to the best of our abilities, in ongoing discussions on sustainability at all levels. We think it appropriate, therefore, to respond in this Report to the request advanced by ASviS - Alleanza Italiana per lo Sviluppo Sostenibile (Italian Alliance for Sustainable Development), which, with its #2030whatareUdoing campaign, has encouraged Italian companies to illustrate what they have contributed to the achievement of the 17 "Millennium Goals" launched by the United Nations. Our activity is focused on 10 of these goals, with good results and a commitment to constant

growth. In this context of continuous improvement, after a period of 3 years, IGD in 2017 reconsidered its materiality, reflecting once more on what the issues of greater impact for the Company and greater importance for the stakeholders were. We did this both by means of internal discussions and by sharing and comparing what you, our stakeholders, tell us constantly during those numerous occasions for dialogue that we have in the course of the year. 13 material issues emerged, with some new features compared to the previous version, bearing witness to the ongoing changes in our sector. To give an account of our actions and results for each of these issues in this Report, we decided to group them together according to the acronym GREAT, demonstrating IGD's commitment to continuous development by following an approach that is Green, Responsible, Ethical and Attractive, Together with its stakeholders.

The sections in this Report follow this layout and the results regarding the performance achieved by the Company during the year are reported for each of these issues.

Our commitment to environmental, that is Green, issues continued. On this front, 2017 was not an easy year from a meteorological perspective, with a cold winter and a very hot summer, which triggered an increase in energy consumption. Thanks to the energy efficiency work carried out over the years and the constant data monitoring system, we managed to limit the problems and launch new projects. In this context, we decided to continue the certification process and, after UNI EN ISO 14001 certification (which, in 2019, will involve 100% of the assets that we have decided to certify), we launched the process to obtain BREEAM IN USE certification for 4 of our key assets between 2018 and 2019. This is the most impor-

tant certification in the commercial real estate sector at European level, a tool for the management both of environmental parameters and of those of the wellbeing of the individuals within the structures (workers and visitors). We also continued to invest in photovoltaic systems (currently there are 5 Malls in which part of the energy is produced from panels on the roof or in the car parks) and in the use of led technology in the lighting systems in the Malls (we calculated that in 2017 this resulted in 23% energy savings compared to the previous lighting systems). We are also pleased to point out that for the first time, in 2017, all the energy used in our Shopping Centres came from renewable sources. Thanks to this action, more than 20,000 tonnes of CO2 were not emitted into the atmosphere, equivalent to the annual electricity consumption of 16,600 families. We have also invested in an innovative project, the aim of which is to create a circular economy model which enables the Shopping Centre's food scraps and waste to be converted into "second products" to be reintroduced into the Centre itself in the form of products or services. We have called it "Waste2Value" and we are carrying it out together with Coop Alleanza 3.0 and Camst, with the cooperation of Impronta Etica.

We also undertake to behave in a Responsible manner towards people, fostering "good employment" for our employees and focusing particularly on the health and wellbeing both of our employees and of all those that visit our Shopping Centres on a daily basis. For this reason, we are very satisfied with the work that was carried out in order to put into practice our corporate Welfare Plan: the Portal Web, which has been up and running since April 2017, enables the employees to access a series of services made available by the company by using a budget allocated to them which is the same for all. The response of the employees was very positive: after carrying out training and internal communication activities, 99% of the employees took advantage of the services and nearly all the available budget was used. Our focus on people also continued by developing programmes of voluntary actions and measures on Safety in the Shopping Centres. Indeed, we worked to improve anti-seismic measures, we installed

anti-ram bollards in 12 Shopping Centres and we created "lifelines" in all our structures.

Our approach to governance issues is carried out in an Ethical manner and in complete compliance with the law. For this reason, we have embarked on a voluntary project to obtain UNI EN ISO 37001 anti-bribery management systems certification, which standardises the procedures that we have in place and makes our commitment on this issue public. The project was launched in Romania in the fourth quarter in 2017. We are currently assessing the timing and methods in order to extend this to Italy. In 2016, furthermore, we obtained the Legality Rating with a score of three stars (maximum score possible). This past year we have been able to appreciate the benefits of it, above all in terms of reputation.

IGD's commitment to ensure its Shopping Centres are, and remain, constantly Attractive also continued. With this in mind, we concentrated our investments on the most important projects in the year: the extension to ESP Shopping Centre in Ravenna and the remodelling of the internal spaces in Città delle Stelle Shopping Centre in Ascoli Piceno. In both we placed particular focus on sustainability and innovation, right from the planning phase, with good results in terms of increases in footfalls and tenants' sales. Thanks to constant scouting activities, we also managed to introduce 27 new brands into our Shopping Centres, representing 40% of the turnover. This is an important factor for us, as it is a necessary step in order to be able to renew the tenant and merchandising mix in the structures, in line with the new trends and the visitors' needs. Running alongside this is also our decision to make our Shopping Centres "Spaces to be lived in", capable, that is, of playing an important role in the visitors' leisure time, by offering shopping opportunities as well as being places in which to meet up with others. To organise the latter, in 2017 our Shopping Centres invested altogether 3 million Euros, offering the local communities the opportunity to participate free of charge in 540 events. Out of these, we would like to call attention to our innovative attraction which is the virtual reality system which we bought in England in 2017. It is

unique in Italy and, following the positive response received so far, we have decided to set it up on a rotational basis in all our Shopping Centres in the coming months. In 2017, for the first time, we measured the social value of our commitment to marketing activities: from the SROI (Social Return On Investment) analysis of the events organised in one Shopping Centre (we used Puntadiferro Shopping Centre in Forlì as an example) it emerged that for every €1 invested, a social wellbeing equal to €2.75 was created. It is a significant amount which bears further witness to the Shopping Centre's role as a development element in the local area, due to the variety of functions it carries out. To increase the attractiveness of the Shopping Centres, we also continuously invest in innovation, with a specific commitment initiated in 2016. The results to date have been good. In particular, we have seen a positive response from the public with regard to the installation in all our Malls of interactive digital Totems with communication and marketing functions, and an increase in users that have been contacted and engaged following a new communication and engagement strategy which we are using on Facebook.

Due to the nature of our business, we continuously work Together with a variety of stakeholders, both at institutional level and at local level. We have established continuous dialogue with these in order to understand their needs and expectations; we have also continued working to examine the visitors' level of satisfaction with regard to the events organised in the Shopping Centre and to its entire retail offer, involving altogether nearly 6,000 people. This continuous interaction is, for us, particularly important at local level, with an impact on local employment (on account of the more than 14,600 jobs offered, with an average of 637 people employed for each city in which one of our Centres is present, in addition to cooperating with about 800 local suppliers), on the local commercial network (given the presence of 260 local brands in our Malls) and on local social life in terms of the promotion of activities (with the involvement of more than 230 local associations).

To conclude, we are pleased with the active role that we manage to have both at international and national level

on sustainability issues. During the year we actively participated in the work carried out by the "European Sustainability Group" of the International Council of Shopping Centres (ICSC), which we have been part of since 2016 as the sole Italian company. In this context, we have closely followed the evolution of EPBD (Energy Performance of Buildings Directive) of the European Commission, adding our own contribution to "Position Paper", written by the Group. We have also presented our own sustainability process in conferences and in university lecture halls following requests to do so.

Furthermore, it is a matter of great satisfaction for us to see our commitment being acknowledged: in 2017 we were once more awarded, for the third year running, the "EPRA sBPR Gold Award" for our Sustainability Report (and the "EPRA BPR Silver Award" for our Consolidated Financial Statements) and we were finalists, for the second year running, in the Small and Medium sized Enterprises category of the Oscar di Bilancio (Report Oscars); the restyling work in Sarca Shopping Centre received the CommONEnergy Award (at European level) as the Best Sustainable Shopping Centre in the "Mega malls" category; the "Waste2Value" project received the "SMAU R2B innovation award", with which SMAU assesses Italian innovative excellences. In light of the actions that we have undertaken, of the projects we are currently carrying out and of the results we are obtaining, we are highly satisfied with the work which started 8 years ago. It is on this basis that we will define the contents of our next Business Plan, which we will start working on in 2018



The Chief Executive Officer
Claudio Albertini



The Chairman
Elio Gasperoni

Sesto San Giovanni (MI)
Centro Sarca



METHODOLOGICAL PREFACE

(GRI 102-45; 102-46;
102-48; 102-49; 102-50;
102-51; 102-52; 102-54)

GENERAL INFORMATION

IGD's eighth Sustainability Report refers to 2017 and reports on the Group's environmental, social and governance (ESG) performance both in Italy and in Romania.

The structure of this Report is that of a layout by issue involving various stakeholders. The subject matters of each section contain the 13 material issues that emerged from the materiality analysis which IGD carried out an update of in 2017, three years on from the first analysis.

These material issues have been grouped together in 5 macro-issues which represent the 5 sections in this document (For further details on the materiality analysis, please refer to the section on "Social Responsibility and Materiality").

The identification of the content of this Report was a result of:

- the recommendations of the company's top management;
- a benchmark with competitors at international level;
- the development of the indicators required by GRI Standards and European Public Real estate Association (EPRA) international standards;
- the materiality analysis.

SUSTAINABILITY REPORT STRUCTURE

The Report is divided into two parts:

1. **Introduction part**, with strategic references (including reporting on sustainability targets contained within the 2015-2018 Business Plan, which was updated in 2016) and methodological ones;
2. **Part regarding Performance**



IGD_Headquarters

The latter is made up of 5 sections relating to IGD's material macro-issues, each of which includes the following information:

1. Material issues of the section
2. Highlights of the section
3. Performance in 2017 compared to the previous two-year period

SUSTAINABILITY REPORT BOUNDARY

The economic-financial information present in this Report is in line with the information reported in IGD Group's Consolidated Financial Statements and corresponds to all the fully consolidated companies specified in the corporate structure as at 31.12.17; instead, with reference to the other information present in this report, the boundary coincides with the fully consolidated companies, with the exception of:

- Porta Medicea Srl
- Arco Campus Srl
- RGD Ferrara 2013

The GRI Standards and EPRA summary tables can be found in the appendix of this Report.

Since they are not considered as being material with regard to the impact produced by the business.

This Report, therefore, also reports on the environmental and social impacts deriving from the Group's freehold shopping centres and those in Master leasing, managed by consortiums in which IGD holds or does not hold a stake. The complete list of these can be seen below:

Italy

Name of Shopping Centre	Place
CentroSarca	Sesto San Giovanni (Milan)
Gran Rondò	Crema (Cremona)
I Bricchi	Isola d'Asti (Asti)
Mondovicino	Mondovì (Cuneo)
Millennium	Rovereto (Trento)
Clodì	Chioggia (Venice)
Centro Piave	San Donà di Piave (Venice)
Conè	Conegliano (Treviso)
Centro Borgo	Bologna
Centro Nova	Villanova di Castenaso (Bologna)
Le Maioliche	Faenza (Ravenna)
ESP	Ravenna
Puntadiferro	Forlì (Forlì-Cesena)
Lungo Savio	Cesena (Forlì-Cesena)

Name of Shopping Centre	Place
Porta a mare	Livorno
Fonti del Corallo	Livorno
Maremà	Grosseto
Tiburtino	Guidonia (Rome)
Casilino	Rome
PortoGrande	Porto d'Ascoli (Ascoli Piceno)
Città delle Stelle	Ascoli Piceno
Centro d'Abruzzo	San Giovanni Teatino (Chieti)
Le Porte di Napoli	Afragola (Naples)
Katanè	Gravina di Catania (Catania)
La Torre	Palermo

Romania

Name of Shopping Centre	Place
Winmarkt GALATI	GALATI
Winmarkt PLOJESTI - Big shopping Center	PLOJESTI
Winmarkt PLOJESTI - Grand Center Shopping	PLOJESTI
Winmarkt CLUJ	CLUJ
Winmarkt BRAILA	BRAILA
Winmarkt RAMNICU VALCEA	RAMNICU VALCEA
Winmarkt TULCEA	TULCEA
Winmarkt BUZAU	BUZAU

Name of Shopping Centre	Place
Winmarkt PIATRA NEAMT	PIATRA NEAMT
Winmarkt ALEXANDRIA	ALEXANDRIA
Winmarkt SLATINA	SLATINA
Winmarkt TURDA	TURDA
Winmarkt BISTRITA	BISTRITA
Winmarkt VASLUI	VASLUI

In compliance with EPRA international standards on reporting of environmental data, the reporting boundary regarding the latter is different to that described above. For detailed specifications, please refer to “Methodological preface for environmental data” shown below.

The information which is present in this Report but which refers to previous Reports has not undergone any changes caused by:

- mergers or acquisitions;
- exchange rate of the year or base period;
- nature of the business;
- calculation methods.

In several cases it has been necessary to slightly alter the 2015 and 2016 values; the reasons behind these changes have been duly described..

REFERENCE AND GUIDELINES

This Report has been drawn up in compliance with:

- the reporting guidelines of the Global Reporting Initiative (GRI Standards: option Core), analysing, in particular, those referring to the real estate sector (“Sustainability Reporting Guidelines - Construction and Real Estate Sector Supplement”). Reference to the GRI indicators are reported in each section. IGD has complied with the GRI Standards guidelines one year ahead of the entry into force of the obligation to adopt the Standards;
- EPRA guidelines for environmental, social and governance indicators (“Best Practices Recommendations on Sustainability Reporting”). As was the case with the GRI guidelines, IGD also undertook, with regard to the

EPRA guidelines, to adopt the most updated version of the standards (published in September 2017) one year ahead of the entry into force of the obligation to adopt the Standards;

Furthermore, Sustainable Development Goals (SDGs) have also been used as reference in the preparation of this Report. Indeed, this Report includes references to the actions carried out by IGD in order to contribute to the achievement of 10 of the 17 Millennium Goals defined by the United Nations. A summary table at the end of this document reports the references in relation to the presence of SDGs in the sections.

EXTERNAL VERIFICATION

The data and the information included in this Report are, for the first time, subject to Limited Assurance in accordance with the procedures set out in ISAE 3000 (PricewaterhouseCoopers), which certifies that the Sustainability Report has been drawn up, in all material aspects, in compliance with the GRI Standards guidelines.

REPORTING BOUNDARY

The “operational control approach”, as described in the GHG Protocol, has been used to define the reporting boundary. This approach better reflects IGD’s environmental impact as it portrays utilities acquired directly by the organisation inasmuch as it is the owner of the assets concerned. The 22 assets included in the reporting boundary are the Italian Shopping Malls and they represent (in number) 96% of the freehold Malls, with a value of 1.68 billion Euros. The following are not included:

- Centro Nova, Centro Piave and Fonti del Corallo Shopping Malls (Malls in Master Leasing);
- Darsena (Equity share: IGD has no management role);
- 2016 data regarding Maremà Centre, inaugurated in the month of October 2016, not included in accordance with the principle of comparability). The data has been included from 2017 onwards;
- Hypermarkets and supermarkets (Not relevant with regard to the “operational control approach”);
- The other property units (IGD has no management role with regard to these).

Methodological preface for environmental data

This methodology refers to the environmental data included in the “Green” Section.

The data referring to the headquarters and to Romania is reported separately. The performance indicators are reported according to two different procedures:

- *Absolute*: regarding the entire reporting boundary (22 Shopping Centres).
- *Like-for-like*: the assets that were bought or sold or that were undergoing restyling, extension or remodelling work of internal spaces during the reference period and the assets that were not open during the whole reporting year (2017) or during the whole year of comparison (2016), are not included. Therefore, the Shopping Malls not included are Maremà (inaugurated in October 2016), ESP (extended in the month of June 2017) and Città delle Stelle (remodelling work concluded in the month of November 2017). The Lfl data is calculated exclusively for the years 2017 and 2016.
- The intensity indicators refer only to absolute data.



EXTENT: PROPERTY CONSUMPTION AND TENANTS' CONSUMPTION

IGD reports on the environmental impact of its assets by means of environmental performance indicators required by EPRA and GRI Standards international standards. With regard to the latter, the indicators reported are those referring to material aspects for IGD (see "Social Responsibility and Materiality").

The environmental impacts reported concern:

- **Direct energy consumption* (fuel consumption)**

The data refers to 13 Shopping Centres that use methane gas for heating. 4 Shopping Centres that use district heating, 3 Shopping Centres that use heat pumps, Porta a Mare which uses marine geothermal energy and Clodi retail park are not included. The data includes tenants' consumption purchased by the property. The data supplied by the Shopping Centres is in cubic metres: the conversion factor from m³ to kWh is 10.5 m³/kWh.

- **Indirect energy consumption* (electricity, district heating and cooling).**

The data refers to energy produced by and purchased from a third party and converted into electricity or flows. It includes:

- that required for lighting, heating and cooling the common areas;
- hot and cold flows supplied to the tenants;
- car park electricity consumption.

The electricity consumption refers to 22 Shopping Centres and it does not include consumption in the retail parks; there are 4 Centres that use district heating and cooling.

- **Direct and indirect greenhouse gas emissions* (GHG)**

Calculated on the energy consumption of the Centres included within the boundary. Direct greenhouse gas emissions refer to energy purchased and consumed on site (fuel). For the calculation of CO₂e, ISPRA parameters are used referring to the national atmospheric emissions inventory (2.326 tonnes CO₂e/toe). Indirect emissions refer to energy produced by and purchased from a third party and converted into electricity or district heating/cooling. For the calculation of CO₂e:

- for electricity, CO₂e arises from the conversion of consumption expressed in kWh in CO₂ equivalent compared to the specific production mix of energy supplied to the Shopping Centres (data used: 0.53 Kg CO₂e/kWh; source CBEG 2011).
- for district heating: Guide line 6 2003/87/CE emission trading directive (page 29 and following); Guide line 6 2003/86/CE emission trading directive (page 29 and following). Data used: 0.18 Kg CO₂/kWh (2011).

- **Water consumption***

The data refers to all the Centres that fall within the reporting boundary and includes water consumption both in common areas and by tenants.

- **Waste**

The data referring to 8 Shopping Centres is not available as waste disposal is carried out directly by the Municipalities which do not provide any useful data, for this reason it is not included.

STANDARDISATION FOR INTENSITY CALCULATIONS

The intensity indicators provide a measure of absolute and like-for-like performance which can be used for comparisons in the long term.

As required by EPRA *Best Practices Recommendation (BPR) on Sustainability Reporting*, the intensity indicators are calculated on the entire reporting boundary (absolute), using the values of the above mentioned indicators (marked with an asterisk *). The only exception is the calculation of energy intensity, where car park electricity con-

sumption is not included (estimated for 12 Centres where the data is not available). For the Shopping Centres, the sum of m² of common areas and GLA to which common utilities are supplied, is used as the denominator whereas for Clodi Retail Park only the sum of m² of common areas is used. IGD considered it appropriate to use these values, despite the partial misalignment between numerator and denominator, due to the presence of hot and cold flows supplied to the tenants.

CHANGES IN HISTORICAL DATA:

1. Due to a final balance that arrived in 2017 regarding electricity consumption in one Shopping Centre in 2016, the following indicators have changed compared to what was reported in the 2016 Sustainability Report: electricity consumption – Italy Absolute (table 1), energy consumption – Italy Absolute (table 4), energy intensity – Italy (table 5), GHG emissions – Italy Absolute (table 6), GHG emissions intensity – Italy (table 7);
2. Due to a final balance that arrived in 2017 regarding district heating consumption in the headquarters in 2016, the following indicators have changed compared to what was reported in the 2016 Sustainability Report: district heating and cooling consumption – headquarters (table 2), energy consumption – headquarters (table 4), GHG emissions – headquarters (table 6), GHG emissions intensity – headquarters (table 7);
3. Following an in-depth analysis carried out on the assets' water systems, the term reported in table 8 and defined in the previous Report as "rainwater" was changed to "groundwater";
4. Following an adjustment made to the quantity of waste produced by one Shopping Centre, the following indicators have changed compared to what was reported in the 2016 Sustainability Report: waste and disposal method – Italy Absolute and Like for like (table 12) and waste sorting – Italy (table 13)
5. Due to final balances that arrived during the year referring also to 2016 data in Romania, the following indicators have changed compared to what was reported in the 2016 Sustainability Report: district heating consumption (table 2), fuel consumption (table 3), total energy consumption (table 4), energy intensity (table 5), GHG emissions (table 6), GHG emissions intensity (table 7), water consumption (table 8), water consumption intensity (table 10).
6. Following an adjustment made to the quantity of waste produced in Romania, the following indicators have changed compared to what was reported in the 2016 Sustainability Report: waste and disposal method – Romania (table 12) and waste sorting – Romania (table 13)

INTRODUCTION: ABOUT IGD AND BRIEF OUTLINE ON ECONOMIC PERFORMANCE

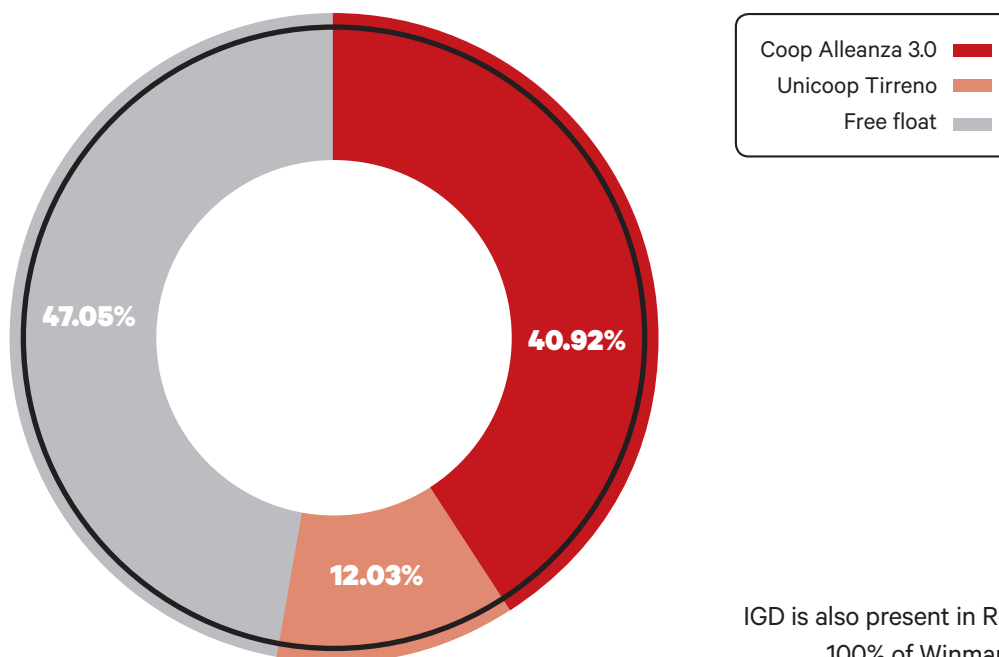
IGD'S ORGANISATIONAL PROFILE (GRI 102-1; 102-2; 102-3; 102-4; 102-5; 102-6; 102-7; 102-10)

IGD SIIQ S.p.a. - Immobiliare Grande Distribuzione – was founded in 2000 subsequent to the transfer of part of Coop Adriatica's real estate portfolio and afterwards Unicoop Tirreno's. It was listed on the STAR segment of *Borsa Italiana* (the Italian Stock Exchange) in 2005 and it has been a SIIQ (*Società di Investimento Immobiliare Quotata*) (REIT) since 2008. Its business is focused on retail real estate and it operates in the development, purchase, management and rental of retail properties, as well as in

marketing and facility management services, also for properties belonging to third parties. Thanks to the substantial investment programme that it has carried out, IGD today is one of the most important players in Italy in the retail segment of the real estate sector: as at 31st December 2017, its portfolio was valued at 2.228 billion euros, distributed over 11 Italian regions.

IGD's operational headquarters is in Bologna, Italy.

As at 31.12.17 IGD's shareholders were made up as follows:

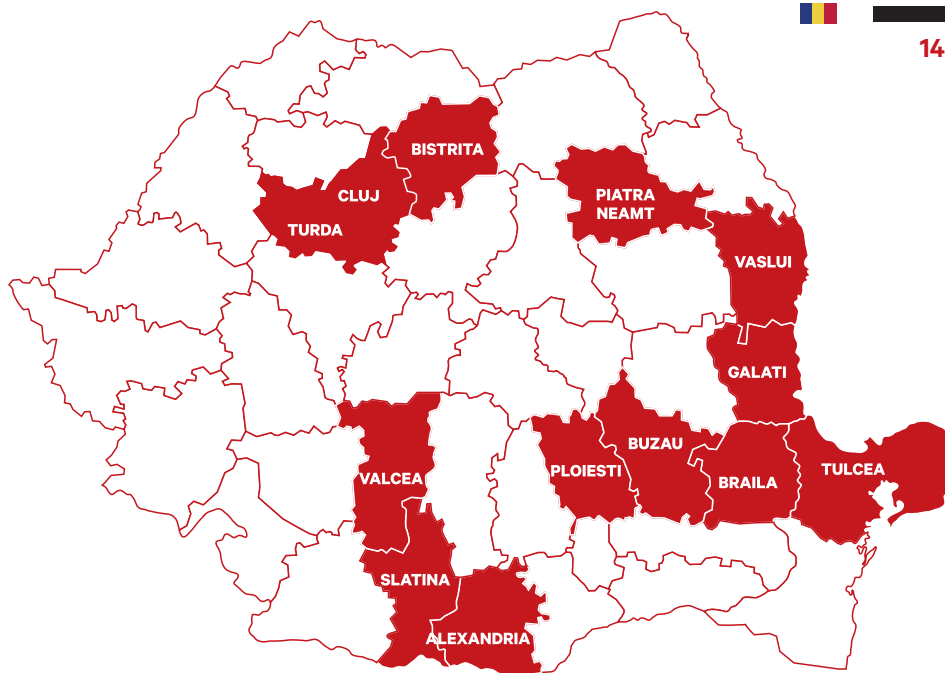


IGD is also present in Romania, where it owns and controls 100% of Winmarkt, a chain of 14 Shopping Centres.



REAL ESTATE UNITS IN 11 ITALIAN REGIONS:

- 23** malls and retail parks
- 25** hypermarkets and supermarkets
- 2** land development plots
- 1** property for trading
- 5** other real estate properties



**14 SHOPPING CENTRES
AND 1 OFFICE BLOCK
IN 13 DIFFERENT
AVERAGE-SIZED
ROMANIAN CITIES**

IGD's business consists in:

1. The purchase and rental of properties, both those up and running and those newly created;
2. The optimisation of the efficiency of its portfolio by means of:
 - Business policies and marketing initiatives that make the Shopping Centres more attractive;
 - Asset optimisation policies, by means of improvement measures (extensions or restyling) and maintenance activities (ordinary and supplementary)
3. The disposal of freehold real estate that is no longer strategic or that has reached an advanced stage in its life cycle.

Operationally speaking, the main changes and new features in 2017 were:

- Gilberto Coffari, resigned as Chairman of the Board of Directors, remaining in office as a Director of the Company; on 19th April 2017, the Board of Directors appointed Elio Gasperoni, who was already a Director of IGD SIIQ and Vice Chairman of Coop Alleanza 3.0, as the new Chairman;
- The new extension to ESP Shopping Centre in Ravenna was inaugurated in June. With 19,000 m² additional GLA and 50 new brands, ESP has become the most important asset in IGD's portfolio in terms of value and one of the biggest Shopping Centres in Italy;
- Following the renovation plan which began in 2015, Città delle Stelle's new concept was inaugurated in November. By reducing the hypermarket and remodelling the internal spaces, the Mall was expanded by 21,000 m² with 13 new stores and internal restyling in line with the new market trends and the visitors' needs;

Table 1.
SCALE OF THE ORGANISATION AS AT 31/12/2017 (GRI 102-7)

Indicator	2017
Number of Employees	130 Italy 46 Romania
Number of activities/ Quantity of products or services	56 property units in Italy and 14 in Romania
Operating revenues	€145,091,027
Market capitalisation	€783,775,988

- In the month of December IGD signed a preliminary agreement for the acquisition, from Eurocommercial Properties Group, of a portfolio of 4 malls and one retail park located in Northern Italy, for a total amount of approximately 200 million euros and with a growing gross yield equal to 6.8%. The properties are part of the following Shopping Centres: Leonardo (Imola, Bologna); Lame (Bologna); La Favorita Shopping Centre and retail park (Mantova); CentroLuna (Sarzana, La Spezia).

IGD'S MEMBERSHIPS (GRI 102-12; 102-13)

The list of organisations which IGD is a member of in various capacities can be seen in the table below.

Table 2.

LIST OF ASSOCIATIONS AND NATIONAL/INTERNATIONAL ADVOCACY ORGANISATIONS IN WHICH THE ORGANISATION PARTICIPATES IN PROJECTS AND COMMITTEES OR PROVIDES FUNDING (GRI 102-13)

Organisation	Membership with payment of membership fee	Participation in projects and committees	Participation in governance bodies
European Public Real Estate Association (EPRA)	x		x
ICSC (International Council of Shopping Centers)	x	x	
Assoimmobiliare	x		x
Assonime	x		x
Consiglio Nazionale dei Centri Commerciali (National Association of Shopping Centres)	x	x	x
Nomisma	x		
Impronta Etica	x	x	
Unindustria Bologna	x		
Legacoop Romagna	x		x
Confindustria Romania	x		
Camera di Commercio Italiana per la Romania (Italian Chamber of Commerce for Romania)	x		

In September 2017, IGD's Chief Executive Officer, Claudio Albertini, became a member of EPRA's Advisory Board, the sole Italian member.

SUPPLY CHAIN (GRI 102-9)

As part of its activities, IGD cooperates with two different categories of suppliers: service suppliers (cleaning, communication, security, for example) and construction and maintenance suppliers. The relationship between IGD and its suppliers is administered both by means of local contracts (entered into with the Consortiums of the Shopping Centres), and by means of contracts negotiated in a centralised manner by the headquarters. The total number of suppliers is equal to 1,633, of which half are local, whereas the others are national or international companies. (see Section 5.2 for further details on local suppliers). The estimated monetary value attributed to suppliers by the Shopping Centre Consortiums amounts to a total of approximately €18.1 million.

In 2015, IGD signed the "Sustainability Declaration", that is, the voluntary declaration defined by ICSC, which places the commitment to reduce Shopping Centres' environmental impact firmly at the centre.

PRECAUTIONARY APPROACH (GRI 102-11)

IGD's precautionary approach can be attested by the implementation of the Enterprise Risk Management model (ERM – see Section 3 of this Report) and by the activation of the Environmental Management System (EMS – see Section 1).

IGD_Headquarters offices

SOCIAL RESPONSIBILITY AND MATERIALITY



1.1.1 Internal organisation of Social Responsibility (GRI 102-32)

3 bodies are involved in Social Responsibility in IGD: the Sustainability Committee, the Operating Management and the Board of Directors.

Body	Members	Role in CSR
Sustainability Committee	Made up of 5 people: Chief Operating Officer, Head of Planning, Control and Investor Relations, Head of Investment Analysis and Planning, Technical Area Asset Manager, Head of Marketing and Social Responsibility	It formulates proposals regarding strategies and targets and the operational application of these. It is also responsible for managing reporting activities on CSR performance.
Operating Management	Chairman, Chief Executive Officer, Chief Operating Officer, Heads of the various Divisions/Services	It approves the strategies and recommends the guidelines
Board of Directors	http://eng.gruppoigd.it/Governance/Board-of-Directors	It is the Promoter of the Company's commitment to CSR, it annually assesses social-environmental performance and it approves the Sustainability Report (from 2015)

In-depth examination of the Sustainability Committee

During the year, the Committee met 3 times to:

- define the new Materiality matrix and the layout of the Sustainability Report
- agree on the environmental certification processes (UNIENISO14001 and Breeam in Use)
- analyse the contents of the EPBD (Energy Performance of Buildings Directive) of the European Commission, with particular focus on electric mobility, and assess the process regarding the installation of electric vehicle charging points in the IGD Centres

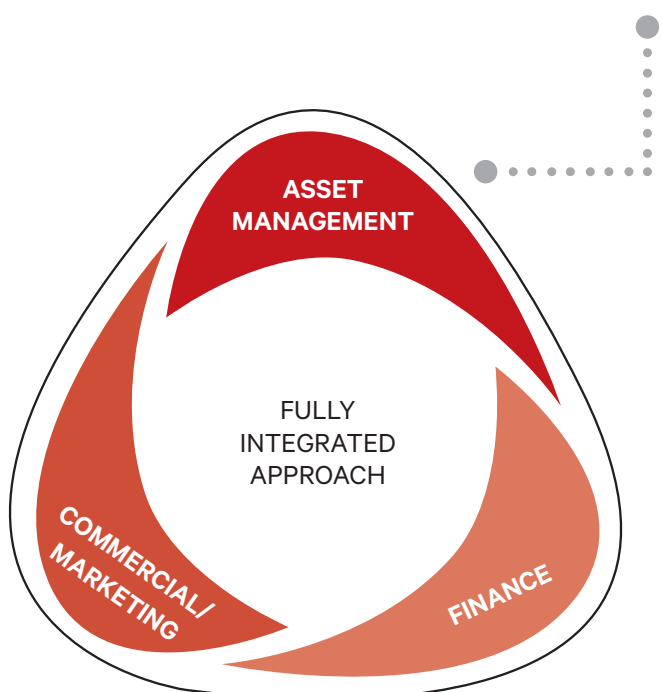
1.1.2 Social responsibility strategy

IGD already started to include sustainability issues in corporate planning in the 2014-2016 Business Plan. This approach was then consolidated in the following Plan (2015-2018), where social responsibility represented one of the 4 cornerstones that are strategic for the company's business. When the Business Plan was updated in 2016 (re-

- initiate and assess new projects (e.g. circular economy)
- present the contents and the main new features that emerged from IGD's participation in national and international organisations on Social Responsibility issues.

The Environmental Management Strategy Committee, which reports to the Sustainability Committee, monitors and reviews the developments in environmental performance and implements the Environmental Management Strategy (EMS) in IGD freehold assets, identifying constant and periodic improvements.

Sustainability fully integrated in the business planning



garding the 2016-2018 period), IGD set itself the objective of “Confirming the company as an Italian leader in shopping centre ownership and management, continuing its process of sustainable growth”. Social Responsibility has substantially become integrated into business planning by means of an all-round approach.

The updated plan has confirmed, with regard to sustainability, the 2015-2018 strategic targets, the contents of which are described in the following pages. The strategic vision, on which the Plan is based, is described in the “Letter to Stakeholders” found at the beginning of this Report.

The overall investment data related to sustainability which IGD intends to sustain during the timespan of the Plan, has also been confirmed. The amount in question is approximately 10 million euros (taking into consideration only the specific investments for energy redevelopment projects).

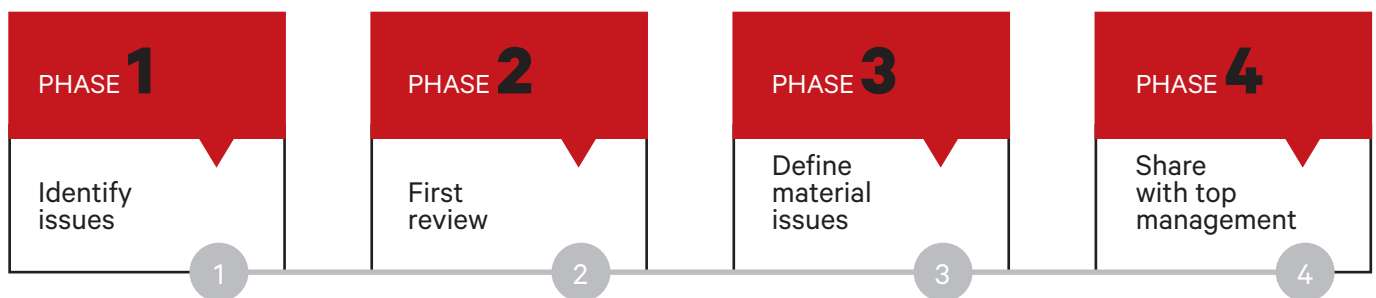


Materiality(GRI 102-32; GRI 102-47; GRI 103-1)

The material issues were defined by IGD, for the first time, in 2014. In the following two years these issues were again analysed and confirmed. In 2017, IGD defined a new materiality matrix, following the principles contained in the GRI Standards. The purpose of this work was to identify the importance of economic, environmental and social im-

pacts of the organisation and their substantial influence on the assessments and decisions of its stakeholders.

The process to identify the material issues and the important ones was developed over four phases and involved various corporate roles.



PHASE 1: IDENTIFY ISSUES

The Marketing and CSR office analysed various sources, the purpose being to identify recurring issues and impacting aspects at corporate, national and international level, in order to then draw up an initial “long list” of issues. The external documentation examined included: the UN’s Millennium goals, the London Stock Exchange’s ESG report guidelines, the guidelines of associations in the sector (EPRA), the scopes of analysis of the most important international benchmarks which IGD participates in (GRESB and CDP); the GRI Standards, the contents of Legislative Decree 254 of 2016, the Reports of comparables and studies on aspects regarding IGD’s core business. The following internal sources were also analysed: the 2016-2018 Business Plan, the results that emerged from the 2014 analysis on materiality, the Code of Ethics, the Enterprise Risk Management results. The “voice” of IGD’s stakeholders was also then analysed by gathering together all the initiatives of stakeholder engagement carried out in IGD (internal atmosphere assessment, Customer and event satisfaction surveys, analysis on the Shopping Centres’ Facebook pages, IR Reports, etc.), ending with press releases and specific interviews held with IGD Management.

PHASE 2: FIRST REVIEW

Starting from the 311 issues that emerged in Phase 1, the Marketing and CSR office grouped together similar issues

in order to eliminate any repetitions or overlaps and then it analysed the frequency with which each issue arose from the analysis phase, so as to assess its importance. It subsequently assessed the results that emerged, taking into consideration IGD’s impact on each of the issues that had been identified and the level of control that IGD had on each of these. At the end of this phase, there were 18 issues left (12 of which material and 6 important).

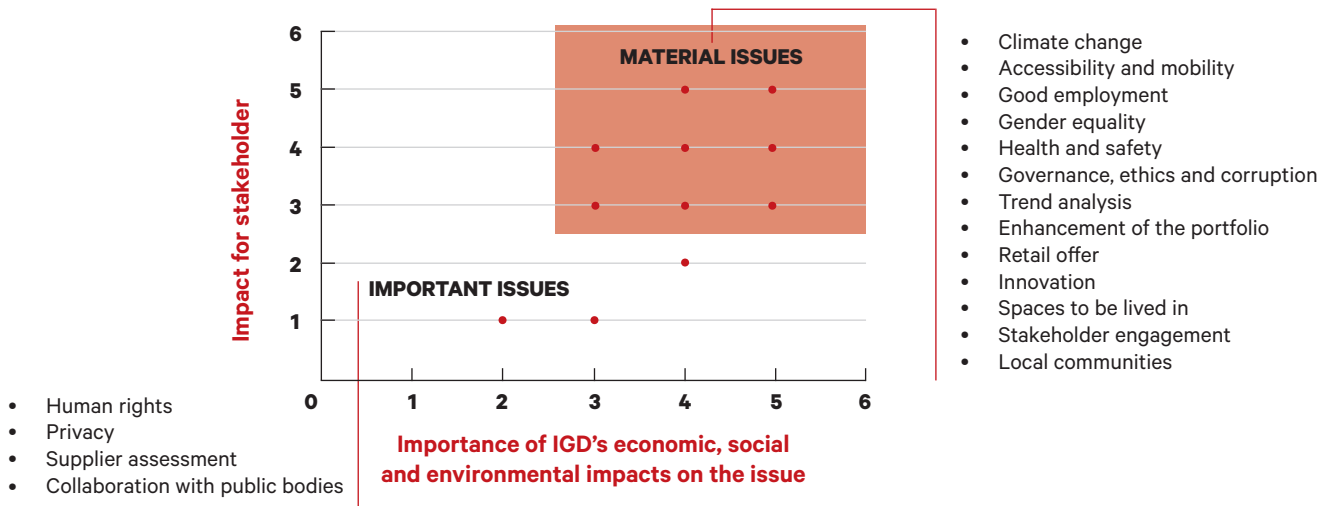
PHASE 3: DEFINE MATERIAL ISSUES

Starting from the work carried out by the “Marketing and Social Responsibility Office”, the Sustainability Committee analysed the proposed material issues, judging the importance of each of them. After grouping together various issues and examining which were material and which were important, the number of material issues at this point amounted to 13 (and 4 important ones).

PHASE 4: SHARE WITH TOP MANAGEMENT

The Sustainability Committee shared both the contents that had emerged and the process that had been followed with the Operating Management, which in turn approved the aspects identified in the previous phase. The material aspects identified were positioned in a matrix with the vertical axis reporting the importance for the stakeholders and the horizontal one the importance of IGD’s economic, social and environmental impacts on the issue.

The new materiality matrix, the material issues and the important ones



With this new materiality content, the macro-issues that group together the 13 material issues also changed. An acronym was thus identified, one that could convey IGD's

vision on sustainability and, at the same time, group together the material issues defined. The decision was made for the word "GREAT":

Becoming g.r.e.a.t.

The 5 "GREAT" issues represent the sections in this Report.

Green

- 1.1 Climate change
- 1.2 Accessibility and mobility

Responsible

- 2.1 Good employment
- 2.2 Gender equality
- 2.3 Health and wellbeing

Ethical

- 3.1 Governance, ethics and corruption

Attractive

- 4.1 Trend analysis
- 4.2 Enhancement of the portfolio
- 4.3 Retail offer
- 4.4 Spaces to be lived in
- 4.5 Innovation

Together

- 5.1 Stakeholder engagement
- 5.2 Local community

CORRESPONDENCE BETWEEN MATERIAL ASPECTS
AND GRI STANDARDS ASPECTS AND BOUNDARIES

Macro issue	Material issue	GRI Stand-ards Cate-gory	GRI Stand-ards materi-al aspect	Indicator	Material within the organisa-tion	Material outside the organisation
Green	Climate change	Environmental	Energy; Water; Emissions; Effluents and Waste	302-1; 302-3; 303-1; CRE1; 305-1; 305-2; CRE3; 305-4; CRE2; 306-2; CRE8;	x	Visitors – Local community – Tenants – Environment
	Accessibility and mobility		*		x	Visitors – Local community – Environment
Responsible	Good employment	General Disclosures – Social	Employment; Training and education; Diversity and equal opportunity	102-8; 102-41; 401-1; 404-1; 404-3; 405-1	x	
	Gender equality	General Disclosures – Social	Diversity and equal opportunity	102-8; 405-1; 405-2	x	
	Health and safety	General Disclosures – Social	Occupational health and safety; Customer health and safety	403-2; 416-1; 416-2	x	Visitors
Ethical	Governance, ethics and corruption	General Disclosures		102-16; 102-17; 102-18; 102-22; 102-26; 102-27; 102-28; 102-29; 102-30; 102-31; 102-32	x	Shareholders and financial community
Attractive	Trend analysis		*		x	
	Enhancement of the portfolio		*		x	Visitors – Local community – Tenants
	Retail offer		*		x	Visitors – Local community – Tenants
	Spaces to be lived in		*		x	Visitors – Local community – Tenants
	Innovation		*		x	Visitors – Local community – Tenants
Together	Stakeholder engagement	General Disclosures		102-40; 102-42; 102-43; 102-44;	x	
	Local communities	Social	Local communities	413-1	x	Visitors – Local community

NB: the issues marked with an asterisk (*) are not directly connected to aspects identified by the GRI Standards. This Report specifies, in the disclosure on management approach shown below, how they are dealt with by IGD and reported with specific indicators.

Disclosure on Management Approach (GRI 103-2; 103-3)

Issue	Why the issue is material	Management tools implemented
Climate Change	The Shopping Centres, by their very nature, are potentially energy-intensive structures with an environmental impact. IGD is committed to operating in such a way as to reduce these impacts (with their economic repercussions), by identifying actions that are increasingly effective both during the construction/restyling phase of the Centres and in the management of the structures themselves.	<ul style="list-style-type: none"> - Continuous monitoring of energy consumption - Management actions - Structural actions - BREEAM certification in one Shopping Centre and launch of BREEAM IN USE process in 4 key assets - Continuation of the UNIENISO14001 certification project which in 2019 will lead to the certification of 100% of the structures that IGD has decided to certify.
Accessibility and mobility	IGD is in the position where it needs to reconcile two issues: the creation of vehicular traffic that a Shopping Centre normally creates and the new trends for sustainable mobility. For this reason, the Company is working to make it possible for all visitors to travel to the Shopping Centres in the most suitable way possible for them, in line with their choices and possibilities.	<p>To define the actions to be taken regarding sustainable mobility, IGD has focused its work on three aspects:</p> <ol style="list-style-type: none"> 1. analysis of the current situation 2. identification of actions to be taken 3. definition of innovative projects
Good employment	IGD is committed to fostering “good employment”, where continuous skills development and the promotion of these are two of its main undertakings.	<ul style="list-style-type: none"> - Corporate Welfare plan - Training programme for the development of skills and specific know-how
Gender equality	As described in the Corporate Code of Ethics, the Company conforms its actions and activities to the principle of impartiality with regard to its employees, guaranteeing full compliance with the principle of equal opportunities.	<ul style="list-style-type: none"> - Equality in pay and in recruitment possibilities
Health and safety	IGD acts in such a way as to ensure that the employees (its own and those of its tenants) work in the best possible health conditions, in compliance with all the legal requirements and standards. It also places the same attention on the visitors to the Malls, by implementing all the safeguards so as to ensure that they can make the most of everything that its Shopping Centres have to offer in complete safety.	<ul style="list-style-type: none"> - Training programme for employees - Continuous monitoring activities on safety within the Shopping Centres - Voluntary projects to increase safety in the structures
Governance, ethics and corruption	In line with the content of the Code of Conduct, IGD has an effective governance system. This is a very important issue for investors and the financial community. IGD undertakes both to personally act in an ethical manner, in accordance with its inspirational principles, and to positively influence the context in which it operates.	<ul style="list-style-type: none"> - Yearly “Board review” system - Report on Corporate Governance in the Financial Statements available on the website - Obtaining of Legality Rating - Continuous monitoring of the more important risks of illegality that the company is exposed to - Updating of internal rules and regulations - Code of Ethics - IGD’s mission and values
Trend analysis	Understanding the ongoing changes is an important activity in order to define the actions to be carried out, so as to constantly make the Shopping Centres more attractive. For this reason, IGD carries out continuous analysis on trends, in order to be able to satisfy as quickly as possible its visitors’ new needs.	<ul style="list-style-type: none"> - Analysis developed in 4 phases (see Section 4.1)

Enhancement of the portfolio	In order to be constantly competitive, the Shopping Centres need to be continuously adapted. For this reason, IGD plans actions aimed at enhancing its portfolio, and sustainability takes on an important role becoming one of the main drivers in the planning and construction of a new Centre, as it is during restyling and extension work.	- Investment planned for a sum of approximately 200 million euros over the duration of the 2016-2018 Business Plan, with focus on sustainability and innovation
Retail offer	To ensure the quality of the retail offer available in its Shopping Centres, IGD continuously updates its merchandising and tenant mix, in order to meet the visitors' needs and new consumer trends	- Twofold commitment: 1. Management of existing tenant portfolio; 2. Scouting for new brands
Spaces to be lived in	The event satisfaction surveys carried out show that the visitors go to the Malls in the IGD portfolio both for the retail offer available in the structures as well as for the opportunity of being able to meet up with others. As per its payoff "Spaces to be lived in", IGD is committed to ensuring the continuation of the social role of its Shopping Centres. For this reason, it organises events of various kinds: from sports events to cultural ones, from recreational events to solidarity ones, with particular focus on the local area.	- New structure for the Marketing Plans and usual attention on both commercial aspects and social ones - Cooperation with NGOs and NPOs to guarantee the social aspect of the events in the IGD structures - Organisation of across-the-board events in all the Shopping Centres or specific ones in view of the local context. - Analysis on the social value of the events (SROI method)
Innovation	In order to constantly remain in line with the evolution of trends, IGD works continuously to innovate its spaces and the services offered.	- "Innovation project" defined with monitoring of the results obtained
Stakeholder engagement	Stakeholder engagement makes it possible for IGD to establish a dialogue with its interlocutors aimed at understanding ongoing changes.	- Development of an engagement plan both with regard to business issues and to those more focused on social responsibility
Local communities	The Shopping Centre not only takes on a significant role regarding shopping, but it also becomes a producer of economic development and a place in which to get together for the local community	- Monitoring of the employment, commercial and social / meeting place impacts on the local communities - Organisation of specific initiatives in cooperation with the local area.

Participation in national and international organisations and events on sustainability

In 2017, IGD continued its commitment regarding its participation in ongoing debates on social responsibility issues, both at national and international level. Indeed, it participated in the first Italian Sustainability Day organised by *Borsa Italiana*, the Italian Stock Exchange, as one of the 17 Italian companies that introduced themselves to general investors interested in focusing on ESG (Environment, Social & Governance) issues or to SRI (Socially Responsible Investment) specialised funds, altogether represented by about 90 institutions. On this occasion, IGD met two "mainstream" funds and one ethical fund and analysed with them the Company's policies and performance, with regard to sustainability.

IGD also actively participated in the meetings held by "ICSC Sustainability Group" which it has been a member of since 2015 and the only Italian member company. There were 2 meetings held in the year (London and Amsterdam), where the 15 participating European companies met to discuss the following:

- Common position on the European Directive on environmental issues (Energy Performance of Buildings Directive – EPBD)
- Guidelines on sustainability within ICSC
- Sharing of best practices at European level

During the year, furthermore, IGD acted on *Impronta Etica*'s invitation to share, within Universities, its experience with regard to its Welfare Plan process and the first results obtained. It participated, therefore, in specific lessons on this matter in the Universities of Forlì and Parma.

It was also invited to the first event organised by GRESB in Italy to present the results that emerged from the assessment in 2017, focusing on the sustainability process undertaken and the significance of comparison at international level.

International recognition and benchmarks

IGD's approach aimed at sustainability obtained several significant results during the year:

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1. "EPRA sBPR Gold Award 2017" for its 2016 Sustainability Report, confirming the award won the previous two years. This is the recognition that the European Public Real Estate Association awards to those real estate companies that have complied most closely with the Sustainability Best Practice Recommendations (sBPR) in their Sustainability Reports. The EPRA Sustainability Awards 2016 were assigned by means of a thorough analysis of the sustainability reports of 134 European real estate companies. At the same time, IGD also received, for the second year running, the "EPRA BPR Silver Award" (Best Practice Recommendations) for its 2016 Consolidated Financial Statements. Again in this case, the financial statements of 142 European real estate companies were examined.


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Oscar di Bilancio


For the second time, IGD SIIQ was one of the three finalists for this Award, now in its 53rd edition, in the Small and Medium sized Enterprises category. The Award is organised by FERPI – *Federazione Relazioni Pubbliche Italiana* (Italian Public Relations Federation) –

Lastly, in March, it reported on "the Social Responsibility of enterprises that work in Shopping Centres" in the conference organised by CNCC (National Association of Shopping Centres) on the subject of "Shopping Centres, from not being places to being places of congregation, innovation and socialisation". On this occasion, IGD's contribution sought to demonstrate how the value chain conceived by Michael E. Porter in 2007 is applicable to the social responsibility of Shopping Centres, identifying the recurring topics and emerging issues at European level.

and rewards the best companies with regard to financial reporting and attention paid to stakeholder relations.

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3. In the Carbon Disclosure Project 2017, IGD confirmed the result obtained in 2016. The overall score obtained in the year was C (in the range from A to D-).

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4. The rating obtained in the Global Real Estate Sustainability Benchmark (GRESB) fell slightly: 45% the score in 2017 (it was 51% in 2016 and 45% in 2015) after a continuous increase since 2012. The result can be linked to an overall decrease in the retail real estate sector. The strong points recognised in this annual assessment were the monitoring and control system (+20 p.p. compared to IGD's peers' average) and "policy and disclosure" (+ 2 p.p. compared to its peers and higher compared to 2016).

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5. Since 2017, IGD has been included in the GPR and La Francaise "GPR IPCM LFFS Sustainable GRES Index", having obtained a rating higher than that necessary in order to be included.

Sustainability Plan

The 2015-2018 Sustainability Plan (confirmed in the revised 2016-2018 Business Plan) contains all the targets which IGD is working on. The actions carried out in 2017

in order to reach these targets are described below (with reference made to the page in this Report where such information can be found).

Targets 2015-2018	Actions carried out in 2017
Increase the influence of the Sustainability Committee	The structure of the Committee remained unchanged but the process to promote an ever greater involvement of the Board of Directors on ESG issues continued, with the approval of the second Sustainability Report in 2017 See page 72
Increase the visibility and usability of the results of IGD's commitment to CSR	Participation in <i>Borsa italiana's</i> first Sustainability Day See page 23
Increase the tools to ensure transparent communication with investors	Investor Day organised See page 108
Obtain the maximum level possible in the Legality Rating	Legality Rating obtained with maximum score (3 stars) See page 78
Invest in the multi-channel system, adapting, where necessary, the structures and altering the layouts if required and if compatible with costs	Città delle Stelle inaugurated, where 4,200 m ² of GLA and 14 new stores were created following the remodelling of internal spaces deriving from the decrease in the Hypermarket area See page 85
Introduce new brands to increase traffic (with particular focus on new international brands not yet present in the IGD Shopping Centres)	27 new brands introduced (corresponding to 40% of the turnover), as a consequence of scouting activities carried out in the year See page 88
Continue to render IGD Shopping Centres more and more accessible to everyone	<ul style="list-style-type: none"> - The project, started in 2013, to facilitate accessibility to the IGD Shopping Centres for everybody, was concluded. The actions included in the project became part of the company's operating routine. - Route for the visually impaired included in the ESP Shopping Centre extension planning. See page 86
Increase the presence of services in the Shopping Centres	4 more dental clinics opened (there were 14 in 14 Shopping Centres at the end of 2017). On a like for like boundary, revenues increased (+32.3%), bearing witness to the extent that visitors appreciate this service. See page 84
Objectively assess the management of the Centre by way of specific visitor surveys	No need arose for <i>ad hoc</i> surveys on specific aspects
Obtain ISO14001 certification for 90% of the company portfolio (2013-2018)	The project continued as per the Roll Out Plan See page 43
Extend the boundary of BREEAM certified Shopping Centres	The process to obtain <i>Breeam In Use</i> certification for 4 key assets was defined: Katanè, Puntadiferro, Tiburtino and ESP between 2018 and 2019 See page 43
Further reduce energy consumption in the buildings (following the drop of 12% 2012-2014)	Energy consumption increased compared to 2016, due to the exceptional nature of the climate during the year See page 32

Assess the possibility of installing photovoltaic systems in the IGD Shopping Centres	<ul style="list-style-type: none"> - Photovoltaic systems installed in 2 Shopping Malls: ESP in Ravenna and La Torre in Palermo. - There are currently 5 Malls with photovoltaic systems in the IGD Centres See page 42
Improve efficiency in systems by assessing the correct functioning of the monitoring system	Project carried out in Puntadiferro in 2017 (following Città delle Stelle in Ascoli Piceno in 2016 (and two in 2015)) See page 41
Extend the energy management project to all Winmarkt Shopping Centres	Project interrupted due to the not particularly positive results that emerged during the implementation process
Place signs on IGD's commitment to the environment in all the Shopping Centres	Signs placed in all the ISO14001 certified Shopping Centres and also displayed on the digital totems See page 43
Periodically monitor visitors' satisfaction by means of specific surveys	16 Event Satisfaction surveys carried out in 9 Shopping Centres and 4 Customer satisfaction surveys in 4 Centres See page 109
Continue with the internal atmosphere assessment	Internal atmosphere assessment carried out in March 2015 with an improvement in results compared to the previous one See page 110
Monitor tenants' satisfaction by means of specific surveys	There was an interruption in the carrying out of tenant satisfaction surveys in 2017, the purpose being to go ahead with actions to be taken in order to implement that which emerged in the previous years
Increase tenant engagement on environmental issues	The Rulebook "10 recommendations so as to improve our Shopping Centres. Together" was created between 2015 and 2016 and the material is still available both in the Shopping Centres and on IGD's institutional website See page 43
Assess the possibility of continuing with the Shopping Centre apps	IGD decided to limit its Shopping Centre apps to 2, with other visitor information/liaison methods being envisaged in the "Innovation Project"
Identify a strategy for presence on the social networks both with regard to the Shopping Centres and the headquarters (Romania)	Winmarkt continued to be on Facebook with two official pages: Winmarkt Romania and Ploiesti. It was deemed not appropriate to extend this to the other Centres See page 95
Identify possible areas for innovation and assess the subsequent implementation by means of a cost/benefit analysis	"Innovation Project" developed See page 96-101
Offer accessible events that combine social issues with recreational-sports ones and commercial ones	The second edition of "Happy Hand in Tour" is currently in progress See page 93
Portray the presence of Winiland in Winmarkt Shopping Centres as an appealing element with an educational value	The organisation of educational events in all the Centres where Winiland is present continued, and this was portrayed as an appealing element for the city
Make IGD's presence in each Shopping Centre's local territory felt even more by means of events	28% of the events carried out in the year were of a local nature See page 112
Implement a corporate welfare system	The corporate Welfare Plan became operational in April See page 59

<p>Organise a study tour abroad</p>	<p>A two day trip to Ravenna was organised for the Convention, with visits to the ESP Shopping Centre extension and to Puntadiferro Shopping Centre See page 58</p>
<p>Inform IGD employees about the sustainability results obtained</p>	<p>The internal window stickers in the headquarters were updated and the results included in the Sustainability Report were circulated.</p>
<p>Improve the internal communication process</p>	<p>The internal communication process continued, with the organisation of quarterly meetings for all employees See page 57</p>
<p>Assess the opportunities offered by the new Italian legislation on labour in relation to organisational needs</p>	<p>11 people were hired in 2017 See page 54</p>

green



Ravenna ESP_Photovoltaic system

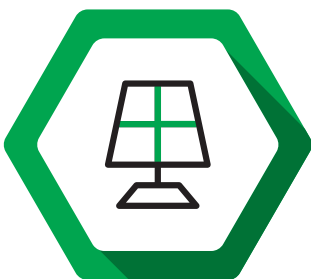
Material issues:



Highlights

2

Shopping Centres in which photovoltaic systems were installed in 2017



2 (by 2018)

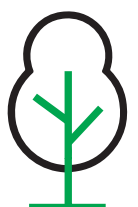
Shopping Centres in process of being Bream in Use certified



€ 1,517,044

Total € saved by tenants in the past 5 years due to a reduction in electricity consumption despite an increase in electricity consumption in 2017

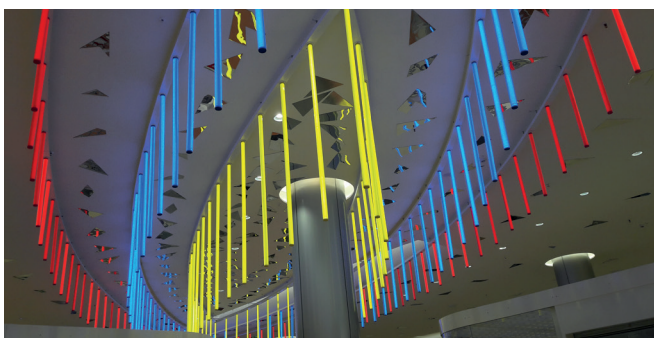
The Shopping Centres, by their very nature, can have an impact on the environment, due to the large amount of energy they consume and to the road traffic they can create. IGD is committed to operating in such a way as to reduce these impacts, by identifying actions that are increasingly effective both during the construction/restyling phase of the Centres and in the management of the structures themselves.



1. CLIMATE CHANGE

1.1 ENVIRONMENTAL IMPACT OF THE STRUCTURES¹

IGD's commitment to energy efficiency improvement in its assets has been structured over the years into three strategic areas:



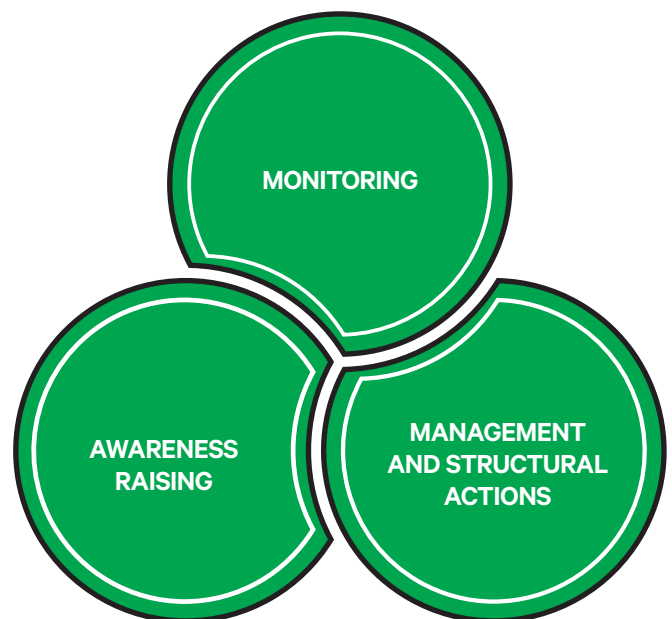
Ascoli Piceno_Città delle Stelle_LED lighting system

Monitoring

MONITORING ACTIVITIES

Continuous monitoring is necessary in order to define any improvement actions to be taken. For this reason, IGD has defined a specific procedure to monitor the various forms of consumption which have a greater impact on the Shopping Centres, with particular focus on electricity. The data from all the Shopping Centres in the portfolio is in fact analysed in real time by the Safety and Facility Manager (with the assistance of *Consorzio Esperienza Energia (CEE)*² for more detailed reports) and then reported on a monthly basis to the Commercial Division, which has the leverage to take action if necessary in the individual Shopping Centres due to the direct involvement of the Network Managers.

The continuous monitoring of electricity consumption is made possible by a system of divisional meters present in the Shopping Centres, which enables the performance in each Centre to be viewed in one sole Portal: in 2017, 29 were installed



and currently 15 structures are equipped with this system. Furthermore, with regard to the individual Shopping Centre, the UNI EN ISO 14001 environmental certification requires continuous monitoring activity to be carried out on primary consumptions, on the basis of which any necessary improvement plans are identified (see paragraph 1.2.1 in this section).

Periodically, external companies are commissioned to carry out in-depth analyses on environmental performance with focus on energy consumption in specific Shopping Centres. In 2017, 3 audits were carried out for this purpose in Puntadi-ferro (Forlì-Cesena), Tiburtino (Rome) and Le Porte di Napoli (Naples) Shopping Centres. These analyses provided a detailed and specific picture with regard to energy consumption in the Centres, identifying and proposing possible energy efficiency solutions to be developed. IGD is currently assessing these solutions and it will then define the next appropriate steps to be taken.

¹The specific methodology for the environmental aspect is described in the Methodological Preface.

²Consorzio Esperienza Energia, founded in 1999, operates in the electricity and natural gas sector; it also deals with energy efficiency. IGD is a member.

RESULTS EMERGED

In 2017, IGD's energy consumption, on a like for like boundary, increased +7.4% compared to 2016. This data was strongly affected by the climatic situation during the year, with a very cold January and a summer recording above average temperatures. The origin of the increase can be attributed to several aspects, starting with electricity consumption, which

increased by +2.9% compared to 2016, but it is also connected to the significant increase in district heating (+22.1%) and fuel (+10,0%) consumption, compared to the previous year. The performance in electricity and fuel consumption is in line with the national data which, in 2017, recorded an increase in the demand for electricity equal to +2.0%³ and for fuel (+6.1%⁴).

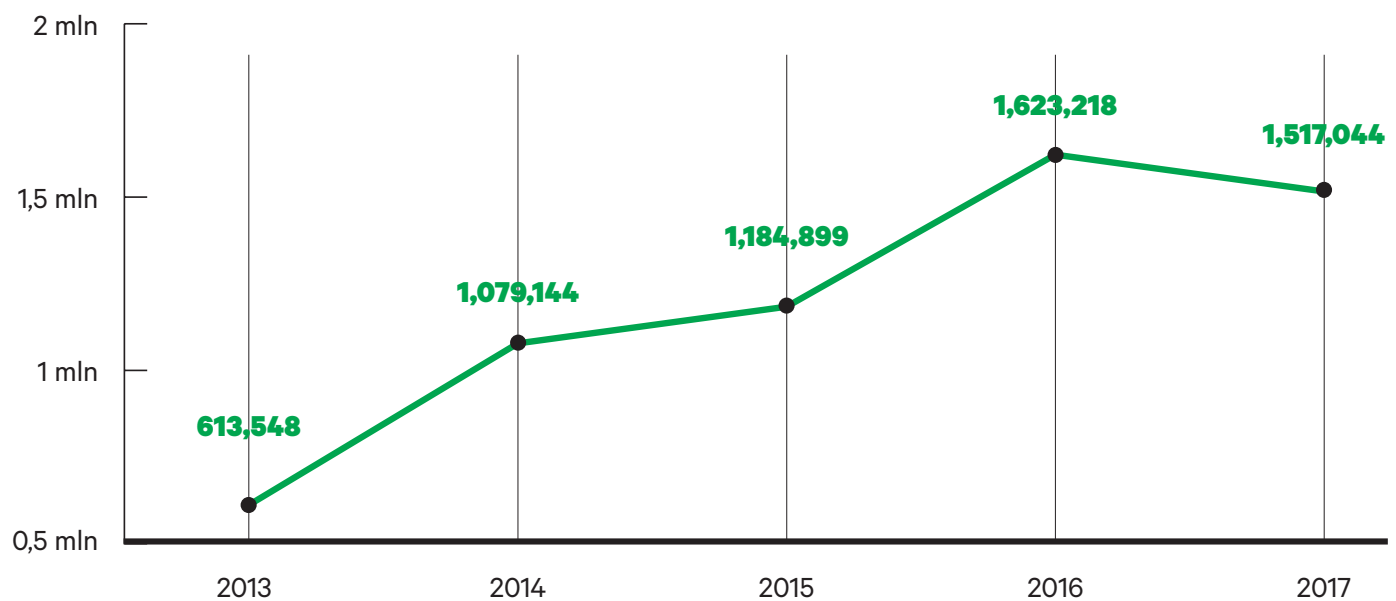
1.11 Energy consumption

Energy consumption includes electricity, district heating, district cooling and fuel.

The increase in electricity consumption in Italy (+2.9% on a like for like boundary) was greatly influenced by the high demand for air-conditioning in the months of May, June and August, which had an impact equal to 32% on overall electricity consumption in 2017 (it was 29% in 2016). Consumption in these three months were the highest since 2014, on a like for like boundary.

Despite the increase in consumption, the attention placed by IGD on purchasing electricity at favourable prices meant that the increase in consortium expenses connected to electricity consumption was limited for the Shopping Centre tenants, and in fact, in the last five years they have made a saving of more than €1,500,000.

Chart 1.
TENANTS' YEARLY ECONOMIC SAVING
IN ELECTRICITY CONSUMPTION SINCE 2012



³Source: Terna report December 2017. The data referring to national electricity consumption is not yet available, the performance of which is strictly connected to the demand trend.

⁴Source: Staffetta Quotidiana, newspaper article 2 January 2018

The data referring to consumption in the Shopping Centres over the last 3 years is reported below.

Table 1.
ELECTRICITY CONSUMPTION
(GRI 302-1)

Electricity consumption (kWh)	2017	2016	2015	Difference 2017/2016	Difference 2016/2015
Italy – Absolute	40,212,612	36,881,600	35,918,318	+9.0%	+2.7%
Italy – Like for like	32,986,141	32,045,816	-	+2.9%	-
Romania	8,453,000	7,763,000	8,173,000	+8.9%	-5.0%
Headquarters (including common areas)	307,898	319,986	313,438	-3.8%	+2.1%
Headquarter offices	103,200	104,151	106,458	-0.9%	-2.2%

The climatic situation in September helped greatly to limit consumption in the headquarters, in particular with regard to building expenses.

Table 2.
DISTRICT HEATING AND COOLING
CONSUMPTION (GRI 302-1)

District heating (kWh)	2017	2016	2015	Difference 2017/2016	Difference 2016/2015
Italy – Absolute	9,705,190	7,946,990	8,034,860	+22.1%	-1.1%
Italy – Like for like	9,705,190	7,946,990	-	+22.1%	
Romania	960,196	820,529	804,495	+17.0%	+2.0%
Headquarters	318,562	308,760	319,910	+3.2%	-3.5%



After 3 years of continuous reduction, in 2017 district heating and cooling consumption started to rise again. The overall performance was affected by the increase in Le Maioliche Shopping Centre (Faenza, Ravenna), where

consumption (which represents 75% of the total) increased significantly in the summer months in order to power the cooling towers used to cool the Mall.

Table 3.
FUEL CONSUMPTION
(GRI 302-1)

Fuel (kWh)	2017	2016	2015	Difference 2017/2016	Difference 2016/2015
Italia – Absolute	13,595,516	12,697,734	11,699,415	+7.1%	+8.5%
Italia – Like for like	11,084,262	10,079,171	-	+10.0%	-
Romania	4,151,291	4,464,493	3,520,604	-7.0%	+26.8%
Headquarters	No fuel consumption	No fuel consumption	No fuel consumption	-	-

The rise in fuel consumption was due to the increase in 8 Shopping Centres and to the need for heating in the months of January and December also in Le Porte di Napoli Shopping Centre (Naples) caused by the more severe than usual temperatures recorded in central-southern Italy.

In Romania, the fall in consumption was widespread in the portfolio of Shopping Centres: of these 2/3 consumed less than the previous year.

Table 4.
TOTAL ENERGY CONSUMPTION
(ELECTRICITY, DISTRICT HEATING, FUEL)

Energy consumption (kWh)	2017	2016	2015	Difference 2017/2016	Difference 2016/2015
Italia – Absolute	63,513,318	57,526,324	55,652,593	+10.4%	+3.4%
Italia – Like for like	53,775,593	50,071,977	-	+7.4%	-
Romania	13,564,487	13,048,022	12,498,099	+4.0%	+4.4%
Headquarter offices	421,762	412,911	426,368	+2.1%	-3.2%

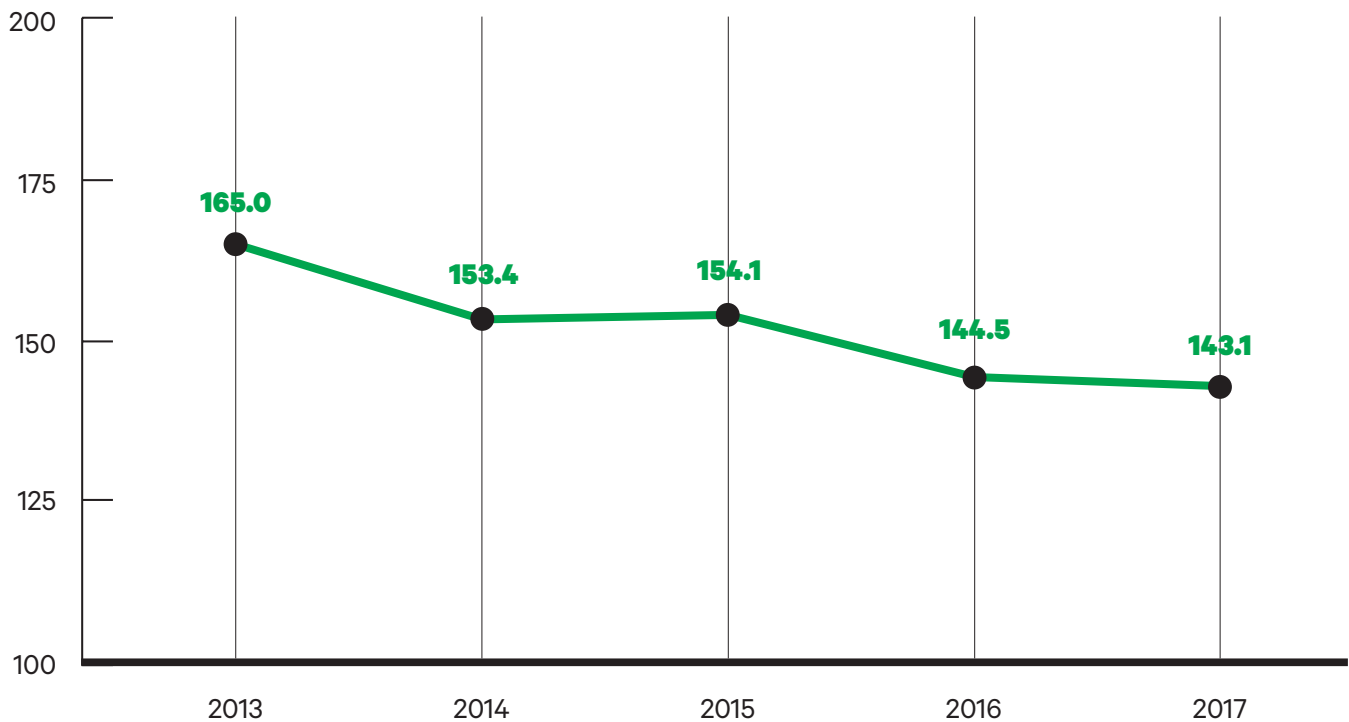
The progressive reduction in energy consumption intensity in IGD's Shopping Centres bears witness to the efficiency, in terms of energy, of the new assets in the boundary (Maremà and ESP extension).

Table 5.
BUILDING ENERGY INTENSITY
(GRI 302-3; CRE1)

Energy intensity (kWh/m ²)	2017	2016	2015	Difference 2017/2016	Difference 2016/2015
Italy	143.14	144.45	154.10	-0.9%	-6.3%
Romania	153.74	147.89	141.66	+4.0%	+4.4%
Headquarter offices	37.5	37.80	38.64	-0.9%	-2.2%

Nota: The headquarter offices energy intensity has been calculated on electricity consumption.

Chart 3.
REDUCTION IN ENERGY INTENSITY
IN ITALY SINCE 2013 (KWH/M²)



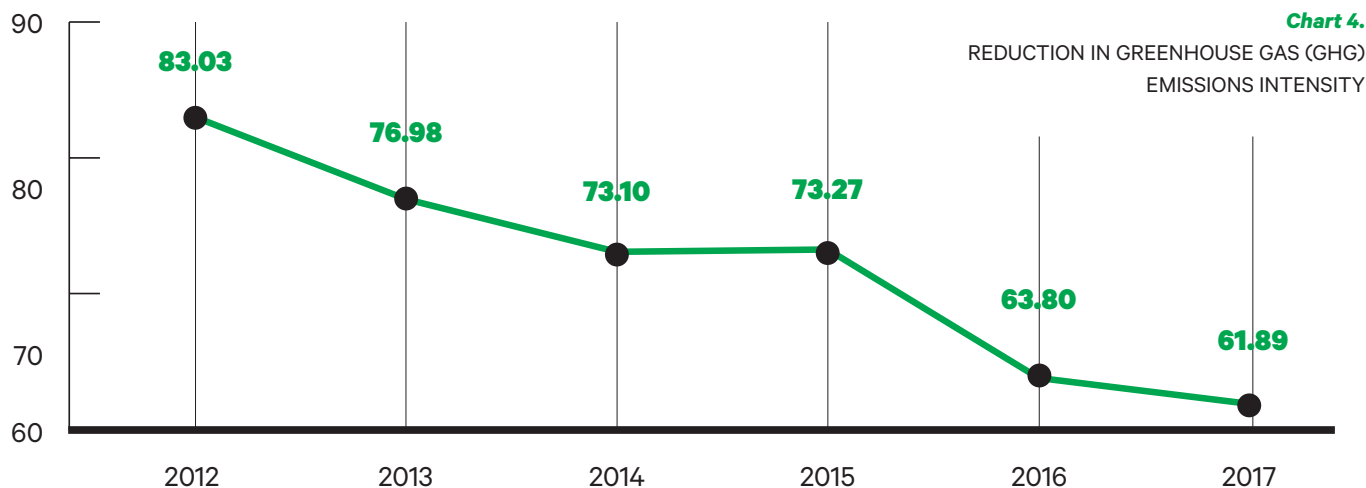
1.1.1 Greenhouse gas emissions

Table 6.
GREENHOUSE GAS EMISSIONS
(GRI 305-1; 305-2)

GHG emissions (Tonnes CO ₂ e)	2017	2016	2015	Difference 2017/2016	Difference 2016/2015
Italy direct emissions (Scope1) – Absolute	2,410	2,251	2,074	+7.1%	+8.5%
Italy indirect emissions (Scope 2) – Absolute	23,060	20,978	20,483	+9.9%	+2.4%
Italy total GHG emissions – Absolute	25,469	23,228	22,557	+9.6%	+3.0%
Italy direct emissions (Scope1) – Like for like	1,965	1,787	-	+10.0%	-
Italy indirect emissions (Scope 2) – Like for like	19,230	18,415	-	+4.4%	-
Italy total GHG emissions – Like for like	21,194	20,201	Not comparable	+4.9%	-
Romania direct emissions (Scope1)	736	791	624	-7.0%	+26.7%
Romania indirect emissions (Scope 2)	4,653	4,262	4,476	+9.2%	-4.8%
Romania total GHG emissions	5,389	5,053	5,100	+6.6%	-0.9%
Headquarters total GHG emissions	112	111	114	+1.1%	-2.8%

Table 7.
GREENHOUSE GAS (GHG) EMISSIONS INTENSITY
FROM BUILDING ENERGY CONSUMPTION (GRI 305-4; CRE3)

GHG emissions intensity (Kg CO ₂ e/m ² common areas + GLA)	2017	2016	2015	Difference 2017/2016	Difference 2016/2015
Italy direct GHG intensity	5.86	6.58	6.74	-10.9%	-2.4%
Italy indirect GHG intensity	56.03	57.23	66.53	-2.1%	-5.9%
Italy total GHG intensity	61.89	63.80	73.27	-3.0%	-12.9%
Romania GHG intensity	61.08	57.28	57.81	+6.6%	-0.9%
Headquarters GHG intensity	40.67	40.21	41.38	+1.1%	-2.6%



The reduction in GHG emissions intensity, derives from, as does the energy intensity indicator, the more efficient

energy performance in the Shopping Centres included in the 2017 boundary but not present in 2016.

1.1.3 Water consumption

Water consumption, although not being a priority area where action needs to be taken, due both to the rather low water usage in the structures and to the geographical context in which these are located, is, nevertheless, monitored

by IGD and it has made a commitment to minimise water wastage also by means of raising awareness in visitors and tenants on this issue.

Table 8.
WATER CONSUMPTION (GRI 303-1)

Water consumption (m ³)	2017	2016	2015	Difference 2017/2016	Difference 2016/2015
Italy water consumption – Absolute	643,657	523,100	526,681	+23.0%	-0.7%
<i>of which from water mains</i>	637,113	517,643	520,427	+23.1%	-0.5%
<i>of which from groundwater</i>	6,544	5,457	6,254	+19.9%	-12.7%
Italy water consumption – Like for like	470,009	431,346		+9.0%	
<i>of which from water mains</i>	463,465	425,889		+8.8%	
<i>of which from groundwater</i>	6,544	5,457		+19.9%	
Romania water consumption	59,620	59,167	40,622	+0.8%	+45.7%
<i>of which from water mains</i>	59,620	59,167	40,622		
Headquarters water consumption	2,125	1,657	1,158	+28.3%	+43.1%

Table 9.
BREAKDOWN OF WATER
CONSUMPTION BY USE

Water consumption (m ³)	2017	2016	2015	Difference 2017/2016	Difference 2016/2015
Total consumption of drinking water – Absolute	476,088	356,338	380,772	+33.6%	-6.4%
Water consumption for irrigation – Absolute	44,800	35,986	26,969	+24.5%	+33.4%
Water consumption for fire prevention – Absolute	112,003	61,017	64,807	+83.6%	-5.8%
Other water consumption – Absolute	19,365	69,758	54,133	-72.2%	+28.9%
Total consumption of drinking water – Like for like	392,670	332,572		+18.1%	
Water consumption for irrigation – Like for like	42,326	35,971		+17.7%	
Water consumption for fire prevention – Like for like	26,332	26,047		+1.1%	
Other water consumption – Like for like	17,280	36,755		-53.0%	

As was the case with electricity consumption with regard to air-conditioning, the summer months also had a strong impact on the water consumption in the cooling towers. In Romania, after a significant increase in water consumption in 2016 due to an increase in footfalls in

the Malls and to the introduction of particular services that require a greater use of water, water consumption remained in line with the previous year.

Table 10.
BUILDING WATER CONSUMPTION
INTENSITY (GRI CRE2)

Water consumption intensity (m ³ /m ²)	2017	2016	2015	Difference 2017/2016	Difference 2016/2015
Italy – Water consumption intensity	1.56	1.53	1.71	+2.3%	-10.7%
Romania – Water consumption intensity	0.68	0.67	0.46	+0.8%	+45.7%
Headquarters – Water consumption intensity	0.77	0.60	0.42	+28.3%	+43.1%

The increase in water consumption in the headquarters can be linked to the increase in the number of people present in the building (+ 23.5%).

Table 11.
HEADQUARTERS WATER CONSUMPTION
INTENSITY (M³/PERSON)

Headquarters water consumption intensity (m ³ /person)	2017	2016	2015	Difference 2017/2016	Difference 2016/2015
Headquarters – water consumption intensity	14.17	13.64	11.41	+3.9%	+19.6%

1.1.4 Waste and waste sorting

Waste collection and disposal in the Shopping Centres is carried out either by Municipal companies or private ones (in several cases by both, with regard to waste to be disposed of). The Municipal companies do not relay information regarding the quantity of waste collected: for this reason

the data is not available for 8 Shopping Centres that these companies provide the service for. The quantity of waste shown in the following tables corresponds to the information that was available: 2,640 tonnes of waste was generated in 2017, 74% of which was sent to recycling.

Table 12.
WASTE AND DISPOSAL METHOD
(GRI 306-2)

		2017 (t)	2016 (t)	2015 (t)	Difference 2017/2016 (%)	Difference 2016/2015 (%)	% out of total 2017	% out of total 2016	% out of total 2015
Italy	Recycling – Absolute	1,966	1,925	1,742	+2,1%	+10.5%	74%	74%	65%
	Incinerator – Absolute	42	35	34	+21,1%	+2.9%	2%	1%	1%
	Landfill – Absolute	632	625	889	+1,1%	-29.7%	24%	24%	33%
	Total waste generated – Absolute	2,640	2,586	2,665	+2,1%	-3.0%			
	Recycling – Like for like	1,840	1,925	-	-4,4%	-	73%	74%	
	Incinerator – Like for like	42	35	-	+21,1%	-	2%	1%	
	Landfill – Like for like	632	625	-	+1,1%	-	25%	24%	
	Total waste generated – Like for like	2,514	2,586	-	-2,7%				
Romania	Waste sent to recycling	154.64	67.68	68.32	+124.5%	-0.9%		7%	3%
	Waste sent to landfill	2,134	2,150	2,188	-0.8%	-1.7%		93%	97%
	Total waste generated	2,288	2,218	2,256	+3.2%	-1.7%			

The significant increase in waste sorting in Romania was the result of actions taken by Winmarkt to raise awareness in its tenants by means of written communication placed in

several locations. This awareness raising activity will also continue in 2018.

Table 13.
WASTE SORTING

Type		2017 (t)	2016 (t)	2015 (t)	Difference 2017/2016 (%)	Difference 2016/2015 (%)	% out of total 2017	% out of total 2016	% out of total 2015
Italy	Paper and Card-board	762	807	-	-5.6%	-	30.3%	31.2%	-
	Plastic	66	33	-	+98.0%	-	2.6%	1.3%	-
	Organic	74	21	-	+247.2%	-	2.9%	0.8%	-
	Unsorted	352	424	-	-16.9%	-	14.0%	16.4%	-
	Mixed	1,093	1,196	-	-8.6%	-	43.5%	46.3%	-
	Glass	52	48	-	+8.5%	-	2.1%	1.9%	-
	Wood	6	10	-	-32.5%	-	0.3%	0.4%	-
	Other	110	47	-	+134.1%	-	4.4%	1.8%	-
	Total	2,514	2,586	-	-2.7%	-			-
Romania	Paper and Card-board	143.12	62.80	62.22	+127.9%	+0.9%	6%	3%	3%
	Plastic	8.31	4.88	6.10	+70.3%	-20%	0.4%	0%	0%
	Aluminium	3.2					0.5%	0%	0%
	Unsorted	2,134	2,150	2,188		-1.7%	93%	97%	97%
Head-quarters	Paper	4.78	3.92	4.16	+21.9%	-5.8%	56.8%	53.0%	-
	Plastic	0.40	0.32	0.27	+23.0%	18.5%	4.7%	4.3%	-
	Unsorted	3.24	3.15	n.d	+3.0%	-	38.5%	42.6%	-

Table 14.
CONSUMI DI CARTA SEDE BOLOGNA

Paper consumption Bologna headquarters	2017	2016	2015	Delta 2017/2016	Delta 2016/2015
Number of printed sheets of paper	729,483	727,370	725,680	+0.3%	+0.2%

Again in 2017, only recycled paper or FSC certified paper was used for institutional material.

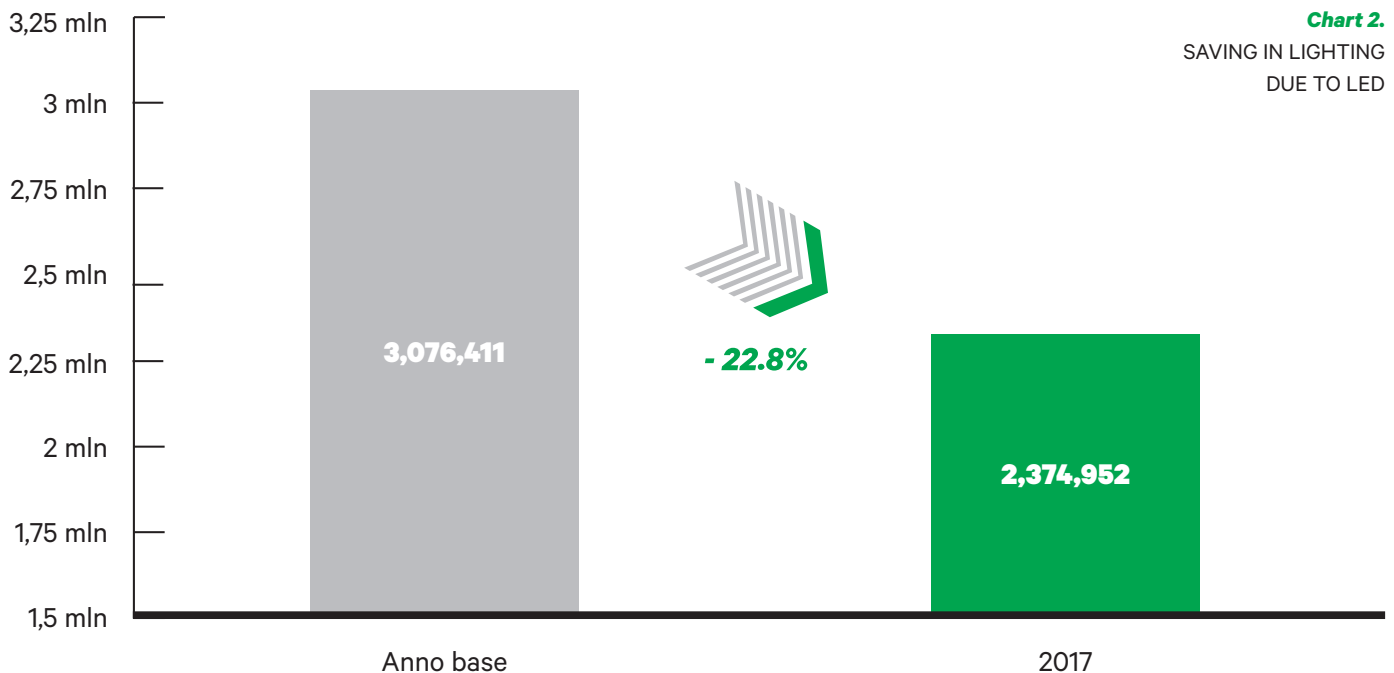
Management and structural actions



Over the last few years, IGD has invested resources in order to increase attention placed on the everyday management of systems, also by means of training activities aimed at Shopping Centre Managers. In addition to this, a monitoring process of the remote management systems, which all the Shopping Centres are equipped with, was launched in 2015. There were 4 Malls involved in this process between 2015 and 2016, whereas in 2017 the system in Puntadiferro Shopping Centre in Forlì was analysed.

As far as structural actions are concerned, the following work was carried out in 2017 to support the management measures:

- **Lighting:** when work was being carried out to extend ESP Shopping Centre (Ravenna) and to remodel the internal spaces in Città delle Stelle Shopping Centre (Ascoli Piceno), LED technology lighting systems were also installed. Altogether there were 15 structures equipped with LED lighting systems in the Malls or car parks in 2017, 13 of which were freehold properties and 2 were in master leasing. At the end of 2017, IGD commissioned an external company to carry out a study to verify the effective reduction in consumption in the Shopping Centres in which this type of action had been carried out, comparing actual consumption before and after relamping.



The information given on the chart refers to 5 Shopping Centres, where data regarding consumption was available for the lighting alone both for the base year⁵ and for 2017.

This shows that total saving in lighting consumption (which represents about 30% of electricity consumption in a Shopping Centre) was equal to -22.8%.

- Energy meters for “Energy Efficiency Certificates” (white certificates):** In 2015 IGD drew up with CEE (Consorzio Esperienza Energia) the technical proposal aimed at obtaining Energy Efficiency Certificates – known in Italy as TEE⁶. In 2016 the electricity consumption regarding the LED lighting system in Sarca Shopping Centre was measured and monitored, and at the end of the period a request was sent to GSE (Gestore Servizi Energetici - the state owned company which promotes and supports renewable energy services) in order to obtain the white certificates. These were obtained in the month of September 2017 from CEE in its capacity as an ESCO (Energy Service Company) and subsequently recognised by GSE for the saving generated by the LED lighting system in Sarca Shopping Centre. Thanks to these white certificates, IGD will benefit from an economic advantage that will last 5 years.
- Photovoltaic:** IGD’s commitment to use energy from renewable sources actively continued also in 2017, with the installation of two photovoltaic systems in ESP Shopping Centre (Ravenna) and La Torre Shopping Centre (Palermo). This action was part of an agreement that IGD signed in May 2016 for the supply of electricity by means of photovoltaic systems in 3 Shopping Centres. Currently 5 structures are equipped with this type of system:

 - Puntadiferro (2011)
 - Clodi (2015)
 - Maremà (2016)
 - Esp (2017)
 - La Torre (2017)
- Energy from renewable sources:** following the agreement signed by all the Shopping Centres in 2016 with their electricity supplier to acquire Green Certificates (G.O Guarantee of Origin), since 2017 all the Shopping Centres’ electricity supply has come exclusively from

renewable energy sources, in line with the targets defined in the UN’s 2030 Agenda for Sustainable Development. Thanks to the use of “clean” energy only, over 20 thousand tonnes of carbon dioxide will be prevented from being emitted into the atmosphere every year, equivalent to the annual electricity consumption of 16,600 families. The IGD headquarter offices’ electricity supply also came exclusively from renewable sources in 2017.



In 2017, the IGD Sustainability Committee started work on the creation of an Environmental Index, the purpose being to identify the structures with greater margins for improvement and to prioritise the necessary actions to be taken according to specific criteria applicable to all the assets. Operationally speaking, each Shopping Centre was assessed on the basis of two factors: “Sustainability and Building Performance” and “Fair Value”. The index, following the definition of the methodology and after being tested at the end of year, will be up and running in 2018.



Chioggia (VE) Clodi_ Photovoltaic system

⁶ I certificati bianchi o titoli di efficienza energetica (TEE) sono titoli negoziabili che certificano il conseguimento di risparmi energetici negli usi finali di energia attraverso interventi e progetti di incremento di efficienza energetica.

Awareness raising

IGD intends to raise awareness in the approximately 200,000 daily visitors that enter its Shopping Centres regarding behaviour aimed at environmental sustainability, beginning with everyday life. For this reason, starting in 2013, it provided printed material with information on good practices and advice on the issue, which, in 2017, was then transformed into messages on the digital totems.

In addition to this, and in view of UNI EN ISO 14001 certification, it also involved its suppliers, inviting them to contribute, by means of their own behaviour, to the improvement in environmental performance in each individual Shopping Centre.

Awareness has also been raised in tenants with regard to the sustainable management of their own stores. For this reason, the Rulebook “10 recommendations so as to improve our Shopping Centres. Together” was created in 2015, which was first presented to all the tenants during the consortium meetings and which remains at their disposal both in the individual Centres themselves and on IGD’s website.

1.2 CERTIFICATIONS AND CURRENT PROJECTS



IGD’s approach to environmental sustainability is long term. For this reason, it is both certifying its structures (UNIENISO14001 and BREEAM) and at the same time studying innovative projects. The first results are positive, with awards received and recognition gained in the last two years (Mapic Awards in 2016 and CommonEnergy Awards in 2017).

1.2.1 ISO14001 certification (GRI CRE8)

IGD started the UNI EN ISO 14001 environmental certification process of its assets in March 2013, with the intention of defining unequivocal environmental performance monitoring and management methods.

In 2017, after obtaining the Environmental Management System (EMS) certification in Clodi (in Chioggia – Venice), Borgo (in Bologna) and Portogrande (in San Benedetto del Tronto, Ascoli Piceno) Shopping Centres, the number of Centres certified rose to 14, corresponding to 70% of the portfolio that IGD has decided to certify.

During the year the company undertook to:

- follow up on the observations made by the certifying body during the certification process, by taking the appropriate actions;
- obtain certification for 3 Centres, foreseen in March 2018:
 - ESP (in Ravenna)
 - Le Porte di Napoli (in Afragola, Naples)
 - Puntadiferro (in Forli)

In the event of a positive conclusion of the above, 17 Centres will have been certified (in addition to the IGD headquarters), corresponding to 85% of the number of Shopping Centres in its portfolio that IGD has decided to certify.

1.2.2 BREEAM certification (GRI CRE8)

After obtaining Breeam environmental certification in 2016 for Sarca Shopping Centre (Milan), IGD continued along this path, assessing the possibility of obtaining Breeam “protocol IN USE” certification, introduced by the organisation BRE in 2015, applicable to up and running commercial buildings. The decision to use this protocol is related to the possibility of:

- Integrating the UNI EN ISO14001 certification, by extending the areas of application (for example, transport, health, wellbeing in the premises, safety and innovation, not considered in ISO14001)
- Providing a support IT system for data collection, enabling a comparison to be made with previous years and with a qualified benchmark for each individual asset.
- Recognising improvements in asset performance with an increase in the certification “grade” (acceptable, pass, good, very good, excellent, outstanding).

With this in mind, IGD commissioned a feasibility study on 4 key assets: Katanè, Tiburtino. ESP and Puntadiferro. The assessment was carried out in 2017 and the outcome was positive, giving the go ahead for the certification process to start. The timeline defined foresees certification for Tiburtino and Katanè in the beginning of 2018 and Puntadiferro and ESP in 2019. In order to obtain the certification for the first two assets, the necessary activities with regard to both asset performance and building management have been initiated.

1.2.3 An innovative circular economy project: "Waste2value"

On the matter of waste disposal and reducing waste, experience has been accumulated over the last few years regarding circular economy, meaning a system where "the value of products and materials is maintained as long as possible: waste and the use of resources are minimised and the resources are maintained within the economy, even when the product has come to the end of its life, to be used again and again to create other value" (European Commission, December 2015). The opportunities offered by circular economy and the increasing impact created by the Shopping Centres' food courts (resulting in a progressive rise in waste produced), led to the creation of the "Waste2Value" project. The idea behind this project is to create an innovative model of circular economy to recover food waste within a Shopping Centre by converting it into "second products" which will be introduced into the Shopping Centre itself in the form of products or services.

With Impronta Etica as coordinator, IGD, together with Coop Alleanza 3.0 and CAMST – the Italian Food and Beverage company, is the promoter of this initiative. The operational management of this initiative has been assigned to the Future Food Institute, a non-profit food and innovation research organisation.

Defining which waste to use and how to convert it, is the operational objective of the entire project, which, in subsequent phases, involves various stakeholders in order to better identify this process and transform it into a prototype to be used in a Shopping Centre. The Shopping Centre chosen was Nova Centre in Villanova di Castenaso (Bologna), which was selected because of its structural features and its position.

The phases of the project, started in June 2017 and currently in progress, can be seen below:

STEP 1 Hackathon Students

STwo Hackathons were carried out. These were creative marathons that involved about 80 participants, including high school students, university students from the faculties of Economy, Agriculture and Gastronomic Sciences and researchers, who reflected on issues regarding food wastage. These gave rise to the first concrete ideas on how to realistically implement this circular project.

STEP 2 Hackathon Members

The members of Alleanza 3.0 and Camst, already operational on a daily basis in the food waste sector, offered their support by experimenting the work in teams by thinking-up and co-planning an idea.

STEP 3 Launch event in Nova Centre

The event took place in Nova Centre on 28th October. Here the visitors were engaged in issues on circular economy by means of an explanatory workshop, a flash mob and a quiz game, all focusing on the matter of food waste.

STEP 4 Technical co-planning with representatives of the partner companies' staff – Yet to be carried out

The employees of the partner companies will be involved in an assessment on the feasibility of the projects that emerged from the previous phases. Work will be carried out together with innovative start-ups that operate in the market in question, with students and with the winners of the selected projects in order to refine the ideas and make them more appropriate and operational.

STEP 5 Evento conclusivo – Da svolgersi

The winning project will be celebrated during a final event that will take place in Nova Centre, where the results obtained and the relative impacts produced will be described.

STEP 6 Prototyping, testing and commercial development – Yet to be carried out

The best idea in terms of innovation, feasibility and social impact will be implemented with the help of fab labs, network of makers and digital artisans. This process will also involve the companies sponsoring the project, and the project itself will then be prototyped in Nova Centre.

"Waste 2 Value", the story of which is available on the website (<http://wastetovalue.it/>), received the "SMAU R2B innovation award", with which SMAU assesses our country's innovative excellences.



1.2.4 CommOnEnergy Award

In 2016, IGD took part in the CommOnEnergy Award competition, organised by EURAC (EUROpean ACademy) and directed at redeveloped Shopping Centres, the purpose being to identify and nominate the most energy efficient and sustainable building, reward the best practices and provide examples for future restyling work to improve sustainability in Shopping Centres. IGD put forward Sarca Shopping Centre as a candidate, the restyling work of which was completed in 2015, and which in the month of September received the CommONEnergy Award as Best Sustainable Shopping Centre in the “Mega malls” category. The award was given after an assessment was carried out regarding the performance obtained, the innovation of the retrofit solutions and strategies, the quality of the architecture and renovation process.



2. ACCESSIBILITY AND MOBILITY

The analysis on trends (see section 4.1) revealed that there were new developments regarding the use of the urban transport systems: there was clear evidence of some changes in the use of traditional cars (replaced by cars with a lower environmental impact or by car sharing) and of an increase in the use of bicycles and public transport (where local infrastructures make this possible). Taking

the above into account, IGD is working to make it possible for all visitors to travel to the Shopping Centres in the most suitable way possible for them, in line with their choices and possibilities. It has defined, therefore, several actions and commitments aimed at sustainable mobility, which it is currently implementing, following the current trends and changes.

2.1 ACTIONS CARRIED OUT AND FUTURE PROJECTS

To define the actions to be taken regarding sustainable mobility, IGD has focused its work on three aspects:

1. analysis of the current situation
2. identification of actions to be taken
3. definition of innovative projects

Phase 1: analysis

How easy it is to reach a local Shopping Centre can be assessed by means of three factors: the state of the infrastructure, the habits of the local community and the position of the Centre itself. For this reason, IGD carried out an initial mapping of the means of transport used (excluding cars), with the following results:

- a) The large majority of the Shopping Centres can be reached by means of public transport (80% have a public transport stop within 200 metres of the entrance);
- b) Just over half of the structures can be reached by bicycle (56%).

Phase 2: identification of actions to be taken

In light of these results, several specific actions were defined for each means of transport.

LOCAL PUBLIC TRANSPORT

Bus and metro timetables have been introduced and can be visually accessed on the digital totems in Sarca Shopping Centre. With totems in all the Malls, the same solution is being analysed for the other Shopping Centres in which it is technically possible to activate this service.

BICYCLE

Actions have been defined in 3 areas:

1. Structural: in the last three years new cycle lanes have been introduced to connect 4 Shopping Centres (Sarca, Maremà, Porta a Mare and ESP) with the local cycle lane network..
2. Services: considering the increasing use of e-bikes, charging systems for e-bike batteries have been installed in 17 IGD Centres (see section 4.5).
3. Events: initiatives providing information on the correct use of transport were organised in cooperation with local associations and schools (for example in Bologna).

Phase 3: definition of innovative projects

The Shopping Centres, as highly frequented places with large spaces available both inside and outside, are taking on a significant role with regard to the growing development of electric vehicle facilities. IGD intends to work on this matter in order to provide an adequate service for those visitors that need to charge their electric vehicles (with numbers considered to be on the rise). For this reason, in 2017, it carried out several necessary preliminary actions in order to be able to define a future “Electric vehicle charging project”.

The actions carried out included:

1. The introduction of charging stations in several pilot Shopping Centres
2. Continuous monitoring both of changes in Italian and European regulations and of market trends (from a demand and supply point of view)

With regard to the first point:

- 4 EV charging stations with 8 bays were installed during the work carried out for the extension to ESP Shopping Centre in Ravenna;
- A pilot project regarding the installation of one charging station in Conè Shopping Centre in Conegliano (Treviso) was considered feasible;
- The charging station installed in Maremà Shopping Centre in Grosseto became operational; the system, in full working order, will be powered by energy from the photovoltaic system installed on the roof of the structure.

With regard to the second point, IGD provided its input by contributing to the writing of a “Position Paper” in the Sustainability Group of the International Council of Shopping Centres (ICSC), to ask the European Commission to reduce the enormous obligations that the Shopping Centres were required to fulfil in the EPBD (Energy Performance of Buildings Directive) in terms of new parking space charging points to be installed in the car parks. At the end of the work on the Directive, the requests contained in the ICSC document seem to have been adopted: in fact, the latest version, which will become law in the beginning of 2018, reduces the obligations for the owners of Shopping Centres, ruling that all new buildings and important restyling work must include at least 1 parking lot dedicated to EV charging. Once the Directive has become law, it must be implemented by each member state within 20 months.

IGD also actively monitored the proposals on the market, meeting with the first suppliers offering integrated management of EV charging (from energy supply to the payment of the same).

The Company then gathered together all the information needed to determine the contents of an “Electric vehicle charging project”, which will be defined in 2018.





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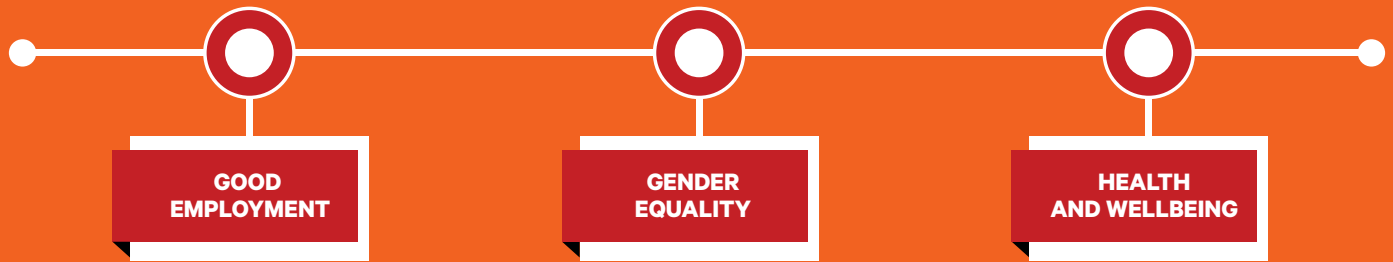
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Highlights



IGD undertakes to behave in a responsible manner towards people, starting with its employees. With regard to the latter it is committed to fostering “good employment”, where continuous skills development and the promotion of these are two of its main undertakings. Particular attention is also placed on the health and wellbeing both of its employees and of all those that visit its Shopping Centres on a daily basis by implementing voluntary initiatives, in addition to that required by law.



1. GOOD EMPLOYMENT

1.1 WORKFORCE



For the sixth year running, the number of IGD employees increased, reaching 130, with an increase of 6% compared to 2016 and of 53% compared to 10 years ago.

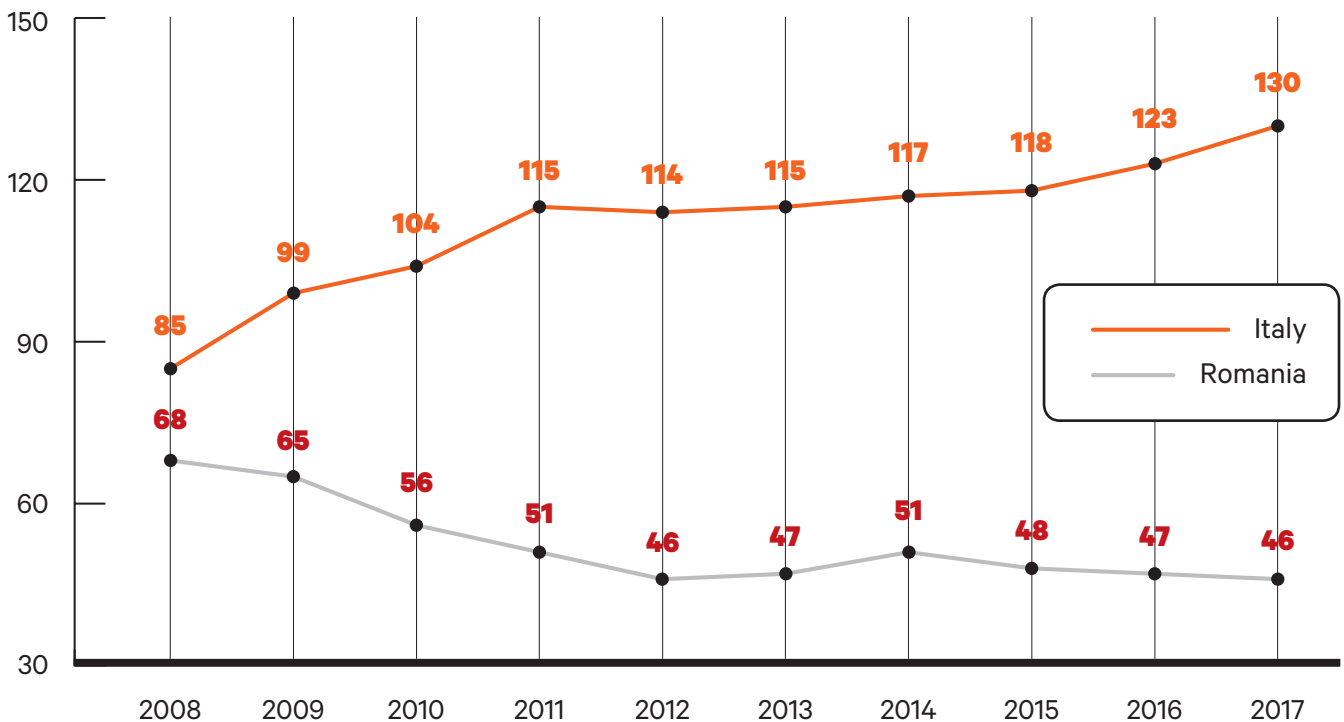
The increase recorded during the year can be linked to two factors:

- The development of the network, with the extension of ESP Shopping Centre in Ravenna and the acquisition of a new mandate regarding the management of Le-Bolle Shopping Centre in Eboli (Salerno);

- Organisational consolidation, to guarantee a more effective coverage of activities.

In Winmarkt Group, the company workforce remained essentially steady, without any significant changes during the year.

Chart 1.
CORPORATE WORKFORCE FLOW
(2008-2017) (GRI 102-8)



The number of permanent contracts in force in Italy and Romania stood at 95.5%, with a slight decrease in both companies. In Italy, in particular, permanent contracts were equal to 95% of the total (123 compared to 118 in

2016), substantially in line compared to the previous year (96%). The decrease in Romania was due to the startup of a fixed term contract.

Chart 2.
PERCENTAGE OF EMPLOYEES WITH
PERMANENT CONTRACTS (ITALY AND ROMANIA) (GRI 102-8)

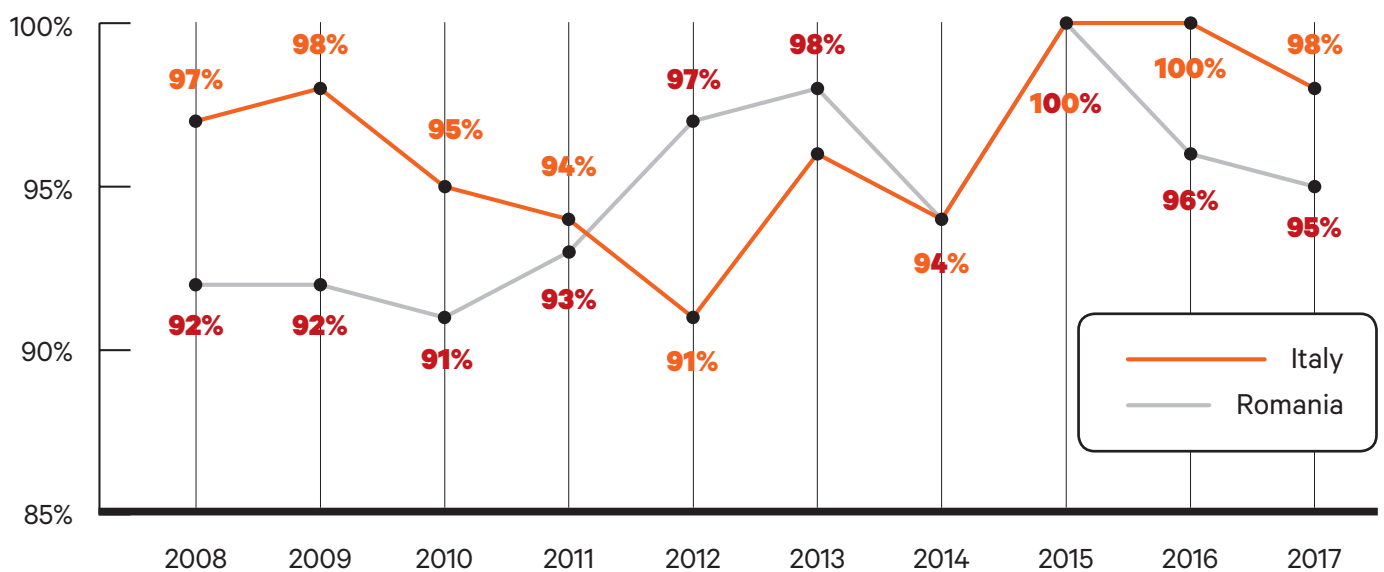


Table 1.
STAFF BY CONTRACT TYPE
(ITALY AND ROMANIA)* (GRI 102-8)

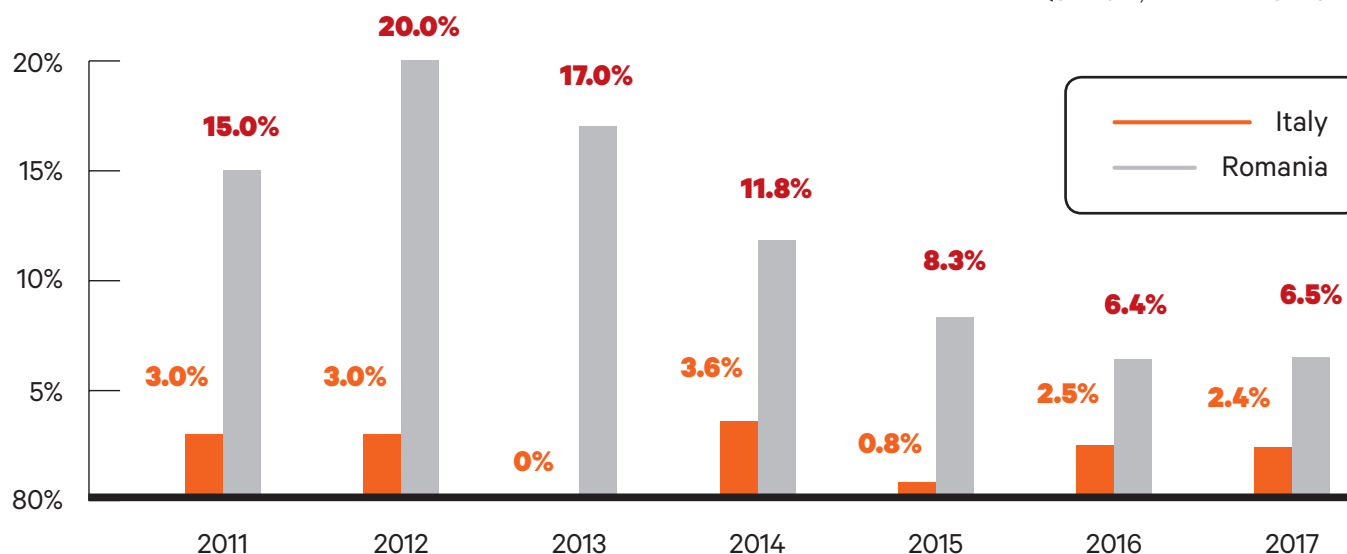
	2017 (n)	2016 (n)	2015 (n)
Fixed term contracts Italy	7	5	0
Of which female	5	2	0
Of which male	2	2	0
Permanent contracts Italy	123	118	118
Of which female	67	65	64
Of which male	56	53	54
Fixed term contracts Romania	-	-	-
Of which female	1	-	-
Of which male	-	-	-
Permanent contracts Romania	46	47	48
Of which female	28	28	28
Of which male	17	19	20

The number of part-time contracts in Italy remain limited: there were 8 in 2017 (6 female and 2 male), half of which were requested by the employees themselves and half were initiated with these hours to satisfy organisational requirements.

IGD's turnover rate was in line with that of the previous year. There were 3 terminations during the year, 2 of which due to retirement.

The same stable trend can also be observed in Romania, with a turnover rate steady at 6.5%.

Chart 3.
OUTGOING TURNOVER (ITALY AND ROMANIA)*
(GRI 401-1; EPRA EMP-TURNOVER)



*NB: the turnover is calculated as number of contract terminations (excluding those fixed term) / total employees (excluding those fixed term) at 31.12 of the previous year

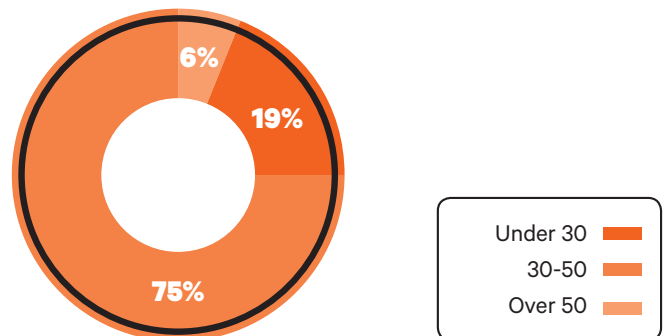
Table 2.
RECRUITMENTS AND RESIGNATIONS*
(ITALY AND ROMANIA) (GRI 401-1; EPRA EMP-TURNOVER)

	2017 (n)	2016 (n)	2015 (n)
Recruitments Italy	11	10	4
Recruitment rate Italy	8.5%	8.1%	3.4%
Resignations Italy	4	5	3
Resignation rate Italy	3.1%	4.1%	2.5%
Recruitments Romania	2	2	1
Recruitment rate Romania	4.3%	4.3%	2.1%
Resignations Romania	3	3	4
Resignation rate Romania	6.5%	6.4%	8.3%

*NB: the rates are calculated on the total number of employees as at 31/12 of each year

The new employees in Italy are female in 73% of cases and belong to the following age groups:

Chart 4.
NEW EMPLOYEES BY AGE GROUP (ITALY)
(GRI 405-1; EPRA DIVERSITY-EMP)



The 4 resignations involved 3 females and 1 male, 2 in the 30-50 age group and 2 in the over 50 age group.

Instead in Romania, the two new employees were women, one in the under 30 age group and the other in the 30-50 age group. The three resignations involved two males and one female, all in the 30-50 age group.

Both in Italy and Romania all work contracts are regulated by the national collective employment agreement. Furthermore, IGD has its own Enterprise Bargaining Agreement, valid for Italy.

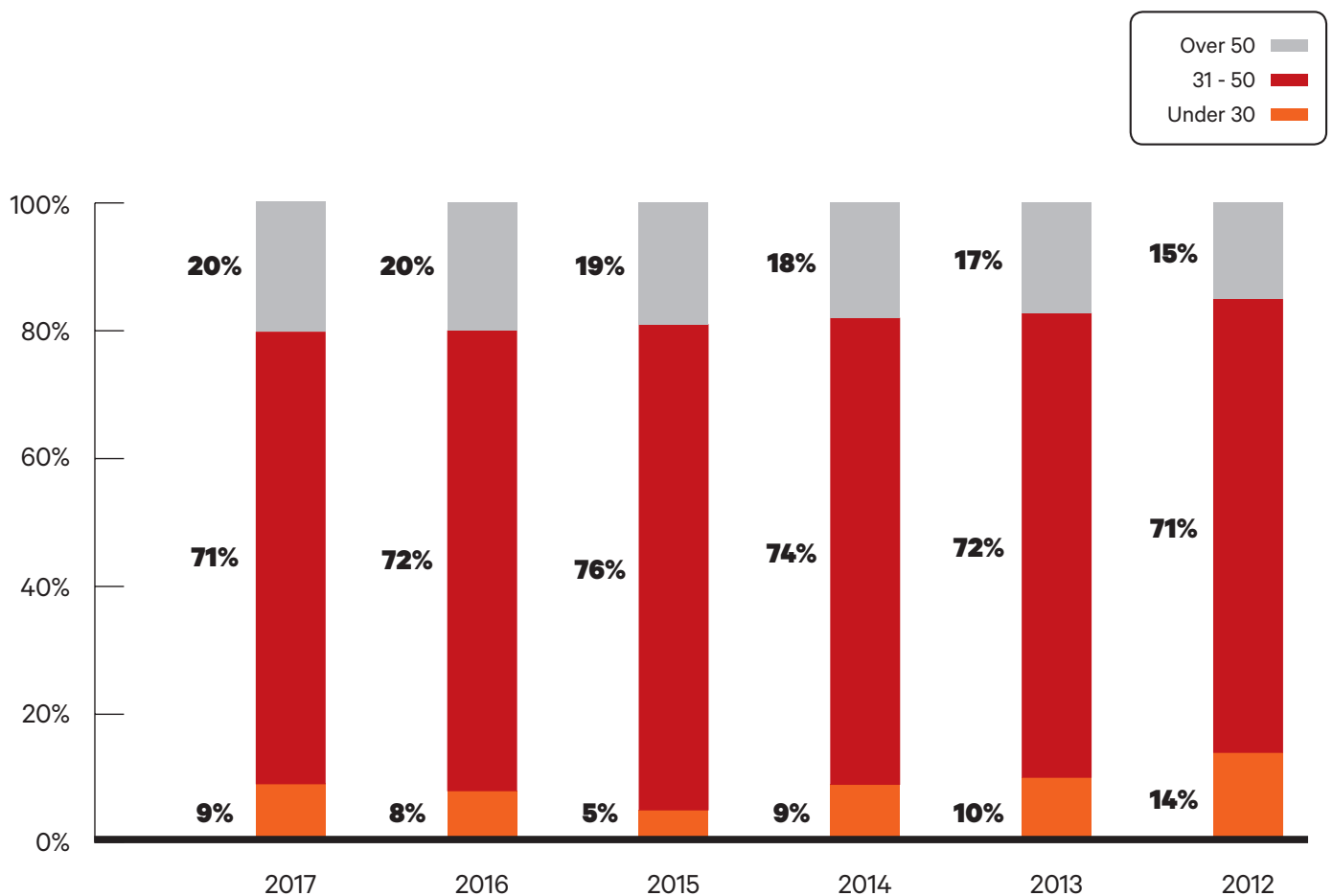
Table 3.
COLLECTIVE EMPLOYMENT AGREEMENTS
(ITALY AND ROMANIA) (GRI 102-41)

	2017 (%)	2016 (%)	2015 (%)
Employees covered by collective employment agreements - Italy	100%	100%	100%
Employees covered by collective employment agreements - Romania	100%	100%	100%

In Italy the average age remained at 43 years of age (with a slight increase in the under 30s and a decrease in the

older age group), whereas this went from 43 to 44 in Romania.

Chart 5.
STAFF BY AGE GROUP (ITALY) (GRI 405-1)



In Romania, in 2017, 6.5% (this figure was 4.3% in 2016) were under 30, 67.4% (70.2% in 2016) were between 31 and

50 years of age and 26.1% (25.5% in 2016) were over 50.

1.2 TRAINING



ITALY

In 2017 IGD continued its training programme for its employees, offering them opportunities for their own professional development. There were three across-the-board training activities, that is those that involved corporate roles from various sectors:

- English Language, with an increase in participants due to the ever growing need for this skill.
- “Time management and the organisation of work”, a cycle of three sessions for a total of 12 hours, held between November and December, with the participation of 13 headquarter employees (10 department heads and 3 office workers). The course proved to be particularly appreciated by the participants. IGD is considering the possibility of organising a second edition aimed at other participants in 2018.

- “The construction of the Marketing Plan”: the aim of this programme, which was launched in 2016 and drew to a close in 2017, was to structure a new method for the creation of Marketing Plans in all the Shopping Centres, with particular focus placed on monitoring tools and monitoring control. All the Shopping Centre Managers and Assistants participated, together with the Marketing Department.
- Welfare: all employees, with the exception of the Directors, participated in the training course on how to use the Welfare Portal.

Courses aimed at upgrading and developing individual skills, in other words technical updates, were carried out. These dealt with specific topics and involved all the company departments.

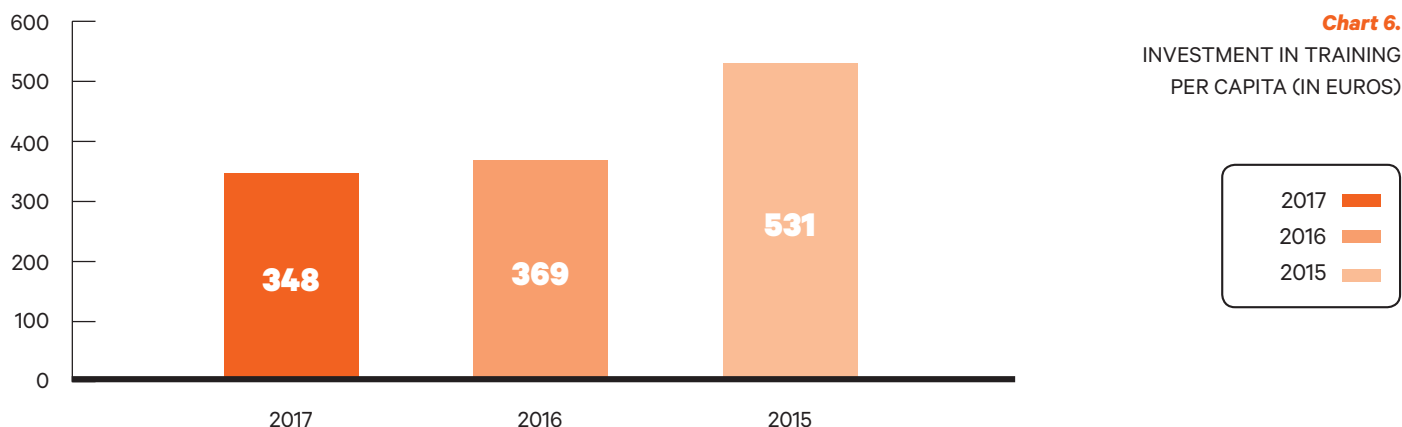
Table 4.
TRAINING (ITALY) (GRI 404-1; EPRA EMP-TRAINING)

	2017	2016	2015
Employees that took part in training activities (N)	125 (96.2% out of total)	99 (80% out of total)	97 (82% out of total)
Costs incurred for internal and/or external training (€)	44,451	36,516	51,225
Training hours	1,861	1,787	2,866
Average hours of training per employee	14.9	14.5	24.3
Percentage of revenues invested in training (€)	0.03%	0.03%	0.04%

For 2017, the average hours of training were broken down as follows:

Table 5.
BREAKDOWN OF AVERAGE HOURS OF TRAINING
(ITALY AND ROMANIA) (GRI 404-1; EPRA EMP-TRAINING)

	2017 (Italy)	2017 (Romania)
Average hours of training per employee _ female	13.0	20.3
Average hours of training per employee _ male	17.2	23.1
Average hours of training overall	14.9	21.3
Average hours of training per employee _ directors	42.4	n.a.
Average hours of training per employee _ managerial staff	12.2	24
Average hours of training per employee _ department heads	16.6	24.1
Average hours of training per employee _ office workers	9.1	18.6
Average hours of training overall	14.9	21.3



ROMANIA

Winmarkt, in line with the previous two-year period, offered and carried out the following training activities:

- 3 commercial/technical/administrative workshops;
- Refresher courses on the trends and latest developments in the real estate market;
- Training courses for the development of professional skills of employees in each sector;
- Professional/motivational team building aimed at all staff (headquarters and network).

In view of a commitment Winmarkt will be undertaking in the near future regarding several projects connected with

sustainability, IGD's Sustainability Committee analysed Corporate Social Responsibility issues with all the Romanian employees during the annual convention. There were two objectives: increase awareness on these issues and present IGD's sustainability performance, which included also Winmarkt's. For this reason, it was decided, first of all, to collocate CSR in the context in which it has been developed and analyse the steps taken since it was introduced until today; attention was then focused on the dynamics of CSR in the retail real estate sector at European level and worldwide. Work continued by analysing IGD's sustainability process and the results obtained by Winmarkt over the years.

Table 6.
TRAINING (ROMANIA)
(GRI 404-1)

	2017	2016	2015
Training hours provided (N)	982	1202	924
Number of employees trained (N)	46	47	46
Average hours of training per employee	21.3	25.6	20.1
Costs incurred for training (€)	23,000	20,000	17,000

1.3 INTERNAL COMMUNICATION

Internal communication is guaranteed by means of the following 4 tools which, with different purposes, timings and contents, enable information to be circulated to all the employees :

STRUMENTO	PERIODICITÀ	CONTENUTI
Company convention	Annual	<p>IGD's annual convention was held in Ravenna at the beginning of December 2017. Like in 2016 the convention was organised over two days and included the following activities:</p> <ul style="list-style-type: none"> • Presentation by the Management of the main new developments in 2017 (economic results, awards and recognition obtained by the Group, latest financial transactions) • Visits to ESP Shopping Centre in Ravenna, extended and inaugurated in June 2017 and Puntadiferro Shopping Centre in Forlì (Forlì-Cesena)
Newsletter	Quarterly	<p>Since February 2017, the newsletter has become completely digital. The contents are accessible directly from the website and for this reason they are more dynamic more easily reachable; the employees receive an alert with a link. The issues covered regard:</p> <ul style="list-style-type: none"> • Economic-financial performance • Breaking news on sustainability and focus on specific topics dealt with in interviews given by the top management.
Press releases	Ad hoc	<p>14 press releases regarding the Group's main events were sent to all employees. In 2017 these dealt with:</p> <ul style="list-style-type: none"> • The appointment of the new IGD Chairman • Economic-financial results • International awards • Acquisitions and new openings • Extraordinary transactions, etc
Company intranet	Continuous	<p>This internal portal enables the continuous exchange of information amongst all employees. In 2017, work continued regarding the implementation of a new platform which will also enable multimedia content to be used and exchanged.</p>

1.4 ASSESSMENT AND DEVELOPMENT

Since 2011 IGD has had two systems in place to assess its employees: “Management by Objectives” (MBO) and skills development. With regard to the former, both in Italy and in Romania, IGD assigns targets that are common to all and specific targets to all its employees on permanent contracts. Reaching these targets is a factor for the distribution of variable pay.

In Italy in 2017, 120 employees were assigned targets: 82 of these were assigned individual targets and 38 office targets. Due to the company’s good economic performance over the year in question, both the average variable pay and the percentage out of the total amount payable in 2017 increased compared to 2016. The variable pay exceeded 90% of the total amount payable.

In Romania, where there is an award system in place like the one in Italy, the variable pay reached 95.1% of the maximum payable amount.

Furthermore, in Italy, all the Managerial Staff and Department Heads that are fully operative in their role are assessed by means of a skills development system. In 2017 this system involved 68 people, 67 in 2016. This system is not active in Romania.

The number of employees in 2017 that received pay rises following a particular positive assessment was equal to 10. In Winmarkt Group, by following an approach that promotes the growth and development of internal sources, 8 pay rises were granted in 2017.

Table 7.
SKILLS ASSESSMENT (ITALY)
(GRI 404-3; EPRA EMP-DEV)

	2017 (% males out of the total)	2017 (% females out of the total)	2017 (% managerial staff out of the total)	2017 (% department head out of the total)	2017 (% out of the total)	2016 (% males out of the total)	2016 (% females out of the total)	2016 (% managerial staff out of the total)	2016 (% department head out of the total)	2016 (% out of the total)
Employees that regularly undergo skills assessment	29%	23%	15%	37%	52%	28%	23%	15%	36%	54%

1.5 WELFARE



The Corporate Welfare Portal has been up and running since April 2017. This enables IGD employees to access a series of benefits and services made available by the company under the Corporate Welfare Plan.

The process leading to the launch of the Portal began in 2014, when the target to create a Welfare Plan was included in the 2015-2018 Business Plan. This was followed by the participation in two in-depth seminars organised by *Impronta Etica* between 2014 and 2016. In the meantime, an analysis of the existing situation began, which enabled personal characteristics and the particular geographical spread of IGD’s employees to be identified: 65 people working in the headquarters in Bologna, 58 others in small groups (made up of a maximum of 3 people) in 11 Italian

Regions. This then made it possible for the contents of the Welfare Plan to be defined, within the legislative framework represented by the 2016 and 2017 Stability Laws. After this, the tool to be used was identified: the decision was made for a Portal managed by an external supplier. The last few steps regarded internal communication and training on the use of the Portal, which involved all the employees.

Effectively, each employee on a permanent contract (with the exception of the Directors who are excluded from the Corporate Welfare System) is allocated their own budget (the same for all and in proportion with regard to full time and part time) which they can use during the year by means of the portal which they access by using a personal password. The offer concerns:

Crèches
Summer camps and after school activities
University fees
Books and School materials
Home care
Nursery school, Primary school and High school
Purchases and Shopping
Sports and Gyms

Travel
Courses and Training
Health and Wellbeing
Culture and Shows
News and Magazines
Health insurance
Supplementary pension scheme

In addition to this, the Portal also includes all the welfare services activated over time by IGD and included in the Collective Employment Agreement, in the collective Enterprise Bargaining Agreement and in its appendix, the Positive Actions Protocol.

By monitoring the Portal's performance, it is possible to continually assess the employees' level of satisfaction with

regard to this tool. In this way specific adjustments can be made in the event of any particular problems. The results at the end of the year were favourable: 99% of the employees had completely or partially used their available credit and over 98% of the available budget had been used. Out of the services offered, those regarding "Family" and "Health, Wellbeing and Culture" were the most appreciated.

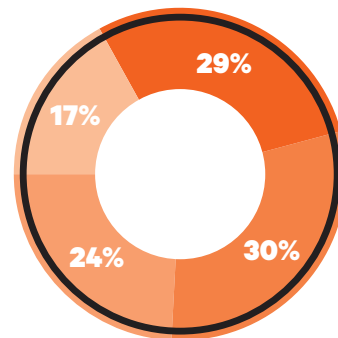
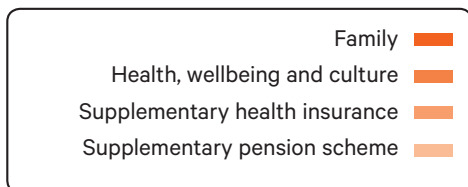


Chart 7.
WELFARE SERVICES USED

By following an approach that constantly adapts the services on offer, IGD reserves the right to carry out any necessary fine tuning activities for the year 2018.

Table 8.
WELFARE AZIENDALE (ITALIA)

	2017
Number of employees involved	118
Utilisation rate	99%

2. GENDER EQUALITY



2.1 GENDER DATA

As described in the Corporate Code of Ethics, the Company conforms its actions and activities to the principle of impartiality with regard to its employees, guaranteeing full compliance with the principle of equal opportunities.

The female component, in IGD and Winmakt, was slightly higher compared to 2016, settling at 57% (compared to 56% in the previous year), with an increase both in Italy (+1p.p, to 55%) and in Romania (+3 p.p, to 63%).

Table 9.
BREAKDOWN OF STAFF BY GENDER AND POSITION
(ITALY) (GRI 102-8; 405-1; EPRA DIVERSITY-EMP)

Position	Gender	2017	% per position 2017	2016	% per position 2016	2015	% per position 2015
Directors	Male	5	83%	5	83%	3	75%
Directors	Female	1	17%	1	17%	1	25%
Managerial Staff	Male	13	65%	13	65%	13	65%
Managerial Staff	Female	7	35%	7	35%	7	35%
Department Heads	Male	30	57%	26	52%	26	52%
Department Heads	Female	27	43%	24	48%	24	48%
Office Workers	Male	10	21%	12	26%	12	27%
Office Workers	Female	37	79%	35	74%	32	73%
Total	Male	58	45%	56	46%	54	46%
Total	Female	72	55%	67	54%	64	54%
Total		130		123		118	

Table 10.
BREAKDOWN OF STAFF BY GENDER AND POSITION
(ROMANIA) (GRI 102-8; 405-1; ; EPRA DIVERSITY-EMP)

Position	Gender	2017	% per position 2017	2016	% per position 2016	2015	% per position 2015
Directors	Male	-		-		1	100%
Directors	Female	-		-		-	
Managerial Staff	Male	3	60%	3	60%	3	60%
Managerial Staff	Female	2	40%	2	40%	2	40%
Department Heads	Male	12	67%	14	70%	14	70%
Department Heads	Female	6	33%	6	30%	6	30%
Office Workers	Male	2	9%	2	9%	2	9%
Office Workers	Female	21	91%	20	91%	20	91%
Total	Male	17	37%	19	40%	20	42%
Total	Female	29	63%	28	60%	28	58%
Total		46		47		48	

In Italy, 38% of the freehold Shopping Centres and those managed by IGD are managed by women.

Table 11.
WOMEN IN LEADERSHIP ROLES IN THE IGD SHOPPING CENTRES

	2017	2016	2015
Women in leadership roles in the SCs	12	11	12

2.2 REMUNERATION

The remuneration that IGD offers its employees both in Italy and in Romania, is defined by taking into account various factors, like the level of responsibility of the job and length of service. Aspects associated to gender are not taken into consideration when fixing remuneration. In accordance with the principle of fairness in the Code of Ethics,

IGD promotes equal treatment amongst all its employees and, in compliance with national and international regulations, it strives to prevent any form of discrimination. In connection to this, no report was made to the Compliance Committee in 2017 regarding any episode of discrimination (GRI 406.1).

Table 12

RATIO BETWEEN BASIC SALARY + OCCUPATIONAL ALLOWANCE FOR MALES COMPARED WITH THAT FOR FEMALES _ITALY (GRI 405.2 – EPRA DIVERSITY-PAY)

Employee category	2017	2016
Directors	0.88	0.88
Managerial Staff	1.03	1.03
Department Heads	1.01	0.99
Office Workers	0.96	0.99

NB: the ratio has been calculated as an average of basic salaries + occupational allowance for each category of employees for males over that for females

Table 13.

RATIO BETWEEN BASIC SALARY + OCCUPATIONAL ALLOWANCE FOR MALES COMPARED WITH THAT FOR FEMALES _ITALY _ROMANIA (GRI 405-2 – EPRA DIVERSITY-PAY)

Employee category	2017	2016
Directors	n/a	n/a
Managerial Staff	1.14	1.04
Department Heads	0.76	0.97
Office Workers	1.05	1.14

NB: the ratio has been calculated as an average of basic salaries + occupational allowance for each category of employees for males over that for females

The data reported highlights that there is no relation between gender and remuneration, neither in Italy nor in Romania. Factors like length of service or responsibilities connected to the role can have a significant impact on

individual remuneration. These differences have an even more significant effect when the various categories are formed by small groups of employees (as is the case in Winmarkt).

3. HEALTH AND WELLBEING

IGD acts in such a way as to ensure that the employees (its own and those of its tenants) work in the best possible health conditions, in compliance with all the legal requirements and standards. It also places the same atten-

tion on the visitors to the Malls, by implementing all the safeguards so as to ensure that they can make the most of everything that its Shopping Centres have to offer in complete safety.

3.1 POLICIES AIMED AT EMPLOYEES

IGD has adopted a Safety at Work Management System (*Sistema di Gestione della Sicurezza sul Lavoro - SGSL*), in accordance with Article 30 of Consolidated Safety Act 81/2008. This system, which includes all the activities that the Company is required to perform in order to be in compliance with the requirements laid down by the law, also includes training which plays a very important role and

which IGD ensures all its employees undergo on a regular basis. More specifically, training carried out in 2017 involved fire prevention refresher courses and safety courses for new employees and persons-in-charge, aimed at both new roles and those that had completed their professional development. In addition, there were also refresher programmes for Directors and Workers' Safety Representatives (RLS).

Table 14.
TRAINING ON HEALTH AND SAFETY (ITALY)

	2017
Number of training hours on safety provided (N)	324
Number of people involved (N)	35
Costs incurred for training (€)	8,327

Attention paid to the workers' health and safety is ensured, as a whole, by continuously monitoring indicators related to injuries, illness and absences. The data referring to 2017 does not reveal any particular problems.

Table 15.
CAUSES OF ABSENTEEISM - ITALY (GRI 403-2 AND EPRA H&S-EMP)

	2017 Male	2017 Female	2017 Total	2016 Male	2016 Female	2016 Total	Calculation method of indicator
Injuries	1	1	2*	1	2	3*	
Injury rate	10.45	9.86	9.83	11.43	19.72	15.89	(number of injuries/total hours worked in the year)*1,000,000 (Source: UNI 7249:2007 "Injuries at work statistics")
Lost days rate	0.010	0.20	0.11	1.21	0.16	0.64	(number of days lost due to injury or illness/total number of working hours)
Absenteeism rate	1.1%	2.4%	1.8%	2.2%	2.1%	2.1%	(total number of days lost/total number of working days for the same period)*100
Number of work related deaths	0		0			0	

In 2017, the Work-Related Stress Risk Assessment was updated, as provided for in Legislative Decree 81/2008. This assessment, which is carried out by involving the Workers' Safety Representatives and several workers randomly selected, gave the company the "green light", meaning that no particu-

lar conditions that could point towards the presence of work related stress could be found.

In Romania there were no injuries in the last two year period. The absenteeism rate fell.

Table 16.
CAUSES OF ABSENTEEISM - ROMANIA
(GRI 403-2 AND EPRA H&S-EMP)

	2017 Male	2017 Female	2017 Total	2016 Male	2016 Female	2016 Total	Calculation method of indicator
Injuries	0	0	0	0	0	0	
Injury rate	0	0	0	0	0	0	(number of injuries/total hours worked in the year)*1,000,000 (Source: UNI 7249:2007 "Injuries at work statistics")
Lost days rate	0	0	0	0	0	0	(number of days lost due to injury or illness/total number of working hours)
Absenteeism rate	0%	2.6%	1.6%	1.0%	4.3%	2.9%	(total number of days lost/total number of working days for the same period)*100
Number of work related deaths	0	0	0	0	0	0	

4.1 POLICIES IN THE SHOPPING CENTRES

In order to guarantee maximum safety for both visitors and tenants, all the Shopping Centres have been constructed in full compliance with safety regulations (Legislative Decree 81/2008 and Ministerial Decree 10/03/1998 – general criteria for fire prevention and the handling of emergencies in the workplace). Safety management within the Centres (with regard to risk assessment, checking the correct placement and working order of safety equipment, measures and systems, staff training etc.), is an activity shared by different individuals located within the Centres themselves: each tenant is responsible for safety within its own store, whereas IGD is responsible for the common areas inside the Malls.

Security Staff are present during the Shopping Centres' opening hours for the visitors' protection and for the prevention of theft or other illegal acts.

Security and fire prevention staff are in most cases also qualified in first aid in the event of accidents or sudden illness involving customers or workers. Every year, the Prevention and Protection Service Manager (RSPP) inspects each Centre and assesses the safety measures in place. A brief report is drawn up once the inspection has been completed stating the compliance/non-compliance of the Centre.

Table 17.
HEALTH AND SAFETY CHECKS IN THE SHOPPING CENTRES
(ITALY) (GRI 416-1/416-2 AND EPRA H&S-ASSET/H&S-COMP)

	2017 Total	2016 Total
Percentage of assets (Shopping Centres) where impacts on health and safety are assessed or inspected with regard to compliance or improvement throughout the year.	100%	100%
Number of incidents of non-compliance to health and safety regulations or voluntary standards	0	0

In Romania, Winmarkt completed a programme of actions in 2015, the purpose of which was to ensure safety in all its structures. It also monitored all restyling and refurbishment

work carried out over the years and corrected any critical issues. An assessment of the assets in 2017 was not deemed necessary as no such work was carried out.

Table 18.

HEALTH AND SAFETY CHECKS IN THE SHOPPING CENTRES (ROMANIA) (GRI 416-1/416-2 AND EPRA H&S-ASSET/H&S-COMP)

	2017 Totale	2016 Totale
Percentage of assets (Shopping Centres) where impacts on health and safety are assessed or inspected with regard to compliance or improvement throughout the year.	0	0
Number of cases of non-compliance to health and safety regulations or voluntary standards	0	0

Specific projects

In 2017, three projects were organised with the same underlying principle at their core, focusing on safety in the Shopping Centres. These are programmes of actions and measures, in some cases voluntary, which concerned the introduction of lifelines, the improvement of seismic measures and the installation of bollards in the external areas.

The project regarding the creation of lifelines (or rather safety routes and fall protection systems in the Shopping Centres) began in 2015 and has involved up to now all the freehold Malls (with the exception of Puntadiferro where the project is in progress).

As far as anti-seismic measures are concerned, IGD continued also in 2017 the project it launched after the earthquake which hit Emilia Romagna in 2012 and Central Italy in 2016/2017. This project involves 9 Shopping Centres altogether. The design phase for these has now been completed and will be followed by the scheduling phase of the work to be carried out. During the year particular focus was placed on repairing the minor damage (not structural) sustained by the buildings in Città delle Stelle in Ascoli Piceno, Porto Grande in San Benedetto del Tronto (Ascoli Piceno) and Centro d'Abruzzo in San Giovanni Teatino (Chieti). During the repair work the opportunity was taken to improve anti-seismic measures as well, by experimenting with increasingly effective innovative technology.

IGD also continued to install bollards outside its Shopping Centres, the purpose being that of preventing heavy vehicles from crashing into the Malls. These bollards are anti-ram posts either fixed or retractable which are strategically positioned outside the structures to deter vehicles from entering the Malls. The project, which began in 2016 by mapping the Centres and identifying which required action, continued also in 2017. To date, work has been carried out on 12 freehold Shopping Centres. This work will continue in 2018.

This measure is part of a more complex programme for the prevention of acts of terrorism, an issue which affects the world of Shopping Centres. IGD is dealing with this issue by:

- continuing to install bollards and by improving (where necessary and appropriate) the quality of internal and external video surveillance;
- participating, by means of its representative bodies, in debates on the issue, both on an international and national level;
- promoting an assessment of the risk perceived. For this reason, in 2017, the Enterprise Risk Management (ERM) carried out a specific analysis examining the impact of terrorism on the most important macroeconomic variables for IGD (GDP, per capita spending, retail sales, employment and inbound tourism) taking as study cases those areas hit by attacks: Germany, Fran-

ce, Spain, Great Britain and Sweden. Each issue was analysed before and after the attacks. The assessment highlighted that no important effects were recorded in a 12 month period with regard to any of the variables

that concerned IGD's market. In fact, the effects were, on a consistent and recurring basis, contained within a short period (30 days).



IGD_Headquarters offices

ethical



Material issues:

GOVERNANCE, ETHICS
AND CORRUPTION

Highlights

32

Sustainability Protocol signed
in Romania (2017)



3

Stars obtained in the
Legality Rating



31%

% of least represented
gender in the Board of
Directors



IGD adopted a governance system aligned with the best practices of listed companies and in line with that contained in the Code of Conduct of listed companies developed by the Corporate Governance Committee of the Italian Stock Exchange (Borsa Italiana). The Company also undertakes to operate ethically and to ensure that all the necessary safeguard measures are in place, in order to guarantee compliance with the law both with regard to its own conduct and by positively influencing the context in which it operates.



1. GOVERNANCE, ETHICS AND CORRUPTION



1.1 GOVERNANCE

Governance structures and their composition (GRI 102-18; 102-22; 102-23; 102-32; 405-1)

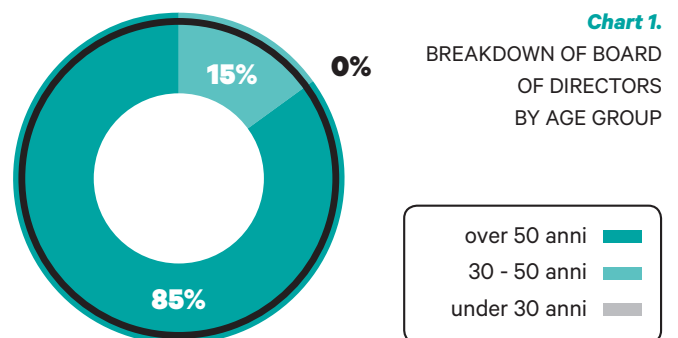
IGD's governance structure, based on the traditional model, is made up of the following bodies: Shareholders' Meeting, Board of Directors and Board of Statutory Auditors. Account auditing is assigned to an auditing firm.

The Shareholders' Meeting, in other words, the body that expresses by means of its resolutions the wishes of the shareholders, decided, on 15th April 2015, that the number of members of the Board of Directors would be 13 (see following paragraph for their functions) and would remain in office for three financial years until the Meeting that will be called for the approval of the Financial Statements for the year ending 31st December 2017.

The characteristics of the Board are as follows:

- 13 Directors;
- 7 Independent Directors (54%);

- 2 Executive Directors (Chairman and Chief Executive Officer). The Chairman of the Board of Directors became qualified as an Executive Director after being appointed by the Board of Directors as the "Director in charge of the Internal Control and Risk Management system" during the Board Meeting held on 17/4/2015.
- 31% (4 out of 13) belong to the least represented gender. Before, with the composition of the previous Board, the majority shareholders had already indicated a number of nominees belonging to the least represented gender, and by doing so, had willingly and ahead of time complied with the regulations introduced by Law 120 in 2011, which provided for a gradual application of the so called gender quotas, establishing the quota as being at least a fifth of the elected Directors and Auditors and referring to the first mandate subsequent to the entry into force of the Law itself;
- Average age of 59 (as at 31/12/2017), with the following breakdown by age group:



There were two important changes with regard to the members of the Board of Directors in 2017:

1. In April 2017, during the Shareholders' Meeting, Gilberto Coffari resigned as Chairman of the Board of Directors, remaining in office as a Director. On 19th April, Elio Gasperoni, who was already a member of the IGD Board, was appointed Chairman of the Board of Directors.
2. On 15th June 2017 Matthew Lentz tendered his resignation as an independent non-executive director, and the Board appointed Matteo Cidonio as an independent non-executive director, who will remain in office until the expiry of the current mandate.

In accordance with the provisions of the Code of Conduct, the Articles of Association and the Consolidated Finance Act (TUF), the Board of Directors and the Board of Statutory Auditors, each within their respective functions, are informed about the activities carried out, the company's general operating performance, its expected developments and the most important economic, financial and asset related transactions carried out by the Company. In particular, the Chief Executive Officer reports to the Board of Directors and to the Board of Statutory Auditors on the company's general operating performance, its expected developments and the most important transactions, on a quarterly basis during the meetings called to approve the interim results.

The Board of Directors established the following Committees within the Board itself:

1. Chairman's Committee
2. Control and Risks Committee (in accordance with the Code of Conduct)
3. Nomination and Compensation Committee (in accordance with the Code of Conduct)
4. Committee for Related Party Transactions (in accordance with Consob Regulations on Related Party Transactions).

The Committees are made up exclusively of Independent Directors, with the exception of the Chairman's Committee (made up of the Chairman, Vice Chairman, Chief Executive Officer and a Director), not required by the Code of Conduct.

In accordance with Legislative Decree 231/2001, IGD adopted the Organisational, Management and Control of Risks Model, approved by the Board of Directors as far back as May 2006, and appointed the Compliance Committee as the internal body which is responsible for monitoring and controlling the performance, effectiveness, adequacy and compliance of the Model.

For further information on IGD's Board of Directors and corporate governance, please refer to the company website <http://eng.gruppoigd.it/Governance>

With specific reference to social and environmental issues, on 28th February 2017 the Board of Directors approved, for the first time, the Sustainability Report in the same session it also approved the consolidated Financial Statements. The Company's sustainability performance of the previous year was presented and discussed, with reference also made to the level of achievement of the specific targets included in the corporate Business Plan.

Roles and expertise of the board of directors (GRI 102-26; 102-27; 102-28)

The Board of Directors has the power to perform all those actions that it considers appropriate in order to carry out and accomplish its corporate objective, except for those acts that are reserved, by law or by the Articles of Association, to the Shareholders' Meeting. More specifically, it has a decisive role in the determination, approval and updating of the Company's values, mission, strategies, policies and targets.

The Board of Directors:

- examines and approves the Company's strategic, business and financial plans, which also include the sustainability targets included in the Business Plan;
- assesses its general operating performance, by taking into consideration, in particular, the information received from the delegated bodies as well as by comparing the results achieved with those programmed.

IGD has, since 2009, periodically promoted seminar meetings with the participation of the Directors and the Statutory Auditors to examine more thoroughly issues related to the macroeconomic scenario, with focus on the distinctive features of the Company's core business.

After the organisation of the seminar, "The evolution of Shopping Centres", organised in 2016, no specific in-

duction sessions for the members of the corporate bodies were organised in 2017, since no need for further in-depth examination of specific matters arose. In any event, during their board meetings, the Board of Directors and the Board of Statutory Auditors were given detailed updates on corporate business dynamics and the real estate market by the corporate management representatives.

Furthermore, IGD has, since 2007, assigned its "Board Review" to the independent consultancy firm Egon Zehnder. This is a self-assessment process for the Board of Directors to assess their own performance. It was carried out in the months of January and February 2018 and the results will be presented in the "Report on corporate governance and ownership structure" (available on page <http://eng.gruppoigd.it/Governance> of the company website).



Risk management (GRI 102-29; 102-30; 102-31)

IGD adopted an Internal Control and Risk Management System which was integrated into the more general organisational and corporate governance structures.

The adoption of the Internal Control and Risk Management System contributes to ensure the safeguarding of corporate assets, the efficiency and efficacy of corporate processes, the reliability of information provided to corporate bodies and to the market, the compliance with all laws and regulations as well as with the Articles of Association and company procedures. In this respect, therefore, the Internal Control System defined with the purpose of guaranteeing the reliability, accuracy, integrity and timeliness of financial information, must be considered as an integrated element and not a separate one with respect to the general risk management system adopted by the Company.

The corporate players involved in the internal control system are the Board of Directors, the Control and Risk Committee, the Board of Statutory Auditors, the Chairman as the Director in charge of establishing and maintaining an effective internal control and risk management system, the Compliance Committee, the Financial Reporting Officer, the Head of Internal Audit.

In particular, IGD defined and implemented in 2010 an integrated risk management process based on the internationally recognised standards in the field of Enterprise Risk Management (ERM).

The ERM Model adopted assists the Top Management in the identification of the principal corporate risks and the relevant ways in which to manage them, as well as in the definition of safeguard measures to protect from such risks. For further details on the Internal Control and Risk Management System please refer to the company website: <http://eng.gruppoigd.it/Governance/The-Internal-Control-and-Risk-Management-System>

Currently, 43 risks are being monitored, having been identified by means of an annual review process, on the basis of which the Company defines a work plan which includes both the updating of the risks themselves and the monitoring of specific areas. In 2017, specific examination involved (amongst others) seismic risk and terrorism risk (with an analysis of possible impacts – see Section 2.3 of this Report). Every year the Board of Directors analyses the entire process and assesses the risk trends.

Sustainability is an integral part of this system: Indeed, 19 out of the 43 risks have ESG (Environmental, Social and Governance) implications. They are included in the ERM model and are subjected to constant control with the help of advanced and effective risk management models.

Out of these, 5 are among the 15 with the highest net risk. In the 2017 assessment, 4 out of 5 cases recorded a stable trend compared to the previous year, one recorded an improvement.

Table 1.

TREND REGARDING RISKS WITH ESG IMPLICATIONS IN THE TOP 15

Rank	Category	Material aspect	Risk description	TREND 2016-2017
2	Strategic	Analysis of trends	Variations in macroeconomic scenario or in consumer styles (inflation, fall in consumer spending etc.)	stable
3	Strategic	Enhancement of portfolio	Loss in value of the assets	improvement
5	Operational	Health and safety	Catastrophic natural events (earthquakes, flooding, dioxin contamination) - Damages to assets caused by third parties - Compensation for damages to third parties	stable
8	Operational	Stakeholder engagement	Non-optimum management of contractual relations and renegotiations with clients (shopping centre tenants)	stable
9	Operational	Retail offer	Non-optimum planning and implementation of target placement / retail mix / tenant mix in the allocation of spaces to tenants	stable

NB: following the reassessment of the material issues, some risks with ESG implications were modified

Governance system assessment

Once again, in 2017, ISS (Institutional Shareholder Services) included IGD in its “ISS QualityScore coverage universe”, a tool on governance risk that investors use to measure the possibility of such risk within their own investment portfolio. The elements included in the analysis were: the structure of the Board, remuneration, the rights of the shareholders and the audits. At the end of 2017 IGD confirmed the risk assessment value of 4 (like in 2016), on a scale of 1 to 10 where 1 is associated to the lowest risk and 10 to the highest.

Remunerazione ed incentivi (GRI 102-35; 102-36)

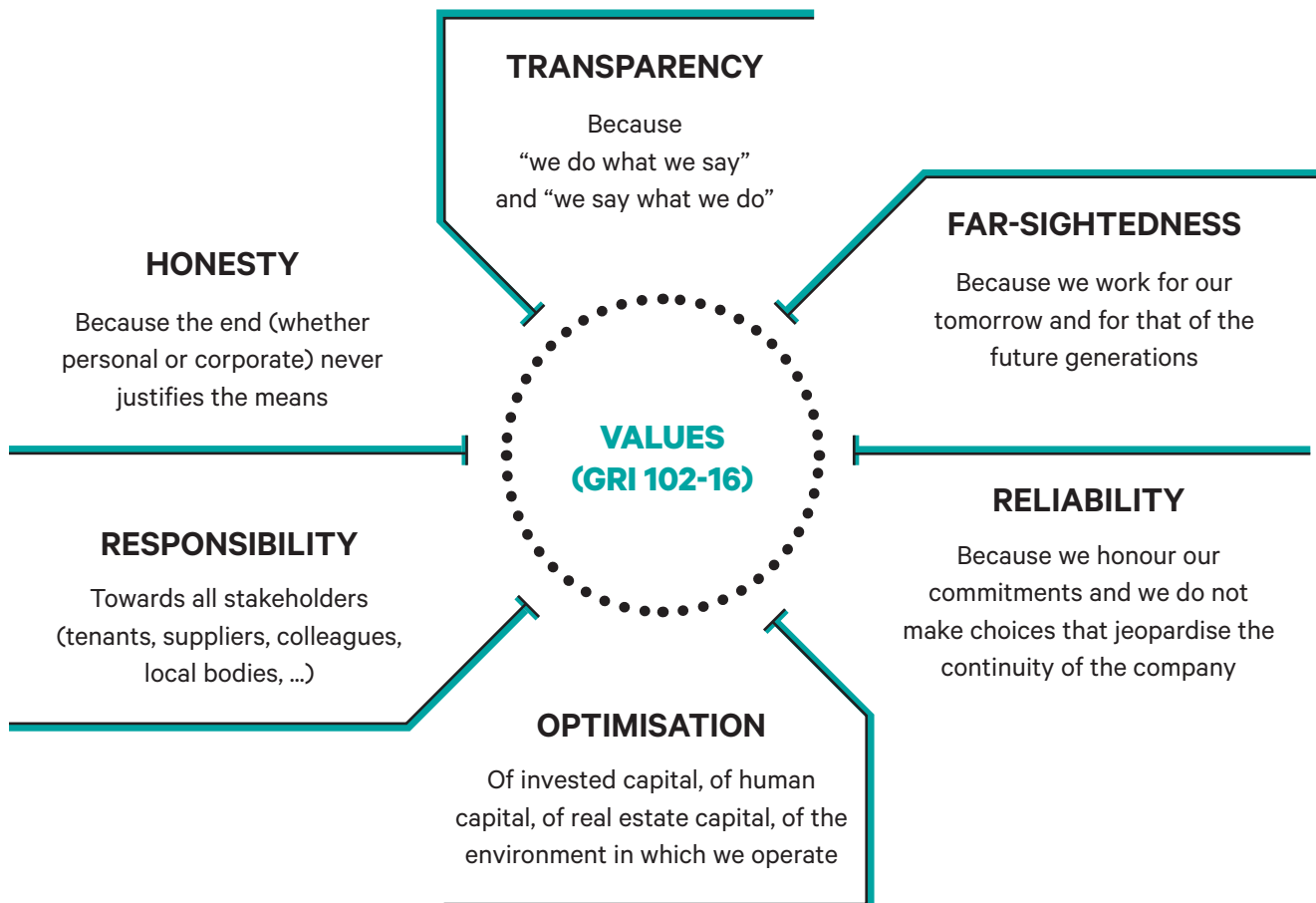
All details on remuneration policies adopted by the Company and on company incentives can be seen in the “Remuneration Report” on the company website: <http://eng.gruppoigd.it/Governance/Compensation>

1.2 ETHICS

IGD’s ethical conduct falls within parameters which are represented by its values and the content of its Code of Ethics.

Values (GRI 102-16)

The values which the Group identifies itself with are:



The code of ethics (GRI 102-17)

The Code of Ethics groups together and defines the values and principles that inspire and shape IGD's conduct in its relations with its stakeholders. It was approved by the Board of Directors in March 2006 and modified over the years following changes in legislation. It is circulated to employees and to those that work on behalf of the Company and it can be downloaded from the company website: <http://eng.grupoigd.it/Sustainability/Sustainability-Report-and-Documents>

The Code of Ethics:

- is the first element on which the Organisational, Management and Control Model adopted by IGD in accordance with Legislative Decree 231/2001, is founded
- is an integral part of employment relationships with employees and it is included in the employment Contract signed at the time of recruitment
- is a benchmark for relations with suppliers, as IGD requires that they endorse it in tenders and mandates
- gives anyone that learns about breaches of the principles of the Code itself and/or of the operating procedures which make up the Model, the opportunity to notify (so-called whistleblowing) the Compliance Committee, IGD's internal body which is responsible for this type of control. In 2017 no notification regarding breaches were received by the Compliance Committee.

Focus on Whistleblowing

Subsequent to the publication of Law N. 179 of 30 November 2017, which contains provisions for the protection of those who report criminal offences or irregularities that have come to their attention during a public or private employment relationship (so-called Whistleblowing), IGD is working to update its Model 231. In line with the rationale of the law, the purpose behind adapting the Model is to guarantee anonymity and to protect the reporting party from any form of retaliation. It will be implemented as follows:

- At least 2 official information channels will be set up which will be able to receive, analyse and deal with reports regarding important illicit conduct pursuant to Legislative Decree 231/2001 or breaches of Model 231 itself;
- The Model will include a provision prohibiting any form of retaliation or discrimination against the reporting party for reasons connected to the report. To safeguard this prohibition, a sanction will be included in the disciplinary

system which can be applied both to those who infringe the reporting party protection measures and also those who make a report that reveals to be unfounded.

After informing the Compliance Committee, it is IGD's intention to carry out the above actions in the first quarter in 2018.

Sustainability Protocol in Winmarkt

In 2012 Winmarkt adopted a "Protocol to promote business sustainability", a document which is appended to the contract signed by all new suppliers, which commits them to behave in such a manner that is consistent with the ethical principles defined in the document itself, and failure to do so constitutes a breach of contract.

The application of the Protocol is the responsibility of a double tier control system. The first concerns the Shopping Centre management which identifies the potential critical situations and notifies the supplier directly (who is required to find the right solution); the second involves the Compliance Committee which supervises the tenders / purchases and expresses its view on:

- Formal aspects (initial control): completeness and validity of the documentation provided by potential suppliers at the company's prior request;
- Substantive aspects (control after cooperation has started): correspondence between project and progress of work / conclusion, also in terms of organisation and protection of the workforce employed.

As was the case in the previous two years, again in 2017 no company was entered on the "black list", which Winmarkt draws up with names of those suppliers that are non-compliant with this process and which, as a consequence, must be excluded from work and competitive tenders.

Table 2.
SUSTAINABILITY PROTOCOL PERFORMANCE
(ROMANIA)

	2017	2016	2015
Number of Sustainability Protocols signed	32	15	14

1.3 ANTI-CORRUPTION AND OTHER ACTIONS TO SAFEGUARD LEGALITY

IGD's commitment to legality regards both its approach when carrying out its activities and its decision to promote compliance with the law within its stakeholders.

The most closely monitored areas of action and the measures introduced can be seen below.

1

LABOUR STANDARDS

- An express termination clause included in tenants' contracts in the event of problems related to the non compliance with working conditions laid down by the law;
- Obligation to issue a surety in service contracts defined (cleaning and security) to guarantee the use of legal forms of employment;
- Obligation to present the specific documentation regarding compliance with laws guaranteed (with particular attention to labour legislation) during the prequalification stage in tender contracts.

2

BACKGROUND OF INTERLOCUTORS

- A general system of rotation of contracts foreseen in order to favour a continuous control of the requisites;
- Express termination clauses included in tender contracts in the event of non compliance with the traceability of financial flows procedure.

3

ORGANISED CRIME

- An express termination clause included for those suppliers that in tender contracts do not comply with the obligation to present and update every 6 months the anti-Mafia certification issued by the relevant Prefecture;
- Express termination clauses present in tender contracts in the event of conviction, even if it has not yet become final, for Mafia association felonies against the contracting firm itself or its top management.

4

ANTI-CORRUPTION

See below

Focus: anti-corruption

IGD undertakes to comply with the laws in force both in relations with the private sector and in those with the Public Administration, with protection measures included in the Organisational Model ex Legislative Decree 231/01.

To reinforce this commitment, the Company has decided to begin the procedure to obtain the UNI ISO 37001 - Anti-Bribery Management Systems certification. Published in 2016, this regulation:

- is a safeguard in the prevention and fight against corruption carried out at corporate level.
- specifies requisites and provides a guide in order to establish a management system designed to help organisations prevent, trace and deal with the issue, as well as comply with the law on the prevention and fight against corruption and with the voluntary commitments applicable to their activities.

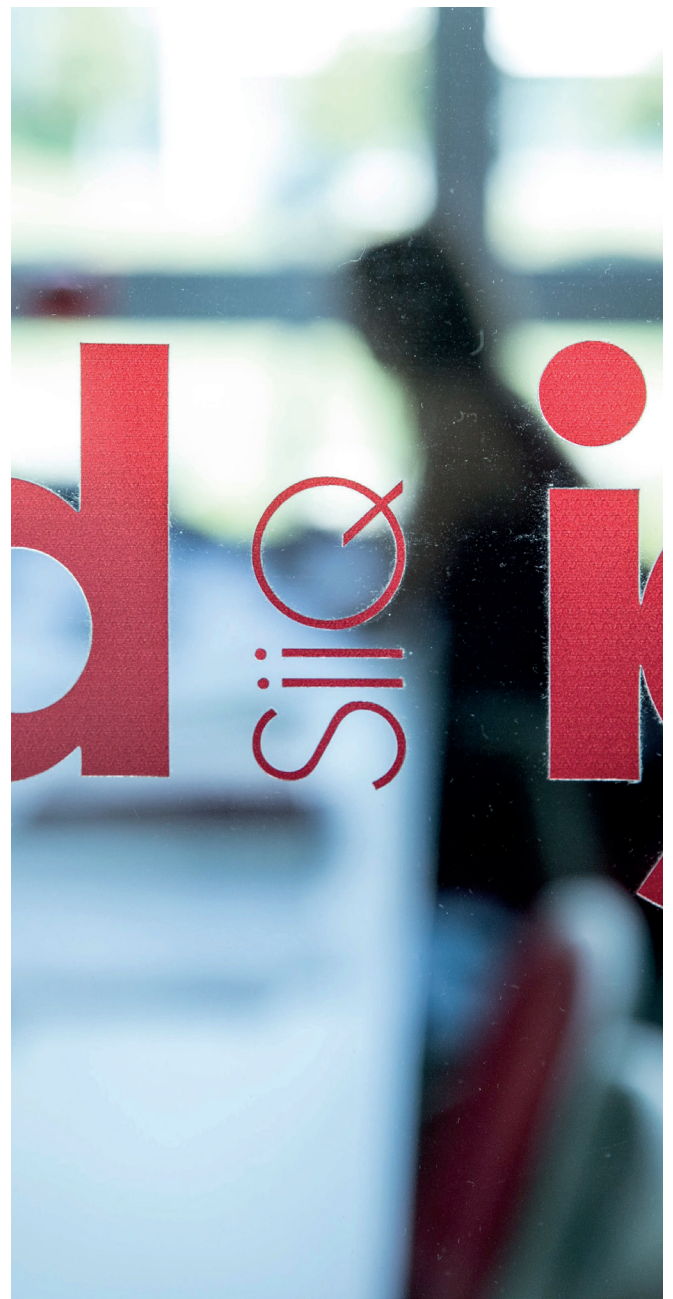
IGD is interested in embarking on this certification process for both internal and external reasons:

- externally, in that ISO 37001 is a globally recognised international tool which standardises and communicates the Company's commitment in the fight against corruption;
- internally, it is a support in the development of a culture of integrity, legality and transparency towards and in cooperation with all stakeholders.

In Romania, the certification process has reached the final phase: after analysing the existing material, the internal procedures have been implemented and those missing have been defined. The expected timeline is that in the beginning of 2018 these procedures will enter into force, they will be made public and a final external audit will be carried out. The aim is to obtain the certification within the first three months of the year. In Italy the project is currently being analysed.

Legality rating

IGD's commitment to compliance with the law resulted in it obtaining the Legality Rating from the Antitrust Authority (*Autorità Garante della Concorrenza e del Mercato – AGCM*) in September 2016, with the maximum score (3 stars). The Rating is a reward system indicating the company's compliance with the law and, more generally, its commitment to increase market security and competitiveness. Over the years, IGD modified several of its internal procedures in order to obtain it (with regard to payments and contracts) and in 2017 it was able to observe the benefits in terms of reputation that obtaining the rating had brought. The Rating is valid for two years, therefore it will have to be renewed in 2018.

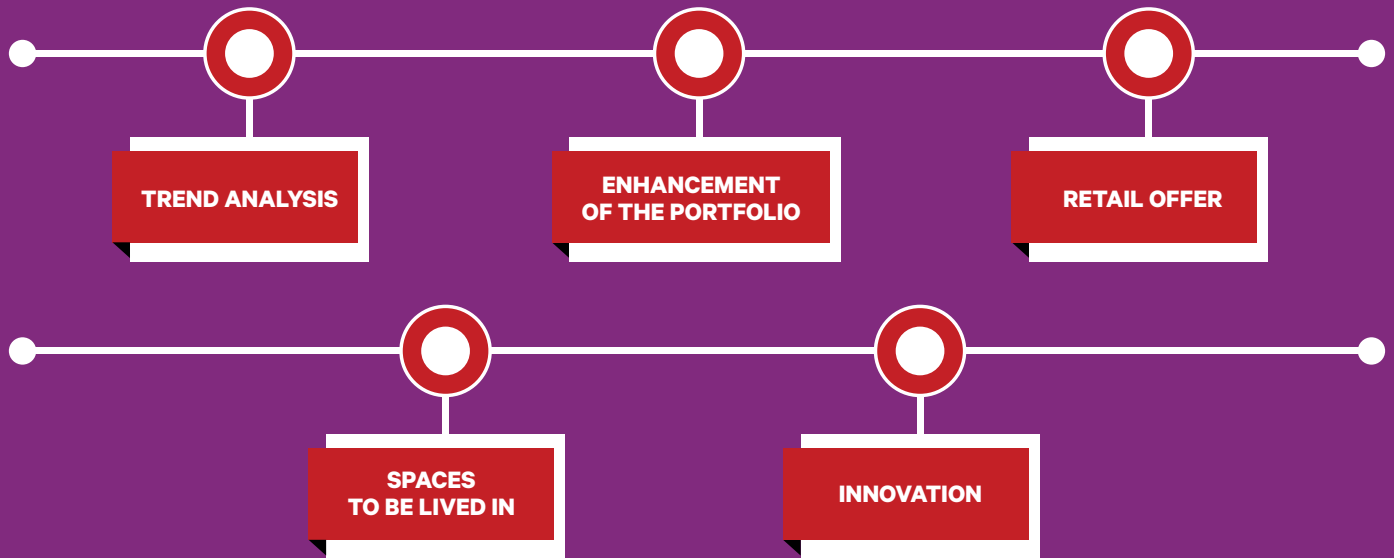




attractive



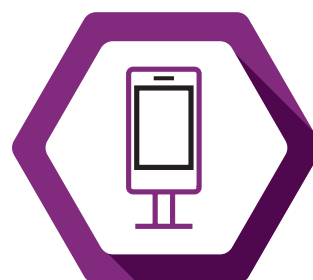
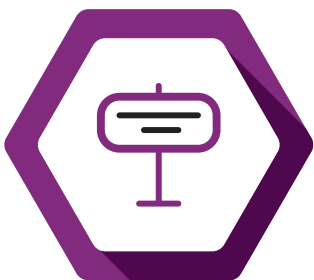
Material issues:



Highlights

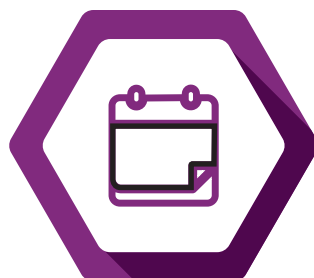
40%

% new brands out of total turnover (Italy)



100%

% malls in which interactive digital totems have been installed



€ 3,017,484

Total € spent on the organisation of events

IGD's commitment to ensure its Shopping Centres are, and remain, attractive, involves a continuous and structured analysis of consumer styles. This then leads to the need for the continuous enhancement of the internal and external areas of the Malls, both from an architectonic point of view and from that of the merchandising offer. Alongside this, is the desire to ensure that the IGD structures are out and out "Spaces to be lived in", capable, that is, of playing an important role in the visitors' leisure time, by offering shopping opportunities as well as being places in which to meet up with others. In order to remain in line with the evolution of the trends that are characteristic to the retail trade, it is IGD's intention to constantly work on the innovation of its spaces and the services offered.



1. TREND ANALYSIS

Understanding the change in trends is one of IGD's main activities which it continuously carries out, so as to satisfy as quickly as possible its visitors' new and changing needs.

For this reason, the Company developed within its organisation a monitoring system with 4 recurring operating phases as shown in the chart below.

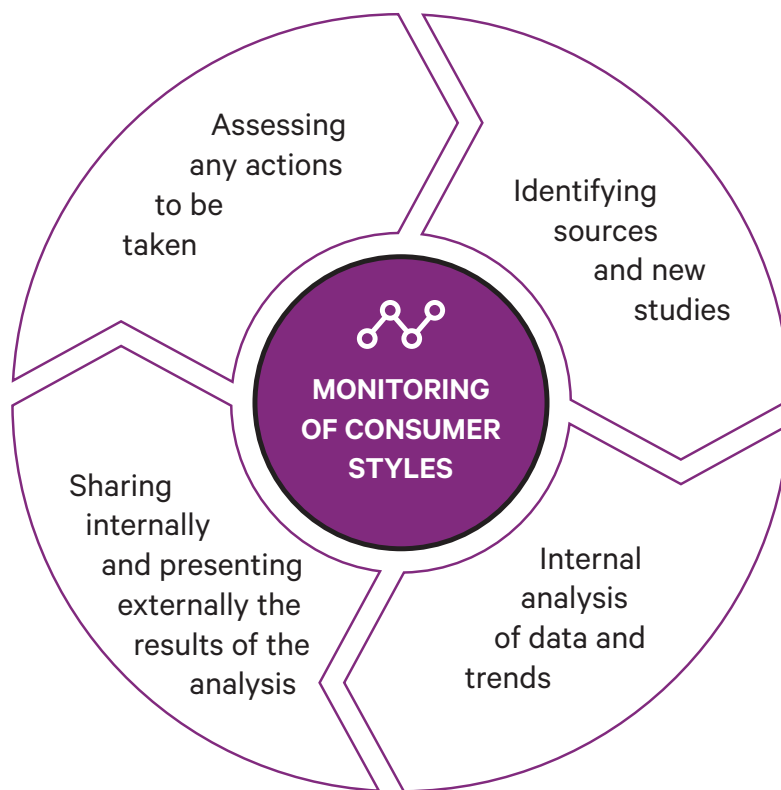


Chart 1.
THE ANALYSIS PHASES
OF TRENDS IN IGD

1.1 IDENTIFYING SOURCES AND NEW STUDIES

Trends, with particular focus on consumption ones, are the subject of numerous studies and research and national and international market research companies publish a lot of material on the issue. For this reason, IGD has identified its own

panel of reliable companies which include both public bodies (like the International Monetary Fund, the European Commission or the Italian National Institute of Statistics *ISTAT*) and also private ones, and it follows their publications.

1.2 INTERNAL ANALYSIS OF DATA AND TRENDS

IGD periodically carries out studies on various levels.

On a macro level, it monitors the above mentioned sources, it assesses the trends, forecasts and developments on the issue in Italy and worldwide, until reaching its own consumer trend index both for the current year and as a forecast for the following year.

On an internal level, IGD also constantly monitors the trends in its own Malls, located in 11 Regions from Northern Italy to Southern Italy and where about 1,300 tenants operate, which are representative of the main merchandising categories present on the market. In this way it can obtain a continuously updated picture on purchasing preferences and comprehend consumer dynamics.

Furthermore, on some particular occasions, IGD turns to external specialists to study certain issues more in-depth. An example of this is the study on the evolution of e-commerce carried out in 2016 by the consulting firm that aids the Group in Enterprise Risk Management (ERM) activities. This study investigated connections, interdependence and any effects of reciprocal erosion between the e-commerce market and offline-in store commerce, by examining in-depth the case of the United States.

Lastly, on a local level, IGD has organised a detailed analysis on the state of consumer trends in the individual territories by means of the Marketing Plans, which define the type of events to be carried out in each Shopping Centre on the basis of an analysis on local consumer trends.

1.3 SHARING INTERNALLY AND PRESENTING EXTERNALLY THE RESULTS OF THE ANALYSIS

The data obtained in the previous phase is circulated both internally and externally. Internally, the entire company assesses the consumer data and analyses the trend of the tenants' sales in the Shopping Centres. The Board of Directors also receives this information by means of periodic presentations and during specific seminars, like those organised in 2013 and 2016 on the analysis of consumer trends and the evolution of Shopping Centres.

The Investor Relations team then ensure that this information, illustrating the general consumer trends in Italy, is presented to investors and analysts, both in Italy and abroad.

1.4 ASSESSING ANY ACTIONS TO BE TAKEN

The information obtained from the analysis is fundamental for the Company in order for it to be able to make the necessary decisions. The evolution of the attractiveness of the Shopping Centres, subject of this section of the Report, then follows and goes hand in hand with the studies and analyses carried out.



2. ENHANCEMENT OF THE PORTFOLIO

One of IGD's main activities is to continuously adapt its properties to ensure that they are in line with the visitors' changing needs. For this reason, the Company has planned to invest approximately 200 million euros over the duration of its 2016-2018 Business Plan. Sustainability takes on an important role in this continuous improvement activity, becoming one of the main drivers in the planning and construction of a new Centre as it is during restyling and extension work.

2.1 ACTIONS CARRIED OUT AND RESULTS OBTAINED - ITALY

During the year there were two types of work carried out to enhance IGD's real estate portfolio:

1. Extension of the retail offer in two Centres (ESP in Ravenna and Città delle Stelle in Ascoli Piceno);
2. Adaptation of internal spaces so that new tenants, capable of increasing the attractiveness of the Mall, could be introduced. The 4 dental clinics opened in 4 Shopping Centres are an example of this, where it was necessary to carry out unification /remodelling work.

With regard to the two extensions, the characteristics of the work carried out can be seen below with focus on sustainability and innovation.





Ascoli Piceno_Città delle Stelle_inauguration



SHOPPING CENTRE

Città delle Stelle

INAUGURATION DATE

23 november 2017

WORK CARRIED OUT

- Remodelling of internal spaces originally belonging to the hypermarket
- 13 new stores for a total of 4,200 m2 GLA
- LED lighting
- 3 multimedia totems

FOOTFALLS

+17.8% from 23/11/2017 to 31/12/2017
compared to 2016

SALES

In December positive effects on the existing Mall (+10,1%)



Ravenna_ESP_Enlargement inauguration



SHOPPING CENTRE

ESP

INAUGURATION DATE

1 June 2017

STRONG FOCUS ON SUSTAINABILITY AND INNOVATION

- LED lighting
- Systems for the reuse of rainwater
- Photovoltaic system
- Electric vehicle charging points
- Route for the visually impaired
- 6 multimedia totems
- Mobile phone and bicycle charging points

FOOTFALLS

+34.5% from June to December

SALES

+95.8% from June to December,
with a snowball effect on the existing mall
(+7.2% in the same period)



Ploiesti_Launching Downtown magazine

2.2 ACTIONS CARRIED OUT AND RESULTS OBTAINED - ROMANIA

The Winmarkt Shopping Centre network was acquired in 2008 and over the years that followed IGD worked to increase its attractiveness and to make the structures fall more and more into line with European standards. For this reason, two courses of action were planned, which involved:

1. Considerable external restyling work with the renovation of the façades and total rebranding. With the last work completed in 2017 in Braila, this work has now involved all 14 Shopping Centres;

2. Internal work to adapt the structures to the new market trends. This includes the work carried out to enable international tenants to be introduced into the Centres. With regard to this, having completed the work in 2016 which over three years enabled 6 H&M stores to be introduced in 6 Shopping Centres, in 2017 attention was placed on work with a minor impact, but however still aimed at improving the merchandising mix in 7 structures (see paragraph "Retail offer" for more details on this subject).

3. RETAIL OFFER

3.1 ADAPTING THE MERCHANDISING AND TENANT MIX – ITALY

To ensure the quality of the retail offer available in its Shopping Centres, IGD continuously updates its merchandising and tenant mix, in order to meet the visitors' needs and new consumer trends. To do this, the work it carries out is two-fold: on the one hand it manages the existing tenant portfolio and on the other it scouts for new brands. Both activities are carried out either by means of face to face meetings with retailers in the course of the year or during the two most important trade shows in the sector: Mopic Italy, the second edition of which was held in May in Milan and Mopic which is held each November in Cannes. In Mopic Italy, IGD met with 101 retailers altogether, whereas in the trade show held in France it met with 114. In both events IGD was able to present the latest developments in its portfolio and the opportunities available in its existing Centres.

During Mopic in Cannes, IGD took advantage of the opportunity that new technology has to offer by providing the retailers

with virtual reality headsets so that they could view several of its portfolio properties in an interactive manner.

This commitment also involved scouting for new tenants, both Italian and foreign: altogether 80 were met during the year. This activity enabled two important results to be obtained:

1. The extension to ESP Shopping Centre in Ravenna was inaugurated with an occupancy rate of 97% (only one store was vacant outside the Mall), instead, the internal remodelling in Città delle Stelle resulted in an occupancy rate of 99% (1 kiosk vacant);
2. 27 new brands were introduced, in line with the past two years. These new brands represent 40% of the total turnover in the year (in 2016 they represented 29%)



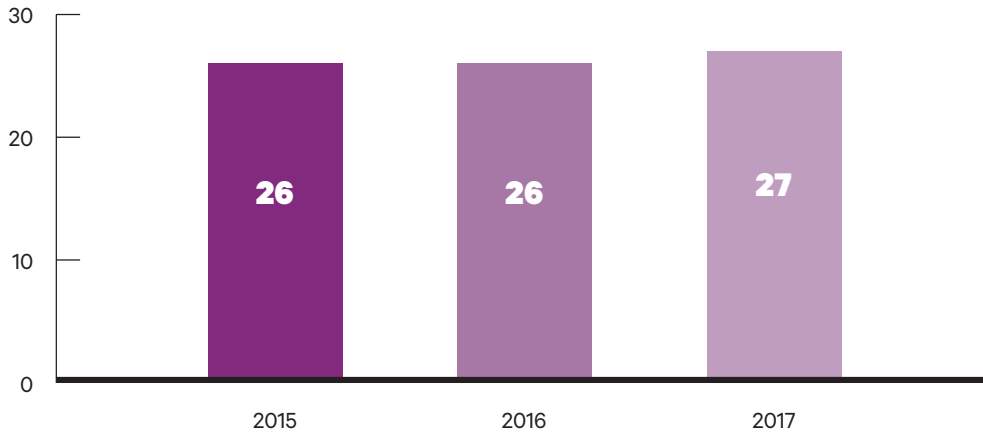


Chart 2.
NEW BRANDS INTRODUCED
EACH YEAR (ITALY)

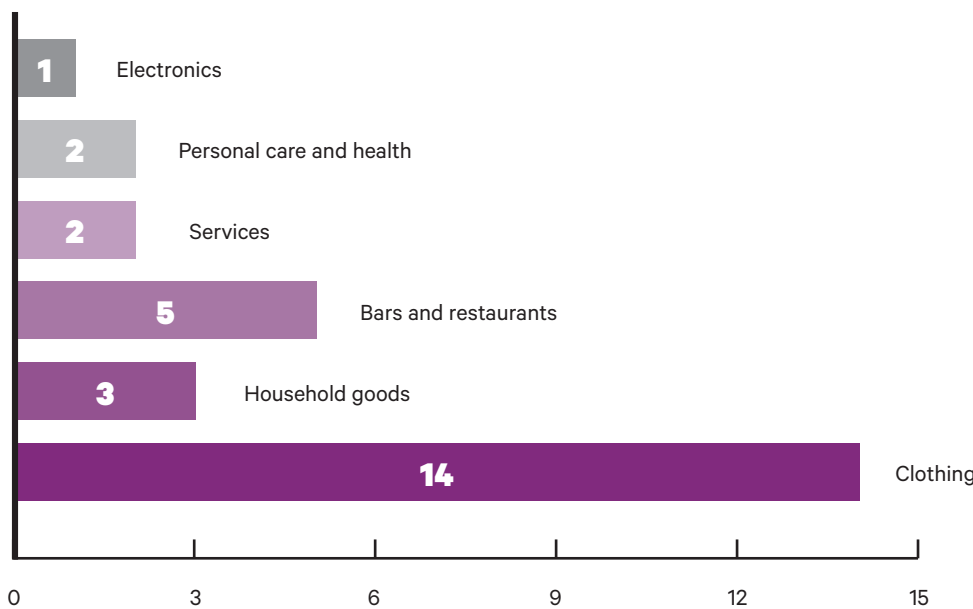


Chart 3.
NEW BRANDS
BY MERCHANDISING MIX (ITALY)

3.2 ADAPTING THE MERCHANDISING AND TENANT MIX – ROMANIA

In 2017 Winmarkt continued to follow its policy to adapt its merchandising and tenant mix, by:

- Increasing the quality of its tenants in the Malls by introducing international brands that are also strongly appealing to the Romanian market. In the last 5 years the weight of international tenants on the total portfolio increased by 7 percentage points (from 26% in 2012 to 33% in 2017); in the last year, in particular, two international brands opened stores for the first time, one footwear

- store and one in the food and beverage sector;
- Renting the top floors of its structures as offices, bars and restaurants or to tenants offering services. An example of this is the opening of a restaurant on the 5th and top floor of the Shopping Centre in Slatina, or the expansion requested by the call centre already present in Galati.

The work carried out enabled an occupancy rate of 96.4% to be reached.

4. SPACES TO BE LIVED IN

ITALY

As shown by the results of the internal surveys carried out in 2017 on the satisfaction of the Shopping Centres' visitors (see section "Together"), the reason why they visit the IGD Malls is linked both to the retail offer available in the structures and to the opportunity of being able to meet up with others. Indeed, this is also the mission of the Group, which – as its payoff "Spaces to be lived in" states - is committed to ensuring the continuation of the social role of its Shopping Centres. For this reason, IGD organises events of various kinds: from sports events to cultural ones, from recreational events to solidarity ones, with particular focus on the local area.

The Marketing Department identifies the new trends and defines the overall objective on which to base the activity of each Centre which, in turn, creates a Marketing Plan taking into account its own special interests and the local area in question. Between 2016 and 2017, IGD carried out *ad hoc* refresher training sessions on the method for drawing up the Marketing Plans. After having shared the characteristics of this new method in 2016 and after having used it for the first time for the Marketing Plans re-

ferring to 2017, a session of fine tuning regarding the work carried out was organised during the year. The strong points and weak points were thus identified in the first year's work and the corrective actions to be carried out were then defined. Particular focus was also placed on the six-monthly monitoring phase as an important moment in which to understand the real performance of the programme of activities carried out.

There were 4 guidelines on which the Marketing Plans of the individual Shopping Centres were based:

- Plan events by integrating both on line and off line aspects
- Place particular attention on social events, with focus on inclusion
- Choose culture and art as elements of attraction in the events
- Place the visitors at the heart of its concerns, by offering them the opportunity to have free check-ups in the Mallsia

Each Centre organised on average 22 events in 2017 (+2 compared to 2016), for a total cost of over 3 million euros.

Table 1.
TOTAL EVENTS
(ITALY)

Events held in the Centres	2017	2016	2015
Total number of events	540	488	443

Total expenditure in €
for the organisation of events
in 2017 (excluding communication)

€ 3.017.484

The number of social-environmental events remained stable (70, compared to 71 in 2016), representing 13% of the total number.

IN-DEPTH ANALYSIS ON SROI: THE SOCIAL IMPACT OF THE EVENTS

The Social Return On Investment (SROI) is the most appreciated and structured methodological approach with which to measure and report the social impact that an entire organisation or a specific aspect of it has on the territory. SROI enables the social impact produced by a project to be identified, quantified and monetised, establishing therefore how many “Euros” of economic, social and environmental value have been created for each “Euro” invested.

SROI analysis enables a map of changes to be created, or rather the mapping of the positive and negative impacts that the identified project has generated, requiring the identification and quantification of the inputs, outputs and outcomes regarding each stakeholder involved. For each change detected, an economic/financial corresponding value is identified, defining in this way the overall monetary value of the project in relation to the investment.

IGD already used this method in 2014 and in 2016, to measure the impact that an innovative event like “Happy Hand” would have (forecast analysis) and actually had (final analysis) on the stakeholders involved. With the results that emerged it was possible to understand numerous aspects that otherwise would not have been adequately perceived by traditional systems of analysis.

By using the experience gained on the subject, IGD, for the year 2017, carried out a SROI final analysis on the events included in the annual Marketing Plan for Puntadiferro Shopping Centre in Forlì (Forlì-Cesena). The choice of this Centre was due both to its large size (97 stores) and to the features of the Marketing Plan itself, distinguished by its across-the-board events both in terms of type and target. The SROI process is structured into a chain of 5 phases:

ANALYSIS PHASES	IMPORTANT ASPECTS THAT EMERGED
1. Identify Scope of analysis	18 events organised by the Shopping Centre in 2017
Key stakeholders	Consortium (intended as the group of tenants); IGD (Management, Area Manager, Head of operational marketing); communication agencies; event organisers; security; performers; visitors to the Centre (event participants and non participants); schools; competitors (other Shopping Centres and town centre) and local bodies
2. Map Inputs	What and how much the stakeholders invested
Outputs	What they did to contribute to the project
Outcomes	The change each stakeholder underwent (some examples can be seen in the table below)

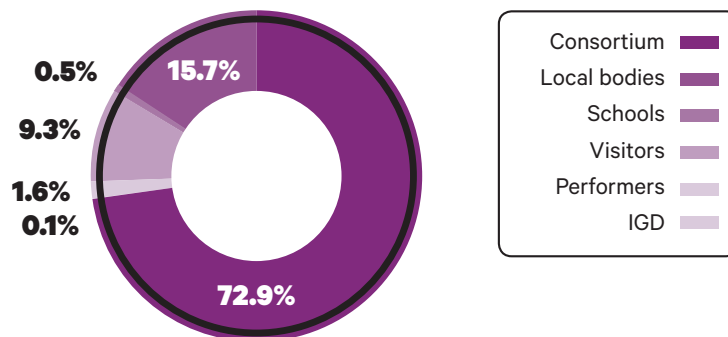
STAKEHOLDER	OUTCOME
Tenant	Increase in visits and sales, also in the long term, due to the new visitors brought in by the events
Performer	Increase in post-event work contacts
Visitors	Possibility to participate in events free of charge, sometimes exclusive ones, which are unlikely to be available in the local area
Local bodies	Possibility to offer citizens events without direct costs

3. Demonstrate the value of the outcomes	The quantitative data to demonstrate the reaching of the outcomes was identified
4. Define the impact	Those aspects of change that would have occurred anyway were removed
5. Calculate the SROI	The social value as a ratio between the value generated and that of the investment was calculated

The total net value of the social benefit created by the project was equal to € 327,124. With an investment of € 200,111, the SROI value was € 2.75: that means for every 1€ invested, a social wellbeing in the local area equal to € 2.75 was created. In the configuration of the value created, the greatest weight

is that of the tenants, with 73% of the total. This value is closely linked to the high spending capacity that distinguishes the visitors to Puntadiferro Mall: if we take into consideration the average IGD spending capacity, the weight of the tenant element would fall by 12 percentage points.

Chart 4.
SOCIAL VALUE CREATED FOR
THE STAKEHOLDERS INVOLVED



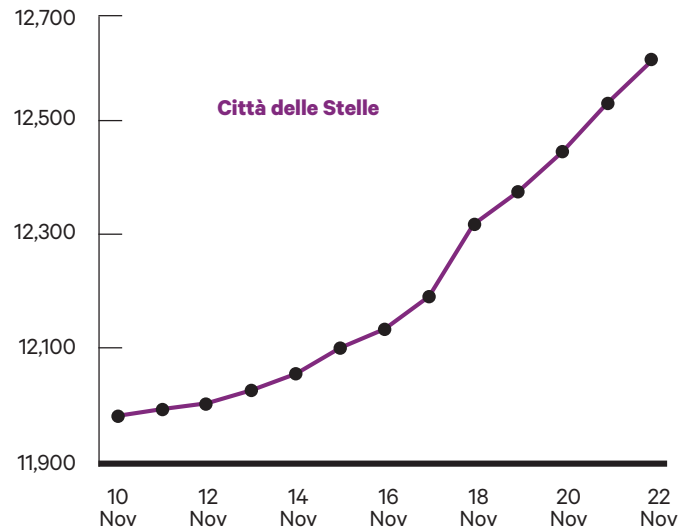
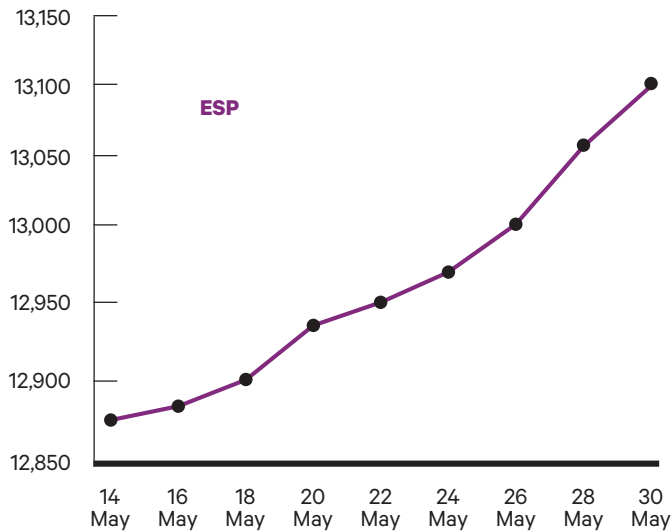
Ascoli Piceno_Città delle Stelle_opening launch

4.1 O2O EVENTS (ONLINE TO OFFLINE)

On the basis that social networks are considered as both means of communication, but above all, as innovative systems of engagement with the Malls' users, it was considered to be advantageous to start organising events by integrating online and offline aspects, or rather to create multichannel events in which contents and contributions are exchanged between the social platform and the real one (represented by the Shopping Centre in the local area) right from the planning phase.

With regard to this, a campaign, developed by using both online and offline channels, was designed and created to launch the two Centres extended in 2017, ESP and Città delle Stelle. For this campaign and for guerrilla marketing activities, a distinguishing key concept was attributed to both events ("Centro dei desideri" [Centre of desires] and "+grande +tuo" [bigger, more yours] for ESP; "cosa succede in città" [what's happening in the city] and "diventi una stella!" [become a star] for Città delle Stelle). Facebook offered various opportunities by means of which people could participate and these were integrated with events organised both inside and outside the Malls, with good results in terms of appreciation by those who visited the page.

Chart 5.
NUMBER OF LIKES ON THE PAGE
DURING THE EVENT



On the day of the inauguration, for both Centres, the total and structural coverage of the page reached its highest points as

well as receiving the highest number of “likes” recorded during the period of the event.

4.2 “HAPPY HAND IN TOUR”, EVENT WITH A STRONG SOCIAL IMPACT



Following the good results obtained during the first edition, in 2017 IGD organised the second edition of “Happy Hand in tour” in its Shopping

Centres, to promote get-togethers between able-bodied individuals and those with disabilities, on sports and artistic common grounds. The 2017 edition confirmed the cooperation between IGD, FISH - *Federazione Italiana per il Superamento dell'Handicap* (Italian Federation for overcoming Handicaps), which groups together associations of individuals with disabilities and their families, and WTKG (Willy The King Group), the association in Bologna that has for several years organised the “Happy Hand” event. It was also sponsored by CIP - *Comitato Italiano Paralimpico*, (Italian Paralympic Committee), whose members include the numerous Italian federations for sports played by individuals with disabilities. There were two new partners and these were the two associations that promote to a greater extent sports activities in Italy: CSI - *Centro Sportivo Italiano* (Italian Sports Centre) and UISP - *l'Unione Italiana Sport Per tutti* (Sports for everyone Italian Union).

The main new features of this edition of the tour were, first of all, greater emphasis on internal communication in the Shopping Centre: each stage had its own communication kit, starting from the specific gazebo for visitors to identify the event and to pick up the programme. The organisation itself of each stage was improved by effectively implementing those best practices that had emerged in the respective local areas in the previous edition. The local areas that last year were particularly cooperative, and which, obviously, involved to a greater extent the entities that were most active with regard to sports on a local level, were also identified.

After the presentation press conference organised in Rome in May, the event itself got underway the following month, with a total of 10 Shopping Centres involved in 2017. The stages of the tour are to be extended until summer 2018, calling at the remaining Italian Regions in which IGD is present.

4.3 LARGE-SCALE EVENTS WITH A STRONG IMPACT

Jules Verne exhibition and virtual reality

IGD's tendency to host exhibitions and to offer its visitors the possibility to observe up close elements concerning naturalist/scientific, artistic or historic issues, has grown over the years. 19 were organised in 2017 and from the event satisfaction surveys carried out during some of these exhibitions, it emerged that for 18% of those interviewed, these events were the primary cause of attraction to the Centre.

Of those organised in 2017, three Shopping Centres were host for the first time to the exhibition dedicated to Jules Verne. The visitors were given the possibility to enter within and wander around the author's works thanks to the reproduction of characteristic elements of his most famous novels, distributed in eight areas around the Malls, each representing a literary work. Due to the educational element of the exhibition, a substantial number of local schools were among those who attended: 3,503 children from 149 classes visited the exhibition, accompanied by 85 teachers.

At the end of the tour, the visitor was given the possibility to experience first-hand, by means of virtual reality, what they had just encountered in the exhibition.

The virtual reality system, which IGD bought in England in 2017, is unique in Italy. Indeed, it is the first of its kind which, by combining complex technologies, enables the user to move freely as they take a virtual journey through tunnels and lakes, battling against enemies, in order to retrieve a lost statue.

Following the popularity of this attraction, IGD has decided to set it up on a rotational basis in its other Shopping Centres in the coming months, offering, in addition, new gaming experiences.

4.4 FREE CHECK-UPS IN THE SHOPPING CENTRE



The cooperation between IGD and ANT - *Associazione Nazionale Tumori* (National Tumour Association) continued also in 2017 – in line with the previous years - with the organisation inside the Shopping Malls of days dedicated to prevention and to raising awareness. From January to December, the ANT mobile medical surgery reached 9 Shopping Centres, offering their visitors free health check-ups as part of the project “*La prevenzione è una robina intelligente*” (Prevention is really an intelligent thing) which IGD and ANT conceived together in 2012, the purpose being to provide a high value-added service centred on health. 888 people were involved in 2017, either in dermatological check-ups for the prevention of skin cancer or thyroid check-ups.

Since the beginning of the project, 7,070 visits have been carried out. In addition to this habitual appointment, IGD's cooperation with ANT also led to the project “Nivea for ANT 2017: nutritional prevention” being introduced into IGD's Malls in 2017.

This project, created by Nivea and ANT and thanks to the funds raised during summer 2016 through the NIVEA campaign inside the Coop stores, enabled a large-scale programme of nutritional prevention to be developed, consisting of free check-ups open to the public. Altogether, the ANT Prevention Bus, personalised for the occasion, reached 5 Shopping Centres and offered 320 check-ups in 20 days. For this event, news regarding the initiative was circulated inside the Centres that were directly involved, in addition to the normal sharing of information on social networks.

The partnership with the *Associazione Italiana Studio Tosse - AIST* (Italian Association for the Study of Coughs) also continued with the project “*Respirare informati*” (Breathe knowingly): free tests carried out by a team of lung specialists were made available to visitors in 3 Shopping Centres. In each Mall an average of 90 spirometry tests were carried out.

ROMANIA

In 2017 Winmarkt allocated a budget of € 110,000 to its marketing plan, carrying out 140 activities consisting of events and campaigns. More specifically:

- 36 co-marketing campaigns (26 voucher campaigns and 10 personalised co-branding campaigns);
- Events to support and assist new openings of the most important new brands, for example CCC and Pizza Hut in Ploiesti
- Social campaigns:
 1. Support given to international NGOs like “Save the Children”
 2. “Destroys corruption” (Winmarkt Piatra Neamt), partnership with the Ministry of Home Affairs – Anti-Corruption Department

3. “ShoeBox” (Winmarkt Galati), campaign for the collection of gifts for disadvantaged children
 4. A medical conference aimed at young mothers
 5. “We’re preparing the schoolbag. Help a child go to school” (Winmarkt Galati), a special campaign created with the involvement of the local community and of a body for the prevention of early school leaving.
- Sponsoring of events with a strong local impact regarding sports, education and culture (for example BUZZ CEE, the International Film Festival which promotes high quality productions originating from Central and Southeast Europe).

Table 2.
SUPPORT GIVEN TO LOCAL EVENTS
(ROMANIA)

Support given to local events	2017 (€)	2016 (€)	2015(€)
Contributions for sponsoring or supporting local events	3,600	6,500	6,950

For the second year running, Winmarkt used texting and Facebook as communication channels to inform the Centres’ customers about special offers and promotions currently available. Furthermore, to support its tenants,

advertising campaigns were carried out by means of television commercials, external advertising, billboards and social channels.



5. INNOVATION

5.1 INNOVATION



IGD's commitment regarding innovation started to become a solid reality in the second half of 2015, with the launch of its "Innovation Project", managed by a multi-function group within the Commercial Division. The aim of the project: innovate the visitors' experience within the

Shopping Centres with the support of technology and by following a multichannel strategy of action. The projects identified in the 2016/2017 two year period were effectively put into practice.

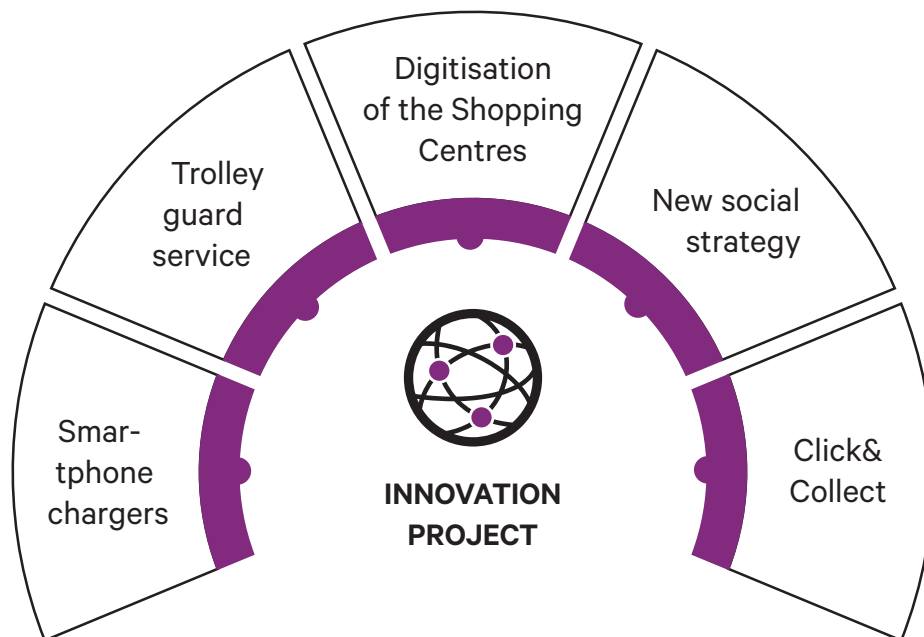


Chart 6.
INNOVATIVE PROJECTS
IDENTIFIED

New social strategy

Facebook is used by an ever growing number of people who are similar in age to those that visit the IGD shopping Centres, and it represents an important tool both with regard to communication and as a way to converse with its visitors. For this reason, IGD created a long term project, the purpose being to obtain a strategy of use common to all the Shopping Centres' pages. This project began in

April 2016 and in 2017 its focus was twofold:

1. Identify the most appropriate form of language with regard to the characteristics of each Shopping Centre, in line with their actual location;
2. Increasingly integrate on line and off line aspects, with a narrative that focuses both on everyday life and events that are carried out in the Shopping Centres.

The results of the work carried out are illustrated by the increase in several KPIs:

INDICATOR	EXPLANATION	PERFORMANCE COMPARED TO 2016
Average daily organic coverage	Total number of people that were shown the posts on a daily basis, excluding the sponsored posts.	+34%
Total organic coverage	Total number of people that were shown the posts, excluding the sponsored posts.	+25%: from 11 million in 2016 to about 15 in 2017
Fan base	Number of people that decided to follow the Centre's page by adding a "like"	+21%
Engagement: total reactions	Number of comments, shares and likes regarding the posts in the period in question	+209%

Digitisation of the shopping centres

Interactive digital totems have been installed in all the IGD Shopping Centres. These are communication and marketing tools for the Malls and they are connected online and can be managed remotely. In order to facilitate the use of them and to ensure that they are used to their fullest potential, IGD prepared a specific manual and organised training courses involving all the Centres.

The first target reached with the Totems was that all printed communication materials in the Centre were progressively removed and replaced with high definition pictures and videos. IGD is working to organise this means of communication by way of a programming schedule that includes both information regarding the Centre (opening and closing times, events, tenants' publicity) and pictures that show what is going on, in such a way that the visitors feel they are part of a community.

In addition, these totems can be used for marketing activities, like couponing, contests and competitions, becoming an integrated part of the events that are held in the Malls. In the last three months of the year, the first competition managed directly by totems was carried out in 4 Shopping Centres. From the event satisfaction surveys carried out for two of these events, it emerged that the visitors were completely satisfied both with regard to the graphic design of this tool and to the technical aspect regarding the use of it.

Click&collect

Reserve online on the Shopping Centre website and collect and pay for the item in the selected store in the Mall. The data collected from the monitoring of current trends showed that consumers are inclined to carry out webrooming, (research online and then buy in the store): it was to support this new trend that IGD adopted a “Click & Collect” service which was set up for the first time in Italy in ESP Shopping Centre in Ravenna in September 2016. Therefore, the customers can choose and reserve products online and then go and pick them up and pay for them in the store in the days that follow.

In light of the results that emerged after one year, this project is currently being assessed.

Smartphone, tablet and e-bike chargers

In order to offer its visitors adequate services so that the time dedicated to their visits to the Mall is spent in the best way possible, IGD introduced smartphone and tablet charging points in 17 of its structures. In addition, due to the growing tendency to cycle to the Shopping Centres,

and taking into account the increase in e-bike sales, it also introduced e-bike charging points by means of a project that IGD specifically studied together with its supplier.

Trolley guard service

To help visitors move freely both within the Shopping Mall and around the various stores, IGD introduced Trolley Guard services in two Centres. This is a system which offers free trolley parking with supervision after shopping has been done. This service, which is strategically located (near the food courts), is appreciated and used by the visitors.



Villanova di Castenaso (BO)_Centro Nova_Trolley Guard

5.2 WEB ITALY



TWITTER

This is the social channel which is used to communicate mainly institutional information. IGD opened its own account @igdSIIQ in November 2014. The results to date

show a significant increase over the last 3 years in the activities carried out and in the guaranteed coverage of events by means of tweets.

Table 3.
TWITTER NUMBERS
(SOURCE: TWITTER ANALYTICS)

Twitter	2017 (N)	2016 (N)	Variation % 2017/2016
Number of Tweets	78	65	+20%
Number of Sustainability Tweets	12	13	-8%
Tweet Views	40,790	20,312	+101%
Sustainability Tweets Views	11,050	6,264	+76%

Over the year, particular importance was given to tweets on specific sustainability issues (like “Waste2value”, a project on circular economy) and the awards won (Com-

mONenergy and EPRA Awards), which offer information to an increasingly larger community of users interested in this issue.

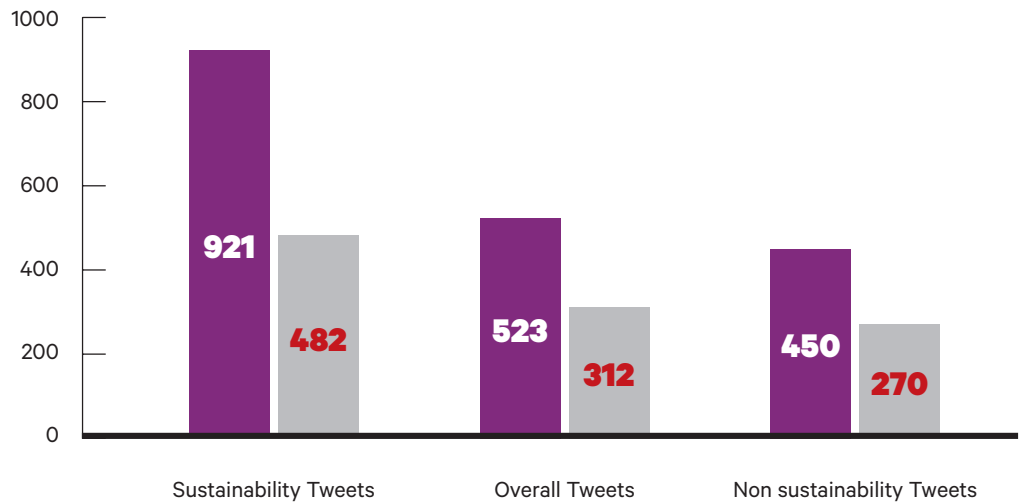


Chart 7.
AVERAGE VIEWS
(SOURCE: TWITTER ANALYTICS)

WEBSITE

IGD's <http://eng.gruppoigd.it/> website is constantly updated with all the information regarding the Group and it also

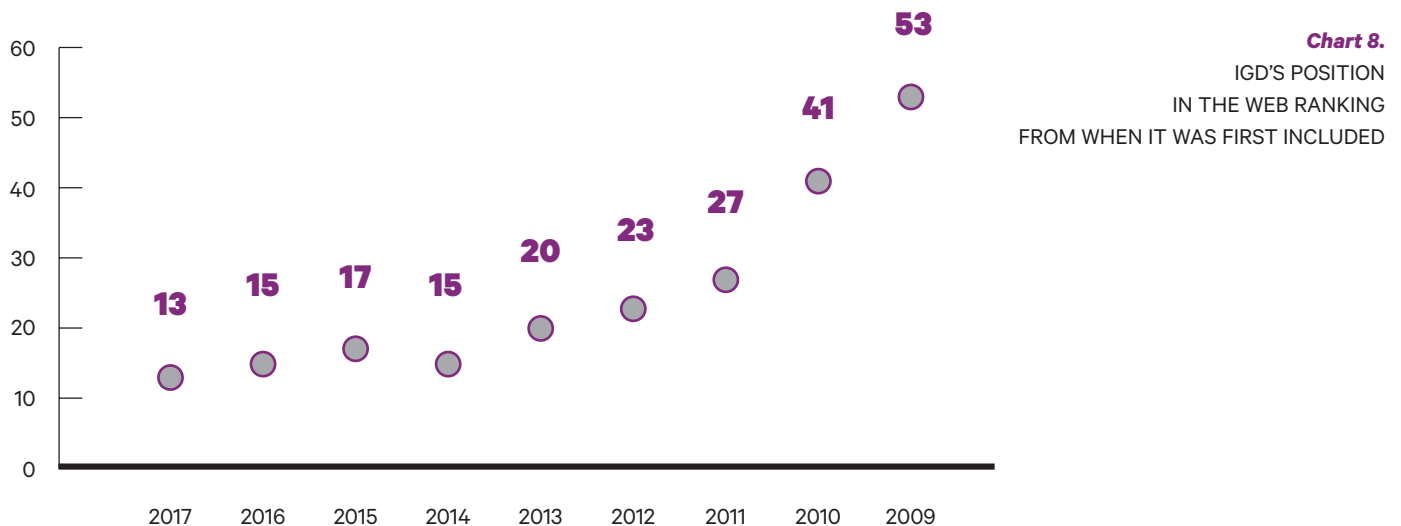
offers the opportunity for complete corporate documentation to be viewed in a transparent manner.

Table 4.
WEBSITE NUMBERS
(SOURCE: GOOGLE ANALYTICS)

	2017 (N)	2016 (N)	2015 (N)	Variation % 2017/2016
Number of visits	54,307	56,211	62,617	-3%
New visitors (single visitors)	37,491	40,216	45,721	-7%
Length of time in minutes on website (average)	2.31	2.43	2.50	-5%
Visitors that return	17,432	16,725	17,817	+4%

The 2017 data showed that the number of visits and new visitors remained substantially stable, whereas there was an increase in the number of visitors that returned, bearing witness to the work carried out over time to render the communication process and the information given increasingly effective and the website more interesting.

Further improvement was seen in the yearly website assessment, Webranking Italy 2017, the Italian research carried out by Lundquist, in cooperation with Comprend, which assesses the most important listed companies by analysing the effectiveness and transparency of corporate communication on digital channels: IGD is now ranked 13th out of 112 Italian companies assessed, with 65 points out of 100, improving its ranking by 2 positions compared to 2016.



In addition to the work carried out to update the website, this result is also linked to the innovations introduced during the year. The first was the creation of a new newsletter – the tool used both in investor relations and to internally circulate news regarding IGD's main corporate events – which has become more interactive and dynamic. In the year, the new newsletter was viewed 2,936 times, four times as many as the previous year, the downloads of which, in the old format, equalled 624.

8 years on from the last time the website was overhauled (2009), IGD believed that it was now necessary to thoroughly renew it with regards to technology, contents and communication. A work plan to improve the usability and transparency of the website was set into motion towards the end of the year. The website will be set out with an inclination towards narration, with focus on storytelling.

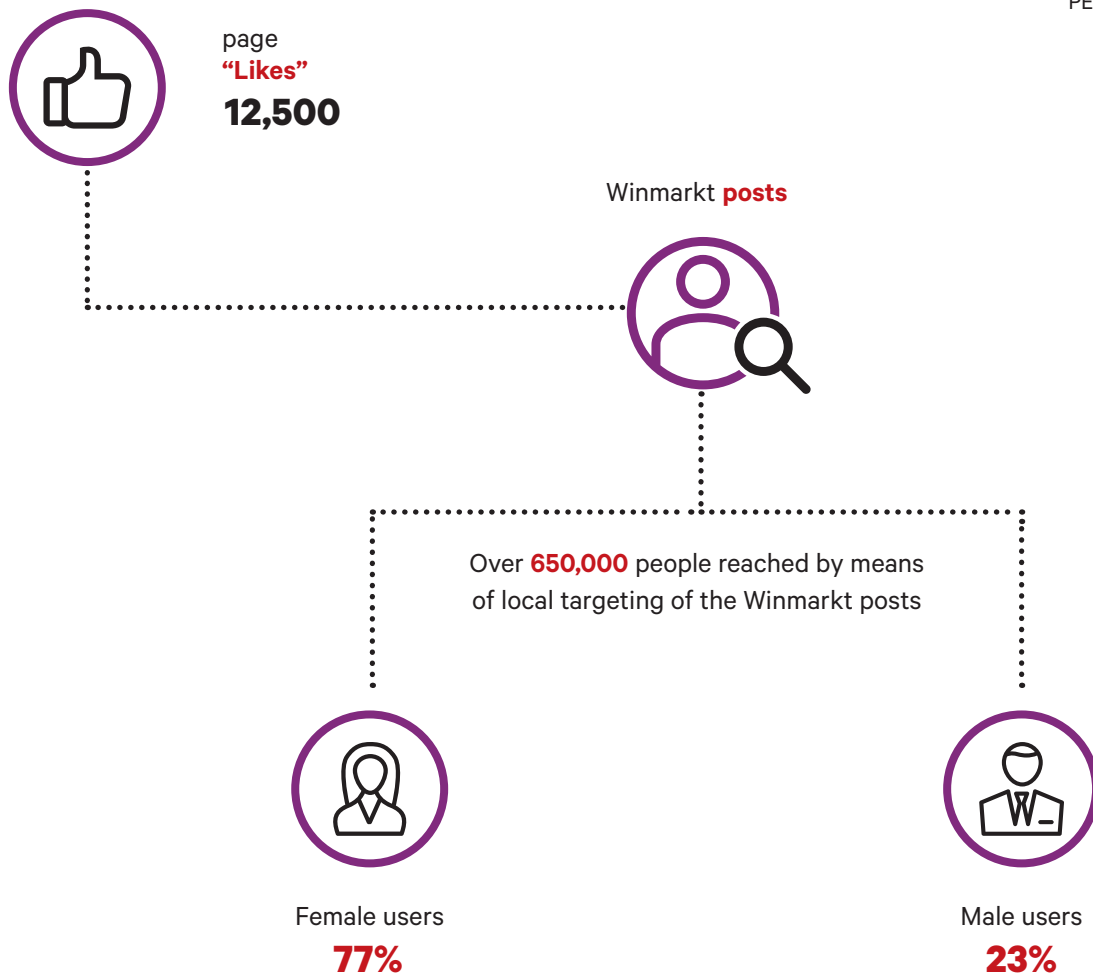
The second innovative element refers to the videos, that is short films uploaded to the website and used to present various information.

5.2 WEB ROMANIA

In Romania, in addition to the website, the Shopping Centres have a sole Facebook page, Winmarkt Romania, where marketing campaigns, new openings, sales and promotions are presented as well as news and events.

In 2017, the “Likes” regarding Winmarkt’s Facebook page grew by 31%, following specific action carried out during the year on the tool.

Chart 9.
WINMARKT’S FACEBOOK
PERFORMANCE AS AT 31/12/2017





t together



Material issues:



Highlights

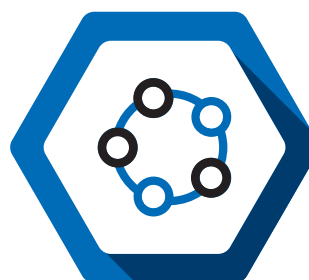
5,880

Visitors interviewed
in satisfaction surveys



236

Associations which
IGD Centres entered
into contact with



637

Average number of employees
for each city where an IGD
Centre is present



IGD, due to the nature itself of its business, enters into contact with a variety of stakeholders, both at institutional level and at a more local level. It has established a continuous dialogue with these in order to understand their needs and expectations as well as to determine their level of satisfaction in terms of decisions made and actions carried out. This constant interaction is extremely important at local level, where the Shopping Centre not only takes on a significant role regarding shopping, but it also becomes a producer of economic development and a place in which to get together.



1. STAKEHOLDER ENGAGEMENT

1.1 THE STAKEHOLDERS (GRI 102-40)

IGD's stakeholders are the people, the companies and the other organisations that add value to the company, they

are influenced by its activities or are otherwise interested in them.



Stakeholder engagement is an integral part of IGD's strategy, bearing witness to the importance that the company gives to structured relations with those, that for different reasons, enter into contact with the company. The individual corporate Divisions are the ones that identify who to engage with, following a functional approach to business. In order to examine in more detail any new features regarding stakeholder engagement, in 2017 IGD participated in

a workshop organised by *Impronta Etica* called "Stakeholder engagement: tools and opportunities for companies". The 5 sessions of this course highlighted the potential for member companies to strengthen existing engagement processes, also as a strategic tool with which to detect the needs and requirements of their interlocutors, and to take action on these in order to avoid the risks that being self-referential involves.

**1.2 ACTUAL ENGAGEMENT AND THE RESULTS
OBTAINED FOR EACH STAKEHOLDER
(GRI 102-42-43-44)**

As in previous years, all the stakeholders were engaged in 2017 by various means. The time periods, the methods, the reasons and the results that emerged from the engagement process are reported below for each stakeholder.

It is also stated if the engagement took place specifically for this Report or if it was a standard procedure in the Company's normal course of business.

[Banks]

Who was engaged?

IGD worked with 17 credit institutions, which report to 12 banking groups. 9 of these are classified in the top 12 banking groups in Italy (source: Milano Finanza).

What were the objectives?

Transparency in communications and accessibility and timeliness of information.

When?

Throughout 2017.

Was engagement carried out for the Sustainability Report?

No

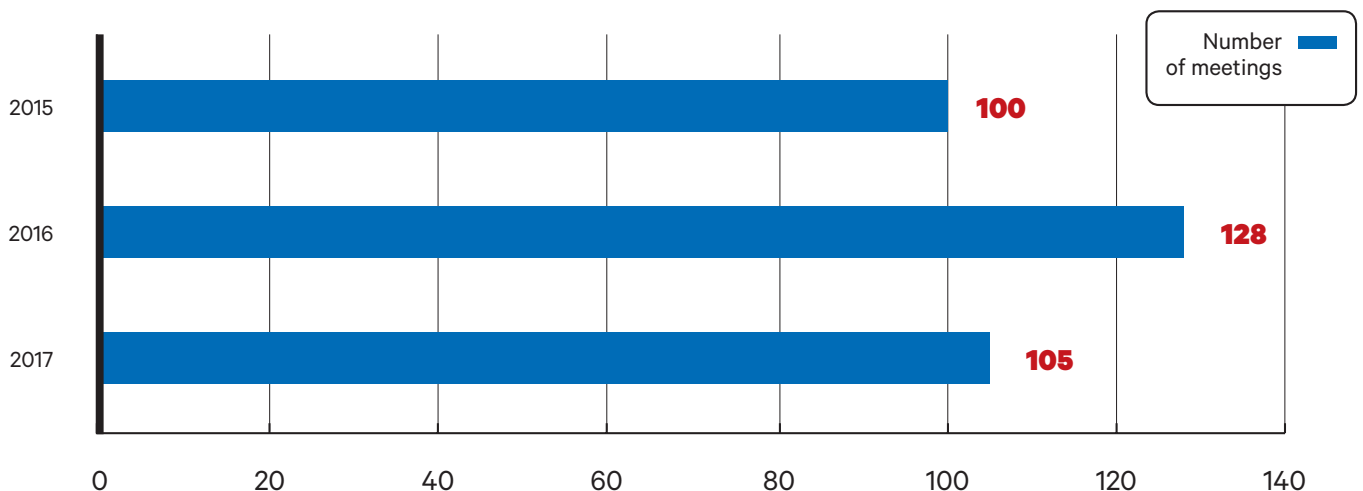
What methods were used?

- 65 face to face meetings;
- 40 conference call;
- One annual meeting to present its Financial Statements; 13 credit institutions participated in 2017.

What were the results?

Thanks also to the financial Rating obtained, the banks' confidence in IGD grew even more, as witnessed by the positive outcome of the transactions carried out during the year.

Chart 1.
MEETINGS
WITH BANKS



[Investors / analysts / shareholders]

Who was engaged?

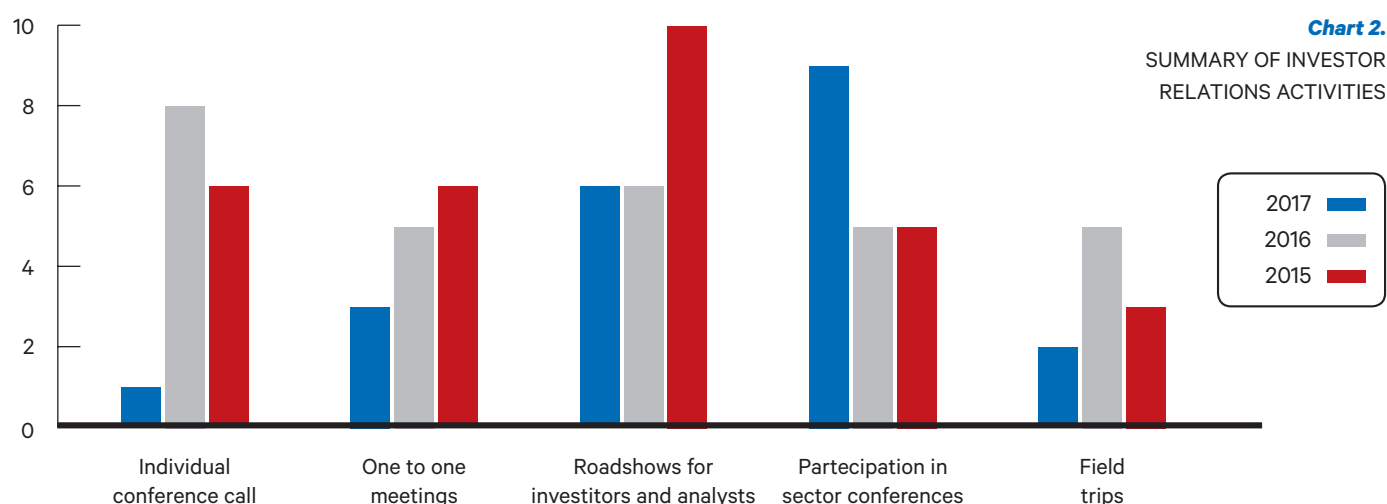
Italian and foreign investors, analysts and specialised press

When?

Throughout the whole year

What methods were used?

Conference calls, one to one meetings, roadshows for investors and analysts, fieldtrips and participation in specific financial conferences



The fall in individual conference calls was due to the fact that IGD participated in a greater number of conferences abroad than usual, and there the investors had the chance to meet the Company directly.

The number of participants in the conference calls, however, increased, also due to the fact that in addition to the 4 usual ones where the quarterly results are presented, a fifth was organised in relation to the extraordinary transaction in December (acquisition of a portfolio for €187 million). 33 investors participated in the latter.

Table 1.
CONFERENCE CALL
PARTICIPANTS

Conference calls	2017 (N)	2016 (N)	2015 (N)
Number of participants	134	110	76
<i>of which Italian</i>	86	58	47
<i>of which foreign</i>	48	52	29
<i>of which investors</i>	64	50	33
<i>of which analysts</i>	37	29	19
<i>other (banks, consultants and IGD employees)</i>	33	31	24

In June 2017 IGD organised an “Investor Day”, so that the Investors could meet the whole IGD Management team as well as some of IGD’s most representative properties. For this reason, during the event, which lasted one and a half days, the 22 Investors that participated (15 Italian and 7 foreign) were able to exchange views with the members

of the IGD Management team on various issues regarding the company’s core business and the context in which it operates. They also had the opportunity to visit two of the company’s important Shopping Centres (ESP, in Ravenna, recently extended, and Punta di Ferro in Forlì, acquired at the end of 2015).



Investor Day @Puntadiferro

What were the objectives?

Convey information in a transparent and direct manner regarding needs and necessities, in order to be able to provide useful answers for an increasingly better understanding of IGD’s actions.

Was engagement carried out for the Sustainability Report?

No

Con quali risultati?

- Following an increase in scouting activities, IGD visited 3 new financial centres in 2017.
- During the year IGD met with 97 investors, 19 of which were new. The decrease in number compared to the previous year can be linked to the absence of any specific contact with investors during the last three months of the year due to the extraordinary transaction in December.

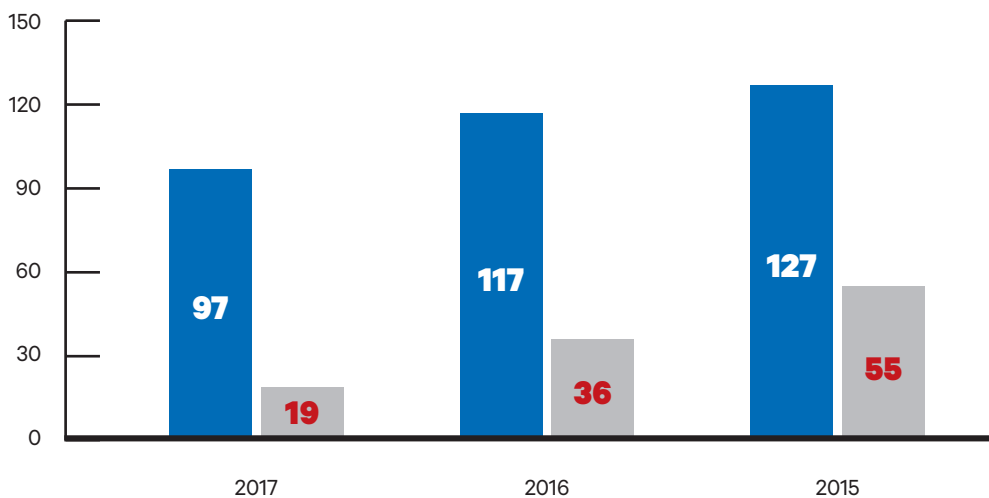


Chart 3.
TOTAL AND NEW INSTITUTIONAL INVESTORS

Number of investors ■
Number of new investors ■

[Visitors to the centres]

Who was engaged?

Mall visitors

When?

Throughout the whole year

What methods were used?

Event and customer satisfaction surveys

Was engagement carried out for the Sustainability Report?

No

What were the objectives?

1. Event satisfaction. Event satisfaction surveys were carried out to examine in detail specific elements regarding both the events themselves (the organisation of the events and relevant communication) as well as aspects concerning the Shopping Centre's marketing and communication activities.
2. Customer satisfaction. The customer satisfaction surveys were carried out to measure the visitors' level of satisfaction on the overall retail offer and to understand their expectations and the way they use the Shopping Centres. Specific studies were conducted to analyse their perception of new openings or restyling work recently carried out.

What were the results?

1. Event satisfaction. 16 surveys were carried out on a variety of events in 9 Shopping Centres situated in 5 Italian regions, involving 3,106 people altogether. The main issues that emerged were:
 - Good level of satisfaction regarding the events in the Malls, irrespective of the type of event.

- Events were not seen as the primary cause of attraction to the Malls. The main driver remained shopping, despite the fact that the tendency to identify the Shopping Centre as a place in which to wander around remained high. The concept of the Centre being a "Space to be lived in", therefore, was confirmed, a mixture between occasions for shopping and opportunities to meet up with others.
 - Shows and entertainment were the preferred types of events, followed by competitions that offer shopping vouchers as prizes.
2. Customer satisfaction: 4 customer satisfaction surveys were carried out in 4 Shopping Centres. Overall, the level of loyalty in the primary catchment area was high and the level of satisfaction was positive. The most important aspects for the visitors were the value for money of the retail offer and the overall quality of the Centre, with focus on issues regarding innovation, renovation and eco-sustainability.

The results that emerge from the surveys play an important part when defining managerial and operational actions to be taken. For this reason, after sharing the results internally, any necessary corrective actions to be taken are identified, the results of which are then monitored over time.

[Employees]

Who was engaged?

All employees

When?

March 2015

What methods were used?

Internal atmosphere assessment

What were the objectives?

Assess the employees' level of satisfaction regarding specific aspects that have an effect on relations between the company and its employees

Was engagement carried out for the Sustainability Report?

No

What were the results?

Good overall results, with a significant improvement in all areas compared to the previous assessment carried out in 2011. No follow up projects were deemed necessary.

[Tenants]

Who was engaged?

Various tenants

When?

Throughout the whole of 2017

What methods were used?

350 one to one meetings

Was engagement carried out for the Sustainability Report?

No

What were the objectives?

- Take stock of the situation regarding the tenants' performance and that of the Shopping Centres
- Define the best conditions for the management and renewal of contracts
- Manage the turnover and introduce new brands
- Listen to any problems that tenants may have linked to their presence in the IGD Centres
- Monitor consumer trends

What were the results?

- High occupancy level was maintained (Italy): 96.8%
- 27 new brands introduced during the year (see Section 3.3)



2. LOCAL COMMUNITIES

Each Shopping Centre establishes and maintains continuous relations with its local community, which can be measured on 3 aspects:

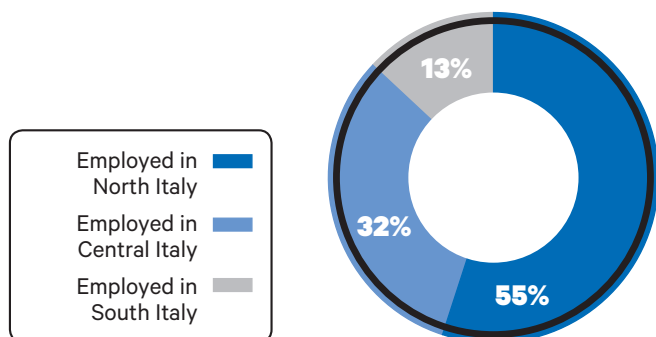
EMPLOYMENT IMPACT

The entire system of Shopping Centres in Italy is capable of providing employment to a little over 550,000¹ people (including both those employed directly in the stores and

- Ability to offer employment
- The presence of local tenants
- Social/meeting place impact

subcontract employees), while the IGD Shopping Centres provide work for 14,650² people altogether. The geographical breakdown of those employed can be seen below:

Chart 4.
GEOGRAPHICAL BREAKDOWN OF THOSE EMPLOYED
IN IGD SHOPPING CENTRES (ITALY)



Those employed for each city
in which an IGD Shopping
Centre is present

637

Subcontract employees refer to the people that work for those suppliers that guarantee the daily functioning of the structures, by providing services to help run the Shopping Centre (for example cleaning and security) and marketing services (communication and event organisation). Approximately half of the suppliers are locally based. This

data, which has remained substantially stable over time, within a corporate policy of supplier rotation, bears witness to IGD's decision to identify local suppliers especially for those services and supplies where the knowledge of the local area, speed of execution and physical presence on site are a competitive advantage.

Table 2.
LOCAL SUPPLIERS
(ITALY)

	2017	2016	2015
Number of local suppliers	793	781	756
% out of total suppliers	49%	51%	52%

¹Source: CNCC Research Commission by using calculation methods of the ICSC Research Commission and internal analyses

²Source: Calculation method provided by the ICSC Research Commission and IGD internal analyses

COMMERCIAL IMPACT

The Centres also play an important role within the local commercial network. In the IGD Centres, local brands represented 42% out of the total, a figure that has remained constant over the years. Instead, an increase could be seen both in revenues of these local brands (+2.5% on

a like for like basis) and in their impact on IGD's overall revenues. IGD, in fact, decided to identify and to introduce into its Shopping Centres those tenants which were more appealing and capable of satisfying the needs of the visitors at a local level.

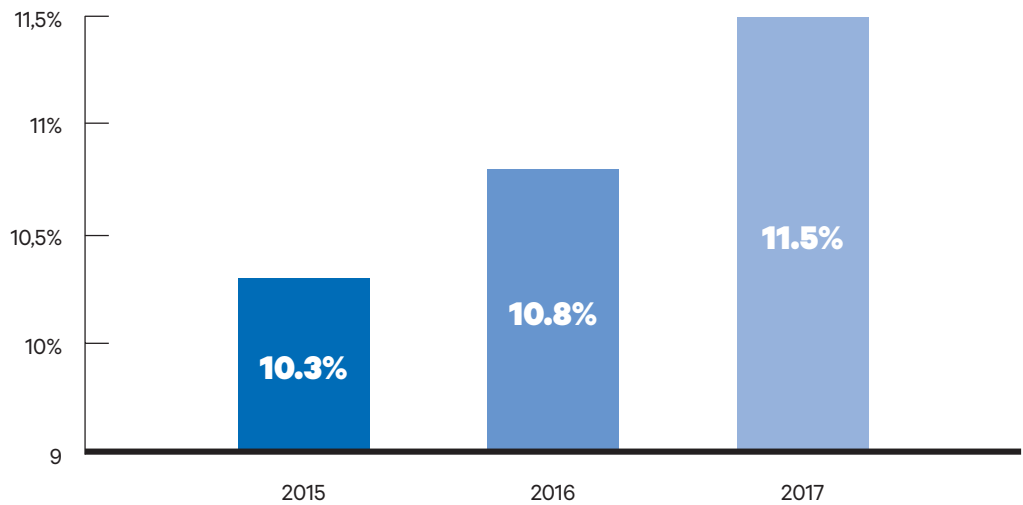


Chart 5.
LOCAL TENANTS' WEIGHT ON IGD'S
TOTAL REVENUES (%)

Their average turnover per Shopping Centre remained steady at 3.6 million euros.

SOCIAL / MEETING PLACE IMPACT

The IGD structures are, at the same time, both promoters of sports, recreational, cultural, artistic and solidarity activities at local level, as well as a place where people can meet up in their leisure time. The local events represent about 1/3 of those organised in the IGD Centres, as envisaged in the 2016-2018 Business Plan. After the increase recorded the year before due to the launching of several specific local projects, the impact that these events had on the total number of events returned to the levels of the previous years.

The organisation of these events is, for the Centre, a moment of contact with the local area, which does not begin and end during the period of the event itself, instead it starts during the planning phase, with the Centre as the contact point with regard to issues that are considered to be important due to the context in which it is situated. The visitors also appreciate this commitment: 12.5% stated their preference for local events (source: IGD 2017 event satisfaction).

Table 3.
PERCENTAGE OF LOCAL
EVENTS (ITALY)

Events held in the Centres	2017	2016	2015
Cultural, recreational-sports events held with local associations	149	165	130
% of local events out of total	28%	34%	29%

Table 4.
SHOPPING CENTRES IN WHICH ENGAGEMENT PRO-
CESSES WERE INITIATED AT LOCAL LEVEL (ITALY)
(GRI 413.1 AND EPRA COMTY-ENG)

Events held in the Centres	2017	2016	2015
Percentage of IGD Shopping Centres in which engagement processes were initiated at local level	96%	100%	87%
Percentage of Winmarkt Shopping Centres in which engagement processes were initiated at local level	50%	n.d.	n.d.
<i>% of local events out of total</i>	28%	34%	29%

The number of local associations involved in activities in the Centres increased, thanks also to the second edition of “Happy Hand in Tour”, which led to contact being established with a significant number of local associations, also

on account of the cooperation initiated with UISP *l’Unione Italiana Sport Per tutti* (Sports for everyone Italian Union) and CSI *Centro Sportivo Italiano* (Italian Sports Centre) (see section 3.4)

Table 5.
ASSOCIATIONS AND OTHER NON-PROFIT
ORGANISATIONS RECEIVED IN THE CENTRES (ITALY)

Associations and non-profit organisations received	2017 (N)	2016 (N)	2015 (N)
Local associations involved	234	205	177
Other non-profit organisations	70	108	82
TOTAL	304	313	259

The increase in sponsorships/donations in the year was due to the significant contribution made by one Shopping Centre to organise an event with a strong media impact,

in cooperation with an important local association, which also attracted visitors from beyond its tertiary catchment area.

Table 6.
SPONSORSHIPS AND DONATIONS MADE BY THE SHOPPING
CENTRES AND BY THE HEADQUARTERS (ITALY)

	2017 (€)	2016 (€)	2015 (€)
Sponsorships and donations made by the Consortiums to local associations for events	200,324	172,069	123,263
Donations made by the headquarters	3,795	3,000	10,500
Total	204,119	175,069	133,763

EXTERNAL ASSURANCE



INDEPENDENT REPORT IN THE LIMITED ASSURANCE ENGAGEMENT OF THE SUSTAINABILITY REPORT 2017

To the Board of Directors of Immobiliare Grande Distribuzione SIIQ SpA

We have carried out a limited assurance engagement on the Sustainability Report (hereinafter the “Report”) of IGD Group (hereinafter the “Group”) for the year ended 31 December 2017.

RESPONSIBILITY OF THE DIRECTORS FOR THE REPORT

The Directors are responsible for preparing the Report in compliance with the “Global Reporting Initiative Sustainability Reporting Standards” defined in 2016 by the GRI - Global Reporting Initiative (hereinafter the “GRI standards”), as indicated in the paragraph “Methodological preface” of the Report, and for that part of internal control that they consider necessary to prepare Sustainability Report that is free from material misstatement, whether due to fraud or unintentional behaviours or events. The Directors are also responsible for defining the sustainability performance targets of IGD Group, for reporting the sustainability results, as well as for identifying the stakeholders and the significant aspects to be reported.

AUDITOR'S RESPONSIBILITY

We are responsible for the preparation of this report on the basis of the work performed. We conducted our engagement in accordance with International Standard on Assurance Engagements 3000 (Revised) – Assurance En-

gagements other than Audits or Reviews of Historical Financial Information (ISAE 3000), issued by the IAASB (International Auditing and Assurance Standards Board) for limited assurance engagements. The standard requires that we comply with applicable ethical requirements, including professional independence, and that we plan and perform our work to obtain limited assurance that the Report is free from material misstatement. The procedures consisted in interviews, primarily of company personnel responsible for the preparation of the information presented in the Report, analysis of documents, recalculations and other verification procedures.

Our company applies the International Standard on Quality Control 1 (ISQC (Italy) 1) and, therefore, maintains an overall quality control system that includes directives and procedures on the compliance with the ethical principles, with the professional principles and with the applicable laws and regulations.

The procedures we performed consisted in verifying the compliance of the Report with the principles for defining the content and the quality of a sustainability report set out in the GRI Standards and are summarised as follows:

- comparing the financial information reported in chapter “Introduction: about IGD and brief outline on economic performance” of the Report with the information included in the Group’s consolidated financial statements as of 31 December 2017 on which we issued our audit opinion, in accordance with articles 14 and 16 of legislative decree n° 39 of 27 January 2010, on 20 March 2017;

- analysing, through inquiries, the governance system and the process for managing the sustainability issues relating to the Group's strategy and operations;
- analysing the process aimed at defining the significant reporting areas to be disclosed in the Report, with regard to the methods for their identification, in terms of priority for the various stakeholders, as well as the internal validation of the process findings;
- analysing the processes underlying the generation, recording and management of quantitative data included in the Report. In detail, we carried out:
 - > meetings and interviews with management of Immobiliare Grande Distribuzione SIIQ SpA, IGD Management Srl, Winmarkt management Srl e WinMagazin SA to achieve a general understanding of the information, accounting and reporting systems in use to prepare the Report, as well as of the internal control processes and procedures supporting the collection, aggregation, processing and submission of the information to the function responsible for the Report preparation;
 - > a sample-based analysis of the documents supporting the preparation of the Report, in order to obtain evidence of the reliability of processes in place and of the internal control system underlying the treatment of the information relating to the objectives disclosed in the Report;
- analysing the internal consistency of the qualitative information described in the Report and its compliance with the guidelines identified in the preceding paragraph "Responsibility of the Directors for the Report";
- obtaining a representation letter, signed by the legal representative of Immobiliare Grande Distribuzione SIIQ SpA, on the compliance of the Report with the guidelines identified in the paragraph "Social Responsibility and Materiality", as well as the reliability and completeness of the disclosed information.

Our limited assurance work was less in scope than a reasonable assurance engagement performed in accordance with ISAE 3000 (reasonable assurance engagement) and, consequently, it does not provide us with a sufficient level

of assurance necessary to become aware of all significant facts and circumstances that might be identified in a reasonable assurance engagement.

CONCLUSION

Based on the work performed, nothing has come to our attention that causes us to believe that the Sustainability Report as of 31 December 2017 of IGD Group has not been prepared, in all material respects, in compliance with the GRI Standards as disclosed in the paragraph "Methodological preface" of the Report.

OTHER ASPECTS

Comparative information of the financial year ended 31 December 2016 has not been not subjected to any procedures.

Turin, 21 march 2018

PricewaterhouseCoopers Advisory SpA

*Signed by
Paolo Bersani
(Partner)*

This report has been translated from the original, which was issued in Italian, solely for the convenience of international readers.

GRI STANDARDS, EPRA AND SDGs TABLES

GRI STANDARDS TABLE(102-55)

Since 2010, IGD's Sustainability Report has been drawn up following the GRI guidelines. The 2017 Sustainability Report has adopted and applied the guidelines drawn up by the Global Reporting Initiative GRI Standards and those referring to the real estate sector ("Sustainability Reporting Guidelines - Construction and Real Estate Sector Supplement"). The level of application of the GRI Standards indicators is

"Core". There are no omissions as all the indicators regarding material aspects have been reported. Please refer to section "Social Responsibility and Materiality" for the correspondence between material aspects and GRI Standards. The GRI Standards indicators reported in this document, along with the relative page number, are listed in the table below.

Material issue	Reference Standard	GRI indicator	Core	Page	Omissions
	Organisational profile	102-14	x	3	-
	Reporting practice	102-45	x	7	-
	Reporting practice	102-46	x	7	-
	Reporting practice	102-48	x	7	-
	Reporting practice	102-49	x	7	-
	Reporting practice	102-50	x	7	-
	Reporting practice	102-51	x	7	-
	Reporting practice	102-52	x	7	-
	Reporting practice	102-53	x	123	-
	Reporting practice	102-54	x	7	-
	Organisational profile	102-1	x	13	-
	Organisational profile	102-2	x	13	-
	Organisational profile	102-3	x	13	-
	Organisational profile	102-4	x	13	-
	Organisational profile	102-5	x	13	-
	Organisational profile	102-6	x	13	-

Tema material	Standard di riferimento	Indicatore GRI	Core	Pagine	Omissioni
	Organisational profile	102-7	x	13;15	-
	Organisational profile	102-9	x	16	-
	Organisational profile	102-10	x	13	-
	Organisational profile	102-11	x	16	-
	Organisational profile	102-12	x	16	-
	Organisational profile	102-13	x	16	-
	Reporting practice	102-32		17; 19	-
	Reporting practice	102-47	x	19	-
	Management approach	103-1	x	19	-
	Management approach	103-2	x	22	-
	Management approach	103-3	x	22	-
Climate change	Energy	302-1	x	33; 34	Data reported in kW/h
Climate change	Energy	302-3		35	Data reported in kW/h
Climate change	Energy	CRE-1		35	Data reported in kW/h
Climate change	Emissions	305-1		36	-
Climate change	Emissions	305-2		36	-
Climate change	Emissions	305-4	x	36	-
Climate change	Emissions	CRE-3		36	-
Climate change	Water	303-1	x	37	-
Climate change	Water	CRE2		38	-
Climate change	Effluents and waste	306-2	x	39	-
Climate change	Certifications	CRE8	x	43	-
Good employment	Organisational profile	102-8	x	51; 53; 61; 62	-
Good employment	Stakeholder engagement	102-41	x	55	-
Good employment	Employment	401-1		53; 54	-
Health and wellbeing	Occupational health and safety	403-2	x	64;65	-
Good employment	Training and education of employees	404-1		56;57	Breakdown by gender and professional category has not been reported for 2015 and 2016. The data collection systems available enable this process to be carried out from 2017 onwards.
Good employment	Training and education of employees	404-3		59	-
Good employment	Diversity management and equal opportunity	405-1		54;55; 61;62	The calculation of the percentage of employee category by age group has not been included but will be developed in the future

Tema material	Standard di riferimento	Indicatore GRI	Core	Pagine	Omissioni
Gender equality	Diversity management e pari opportunità	405-2	x	63	The data reported includes the basic salary but not the remuneration which will be analysed from the next Report onwards
Good employment	Non-discrimination	406-1		63	-
Health and wellbeing	Customer health and safety	416-1		65;66	-
Health and wellbeing	Customer health and safety	416-2		65;66	-
Governance, ethics and corruption	Ethics and integrity	102-16	x	75	-
Governance, ethics and corruption	Ethics and integrity	102-17		76	-
Governance, ethics and corruption	Governance	102-18	x	71	-
Governance, ethics and corruption	Governance	102-22		71	-
Governance, ethics and corruption	Governance	102-23		71	-
Governance, ethics and corruption	Governance	102-26		72	-
Governance, ethics and corruption	Governance	102-27		72	-
Governance, ethics and corruption	Governance	102-28		72	-
Governance, ethics and corruption	Governance	102-29		74	-
Governance, ethics and corruption	Governance	102-30		74	-
Governance, ethics and corruption	Governance	102-31		74	-
Governance, ethics and corruption	Governance	102-32		17; 19	-
Governance, ethics and corruption	Governance	102-35		75	-
Governance, ethics and corruption	Governance	102-36		75	-
Stakeholder engagement	Stakeholder engagement	102-40	x	105	-
Stakeholder engagement	Stakeholder engagement	102-42	x	106	-
Stakeholder engagement	Stakeholder engagement	102-43	x	106	-
Stakeholder engagement	Stakeholder engagement	102-44	x	106	-
Local communities	Local communities	413-1		113	Points vi-vii-viii of the indicator cannot be reported because they refer to processes that have not been activated.
	Reporting practice	102-55	x	115	-
	Reporting practice	102-56	x	114	-

EPRA TABLES

The environmental, social and governance indicators referred to in IGD's 2017 Sustainability Report are in compliance with the third version of the EPRA guidelines ("Best Practices Recommendations on Sustainability Reporting"), published in September 2017.

The indicators, the correspondence with the GRI Standards indicators and their reference in the section, are reported in the table below. The methodological preface for environmental data is also applicable for the interpretation of this table.

PORTFOLIO INDICATORS

ASPECT	INDICATOR	EPRA	GRI STANDARD	UNIT OF MEASURE	2017	2016	DIFFERENCE IN 2017	COVERAGE	ESTIMATE LEVEL	REFERENCE IN SECTION	REMARKS
ENVIRONMENTAL	Total electricity consumption	Elec-Abs	302-1	annual kWh	40,212,612	36,881,600	9.0%	22 out of 22	0%	Pag. x, tab. 1	
	Like for like electricity consumption	Elec-LfL	302-1	annual kWh	32,986,141	32,045,816	2.9%	19 out of 19	0%	Pag. x, tab. 1	
	Total district heating and cooling consumption	DH&C-Abs	302-1	annual kWh	9,705,190	7,946,990	22.1%	4 out of 22	0%	Pag. x, tab.2	
	"Like for like district heating and cooling consumption"	DH&C-LfL	302-1	annual kWh	9,705,190	7,946,990	22.1%	4 out of 19	0%	Pag. x, tab.2	
	Total fuel consumption	Fuels-Abs	302-1	annual kWh	13,595,516	12,697,734	7.1%	13 out of 21	0%	Pag. x, tab.3	
	Like for like fuel consumption	Fuels-LfL	302-1	annual kWh	11,084,262	10,079,171	10.0%	13 out of 19	0%	Pag. x, tab.3	
	Building energy intensity	Energy-Int	302-3	kWh/(m ² common areas+GLA)	155.87	143.46	8.7%	10 out of 22	0%		Intensity of 10 Centres where no estimate on car park consumption was carried out in 2017, was also included
					143.14	144.45	-0.9%	22 out of 22	36%	Pag. x, tab.5	Energy intensity of all 22 Centres within the absolute boundary. Estimated electricity consumption of 12 Centres' car parks and actual electricity consumption of 10 Centres' car parks were subtracted from the total
	Total direct GHG emissions - Scope 1	GHG-Dir-Abs	305-1	tonnes CO ₂ e	2,410	2,251	7.1%	22 out of 22	0%	Pag. x, tab.6	
	Total indirect GHG emissions - Scope 2	GHG-Indir-Abs	305-2	tonnes CO ₂ e	23,060	20,978	9.9%	22 out of 22	0%	Pag. x, tab.6	
	"Like for like direct GHG emissions - Scope 1"	GHG-Dir-LfL	305-1	tonnes CO ₂ e	1,965	1,787	10.0%	19 out of 19	0%	Pag. x, tab.6	
	"Like for like indirect GHG emissions - Scope 2"	GHG-Indir-LfL	305-2	tonnes CO ₂ e	19,230	18,415	4.4%	19 out of 19	0%	Pag. x, tab.6	
	Building GHG emissions intensity	GHG-Int	CRESO CRE-3	"Kg CO ₂ e / (m ² common areas + GLA) "	61.89	63.80	-3.0%	22 out of 22	0%	Pag. x, tab.7	
	"Total water consumption "	Water-Abs	303-1	m ³	643,657	523,100	23.0%	22 out of 22	0%	Pag. x, tab.8	
Like for like water consumption	Water-LfL	303-1	m ³	470,009	431,346	9.0%	19 out of 19	0%	Pag. x, tab.8		
Building water consumption intensity	Water-Int	CRESO CRE-2	m ³ / (m ² common areas + GLA)	1.56	1.53	2.3%	22 out of 22	0%	Pag. x, tab.10		

PORTFOLIO INDICATORS

ASPECT	INDICATOR	EPRA	GRI STANDARD	UNIT OF MEASURE	2017	2016	DIFFERENCE IN 2017	COVERAGE	ESTIMATE LEVEL	REFERENCE IN SECTION	REMARKS
ENVIRONMENTAL	Total weight of waste by disposal route	Waste-Abs	306-2	tonnes	2,640	2,586	2.1%	22 out of 22	0%	Pag. x, tab.12	
				of which sent to recycling	1,966	1,925				Pag. x, tab.12	
				of which sent to incinerator	42	35				Pag. x, tab.12	
				of which sent to landfill	632	625				Pag. x, tab.12	
	Like for like weight of waste by disposal route	Waste-LfL	306-2	tonnes	2,514	2,586	-2.7%	19 out of 19	0%	Pag. x, tab.12	
				of which sent to recycling	1,840	1,925				Pag. x, tab.12	
				of which sent to incinerator	42	35				Pag. x, tab.12	
				of which sent to landfill	632	625				Pag. x, tab.12	
	Type and number of certified assets	Cert-tot	CRE-8	% of total m ² of portfolio		68%		14 out of 22	0%	Pag. x	






CORPORATE INDICATORS



ASPECT	EPRA CODE	INDICATOR	GRI STANDARD	UNIT OF MEASURE	2017	2016	REFERENCE IN SECTION
SOCIAL	Diversity-Emp	% male employees	405-1	%	45%	46%	Tab. 8, pag x
		% female employees		%	55%	54%	
	Diversity-Pay	Pay ratio - Directors	405-2	N	0.88	0.88	Tab. 11, pag x
		Pay ratio - Managerial staff		N	1.03	1.03	
		Pay ratio - Department heads		N	1.01	0.99	
		Pay ratio - Office workers		N	0.96	0.99	
	Emp-Training	Average hours per employee	404-1	N	14.3	14.5	Tab. 4, pag x
	Emp-Dev	% of total employees	404-3	%	52%	54%	Tab. 6, pag x
	Emp-Turnover	Number of recruitments	401-1	N	11	10	Tab. 2, pag x
		Number of resignations		N	3	5	
		Recruitment rate		%	8.5%	8.1%	
		Resignation rate		%	2.3%	4.1%	
	H&S-Emp	Injury rate	403-2	Per 1,000,000 hours worked	9.83	15.89	Tab. 14, pag x
		Lost days rate		Per 1,000 hours worked	0.11	0.64	
Absentee rate		%		1.7%	2.1%		
Injuries		N		2	2		
H&S-Asset	% of assets	416-1	%	100%	100%	Tab.17, pag x	
H&S-Comp	Number of incidents	416-2	N	0	0		
GOVERNANCE	Gov-Board	Number of board members	102-22	N	13	13	Page x
	Gov-Select	Narrative on process	102-24				Please refer to the Financial Statements, Report on Corporate Governance and Ownership Structure, paragraph 3.4.1. Board of Directors - Appointment and replacement
	Gov-Col	Narrative on process	102-25				Please refer to the Financial Statements, Report on Corporate Governance and Ownership Structure, paragraph 3.12. Directors' interests and related party transactions

SDGs TABLE

The SDGs included in the 2017 Sustainability Report, their correspondence with IGD's material issues and their refer-

ence in this document, are reported in the table below.

SDGs included in the Report	Material issue	Reference in document (paragraph)
3 GOOD HEALTH AND WELL-BEING 	Good Health and Wellbeing	2.1
	Spaces to be lived in	4.4
4 QUALITY EDUCATION 	Good Employment	2.1
5 GENDER EQUALITY 	Gender Equality	2.2
7 AFFORDABLE AND CLEAN ENERGY 	Climate Change	1.1
8 DECENT WORK AND ECONOMIC GROWTH 	Good Employment	2.1
	Governance, Ethics and Corruption	3.1

SDGs included in the Report	Material issue	Reference in document (paragraph)
9 INDUSTRY, INNOVATION AND INFRASTRUCTURE 	Innovation	4.5
11 SUSTAINABLE CITIES AND COMMUNITIES 	Climate Change	1.1
12 RESPONSIBLE CONSUMPTION AND PRODUCTION 	Climate Change	1.1
13 CLIMATE ACTION 	Climate Change	1.1
16 PEACE, JUSTICE AND STRONG INSTITUTIONS 	Governance, Ethics and Corruption	3.1

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Further details on IGD's sustainability
can be found on the Group's website:
<http://www.gruppoigd.it/Sostenibilita>

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SPAZI DA VIVERE