

2011 SUSTAINABILITY REPORT







“Sustainability is the ability to ensure that the needs of the present are met without compromising the ability of future generations to meet their own needs”.

The World Commission on Environment & Development, 1987



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2011 SUSTAINABILITY REPORT

LETTER TO STAKEHOLDERS

Dear Stakeholder,

We are delighted to present IGD Group's second Sustainability Report. Despite a context that has been characterised by extreme unpredictability in the financial markets and by a deterioration in the economic situation which has had a profound effect on consumption patterns, IGD's **commitment** to Sustainability has remained unaltered and, if possible, even more determined.

The **spirit of cooperation** which has always inspired the way in which we operate as a Company and the **long term vision** on which all our corporate decisions are based - values that have been imprinted since the beginning - were **the fundamental elements that enabled us to achieve positive results** even during a year in which we were face to face with a very tricky scenario.

The main indicators of **economic-financial performance** at the end of 2011 show evidence of this: a net profit of 30.1 million euros with an increase of 2.4% compared to 2010 and FFO (Funds from Operations), that is the operating cash flow, which reached 43.3 million euros, with an improvement of 0.6% compared to the previous year.

With the shopping centre retailers feeling the effects of this decisively difficult situation, IGD demonstrated to be sensitive towards their problems by also **activating targeted support policies for tenants** in order to ensure that several key brands could remain in the malls, **without, however, affecting its consolidated operating profitability profile**: indeed, the EBITDA margin improved from 71.0% in 2010 to 71.7%.

Faced with a credit market with rapidly growing interest rates, IGD was also able to benefit from the **flexibility** that distinguishes its **investment pipeline** and focus on those projects that were already underway and which were characterised by the high visibility of possible returns, managing therefore to **keep under control both the gearing ratio** (1.38 compared to 1.28 in 2010, below the maximum limit of 1.5 stipulated in the Business Plan) and the **cost of debt** (4.08% compared to 3.53% in 2010), which is still one of the lowest in the sector.

IGD is one of the leading companies in the mass retailing real estate sector. With the market value of our portfolio, which is primarily made up of shopping centres spread out over Italy, being at approximately **1.9 billion euros**, we are **aware of the impact that our activities have on a large number of stakeholders and on the environment**. The experience gained over the years has shown us that our projects - which involve creating new shopping centres or managing and enhancing existing ones - can be an **opportunity for growth for our Company** only if they also result in **development for the community in which we operate, for those that work for us and with us and for those that contribute to financing these projects**, in a situation of mutual advantage.

IGD is also a SIIQ (REIT), a mechanism designed to favour more extensive and widespread investments of savings in the real estate sector. Therefore, we also have a clear **commitment to our shareholders' compensation by means of distributing dividends**, which is made possible by obtaining profits. The distribution of a dividend equal to 0.08 euros per share for 2011 (an increase of 6.7% compared to 2010) is a significant demonstration of the result of this commitment. This year, and for the first time, we have also given our shareholders the possibility to reinvest in IGD 80% of the dividend that they will receive, by means of a reserved capital increase.

This **second Sustainability Report** also gives a detailed description of the efforts made in 2011 to improve our **Governance**, to control the impact on the **Environment** in which we operate and to interact effectively with our **Stakeholders** and, in addition, it describes the ensuing progress. In each section we have accounted for which actions were carried out and to what extent the targets presented in the 2010 Sustainability Report were met and we have also defined our commitments for the 2012-2013 two year period. In order to structure the whole process better, in October 2011 we established a **Sustainability Committee** to transform the guidelines of the strategy for social responsibility into specific operating targets and to monitor the reaching of these according to plan, by means of a group of well defined key performance indicators. The next objective, which is already in the structuring phase, is to draw up an out and out **Sustainability Plan** that will become an integrating part of the Company's Strategic Plan.

In 2011 IGD joined **Impronta Etica**, an Association that groups together 27 companies and institutions in Emilia Romagna and is a partner of the Europe CSR network. This decision not only demonstrates our desire to follow the best practices agreed upon by the members, but also spurs us on to refine even better our sustainability strategy and the reporting related to it. Continuous contact with experts in the sector enables us also to obtain new points of view on specific issues and to reflect on experiences of excellence.

With regard to the **targets** that were presented one year ago, we can affirm that the contents of this Report show that **progress was made in all the areas** monitored in **2011**. This is not the only added value however, as reaching the individual targets has been altogether useful, enabling IGD to continue in the right direction.

A significant example of this connection between pursuing the targets set down in the 2010 Sustainability Report and positive effects for IGD on the whole is that of its relations with one category of stakeholders, the "Shopping Centre Retailers". In particular, in the second half of the year when there was a deterioration in the credit conditions and a further weakening in consumptions, we intensified our dialogue with our shopping centre tenants. We not only listened to their needs by means of more than 450 meetings, but we also quickly established if and how they could be sustained in that delicate context.

The success of this attention paid towards our tenants, apart from the quantification of their satisfaction - which we have once again pledged to monitor from 2013 by means of a tenant satisfaction survey - is mainly demonstrated by a continuing high occupancy rate in the malls in our portfolio (96.5% in Italy).



A further example in this sense is the commitment undertaken one year ago to privilege marketing initiatives and events that have a strong social-environmental and local nature. This commitment received immediate confirmation in the 149 initiatives carried out with these characteristics, but they would not have represented an encouraging enough result if they had not contributed to an increase in the number of visitors to our centres in Italy equal to 0.8% on a like for like network.

On the following pages you will see that in 2011 we started work on **numerous aspects of each area of social responsibility**: some of these have already recorded considerable progress. We are pleased to highlight the start up of the procedure which will lead to the **certification** in 2013 of the processes connected to our environmental policies, in compliance with the **UNI EN ISO 14001** regulation. In 2011 we also carried out IGD's **first Internal Atmosphere assessment**, with the participation of 94.4% of the Group's employees in Italy and with results that, in addition to highlighting a comforting starting point (with an ESI - Employee Satisfaction Index - of 64.6%), have also given us invaluable ideas with which to refine our human resource management policies.

Lastly, a rather remarkable observation in this historical moment marked by uncertainty and unpredictability: **IGD's good results in 2011 were obtained whilst the Company was carrying out a more effective control of its risk profile**. Indeed, we adopted the organisational, procedural and management tools defined by the Enterprise Risk Management system started in 2010, with a **general reduction in the net level of risks that had been identified as a priority**.

We can therefore conclude that also in 2011 we undertook our responsibility with seriousness and commitment in order to try and respond, in a suitable manner, to the challenges brought about by the critical scenario and to the altered needs of our stakeholders, with the ultimate aim of seeing that our activities, and the way in which we operate, guarantee a sustainable present and an even brighter future.

The Chairman

Gilberto Coffari


The Chief Executive Officer

Claudio Albertini


METHODOLOGICAL PREFACE

This document is IGD Group's second Sustainability Report and it refers to the year 2011. The results reported here are those of the whole Group, which are then broken down into the part concerning Italy and that concerning Romania¹:

With regard to its structure, it has again been divided per stakeholder, modifying and broadening the extensiveness of the information that was collected and reported in comparison with the previous year.

Methodologically speaking, the characteristics of the first Report have been adopted with a few changes and variations.

First of all, the number of people involved in the data collecting phase was extended: with the intent of giving greater prominence to the actions taken and the results obtained by each individual Shopping Centre (in particular in sections 4 "Visitors and Community" and 7 "Environment"), people from the commercial network were also involved.

Furthermore, the perimeter and the number of Shopping Centres involved in the data collecting phase were also standardised. All the information included in this Report, therefore, refers to the same number of Centres, corresponding to 18 IGD freehold structures, with the addition of CentroNova (in Villanova di Castenaso, in the province of Bologna), CentroPiave (in San Donà di Piave, Venice) and Città delle Stelle (in Ascoli). The values referring to 2010 shown in this Report, therefore,

have been changed compared to those shown in last year's Report which included both freehold and managed properties, in order to make them homogeneous.

The numbers shown in the charts and tables refer to the last three year period (2009-2011). In a few cases, however, the period of reference is shorter: this decision was based on wanting only to report comparable data, deriving from like for like sources compared to 2011.

When just one year is reported, it is also possible that the indicators are new and were introduced in 2011. The identification of new indicators has been made possible:

- by means of involving company top management;
- in virtue of a benchmark with competitors on an international level;
- by developing the indicators, with a partial coverage level compared to GRI Standard.

The 2010 Sustainability Report introduced each section with guidelines and finished it with several improvement targets. The intention of this 2011 Report is to provide details about the reaching or not of those targets. For this reason, each section is made up as follows:

1) Summary of level of achievement of targets, where all the targets related to the stakeholder of reference for 2011 are reported in table form, and on the right of them, the

¹ For more details on the Group structure, please refer to paragraph 1.1.1 "Group structure"

actions carried out in order to reach them or the reasons why they were not reached; the assessments shown in these tables have been defined by the Directors and the heads of the various Directions/Services.

2) Performance achieved, highlighting the actions carried out and the results obtained.

3) Improvement targets, created both by the involvement of the Directors, each for their own area of expertise, and by research carried out by the Sustainability Committee² on actions towards Social Responsibility carried out by other national and international companies.

After being approved by the Operational Management, they are the foundation for IGD's future Sustainability Plan.

The tables that immediately follow this methodological preface, summarise the overall level of achievement of all the targets identified for 2011. In order to view the performance of several key indicators for IGD sustainability, two symbols have been placed alongside them in the sections, the symbol  in the event of a positive value and  in the event of a negative trend.

This Report has been drawn up by following the report guidelines of the Global Reporting Initiative (GRI-G3), analysing in particular those referring to the real estate sector ("Sustainability Reporting Guidelines - Construction and Real Estate Supplement"). The distribution of added value adopts the framework of the Gruppo Bilancio Sociale (GBS), contained in the "Principles for the Compilation of the Social Responsibility Report".

² To view functions of the Committee and how it is made up, please refer to paragraph 1.5.3 "CSR governance"



TARGETS AND RESULTS

In the previous Report, IGD introduced several “Improvement Targets”.

The following tables report the status of these

targets, highlighting the level of achievement and the actions carried out during 2011 per stakeholder.

SHAREHOLDERS, INVESTORS AND FINANCIAL COMMUNITY

2011 IMPROVEMENT TARGETS	LEVEL OF ACHIEVEMENT	ACTIVITIES CARRIED OUT DURING THE YEAR
Direct meetings with at least 50% of the top 20 institutional investors (2011)		Direct meetings organised with more than 50% of the top 20 investors
Increase in financial markets visited and in the number of meetings organised with institutional investors (2011)		8 markets visited (7 in 2010); 100 meetings carried out (5 more than in 2010)
Optimisation of communication channels like the website and institutional presentations		Increase in web communication channels and improvement of institutional website (second best improver in the Italian Webranking carried out by the company KWD)

TENANTS

2011 IMPROVEMENT TARGETS	LEVEL OF ACHIEVEMENT	ACTIVITIES CARRIED OUT DURING THE YEAR
Introduction of new innovative brands, even international ones, in line with visitors' needs (2011 in Italy and Romania)	 Italy Romania	In Italy: <ul style="list-style-type: none"> Introduction of “Apple Store”, in the “City Center” project in Bologna Introduction of 13 other brand names, 5 international and 8 national Consolidation of relations with existing international chains In Romania: <ul style="list-style-type: none"> Introduction of an international food anchor chain store
Feasibility study of a project designed to assess the degree of tenant satisfaction (2011 in Italy)		Feasibility study carried out, research project to be carried out in 2013
Consolidation and development of relations with main tenants regarding food anchors, electronic goods and leisure time activities (2011 in Romania)		Consolidation of relations with “Carrefour”, “Drogerie Markt” and “Domo”; introduction of fitness centre, bowling centre and cinema

LEGEND High level of achievement Low level of achievement

VISITORS AND COMMUNITY

2011 IMPROVEMENT TARGETS	LEVEL OF ACHIEVEMENT	ACTIVITIES CARRIED OUT DURING THE YEAR
Increase in social-cultural events (2011 in Italy and Romania)	 Italy  Romania	Increase in the number of social-cultural events in relation to the marketing plan
Progressive expansion of the availability of Wi-Fi connections inside all the freehold properties (2011 in Italy)		100% of the shopping centres have Wi-Fi connections
Start up of "mystery shopper" pilot project (2011 in Romania)		Questionnaire was defined and agreed, the Mystery Shopper pilot project was launched in the first few months of 2012 in Ploiesti

EMPLOYEES

2011 IMPROVEMENT TARGETS	LEVEL OF ACHIEVEMENT	ACTIVITIES CARRIED OUT DURING THE YEAR
Assessment of internal atmosphere, to check how IGD staff have perceived decisions made and actions taken and to understand any criticalities (2011 in Italy)		Assessment of atmosphere carried out
In field training with the organisation of a retail tour aimed at a large part of the staff (2011 in Italy)		Retail tour organised in London
Continuous investments for updates on safety at work, also dealing with issues requested by the commercial network	 Italy  Romania	In Italy: <ul style="list-style-type: none"> Continuous updates, in agreement with the network In Romania: <ul style="list-style-type: none"> Three external offices renovated, with more attention paid to workers' health regulations
Implementation of Winmarkt's first structured training programme (2011 in Romania)		Plan approved at the beginning of 2011 and first implementation
Start up of benchmarking project in the EEC area on formats similar to Winmarkt (city centres, department stores, multi-stores) (2011 in Romania)		Benchmarking project created in Poland and Czech Republic, the part relating to Serbia still to be carried out

LEGEND  High level of achievement  Low level of achievement

SUPPLIERS

2011 IMPROVEMENT TARGETS	LEVEL OF ACHIEVEMENT	ACTIVITIES CARRIED OUT DURING THE YEAR
Growing involvement of suppliers on matters relating to sustainability (2011 in Italy)		Suppliers involved on matters of separate waste collection
Greater rotation in the renewal of supplier contracts (starting from 2011 in Italy and Romania)	 Italy Romania	In Italy: <ul style="list-style-type: none"> • Introduction of new suppliers for marketing activities and to substitute global services • Analyses offered for the selection of new suppliers for facility services • Second independent expert introduced for asset assessment In Romania: <ul style="list-style-type: none"> • Energy, gas and cleaning services suppliers replaced

ENVIRONMENT

2011 IMPROVEMENT TARGETS	LEVEL OF ACHIEVEMENT	ACTIVITIES CARRIED OUT DURING THE YEAR
Share with tenants best practices useful for reducing energy consumption and for correct waste management (2011 Italy and Romania)	 Italy Romania	In Italy: <ul style="list-style-type: none"> • Specific actions taken to reduce energy consumption were communicated to tenants In Romania: <ul style="list-style-type: none"> • Difficulty about making tenants more aware about the issue of energy consumption reduction
Implementation of Plan to achieve ISO 14001 Company Certification (starting from 2011 in Italy)		Start up of project that will lead to the certification in the first six months of 2013 (18 months from the start)
Completion of two pilot projects regarding photovoltaic systems to be directly carried out by IGD (2011 in Italy)		Project postponed to 2012. Slowdown caused by legislative uncertainties
Implementation of Plan of Action to reduce electric/energy consumption and to monitor costs (2011 in Italy)		<ul style="list-style-type: none"> • Wider range of Shopping Centres that join Galvani Consortium • Monitoring of turning on/off hours of lighting • Replacement of lighting structures started in several Centres
Extension to the entire network of sorted waste collection (plastic and packaging, paper, glass, other) (2011 in Romania)		Contract signed for extension to the entire network of sorted waste collection
Improvement of structural conditions of thermal insulation in Tulcea and Cluj properties (2011 in Romania)		Actions carried out in both shopping centres

LEGEND High level of achievement Low level of achievement



1



IDENTITY



igd siq SPACES TO BE LIVED IN



1 IDENTITY

1.1 ABOUT US

IGD S.p.A. was founded in 2000 following the transfer of a large part of the real estate portfolio owned by Coop Adriatica and Unicoop Tirreno, with the aim of consolidating the experience gained over the previous years in the real estate sector by creating a specialised company capable of operating in the sector in a competitive manner.

IGD, listed on the Italian Stock Exchange since February 2005, was the first company in the sector in Italy to become a SIIQ - Società di Investimento Immobiliare Quotata (Real Estate Investment Trust). Today, IGD Group is a leading organisation in Italy for the development, purchase, management and rental of retail properties as well as for its commercialisation and facility management services offered to properties belonging to third parties.



Since 2008 the Group has been present in Romania where it controls the company WinMagazine SA, the owners of the country's main department store chain, Winmarkt.

THE MOST IMPORTANT STEPS IN IGD'S HISTORY

2000-2004: with the two partners Coop Adriatica and Unicoop Tirreno, IGD was founded and developed

- **2000:** "Immobiliare Grande Distribuzione S.p.A." was founded following the transfer of two shopping centres from Coop Adriatica.
- **2001:** three companies controlled by Coop Adriatica were merged with IGD (Did Immobiliare S.r.l., Iper San Benedetto S.r.l., Centro Leonardo S.p.A.).
- **2003:** Ipercoop Tirreno became a shareholder of IGD, to later sell its shares to Unicoop Tirreno (ex Coop Toscana Lazio).

2005: IGD was listed on the stock exchange to sustain an intense development process

- Listing on the Italian stock exchange with a portfolio of 7 shopping centres, 5 hypermarkets and 1 supermarket.
- A development plan was undertaken calling for investments of 810 million euros over the 2005-2008 three year period.



2007: RGD was founded; launch of a new three year investment plan

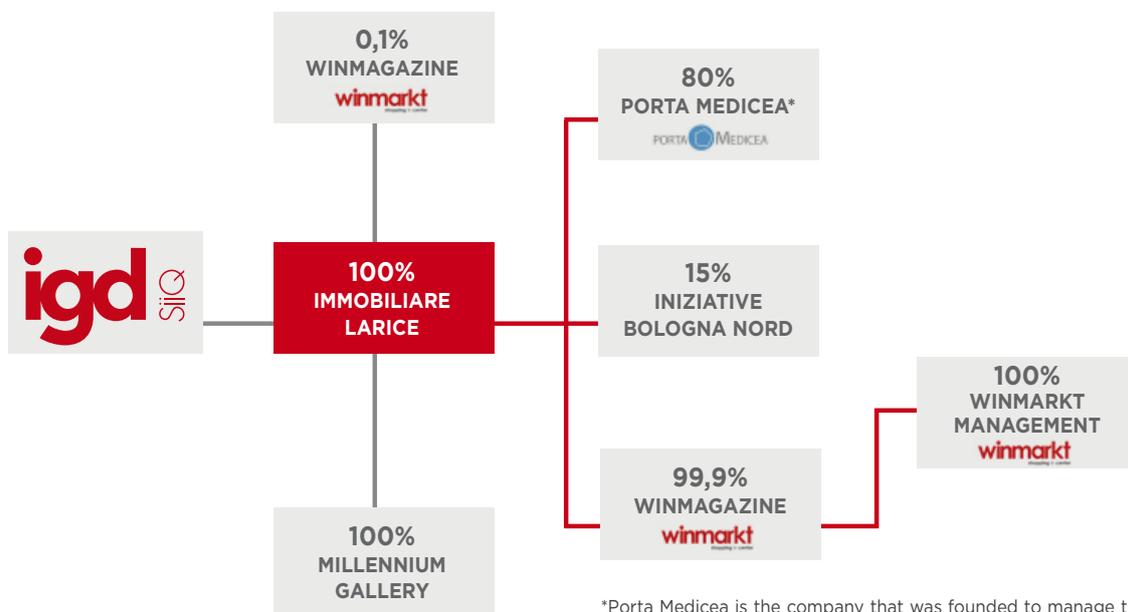
- RGD (Riqualificazione Grande Distribuzione) was founded, a 50-50 joint venture between Beni Stabili and IGD.
- With the investment targets being reached one year early, a new investment plan of 800 million euros was launched.
- IGD launched a capital increase of approximately 98 million euros and issued a 230 million euro convertible bond.
- 1 shopping centre and 1 retail park were opened.

1.1.1 GROUP STRUCTURE

IGD Group operates in Italy and Romania. The properties that fall within the perimeter of “exempt” operations, that is in the SIIQ (REIT) tax regime, are the freehold properties in the Italian portfolio. Immobiliare Larice* has become the subholding that groups together most of the operations that do not fall within the SIIQ (REIT) perimeters (Winmarkt Iniziative Bologna Nord and the stake in Porta Medicea

for the development of the “Porta a Mare” project in Livorno). Millennium Gallery is the holding company of a large part of the shopping mall in Rovereto as well as of a business unit in the Gran Rondò Shopping Centre in Crema, purchased in 2011.

* Following the extraordinary general meeting of Immobiliare Larice held on 11 April 2012, the company name has been changed to IGD Management S.r.l.



*Porta Medicea is the company that was founded to manage the development of the “Porta a mare” project in Livorno.

2008: purchase in Romania and transformation into SIIQ

- IGD took over Winmarkt Magazine SA, which controlled a portfolio of 15 shopping centres in 14 different cities in Romania.
- IGD opted for the SIIQ - Società di Investimento Immobiliare Quotate (Real Estate Investment Trust) - tax regime, becoming IGD SIIQ.

2009: new openings of shopping centres and the arrival of a new Chief Executive Officer

- IGD continued with its planned investments and carried out important openings of 4 new shopping centres.
- On 30 April Claudio Albertini, already a Director of IGD and Manager of UGF group, was appointed as the new Chief Executive Officer.

2010: IGD inaugurated two more new shopping centres and sold its 50% stake in RGD

- The sale of its 50% stake in the RGD joint venture to Beni Stabili was carried out in December.
- With two new openings in the month of November, the market value of IGD’s real estate portfolio at 31 December 2010 exceeded 1.8 billion euros, according to an appraisal carried out by an independent CBRE expert.

2011: implementation of the strategic plan continued

- Launching of the “City Centre” project with the purchase of the real estate complex situated in via Rizzoli, in the centre of Bologna
- Two hypermarkets were purchased.
- At 31 December 2011 the market value of IGD’s real estate portfolio was 1,924.645 million euros, according to an appraisal carried out by an independent expert.



1.2 MISSION AND VALUES

1.2.1 MISSION

IGD Group's **Mission** is to create value for its stakeholder.

The company believes that the way to create value is by means of sustainable growth.

1.2.2 CHARTER OF VALUES

Honesty

because the end (whether personal or corporate) never justifies the means

Transparency

because "we do what we say" and "we say what we do"

Far-sightedness

because we work for our tomorrow and for that of the future generations

Reliability

because we honour our commitments and we do not make choices that jeopardise the continuity of the company

Optimisation

of invested capital, of human capital, of real estate capital, of the environment in which we operate

Responsibility

towards all stakeholders (tenants, suppliers, colleagues, local bodies, ...)

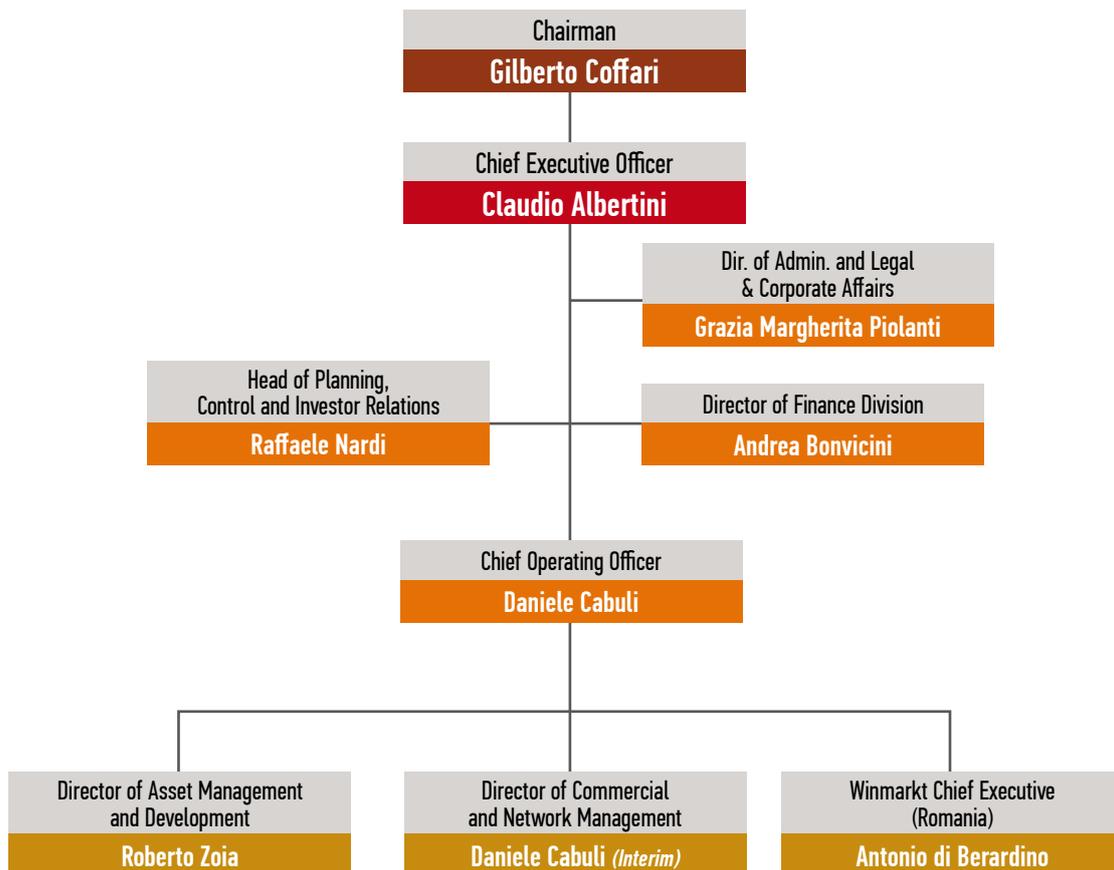
1.2.3 STAKEHOLDER

IGD's stakeholders are the people, the companies and the other organisations that add value to the organisation. They are influenced by its activities or are otherwise interested in them.



1.3 BUSINESS

1.3.1 ORGANISATIONAL STRUCTURE



1.3.2 IGD’S BUSINESS

IGD’s core business is represented by retail estate investments and by property rentals and management. In real terms, this means:

- 1) the purchase and rental of real estate properties, both newly created ones and those already up and running. In the case of newly created ones, IGD can also follow their development;
- 2) the optimisation of the yield of its real estate portfolio by means of:

- business policies and marketing initiatives that maintain both the attractiveness of the Shopping Centres and their occupation rates at a high level;
- optimisation and real estate management policies with improvement measures like extensions or restyling and ordinary and supplementary maintenance activities.
- 3) the disposal of company owned real estate that is no longer strategic or that has reached an advanced stage in its life cycle.

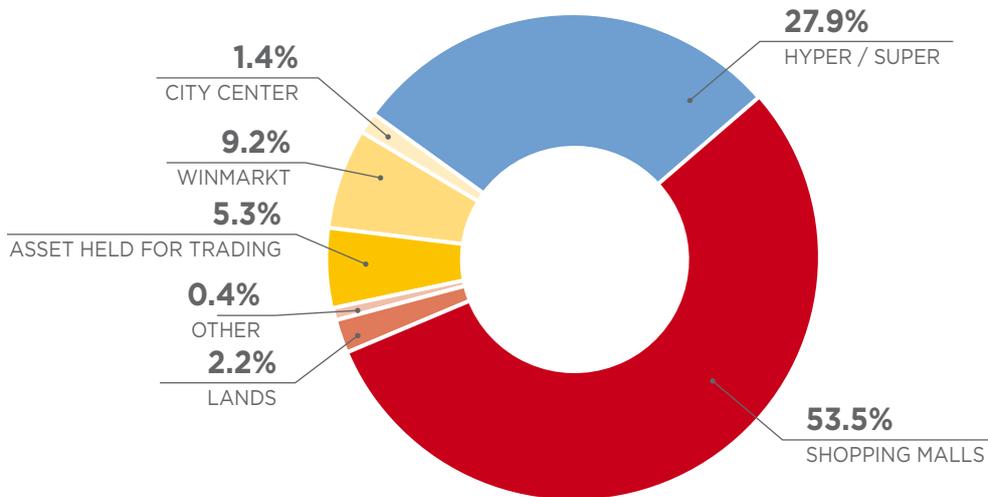


1.3.3 REAL ESTATE PORTFOLIO

IGD Group's portfolio is almost exclusively made up of malls and hypermarkets located within medium sized Shopping Centres.

These Centres are located in medium to large sized Italian cities or in Romanian cities which in 60% of cases have a population exceeding 200,000 inhabitants.

Chart 1 Breakdown by type of IGD's portfolio market value (Italy)



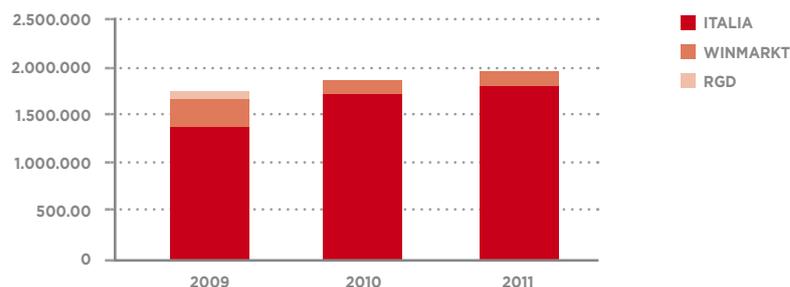
During 2011 IGD Group's portfolio was enhanced with:

- its first City Centre Project, in Bologna in Via Rizzoli;
- the Group's Headquarters in Bologna;
- "Conè" hypermarket in Conegliano (TV);
- "La Torre" hypermarket in Palermo;
- 2 business units regarding Centro Sarca in Sesto San Giovanni (MI) and Gran Rondò in Crema (CR);

- a plot of land where the expansion of Centro D'Abruzzo in Chieti will take place;
- two adjacent plots of land in Chioggia (VE) where medium sized areas will be created.

These factors increased the portfolio value by 6.7% compared to 2010, reaching a total value of 1,924.645 million euros.

Chart 2 Portfolio market value (Group) - €



ITALY

The number of IGD's properties in Italy has reached 51 (+ 5 compared to 2010), including 50% of Darsena - shopping centre), with the following property type breakdown:

- 19 MALLS AND RETAIL PARKS
- 19 HYPERMARKETS AND SUPERMARKETS
- 1 CITY CENTRE
- 4 LAND DEVELOPMENT PLOTS
- 1 PROPERTY FOR TRADING
- 7 OTHERS



The property type/region breakdown is as follows:

EMILIA ROMAGNA:

5 Sh. Malls, 8 Hyper-Super, 1 city center, 1 land; 3 others

PIEDMONT:

1 Sh. Mall + 1 Sh. Mall +RP

LOMBARDY:

2 Sh. Malls

TRENTINO:

1 Sh. Mall

VENETO:

1 land; 1 Sh. Mall + RP

MARCHES:

1 Sh. Mall, 3 Hyper, 3 others, 1 land, 1 Hyper

ABRUZZO:

1 Sh. Mall; 1 Hyper, 1 land

CAMPANIA:

1 Sh. Mall; 1 Hyper

LATIUM:

2 Sh. Malls; 2 Hyper

TUSCANY:

1 Sh. Mall, 1 Hyper, 1 property for trading

SICILY:

2 Sh. Malls, 2 Hyper



ROMANIA

- 15 DEPARTMENT STORES SITUATED IN CITY CENTRES
- 1 OFFICE BUILDING



1.4 STRATEGIC LINES FOR THE FUTURE

1.4.1 VISION



1.4.2 STRATEGIC GUIDELINES

The considerable changes in the external scenario that took place in the second half of 2011 placed the company face to face with a very different operational and financial context compared to that considered in the Plan culminating in 2013. The presentation of the new Strategic Plan has, consequently, been postponed to the coming months in 2012, due to both

the still prevailing uncertainty in the macroeconomic context and to the appointing of a new Board of Directors in April, which will undertake the commitment with regard to reaching new goals which will be created over time. In any event, the guidelines contained in the 2009-2013 Business Plan remain valid:





In particular, in this current phase, IGD is focusing on carrying out its so-called **“committed pipeline”**, that is those projects that have been clearly identified and for which there is already a commitment; it consists in a Shopping Centre project in the Chioggia area, the expansion

of two Shopping Centres (Esp in Ravenna and Centro d'Abruzzo in S. Giovanni Teatino), two medium sized areas adjacent to Porto Grande Shopping Centre in San Benedetto del Tronto, as well as a multifunctional project in the Livorno area.

1.5 GOVERNANCE SYSTEM

IGD's Governance system is based on the principles of the “Code of Conduct of Listed Companies” proposed by the Corporate Governance for Listed Companies Committee, with the relative recommendations expressed by Consob - Commissione Nazionale per le Società e la Borsa - (National Commission for Companies and the Stock Exchange).

The system has been designed with the firm belief that transparency and efficiency in corporate governing bodies and control systems are essential in order to guarantee the stakeholders' interests. The Risk Management system and the implementation of law decree 231/2001 are also in line with this reasoning.

All the information regarding the Corporate Governance system is laid out in the “Report on corporate governance and ownership structure”. Further information, for example, the directors' compensation can be found in the “2011 Consolidated Financial Statements”. Both documents can be viewed on IGD's website (www.gruppoigd.it).

IGD's governance structure is based on the traditional model with its corporate bodies represented by the Shareholders' Meeting, the Board of Directors and the Board of Statutory

Auditors. The financial audit is carried out by External Auditors.

The Governance system is focused on:

- 1) the guiding role** of the Board of Directors with regards to matters of strategy, with regards to its collegiate nature and by means of specific committees with propositional and advisory functions;
- 2) the transparency** of business decisions within the Company and towards the market;
- 3) the defining** of a policy for the compensation of the directors and managers with strategic responsibilities, coherent to the provisions of the Code;
- 4) the efficiency and effectiveness** of the internal control system;
- 5) the strict** governance of potential conflicts of interest;
- 6) clear procedures** for transactions with related parties, in compliance with the laws in force as well as for the processing of corporate information.

1.5.1 CORPORATE BODIES

The Board of Directors

According to the Articles of Association, the Company shall be managed by a Board of Directors made up of from seven to nineteen members. The Shareholders' Meeting on 23 April 2009 established that the Board of Directors was to be made up of 15 members that would remain in office until the Meeting in April 2012.

The Board currently in office has a majority of independent Directors (8 out of a total of 15).

In February 2007, in order to further enhance the role of the independent Directors, the role of Lead Independent Directors was introduced into the IGD Board of Directors.

Structure

The Board of Directors met 7 times during 2011. As at 31 December 2011 it was made up of members with diverse professional and personal characteristics, including university professors, freelancers, entrepreneurs as well as company directors.

BOARD OF DIRECTORS	NON EXECUTIVE	EXECUTIVE	INDEPENDENT	INTERNAL CONTROL	NOMINATION COMMITTEE	COMPENSATION COMMITTEE	COMMITTEE FOR RELATED PARTY TRANSACTIONS	LEAD INDEPENDENT DIRECTOR	SUPERVISORY BOARD
Gilberto Coffari	●								
Sergio Costalli	●								
Claudio Albertini		●							
Roberto Zamboni	●								
Leonardo Caporioni	●			●					
Fernanado Pellegrini	●								
Corrado Pirazzini	●								
Aristide Canosani			●	●					
Fabio Carpanelli			●		●				●
Massimo Franzoni			●	●					
Francesco Gentili			●			●			●
Andrea Parenti			●		●		●		
Riccardo Sabadini			●			●	●	●	
Giorgio Boldreghini			●		●		●		
Sergio Santi			●			●			●

Gender quotas

Law N.120 of 12 July 2011, in force since 12 August 2011, stipulates that, on the first renewal once the law has been in force for 12 months, a fifth of the places on the Boards and the Boards of Statutory Auditors shall be reserved for the least represented gender. The IGD Nominations Committee went ahead with the proposal for the

amendment of the Articles of Association (paragraphs 16 and 26) to **introduce this novelty** starting from the appointment of the next Board of Directors, **ahead of the time period laid down by the law and by the same Code of Conduct** (revised in December 2011), with the appointment of the new Board in the month of April. **The shareholders agreed to this proposal.**



Performance assessment of the Board of Directors

Since 2009 IGD has assigned an external company (Egon Zehnder International) to assess the performance and functioning of the Board of Directors. This assessment is based on an initial individual discussion with each director starting with a specifically drawn up questionnaire, which is then followed by an analysis of the results obtained and a subsequent assessment in the Board of Directors.

Quoting word-for-word, the conclusions of the assessment state that “the IGD Board of Directors is placed at levels of excellence on the market due to:

- **Appropriate size**, with majority of independent Directors;
- **Being well structured** from the point of

view of professional characteristics and the level of experience;

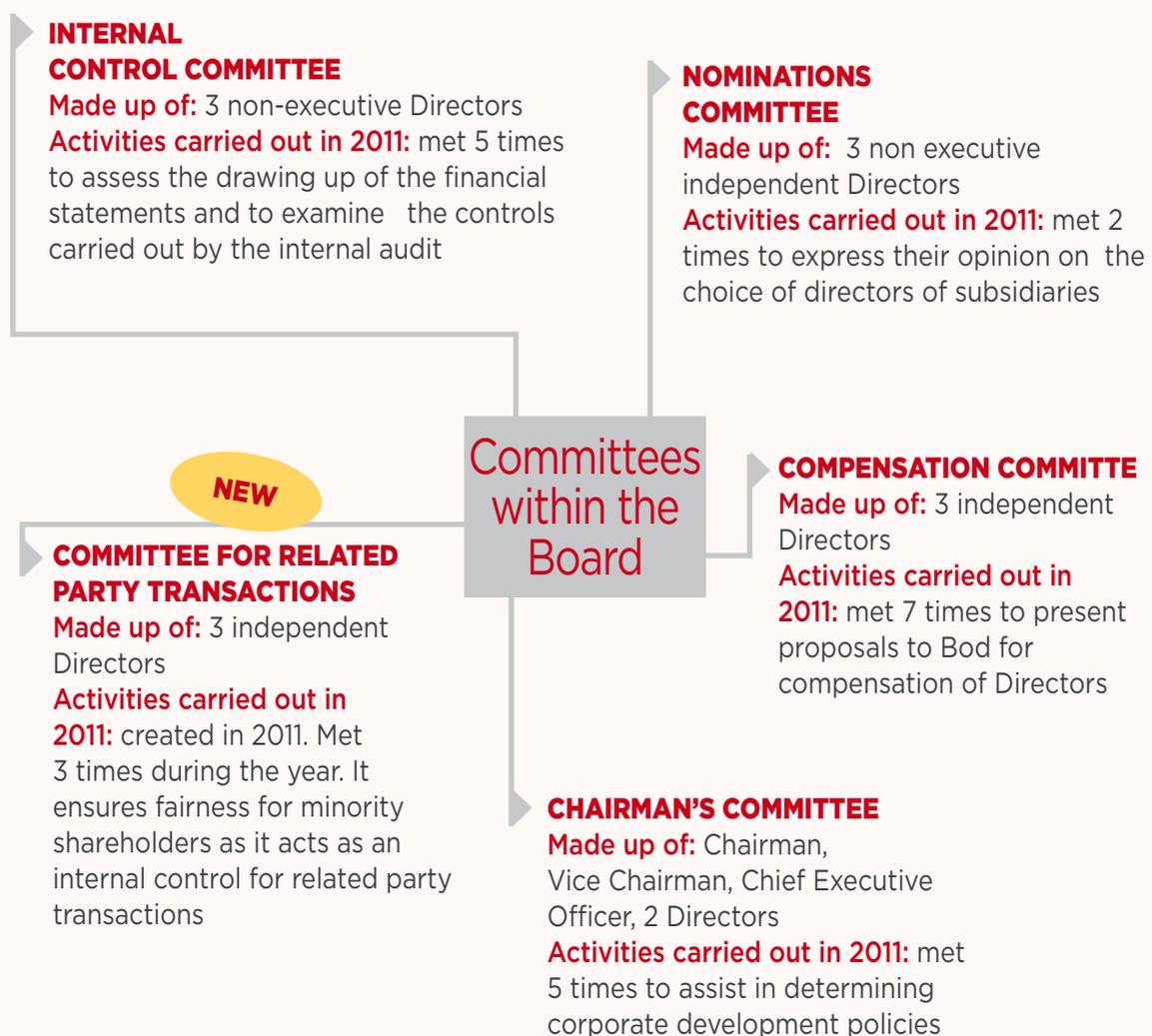
- **Efficient operating**, in particular thanks to:
 - Positive and effective atmosphere with adequate and prompt distribution of information to the Directors in view of the Board of Directors’ Meetings;
 - Effective dialogue and subsequent ability to make decisions about the issues in question, in particular with attention paid to financial topics and those relating to the assessment of investments;
 - Ability of the Chairman to coordinate, lead and facilitate the Board and the existing complementariness with the Chief Executive Officer (consensus within the Board is always easily reached);
 - Useful and adequate participation of Directors in the Board Meetings when opportune”

Committees within the Board

In order to carry out its duties more effectively, the IGD Board of Directors has established several committees within it:

- **Chairman's Committee;**
- **Internal Control Committee;**
- **Nomination Committee;**
- **Compensation Committee;**
- **Committee for Related Party Transactions;**

The Nomination Committee, the Compensation Committee and the Committee for Related Party Transactions are each made up of three Directors, all of which are independent.



NEW



1.5.2 RISK MANAGEMENT

In the first few months of 2010, IGD launched a Risk Management project aimed at defining a model to identify, assess and manage the main corporate risks. The project involved a large part of the company structure and enabled the risks relating to strategic, operational, financial and compliance categories to be mapped out and defence measures to be put in place in order to lessen these risks, with the identification of the most appropriate “Risk Management” actions.

Following this project, IGD’s Management in 2011 deemed it necessary to adopt organisational, procedural and management tools aimed at making the definite Risk Management model effective and functional as well as capable of being updated overtime. The internal workgroup met 19 times in 2011 to reach the above mentioned targets.

Thanks to this intense internal involvement, the main Risk Management actions concer-

ning the monitoring of the defence measures relating to certain highlighted risks were also planned and carried out during the year, based on the action plan priorities recommended by the Chief Executive Officer.

The results of the updated risk assessment carried out in 2011 show:

- a general reduction in the net level of those risks identified as priorities in the assessment carried out in 2010. This good result is the consequence of the improvement measures launched (in particular on the credit areas, on liquidity and on the interest rate);
- a stable level of risks connected to the macroeconomic and external scenario;
- a stability in risk assessment relating to insurable damages.

Furthermore, it has emerged that 63% of the 41 risks that were analysed have a potential reputational impact on IGD’s activities.

1.5.3 ORGANISATIONAL MODEL 231 AND CODE OF ETHICS

The Organisational, Management and Control Model (MOG) in compliance with legislative decree 231/01, has been present in IGD SIIQ since 2006. The purpose of adopting this model was to reinforce the company’s internal control system, making it apt for the prevention of unlawful conduct carried out by its directors, employees, co-workers or partners. In order to ensure that the Model operates correctly, the Board of Directors appointed a Compliance Committee, made up of three independent Directors, which met 4 times in 2011.

The Code of Ethics is an integrated part of the Organisational Model and it pinpoints the values and principles which should inspire and

characterise the Company’s conduct when dealing with other parties of interest (employees, clients, suppliers, public authorities, institutions, ...).

Training and informative programmes on the Code of Ethics and on the fundamental contents of Model 231 were carried out for the first time in 2006 and are repeated every time the Organisational Model is updated following new regulations, as was the case in 2008. Furthermore, all new employees are provided with the necessary information regarding the Organisational Model and the principles of conduct to be adopted whilst carrying out their duties.

1.5.4 CSR GOVERNANCE

In 2011 IGD formed a **Sustainability Committee**, made up of four permanent members belonging to different areas within the company:

- Chief Operating Officer;
- Head of Planning, Control and Investor Relations;
- Head of investment analysis and planning;
- Marketing and Social Responsibility analyst.

The latter role was created in 2011 with the purpose also of gathering and analysing important data for CSR, dealing with the study and in-depth examination of the relative subjects and overseeing the compilation of the Sustainability Report.

The Sustainability Committee can from time to time involve other internal or external figures, relevant to the subjects to be elaborated, in their work. It was established in mid October 2011 and from then to the end of the year it met 4 times.

The Committee formulates proposals regarding CSR strategies, indicators and targets to submit to the **Operating Management**, which is made up of the Chief Executive Officer, the Chief Operating Officer and the heads of the

various divisions/services: The Chief Operating Officer is therefore the Operating Management’s representative with regard to the Committee.

During the defining process of the sustainability policies, the Operating Management occupies a central role: once the Committee’s proposals have been assessed and the key indicators for performance have been identified, it recommends the Social Responsibility guidelines.

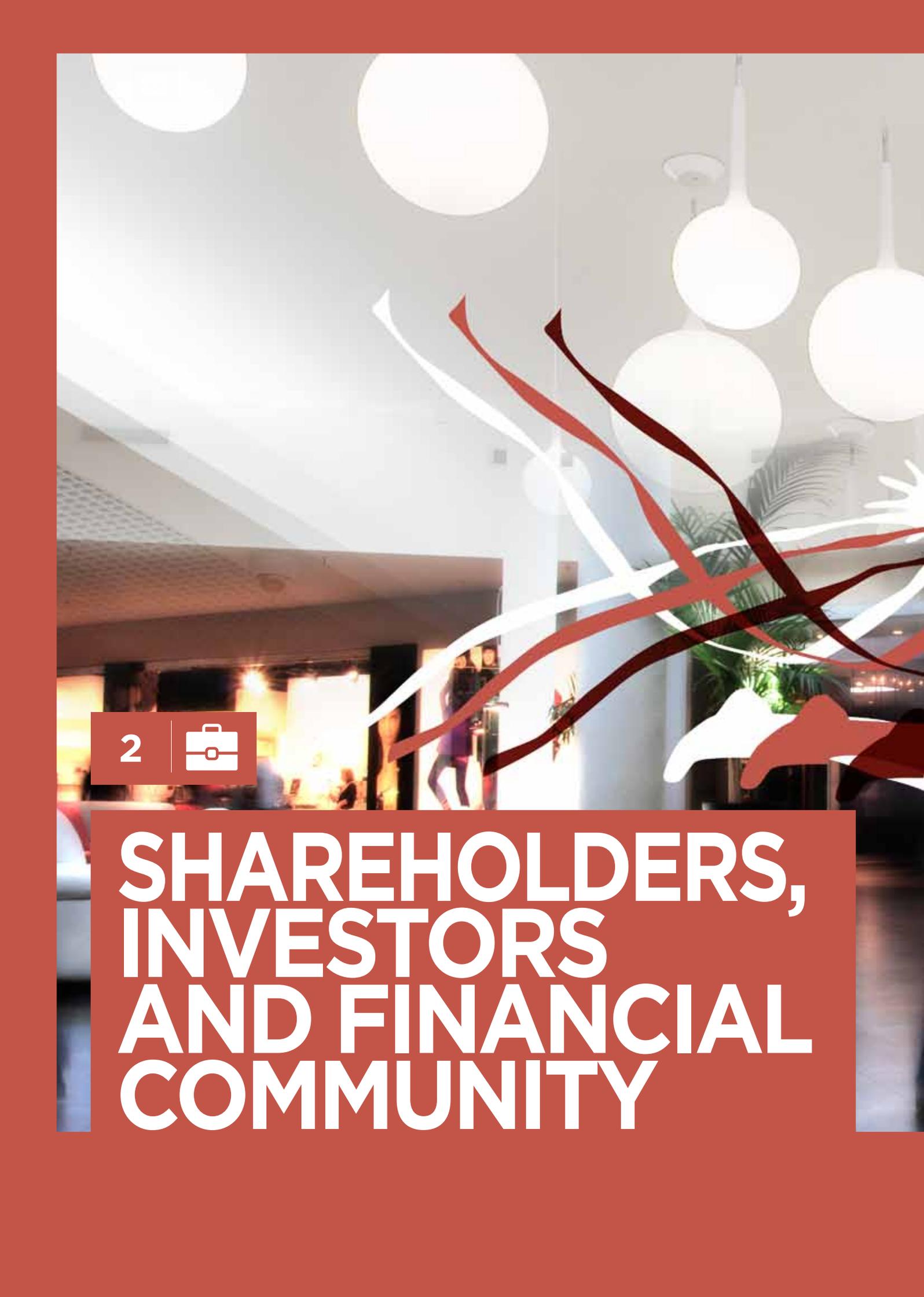
At this point, the Committee has a “frame” within which it can refine the operating strategies and monitor the development of those activities necessary to reach the targets.

The Committee is also responsible for managing reporting activities regarding CSR performance.

The next step consists in drawing up an out and out Sustainability Plan (already in the structuring phase) which, by identifying precise commitments regarding results to be achieved in terms of relations with the different stakeholders, will then be inserted in the medium term into the Company’s Strategic Plan.

The function of CSR in IGD can be outlined as follows:





2



SHAREHOLDERS, INVESTORS AND FINANCIAL COMMUNITY



igd SIG SPACES TO BE LIVED IN



2 SHAREHOLDERS, INVESTORS AND FINANCIAL COMMUNITY

CHECK ON PREVIOUS YEAR'S TARGETS (SUMMARY)

2011 IMPROVEMENT TARGETS	ACTIVITIES CARRIED OUT DURING THE YEAR
Direct meetings with at least 50% of the top 20 institutional investors (2011)	Direct meetings organised with more than 50% of the top 20 investors
Increase in financial markets visited and in the number of meetings organised with institutional investors (2011)	8 markets visited (7 in 2010); 100 meetings carried out (5 more than in 2010)
Optimisation of communication channels like the website and institutional presentations	Increase in web communication channels and improvement of institutional website (second best improver in the Italian Webranking carried out by the company KWD)

2.1 CREATED WEALTH

2.1.1 2011 ECONOMIC RESULTS

In 2011, IGD Group showed remarkable ability to resist the harsh pressure caused by the external context: even though the promising first half was followed by a second half that was characterised by worsening macro economic and financial conditions, the Group's

results were showed as being on the rise compared to the previous year.

Indeed, the quality of IGD's portfolio and its continuous relations with its tenants ensured the continuity of particularly important re-

2 SHAREHOLDERS, INVESTORS AND FINANCIAL COMMUNITY

sults for the Group, with an occupancy rate which stayed at a high level (96.6% in Italy, over 88% in Romania) and a structure of rental/leasing contracts capable of offering

protection against a growing inflation scenario. 2011, therefore, closed with a consolidated net profit of 30.1 million euros, with a growth of **2.4%**.



Table 1 Summary of 2011 and 2010 Full Year Results - €/000

CONSOLIDATED INCOME STATEMENT €/000	CONSOLIDATED			CORE BUSINESS			"PORTA A MARE" PROJECT		
	31/12/2010	31/12/2011	%	31/12/2010	31/12/2011	%	31/12/2010	31/12/2011	%
Revenues from freehold properties	101.864	109.110	7,11%	101.864	109.110	7,11%	0	0	n.a.
Revenues from leasehold properties	8.231	8.537	3,71%	8.231	8.537	3,71%	0	0	n.a.
Revenues from services	6.092	5.284	(13,26)%	6.092	5.284	(13,26)%	0	0	n.a.
Revenues from trading	0	1.726	n.a.	0	0	n.a.	0	1.726	n.a.
TOTAL REVENUES	116.187	124.657	7,29%	116.187	122.931	5,80%	0	1.726	n.a.
Direct costs	(20.628)	(21.927)	6,30%	(20.424)	(21.777)	6,62%	(204)	(150)	(26,29)%
Direct personnel expenses	(3.368)	(3.483)	3,42%	(3.368)	(3.483)	3,42%	0	0	n.a.
Cost of sales and other costs	280	(731)	n.a.	0	0	n.a.	280	(731)	n.a.
DIVISIONAL GROSS MARGIN	92.471	98.516	6,54%	92.395	97.671	5,71%	76	845	n.a.
General expenses	(4.922)	(4.564)	(7,28)%	(4.713)	(4.144)	(12,09)%	(209)	(420)	n.a.
Headquarters personnel costs	(5.232)	(5.443)	4,02%	(5.202)	(5.408)	3,97%	(30)	(35)	19,79%
EBITDA	82.317	88.509	7,52%	82.480	88.119	6,84%	(163)	390	n.a.
<i>Ebitda Margin</i>				70,99%	71,68%		n.a.	22,60%	
Depreciation	(900)	(1.109)	23,17%						
Devaluation	(3.842)	28	(100,72)%						
Change in Fair Value	(8.746)	(14.150)	61,79%						
Other provisions	(563)	238	(142,22)%						
EBIT	68.266	73.516	7,69%						
Financial proceeds	2.675	809	(69,76)%						
Financial charges	(38.019)	(44.296)	16,51%						
NET FINANCIAL INCOME MARGIN	(35.344)	(43.487)	23,04%						
INCOME FROM EQUITY INVESTMENTS MARGIN	(1.140)	(887)	n.a.						
PRE-TAX INCOME	31.782	29.142	(8,30)%						
Income tax for the period	(2.510)	876	(134,90)%						
<i>Tax rate</i>	7,90%	-3,01%							
NET PROFIT	29.272	30.018	2,55%						
(Profit) Loss for the period related to third parties	68	39	(43,10)%						
NET GROUP PROFIT	29.340	30.057	2,44%						



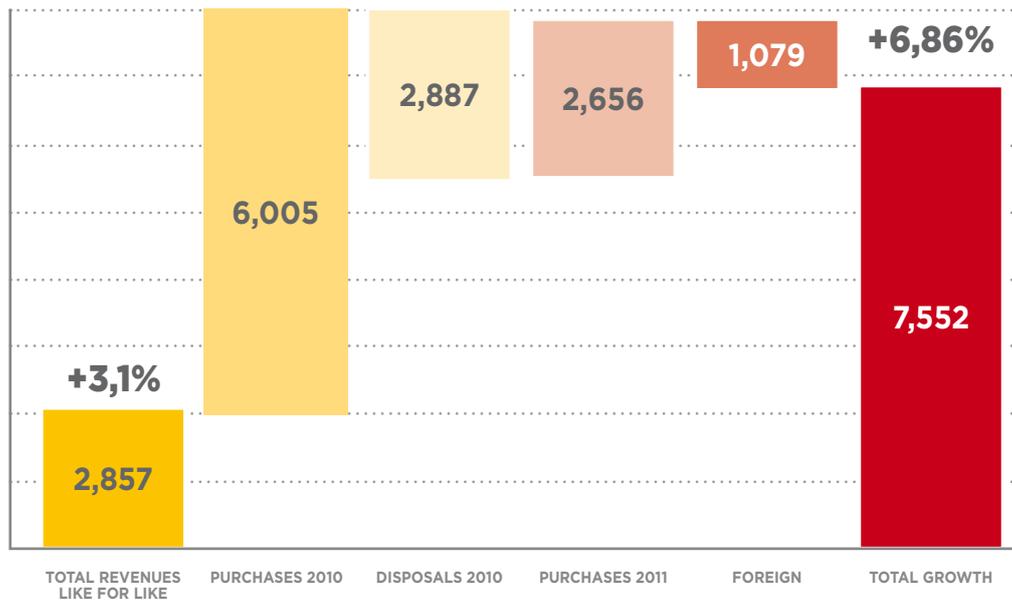
The consolidated operating income, over 124 million euros, recorded an increase of 7.3% compared to the previous year. This growth was due both to an increase in core business revenues and to the first trading

revenues recorded during the year equal to 1.7 million euros, deriving from the sale of a portion of an office building regarding the "Porta a Mare" project in Livorno. In particular, revenues from rentals increased



by 6.9% (+ 3.1% on a like for like basis) compared to 31 December 2010.

Chart 1 Total revenues (2011)



The growth, equal to **7.5 million euros**, was mainly due to a like for like increase in revenues and by the new openings and purchases carried out during 2010 and 2011; these positive effects were lessened however by the disposal of the stake in RGD and by the drop in revenues recorded in Romania.

Core business direct costs (equal to 25.2 million euros) showed an increase of 6.2% compared to the same period of the previous year. This was due mainly to cautious allocation policies regarding credit positions, to an increase in facility management costs of the relevant Centres, as well as to the expansion of the scope of the property managed. The effect of these costs on revenues, however, remained steady at 20.5%.

It is important to emphasise however, the efficiency regarding general expenses (equal to 9.6 million euros) which showed a reduction of 3.7%.

The result of financial income/charges went from 35.3 million euros in 2010 to 43.5 million euros in 2011. This increase was largely due to the increase in the net financial position resulting from the investments carried out in 2011 (in particular, the purchase of the real estate complex in via Rizzoli for the City Centre project, that of the two Hypermarkets in Conegliano and Palermo and that of the top two floors of the Group's headquarters in Bologna) and in the average cost of debt following an increase in reference parameters like Euribor and the spread on loans.

2 SHAREHOLDERS, INVESTORS AND FINANCIAL COMMUNITY

2.1.2 DISTRIBUTION OF CREATED VALUE

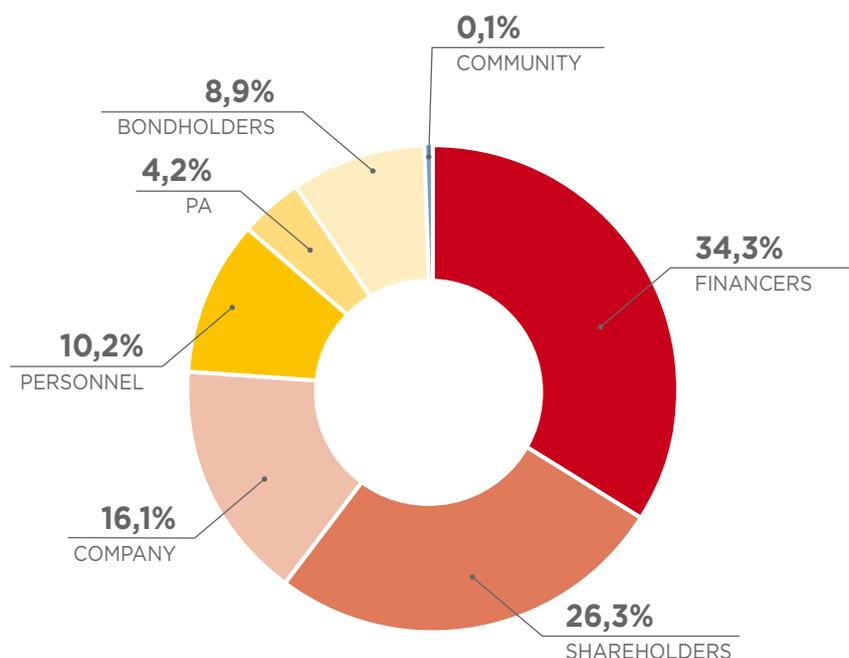
The activities carried out by IGD create an economic value, part of which is “distributed” to the various stakeholders of the company in different forms: employees’ salaries for the work carried out, public administration taxes,

shareholders’ dividends, compensation of the invested capital to bondholders. The amount that stays with the Company is that which remains within it, in forms of funds and undistributed profits.

Table 2 **Distribution of added value 2011-2010**

	2011	% sul tot	2010	% sul tot
PERSONNEL	€ 9,303	10.2%	€ 9,001	10.5%
PA	€ 3,784	4.2%	€ 6,918	8.1%
COMMUNITY	€ 85	0.1%	€ 75	0.1%
BONDHOLDERS	€ 8,050	8.9%	€ 6,911	8.1%
FINANCERS	€ 31,199	34.3%	€ 25,231	29.4%
SHAREHOLDERS	€ 23,861	26.3%	€ 22,370	26.1%
COMPANY	€ 14,602	16.1%	€ 15,221	17.8%
TOTAL	€ 90,884	100.0%	€ 85,727	100.0%

Chart 2 **Distribution of created value (2011)**





2.1.3 STOCK PERFORMANCE

Over the 12 months of 2011, IGD stock underperformed in relation to both the European sector index and, albeit to a more limited extent, the Italian stock exchange index: IGD share price - which reached its peak of the year 2011 on 18 May reaching 1.76 euros - touched its year low of 0.71 euros on 15 December and then recorded its new historical low of 0.68 euros on 9 January 2012.

The reasons for this performance can be associated to external events, like:

1. **The partial disinvestment** throughout the entire division of international institutional shareholders, a traditional strength of IGD stock, caused by the general crisis of Italian sovereign debt, by the weak economy and by the penalising impacts of the public finances austerity plan on the real estate sector.
2. **The decision made** by numerous institutions in the U.S.A. to undergo a radical withdrawal from financial activities carried out in euros.

Chart 3 Performance of IGD stock compared to the real estate sector European index

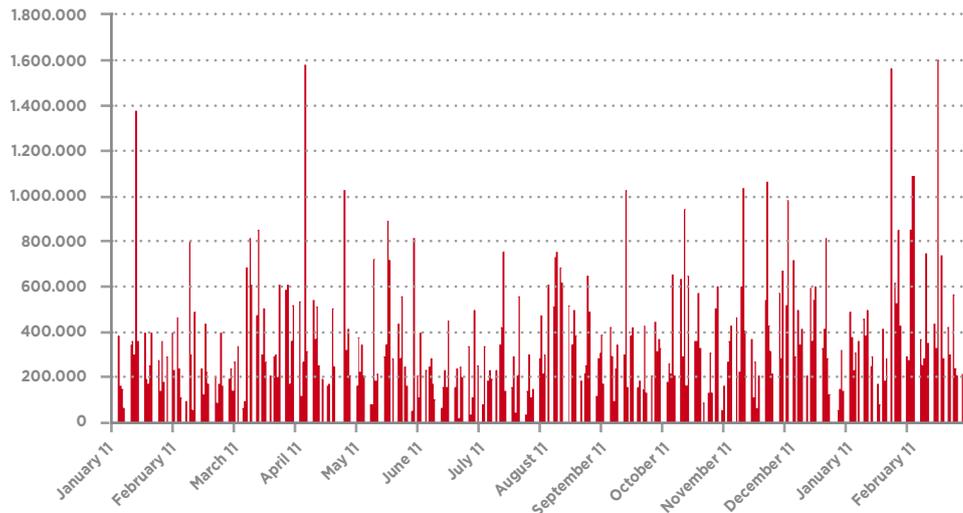


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In 2011, IGD stock recorded average daily trading of approximately 350,000 shares;

data that substantially appears to be in line with the average trading volume in 2010.

Chart 4 IGD stock trading volume performance from January 2011



As far as trading is concerned, a change in performance can be seen between the first and second parts of 2011: indeed, from January to the end of August, 334,000 shares a day were traded on average, whereas from

September to December, coinciding with the fall in the share price caused by selling pressures of investors worried by negative macro-economic factors, the volume was on average higher.

Table 3 Official share price and average trading quantity in 2011

	1 ST QUARTER	2 ND QUARTER	3 RD QUARTER	4 TH QUARTER
OFFICIAL PRICE AT PERIOD END (€)	1.550	1.680	1.110	0.740
AVERAGE TRADING VOLUME (THOUSANDS)	329.7	331.2	335.8	400.4





2.1.4 DISTRIBUTION OF DIVIDENDS

The SIIQ tax regime establishes that at least 85% of the distributable profits deriving from exempt operations, that is those coming solely from property rental activities, must be distributed annually to the shareholders.

For the year 2011, a dividend of 0.08 euros

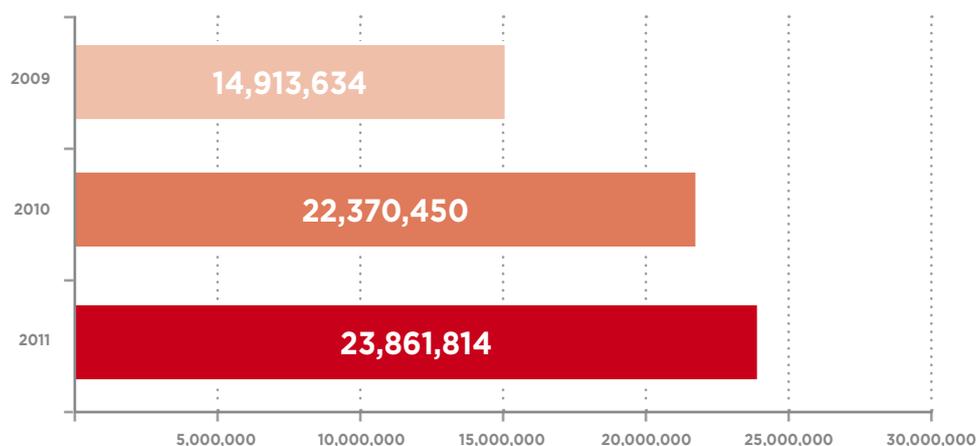
per share was agreed on, an increase of 0.005 euros (+6.7%) compared to the dividend for the 2010 financial year. This was the absolute highest dividend distributed by IGD since its listing, for an equivalent value of 23.8 million euros.

Table 4 **Distribution of dividends**

	2011	2010	2009	CHANGE 2011/2010 %
DIVIDEND PER SHARE (€ CENT)	0.080	0.075	0.05	6.7%
DIVIDEND YIELD* (%)	10.81%	5.14%	3.21%	

*calculated on the share price at 31/12

Chart 5 **Total dividends distributed (€/000)**



2.1.5 STOCK COVERAGE

Coverage by analysts has remained decidedly extensive in relation to IGD's capitalisation and considering the ever-decreasing resources that brokers can dedicate to research: in fact

there are nine brokers, just as there were at the end of 2010, that carry out research on IGD, of which five are Italian and four are international.

Table 5 **Analysts that assess IGD shares**

	2011 (N)	2010 (N)	2009 (N)
NATIONAL	5	4	5
INTERNATIONAL	4	5	4
TOTAL	9	9	9

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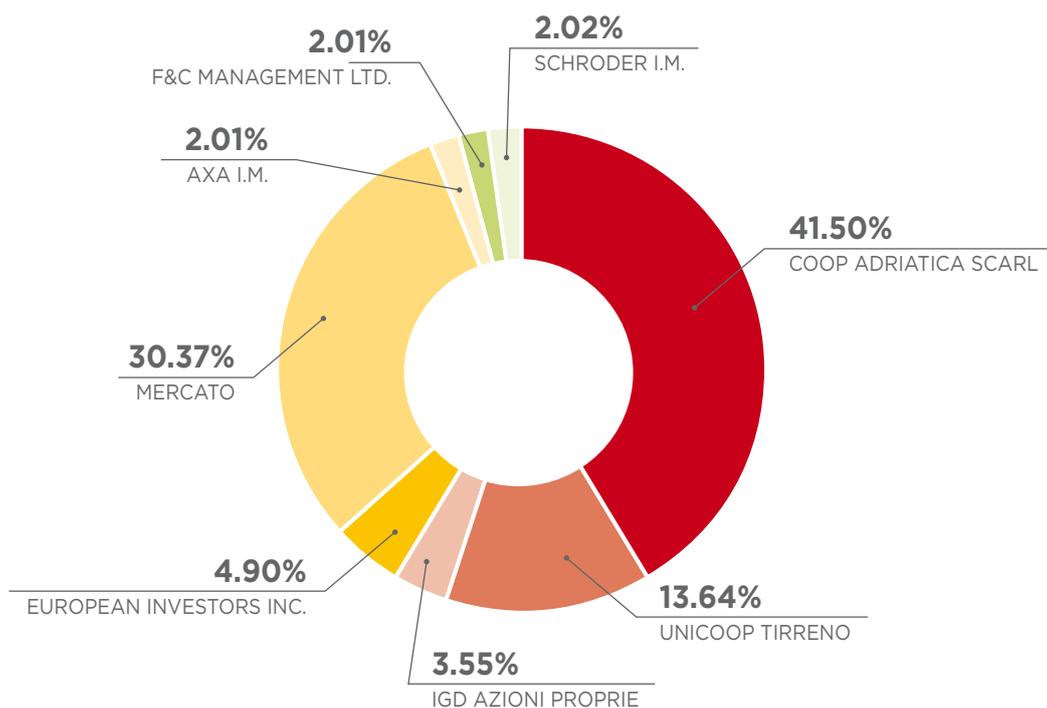
2.2 SHAREHOLDER STRUCTURE

IGD SIIQ SpA's share capital is made up of 309,249,261 shares, each of a nominal value of 1 euro, distributed as follows:

Table 6 **Breakdown of shareholders**

	NUMBER OF SHARES (AT 31/12/2011)	%
COOP ADRIATICA	128,329,438	41.5%
UNICOOP TIRRENO	42,186,691	13.6%
EUROPEAN INVESTORS INC,	15,162,491	4.9%
IGD SIIQ SPA (TREASURY SHARES)	10,976,592	3.5%
FREE FLOAT	93,925,975	30.4%
F&C INVESTMENT MANAGERS SA	6,207,805	2.0%
SCHRODER INVESTMENT MANAGEMENT LTD	6,259,820	2.0%
AXA INVESTMENT MANAGERS SA	6,200,448	2.0%
TOTAL	309,249,260	100%

Chart 6 **Breakdown of shareholders**





The majority shareholders, which together hold approximately 55% of the shares, are Coop Adriatica and Unicoop Tirreno.

During 2011, several important institutional investors like AXA Investment Managers, F&C Management Ltd. and Schroder Investment Management, exceeded the important threshold of 2% of share capital.

The rest of the shareholders are mainly made up of institutional investors (pension funds, social security and insurance companies and specialised real estate funds), of which the larger part are foreign, as well as private investors. As was the case in 2010, also in 2011 a considerable number of IGD's investors follow sustainability criteria when choosing investments.

The majority shareholders, Coop Adriatica and Unicoop Tirreno, are important business partners both in terms of business development and in terms of social/environmental sustainability issues.

With regard to the first point, the two cooperatives enabled the Group to be first establi-

shed and then developed and they guarantee security and stability in revenue flow (in line with 2010, revenues from rentals deriving from Coop Hypermarkets and Supermarkets represent approximately 27% of the total).

Furthermore, with regard to sustainability, it is important to emphasise how IGD's origins in the cooperative world have provided it with the insight to embed its roots in principles that have inspired and continue to inspire a balanced business model, with a growth strategy orientated towards the long term and mindful of the territory in which it is present and in which it operates.

It is necessary, however, to remember that IGD has introduced a corporate governance structure which guarantees complete independence and fairness in corporate decisions and has adopted the principles of the Corporate Governance Code for Listed Companies to reassure all its shareholders, starting with the minority shareholders, with regard to transparency in decision-making.



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2.2.1 RELATIONS WITH SHAREHOLDERS AND FINANCIAL COMMUNITY

Dialogue with the financial community is an ongoing commitment undertaken by IGD.

For this reason, the Group has organised an annual Investor Relations programme so that information can be conveyed transparently and in a timely manner to the investors, specialised mass media and independent financial analysts that work for Italian and international brokers.

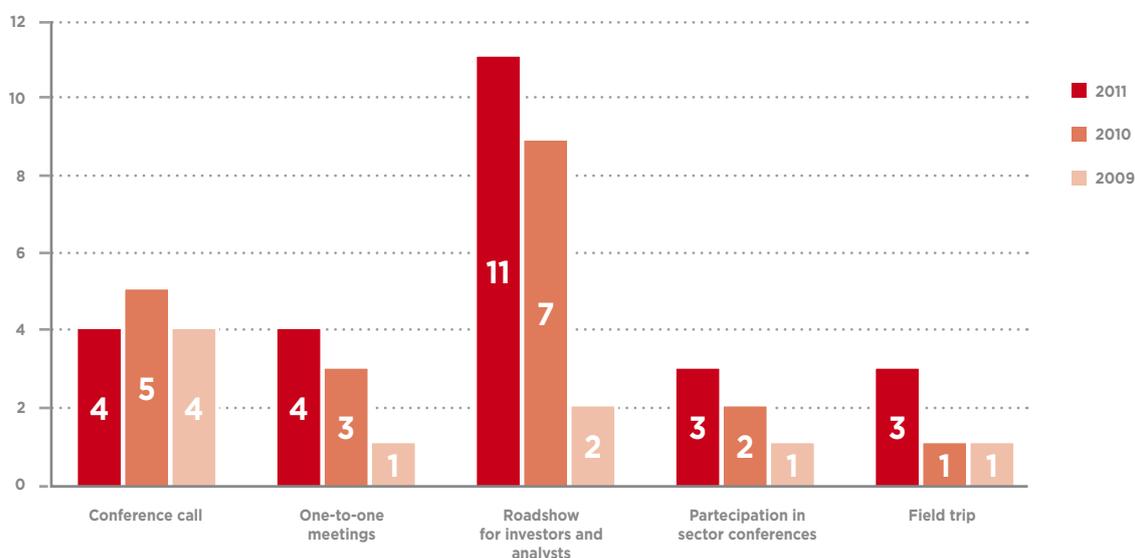
Throughout 2011, in particular, well-structured communication activities and meetings were carried out with the financial community aimed at keeping them updated on the Company's developments and at maintaining a constructive channel for comparison open.

The communication and information programme includes a three-monthly newsletter, the organisation of conference calls and roadshows in the main international financial markets and IGD's participation in different institutional events. This programme also inclu-

des continuous updating and improvement of the means of communication on the web, with a growing presence over 2011.



Chart 7 Summary of Investor Relations activities





In association with the approval of the economic/financial results, IGD organises conference calls to present the data.

In 2011, therefore, four of these calls were or-

ganised coinciding with the quarterly results, less than in 2010 when the convertible bond restructuring operation was also presented.

Chart 7 **Conference call participants**

CONFERENCE CALL	2011 (N)	2010 (N)
NUMBER OF PARTICIPANTS	106	83
- OF WHICH ITALIAN	52	48
- OF WHICH FOREIGN	54	35
- OF WHICH INVESTORS	49	30
- OF WHICH ANALYSTS	30	29
- OTHER (BANKS, CONSULTANTS AND IGD EMPLOYEES)	27	24



Thanks to the cooperation of 4 different brokers, the management met with 100 institutional investors in several of the main international financial markets, 5 more compared to those met throughout 2010.

With reference to this, it is important to emphasise the increase in the number of roadshows organised:

- **9 in Europe:** three in Paris, two in London, two in Amsterdam and one both in Brussels and Zurich.
- **2 in the United States,** after a break of 3 years (with stops in New York and Chicago).

IGD also took part in the STAR Conference organised by the Italian Stock Exchange in Milan and in two events dedicated to European real estate sector listed companies: the Kempen Seminar, which was held in May in Amsterdam and the SoGen European Real Estate Conference which took place in October in London. Three Field Trips requested by investors were also organised in 7 different shopping centres

of the Group's portfolio, as well as at the "Porta a Mare" project site in Livorno.

The publication of the three-monthly newsletter also continued throughout 2011; it was created principally to keep retail investors informed and is published regularly on the company website and circulated also to institutional investors and to all company employees. Starting with the first 2012 issue, news relating to IGD's social-environmental sustainability will be added to the customary information on corporate performance.

PRESENCE ON THE WEB

During the year several projects were carried out to increase and improve the presence of the Group on the web channels.

Attention was focused in particular on improving the institutional website by enhancing its contents and introducing, amongst other things, a new section regarding sustainability. This resulted in a remarkable climb in the Italian Webranking, carried out by the company KWD: from 41st place in November 2010 to

2 SHAREHOLDERS, INVESTORS AND FINANCIAL COMMUNITY

27th in November 2011. With 11.5 improvement points, IGD was the second best improver on the Italian market, or rather the second best company in terms of progress made in financial communication by means of the company's website.

The results in terms of number of hits and visitors also improved, as did the length of visiting time of the mass media.

In addition to the institutional website, the Group also decided to increase its presence on web channels, going on several of the most important communication sites: an institutional page has been created on LinkedIn and a chan-

Chart 8 **Web ranking and all-time place reached**

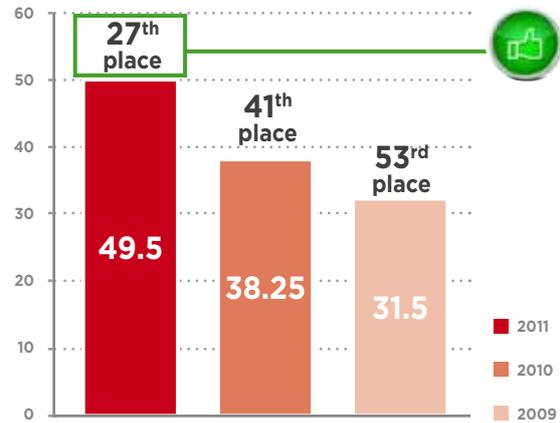


Table 8 **Website numbers**

WEBSITE	2011 (N)	2010 (N)	VARIAZIONE %
NUMBER OF HITS	45,092	44,135	2.2%
NEW VISITORS (SINGLE VISITORS)	28,201	26,867	5.0%
LENGTH OF TIME IN MINUTES ON SITE (MEDIA)	3.25	2.47	31.6%
VISITORS THAT RETURN	16,891	17,268	-2.2%

nel created on YouTube containing the main institutional presentation footages of IGD's activities.





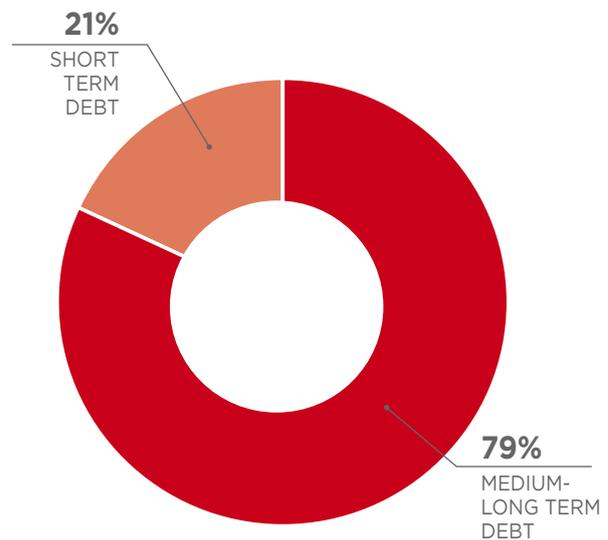
2.2.2 FINANCERS

IGD's finance strategy (which is instrumental with regard to business and does not pursue speculative goals) consists of a debt structure aimed at mainly medium-long term debt, coherent to the nature of the Group's assets made up of mainly investment real estate assets.

This breakdown of debt meant that IGD did not unduly feel the effects of the credit spread increases carried out by the banks in the second half of 2011.

As in the previous two years, the gearing ratio (ratio between total value of debt and net equity) at the end of 2011 was again below the "maximum limit" of 1.5, the maximum value stipulated in the current Business Plan. Just as significant is the level of the weighted average cost of debt, equal to 4.0%, remaining quite low (also compared to the sector average).

Chart 9 Breakdown of debt



The Loan-To-Value index grew (ratio between total loans and total real estate value), remaining however below the maximum limit of 65% stipulated in the Business Plan.

Table 9 Main finance indicators

	2011	2010	2009
GEARING RATIO	1.47	1.31	1.38
LOAN-TO-VALUE	58.66%	56.38%	56.88%
HEDGING LEVEL OF MEDIUM-LONG TERM DEBT	74.14%	74.1%	66.6%
AVERAGE COST OF DEBT	4.08%	3.53%	3.53%
AVERAGE DURATION OF MEDIUM-LONG TERM DEBT	11.46	12 YEARS	12 YEARS

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2.2.3 FINANCER RELATIONS

Relations with credit institutions are aimed, first of all, at guaranteeing continuous dialogue and in turn, a transparent and correct conveyance of information.

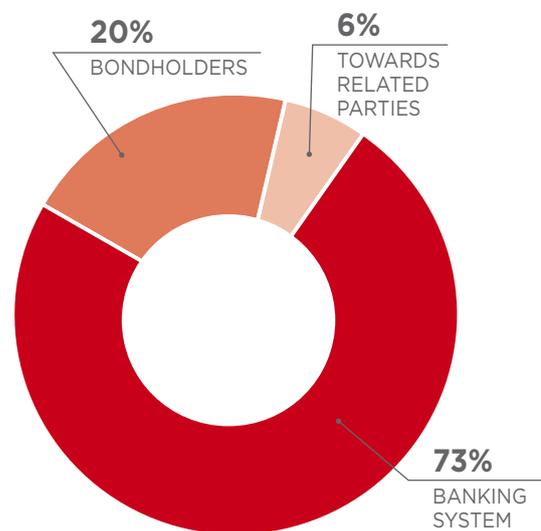
IGD worked with a total of 16 institutions over the year. 13 of these decided to take part in the collective meetings where the financial results are presented and where the main strategies on which corporate development is based are explained. These credit institutions report to 11 banking groups, 7 of which are classified within the top 11 banking groups in Italy (source: Milano Finanza).

In addition to this, IGD organised 65 one-to-one meetings with credit institutions throughout 2011, where issues regarding quarterly performance, the examination of lines of credit and the possibility of using these, as well as the analysis of new investments and loans in general, were studied in more depth.

The banks involved appreciate this idea of bu-

siness relations, resulting in the creation of a positive atmosphere and mutual trust: the relatively low average cost of debt compared to the market average and the interest shown by the banks when the Group proposes new development plans both go to demonstrate this.

Chart 10 **Type of financiers**



IMPROVEMENT TARGETS:

Organisation of meetings with more than half (in terms of value) of the top 20 investors throughout the year

Enhancement of the three-monthly newsletter on issues of social responsibility in IGD

Implementation and improvement of all web communication channels (institutional website in particular)



3



TENANTS



igd SIQ SPACES TO BE LIVED IN



3 TENANTS

CHECK ON PREVIOUS YEAR'S TARGETS (SUMMARY)

2011 IMPROVEMENT TARGETS

Introduction of new innovative brands, even international ones, in line with visitors' needs (2011 in Italy and Romania)

Feasibility study of a project designed to assess the degree of tenant satisfaction (2011 in Italy)

Consolidation and development of relations with main tenants regarding food anchors, electronic goods and leisure time activities (2011 in Romania).

ACTIVITIES CARRIED OUT DURING THE YEAR

In Italy:

- Introduction of "Apple Store", in the "City Centre" project in Bologna
- Introduction of 13 other brand names, 5 international and 8 national
- Consolidation of relations with existing international chains

In Romania:

- Introduction of an international food anchor chain store

Feasibility study carried out, research project to be carried out in 2013

Consolidation of relations with "Carrefour", "Drogerie Markt" and "Domo"; introduction of fitness centre, bowling centre and cinema

With regard to the management of Shopping Malls, IGD and Winmarket have business relations with 1,141 tenants (639 in Italy and 502 in

Romania), resulting in a total of 1,655 contracts (1,043 in Italy and 612 in Romania) for a total of 350,673.49 m² of GLA (Gross Leasable Area).

Chart 1 Breakdown of occupied GLA between Italy and Romania

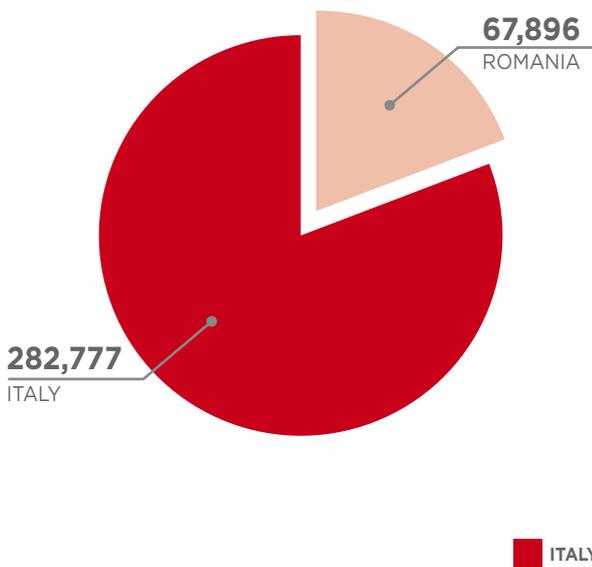
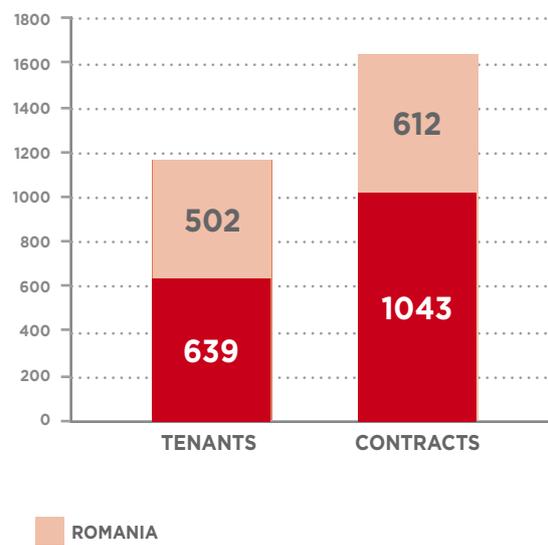


Chart 2 Breakdown of number of tenants and contracts (Italy and Romania)



IGD Group is committed to maintaining daily relations based on reciprocal assessment with its tenants in order to ensure a long lasting sustainability of the activities in the Shopping Centres, and by so doing, guaranteeing a service for the local community.

- **Marketing activities**, like the management of advertising and sales campaigns and the organisation of events and exhibitions, aimed at making the structure not only a typical shopping venue but also an out and out “Space to be lived in”;

Relations within the Shopping Centre are governed by a Consortium (made up of tenants or owners) who commission the holding Immobiliare Larice to carry out the operational management activities of the structure.

These activities include:

- **Facility management**, relating to the ordinary running and operational aspects of the Centre (ordinary maintenance, security, cleaning, utilities management)





3.1 THE SITUATION AND ACTIONS CARRIED OUT IN ITALY AND ROMANIA

3.1.1 ITALY

In 2011, IGD's business policy had to face a context dominated by an economic crisis, above all in the second half of the year, which heavily conditioned consumers trends in a negative way.

Indeed, data relating to purchases carried out in IGD's Shopping Malls showed that there was a sharp decrease in the readiness to purchase non food products, with special reference to:

- **Clothing:** preference for those stores with low cost items;
- **Electronic goods:** the tendency by families to avoid buying superfluous articles, or those not determined by innovations following a change in law (as was the case with the purchase of DTTV boxes in those regions where this technology had already been implemented). The telephone goods sector, which witnessed a sharp drop in sales

of mobile telephones (compensated in part by the growth in smart phones) is a typical example of this.

This behaviour of Italian consumers together with the credit crunch which characterised the domestic market from the second half of the year onwards, represented the two most critical factors in the management of tenant relations.

In order to combine its own business requirements and economic balance with tenant sustainability, IGD intensified its commitment to 3 already existing areas of action that have been developed over the past few years:

- a) **Listening and dialogue;**
- b) **Support targeted at several tenant types;**
- c) **Reduction in consortium costs**

More specifically

a) Listening and dialogue: there are numerous assessment opportunities for IGD and its tenants (as shown in the following chart)

Chart 3 Dialogue and assessment opportunities with tenants

IGD CONTACT	ISSUES TACKLED	FREQUENCY OF DIALOGUE
Person in charge of shopping mall	Shopping Centre performance Management of shopping mall	Daily
Area Manager/ Person in charge of network	Shopping Centre performance Management of shopping mall	Targeted and periodic
Business Service	Tenant and Shopping Centre performance Renewal and management of contract Turnover management New entries	Targeted In 2011 a total of 450 meetings with tenants were held

b) Support actions: since the end of 2008, with the onset of the crisis that has characterised the last few years, IGD has resolutely dealt with the issue of its tenants' economic sustainability, by identifying clear and transparent criteria on the basis of which the guidelines for any necessary temporary discounts can be defined. Any support given is selective and targeted only for those operators in momentary difficulty that have proven to be reliable over time and capable of complying with the contractual commitments undertaken with IGD.

c) Reduction in consortium costs: the Group has always been committed to searching for ways in which to reduce facility management costs (cleaning, security, energy consumption, advertising ...).



In 2011 these costs were significantly reduced (-5.2%), due to a shrewd turnover management of suppliers, with equal quality and quantity of the services offered.





3.1.2 ROMANIA

In this phase characterised by an enduring drop in consumption - the recovery from which is not coinciding with the first macroeconomic signs of recovery from the recession - Winmarkt has used similar leverage factors when handling relations with its tenants as those used by IGD in Italy, that is:



- **Reduction in facility management costs (-8%) in its shopping centres;** this was obtained, guaranteeing equal levels of service, thanks to annual competitive bids, rotation of suppliers and optimisation of services.
- **Granting of temporary reduction in rents.**

Because of the unpredictability of the domestic retail market, the latter leverage factor has been used in a very selective way on the basis of a combined assessment that is equally balanced on the following requisites:

- Medium-long** term reliability of tenant
- Contribution/added value** of brand to preserving the attractiveness of the Centre
- (re)investment** of tenant in business (refurbishment, marketing campaigns etc.)

The reduction is normally on a six-month basis, so as to be able to assess performance together with the tenant and to decide accordingly for the subsequent six-month period.



3.2 RESULTS OBTAINED

3.2.1 ITALY

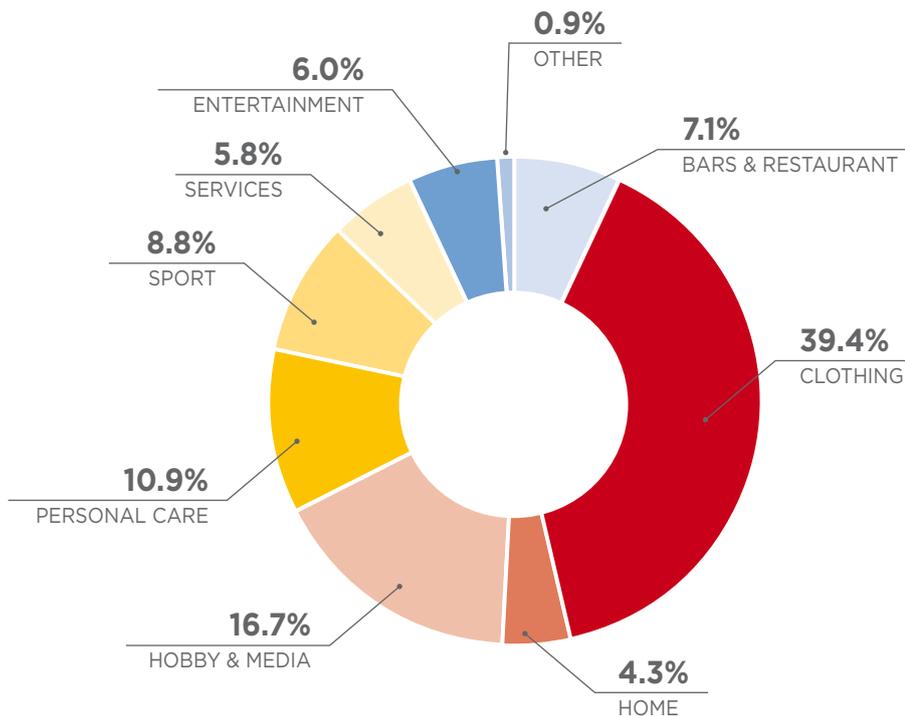


The work carried out and previously illustrated enabled IGD to maintain an occupancy rate of 95.5% in the Shopping Centres in line with the previous year's results.

The merchandising mix is also essentially in line with that of the year before, with the square metres occupied by each category being used as a parameter.



Chart 4 Merchandising Mix of Malls (in % of m²)



Furthermore, as in the last few years, the medium sized areas represent (in square metres) just over half of the total merchandising offer. As no substantial change can be seen in the

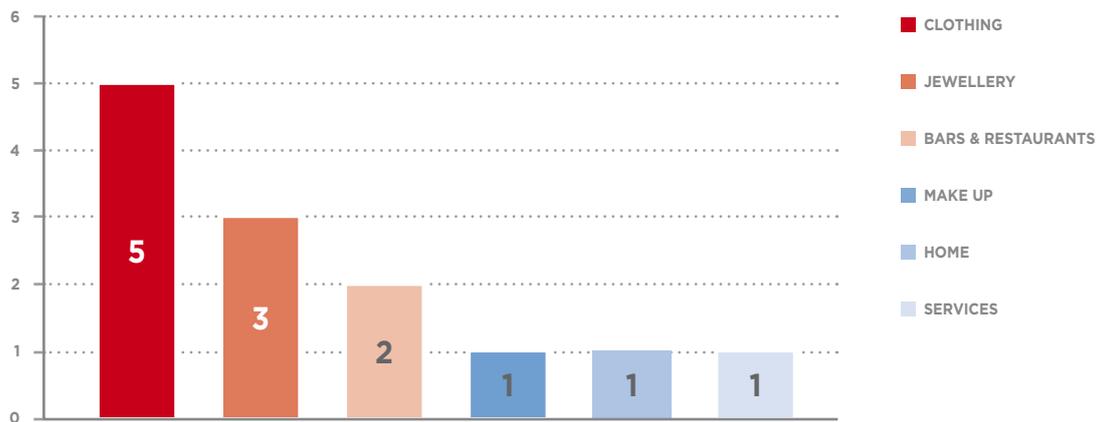
merchandising mix compared to the previous year, the indications of change have come from IGD's search for new brand names with the aim of renewing the retail offer in the Cen-



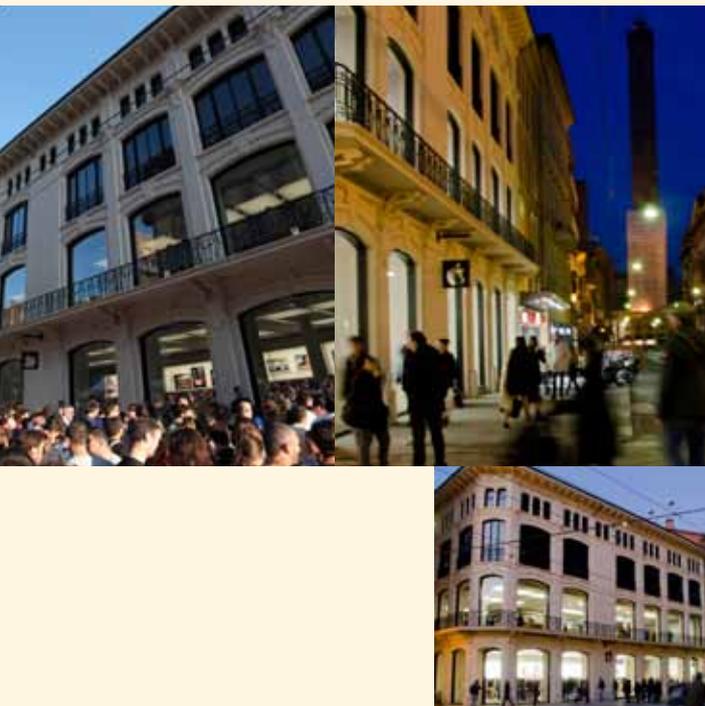
tres and guaranteeing new opportunities of choice for its visitors.

In particular, 13 new brand names, 8 national and 5 international were introduced in 2011.

Chart 5 New brand names by retail type



FOCUS: A NEW BRAND NAME FOR IGD IN A NEW CITY CENTRE INVESTMENT PLAN



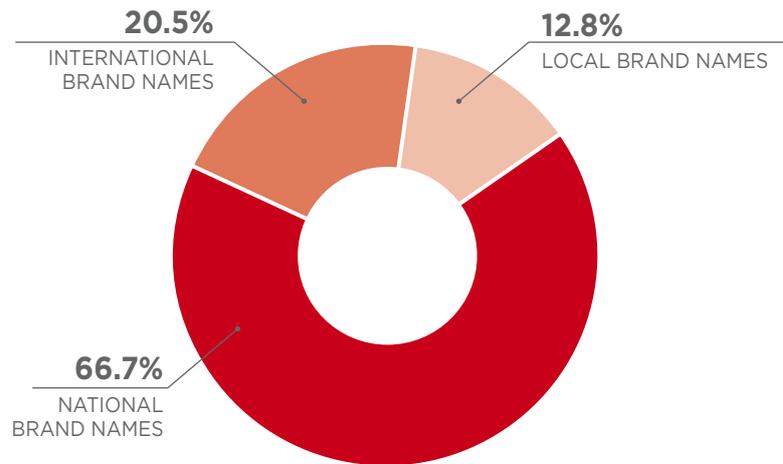
In April, IGD purchased the real estate complex in Via Rizzoli in Bologna (important street in the historical centre), in relation to the "City Centre" project defined in the 2009-2013 Business Plan which includes the purchase of property situated in the historical centres of several important Italian cities. This property with its 2,350m² of GLA and which already housed MelBooks

Store, also became home to the new Apple Store which opened in September. Thanks to the restoration of this property, this historical building overlooking Bologna's central and main square, "Piazza Maggiore", was returned to the city in all its splendour and the opening of the Apple Store represented a "first" in Italian historical city centres for the U.S. company's expansion strategy.

As far as brand types within IGD's Shopping Centres are concerned, about two thirds of the retail area is occupied by national brands

which represent, together with local brands, about 80% of total revenues produced in the Group's Shopping Malls.

Chart 6 Breakdown of local, national and international brand names (in % of m²)



COST OCCUPANCY

As far as the cost occupancy rate is concerned, IGD's commitment to an impact that is sustainable and compatible with its tenants' activities, is more and more significant.

The increase in 2011 is due to the overall fall in the tenants' revenues (-2.9%) which, moreover, cancels the aforementioned reduction of 5.2% in the tenants' facility management costs.



Table 1 Average cost occupancy rate (Italy)

TENANT TYPE	2011 (%)	2010 (%)	VAR2011/2010
RENTS	9.7%	9.3%	+0.4
RUNNING COSTS	2.6%	2.6%	=
AVERAGE COST OCCUPANCY RATE	12.3%	11.9%	+0.4





3.2.2 ROMANIA

In Romania, a process aimed at redefining and restructuring the areas was launched which went hand in hand with the redefinition of the tenant portfolio. The first result obtained by the combination of these processes was the steady improvement in the occupancy rate which, at the end of 2011, reached 87.3% of GLA square metres available (+9.9% compared to the previous year).



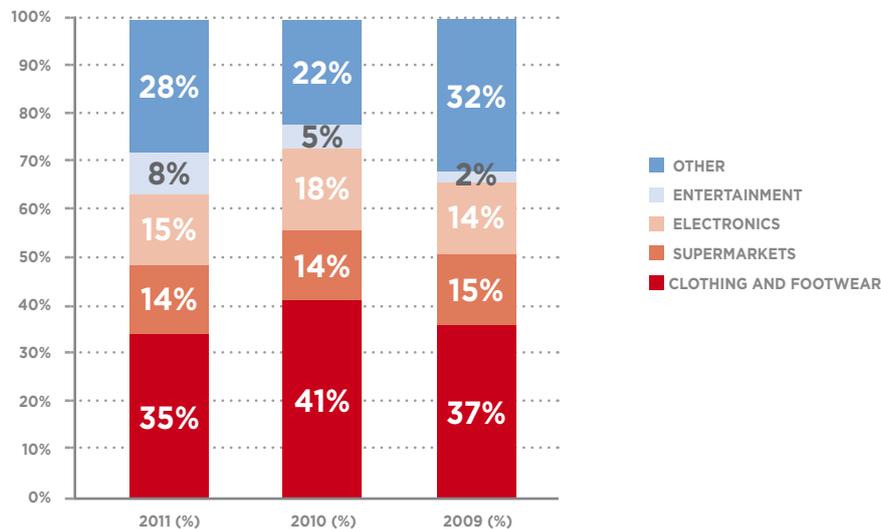
Over the years, since IGD took over Winmarkt in 2008, the merchandising category breakdown of the Malls has changed considerably, in line with market trends and local consumer trends.

As the chart below demonstrates, the entertainment share has grown, with the aim of offering meeting areas for the younger generations: in 2011 a Discoclub was introduced in the Centre in Braila and a café-bistro-club in Ploiesti and at the end of the year a Gameland



centre was opened in the Centre in Ramnicu Valcea. In addition to these, the preparation of the fitness area of more than 1,000 m2 in the Centre in Galati is at an advanced stage and it will represent the fourth structure of this type in the Winmarkt chain.

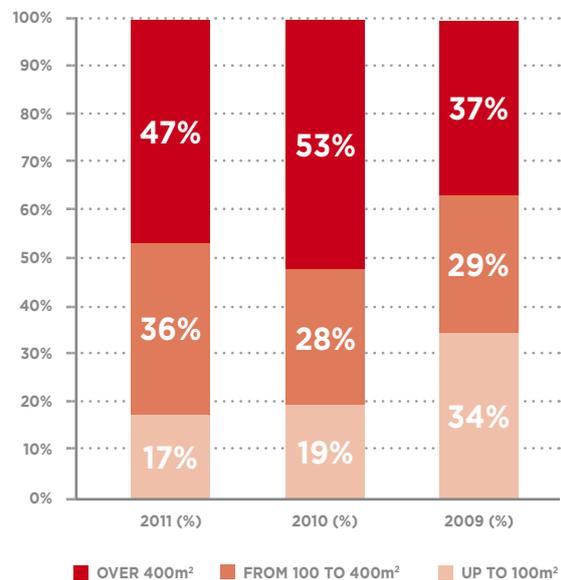
Chart 7 Tenants by merchandising category (Romania)



With regard to tenant mix, the aim has been that of restricting the number of small to medium sized shops in favour of larger areas (84% compared to 81% in 2010). The following have been introduced into these areas:

- a) **Visitor flow anchors**, with the consolidation of the presence of Carrefour, the expansion of Drogerie Markt and new contracts signed with Billa (Rewe group)
- b) **New merchandising categories**, in line with the evolution in demand
- c) **National and international tenants**

Chart 8 Tenants by size



IMPROVEMENT TARGETS:

Availability of training programmes for tenants aimed at increasing specific business know-how in the operators in the shopping centre stores (2012, Italy)

Survey on tenants' satisfaction (2013, Italy)

Introduction of new brands capable of creating an increase in visitors in the shopping centres, guaranteeing at the same time, the continuing presence of existing ones (2012, Italy)

Reduction in facility management costs (2012, Italy and Romania)

Preparation of the right conditions in order to introduce more new brands, including international ones, especially in the non food sectors (for example, clothing) (2012, Romania)

Definintion of co-marketing activities together with important retail operators, with particular attention paid to activities, including social ones, to be carried out in the shopping centres and local communities (2012, Romania)



4



VISITORS AND COMMUNITY



igd SIG SPACES TO BE LIVED IN



4 VISITORS AND COMMUNITY

CHECK ON PREVIOUS YEAR'S TARGETS (SUMMARY)

2011 IMPROVEMENT TARGETS	ACTIVITIES CARRIED OUT DURING THE YEAR
Increase in social-cultural events (2011 in Italy and Romania)	Increase in the number of social-cultural events in relation to the marketing plan
Progressive expansion of the availability of Wi-Fi connections inside all the freehold properties (2011 in Italy)	100% of the shopping centres have Wi-Fi connections
Start up of "mystery shopper" pilot project (2011 in Romania)	Questionnaire was defined and agreed, the Mystery Shopper pilot project was launched in the first few months of 2012 in Ploiesti

4.1 VISITORS

Every year there are approximately 90 million visitors to IGD Group's Shopping Centres in Italy and Romania. IGD is committed to ensuring that visitors can spend these moments of their free time in maximum comfort and safety with investments targeted at introducing appropriate services in its Centres. 2011 was the first year that the

Marketing Plan was fully up and running, which, both in Italy and Romania, meant that the management of the structures could be orientated towards favouring social relations within the Centres and so becoming areas that were more and more part of the community and less and less isolated areas dedicated just to shopping.

4.1.1 EMPHASIS ON VISITORS' NEEDS

IGD's Shopping Centres in Italy continued to be held in high regard by their visitors in 2011. The total number of visitors in fact grew by 0.8% compared to the previous year. This fact bears witness to the appeal of the Shopping Centres

even in this period where the economic crisis has brought about a general reduction in consumption and customers have become both more occasional buyers and more interested in cheaper purchases

Table 1 Total number of visitors (Italy)

	2011 (N)	2010 (N)	VAR % 11/10
NUMBER OF VISITORS PER YEAR*	58,132,859	57,658,477	+0.8%



* like for like data compared to 2011 and referring only to IGD shopping centres

The number of visitors to the Romanian malls dropped slightly.

Table 2 Total number of visitors (Romania)

	2011 (N)	2010 (N)	VAR % 11/10
NUMBER OF VISITORS PER YEAR	31,308,212	32,552,050	-0.8%



ItGD has introduced several services so as to ensure that visitors can easily utilise and access its centres, with particular emphasis placed on certain individuals:

- **Children:** the 17th kids' play area in IGD's Italian Shopping Centres was created in "Le Maioliche" Shopping Centre in Faenza in 2011. In these areas, which can be either supervised or not, children can play with toys or play organised games so that they

can have fun while the adults stroll around the Shopping Centre.

- **Women:** 13 Shopping Centres (2 more than in 2010) out of the 21 owned by IGD have reserved female parking spaces in order to make it easier and safer for female customers to load their purchases and to help mothers with children and pushchairs. Altogether there are 124 parking spaces that are usually situated in the closest points to the Shopping Centre entrances.



Furthermore, 5 Centres have shuttle bus services that make it easier for visitors to reach the

structures. This service is also suitably equipped for individuals with disabilities.

Table 3 Shopping Centre services for visitors (Italy)

SERVICE TYPE	2011 (N)	2011 (% CC)	2010 (N)	2010 (% CC)
KIDS' AREAS	17	81%	16	76%
FEMALE PARKING PLACES	13	62%	11	52%
SHUTTLE	5	24%	5	24%
TOTAL SC	21		21	



4.1.2 SAFETY IN SHOPPING CENTRES

Safety within the Shopping Centres, as far as common spaces are concerned, is IGD's responsibility, whereas the individual tenants are responsible for safety within their own shops. IGD, therefore, within its area of responsibility, is in charge of risk assessment, verifying that safety aids and safety systems are correctly installed and working, as well as staff training. After the work carried out in 2009 and 2010 regarding the safety of "suspended loads"

(suspended ceilings, signboard structures, multimedia panels or system structures that are located in the upper part of the shopping malls and shops inside the centres), some maintenance work was also carried out in 2011.

In Romania 3 external offices, where the Shopping Centre management offices are located, were adapted to comply with national safety at work regulations.



4.2 COMMUNITY AND LOCAL AREA

The chart below shows the liaisons that are established between a Shopping Centre and the surrounding area:



Relations with workers, suppliers and tenants are dealt with in a different part of this document. In this section, the purpose is to report about the methods that IGD has chosen in order to liaise with the community, local organisations and local authorities.

One of the tools that enables the Group to

establish correct and constructive relations with its local stakeholders is the Marketing Plan: it was defined during 2010 and was up and running for the whole of 2011 both in Italy and Romania (even though some changes were carried out to adapt it to the requirements of this country).



ITALY

The Marketing Plan guidelines are as follows:

- **Promote projects** that involve the local community, starting from local organisations, schools, parish groups etc.
- **Organise events** that have an important social impact, on matters of public interest like lawfulness, responsible consumption, waste sorting etc..

By implementing these strategies, the Shopping Centres managed by IGD have been identified as out and out “Spaces to be lived in”, which are

more and more entrenched in the local area, attentive to social issues relating to this area and interesting for a wide and varied public.

The strategic guidelines can be divided into 4 courses of action:

1. Local events
2. Social events common to more Shopping Centres
3. Social-environmental activities
4. Economic support for specific projects deemed distinguishing for IGD



4.2.1 LOCAL EVENTS

IGD Centres set themselves the target of increasing, throughout 2011, the ways through which they could interact with the local area, with its culture and traditions, by hosting events, exhibitions and information points on programmes of local events.

The Shopping Centre, therefore, moved away from its primary function of just shopping venue, favouring the gathering together of local residents with the presentation of historical and cultural events. Some examples are the

active participation in events like the “Palio” (a traditional local contest), historical commemorations, revivals of traditional dances etc..

Particular emphasis was also placed on the young generation, making them the protagonists of cultural and sports events and those linked to the world of entertainment. In particular, sport is a strong characterising element of IGD Centres: on numerous occasions throughout 2011 young teams of various sports (cycling, skating, football, basketball ...) put

4 VISITORS AND COMMUNITY

on displays inside the Centres and took part in presentations or debates on issues related to their sport, sometimes also alongside professional sports players who contributed to spreading a positive message about sport by talking about their own experiences.

Altogether, 25% of the events held during the year in IGD Centres were of a cultural, recreational or sports nature and they were carried out in cooperation with local organisations.



Table 4 Total events and percentage of local ones (Italy)

EVENTS CARRIED OUT IN CENTRES	2011
TOTAL NUMBER OF EVENTS	382
OF WHICH THOSE OF A CULTURAL, RECREATIONAL, SPORTS NATURE HELD TOGETHER WITH LOCAL ORGANISATIONS	95
% OF LOCAL EVENTS OUT OF TOTAL	24.9%

4.2.2 SOCIAL EVENTS COMMON TO MORE SHOPPING CENTRES

In addition to the individual events organised by each Shopping Centre, two important projects involving more structures were also carried out in 2011:

- **“Terre di libertà”** (Lands of Freedom), exhibition by Libera Terra;
- **“A canestro con IGD”** (Basketball with IGD), in cooperation with Virtus Basketball Club

The former, which involved all the IGD Centres, enabled visitors to learn about the activities of Libera Terra association by means of photos and accounts and to taste the products that

the Cooperatives belonging to this association produce on the land confiscated from the mafia. The latter was created with the purpose of educating young people about sport and with the involvement of such a prestigious team as Virtus Basketball Club in Bologna.

Every week inside a Shopping Centre in the Emilia-Romagna area, several players played basketball with the children (... and often with their parents) giving them free tickets for the next championship game. The success of this event is shown by the increase of 10% of visitors in those days when the event was present.



4.2.3 SOCIAL-ENVIRONMENTAL ACTIVITIES

Social-environmental activities are carried out thanks to relations with non profit organisations. These activities grew considerably throughout 2011, representing 14% of the total number of events. Two courses of action were followed:

1. Cooperation with NPOs in individual shopping centres for projects in common.

Some examples are the organisation of a prize contest of an ecological nature aimed at promoting the collection of used batteries, courses and activities on road safety and workshops on waste sorting for children. Two specific issues deserve particular attention:

a. Health and prevention, reinforced during 2011 thanks to the significant cooperation of different organisations. Examples of this are the events organised with LILT (Italian Association for the Fight against Tumours) which, with a camper outside the Shopping Centres, provided young women with visits for the prevention of breast cancer, offered by IGD to the female customers of its Centres. Another example is the “Salutando” project whe-

re some local voluntary organisations offered eye check-ups, blood sugar level tests and blood pressure tests free of charge.

b. School, with the direct cooperation of several schools in the organisation of long-term recreational-educational programmes. Examples of this are meetings with school children on issues of health, a “meeting day” between middle school children and high school head teachers during the period when children have to decide which high school to attend, creative contests reserved for primary and middle school children and the collection of toys for children “in need” etc..

2. Areas designated to fund raising activities promoted by local associations and organisations (parish groups, hospitals, kennels, sports clubs etc.), that set up their own station in the mall and collect funds and contributions for their activities or to finance charities. Included in this form of cooperation are AIL (Italian Association against Leukaemia) and ANT (National Tumour Association) for the sale of Easter Eggs in the IGD Centres.

Table 5 Associations and other non profit organisations received in the centres (Italy)

ASSOCIATIONS AND NON PROFIT ORGANISATIONS RECEIVED	2011 (N)	2010 (N)
LOCAL ORGANISATIONS INVOLVED	132	125
OTHER NON PROFIT ORGANISATIONS	55	50
TOTAL	187	175



4 VISITORS AND COMMUNITY

On account of the increase in number of events taken place and of the organisations received, the amount of funds raised in IGD centres also went up.

Table 6 Results from events hosted in the Centres (Italy)

RESULTS FROM EVENTS	2011 (N)	2010 (N)
FUNDS RAISED BY ASSOCIATIONS AND NON PROFIT ORGANISATIONS IN IGD CENTRES	48,437	21,743

FOCUS

TWO EVENTS THAT WERE PARTICULARLY IMPORTANT FOR THEIR SOCIAL-ENVIRONMENTAL NATURE

1. 1. “Acqua is life” (Water is life), Centro Sarca Sesto San Giovanni (Milan), April 2011

Purpose: to educate people on the correct use of water, a vital element for mankind, and to raise funds to create a well in Mali.

Description: different areas were set up in the mall to deal with the “water” issue and to involve visitors in the numerous aspects of interest connected to this resource. Impressive stage sets were also created, amongst which even the reconstruction of a well.

Individuals involved: all visitors, with particular emphasis placed on children. An educational programme was created for them, thanks to a series of workshops with schools (regarding issues like the characteristics of water resources and the importance of water for mankind).

Partner: Organizzazione Umanitaria Bambini nel Deserto (Children in the Desert Humanitarian Organisation), Lombardy Region, Province of Milan and Sesto San Giovanni Municipality.

2. “Green days”, Katanè Centre, Catania, April 2011

Purpose: to make the younger generations more aware of eco-sustainability by means of artistic works

Description: creation of an exhibition of paintings, sculptures and photography reserved for local emerging artists who were asked to express themselves on the concept of eco-sustainability. There were approximately 200 artistic works created and they were published on Facebook on the page dedicated to Katanè Centre. The visitors to this page (who represented the judges of the contest) selected 30 artistic works to be exhibited in the Centre in the three months following the end of the contest.

Individuals involved: local emerging artists for the creation of the artistic works, all visitors to the Centre to vote the artistic works and to see them exhibited and ponder over their contents.

Partner: Local art schools, the Academy and the University of Catania.



4.2.4 ECONOMIC SUPPORT/PARTNERSHIP

IGD continued its commitment to supporting the world of sports, sharing with it those values connected to social gatherings and to growth for the younger generations.

First of all, the institutional partnership with Virtus Basketball Club in Bologna continued also in 2011, thanks to which IGD was able to include its name on the team warm-up shirts in the A1 basketball league championship. IGD's support in this field can be traced back to three categories of reasons:

- **The choice of basketball** as a sport that favours the gathering together of individuals, especially young people.
- **The strong social impact** and the feeling of belonging that this team has in the Bologna area.
- **The powerful nationwide visibility** of the IGD trademark obtained by sponsoring the shirts.



4 VISITORS AND COMMUNITY

Emphasis on sports with less coverage, which also share with IGD the same ideas of social importance and the commitment to the elimination of inequality, also continued in 2011 and will continue in the next few years.

There were two projects, in particular, supported by IGD in 2011:



PLAYER/INITIATIVE	DESCRIPTION	REASON
<p>“Happy hand”</p> 	<p>Sports and social inclusion festival, held for the first time in the province of Bologna in June 2011. IGD contributed by advertising and promoting the event</p>	<p>Sharing the same values of equality and inclusion as the Festival</p>
<p>“I Bradipi” Sports club</p> 	<p>Wheelchair basketball team founded in Bologna in 2002. IGD contributes to subsidise the team’s activities</p>	<p>Sharing the same values of social inclusion that characterise this sports project</p>

The Shopping Centres, together with their consortiums, also contributed on a local level to economically supporting sports, cultural and social activities, in cooperation with local institutions and local organisations.

Table 7 Sponsorships and donations made by the Centres (Italy)

	2011 (€)
SPONSORSHIPS AND DONATIONS BY CONSORTIUMS TO LOCAL INSTITUTIONS AND ASSOCIATIONS FOR EVENTS	243,959

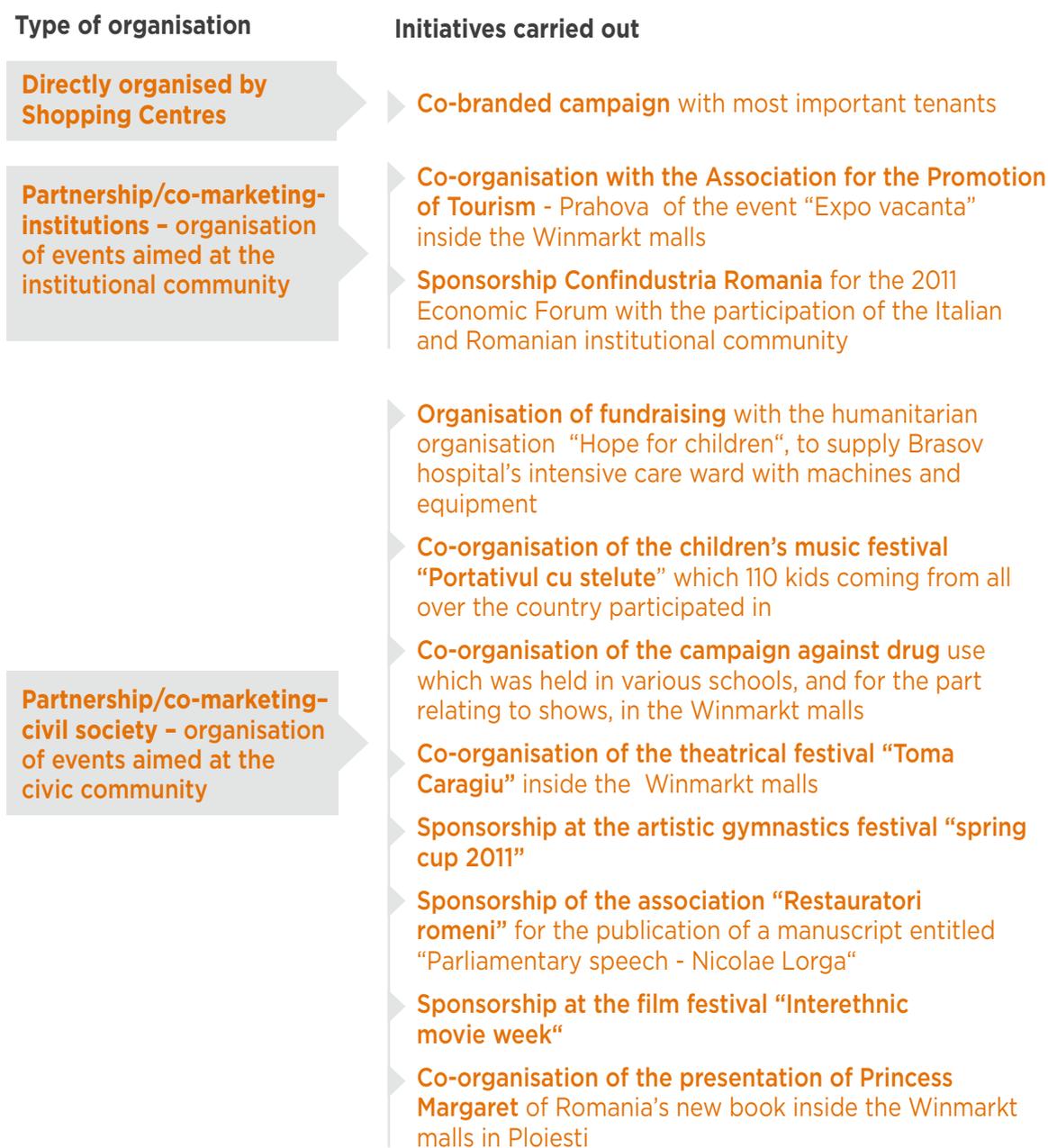
ROMANIA

Winmarkt’s Marketing Plan is based on IGD’s general one but several aspects have been altered in order to adapt it to the Romanian context. Events and initiatives were organised in 2011 in the Company’s 15 Shopping Centres, based on the following guidelines:

- 1. Building** customer loyalty by means of public holiday fringe activities
- 2. Enhancing** the presence and the opening of shops also by means of co-marketing activities
- 3. Promoting** and/or directly supporting children’s activities

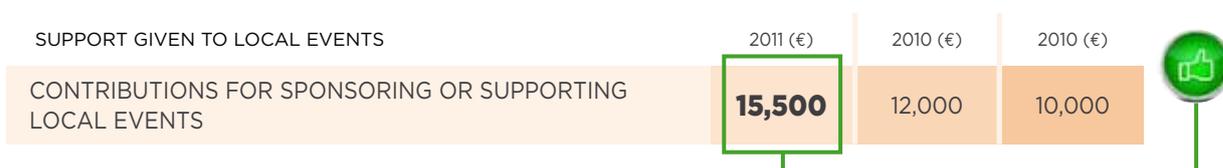


The events carried out can be summed up as shown in the chart below:



Winmarkt's economic contribution to these event types grew as a whole (+29%)

Table 8 Support given to local events (Romania)



IMPROVEMENT TARGETS:

Increase in social-cultural events inside the shopping centres, making them more and more “people-oriented” (2012 in Italy);

Carrying out of pilot survey in a shopping centre to identify the problems that individuals with disabilities might encounter (2012 in Italy)

Organisation of events on the issue of promoting healthier lifestyles (menus in restaurants, sports displays, promotions of books on wellbeing) in cooperation with tenants (2012/2013 in Italy)

Organisation of an information campaign aimed at citizens about actions that can be taken in order to be more sustainable (2013 in Italy)

Increase in quality and quantity of actions and investments towards community, with the aim of increasing social inclusion (starting with sport) (2012 in Romania)

Analysis of results from Mystery Shopping pilot project in Ploiesti and assessment of possible extension of project (2012 in Romania)



5



EMPLOYEES



igd SIG SPACES TO BE LIVED IN



5 EMPLOYEES

CHECK ON PREVIOUS YEAR'S TARGETS (SUMMARY)

2011 IMPROVEMENT TARGETS	ACTIVITIES CARRIED OUT DURING THE YEAR
Assessment of internal atmosphere, to check how IGD staff have perceived decisions made and actions taken and to understand any criticalities (2011 in Italy)	Assessment of atmosphere carried out
In field training with the organisation of a retail tour aimed at a large part of the staff (2011 in Italy)	Retail tour organised in London
Continuous investments for updates on safety at work, also dealing with issues requested by the commercial network	In Italy: <ul style="list-style-type: none">• continuous updates, in agreement with the network (Italy) In Romania: <ul style="list-style-type: none">• three offices renovated, with more attention paid to workers' health regulations
Implementation of Winmarkt's first structured training programme (2011 in Romania)	Approved at the beginning of 2011
Start up of benchmarking project in the EEC area on formats similar to Winmarkt (city centres, department stores, multi-storeys) (2011 in Romania)	Benchmarking project created in Poland and Czech Republic, the part relating to Serbia still to be carried out

EMPLOYMENT PERFORMANCE

In 2011, despite the difficult economic situation, the Group reinforced its structure by increasing its workforce in comparison to the previous year, both in terms of development of the network and to fulfil technical/organisational requirements.

Several central functions have been strengthened, in particular:

- **Operational marketing and market analysis**
- **Treasury activities**
- **Asset management**

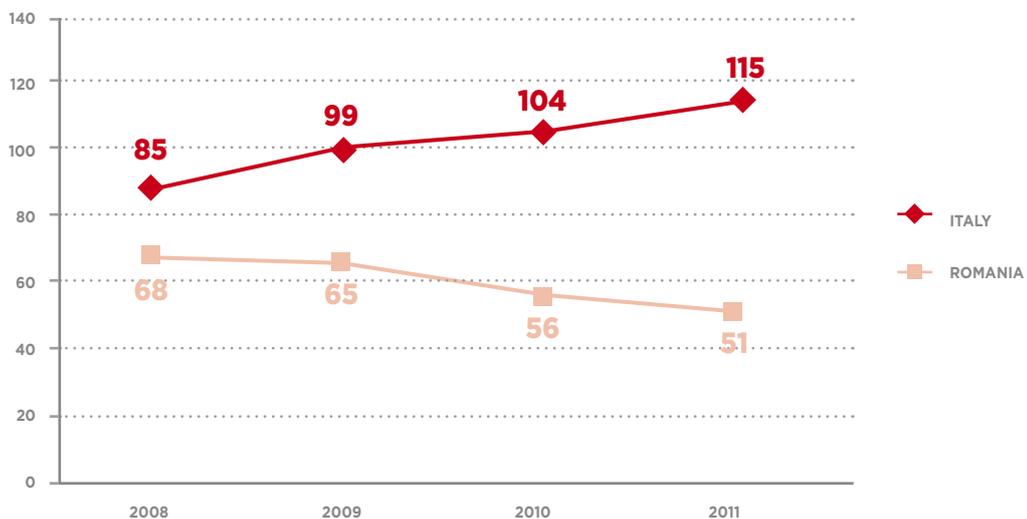
The commercial network continued with its efficiency programme by means of a flexible management of its resources by rotating staff within the area and reinforcing its workforce with the introduction of assistants in some shopping centres.

The rationalisation process of human resources continued in Romania, with a twofold objective:

- **Keeping** the organisational structure orientated towards its core business, finishing outsourcing processes undertaken in 2010 (for example, baby parking management) and favouring outplacement processes of non-core office workers;
- **Focusing** on reaching the targets included in the business plan with the reinforcement of Asset Management functions.



Chart 1 Corporate workforce flow (2008-2011)





With regard to placements, the following table shows the structure of the workforce at the end of the year. A considerable increase

in Department Heads can be seen, due almost exclusively to the completion of professional development programmes.

Table 1 **Staff flow by job title (Italy)**

	2011	2010	2009
DIRECTORS	5	5	5
MANAGERIAL STAFF	16	16	17
HEADS	47	37	36
OFFICE WORKERS	47	46	41
TOTAL	115	104	99



Instead, a decrease of 48% in 4 years (2008-2011) of office workers can be seen in Romania, due to the aforementioned processes.

Table 2 **Staff flow by job title (Romania)**

	2011	2010	2009
DIRECTORS	1	1	1
MANAGERIAL STAFF	7	6	6
HEADS	18	17	17
OFFICE WORKERS	25	32	41
TOTAL	51	56	65

In Italy, the growth in employment is accompanied by a drop in outgoing turnover, confirming the data of the last few years.

As far as Romania is concerned, the data is still significant but shows a noticeable drop.

Table 3 **Outgoing Turnover (Italy and Romania)***

	2011 (%)	2010 (%)	2009 (%)
TURNOVER ITALY	3%	8%	10%
TURNOVER ROMANIA	17%	26%	14%



* 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)

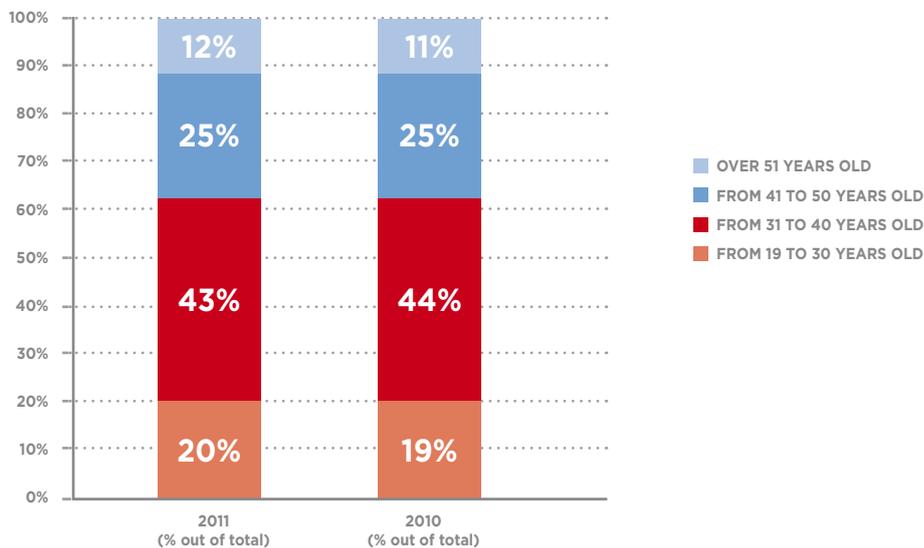
A YOUNG AND STEADY WORKFORCE

The high number of new people hired has not altered the average age of employees: IGD is confirmed as being a “young people” company, with an average age of 38 years old. The situation for Winmark is slightly different, where the staff turnover has led to a drop in average age from 43 to 42 years old: the ma-

ajority of the new arrivals, in particular, are under 35.

With the new people hired over the year, the breakdown by age for IGD has changed slightly: the number of under 30s has increased to the expense of the older age group.

Chart 2 Staff by age group - Italy



In addition to the low average age, the company staff, both Italian and Romanian, can also boast a high level of education: 65% of Italian employees (an increase of 2% compared to the previous year) and 77% of Romanian ones (+1% compared to 2010) have a degree and/or post graduate degree.

that IGD has placed on job stability: this can be seen by the fact that 9.3 out of 10 contracts in effect at 31/12/2011 were permanent contracts.

This choice aimed at steady jobs and subsequent growth was also followed when hiring new people throughout the year, as the 2% increase in permanent contracts in 2011 compared to 2010 shows.

It is also important to highlight the emphasis

Table 4 Staff by contract type (Italy)

	2011 (Total)	2011 (% out of total)	2010 (Total)	2010 (% out of total)	2009 (Total)	2009 (% out of total)
PERMANENT CONTRACTS	107	93%	95	91%	90	92%
FIXED-TERM CONTRACTS	8	7%	9	9%	8	8%





Winmarkt has also followed the same choice orientated towards job stability, with the percentage of permanent contracts, despite a slight drop, well exceeding 90%.

Table 5 Staff by contract type (Romania)

	2011 (Total)	2011 (% out of total)	2010 (Total)	2010 (% out of total)	2009 (Total)	2009 (% out of total)
PERMANENT CONTRACTS	48	94%	53	95%	64	98%
FIXED-TERM CONTRACTS	3	6%	3	5%	1	2%

The increase in staff carried out in 2011 reflects the strategic guidelines regarding staff policy, with the quest for the right balance between internal growth, starting with people development, and the introduction of external expertise.

With this in mind, emphasis continued to be placed during 2011 on internships even though the total number dropped. With regard

to this, it is important to clarify that over the past few years the Company has been resolved to not dispersing those skills that have been developed during work experience phases and internships, using them as possible pools of human resources on which to draw if required. Indeed, in 2011, 4 internships that had started the year before were transformed into employment contracts (57% of the total internships).

Table 6 Internships and work experience (Italy)

	2011 (Total)	2010 (Total)	2009 (Total)
INTERNSHIPS AND WORK EXPERIENCE	3	7	12

In 2011 a programme was launched in cooperation with the faculty of Architecture at “La Sapienza” University in Rome which enabled IGD to assess the possibility of offering work experience programmes to post graduate students.

Also in 2011, following an agreement made with a Scientific High School in Bologna, several summer work experience programmes were started up for students in their penultimate year in the ambit of the work-related learning programme.





5.1 PEOPLE DEVELOPMENT

Following the mapping project of IGD employee skills and the updating of job descriptions carried out in 2009, a staff performance assessment system was implemented in 2010, running alongside the already existing “Management by Objectives” (MBO) system. 2011, therefore, was the first year in which both staff assessment systems were running at the same time.

Following the results of the internal atmosphere assessment, the system seems to be

balanced, although it will surely have to be updated over time.

The last two years have also been characterised in Romania by a change in the way of defining targets, assessing and rewarding employees: a reorganisation process to more clearly define the responsibilities of each individual and consequently their relative targets was started at the end of 2009 and was up and running between 2010 and 2011.

5.1.1 MANAGEMENT BY OBJECTIVES AND REWARD SYSTEM

The MBO system which IGD has adopted, is based on assigning common and specific targets to all the employees with permanent contracts. More specifically:

- **There are two common targets** and they refer to the whole company;
- **The other targets** (maximum of three) are individual targets and refer to the specific activity of each employee.

According to the level that was reached (target exceeded, reached or failed to reach) rates of variable pay are envisaged.

Since 2010, Winmarkt has also been employing its own Motivational System, based on the group leader’s MBO, with two common targets (one of which is a group target) and three personal targets.

In 2011, 40 employees received targets.

5.1.2 SKILLS ASSESSMENT

The assessment system aimed at Managerial staff and Department Heads, which assigns merit increases, also continued.

Assessment is carried out by means of a data sheet divided into three sections, each relating to a different class of skill:

- **Transversal skills** and **organisational performance**
- **Technical** skills
- **Resource management** skills

The assessment data sheet is an important tool with which to identify individuals with potential within the company and, in the event of any shortcomings, it means that specific training needs can be identified for the annual programming of the activity.

The notification of the results is also very important as it is an occasion in which individual assessment on the main work related issues takes places.

Table 7 Skills assessment (Italy)

	2011 (N)	2011 (% out of total)	2010 (N)	2010 (% out of total)	2009 (N)	2009 (% out of total)
EMPLOYEES THAT REGULARLY UNDERGO SKILLS ASSESSMENT	42	37%	39	38%	-	-
MERIT INCREASES AWARDED DURING THE YEAR	14	12%	14	13%	14	14%

5.1.3 INTERNAL ATMOSPHERE ASSESSMENT

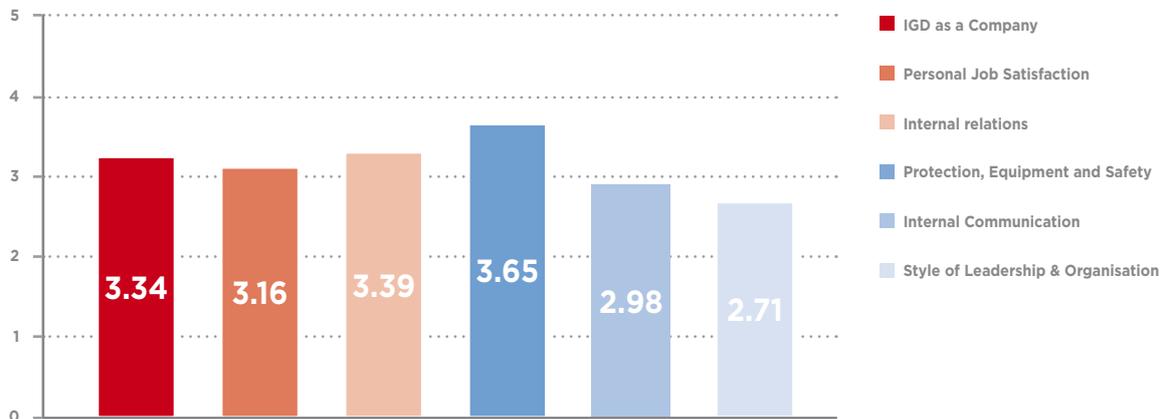
The first company internal atmosphere assessment was carried out in 2011. Remarks and judgements on corporate organisation and work environment, on employees' own activities and how satisfied they were at being part of the company, were collected by means of anonymous questionnaires. The purpose of this was to highlight both strong and weak points and to define suitable action to be taken with regard to the latter.

There was a high and significant level of participation in this initiative: 94.4% of the total number of employees responded to this questionnaire, a remarkable result for the first assessment of its kind and a fact which demonstrates the existence of a constructive atmosphere. The results show that:

- **IGD employees** prove to be satisfied, with an Employee Satisfaction Index (ESI) equal to 64.6%;
- **Out of the 6 aspects** analysed as determining factors of internal atmosphere (corresponding to those shown in the chart below), an average score of 3.24 emerged (on a scale of 1-5) with 3 being that of neutrality.



Chart 3 Average results by aspect (scale 1-5)



The results show that:

1. **IGD** is seen as holding a strong position in its sector in Italy, with future prospects that the employees are optimistic about;
2. **Personal job satisfaction** is rather high (rated at 3.7 on a scale of 1 to 5) as is the satisfaction regarding safety and comfort, as well as that regarding the flexibility of hours and holidays.
3. **Two aspects** remain below the neutral threshold: “style of leadership and organisation” and “internal communication”.
4. **The possible areas** for defining suitable improvement actions are:
 - a. Greater cross-functional integration
 - b. Better flow of information, both horizontal and vertical
 - c. Greater involvement in reaching strategic targets
 - d. Response to request for more training
 - e. Greater balance between formal and informal recognition



5.1.4 TRAINING

ITALY

In 2011 IGD Group continued its commitment to programming and implementing staff training aimed at professional development and at satisfying the company's technical/organisational requirements. Training activities can be divided into **in-depth refresher courses**

on main corporate issues (legal-corporate, administration-accounting, management of real estate assets etc.) and individual English lessons with mother-tongue teacher for those people whose professional roles involve foreign communications on a regular basis.

FOCUS

Another activity was added to these in 2011. A study tour to London was organised with visits to the most important shopping centres in the city, to gather information regarding retail real estate market trends, from the point of view of the business offer and technical-design solutions.

6 shopping centres were visited, each of which with particular characteristics. 57 employees, that were then divided into two groups, took part in this initiative. Each group had to concentrate on the analysis of one of the two aspects mentioned above.



This experience had a twofold benefit:

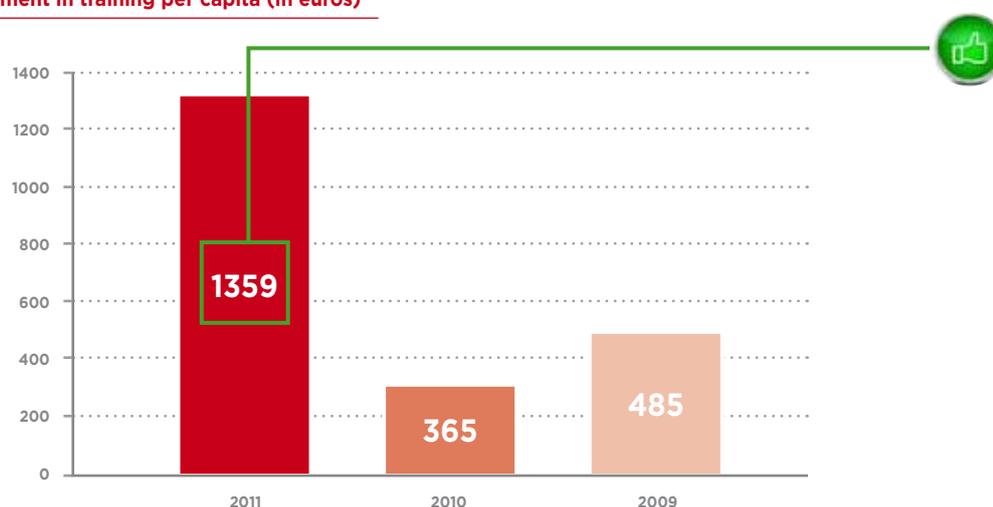
- *From a professional point of view, with a direct comparison with business trends and structural choices in the retail world of an innovative system like London's;*
- *From a company environment point of view, this experience enabled people from different offices and functions to get together, to get to know each other better and to work in close contact, encouraging individual contributions and harmonising individual points of view.*

The findings were then shared with the entire workforce and closely examined during the end of year convention.

Table 8 **Specialised training courses (Italy)**

	2011	2010	2009
EMPLOYEES THAT TOOK PART IN TRAINING ACTIVITIES (N)	81	104	30
COSTS INCURRED FOR INTERNAL AND/OR EXTERNAL TRAINING (€)	110,067	37,933	14,542
TRAINING HOURS	1,831	1,939	342
PERCENTAGE OF REVENUES INVESTED IN TRAINING (€)	0.09	0.03	0.01

Chart 4 **Investment in training per capita (in euros)**



The large increase in training costs is related to the costs incurred by IGD for the organisation of the study tour to London.

No training courses were carried out on safety at work in 2011, neither for the headquarters staff nor for those in the commercial network, as there were no major changes to Legislative Decree 81/08; furthermore, the decision was made to wait for the definition of the State/Regions agreement on the issue of training which was completed on 21/12/2011 and was implemented the following month. This document defines the schedules and methods of carrying out training for workers, supervisors and management.

However, information campaigns were carried out with regard to this issue, with the pre-

paration of two brochures on safety at work which were handed out to employees in the headquarters and in the commercial network during the Convention in December 2011.

In addition to the above mentioned training aimed at improving employees' professional skills, IGD also became involved in 2011 in training activities orientated towards the university world, with the establishment of a partnership with the Faculty of Architecture at "La Sapeinza" University in Rome, for a lecture within the Master in "Real Estate Management for Large Scale Retail Trade" which included an account of IGD Siiq SpA's experience. This activity is also scheduled to be carried out in 2012.

ROMANIA

In Romania, Winmarkt defined its training activities on:

1. a structured programme on a national scale for the professional development of the individuals involved (training courses, foreign



language courses, corporate workshops);

2. a project aimed at identifying facility management best practices and for business repositioning, with visits to Shopping Centres belonging both to IGD Group (Centro d’Abruzzo, Centro Porto Grande, Centro Città delle Stelle), and to its competitors (Italy, Czech Republic and Poland).

In Romania, as in Italy, the introduction of a study tour had a significant effect on the increase in training costs.

Table 9 Training (Romania)

	2011	2010	2009
TRAINING HOURS (N)	170	150	20
NUMBER OF EMPLOYEES TRAINED (N)	40	12	4
COSTS INCURRED FOR TRAINING (€)	8,000	5,500	4,000



5.1.5 INTERNAL COMMUNICATION

The two main activities orientated towards a structure of internal communication that is capable of circulating and sharing information at all levels of the organisation were confirmed in 2011. These two activities are the organisation of conventions and the internal disclosure of institutional news.

Company conventions: the two annual meetings, organised for the entire workforce (in the headquarters and the commercial network), were again confirmed and held in 2011. The end of the year convention maintained its original structure of updating employees on the company’s performance, whereas the convention held half way through the year was structured around the presentation of the Group’s first Sustainability Report. The latter convention,

open both to employees and to some of the most important external stakeholders, enabled those present to get an idea of the Group’s economic, social and environmental performance throughout 2010.

Internal communication: all the employees receive the official communications directed at the market, as well as the three-monthly newsletter, which summarises the most important news relating to corporate activities.

As shown by the aforementioned internal atmosphere assessment, the question of internal communications is very important and needs more in depth study in order to identify suitable actions to be taken to improve the flow of information.

5.2 QUALITY OF WORK

5.2.1 PROMOTION OF EQUAL OPPORTUNITIES

IGD has always placed a lot of emphasis on equal opportunities for its workers, as shown by the high percentage of female workers out of the total workforce, both in Italy and in Ro-

mania (total of 56%). The not so high female presence in top positions should not however be underestimated.

Table 10 1.2.1 Promotion of equal opportunities (Italy)

	2011 (Total)	Of which women	% of women in role	2010 (Total)	Of which women	% of women in role	2009 (Total)	Of which women	% of women in role
DIRECTORS	5	1	20%	5	1	20%	5	1	20%
MANAGERIAL STAFF	16	6	38%	16	6	38%	17	8	47%
HEADS	47	23	49%	37	18	49%	36	16	44%
OFFICE WORKERS	47	34	72%	46	33	72%	41	28	68%
TOTAL	115	64	56%	104	58	56%	98	53	54%

Table 11 Percentage of women in different corporate roles (Romania)

	2011 (Total)	Of which women	% of women in role	2010 (Total)	Of which women	% of women in role	2009 (Total)	Of which women	% of women in role
DIRECTORS	1	-	0%	1	-	-	1	-	-
MANAGERIAL STAFF	7	3	43%	6	3	50%	6	3	50%
HEADS	18	8	44%	17	8	47%	17	8	47%
OFFICE WORKERS	25	19	76%	32	24	75%	41	32	78%
TOTAL	51	30	59%	56	35	62%	65	43	66%

5.2.2 ATTENTION PAID TO DIVERSITIES

After having received the recognition of “Fair Trade Company” in the province of Bologna in 2010, following an investigation promoted by A.I.L.E.S. (Association for the employment and social inclusion of disadvantaged people), IGD’s commitment to this issue continued also in 2011, with the hiring of a person belonging to the protected categories in its network and the signing of a new convention with the Province of Bologna for the gradual inclusion of people with disabilities as laid down by law.



5.2.3 WORK STRESS

The process which will lead to the analysis of “Work related stress” was started in 2011, based on the provisions of Legislative Decree 81 of 2008.

This process, which will be defined in the first three months of 2012, prompted IGD to collect and analyse several parameters required by law and shown in the table below.

Table 12 **Causes of absenteeism**

	2011 (Total)	2010 (Total)	2009 (Total)
INJURY	1	1	1
SICK RATE %	2.12%	2.40%	2.23%
DISCIPLINARY MEASURES	0	1	0



NB:

1. The three injuries happened during the journey to/from work;
2. Sick rate: days of absence due to illness / total days worked.

5.2.4 RECONCILIATION OF PRIVATE AND WORK LIFE

IGD’s respect for its workers’ needs in terms of reconciling work and personal/family life was consolidated in 2008 with the agreement signed with the Trade Unions of a “Protocol for the development of positive actions in the field of equal opportunities, solidarity and reconciliation of work and private life”. From that moment on this has been incorporated as an appendix and an integrating part of all employment contracts.

The aspects on which the Protocol is based can be summarised in the following points:

- **Continuous training**
- **Support for maternity/paternity**
- **Support for personal and family health needs**
- **Reconciliation between work life and private life**
- **Economic support in the event of difficulty**

Every employee, therefore, can count on measures and means (which range from time off or paid leave to economic support) that can be activated when facing particular personal or family needs.

During 2011 there was one request (which was accepted) for the temporary granting of part time work. .



IMPROVEMENT TARGETS:

Definition of improvement actions following the results of the internal atmosphere assessment:

- Specific training courses aimed at developing professional skills (2012/2013 Italy)
- Specific training on strengthening leadership and team spirit (2012 in Italy)
- Improvement of internal communication tools (2012 in Italy)

Introduction, where possible, of CSR features in targets for Directors, managerial staff, service heads and area heads (2013 in Italy)

Training for managers and employees on sustainability (2013 in Italy)

Implementation of training programme, changing and improving certain features where necessary (2012 in Romania)

Completion of benchmarking project, with trip specifically aimed at learning about formats similar to Winmarkt's (2012 in Romania)



6



SUPPLIERS



igd SIG SPACES TO BE LIVED IN



6 SUPPLIERS

CHECK ON PREVIOUS YEAR'S TARGETS (SUMMARY)

2011 IMPROVEMENT TARGETS

Growing involvement of suppliers on matters relating to sustainability (2011 in Italy)

Greater rotation in the renewal of supplier contracts (starting from 2011 in Italy and Romania)

ACTIVITIES CARRIED OUT DURING THE YEAR

Suppliers involved on matters of separate waste collection

In Italy:

- Introduction of new suppliers for marketing activities and to substitute global services
- Analyses offered for the selection of new suppliers for facility services
- Second independent expert introduced for asset assessment

In Romania:

- Energy, gas and cleaning services suppliers replaced

IGD's suppliers are companies that operate both with local contracts (entered into with the individual Shopping Centres) and with centralised contracts with the headquarters; these activities include provision of services (facility management, professional advisors, utilities etc.) and building and maintenance activities. IGD's relations with suppliers are based on mutual transparency, honesty and correctness. Right from the selection process, emphasis is placed on the aspects of good ethics and legality. The fact of the supplier coming from the local area is also an aspect that is taken into consideration.



6.1 SELECTION AND MANAGEMENT OF SUPPLIERS

The supplier selection procedure followed by IGD guarantees standards of quality and economic adequacy as well as obviously the compliance with the law and attention paid to criteria etc. Selection is carried out by com-

paring different offers from various companies previously identified on the basis of criteria like professional specialisation and the presence or not of existing relations of trust between the Group and the supplier.

6.1.1 GOOD ETHICS AND LEGALITY AS SELECTION CRITERIA

The suppliers are asked to show full compliance with the laws and regulations in force on matters of safety at work and regularity in payment of wages to its own workers and of their relevant contributions.

The two areas on which particular attention has been paid when defining procedures and standards are those regarding contract work and cleaning and security services in the Shopping Centres.

Supplier type

Parameters used in selection and management

Contract work

- At the moment of prequalification for competitive tenders, IGD asks the suppliers that intend to take part to provide proof of their financial reliability, in addition to compliance with legislative obligations (with particular emphasis placed on regulations at work).
- IGD then asks those that win the competitive tenders to sign the Company Code of Ethics. By signing this they undertake the commitment to strictly abide by the contents of the Code of Ethics, accepting in full all the terms and conditions within. In the event of breach of the Code, IGD has the right to cancel the contract.

Cleaning and Security

The factors taken into consideration are:

- Specific certifications for the activities requested
- Use of appropriate consumable materials as required by the relevant regulations in force
- Willingness to demonstrate regularity in payment of its own employees (so as to prevent under the table work): therefore monthly documentation and a guarantee are requested.



In addition to compliance with laws and regulations at work, the attention to legality also includes the investigation of suppliers' criminal profiles, from minor services to the building of new projects.

For activities carried out in those parts of the country that are particularly vulnerable to problems like organised crime, illegal employment and unauthorised building, IGD carries out thorough investigations into the characteristics of the work contractors and suppliers providing services, to prevent any attempt of criminal infiltration and to ensure that the activities are carried out in full compliance with the law.

In particular, IGD verifies with the Prefecture

and the relevant Authorities that neither the supplier company nor its owners (nor other prominent figures) have ever been involved in criminal affairs. At the same time, in the areas of greater risk, IGD cooperates with the authorities, guaranteeing in turn to provide them with all the information on the companies it stipulates contracts with.

An example of this commitment is the "Protocol of legality". This is an agreement entered into with the Prefecture of Gravina in Catania, and subsequently with the one in Palermo, in the months leading up to the opening of the two Shopping Centres in 2009 and 2010, aimed at fostering cooperation in order to effectively thwart any mafia style interference.



6.1.2 THE IMPORTANCE OF THE LOCAL AREA

The selection of suppliers takes into account (where necessary and possible) the local territory. For this reason, for minor work and services, the use of local suppliers is preferred (that satisfy however the standards of quality

and the more typical economic aspects). The activities concerned are those related to the ordinary management of the Shopping Centres, like cleaning, security, communication and advertising.

Table 1 Local suppliers

SUPPLIER TYPE	2011	2010	VAR 2011/2010
NUMBER OF LOCAL SUPPLIERS	686	611	12.3%
% OUT OF TOTAL SUPPLIERS	51%	60%	



Compared to the previous year, the number of local suppliers increased, whereas the percentage of local suppliers out of the total decreased due to an increase in the total number of suppliers.

This trend is mainly due to two reasons:

- **The choice** of some Centres not to make use of global service contracts.

- **The increase** in events in the Centres, and consequently an increase in suppliers involved.

An example in 2011 of the territoriality of suppliers is the restyling of ESP Shopping Centre in Ravenna. Indeed, 91% of the work regarding this project was carried out by companies coming from the province of Ravenna or Bologna.

IMPROVEMENT TARGETS:

Growing involvement of suppliers on matters relating to sustainability (continuous commitment in Italy)

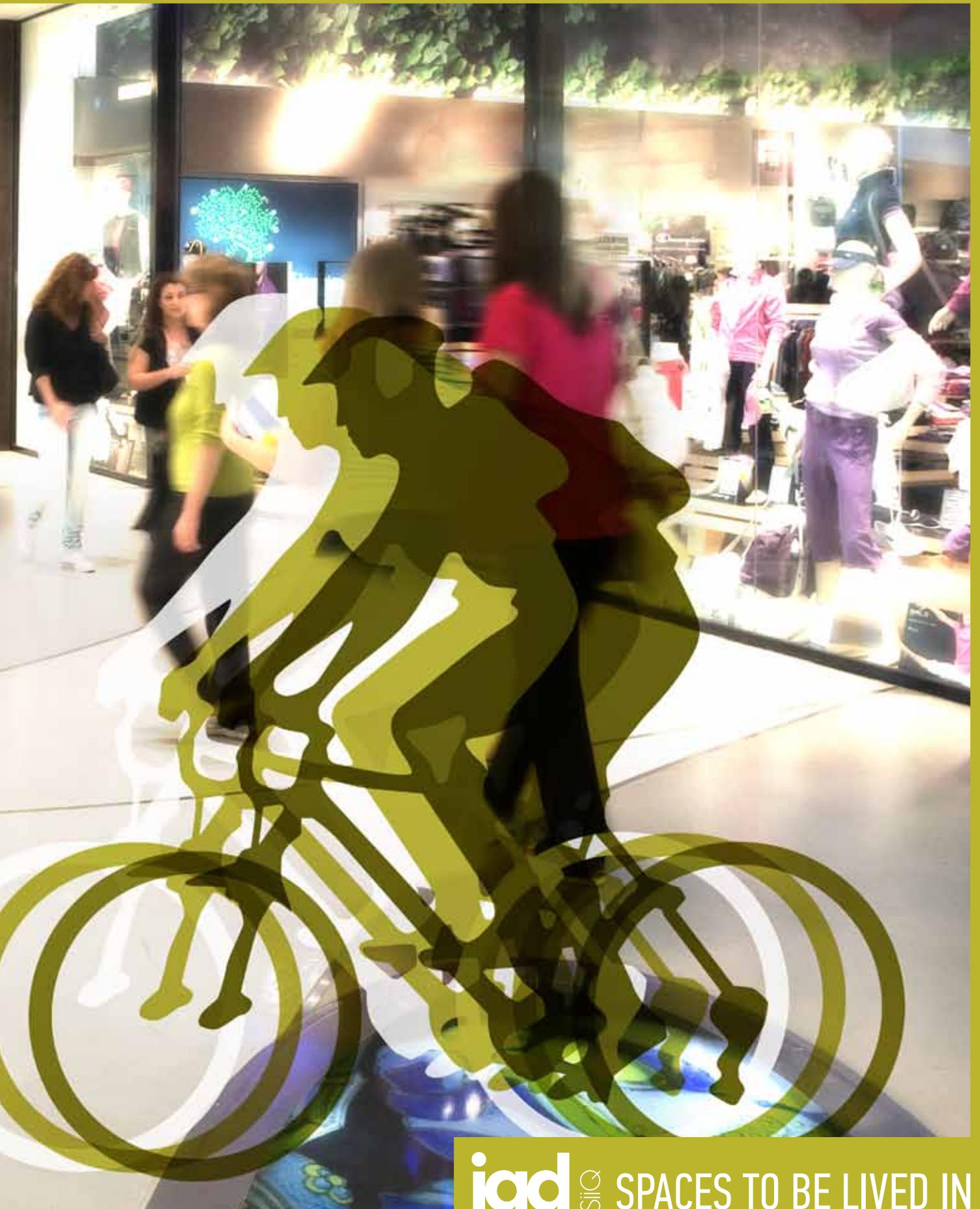
Continuation of the rotation of contracts, starting from yearly ones due to expire, with attention paid both to economic terms and to the reliability of suppliers (2012 in Italy and Romania)



7



ENVIRONMENT



igd SIG SPACES TO BE LIVED IN



7 ENVIRONMENT

CHECK ON PREVIOUS YEAR'S TARGETS (SUMMARY)

2011 IMPROVEMENT TARGETS	ACTIVITIES CARRIED OUT DURING THE YEAR
Share with tenants best practices useful for reducing energy consumption and for correct waste management (2011 Italy and Romania)	<p>In Italy:</p> <ul style="list-style-type: none">• Specific actions taken to reduce energy consumption were communicated to tenants <p>In Romania:</p> <ul style="list-style-type: none">• Difficulty about making tenants more aware about the issue of energy consumption reduction
Implementation of Plan to achieve ISO 14001 Company Certification (starting from 2011 in Italy)	Start up of project that will lead to the certification in the first six months of 2013 (18 months from the start).
Completion of two pilot projects regarding photovoltaic systems to be directly carried out by IGD (2011 in Italy)	Project postponed to 2012. Slowdown caused by legislative uncertainties
Implementation of Plan of Action to reduce electric/energy consumption and to monitor costs (2011 in Italy)	<ul style="list-style-type: none">• Wider range of Shopping Centres that join Galvani Consortium• Monitoring of turning on/off hours of lighting• Replacement of lighting structures started in several Centres

2011 IMPROVEMENT TARGETS	ACTIVITIES CARRIED OUT DURING THE YEAR
<p>Extension to the entire network of sorted waste collection (plastic and packaging, paper, glass, other) (2011 in Romania)</p>	<p>Contract signed for extension to the entire network of sorted waste collection</p>
<p>Improvement of structural conditions of thermal insulation in Tulcea and Cluj properties (2011 in Romania)</p>	<p>Actions carried out in both shopping centres</p>

2011 was an important year for IGD's environmental policies.

With the purpose of adopting an environmental policy to make sustainable management of its structures possible, the Company carried out actions aimed at mitigating its impact on the local environment. On the one hand, the decision to start the procedure to obtain ISO 14001 certification, and on the other, specific initiatives undertaken to improve energy efficiency (reduction in energy consumption, projects for photovoltaic systems, audits and specific actions in the individual Shopping

Centres) and for sorted waste collection. The activity of restyling which concerned one Shopping Centre also enters into this last category.





7.1 UNI EN ISO 14001 CERTIFICATION

The first step of the UNI EN ISO 14001 certification procedure is to define environmental policy. IGD, in the second half of the year started this procedure with the aim of obtaining the certification of its environmental processes within 18 months, that is in April 2013.

The decision to obtain this certification came from the desire to “codify” and structure the various actions aimed at improving environmental impact. Essentially, the purpose is to define unambiguous methods of monitoring and management for a continuous improvement in environmental performance.

After defining the policy, the subsequent step is to define an Environmental Management System aimed at identifying the most important and priority environmental aspects. For this reason, an “initial environmental analysis” was carried out at the end of 2011 in “Centrosarca” Shopping Centre in Sesto San Giovan-

ni (Milan). The results of this audit are being analysed at the moment: the purpose is to understand the current situation and to then define actions for constant improvement.

The fact that the project team formed to obtain the certification is made up of a cross section of functions both from the headquarters and the network shows that the whole corporate structure is involved in this matter.



7.2 2. ACTIONS CARRIED OUT AND RESULTS OBTAINED

7.2.1 ENERGY EFFICIENCY IN ITALY

The monitoring activity on energy consumption carried out over the 2009-2010 two year period was helpful for the preparation of the plan of action, aimed at defining structural work to be carried out in order to improve energy efficiency and management, from the point of view of a sustainable environment. In 2011, IGD carried out the first two activities

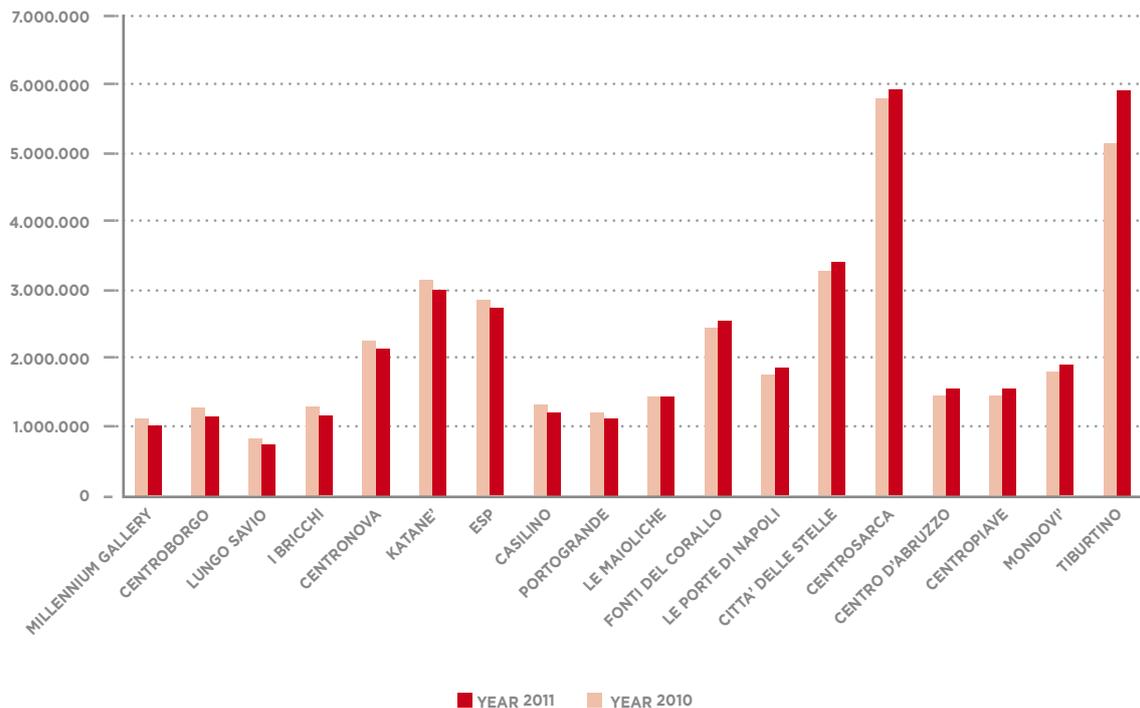
that actually reduced energy costs in the Centres concerned.

However, taking into consideration the different opening and closing times and the specific weather conditions that affected energy consumption, the global network result (+1%) was not satisfactory.

Table 1 Total energy consumption (in kW/h, like for like network)

kWh	2011	2010	DELTA %
CONSUMPTION	39,515,576	39,109,161	1%

Chart 2: Consumption in kw/h per Shopping Centre (arranged according to the difference between 2011 and 2010, from the greatest to the smallest)





In light of the total results and of some specific situations, it is more important now than ever to continue with implementing the plan of action over a large part of the network. Some examples are:

- **In Centro Sarca** (where energy consumption increased by 3.8%) an energy saving operation was carried out between the end of 2011 and the beginning of 2012 involving the structural, electrical and mechanical partitioning off of a portion of mall with the aim of reducing energy consumption on public holidays and during the evenings when the cinema is open. Following this, reductions in energy consumption are expected from 2012.
- **In Mondovì**, in light of the increase in energy consumption (+7.9%), work was carried out on the electrical system between the end of 2011 and the beginning of 2012, with the separation of electrical cables for internal lighting and the integration of new software to control this lighting. Again, improvements are expected starting from 2012.

As stated before, comforting results have been produced by those places where work has already been carried out, in accordance with the plan of action:

- **In Centro ESP** (-4.5%) in 2011 during the restyling of the mall, the lighting structures were replaced with led light structures (see detailed description below).
- **In Centro Borgo** (-11.1%) the huge reduction in 2011 was essentially the result of replacing two refrigerator units with others of a superior energy class and of the simultaneous introduction of new software to control the electrical and mechanical systems.



With reference to the Microkyoto Imprese project, promoted by the Province of Bologna to make local activities take action and be more aware of the targets established by the Kyoto Protocol, IGD, in the month of October 2011, subjected Centro Borgo to an energy audit, with the aim of assessing the structure's strong and weak points

As this Shopping Centre was built in 1989, the audit highlighted the need for some changes of a management type (for example the training of tenants on the correct use of systems) and of a structural type (like the replacement of lighting systems etc.). With regard to the recommended changes, IGD installed, in the first few months in 2012, sensors to detect when someone is in the restrooms with the aim of reducing electrical energy consumption. Other actions are in the process of being studied.



7.2.2 ENERGY EFFICIENCY IN ROMANIA

The improvement of energy efficiency in the network is connected to the need for both operational and structural renovation in the Shopping Centres. Winmarkt has been working on this objective since 2008. Actions, therefore, were also carried out in 2011:

- **operational:** with the extension to the whole network of the telemanagement system already introduced in the 2009/2010 two year period.
- **structural:** hydro/thermal insulation work in two Shopping Centres, one in Tulcea (with the repairing of the roof) and one in Cluj (with the renovation of the facade and the internal piping).

Furthermore, reduction in energy consumption will be one of the factors examined in the review of the 2012-2014 Business Plan, with specific planned investments.

7.2.3 SORTED WASTE COLLECTION

In Italy, following the purchase and positioning of specific bins, waste is sorted and regularly collected in the Shopping Centres, while the external waste compactors are there to collect the already sorted waste, ready for the local refuse collectors that are specialised in recycling and waste disposal.

In line with what was determined the previous year, refuse collection has decreased. The most significant factor is an improvement in the level of waste sorting: with the total quantity in line with the previous year, greater attention paid to the method of waste sorting resulted in a decrease in unsorted waste and a general increase in paper/cardboard and plastic.

Table 2 **Sorted waste collection* (quintals, Italy)**

TYPE	2011 (Q)	2010** (Q)	DIFFERENCE
PAPER AND CARDBOARD	9,338	8,894	5.0%
PLASTIC	5,571	5,390	3.4%
WET	2,499	2,563	-2.5%
TOTAL SORTED	17,408	16,847	3.3%
UNSORTED	9,911	11,311	-12.4%
TOTAL	27,320	28,159	-3.0%

* data referring to 14 Shopping Centres. The data in Centres in which waste collection is carried out directly by the Municipality is not available.

**The data referring to 2010 in this table has been altered compared to that present in the same table of the previous year following changes in the method of data collection.



In 2011 sorted waste collection was also extended to the headquarters in Bologna: in fact, specific bins for the collection of paper, plastic and used batteries were set up, and the request put in for the collection of glass. This was accompanied by an information campaign directed at the employees and co-workers of the headquarters.

In Romania there are no national regulations but Winmarkt is defining, where possible, an agreement on a local level with the authorities in charge of sorted waste collection regarding paper, cardboard and plastic; currently the system is running in 3 areas in which there are 6 Winmarkt Centres.

7.3 STRUCTURAL WORK

7.3.1 PHOTOVOLTAIC SYSTEM

In 2011 the project relating to the installation of photovoltaic solar panels on the shopping mall roofs was refined with the precise intent of using the energy produced by these products for the Centre's own use.

The project, which included two pilot projects that were supposed to start up in 2011, has

been slowed down by legislative uncertainties on the issues of pricing policies.



7.3.2 LOW ENERGY CONSUMING LIGHTING SYSTEMS

IGD has decided to reduce its lighting system energy consumption in its Centres by means of a gradual replacement of traditional lights with either low energy consuming systems or

led systems. **At the end of 2011, 43% of the Centres were equipped with at least one of these two systems.**



7.3.3 RESTYLING OF ESP CENTRE



The restyling of ESP Shopping Centre in Ravenna, completed in the second half of 2011, has obtained a twofold result:

- **it has given** a more modern appearance to an older structure, bestowing new life and appeal to a Shopping Centre that is, however, highly regarded by its customers;
- **it has introduced** elements aimed at energy saving

From an architectonic point of view, the decision was made to eliminate the “baroque” characteristics, also due to the original choice of material which required an abundant use of marble both in the flooring and in the facing. More basic solutions were chosen, with the use of more technical materials, more attention paid to colours, with the addition of the corporate red feature, which represents one of the striking elements of IGD’s new distinguishing concept (fil rouge) within its restyling guidelines.

With regard to energy saving, a new lighting

project has been created, based on the use of led technology, where lighting becomes a fundamental element of the environment, uniting functional and aesthetic aspects with a reduction in energy consumption. Despite the initial high costs, a led system guarantees savings both in energy and in running costs for the Centre. In addition, this technology requires little maintenance.

From the point of view of the quantification of energy saving, it will be possible to obtain more significant data in 2012.

IMPROVEMENT TARGETS:

IN ITALY

Implementation of two pilot projects regarding photovoltaic systems, subject to the resolution of the current legislative uncertainties

Use of only ecological or recycled paper for activities in the headquarters

Continuation of the project for UNI EN ISO 14001 certification, with the definition of procedures (to be applied in Centrosarca on an experimental basis) with regard to: reduction in energy consumption, optimisation of waste management, creation and management of green areas, noise reduction, legal compliance and optimisation of road network

Gradual replacement of lighting systems with low energy consuming lights/ led lights, to be carried out mainly in the event of restyling

IN ROMANIA

Reduction in energy consumption by installing own electric transformers, to purchase energy before it is transformed (2012-2013 time span)

Improvement of thermal insulation in the structures (2012-2014 time span)

Introduction of low energy consuming lights as a pilot test in some shopping centres (2012-2013 time span)

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GRI-G3 APPLICATION LEVEL

With reference to the different application levels identified in the GRI-G3 guidelines (shown in the figure below), this report has reached application level C.

	C	C+	B	B+	A	A+
Application level 	Report on: 1.1 2.1-2.10 3.1-3.8, 3.10-3.12 4.1-4.4, 4.14-A4.15		Report on all the criteria foreseen for C plus: 1.2 3.9-3.13, 4.16-4.17		Same requirements as for level B	
Standard information 	Not required	Report externally assured	Management approach disclosures for all indicator categories	Report externally assured	Management approach disclosures for all indicator categories	Report externally assured
	Report on a minimum of 10 performance indicators, including at least one on: economic, social and environmental performance		Report on a minimum of 20 performance indicators, including at least one on: economic, social and environmental performance		Report on all the core G3 and relevant sector supplement performance indicators with regard to materiality. Explain reason for any omissions	

GRI INDICATOR COVERAGE

The following table shows the indicators foreseen by the Global Reporting Initiative-G3, international reporting standard.

The coverage level (or rather the extent to which the indicator is present in the IGD 2011 Sustainability Report) is shown alongside each indicator.

Key for table below

COVERAGE	T	TOTAL
	P	PARTIAL
	-	NOT COVERED
	N/A	NOT APPLICABLE
INDICATOR TYPE	C	CORE
	A	ADDITIONAL

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ORGANISATIONAL PROFILE			
ASPECT	CODE	INDICATOR	COVERAGE LEVEL
STRATEGY AND ANALYSIS	1.01	STATEMENT OF THE CHAIRMAN AND THE CHIEF EXECUTIVE OFFICE	T
	1.02	DESCRIPTION OF MAIN IMPACTS, RISKS AND OPPORTUNITIES	-
PROFILE	2.01	NAME OF ORGANISATION	T
	2.02	MAIN BRANDS, PRODUCTS AND/OR SERVICES	T
	2.03	OPERATIONAL STRUCTURE OF THE ORGANISATION	T
	2.04	LOCATION OF ORGANISATION'S HEADQUARTERS	T
	2.05	NUMBER OF COUNTRIES WHERE THE ORGANISATION OPERATES	T
	2.06	NATURE OF OWNERSHIP AND LEGAL FORM	T
	2.07	MARKETS SERVED	T
	2.08	SIZE OF REPORTING ORGANISATION	T
	2.09	SIGNIFICANT CHANGES DURING THE REPORTING PERIOD	T
	2.10	AWARDS RECEIVED DURING THE REPORTING PERIOD	N-A
REPORT PARAMETERS	3.01	REPORTING PERIOD	T
	3.02	PUBLISHING DATE OF MOST RECENT REPORT	T
	3.03	REPORTING CYCLE	T
	3.04	CONTACT FOR QUESTIONS REGARDING THE REPORT AND ITS CONTENTS	T
	3.05	PROCESS FOR DEFINING REPORT CONTENTS	T
	3.06	REPORT BOUNDARY	T
	3.07	DEFINITION OF SPECIFIC RESTRICTIONS REGARDING THE SCOPE OR BOUNDARY OF THE REPORT	T
	3.08	INFORMATION REGARDING JOINT VENTURES, SUBSIDIARIES ETC.	T
	3.09	DATA MEASUREMENT TECHNIQUES AND BASIS FOR CALCULATIONS	T
	3.10	EXPLANATION OF THE EFFECT OF CHANGES IN CALCULATIONS	T
	3.11	SIGNIFICANT CHANGES COMPARED TO PREVIOUS REPORTING PERIOD	T
	3.12	GRI TABLE	T
	3.13	EXTERNAL ASSURANCE	-
GOVERNANCE, COMMITMENTS, STAKEHOLDER INVOLVEMENT	4.01	GOVERNANCE STRUCTURE OF THE ORGANISATION	T
	4.02	INFORMATION ON WHETHER THE CHAIRMAN OF THE HIGHEST GOVERNANCE BODY IS ALSO AN EXECUTIVE OFFICER	T
	4.03	NUMBER OF MEMBERS OF BOD THAT ARE INDEPENDENT AND/OR NON –EXECUTIVE	T
	4.04	MECHANISMS FOR SHAREHOLDERS AND EMPLOYEES TO PROVIDE RECOMMENDATIONS TO THE BOD	P
	4.05	LINK BETWEEN COMPENSATION FOR MEMBERS OF THE HIGHEST GOVERNANCE BODY, DIRECTORS AND EXECUTIVES AND THE ORGANISATION'S PERFORMANCE	P
	4.06	PROCESSES USED TO ENSURE CONFLICTS OF INTEREST ARE AVOIDED	T
	4.07	PROCESSES FOR DETERMINING THE QUALIFICATIONS AND EXPERTISE OF THE MEMBERS OF THE HIGHEST GOVERNANCE BODY	T
	4.08	MISSION, VALUES, CODES OF CONDUCT AND PRINCIPLES	T
	4.09	PROCEDURES OF THE HIGHEST GOVERNANCE BODY FOR OVERSEEING THE DEFINITION AND THE MANAGEMENT OF THE ORGANISATION'S ECONOMIC, ENVIRONMENTAL AND SOCIAL PERFORMANCE	T
	4.10	PROCESSES FOR ASSESSING THE HIGHEST GOVERNANCE BODY'S PERFORMANCE	-
	4.11	EXPLANATION OF THE IMPLEMENTATION OF THE PRECAUTIONARY APPROACH	-
	4.12	ADOPTION OF CODES OF CONDUCT	T
	4.13	MEMBERSHIP IN ASSOCIATIONS	T
	4.14	LIST OF STAKEHOLDERS	T
	4.15	PRINCIPLES FOR IDENTIFYING AND SELECTING STAKEHOLDERS	P
4.16	APPROACH TO STAKEHOLDER INVOLVEMENT	P	
4.17	KEY TOPICS AND ISSUES RAISED BY STAKEHOLDERS AND THE ORGANISATION'S RESPONSE	P	

ECONOMIC PERFORMANCE INDICATORS				
ASPECT	TYPE	CODE	INDICATOR	COVERAGE LEVEL
MANAGEMENT APPROACH			DISCLOSURE ON MANAGEMENT APPROACH (GOALS AND PERFORMANCE, POLICY, CONTEXTUAL INFORMATION)	T
ECONOMIC PERFORMANCE	C	EC 1	DIRECT ECONOMIC VALUE GENERATED AND DISTRIBUTED	T
	C	EC 2	FINANCIAL IMPLICATIONS AND OTHER RISKS AND OPPORTUNITIES FOR THE ORGANISATION'S ACTIVITIES DUE TO CLIMATE CHANGE	-
	C	EC 3	COVERAGE OF THE PENSION PLANS DEFINED BY THE ORGANISATION	-
	C	EC 4	SIGNIFICANT ASSISTANCE RECEIVED FROM GOVERNMENT	-
MARKET PRESENCE	A	EC 5	RATIO BETWEEN STANDARD ENTRY LEVEL WAGE AND LOCAL MINIMUM WAGE WITH REGARD TO SIGNIFICANT OPERATING LOCATIONS	-
	C	EC 6	POLICIES, PRACTICES AND PROPORTION OF SPENDING TOWARDS LOCAL SUPPLIERS WITH REGARD TO SIGNIFICANT OPERATING LOCATIONS	P
	C	EC 7	PROCEDURES FOR LOCAL HIRING AND PROPORTION OF DIRECTORS HIRED FROM THE LOCAL COMMUNITY WITH REGARD TO SIGNIFICANT OPERATING LOCATIONS	-
INDIRECT ECONOMIC IMPACTS	C	EC 8	INVESTMENTS FOR "PUBLIC BENEFIT" SERVICES	T
	A	EC 9	UNDERSTANDING AND DESCRIBING INDIRECT ECONOMIC IMPACTS INCLUDING THE EXTENT OF SUCH IMPACTS	T

PRODUCT RESPONSABILITY				
ASPECT	TYPE	CODE	INDICATOR	COVERAGE LEVEL
MANAGEMENT APPROACH			DISCLOSURE ON MANAGEMENT APPROACH (GOALS AND PERFORMANCE, POLICY, ORGANISATIONAL RESPONSIBILITY, TRAINING AND AWARENESS, MONITORING AND FOLLOW-UP, CONTEXTUAL INFORMATION)	N/A
CONSUMER HEALTH AND SAFETY	C	PR 1	LIFE CYCLE STAGES OF PRODUCTS/SERVICES IN WHICH IMPACTS ON HEALTH AND SAFETY ARE ASSESSED	N/A
	A	PR 2	TOTAL NUMBER OF INCIDENTS OF NON-COMPLIANCE REGARDING HEALTH AND SAFETY OF PRODUCTS/SERVICES	N/A
PRODUCT AND SERVICE LABELLING	C	PR 3	TYPE OF PRODUCT AND SERVICE INFORMATION REQUIRED	N/A
	A	PR 4	TOTAL NUMBER OF INCIDENTS OF NON-COMPLIANCE REGARDING PRODUCT AND SERVICE LABELLING	N/A
	A	PR 5	POLICIES RELATING TO CUSTOMER SATISFACTION	N/A
ADVERTISING AND MARKETING COMMUNICATIONS	C	PR 6	PROGRAMMES OF COMPLIANCE WITH LAWS AND STANDARDS REGARDING MARKETING AND ADVERTISING	N/A
	A	PR 7	TOTAL NUMBER OF INCIDENTS OF NON-COMPLIANCE WITH LAWS AND STANDARDS REGARDING MARKETING AND ADVERTISING	N/A
RESPECT FOR PRIVACY	A	PR 8	TOTAL NUMBER OF DOCUMENTED COMPLAINTS	N/A
COMPLIANCE	C	PR 9	MONETARY VALUE OF MAIN SANCTIONS FOR NON-COMPLIANCE WITH LAWS OR REGULATIONS REGARDING THE PROVISION AND USE OF PRODUCTS AND SERVICES	N/A

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ENVIRONMENTAL PERFORMANCE INDICATORS				
ASPECT	TYPE	CODE	INDICATOR	COVERAGE LEVEL
MANAGEMENT APPROACH			DISCLOSURE ON MANAGEMENT APPROACH (GOALS AND PERFORMANCE, POLICY, ORGANISATIONAL RESPONSIBILITY, TRAINING AND AWARENESS, MONITORING AND FOLLOW-UP, CONTEXTUAL INFORMATION)	T
RAW MATERIALS	C	EN 1	MATERIALS USED BY WEIGHT OR VOLUME	N/A
	C	EN 2	PERCENTAGE OF MATERIALS USED THAT HAVE BEEN RECYCLED	N/A
ENERGY	C	EN 3	DIRECT ENERGY CONSUMPTION BY PRIMARY ENERGY SOURCE	T
	C	EN 4	INDIRECT ENERGY CONSUMPTION BY PRIMARY SOURCE	-
	A	EN 5	ENERGY SAVED DUE TO CONSERVATION AND EFFICIENCY IMPROVEMENTS	T
	A	EN 6	INITIATIVES TO PROVIDE ENERGY-EFFICIENT OR RENEWABLE ENERGY BASED PRODUCTS AND SERVICES AND REDUCTIONS IN ENERGY REQUIREMENTS AS A RESULT OF THESE INITIATIVES	P
	A	EN 7	INITIATIVES TO REDUCE INDIRECT ENERGY CONSUMPTION	T
WATER	C	EN 8	TOTAL WATER WITHDRAWAL BY SOURCE	-
	A	EN 9	WATER SOURCES SIGNIFICANTLY AFFECTED BY WITHDRAWAL OF WATER	-
	A	EN 10	PERCENTAGE AND TOTAL VOLUME OF WATER RECYCLED AND REUSED	-
BIODIVERSITY	C	EN 11	LOCATION AND SIZE OF LAND OWNED, LEASED OR MANAGED , IN OR ADJACENT TO PROTECTED AREAS AND AREAS OF HIGH BIODIVERSITY VALUE OUTSIDE PROTECTED AREAS	-
	C	EN 12	DESCRIPTION OF SIGNIFICANT IMPACTS OF ACTIVITIES, PRODUCTS AND SERVICES ON BIODIVERSITY IN PROTECTED AREAS AND AREAS OF HIGH BIODIVERSITY VALUE OUTSIDE PROTECTED AREAS	-
	A	EN 13	PROTECTED OR RESTORED HABITATS	-
	A	EN 14	STRATEGIES, CURRENT ACTIONS AND FUTURE PLANS FOR MANAGING IMPACTS ON BIODIVERSITY	-
	A	EN 15	NUMBER OF IUCN RED LIST SPECIES AND NATIONAL CONSERVATION LIST SPECIES WITH HABITATS IN THE AREAS AFFECTED BY OPERATIONS BY LEVEL OF EXTINCTION RISK	-
EMISSIONS, DISCHARGES AND WASTE	C	EN 16	DIRECT AND INDIRECT GREENHOUSE GAS EMISSIONS BY WEIGHT	-
	C	EN 17	OTHER RELEVANT INDIRECT GREENHOUSE GAS EMISSIONS BY WEIGHT	-
	A	EN 18	INITIATIVES TO REDUCE GREENHOUSE GAS EMISSIONS AND RESULTS OBTAINED	-
	C	EN 19	EMISSIONS OF OZONE DEPLETING SUBSTANCES BY WEIGHT	-
	C	EN 20	NO, SO, AND OTHER SIGNIFICANT EMISSIONS BY TYPE AND WEIGHT	-
	C	EN 21	TOTAL WATER DISCHARGE BY QUALITY AND DESTINATION	-
	C	EN 22	TOTAL WASTE WEIGHT BY TYPE AND DISPOSAL METHOD	T
	C	EN 23	TOTAL NUMBER AND VOLUME OF SIGNIFICANT ACCIDENTAL SPILLS	-
	A	EN 24	HAZARDOUS WASTE	-
	A	EN 25	IDENTITY, SIZE, PROTECTED STATUS AND BIODIVERSITY VALUE OF WATERWAYS AND RELATED HABITATS SIGNIFICANTLY AFFECTED BY THE REPORTING ORGANISATION'S WASTE WATER AND RAINWATER	-
PRODUCTS AND SERVICES	C	EN 26	INITIATIVES TO REDUCE ENVIRONMENTAL IMPACTS OF PRODUCTS AND SERVICES AND EXTENT OF SUCH IMPACTS	N/A
	C	EN 27	PERCENTAGE OF PRODUCTS SOLD AND THEIR PACKAGING MATERIALS THAT ARE RECOVERED, BY CATEGORY	N/A
COMPLIANCE	C	EN 28	MONETARY VALUE OF SIGNIFICANT FINES AND TOTAL NUMBER OF NON-MONETARY SANCTIONS FOR NON-COMPLIANCE WITH ENVIRONMENTAL LAWS AND REGULATIONS	-
TRANSPORT	A	EN 29	SIGNIFICANT ENVIRONMENTAL IMPACTS OF TRANSPORTING PRODUCTS AND OTHER GOODS AND MATERIALS USED FOR THE ORGANISATION'S OPERATIONS AND IMPACTS OF TRANSPORTING EMPLOYEES	-
OVERALL	A	EN 30	TOTAL ENVIRONMENTAL EXPENSES AND INVESTMENTS BY TYPE	-

SOCIAL PERFORMANCE INDICATORS

LABOUR PRACTICES

ASPECT	TYPE	CODE	INDICATOR	COVERAGE LEVEL
MANAGEMENT APPROACH			DISCLOSURE ON MANAGEMENT APPROACH (GOALS AND PERFORMANCE, POLICY, ORGANISATIONAL RESPONSIBILITY, TRAINING AND AWARENESS, MONITORING AND FOLLOW-UP, CONTEXTUAL INFORMATION)	T
EMPLOYMENT	C	LA 1	TOTAL WORKFORCE BY EMPLOYMENT TYPE, EMPLOYMENT CONTRACT AND REGION	T
	C	LA 2	TOTAL NUMBER AND TURNOVER RATE BY AGE GROUP, GENDER AND REGION	P
	A	LA 3	BENEFITS PROVIDED TO FULL-TIME EMPLOYEES THAT ARE NOT PROVIDED TO TEMPORARY OR PART-TIME EMPLOYEES, BY MAIN ACTIVITIES	-
INDUSTRIAL RELATIONS	C	LA 4	PERCENTAGE OF EMPLOYEES COVERED BY COLLECTIVE LABOUR CONTRACTS	P
	C	LA 5	MINIMUM NOTICE PERIOD REGARDING OPERATIONAL CHANGES, INCLUDING WHETHER THIS NOTICE PERIOD IS SPECIFIED IN COLLECTIVE LABOUR CONTRACTS	-
OCCUPATIONAL HEALTH AND SAFETY	A	LA 6	PERCENTAGE OF TOTAL WORKFORCE REPRESENTED IN FORMAL MANAGEMENT-WORKER HEALTH AND SAFETY COMMITTEES THAT HELP MONITOR AND ADVISE ON HEALTH AND SAFETY PROGRAMMES	-
	C	LA 7	RATES OF INJURY, OCCUPATIONAL DISEASES, LOST WORKDAYS AND ABSENTEEISM AND NUMBER OF WORK-RELATED FATAL ACCIDENTS, BY REGION	P
	C	LA 8	EDUCATION, TRAINING, COUNSELLING, PREVENTION AND RISK CONTROL PROGRAMMES FOR WORKERS, THEIR FAMILIES OR MEMBERS OF THE COMMUNITY REGARDING SERIOUS DISEASES	-
	A	LA 9	HEALTH AND SAFETY TOPICS INCLUDED IN FORMAL AGREEMENTS WITH TRADE UNIONS	-
TRAINING AND EDUCATION	C	LA 10	AVERAGE HOURS OF TRAINING PER EMPLOYEE PER YEAR, BY EMPLOYEE CATEGORY	T
	A	LA 11	PROGRAMMES FOR SKILLS MANAGEMENT AND CONTINUOUS LEARNING THAT SUPPORT CONTINUOUS EMPLOYABILITY OF EMPLOYEES AND ASSIST THEM IN MANAGING CAREER END	-
	A	LA 12	PERCENTAGE OF EMPLOYEES THAT RECEIVE REGULAR PERFORMANCE AND CAREER DEVELOPMENT REVIEWS	T
DIVERSITY AND EQUAL OPPORTUNITY	C	LA 13	COMPOSITION OF GOVERNANCE BODIES AND BREAKDOWN OF EMPLOYEES BY CATEGORY WITH REGARD TO GENDER, AGE GROUP, MINORITY GROUP AND OTHER INDICATORS OF DIVERSITY	P
	C	LA 14	RATIO OF BASIC MALE AND FEMALE SALARY BY CATEGORY	-
HUMAN RIGHTS				
MANAGEMENT APPROACH			INFORMATIVA SULLA MODALITÀ DI GESTIONE (OBIETTIVI E PERFORMANCE, POLITICA, RESPONSABILITÀ ORGANIZZATIVA, FORMAZIONE E CONSAPEVOLEZZA, MONITORAGGIO E FOLLOW-UP, INFORMAZIONI SUL CONTESTO)	-
INVESTMENT AND PROCUREMENT PRACTICES	C	HR 1	PERCENTUALE E NUMERO TOTALE DI ACCORDI SIGNIFICATIVI DI INVESTIMENTO CHE INCLUDONO CLAUSOLE SUI DIRITTI UMANI O CHE SONO SOTTOPOSTI A RELATIVA VALUTAZIONE	-
	C	HR 2	PERCENTUALE DEI PRINCIPALI FORNITORI E APPALTATORI CHE SONO SOTTOPOSTI A VERIFICHE IN MATERIA DI DIRITTI UMANI E RELATIVE AZIONI INTRAPRESE	P
	A	HR 3	ORE TOTALI DI FORMAZIONE DEI DIPENDENTI SU POLITICHE E PROCEDURE RIGUARDANTI TUTTI GLI ASPETTI DEI DIRITTI UMANI RILEVANTI PER L'ATTIVITÀ DELL'ORGANIZZAZIONE E PERCENTUALE DEI LAVORATORI FORMATI	-
NON-DISCRIMINATION	C	HR 4	NUMERO TOTALE DI EPISODI LEGATI A PRATICHE DISCRIMINATORIE E AZIONI INTRAPRESE	-
FREEDOM OF ASSOCIATION AND COLLECTIVE NEGOTIATION	C	HR 5	IDENTIFICAZIONE DELLE ATTIVITÀ IN CUI LA LIBERTÀ DI ASSOCIAZIONE E CONTRATTAZIONE COLLETTIVA PUÒ ESSERE ESPOSTA A RISCHI SIGNIFICATIVI E AZIONI INTRAPRESE IN DIFESA DI TALI DIRITTI	-

SOCIAL PERFORMANCE INDICATORS				
HUMAN RIGHTS				
ASPECT	TYPE	CODE	INDICATOR	COVERAGE LEVEL
CHILD LABOUR	C	HR 6	IDENTIFICATION OF OPERATIONS WITH HIGH RISK OF INCIDENTS OF CHILD LABOUR AND THE MEASURES TAKEN TO CONTRIBUTE TO ABOLISHING IT	-
FORCED LABOUR	C	HR 7	OPERATIONS WITH HIGH RISK OF FORCED OR COMPULSORY LABOUR AND MEASURES TAKEN TO CONTRIBUTE TO ABOLISHING IT	-
SAFETY AND SECURITY PRACTICES	A	HR 8	PERCENTAGE OF SECURITY STAFF THAT HAVE BEEN TRAINED ON THE PROCEDURES AND POLICIES CONCERNING HUMAN RIGHTS THAT ARE RELEVANT TO THE ORGANISATION'S OPERATIONS	T
LOCAL INHABITANTS' RIGHTS	A	HR 9	NUMBER OF VIOLATIONS OF THE RIGHTS OF THE LOCAL COMMUNITY AND ACTIONS TAKEN	N/A
SOCIETY				
MANAGEMENT APPROACH			DISCLOSURE ON MANAGEMENT APPROACH (GOALS AND PERFORMANCE, POLICY, ORGANISATIONAL RESPONSIBILITY, TRAINING AND AWARENESS, MONITORING AND FOLLOW-UP, CONTEXTUAL INFORMATION)	T
COMMUNITY	C	SO 1	NATURE, SCOPE AND EFFECTIVENESS OF PROGRAMMES TO ASSESS AND MANAGE IMPACTS ON THE COMMUNITY	P
CORRUPTION	C	SO 2	PERCENTAGE AND TOTAL NUMBER OF ORGANISATIONAL UNITS ANALYSED FOR RISKS RELATED TO CORRUPTION	P
	C	SO 3	PERCENTAGE OF EMPLOYEES TRAINED ON THE ORGANISATION'S ANTI-CORRUPTION PROCEDURES AND POLICIES	-
	C	SO 4	ACTIONS TAKEN IN RESPONSE TO INCIDENTS OF CORRUPTION	T
PUBLIC POLICY	C	SO 5	PUBLIC POLICY POSITIONS AND PARTICIPATION IN LOBBYING ACTIVITIES REGARDING PUBLIC POLICY DEVELOPMENT	-
	A	SO 6	TOTAL VALUE OF FINANCIAL AND IN-KIND CONTRIBUTIONS TO POLITICAL PARTIES AND RELATED INSTITUTIONS, BY COUNTRY	-
ANTI-COMPETITIVE BEHAVIOUR	A	SO 7	TOTAL NUMBER OF LAW SUITS FOR ANTI-COMPETITIVE BEHAVIOUR, ANTITRUST AND MONOPOLY PRACTICES AND THEIR OUTCOMES	-
COMPLIANCE	C	SO 8	MONETARY VALUE OF SIGNIFICANT FINES AND TOTAL NUMBER OF NON-MONETARY SANCTIONS DUE TO NON-COMPLIANCE WITH THE LAWS AND REGULATIONS	-



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