

SUSTAINABILITY REPORT 2018



*Becoming
g.r.e.a.t.*

igd SIG
SPAZI DA VIVERE

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Becoming
g.r.e.a.t.

• Letter to stakeholders

(GRI 102-14)

Dear Stakeholders,

We are pleased to present IGD Group's ninth Sustainability Report, which contains some confirmations and several new features regarding the reporting of environmental, social, and governance (ESG) performance. With regard to the former, we are happy to confirm for the second year running, that also this Report is subject to Limited Assurance by the company PricewaterhouseCoopers, which certifies its compliance with the most important international standards (GRI Standards). The second confirmation we would like to highlight is that this Report is also approved by the Board of Directors along with the Consolidated Financial Statements. These two choices bear witness to our intention: report on all our business activities, both those regarding economic-financial aspects and those regarding social-environmental ones, in a timely and increasingly transparent, accurate and secure manner. The incentive given by the European Union when it approved the Non-Financial Reporting directive is convincing for us and, even though we are not one of the companies that are obliged to adopt this model, we undertake, all the same, to provide information "to the extent necessary for an understanding of the undertaking's development, performance, position and impact of its activity".

It is precisely with regard to the issue of impacts that we have introduced one of the new features in this Report: we have initiated an assessment process of the externalities that we produce, following on from the in-depth analysis on SROI (Social Return On Investment) which we carried out in the past. We began by analysing 3 sustainability projects which we care deeply about and in which we are investing time and resources: corporate welfare, environmental certification and the project with Associazione Nazionale Tumori (National Tumour Association). We identified a method of analysis that allows us to assess the direct and indirect impacts of these projects, as well as the economic and non-economic ones, and we want to share with you the results obtained. We realise that this is just the start and that we can fine-tune this process year after year, but we are satisfied with the outcome. This process was extremely important in a year like 2018, the last one of the sustainability planning which began in 2016. We would like to show you, with this Report, the results we achieved for each of the targets we had previously set and we are rather satisfied that the overall level of achievement is equal to 90%. On the basis of this, during the year we worked in order to identify new targets to include in the 2019-2021 Strategic Plan which was presented on 7th November. Sustainability is included in one of the three pillars upon which the document is based, that relating to "Innovation and operating excellence". We decided to reduce the number of specific targets (from 31 in the 2016-2018 Plan to 17 current ones), increasing their importance from a strategic point of view. We identified these targets by means of analysis and internal discussions and by observing any important activity going on with regard to social responsibility at national and international level. In this respect, we took into consideration the United Nations Millennium Goals: we want our sustainable development to be structured along the lines of these 17 Goals, 10 of which are important for us. Not only have they guided us when defining the targets of the Plan, but they are also an integral part of this Report, as the results achieved with regard to each of them are also stated.

Remaining at international level, after becoming a member of the ICSC (International Council of Shopping Centres) Sustainability Group in 2015, during the year we continued with our efforts to contribute to debates on sustainability in our sector by becoming a member of the EPRA Sustainability Committee in which we are the sole Italian company present. We believe that participating in these contexts is a real added value: indeed, they give us the opportunity both to understand the most important issues that concern our sector at European level, as well as to contribute with our ideas to the official positions of these associations with regard to European legislation. These contributions also enable us to understand, year after year, what the material issues are, or rather those that have an impact on our Company and are important to our Stakeholders. We updated them in 2017 and confirmed them in 2018. In this Report these issues are grouped together in sections according to the acronym G.R.E.A.T. (Green, Responsible, Ethical, Attractive, Together). The results regarding the performance achieved are reported within each section.

With regard to environmental, that is, "Green", issues, we are pleased to acknowledge that the work carried out over the years to reduce energy consumption is paying off. Indeed, electricity consumption decreased despite the changes in weather which in 2018 resulted in a very hot summer and colder winter especially in the central and southern regions. We reached this result also thanks to two important activities that we are carrying out in our Malls: the installation of photovoltaic systems and LED lighting systems. As at 2018, photovoltaic systems were operational in 5 Shopping Centres, while in 2 other structures the systems were already installed and will be operational shortly. We are very pleased to mention the case of La Torre Shopping Centre in Palermo, where consumption fell by a third thanks to this system which was activated in January 2018. We can also see significant results in terms of energy efficiency in the 16 Malls where the traditional lighting systems were replaced by LED lighting. We calculated that if we had not carried out this type of work, in 2018 we would

have consumed 1.76 million kWh more (equal to consumption in a medium sized Shopping Centre). We would also like to point out that all the electricity used in our Shopping Centres comes from renewable sources. This resulted in more than 20,000 tonnes of CO2 not being emitted into the atmosphere, equivalent to the annual electricity consumption of 17,000 families. Furthermore, we are ever more convinced that the path we have taken to certify our structures, from an environmental point of view, is the right one: for this reason, three other properties were UNI EN ISO 14001 certified during the year (altogether 17 Shopping Centres, in addition to the headquarters, have now been certified, equal to 74% of the portfolio that we intend to certify) and we obtained the first two BREEAM IN USE certifications for two Shopping Centres. The latter result is very satisfying as it highlights both the environmental aspect and the attention paid to wellbeing, two aspects that represent the way in which we interpret our Shopping Centres. We are also investing in two other fields: electric mobility and circular economy. With regard to the former, we are launching a project to install EV charging stations which will take place in 2019; with regard to the latter, the "Waste2Value" project is continuing, the purpose being to convert food waste of a Shopping Centre into "second products" to be reintroduced into the same Centre in the form of products or services.

We also undertake to act in a "Responsible" manner towards people, paying close attention both to those we work with and to those that visit our Shopping Malls. We are committed to ensuring the wellbeing of our employees, the number of whom has been constantly growing over the years, arriving at the 131 of today: indeed, in 2018, for the second year, the Corporate Welfare Portal was active and updated. By means of this Portal the employees are assigned a budget, which is the same for everyone, with which they can obtain goods and services. The results were very good: as was the case the year before, 99% of those entitled used almost all the available budget. Our focus on behaving in a responsible manner towards people also regarded

the Shopping Centres: indeed, we continued with the installation of anti-ram bollards and with anti-seismic improvement measures. We have invested 4.9 million euros in these two projects over the last two-year period.

We operate as a company in such a way as to comply with "Ethical" principles and those of legality. With regard to this, we are very pleased that AGCM (Autorità Garante della Concorrenza e del Mercato), the Antitrust Authority that assigns the Legality Rating, reconfirmed its previous evaluation given to us in 2016: 3 stars, the maximum score possible. Furthermore, in Romania we obtained UNI ISO 37001 certification, the only internationally recognised standard that certifies a management system actively involved in combatting corruption. We are the first company to have completed this process in that country and we hope that other entities will follow our example. With regard to governance, our current Board of Directors was appointed in 2018, with a reduction in Board members (from 13 to 11) and an increase in the percentage of the least represented gender (from 31% to 36%), continuing this upward trend which has been going on since 2012.

Our primary objective, however, remains that of constantly making our Shopping Centres more and more "Attractive". Over the last 3 years we have invested 332 million euros to acquire new assets, expand our portfolio and adapt the existing one to satisfy changes and visitors' needs, focusing closely on the environmental sustainability of the structures. During the year we started restyling work on Casilino Shopping Centre in Rome and Fonti del Corallo in Livorno, the aim being to make them more attractive and to improve energy efficiency at the same time. We also worked on our merchandising and tenant mix, introducing 27 new brands (10 of which were restaurants/bars) in line with the necessity to adapt to the new and current trends in this sector. Several years ago we stated that our Shopping Centres would increasingly become "Spaces to be lived in": since then we have been working in that direction and, in 2018, our Shopping Centres

invested 3.29 million euros to offer 530 events that were free of charge and accessible to all. We included 3 guidelines in the Marketing Plans that each Shopping Centre drew up at the beginning of the year: the experience, the gatherings and the sociality. We want these to become more and more the distinguishing features of our structures: we started to work on this in 2018 and it is our intention to continue to work on it more and more in the future, so much so that we have included them in our 2019-2021 Strategic Plan. Furthermore, in order to increase attractiveness, we continued working on our Innovation Project. We concentrated, in particular, on those elements that could enhance the customer journey: we introduced, therefore, chat-bots in 3 Shopping Centres, in other words, virtual assistants that are active 24 hours a day, 7 days a week, capable of responding to visitors' questions and needs in real time by means of their mobile phones. We also started using Instagram which, together with Facebook which is already in use in all the Shopping Centres, means that we can get in contact with all the different age groups that use social networks, with messages that differ in relation to the particularity of the channel in question. In addition, with regard to the omnichannel approach, we installed two Poste Italiane Lockers in two Shopping Centres and we defined an agreement with Amazon regarding the installation of their lockers in 27 structures.

We carry out our business by continuously dialoguing and cooperating "Together" with our stakeholders, both at corporate and local level. In 2018 we wanted, in particular, to structure the way in which we dialogue with our Malls' visitors. We need to have up-to-date assessments from them concerning various aspects regarding our structures, also by utilising technological means of communication. All the Shopping Centres establish and maintain continuous relations with their local communities on 3 aspects: employment (providing work to 14,600 people and 880 suppliers), commercial (with 40% of local brands out of the total) and social/meeting place (with 238 associations involved in activities with the Shopping Centres).

To conclude, we are very pleased to observe that our commitment to sustainability is also acknowledged at international and national level. We are indeed extremely proud to have received for the fourth time running the "EPRA sBPR Gold Award" for our Sustainability Report and to have obtained for the first time the "EPRA BPR Gold Award" also for our Consolidated Financial Statements. At the same time, we have noticed that we are being called upon more and more to illustrate our case history in various settings, both in universities and in conferences, bearing witness to the level of appreciation shown for the work we are carrying out.

Considering the results obtained, the assessment carried out on the impacts of the projects we are developing and the good level of achievement of the targets in the recently concluded Business Plan, we are planning to continue along this path, strengthened by the experience we have gained and aware of the goals that we want to reach and that we have included in our 2019-2021 Strategic Plan.

The Chief
Executive Officer

—
Claudio Albertini



The Chairman

—
Elio Gasperoni



Methodological preface

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

General information

IGD Group's (hereinafter also referred to as the Group or IGD) ninth Sustainability Report refers to 2018 and reports on the Group's environmental, social and governance (ESG) performance, both in Italy and in Romania.

The structure of this Report is that of a layout by issue involving various stakeholders, reporting on the 13 material issues that emerged from the materiality analysis, which was carried out for the first time for the 2014 Sustainability Report and was updated in 2017. The results of the analysis were confirmed in 2018 with a slight change in the contents of one of the material issues, with "health and safety" becoming "wellbeing and safety".

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

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

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

Bologna_Centro Borgo



Sustainability Report structure

The Report is divided into two parts:

- 1. Introduction Part**, with strategic references (including reporting on sustainability targets contained in the 2016-2018 Business Plan and the presentation of the new targets contained in the 2019-2021 Strategic Plan) and methodological ones;
- 2. Part regarding Performance.**

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

- 1.** Material issues of the section
- 2.** Highlights of the section
- 3.** Performance in 2018 compared to the previous two-year period

Sustainability Report Boundary

The economic-financial information present in this Report is in line with the information reported in IGD Group's Consolidated Financial Statements and corresponds to all the fully consolidated companies specified in the corporate structure as at 31.12.18; instead, with reference to all the other information present in this Report, the boundary coincides with the fully consolidated companies, with the exception of:

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

as they are not considered as being material with regard to the impact produced by the business, since their activities, as stated in their purpose of corporation, are not related to the management of Shopping

Centres or they are related to the management of a Shopping Centre not under IGD management (RGD Ferrara 2013).

This Report describes the performance of the Group's freehold Shopping Centres and those in master leasing, managed by consortiums in which IGD holds or does not hold a stake, with the exception of 4 Shopping Centres: Luna Shopping Centre in Sarzana (La Spezia), La Favorita Shopping Centre in Mantua, Lama Shopping Centre in Bologna and Leonardo Shopping Centre in Imola (Bologna), acquired in the month of April 2018, the data of which will be reported from 2019 onwards, as all the data referring to the first quarter 2018 was not available. The complete list of the Shopping Centres, where it is stated if they are excluded from the reporting boundary, can be seen below:

Italy

Name of Shopping Centre	Place	Exclusion from the reporting boundary
CentroSarca	Sesto San Giovanni (Milan)	
Gran Rondò	Crema (Cremona)	
I Bricchi	Isola d'Asti (Asti)	
Centro Luna	Sarzana (La Spezia)	x
Mondovicino	Mondovì (Cuneo)	
Millennium	Rovereto (Trento)	
Clodi	Chioggia (Venice)	
Centro Piave	San Donà di Piave (Venice)	
Conè	Conegliano (Treviso)	
La Favorita	Mantua	x
Centro Borgo	Bologna	
Lama	Bologna	x
Centro Nova	Villanova di Castenaso (Bologna)	
Leonardo	Imola (Bologna)	x
Le Maioliche	Faenza (Ravenna)	
ESP	Ravenna	
Puntadiferro	Forlì (Forlì-Cesena)	
Lungo Savio	Cesena (Forlì-Cesena)	

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

Romania

Name of Shopping Centre	Place
Winmarkt GALATI	GALATI
Winmarkt PLOJESTI - Big shopping Center	PLOJESTI
Winmarkt PLOJESTI - Grand Center Shopping	PLOJESTI
Winmarkt CLUJ	CLUJ
Winmarkt BRAILA	BRAILA
Winmarkt RAMNICU VALCEA	RAMNICU VALCEA
Winmarkt TULCEA	TULCEA
Winmarkt BUZAU	BUZAU
Winmarkt PIATRA NEAMT	PIATRA NEAMT
Winmarkt ALEXANDRIA	ALEXANDRIA
Winmarkt SLATINA	SLATINA
Winmarkt TURDA	TURDA
Winmarkt BISTRITA	BISTRITA
Winmarkt VASLUI	VASLUI

In compliance with EPRA international standards on environmental data reporting, the reporting boundary regarding the latter is different to that described above. For detailed specifications, please refer to “Methodological preface for environmental data” shown below. The information which is present in this Report but which refers to previous Reports has not undergone any changes caused by:

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

The following indicators present in the section Responsible have been altered due to changes in the measurement methods, for the reasons specified in the section:

- average hours of training per employee 2017 (table 4)
- average hours of training – total 2017 (table 5)
- investment in training per capita 2017 (chart 6)
- ratio between salary for males compared to that for females 2016 and 2017 Italy and Romania (tables 11 and 12)

When it was necessary to slightly alter the 2017 and 2016 values, this fact was reported in the table or chart footnote saying that the data had been restated.



Faenza (RA)_Le Maioliche

Reference and Guidelines

This Report has been drawn up in compliance with:

- GRI Standards issued by the Global Reporting Initiative, responding to the option core and analysing, in particular, those referring to the real estate sector (“Sustainability Reporting Guidelines - Construction and Real Estate Sector Supplement”). Reference to the GRI indicators are reported in each section;
- The third edition of EPRA (“Best Practices Recommendations on Sustainability Reporting”), published in September 2017;

External verification

The data and the information included in this Report are, for the second year running, subject to Limited Assurance in accordance with the procedures set out in ISAE 3000 by PricewaterhouseCoopers, which

A list of the GRI Standards and a summary table of the EPRA indicators can be found in the appendix at the end of this Report.

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

expresses the results, on the basis of the procedures carried out, regarding the compliance of the Sustainability Report with the GRI Standards.

-METHODODOLOGICAL PREFACE FOR ENVIRONMENTAL DATA

This methodology refers to the environmental data included in Section 1 "Green".

Reporting Boundary

The "operational control approach", as described in the GHG Protocol, has been used to define the reporting boundary. This approach better reflects IGD's environmental impact as it portrays utilities acquired directly by the organisation inasmuch as it is the owner of the assets concerned. The 22 assets included in the reporting boundary are the Italian Shopping Malls and they represent (in number) 81% of the freehold Malls, with a value of 1.66 billion Euros.

The following are not included:

- Centro Nova, Centro Piave and Fonti del Corallo Shopping Malls (Malls in Master Leasing);
- Darsena (Equity share: IGD has no management role);
- 2016 data regarding Maremà Centre, inaugurated in the month of October 2016, not included in accordance with the principle of comparability). The data has been included from 2017 onwards;
- 2018 data regarding the Malls of La Favorita, Lame, Leonardo and Luna Shopping Centres, which became part of the IGD portfolio following the acquisition carried out in the month of April 2018. Their data will be included from 2019 onwards.

- Hypermarkets and supermarkets (Not relevant with regard to the "operational control approach");
- The other property units (IGD has no management role with regard to these).

The data referring to the headquarters and Romania is reported separately.

The performance indicators are reported according to two different procedures:

- *Absolute*: regarding the entire reporting boundary (22 Shopping Centres).
- *Like-for-like*: the assets that were bought or sold or that were undergoing restyling, extension or remodelling work of internal spaces during the reference period and the assets that were not open during the whole reporting year (2018) or during the whole year of comparison (2017) are not included. Therefore, the Shopping Malls not included are ESP (extended in the month of June 2017) and Città delle Stelle (remodelling work concluded in the month of November 2017). The Lfl data is calculated exclusively for the years 2018 and 2017.
- The intensity indicators refer only to absolute data.

Extent: property consumption and tenants' consumption

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

The environmental impacts reported concern:

- **Direct energy consumption *** (fuel consumption)
The data refers to 13 Shopping Centres that use methane gas for heating. 4 Shopping Centres that use district heating, 3 Shopping Centres that

use heat pumps, Porta a Mare which uses marine geothermal energy and Clodì retail park are not included. The data includes tenants' consumption purchased by the property. The data supplied by the Shopping Centres is in cubic metres: the conversion factor from m³ to kWh is 10.5 m³/kWh.

- **Indirect energy consumption *** (electricity, district heating and cooling).
The data refers to energy produced by and purchased from a third party and converted into electricity or flows. It includes:

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

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

- **Direct and indirect greenhouse gas emissions*** (GHG) Calculated on the energy consumption of the Centres included within the boundary. Direct greenhouse gas emissions refer to energy purchased and consumed on site (fuel). For the calculation of CO₂e, GHG Protocol parameters are used (updated in May 2015, the factors derive from the IPCC Guidelines for National GHG Inventories 2006). This source has a standard emission factor for methane gas, for all countries, equal to 1 m³ equivalent to 0.001891 tCO₂ eq.

For the calculation of CO₂e indirect emissions:

- For electricity: the GHG Protocol parameters are used. The emission factor for Italy is equal to 1 MWh equivalent to 0.385 tonnes of CO₂ eq. In-

stead for Romania, 1 MWh of electricity is equal to 0.481 tonnes of CO₂ eq. The factors in question were updated in 2012.

- For district heating: for Italy the source of the Agenzia Nazionale Efficienza Energetica (National Energy Efficiency Agency) is used, which reports a value equal to 0.30 kg of CO₂/kWh, the calculation of which was carried out consistent with the factors for conversion to primary energy laid down in the Ministerial Decree of 26 June 2015 "minimum requirements". For Romania the conversion factor applied is: 0.22 Kg of CO₂/Kwh updated in 2017, extracted from the Romanian legislative source Ordinul 2641/2017 M.Of. 252 din 11-apr-2017.

- **Water consumption ***

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

- **Waste**

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

Standardisation for intensity calculations

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

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

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

Changes in historical data:

- 1. Due to a final balance that arrived in 2018 regarding electricity consumption in 2017 in one Shopping Centre, the following indicators have changed compared to what was reported in the 2017 Sustainability Report: electricity consumption Italy Absolute and Like for Like (table 1), energy consumption Italy Absolute and Like for Like (table 4), energy intensity Italy (table 5), GHG emissions Italy Absolute and Like for Like (table 6), GHG emissions intensity Italy (table 7);*
- 2. Due to a final balance that arrived in 2018 regarding district heating consumption in 2017 and 2016 in one Shopping Centre, the following indicators have changed compared to what was reported in the 2017 Sustainability Report: district heating and cooling consumption Italy (table 2), energy consumption Italy Absolute and Like for Like (table 4), energy intensity Italy (table 5), GHG emissions Italy Absolute and Like for Like (table 6), GHG emissions intensity Italy (table 7);*
- 3. Due to a final balance that arrived in 2018 regarding district heating consumption in 2017 of one Shopping Centre, the following indicators have changed compared to what was reported in the 2017 Sustainability Report: fuel consumption (table 3), energy consumption Italy Absolute and Like for Like (table 4), energy intensity Italy (table 5), GHG emissions Italy Absolute and Like for Like (table 6), GHG emissions intensity Italy (table 7);*
- 4. Due to a final balance that arrived in 2018 regarding water consumption in one Shopping Centre from 2012, the following indicators have changed compared to what was reported in the 2017 Sustainability Report: water consumption Italy Absolute and Like for Like (table 8), breakdown of water consumption Italy Absolute and Like for Like (table 9), water consumption intensity Italy (table 10);*
- 5. Following the identification of a more precise calculation method regarding waste produced by the headquarter offices, the following indicators have changed compared to what was reported in the 2017 Sustainability Report: waste and disposal method headquarters (table 12), waste sorting headquarters (table 13);*
- 6. The 2017 and 2016 data referring to electricity consumption in Romania has been altered to include the tenants' consumption, in order to be able to assess the environmental impact of the entire structures of the Winmarkt Shopping Centres. Therefore, the following indicators have changed compared to what was reported in the 2017 Sustainability Report: electricity consumption Romania (table 1), energy consumption Romania (table 4), energy intensity Romania (table 5), GHG emissions Romania (table 6), GHG emissions intensity Romania (table 7).*
- 7. Following an update in the conversion factors for the calculation of CO₂e emissions, the following indicators have changed compared to what was reported in the 2017 Sustainability Report: GHG emissions Italy, Romania and headquarters (table 6); GHG emissions intensity from consumption Italy, Romania and headquarters (table 7); chart showing reduction in GHG emissions intensity since 2012 (chart 4).*

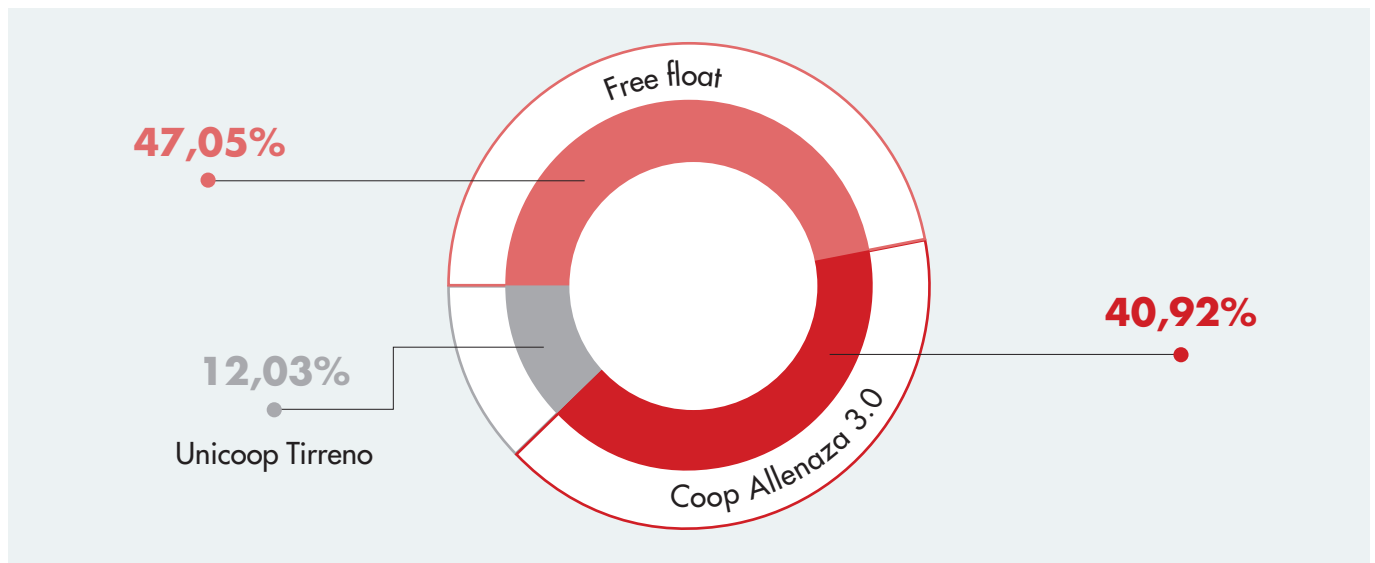
Introduction: about IGD and brief outline on economic performance

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

IGD (Immobiliare Grande Distribuzione) Group SiiQ S.p.a. is the leading Italian group out of the listed companies in the retail real estate sector. It owns and manages properties, both in Italy and Romania, where it operates in the Shopping Centre segment.

The group was founded in 2000 subsequent to the transfer of part of Coop Adriatica's (now Coop Al-

leanza 3.0) and Unicoop Tirreno's real estate portfolio, which today are still the majority shareholders. The Company has been listed on the STAR segment of *Borsa Italiana* (the Italian Stock Exchange) since 2005. As at 31st December 2018, the portfolio, which has nearly quadrupled since the company was first listed, was valued at 2.412 billion euros and the shareholders were made up as follows:



In Romania, IGD owns and controls 100% of Winmarkt, a chain of 14 Shopping Centres present in 13 cities.

Afragola (NA)_ Le Porte di Napoli





60	PROPERTY UNITS
	in
12	ITALIAN REGIONS:
27*	<u>malls and retail parts</u>
25	<u>hypermarkets and supermarkets</u>
1	<u>city centre property</u>
1	<u>land for development plot</u>
1	<u>property for trading</u>
5	<u>other</u>

**this data also includes the 4 Shopping Centres acquired in 2018 but not considered in this Sustainability Report (see Methodological Preface)*



14	<u>Shopping Centres</u>
	and
1	<u>Office Block</u>
	in
13	<u>13 Romanian cities</u>

The 3 main activities of the Group are:

1. Property ownership

Being a property company, IGD purchases retail properties, both those up and running and those newly created (shopping centres, hypermarkets, supermarkets and malls) from which value is generated in the long term thanks to rental activities. Occasionally, the Company assesses the possible disposal of freehold real estate that is no longer strategic;

2. Management

The most important activity for IGD consists in asset management, which regards all the Group's freehold assets in Italy and Romania and three malls belonging to third parties. The main objective is to guarantee and to increase the value of the portfolio in the medium-long term by means of:

- a. restyling work , renovations and remodelling work carried out in the spaces, in addition to maintenance activities (ordinary and extraordinary);
- b. business policies and marketing initiatives that make the malls more attractive

3. Services and trading

Providing services to the owners and the tenants of the hypermarkets, supermarkets and stores present in the malls.

Table 1

Scale of the organisation 31/12/2018 (GRI 102-7)

Indicator	2018
Number of Employees	131 Italy 44 Romania
Number of activities/Quantity of products or services	60* property units in Italy and 14 in Romania
Operating revenues	€158,069,988
Market capitalisation	€593,860,122

**the 4 Shopping Centres acquired in 2018 are also included*

Operationally speaking, the main changes and new features in 2018 were:

• April •

A capital increase for a value of 149,978 million Euros was carried out, which enabled IGD to partially finance the acquisition, from Eurocommercial Properties Group, of a portfolio made up of 4 Shopping Malls and 1 Retail Park located in North Italy and situated within Shopping Centres that are a landmark in their catchment areas. (Leonardo Shopping Centre in Imola, Lama Shopping Centre in Bologna, La Favorita Shopping Centre and Retail Park in Mantua and CentroLuna Shopping Centre in Sarzana).

• May •

A new medium sized area was inaugurated in Gran Rondò Shopping Centre (Crema) resulting in an overall increase of 2,850 m² GLA in the structure.

• June •

New Board of Directors appointed: on 1st June 2018, the new Board of Directors was appointed during the Shareholders' Meeting on the basis of the "list voting" system and it was resolved that the number of board members would be 11, instead of 13 as was the case in the previous Board. The members were drawn from the lists presented by Coop Alleanza 3.0 (majority shareholder), Unicoop Tirreno and from the minority list submitted by GWM Growth Fund S.A. SICAV-RAIF..

• October •

Together with a pool of lenders a facility agreement was executed, concerning the granting of a senior unsecured loan of 200 million Euros with three years' maturity and with an extension option of up to five years in favour of the Company. With this transaction, IGD obtained financing at a lower cost than its current average cost of debt, reducing it even further and it will be able to cover its needs and requirements over the coming years, not having any important financial maturities until 2021.

• November •

The 2019-2021 Strategic Plan was approved by the Board of Directors. The Plan, the aim of which is to consolidate the Company's leadership and enhance its assets, is based on three pillars:

- i. Innovation and operating excellence
- ii. Asset management and strategic agreement with Coop Alleanza 3.0
- iii. Financial strategy

Sesto San Giovanni (MI)_Centro Sarca



–IGD’S MEMBERSHIPS (GRI 102-12; 102-13)

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

Table 2

List of associations and national/international advocacy organisations in which the organisation participates in projects and committees or provides funding (GRI 102-13)

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

–SUPPLY CHAIN (GRI 102-9)

As part of its activities, IGD cooperates with two different categories of suppliers: service suppliers (cleaning, communication, security, for example) and construction and maintenance suppliers. The relationship between IGD and its suppliers is administered both by means of local contracts (entered into with the Consortiums of the Shopping Centres), and by means of

contracts negotiated in a centralised manner by the headquarters. In numerical terms, the overall number of suppliers is equal to 1,658, of which 53% are local ones (see section 5.2 for further details on local suppliers). The estimated monetary value given to suppliers by the Shopping Centre consortiums amounts altogether to approximately €18.7 million.

–PRECAUTIONARY APPROACH (GRI 102-11)

IGD’s precautionary approach can be attested by the implementation of the Enterprise Risk Management model (ERM – see section 3 of this Report) and by the

activation of the Environmental Management System (EMS – see Section 1).

→ Sustainability and materiality

Internal organisation of Social Responsibility (GRI 102-32)

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

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

In-depth examination of the Sustainability Committee

During the year, the Committee met 3 times to:

- assess the performance of the 2016-2018 Sustainability Plan and define the methodology and contents of the new Plan, included in the 2019-2021 Strategic Plan
- define the methodology and contents of the Sustainability Index
- discuss and agree on the environmental certification process (UNI EN ISO14001 and Breeam in Use)
- define the strategy and partners regarding the installation of EV charging stations in the Shopping Centres
- agree on the guidelines for sustainability communications
- present the contents and the main new features that emerged from IGD's participation in national and international organisations on Social Responsibility issues
- discuss the process and new features regarding the preparation of the 2018 Sustainability Report

The Environmental Management Strategy Committee, which reports to the Sustainability Committee, monitors and reviews the developments in environmental

performance and implements the Environmental Management Strategy (EMS) in the IGD freehold assets, identifying constant and periodic improvements.

Social responsibility strategy

IGD already started to include sustainability issues in corporate planning in the 2014-2016 Business Plan and this approach was then confirmed both in the following Plan (2015-2018) and in the revised version of the same (2016-2018). In the latter, social responsibility represented one of the 4 cornerstones that are strategic for the Company's business.

The 2019-2021 Strategic Plan was approved on 7th November 2018 where sustainability is included in the section "Innovation and operating excellence", one of the 3 pillars upon which the Plan is based.

The part relating to sustainability in the Plan was drawn up by following a structured process that led to the issues and, therefore the targets, being identified, by means of:

- Benchmark both amongst comparables and with other companies of significance with regard to their commitment to ESG issues at European level, in or-

der to identify the recurring issues and the aspects with greater impact

- Cooperation between the various corporate divisions in order to develop a Plan that is as extensive and integrated as possible
- Analysis of the Sustainable Development Goals (SDGs), to take on commitments that enable IGD to contribute to the achievement of 10 of the 17 Millennium Goals defined by the United Nations

The issues that emerged were organised within the Plan according to the acronym GREAT, which has portrayed IGD's approach to sustainability since 2017. "Becoming GREAT" is the grouping together of the material issues, resulting from the revised materiality analysis carried out in 2017, bearing witness to IGD's commitment to constantly grow, with a view to being "Green, Responsible, Ethical, Attractive, Together".

The targets identified were:

GREEN

Environmental certifications:

- ISO 14001 for 95% of the portfolio
- BREEAM IN USE (almeno livello «Very Good») per altri 5 Centri Commerciali

Actions to reduce consumption:

- Approximately €5mn of investments programmed in order to improve energy efficiency (following the approximately 6 million euros spent over the last three years)
- Continuation of the installation of photovoltaic systems

Sustainable mobility:

- Actions regarding electric mobility
- Definition of a feasibility study to promote cycling
- Assessment of the possible use of bike and car sharing

Circular economy:

- Transition from the experimental phase to the operational one of the Waste2Value project and assessment of other projects on this issue

RESPONSIBLE

- Continuous updating of the corporate Welfare system
- Monitoring of internal atmosphere and definition of follow up actions
- Continuation of projects regarding the safety of the structures (anti-seismic improvement measures, anti-ram bollards)

ETHICAL

- Anti-corruption certification project
- Maintaining of Legality Rating with the maximum score possible (3 stars)

ATTRACTIVE

- Exclusive, inclusive events
- Cooperation with the local community
- Study and definition of measures to foster wellbeing in the Shopping Centres

TOGETHER

- Listening project aimed at Millennials to understand their expectations with regard to the Shopping Centre of the future and at tenants with regard to shared sustainability projects

The SDGs

The Sustainable Development Goals (SDGs, or Global goals) were included in the United Nations' 2030 Agenda in 2015: a set of 17 goals and 169 sub-goals which aim to put an end to poverty, fight against inequality and promote economic and social development. A universal plan of action which requires commitment from everybody, including companies, which are called upon to add their own contribution by means of new responsible business models, investments, innovation, technological development and the establishment of multi-stakeholder cooperation.

IGD, following the guidelines of Global Compact Network Italy, identified 10 SDGs which were relevant

to its business and which were connected to the material issues identified by the Company. These references are included in this Report, as well as being an integral part of sustainability planning.

Being part of a universally shared framework on the issue of sustainability, the SDGs have a strong impact also from a communication point of view. For this reason, IGD will include and promote reference to these in all its means of communication, with a twofold objective: divulge its commitment in this field and raise awareness in its stakeholders, especially the Shopping Centre visitors (an example of this is the communication on sustainability included on the totems).

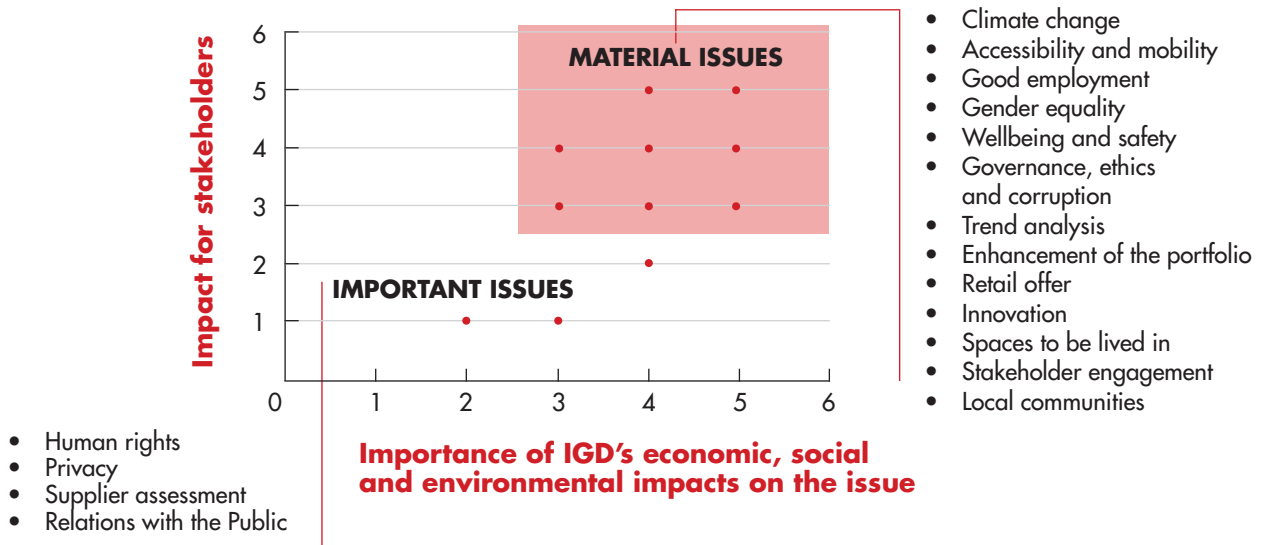
Materiality (GRI 102-32; GRI 102-47; GRI 103-1)

After the initial definition of the material issues in 2014, IGD updated its materiality matrix in 2017, following the principles contained in the GRI Standards.

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

identification of all the possible issues that were significant for IGD emerging from various sources (internal and external), the process led to the 17 issues which represent IGD’s priority areas of action on sustainability issues, of which 13 material and 4 important, being shared with the top management.

The materiality matrix, the material issues and the important ones



The issues thus identified represent both the sustainability reporting areas and the cornerstones upon which planning is based (on the basis of the aforementioned acronym G.R.E.A.T.)

Becoming g.r.e.a.t.

- Green**

 - 1.1_Climate change
 - 1.2_Accessibility and mobility
- Responsible**

 - 2.1_Good employment
 - 2.2_Gender equality
 - 2.3_Wellbeing and safety
- Ethical**

 - 3.1_Governance, ethics and corruption
- Attractive**

 - 4.1_Trend analysis
 - 4.2_Enhancement of the portfolio
 - 4.3_Retail offer
 - 4.4_Spaces to be lived in
 - 4.5_Innovation
- Together**

 - 5.1_Stakeholder engagement
 - 5.2_Local communities

In 2018, IGD carried out a fine-tuning process on its material issues, the aim being to verify the topicality of those identified and to assess the possibility of adding others. For this reason, IGD continued to monitor the results from stakeholder engagement, articles or findings published by specialised and non-specialised press and recurring issues emerging from the participation in national and international work groups with regard to social responsibility. The outcome of

this analysis confirmed the validity of the material and important issues, the only adjustment recommended being that of transforming the issue “health and safety” into “wellbeing and safety”. This decision, which the Operating Management agreed with, enables the target regarding wellbeing contained in the 2019-2021 Strategic Plan to become more structured and the Company’s commitment to corporate welfare to receive greater emphasis.

Correspondence between material aspects and GRI Standards aspects and boundaries

Macro issue	Material issue	GRI Standards Category	GRI Standards material aspect	Indicator	Material within the organisation	Material outside the organisation
Green	Climate change	Environmental	Energy; Water; Emissions; Effluents and Waste	302-1; 302-3; 303-1; CRE1; 305-1; 305-2; CRE3; 305-4; CRE2; 306-2; CRE8;	x	Visitors – Local community - Tenants - Environment
	Accessibility and mobility		*		x	Visitors – Local community - Environment
Responsible	Good employment	General Disclosures - Social	Employment; Training and education; Diversity and equal opportunity	102-8; 102-41; 401-1; 404-1; 404-3; 405-1	x	
	Gender equality	General Disclosures - Social	Diversity and equal opportunity	102-8; 405-1; 405-2	x	
	Wellbeing and safety	General Disclosures - Social	Occupational health and safety; Customer health and safety	403-2; 416-1; 416-2	x	Visitors
Ethical	Governance, ethics and corruption	General Disclosures		102-16; 102-17; 102-18; 102-22; 102-26; 102-27; 102-28; 102-29; 102-30; 102-31; 102-32	x	Shareholders and Financial community

Attractive	Trend analysis			*		x	
	Enhancement of the portfolio			*		x	Visitors – Local community - Tenants
	Retail offer			*		x	Visitors – Local community - Tenants
	Spaces to be lived in			*		x	Visitors – Local community - Tenants
	Innovation			*		x	Visitors – Local community - Tenants
Together	Stakeholder engagement	General Disclosures			102-40; 102-42; 102-43; 102-44;	x	
	Local communities	Social	Local communities		413-1	x	Visitors – Local community

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

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

Issue	Why the issue is material	Management tools implemented
Climate Change	The Shopping Centres, by their very nature, are potentially energy-intensive structures with an environmental impact. IGD is committed to operating in such a way as to reduce these impacts (with their economic repercussions), by identifying actions that are increasingly effective both during the construction/restyling phase of the Centres and in the management of the structures themselves	<ul style="list-style-type: none"> - Continuous monitoring of energy consumption - Management actions - Structural actions - BREEAM certification in one Shopping Centre and BREEAM IN USE in 2 key assets - Continuation of the project which will lead to UNI EN ISO14001 certification of 95% of the portfolio
Accessibility and mobility	IGD is committed to reconciling two issues: the vehicular traffic created around a Shopping Centre and the new trends for sustainable mobility. It is committed to making it possible for all visitors to travel to the Shopping Centres in the most suitable way possible for them, in line with their needs.	<p>To define the actions to be taken regarding sustainable mobility, IGD has focused on two aspects:</p> <ol style="list-style-type: none"> 1. analysis of the current situation 2. identification of actions to be taken, with particular focus on electric mobility and cycling

Good employment	<p>IGD is committed to fostering “good employment”, where continuous skills development and the promotion of these are two of its main undertakings.</p>	<ul style="list-style-type: none"> - Training programme for the development of skills and specific know-how
Gender equality	<p>As described in the Corporate Code of Ethics, the Company conforms its actions and activities to the principle of impartiality with regard to its employees, guaranteeing full compliance with the principle of equal opportunities.</p>	<ul style="list-style-type: none"> - Equality in pay and in recruitment possibilities
Wellbeing and safety	<p>IGD acts in such a way as to ensure that the employees (its own and those of its tenants) work in the best possible conditions, in compliance with all the legal requirements and with full respect for their wellbeing. It also places the same attention on the visitors to the Malls, by implementing all the safeguards so as to ensure that they can make the most of everything that its Shopping Centres have to offer in complete safety.</p>	<ul style="list-style-type: none"> - Corporate Welfare Plan - Training programme for employees - Continuous monitoring activities on safety within the Shopping Centres - Voluntary projects to increase safety in the structures (anti-ram bollards and anti-seismic improvement measures)
Governance, ethics and corruption	<p>In line with the content of the Code of Conduct, IGD has an effective governance system. This is a very important issue for investors and the financial community. IGD undertakes both to personally act in an ethical manner, in accordance with its inspirational principles, and to positively influence the context in which it operates.</p>	<ul style="list-style-type: none"> - Yearly “Board review” system - Report on Corporate Governance in the Financial Statements available on the website - Legality Rating confirmed with the maximum score - Anti-corruption certification obtained in Romania - Continuous monitoring of the more important risks of illegality that the company is exposed to - Updating of internal rules and regulations - Code of Ethics - IGD’s mission and values
Trend analysis	<p>Understanding the ongoing changes is an important activity in order to define the actions to be carried out, so as to constantly make the Shopping Centres more attractive. For this reason, IGD carries out continuous analysis on trends, in order to be able to satisfy as quickly as possible its visitors’ new needs.</p>	<ul style="list-style-type: none"> - Analysis developed in 4 phases (see section 4.1)
Enhancement of the portfolio	<p>In order to be constantly competitive, the Shopping Centres need to be continuously adapted. For this reason, IGD plans actions aimed at enhancing its portfolio, and sustainability takes on an important role becoming one of the main drivers in the planning and construction of a new Centre, as it is during restyling and extension work.</p>	<ul style="list-style-type: none"> - Over the timespan of the 2016-2018 Business Plan, IGD invested altogether 332 million euros to acquire new assets, expand its portfolio and adapt the existing one to satisfy changes in visitors’ needs
Retail offer	<p>To ensure the quality of the retail offer available in its Shopping Centres, IGD continuously updates its merchandising and tenant mix, in order to meet the visitors’ needs and new consumer trends</p>	<ul style="list-style-type: none"> - Twofold commitment: <ol style="list-style-type: none"> 1. Management of existing tenant portfolio; 2. Scouting for new brands

Spaces to be lived in	<p>As per its payoff “Spaces to be lived in”, IGD is committed to ensuring the continuation of the social role of its Shopping Centres. For this reason, it organises events of various kinds: from sports events to cultural ones, from recreational events to solidarity ones, with particular focus on the local area.</p>	<ul style="list-style-type: none"> - Organisation of events that united two features: the ability to attract large gatherings and the sharing of messages on social issues - Cooperation with NGOs and NPOs to guarantee the social aspect of the events in the IGD structures
Innovation	<p>In order to constantly remain in line with the evolution of trends, IGD works continuously to innovate its spaces and the services offered.</p>	<ul style="list-style-type: none"> - “Innovation project” defined with monitoring of the results obtained
Stakeholder engagement	<p>Stakeholder engagement makes it possible for IGD to establish a dialogue with its interlocutors aimed at understanding ongoing changes.</p>	<ul style="list-style-type: none"> - Development of an engagement plan both with regard to business issues and to those more focused on social responsibility. - “Listening Project” defined aimed at the Shopping Malls’ visitors and non-visitors
Local communities	<p>The Shopping Centre not only takes on a significant role regarding shopping, but it also becomes a producer of economic development and a place in which to get together for the local community</p>	<ul style="list-style-type: none"> - Monitoring of the employment, commercial and social / meeting place impacts on the local communities - Organisation of specific initiatives in cooperation with the local area

Impact assessment

Starting from this Report, IGD has introduced several elements precisely with regard to impact reporting, the aim being to start defining the elements that are characteristic of the company’s ability to produce positive or negative externalities in the social-economic contexts in which it operates and the weight that these elements have.

THE REASONS

Measuring the impact makes it possible to assess, qualitatively and quantitatively, the effective ability to cause the expected changes.

Companies, in general, have a growing need to understand the impacts their operations have and, consequently, to improve their accountability for their projects, in order to define, in the best possible way, the allocation of the resources invested. In particular, the role of impact assessment is twofold:

- Internally, it enables better planning and a better final assessment of the results obtained;
- Externally, it informs the stakeholders of the actual effectiveness of the actions taken.

For IGD, in particular, this assessment is important as it enables more and more in-depth and detailed information to be acquired with regard to the results obtained during the process undertaken towards sustainability and it follows on from the work carried out in the past few years regarding the use of the SROI (Social Return On Investment) method on several projects. Furthermore, in 2018 the Company was invited to speak during the CSR Salon, which is one of the most important national initiatives in this context, precisely on the impacts of its operations.

THE METHOD USED

In the absence of a sole reference standard for impact assessment, IGD decided to refer to “The guidelines for measuring social impact. A practical guide for organisations” created by Impronta Etica in cooperation with Scs Consulting in 2016. These identify a standard process for measuring impacts, structured in six phases:

1. Definition of the area of analysis: what is taken into consideration as the subject of analysis and what is excluded?
2. Mapping and engagement of stakeholders: which stakeholders are engaged? What role do they have in the project?
3. Understanding of the change process: what are the expected changes or changes actually generated by the project?
4. Measuring and choice of indicators: what metrics shall I use to measure the impact?
5. Assessment of the impact: what part of the change can be exclusively attributed to the project?
6. Communication of the results and learning process: how shall I share both internally and externally the results of the impact assessment?

Each of the six phases was analysed by IGD and used in the impact assessments present in this Sustainability Report, as described below.

1. Definition of the area of analysis

As it was neither opportune nor possible to calculate the impact on the entire value chain of the Company, IGD focused on several projects carried out in 2018 or in the last two-year period, which were encompassed within its material issues. This ensured that the initial identification and subsequent analysis were actually carried out on activities that were significantly important both for the Company and for its stakeholders. The projects identified varied in nature, duration and impact.

2. Mapping and engagement of stakeholders

The categories of stakeholders impacted, that is, any players that had an “interest” in the project itself, were identified for each project. These were reported in each of the “impact data sheets” included in this Report and they represent the main drivers for the subsequent assessments.

In this phase, no occasions for stakeholder engagement were organised as this assessment is still in its experimental stage. Main focus was on the method and the definition of the best possible model for IGD. This phase will be developed further in the future (see below for further details)

3. Understanding of the change process

Having identified the projects within the material issues and having identified the stakeholders involved, the expected change was then defined for each project (and reported in each of the “impact data sheets”). This was because the impacts that were analysed (and which will be monitored over time) correspond to direct or indirect changes which are intended to be generated by the project itself, both in the short and the long term, affecting the stakeholders involved. In the analyses carried out, focus was always on the expected change rather than on the change actually generated: this is because the assessment of the impacts is seen by IGD as a process that will lead, only at a later date, to the company having all the elements to assess the actual change generated.

4. Measuring and choice of indicators

Having identified the framework, it was then possible to start defining the most appropriate measuring methods. Once the process is fully operational, the ultimate aim of the impact assessment will be to measure the extent to which the expected results have been produced for each activity (output) and the extent to which the expected changes have been generated for each stakeholder (outcome). At this level of the analysis, qualitative and/or quantitative indicators were identified case by case for each stakeholder involved, based on two aspects:

- a) Is each one of them impacted directly or indirectly by the project?
- b) In what way and how much is each one of them impacted from an economic and/or non-economic point of view?

An initial qualitative/quantitative evaluation of the impacts is thus defined: where possible, several numerical elements are already shown in this Report. With regard to economic impacts, it is stated whether the data is important and/or quantifiable. Where this is not possible, due to the data not being available or if specific stakeholder engagement activities were required, the qualitative assessment is reported. This enables areas of development to be identified which can be monitored in a subsequent assessment phase, which will be examined more in-depth in 2019 and will be reported on in the next Sustainability Report.

5. Assessment of the impact

This phase has been deferred until the next Sustainability Report, as it is necessary to be in possession of a kit of precise and as quantitative as possible information.

6. Communication of the results

3 "impact data sheets" are included in this Report (referring to ISO 14001 in section 1, to corporate welfare in section 2, and to the prevention project with ANT in section 4), easily identifiable within the sections as they are framed in a specific and recognisable manner, the aim being to communicate both the process carried out and the results obtained to the public concerned.

The entire process was managed by IGD's Social Responsibility and Marketing Department and discussed and agreed upon with the Sustainability Committee.

San Giovanni Teatino (CH)_Centro d'Abruzzo



Participation in national and international organisations and events on sustainability

Once again in 2018, IGD participated in ongoing debates on social responsibility issues, both at national and international level.

With regard to this, during the year it became a member of the EPRA Sustainability Committee (<http://www.epra.com/about-us/who-we-are/our-committees>), participating in two meetings organised in Brussels and London. During these meetings the participants discussed issues like:

- Updates regarding EPRA activities on sustainability (sBPR, EPRA Index, etc.)
- The current situation regarding European regulations with impact on social responsibility

IGD also confirmed its participation in meetings held by the ICSC Sustainability Group which it has been a member of since 2015 as the sole Italian company. There were 3 meetings held in the year (London, Barcelona and Utrecht), where the 15 participating European companies met to discuss the following:

- Updates and sharing of best practices at European level
- In-depth analysis on specific issues of common interest amongst the participants (sustainability reporting, EV charging stations, environmental standards etc.)

International recognition and benchmarks

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

The "EPRA sBPR Gold Award 2018" for its 2017 Sustainability Report, confirming the award won the previous three years. This is the recognition that the European Public Real Estate Association awards to those real estate companies that have complied most closely with the Sustainability Best Practice Recommendations (sBPR) in their Sustainability Reports.

Furthermore, at national level, IGD took part, together with Impronta Etica, in a workshop with the University of Bologna, where it presented its own process regarding the integration of CSR within business planning.

IGD was also invited to speak in 4 conferences:

- CSR salon, in the stage hosted in Bologna, where it illustrated how CSR is, for IGD, one of the elements identified that can mitigate its impacts (#buildingimpact);
- E2Forum and national CSR Salon (both in Milan), where the issue of "Smart Shopping Centre" was addressed;
- "the sustainability report in LEED v4", organised by the Green Building Council in Milan, where the sustainability reporting process was presented.

IGD also held a lecture on the subject of "Tools for producing a Sustainability Report" during the course called "Corporate social responsibility and sustainability: best practices and corporate reporting tools" organised by the University of Milan-Bicocca in cooperation with Manageritalia and aimed at national companies interested in CSR.

The 2017 EPRA Sustainability Awards were assigned by means of a thorough analysis of the sustainability reports of 139 European real estate companies. At the same time, IGD also received for the first time the "EPRA BPR Gold Award" (Best Practice Recommendations), for its 2017 Consolidated Financial Statements, improving its result of the previous year (Silver Award). In the analysis carried out, EPRA examined the financial statements of 155 European companies in the sector.



In the 2018 Carbon Disclosure Project IGD confirmed the result obtained in 2016. The overall score obtained in the year was C (in the range from A to D-). A score of

2 was obtained for Environment, 3 for Social and 5 for Governance, in a range from 1 (highest score) to 10, from the Institutional Shareholder Services (ISS).



Sustainability Plan

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

in 2018 in order to reach these targets are described below with reference made to the subsection where such information can be found in this Report.

Targets 2015-2018	Actions carried out in 2018
Increase the influence of the Sustainability Committee	The structure of the Committee remained unchanged but the process to promote an ever greater involvement of the Board of Directors on ESG issues continued, with the approval of the third Sustainability Report in 2018 See subsection 3.1.1
Increase the visibility and usability of the results of IGD's commitment to CSR	Participation in Borsa italiana's second Sustainability Day See subsection 5.1
Increase the tools to ensure transparent communication with investors	The website was renewed, increasing usability and guaranteeing the transparency of information See subsection 4.5.2
Obtain the maximum level possible in the Legality Rating	Legality Rating confirmed with the maximum score (3 stars) See subsection 3.1.3
Invest in the multi-channel system, adapting, where necessary, the structures and altering the layouts if required and if compatible with costs	Restyling work started during the year in Casilino Shopping Centre in Rome and Fonti del Corallo Shopping Centre in Livorno See subsection 4.2.1
Introduce new brands to increase traffic (with particular focus on new international brands not yet present in the IGD Shopping Centres)	27 new brands introduced (corresponding to 15.1% of the brands under contract in 2018), following scouting activities carried out during the year See subsection 4.3.1
Continue to render IGD Shopping Centres more and more accessible to everyone	<ul style="list-style-type: none"> - The project, started in 2013, to facilitate accessibility to the IGD Shopping Centres for everybody, was concluded. The actions included in the project became part of the company's operating routine. - Route for the visually impaired included in the ESP Shopping Centre extension planning
Increase the presence of services in the Shopping Centres	On a like for like boundary, revenues from services increased (+6.2%), bearing witness to the extent that visitors appreciate this service. For example, altogether there are 21 dental clinics in the IGD Malls.

Objectively assess the management of the Centre by way of specific visitor surveys	Two surveys on the totems in Katanè and Tiburtino Shopping Centres were carried out to assess odours, noise and lighting in the Malls See subsection 5.1.2
Obtain ISO14001 certification for 90% of the company portfolio (2013-2018)	The project continued as per the Roll Out Plan See subsection 1.2.1
Extend the boundary of BREEAM certified Shopping Centres	BREEAM in use certification obtained for Katanè and Tiburtino Shopping Centres See subsection 1.2.2
Further reduce energy consumption in the buildings (following the drop of 12% 2012-2014)	Energy consumption decreased compared to 2017 (-0.2%) See subsection 1.1.1
Assess the possibility of installing photovoltaic systems in the IGD Shopping Centres	- Photovoltaic systems installed in 2 Shopping Malls: Katanè and Gran Rondò - There are currently 7 Malls with photovoltaic systems in the IGD Centres See subsection 1.1
Improve efficiency in systems by assessing the correct functioning of the monitoring system	No checks were carried out in 2018 on remote management systems
Extend the energy management project to all Winmarkt Shopping Centres	Project interrupted due to the not particularly positive results that emerged during the implementation process
Place signs on IGD's commitment to the environment in all the Shopping Centres	Signs placed in all the ISO14001 certified Shopping Centres and displayed on the digital totems See subsection 1.1
Periodically monitor visitors' satisfaction by means of specific surveys	13 surveys carried out in 5 Shopping Centres involving 4,556 visitors See subsection 5.1.2
Continue with the internal atmosphere assessment	The possibility of repeating the internal atmosphere assessment was included in the Strategic Plan (previous one: 2015)
Monitor tenants' satisfaction by means of specific surveys	The carrying out of tenant satisfaction surveys was interrupted in 2017, the purpose being to go ahead with actions to be taken in order to implement that which emerged in the previous years
Increase tenant engagement on environmental issues	The Rulebook "10 recommendations so as to improve our Shopping Centres. Together" was created between 2015 and 2016 and the material is still available both in the Shopping Centres and on IGD's institutional website See subsection 1.1
Assess the possibility of continuing with the Shopping Centre apps	IGD decided to limit its Shopping Centre apps to 2, with other visitor information/liaison methods envisaged in the "Innovation Project" See subsection 4.5.1
Identify a strategy for presence on the social networks both with regard to the Shopping Centres and the headquarters (Romania)	Winmarkt continued to be on Facebook with two official pages: Winmarkt Romania and Ploiesti. It was deemed not appropriate to extend this to the other Centres See subsection 4.5.3

Identify possible areas for innovation and assess the subsequent implementation by means of a cost/benefit analysis	"Innovation Project" continued See subsection 4.5.1
Offer accessible events that combine social issues with recreational-sports ones and commercial ones	The second edition of "Happy Hand in Tour" was held See subsection 4.3
Portray the presence of Winiland in Winmarkt Shopping Centres as an appealing element with an educational value	The organisation of educational events in all the Centres where Winiland is present continued, and this was portrayed as an appealing element for the city
Make IGD's presence in each Shopping Centre's local territory felt even more by means of events	26% of the events carried out in the year were of a local nature See subsection 5.2
Implement a corporate welfare system	Second year of the corporate Welfare Plan See subsection 2.3.1
Organise a study tour abroad	A two day trip was organised for the Company convention (not abroad) See subsection 2.1.3
Inform IGD employees about the sustainability results obtained	The results included in the Sustainability Report were circulated by means of the corporate newsletter See subsection 2.1.3
Improve the internal communication process	The internal communication process continued, with the organisation of quarterly meetings for all employees See subsection 2.1.2
Assess the opportunities offered by the new Italian legislation on labour in relation to organisational needs	6 people were hired in 2018 See subsection 2.1.1

Forlì_Puntadiferro







This Report also describes the level of achievement for each individual target at the end of the three-year Sustainability Plan. Below is a summary of such level,

obtained by giving a value from 1 (not achieved) to 4 (fully achieved) to each target. The overall level of achievement of the targets is equal to 90%.

2015-2018 Targets	Level of achievement over the three-year period
Increase the influence of the Sustainability Committee	
Increase the visibility and usability of the results of IGD's commitment to CSR	
Increase the tools to ensure transparent communication with investors	
Obtain the maximum level possible in the Legality Rating	
Invest in the multi-channel system, adapting, where necessary, the structures and altering the layouts if required and if compatible with costs	
Introduce new brands to increase traffic (with particular focus on new international brands not yet present in the IGD Shopping Centres)	
Continue to render IGD Shopping Centres more and more accessible to everyone	
Increase the presence of services in the Shopping Centres	
Objectively assess the management of the Centre by way of specific visitor surveys	
Obtain ISO14001 certification for 90% of the company portfolio (2013-2018)	
Extend the boundary of BREEAM certified Shopping Centres	
Further reduce energy consumption in the buildings (following the drop of 12% 2012-2014)	
Assess the possibility of installing photovoltaic systems in the IGD Shopping Centres	
Improve efficiency in systems by assessing the correct functioning of the monitoring system	
Extend the energy management project to all Winmarkt Shopping Centres (Romania)	Project considered not implementable
Place signs on IGD's commitment to the environment in all the Shopping Centres	
Periodically monitor visitors' satisfaction by means of specific surveys	

Continue with the internal atmosphere assessment	
Monitor tenants' satisfaction by means of specific surveys	
Increase tenant engagement on environmental issues	
Assess the possibility of continuing with the Shopping Centre apps	It was decided not to continue with the creation of the apps
Identify a strategy for presence on the social networks both with regard to the Shopping Centres and the headquarters (Romania)	
Identify possible areas for innovation and assess the subsequent implementation by means of a cost/benefit analysis	
Offer accessible events that combine social issues with recreational-sports ones and commercial ones	
Portray the presence of Winiland in Winmarkt Shopping Centres as an appealing element with an educational value (Romania)	
Make IGD's presence in each Shopping Centre's local territory felt even more by means of events	
Implement a corporate welfare system	
Organise a study tour abroad	
Inform IGD employees about the sustainability results obtained	
Improve the internal communication process	
Assess the opportunities offered by the new Italian legislation on labour in relation to organisational needs	

KEY
the moons indicate the level of achievement for each target

<p>1/4 — not achieved</p>	<p>2/4 — achieved in small part</p>	<p>3/4 — achieved in significant part</p>	<p>4/4 — fully achieved</p>
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The image features a vibrant green background with a complex, organic pattern of thin, white, wavy lines that create a sense of depth and movement. In the center, a large white circle is defined by two concentric lines. Inside this circle, the word "GREEN" is written in a clean, white, uppercase, sans-serif font.

GREEN

Becoming
g.r.e.a.t.

_Material issues

Climate Change

Accessibility and mobility

_Highlights 2018

-1,1%

ELECTRICITY CONSUMPTION
compared to 2017



Assets in which new
PHOTOVOLTAIC SYSTEMS
WERE INSTALLED

2



3

Certified assets
UNI EN ISO 14001

**ISO
14001**

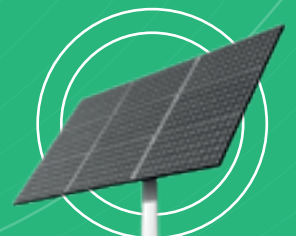
Certified assets
BREEM IN USE

2

**BREEM
IN USE**



becoming
g.r.e.a.t.

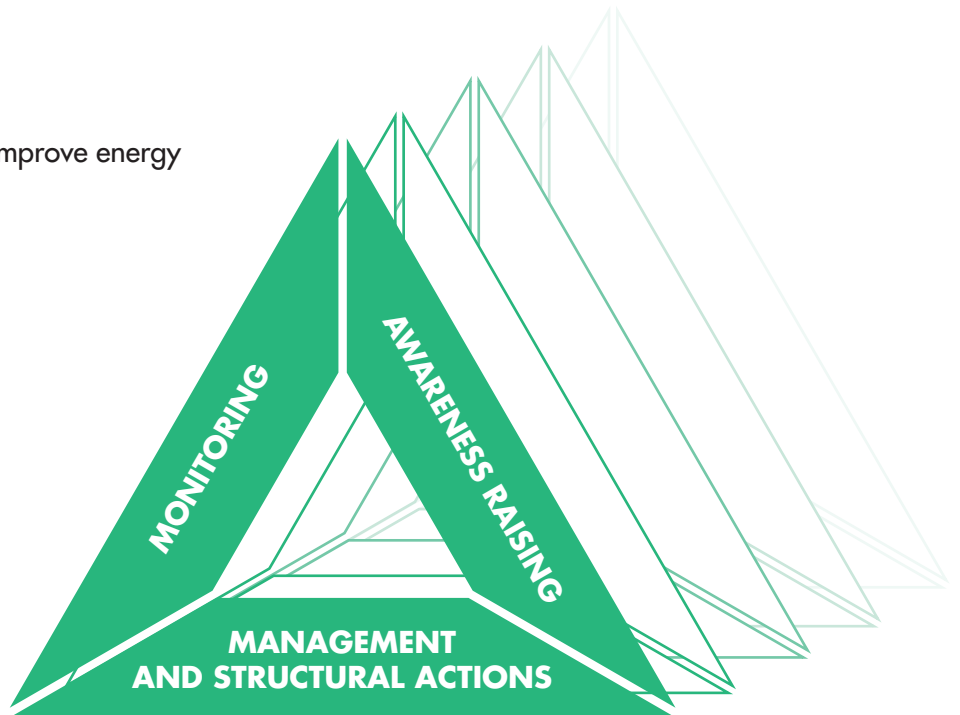


Shopping Centres are structures with a high environmental impact, due to the fact they are extremely energy-intensive and because of the road traffic generated by their visitors. IGD undertakes to assess these impacts and to adopt solutions that are capable of minimising them right from the planning and construction phase but also during restyling work and in the daily running of the structures themselves.

1. Climate Change

1.1 ENVIRONMENTAL IMPACT OF THE STRUCTURES¹

IGD works on three strategic areas to improve energy efficiency in its assets:



Monitoring

Actions carried out

Over the years IGD has implemented and intensified a monitoring system, focused primarily on electricity consumption, where continuous monitoring is ensured, making it possible, therefore, to intervene promptly in the event of any anomalies.

The Safety and Facility Manager monitors, in real time, the data from all the Shopping Centres in the portfolio and in master leasing, with the assistance of *Consorzio Esperienza Energia* (CEE)². The consumption trends in the individual Shopping Centres are then reported on a monthly basis to the Commercial Division. It is here, due to the direct involvement of the Network Managers, that any improvement areas and management actions to be taken are defined.

The continuous monitoring of electricity consumption is made possible thanks to the hard work carried out by IGD over the years, which has led to the installation of a system of divisional meters, the data of which can be viewed in one sole Portal. In 2018, 19 divisional meters were installed and currently 17 structures are equipped with this system.

Furthermore, with regard to the UNI EN ISO 14001 certified Shopping Centres, further monitoring actions are required to be carried out on primary consumptions, in order for them to maintain their certification. On the basis of the results, improvement plans are identified every year by the network of certified Shopping Centres, in cooperation with the certifying body.

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

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

Results emerged

In 2018, overall energy consumption in the IGD Shopping Centres was slightly lower compared to 2017, with a reduction of -0.2% on a like for like boundary. This decrease was due to a reduction in electricity consumption (-1.1% Lfl) and in district heating (-2.9% Lfl)

which was contrasted by the increase in fuel consumption (+4.8%). The performance in electricity consumption is better than the national trend, which, in 2018, recorded an increase in the demand for electricity equal to +0.4 p.p³.

1.1.1 ENERGY CONSUMPTION

Energy consumption includes electricity, district heating, district cooling and fuel. This subsection contains the data regarding the performance of each energy source and the assessments regarding anything important that occurred during the reporting year.

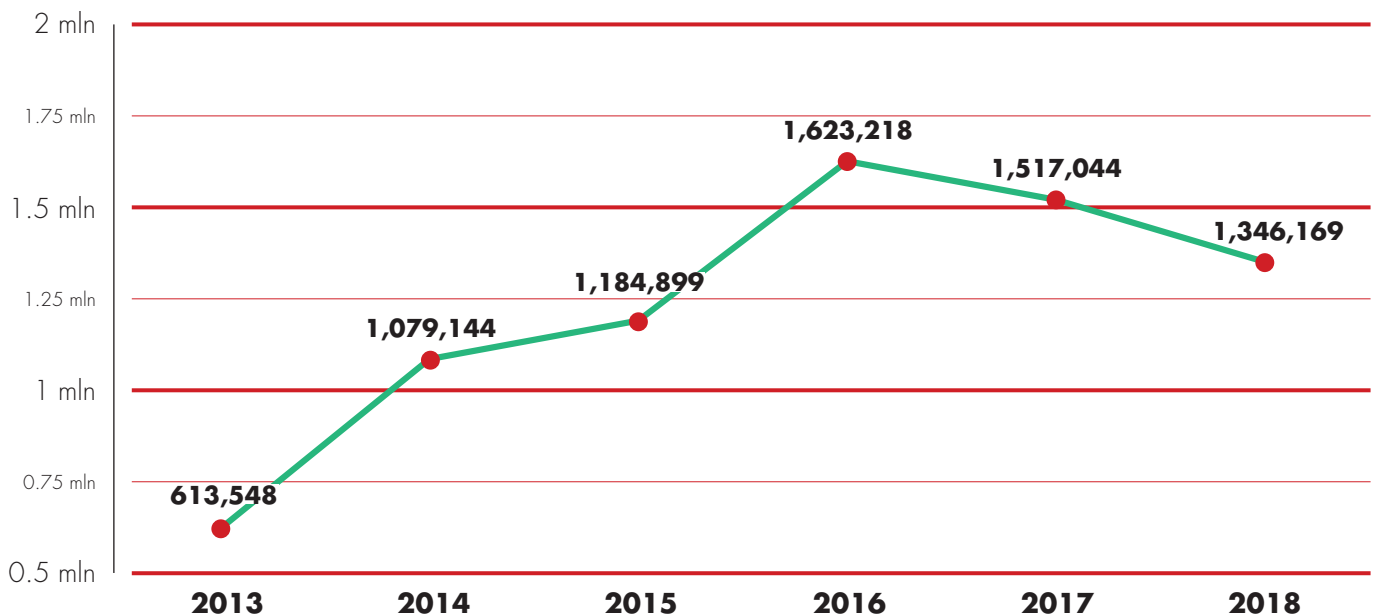
Despite the attention placed on reducing consumption, the increase in electricity costs in 2018 (+2.1% compared to 2017) led to an increase in expenses related to electricity consumption for the Shopping Centre tenants. The increase in the overall expenses related to

electricity consumption in 2018 was also a result of the increase in the expenses of the more energy-intensive Centres, due to both the increase in electricity consumption and the more than proportional increase in the cost of energy.

Thanks to investments aimed at improving energy efficiency in the systems and to the work carried out by IGD to purchase energy at favourable prices, over the last 6 years the tenants in all the IGD Shopping Centres have, however, made an accumulated saving of more than €1,300,000.

Chart 1

Tenants' yearly economic saving in electricity consumption since 2012 (€)



3_Source: Terna report December 2018

The data referring to consumption in the Shopping Centres in Italy and Romania and in the Bologna Headquarters over the last 3 years is reported below.

Table 1

Electricity consumption (GRI 302-1)

Electricity consumption (kWh)	2018	2017	2016	Difference 2018/2017	Difference 2017/2016
Italy – Absolute	40,351,936	40,232,786	36,881,600	+0.3%	+9.1%
Italy – Like for like	34,033,348	34,411,090		-1.1%	
Romania	20,796,000	20,939,000	20,343,000	-0.7%	+2.9%
Headquarters (including common areas)	309,838	307,898	319,986	+0.6%	-3.8%
Headquarter offices	109,598	103,200	104,151	+6.2%	-0.9%

The reduction in like for like electricity consumption in Italy was due to two main factors:

1. positive impact of consumption in the structures equipped with photovoltaic systems. The Shopping Centres that utilise this technology are those that performed better during the year (in-depth analysis in subsection “Management and structural actions”);
2. average summer temperatures which were milder than the year before when the electricity demand for air conditioning was very high.

Table 2

District heating and cooling consumption (GRI 302-1)

District heating (kWh)	2018	2017	2016	Difference 2018/2017	Difference 2017/2016
Italy – Absolute	9,854,866	10,152,693	8,034,860	-2.9%	+26.4%
Italy – Like for like	9,854,866	10,152,693		-2.9%	
Romania	986,122	960,196	820,529	+2.7%	+17.0%
Headquarters	325,932	318,562	308,760	+2.3%	+3.2%

The reduction in district heating consumption in Italy was due to winter temperatures that were warmer than the average, in particular in the first few months of the year.

Table 3**Fuel consumption (GRI 302-1)**

Fuel	Units of measure	2018	2017	2016	Difference 2018/2017	Difference 2017/2016
Italy - Absolute	kWh	15,215,897	14,685,395	12,697,734	+3.6%	+15.7%
Italy - Like for like	kWh	12,760,703	12,174,141		+4.8%	
Romania	kWh	4,595,201	4,151,291	4,464,493	+10.7%	-7.0%
Italy - Absolute	Gj	54,777	52,867	45,712	+3.6%	+15.7%
Italy - Like for like	Gj	45,939	43,827		+4.8%	
Romania	Gj	16,543	14,945	16,072	+10.7%	-7.0%
Headquarters	No fuel consumption					

The Shopping Centres in central-southern Italy had a particular impact on the increase in fuel consumption due to the more rigid winter temperature in the regions in which they are located.

Table 4**Total energy consumption (electricity, district heating, fuel)**

Energy consumption	Units of measure	2018	2017	2016	Difference 2018/2017	Difference 2017/2016
Italy - Absolute	kWh	65,422,699	65,070,874	57,614,194	+0.5%	+12.9%
Italy - Like for like	kWh	56,648,917	56,737,924	-	-0.2%	
Romania	kWh	26,377,323	26,050,487	25,628,022	+1.3%	+1.6%
Headquarter offices	kWh	435,530	421,762	412,911	+3.3%	+2.1%
Italy - Absolute	Gj	235,522	234,255	207,411	+0.5%	+12.9%
Italy - Like for like	Gj	203,936	204,257	-	-0.2%	
Romania	Gj	94,958	93,782	92,261	+1.3%	+1.6%
Headquarter offices	Gj	1,568	1,518	1,486	+3.3%	+2.1%

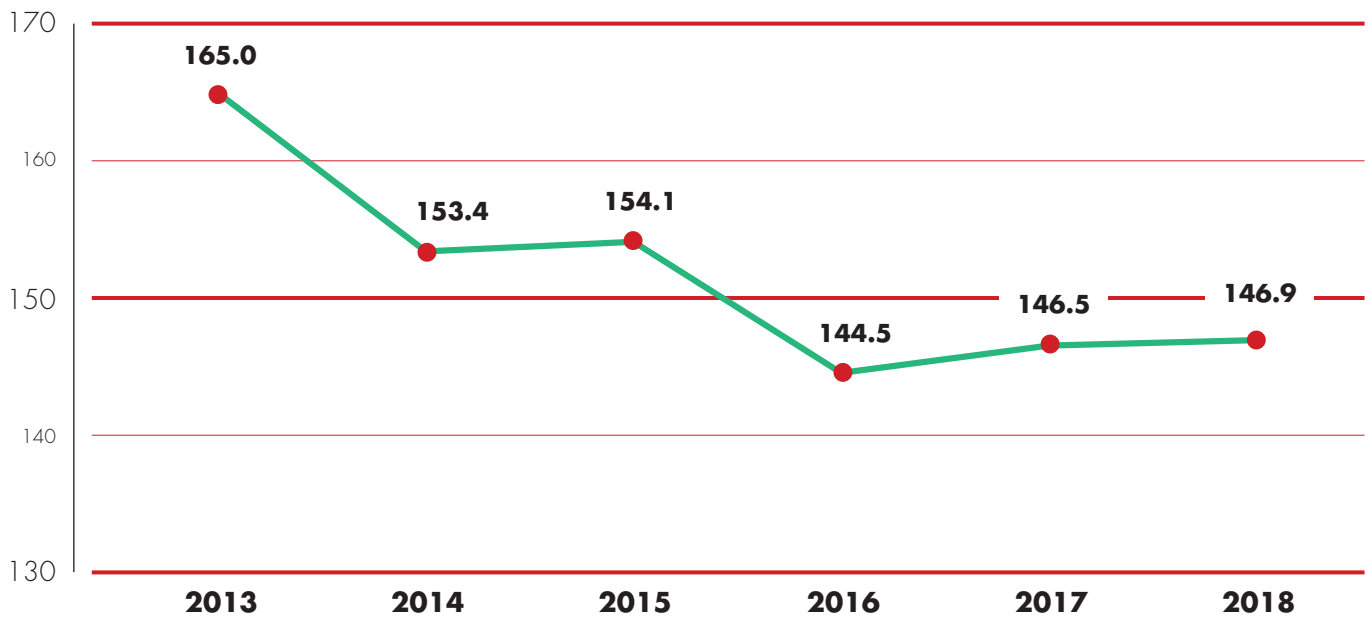
Table 5**Building energy intensity (GRI 302-3; CRE1)**

Energy intensity (kWh/m ²)	2018	2017	2016	Delta 2018/2017	Delta 2017/2016
Italy	146.95	146.52	144.45	+0.3%	+1.4%
Romania	298.96	295.26	290.47	+1.3%	+1.6%
Headquarter offices	39.78	37.50	37.80	+6.1%	-0.8%

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

Chart 2

Energy intensity in Italy since 2013 (kWh/m²)



The building energy intensity remained stable at the 2016-2017 levels. In this two-year period new high energy performing assets entered into the reporting

boundary (Maremà, Puntadiferro, ESP extension) which contributed to a significant reduction in the overall intensity within the IGD boundary.

Forlì_Puntadiferro





Grosseto_Marema

1.1.2 GREENHOUSE GAS EMISSIONS

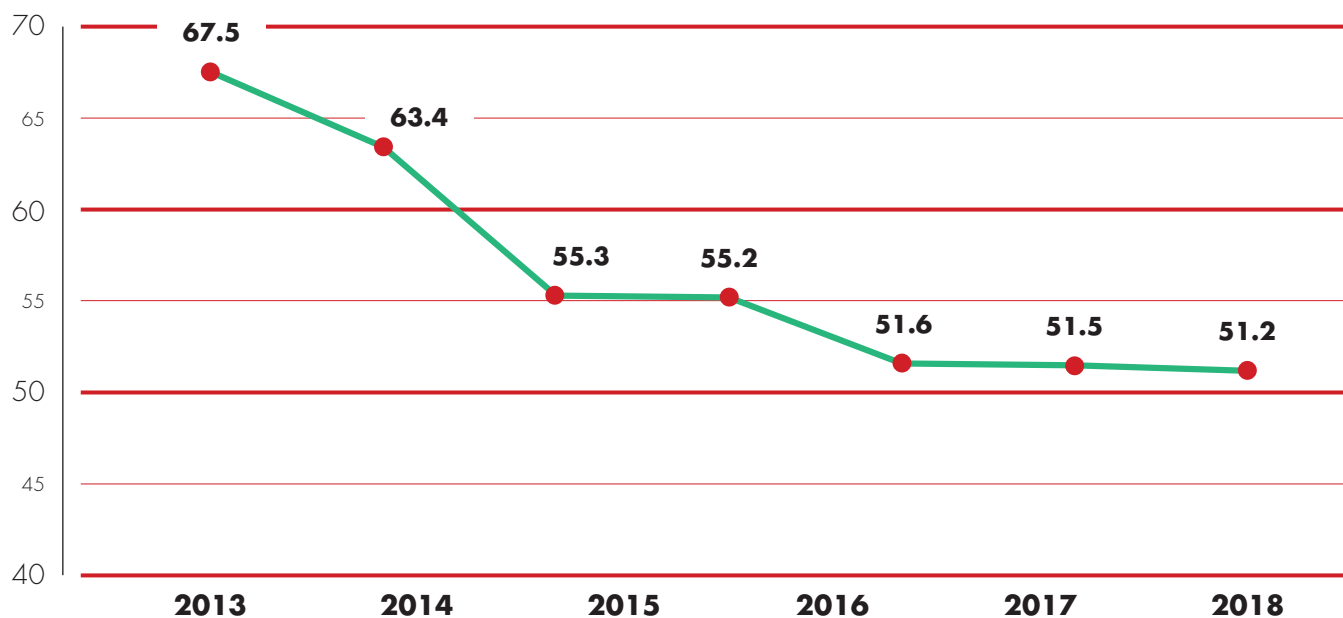
Table 6

Greenhouse gas emissions (GRI 305-1; 305-2)

GHG emissions (Tonnes CO2e)	2018	2017	2016	Difference 2018/2017	Difference 2017/2016
Italy direct emissions (Scope1) - Absolute	2,740	2,645	2,287	+3.6%	+15.7%
Italy indirect emissions (Scope2) - Absolute	18,492	18,535	16,610	-0.2%	+11.6%
Italy total GHG emissions - Absolute	21,232	21,180	18,897	+0.2%	+12.1%
Italy direct emissions (Scope1) - Like for like	2,298	2,193		+4.8%	
Italy indirect emissions (Scope2) - Like for like	16,059	16,294		-1.4%	
Italy total GHG emissions - Like for like	18,357	18,487		-0.7%	
Romania direct GHG emissions (Scope1)	828	748	804	+10.7%	-7.0%
Romania indirect GHG emissions (Scope2)	10,220	10,283	9,965	-0.6%	+3.2%
Romania total GHG emissions	11,047	11,031	10,770	+0.2%	+2.4%
Headquarters - total GHG emissions	42.20	39.73	40.10	+6.2%	-0.9%

Table 7**Greenhouse Gas (GHG) emissions intensity from building energy consumption
(GRI 305-4; CRE3)**

GHG emissions intensity (Kg CO2e/ m ² common areas + GLA)	2018	2017	2016	Difference 2018/2017	Difference 2017/2016
Italy direct GHG intensity	6.61	6.43	6.24	+2.9%	+3.0%
Italy indirect GHG intensity	44.63	45.04	45.31	-0.9%	-0.6%
Italy total GHG intensity	51.25	51.47	51.55	-0.4%	-0.2%
Romania direct GHG intensity	9.38	8.47	9.11	+10.7%	-7.0%
Romania indirect GHG intensity	115.83	116.55	112.95	-0.6%	+3.2%
Romania GHG intensity	125.21	125.02	122.06	+0.2%	+2.4%
Headquarters indirect GHG intensity	15.32	14.42	14.55	+6.2%	-0.9%

Chart 3**Reduction in greenhouse gas (GHG) emissions intensity**

As was the case for the building energy intensity, the GHG intensity also remained stable at the 2016-2017 two-year period levels.

1.1.3 WATER CONSUMPTION

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

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

Table 8

Water consumption (GRI 303-1)

Water consumption (m ³)	2018	2017	2016	Difference 2018/2017	Difference 2017/2016
Italy water consumption - Absolute	526,904	644,053	523,496	-18.2%	+23.0%
Of which from water mains	515,158	637,509	518,039	-19.2%	+23.1%
Of which from groundwater	11,746	6,544	5,457	+79.5%	+19.9%
Italy water consumption – Like for like	458,261	481,636		-4.9%	
Of which from water mains	458,261	475,092		-3.5%	
Of which from groundwater	11,746	6,544		+79.5%	
Romania water consumption	64,964	59,620	59,167	+9.0%	+0.8%
Of which from water mains	64,964	59,620	59,167	+9.0%	+0.8%
Headquarters water consumption	3,047	2,125	1,657	+43.4%	+28.2%
Of which from water mains	3,047	2,125	1,657	+43.4%	+28.2%

Ravenna_ESP



Table 9**Breakdown of water consumption by use**

	Water consumption (m ³)	2018	2017	2016	Difference 2018/2017	Difference 2017/2016
Italy - Absolute	Drinking water	434,209	476,088	359,338	-8.8%	+32.5%
	Irrigation	38,269	44,800	35,986	-14.6%	+24.5%
	Fire prevention	13,587	112,399	61,413	-87.9%	+83.0%
	Other uses	42,354	19,365	69,758	+118.7%	-72.2%
Italy - Like for like	Drinking water	376,476	403,901		-6.8%	
	Irrigation	36,555	42,326		-13.6%	
	Fire prevention	4,911	26,728		-81.6%	
	Other uses	42,354	17,280		+145.1%	

The significant difference in fire prevention water consumption was due to the particularly high figure regarding one Shopping Centre's consumption in 2017.

Table 10**Building water consumption intensity (GRI CRE2)**

Water consumption intensity (m ³ /m ²)	2018	2017	2016	Difference 2018/2017	Difference 2017/2016
Italy - Water consumption intensity	1.27	1.57	1.43	-18.7%	+9.6%
Romania - Water consumption intensity	0.74	0.68	0.67	+8.3%	+1.5%
Headquarters - Water consumption intensity	1.11	0.77	0.60	+43.6%	+28.3%

Table 11**Headquarters water consumption intensity (m³/person)**

Headquarters water consumption intensity (m ³ /person)	2018	2017	2016	Difference 2018/2017	Difference 2017/2016
Headquarters - water consumption intensity	19.2	13.8	13.6	+39.1%	+1.2%

1.1.4 WASTE DISPOSAL AND CIRCULAR ECONOMY

Waste collection and disposal in the Shopping Centres is carried out either by Municipal companies or private ones (in several cases by both, in relation to the waste to be disposed of). As the Municipal companies do not relay information regarding the quantity of waste collected, the data is not available for 8 Shopping Centres

that these companies provide the service for.

The quantity of waste shown in the following tables corresponds to the information that was available: 2,586 tonnes of waste was generated in 2018, 74% of which was sent to recycling. In 2018 no hazardous waste was produced.

Table 12

Waste and disposal method (GRI 306-2)

Area	Disposal method	2018 (t)	2017 (t)	2016 (t)	Difference 2018/2017 (%)	Difference 2017/2016 (%)	Weight 2018 (%)	Weight 2017 (%)	Weight 2016 (%)
Italy - Absolute	Recycling	1,908	1,966	1,925	-3.0%	2.1%	74%	74%	74%
	Incinerator	42	42	35	0.4%	20.0%	2%	2%	1%
	Landfill	636	632	625	0.7%	1.1%	25%	24%	24%
	Total	2,586	2,640	2,586	-2.0%	2.1%			
Italy - Like for like	Recycling	1,908	1,966		-3.0%				
	Incinerator	42	42		0.4%				
	Landfill	636	632		0.7%				
	Total	2,586	2,640		-2.0%				
Romania	Recycling	144	155	68	-6.9%	128.5%	7%	7%	3%
	Landfill	2,001	2,134	2,150	-6.2%	-0.7%	93%	93%	97%
	Total	2,145	2,289	2,218	-6.3%	3.2%			
Head-quarters	Recycling	3.86	3.66		5.6%		54%	53%	
	Landfill	3.33	3.27		2.0%		46%	47%	
	Total	7.19	6.92		3.9%				

NB: The Absolute data and the Like for Like data correspond because waste disposal in ESP and Città delle Stelle Shopping Centres is carried out by municipal companies which do not provide data.

Table 13**Waste sorting**

Area	Type	2018 (t)	2017 (t)	2016 (t)	Difference 2018/2017 (%)	Difference 2017/2016 (%)	Weight 2018 (%)	Weight 2017 (%)	Weight 2016 (%)
Italy - Absolute and Like for like	Paper and Cardboard	851	852	807	-0.1%	5.6%	32.8%	32.3%	31%
	Plastic	56	66	33	-14.7%	98.0%	2.2%	2.5%	1%
	Organic	64	74	21	-13.0%	247.2%	2.5%	2.8%	1%
	Unsorted	420	352	424	19.4%	-16.9%	16.3%	13.3%	16%
	Mixed	999	1.128	1.196	-11.4%	-5.7%	38.7%	42.7%	46%
	Glass	53	52	48	2.2%	8.5%	2.1%	2.0%	2%
	Wood	12	7	10	83.3%	-30.9%	0.5%	0.2%	0%
	Other	130	110	47	18.5%	134.1%	5.0%	4.2%	2%
	Total	2,586	2,640	2,586	-2.0%	2.1%			
Romania	Paper and Cardboard	133	143	63	-7.1%	127.9%	6.2%	6.3%	3%
	Plastic	11	8	5	32.4%	70.3%	0.5%	0.4%	0%
	Aluminium	-	3	-	-	-	-	0.1%	0%
	Unsorted	2,001	2,134	2,150	-6.2%	-0.7%	93.3%	93.2%	97%
	Total	2,145	2,289	2,218	-6.3%	3.2%			
Head-quarters	Paper and Cardboard	3.60	3.34		7.7%		50.1%	48.3%	
	Plastic	0.26	0.31		-17.2%		3.6%	4.5%	
	Unsorted	3.33	3.27		2.0%		46.3%	47.2%	
	Total	7.19	6.92		3.9%				

Table 14**Paper consumption Bologna Headquarters**

Paper consumption Bologna headquarters	2018	2017	2016	Difference 2018/2017	Difference 2017/2016
Number of printed sheets of paper	728,358	729,483	727,370	-0.2%	+0.3%

Again in 2018, only recycled paper or FSC certified paper was used for institutional material.

FOCUS // CIRCULAR ECONOMY



Ensure sustainable consumption and production patterns.

Companies must promote an increased use of recyclable and biodegradable materials in their production processes, invest in sustainable technologies that improve consumption and production patterns and participate in workshops and seminars to disseminate good practices on circular economy issues.

12 RESPONSIBLE CONSUMPTION AND PRODUCTION



Since 2017 IGD has played an active role in the development of an innovative circular economy model: with Impronta Etica as coordinator and together with Coop Alleanza 3.0 and Camst – the Italian Food and Beverage company, IGD is one of the promoters of the “Waste2Value” project (<http://wastetovalue.it/>). The purpose being to create a model to recover food waste within a Shopping Centre by converting it into “second products” to be reintroduced into the Shopping Centre itself.

Nova Shopping Centre in Villanova di Castenaso (Bologna) was chosen as the pilot Shopping Centre, because of its structural features and its location. The waste taken into consideration for conversion was made up of coffee grounds and orange peels.

After a first phase to define the project which was carried out by involving the community on a number of occasions (high school and university students, Camst members and Coop Alleanza 3.0 members, in addition to the staff of the three companies participating in the project), 2018 witnessed the launch of the prototyping and testing phase of Repod, a biodegradable capsule for the fertilisation of house plants, obtained from the aforementioned waste materials.

In 2019, the prototyping will be experimented on a larger scale and a model will be defined to market the product within Nova Shopping Centre itself, therefore establishing the real and effective circularity of the process.



Management and structural actions



Ensure access to affordable, reliable, sustainable and modern energy for all.

The private sector plays a central role in the pursuit of this goal, above all with regard to the energy sector. Companies can invest in clean energy sources, like solar, wind or thermal, opting for technologies that reduce electricity consumption in buildings and industries il consumo di elettricità negli edifici e nelle industrie.

7 AFFORDABLE AND CLEAN ENERGY



Promote actions, at all levels, to combat climate change.

The private sector can define strategies to reduce its greenhouse gas emissions, by using renewable energy sources instead of fossil fuels.

13 CLIMATE ACTION



Over the last few years, IGD has invested resources to enhance the efficiency of the routine management of its systems, both on a structural level and by carrying out training activities specifically aimed at the Shopping Centre Managers.

On a structural level, the following work was carried out in 2018:

› **Lighting:** when restyling work was carried out in the Mall in Casilino Shopping Centre, LED technology lighting systems were also installed. Altogether

there were 16 structures equipped with LED lighting systems in the Malls or car parks in 2018, 14 of which were freehold Shopping Centres and 2 were in master leasing. This technology contributed greatly to reducing electricity consumption associated to lighting: it is possible to calculate that if over the years these systems had not been installed, the Centres currently equipped with this technology would have consumed altogether 1.76 million kWh⁴ more in 2018, equivalent to the annual electricity consumption of a medium sized Shopping Centre (for example Centro d'Abruzzo).

› **Energy meters for “Energy Efficiency Certificates” (white certificates):** in 2017 IGD obtained the white certificates for the saving generated by the LED lighting system in Sarca Shopping Centre. The economic advantage deriving from these certificates lasts for five years, therefore IGD benefitted also in 2018. In the two-year period the financial gain was equal to €50,200.

› **Photovoltaic:** IGD’s commitment to use energy from renewable sources actively continued also in 2018, with the installation of two photovoltaic systems in Katanè Shopping Centre (Catania) and Gran Rondò Shopping Centre (Cremona). Currently 7 structures are equipped with this type of system (installation date between brackets):

- Puntadiferro (2011)
- Clodì (2015)
- Maremà (2016)
- Esp (2017)
- La Torre (2017)
- Katanè (2018)
- Gran Rondò (2018)

An additional system covering the external car park in ESP Shopping Centre is scheduled to be installed.

Electricity consumption per square metre in the Shopping Centres whose systems were fully operational in 2018 (Puntadiferro, Clodì, Maremà, ESP and La Torre), resulted -41.2% lower than that in the other Centres in the portfolio.

Catania_Katanè_ Photovoltaic system



Energy from renewable sources: in 2016 all the IGD Shopping Centres signed an agreement with their electricity supplier to acquire Green Certificates (G.O. Guarantee of Origin). Since 2017 all the Shop-

ping Centres’ electricity supply has come exclusively from renewable energy sources, in line with the targets defined in the UN’s 2030 Agenda for Sustainable Development. Thanks to the use of “clean” energy only, over 20,000 tonnes of CO2 were not emitted into the atmosphere in 2018, the equivalent of the annual electricity consumption of 17,000 families. The IGD headquarter offices’ electricity supply also came exclusively from renewable sources in 2018.

Environmental Index: between 2017 and 2018



IGD worked on the creation of an Environmental Index, a tool for the collection and analysis of data regarding the environmental sustainability of the buildings, which is used to assist in the evaluation of ordinary and extraordinary work. The objectives regarding the creation of this index are the following:

- map the actions taken or to be taken;
- identify the structures with greater margins for improvement;
- prioritise and programme the necessary actions to be taken;
- provide benchmarks on consumption, costs and scheduled maintenance in the Centres, useful also in terms of management

Operationally speaking, each Centre is assigned a score on the basis of two factors: “Environmental Performance of the Building” and “Fair Value”. In 2018 tests were carried out on 14 Malls. The areas of potential improvement were identified for each of these and a simulation was carried out of any actions or work that would help to increase the structures’ scores. The Index will be updated and will become fully up and running in 2019. It will also be a tool with which to verify performance and the effectiveness of the actions or work.

4_In 2017 IGD commissioned an external firm to carry out a study to quantify the reduction in consumption associated to lighting in the Shopping Centres in which LED lighting systems had been installed

Awareness raising

For years IGD has been committed to raising awareness on environmental sustainability issues in the more than 200,000 daily visitors that pass through its Shopping Centres, informing them about the good practices adopted and encouraging them to adopt sustainable behaviour in their everyday life.

Information concerning UNI EN ISO 14001 certification, the commitments undertaken and the results obtained in relation to energy and water consumption reduction is provided in all the Shopping Centres where digital totems have been installed. Reference is also made to the SDGs that the Centre is committed to. Together with this type of information, the visitors are called to action and encouraged to adopt behaviour aimed at environmental sustainability.

In addition to this, and on account of UNI EN ISO 14001 certification, the Company took action to involve its suppliers by encouraging them to contribute,

by means of their behaviour, to the improvement in the environmental performance of the individual Shopping Centres.

IGD also carries out activities to raise awareness in its tenants: the rulebook of good practices for a more sustainable management of the stores, "10 recommendations so as to improve our Shopping Centres. Together", was drawn up in 2015. It was first presented to all the tenants during the consortium meetings and it remains at their disposal both in the individual Centres themselves and on IGD's institutional website (<https://www.youtube.com/watch?v=dNy82ATDq4Y>).



1.2 CERTIFICATIONS



Make cities and human settlements inclusive, safe, resilient and sustainable.

Companies must adopt production processes that take into account the protection of the cultural and natural heritage of the place in which they operate.

11 SUSTAINABLE CITIES AND COMMUNITIES



IGD's approach to environmental sustainability is long term. For this reason, it decided to embark on a certification process that has positive impacts both on the

management of the building and on its improvement in performance. It is currently working on two certifications: UNI EN ISO 14001 and BREEAM.

Afragola (NA)_ Le Porte di Napoli



1.2.1 ISO14001 CERTIFICATION (GRI CRE8)

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

In 2018, after obtaining the Environmental Management System (EMS) certification in ESP (Ravenna), Puntadiferro (Forlì) and Le Porte di Napoli (Afragola, Naples) Shopping Centres, the number of Shopping Centres certified rose to 17, corresponding to 74% of the portfolio that IGD has decided to certify.

During the year the company undertook to:

- follow up on the observations made by the certifying body during the certification process, by taking the appropriate improvement actions;
- obtain certification for 3 Centres, scheduled for February 2019:

- Città delle Stelle (Ascoli Piceno)
- Leonardo (Imola, Bologna)
- Maremà (a Grosseto)

In the event of a positive conclusion of the above, 20 Centres will have been certified (in addition to the IGD headquarters), corresponding to 90% of the number of Shopping Centres in its portfolio that IGD has decided to certify.

IGD undertakes not only to extend the boundary of its certified Centres, but also to establish relations with suppliers that comply with the sustainability criteria adopted by the Company: 20% of the suppliers that IGD stipulates a contract with, are, in turn, UNI EN ISO 14001 certified.

Impact data sheet

UNI EN ISO 14001 CERTIFICATION

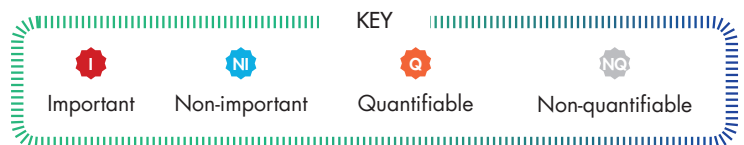
EXPECTED CHANGE

- Find a recognised method for the efficient management of the buildings from an environmental point of view.
- Improve environmental performance in the Shopping Centres
- Enhance the Company's reputation

Stakeholders involved

- IGD
- EMPLOYEES INVOLVED IN THE PROCESS
- BODIES INVOLVED IN THE CERTIFICATION PROCESS
- SHOPPING CENTRE SUPPLIERS
- SHOPPING CENTRE VISITORS
- TENANTS
- HEADQUARTER EMPLOYEES

	IGD	EMPLOYEES INVOLVED IN THE PROCESS	BODIES INVOLVED IN THE CERTIFICATION PROCESS	SHOPPING CENTRE SUPPLIERS	SHOPPING CENTRE VISITORS	TENANTS	HEADQUARTER EMPLOYEES
DIRECT IMPACT	x	x		x		x	
INDIRECT IMPACT			x		x		x
ECONOMIC IMPACT	<ul style="list-style-type: none"> • Contribution to maintaining a sustainable COR over the years • Increase in investments in IGD by investors engaged in the issue 	-	<ul style="list-style-type: none"> • New prospective /acquired clients following the project 	<ul style="list-style-type: none"> • Supply contract obtained for those suppliers that decided to become certified • Costs incurred for certification 	-	<ul style="list-style-type: none"> • Reduction in Consortium expenses related to energy consumption 	-
NON-ECONOMIC IMPACT	<ul style="list-style-type: none"> • Creation of a culture regarding the Centres' corporate sustainability 	<ul style="list-style-type: none"> • Increase in the workload over the years • Increase in awareness on environmental issues 	<ul style="list-style-type: none"> • Greater experience in the retail real estate sector gained by their workers 	<ul style="list-style-type: none"> • Awareness raising and incentives to initiate the certification process 	<ul style="list-style-type: none"> • Awareness raising to adopt behaviour that is aimed at environmental sustainability 	<ul style="list-style-type: none"> • Awareness raising to adopt behaviour that is aimed at environmental sustainability in the management of the store, due to the environmental clauses in the contract 	<ul style="list-style-type: none"> • Awareness raising to adopt behaviour that is aimed at environmental sustainability both in the workplace and at home



1.2.2 BREEAM CERTIFICATION (GRI CRE8)

After obtaining BREEAM certification for Sarca Shopping Centre (Milan) in 2016, IGD decided to obtain Breeam “protocol in use” certification for 4 key assets: Katanè in Catania, Tiburtino in Rome, ESP in Ravenna and Puntadiferro in Forlì.

The decision to use this protocol is related to the possibility of:

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

Following the feasibility study carried out in 2017, in 2018 IGD initiated the process which led to the recognition for the certification for Tiburtino and Katanè both of which were certified as “very good” with regard to Asset performance and “good” with regard to Building management, in line with the targets that were set. These results were obtained thanks also to several important actions carried out on the Shopping Centre and in relation to the environmental policies pursued by IGD. In 2018 the necessary activities with regard to the certification of Puntadiferro and ESP in 2019 were also initiated.

Guidonia Montecelio (Roma)_Tiburtino Shopping Center



2. Accessibility and mobility



Make cities and human settlements inclusive, safe, resilient and sustainable.

Companies must promote green mobility both within and beyond the companies themselves.

11 SUSTAINABLE CITIES AND COMMUNITIES



Thanks to visitor engagement which is periodically carried out by IGD (see section 4.1), it was possible to analyse the visitors' behaviour and identify the new trends and needs with regard to the choice of urban transport: there was a reduction in the use of traditional cars (replaced by cars with a lower environmental impact or by car sharing) and an increase in the use of

bicycles and public transport, where local infrastructures make this possible.

Taking the above information into account, IGD is working to make it possible for all its visitors to travel to the Shopping Centres using the means of transport more in line with their choices and possibilities.

2.1 ACTIONS CARRIED OUT AND FUTURE PROJECTS

To define the actions to be taken regarding sustainable mobility, IGD focuses on two aspects:

1. analysis of the current situation
2. implementation of new projects

Phase 1: analysis

With the purpose of understanding how easy it is to reach its Shopping Centres and of taking action so as to encourage sustainable mobility where necessary, IGD made a map of the means of transport (excluding cars) by way of which its Shopping Centres can be reached. The following results emerged:

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

Phase 2: implementation of new projects

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

LOCAL PUBLIC TRANSPORT

In 2019 a new stop will be installed next to Maremà Shopping Centre in Grosseto. The need for a stop near this Centre emerged as an area in need of improvement from a visitors' survey carried out in this Centre in 2017.

IGD became the spokesperson for the community's request establishing contact with the local authorities and it promoted the creation of this stop by contributing to it with an investment of approximately 30 thousand euros.



Ravenna_ESP_EV charging station

BICYCLE

Actions have been defined in 2 areas:

1. Services: 17 Shopping Centres are equipped with charging systems for e-bike batteries within the Mall. The work to replace the previous system with a more innovative one was completed in the last two Shopping Centres in 2018. Furthermore, in Clodi Retail Park in Chioggia (Venice), work is in progress to install an e-bike charging station powered by a photovoltaic system.
2. Events: initiatives providing information on the correct use of this means of transport were once again organised in 2018 in cooperation with local associations and schools (for example in Bologna).

ELECTRIC VEHICLES

IGD undertakes to provide an adequate service for those visitors that need to charge their electric vehicles. Following the launch of the "Electric vehicle charging project" in 2017, there are currently 2 Shopping Centres equipped with EV charging stations (ESP in Ravenna and Maremà in Grosseto) and an EV charging station will be installed shortly in Conè Shopping Centre in Conegliano (Treviso).

Furthermore, an agreement is currently being finalised with EnerHub⁵ for the installation of 33 EV charging stations in 19 Shopping Centres between 2019 and 2020. In addition to this, an agreement has been defined with Tesla which will install 2 «Supercharger» stations in Maremà Shopping Centre in Grosseto and Puntadiferro Shopping Centre in Forlì.

⁵Newco founded by CEE (Consorzio Esperienza Energia) and ALG (Accendi Luce e Gas)



RESPONSIBLE

Becoming
g.r.e.a.t.

Material issues

**Good
employment**

**Gender
equality**

**Wellbeing
and safety**

Highlights 2018

96,6%

% PERMANENT CONTRACTS
(ITALY AND ROMANIA)



**% EMPLOYEES THAT HAVE BENEFITTED
FROM THE CORPORATE WELFARE SYSTEM**
(ITALY)

99%



**4,9
mln€**

Investment in
**ANTI-RAM BOLLARDS AND
ANTI-SEISMIC IMPROVEMENT
MEASURES**
[2017-2018]



**becoming
g.r.e.a.t.**



IGD undertakes to behave in a responsible manner towards people. With regard to its employees, it is committed to guaranteeing “good employment”, by promoting stability and by fostering training programmes that are aimed at continuous skills development. With regard to those that visit its Shopping Centres and to those that work within them, IGD places particular emphasis on their health and their wellbeing by implementing voluntary initiatives, in addition to that required by law.

1. Good employment



Promote full and productive employment and decent work for all.

Companies are the main tool for the creation of jobs and they must guarantee decent working conditions.

8 DECENT WORK AND ECONOMIC GROWTH



1.1 WORKFORCE

IGD's workforce has continued to increase. Indeed over the last 15 years the company has grown from 27 employees in 2004 to 131 in 2018, recording a continuous increase year after year (with the sole minor halt recorded in 2012). In 2018, in particular, focus was placed on:

- responding to emerging needs following the acquisition of new assets which started in April. This led to the expansion of the Commercial Department workforce with the relocation of one internal resource;
- organisational consolidation, to guarantee an ever more effective coverage of activities in the headquarters.

The acquisition of the new Shopping Centres did not bring about changes within the workforce. Indeed, two of the four that were acquired were already managed by IGD, the other two remained under the management of the previous owner for the entire year. An increase in the workforce will therefore be recorded from 2019.

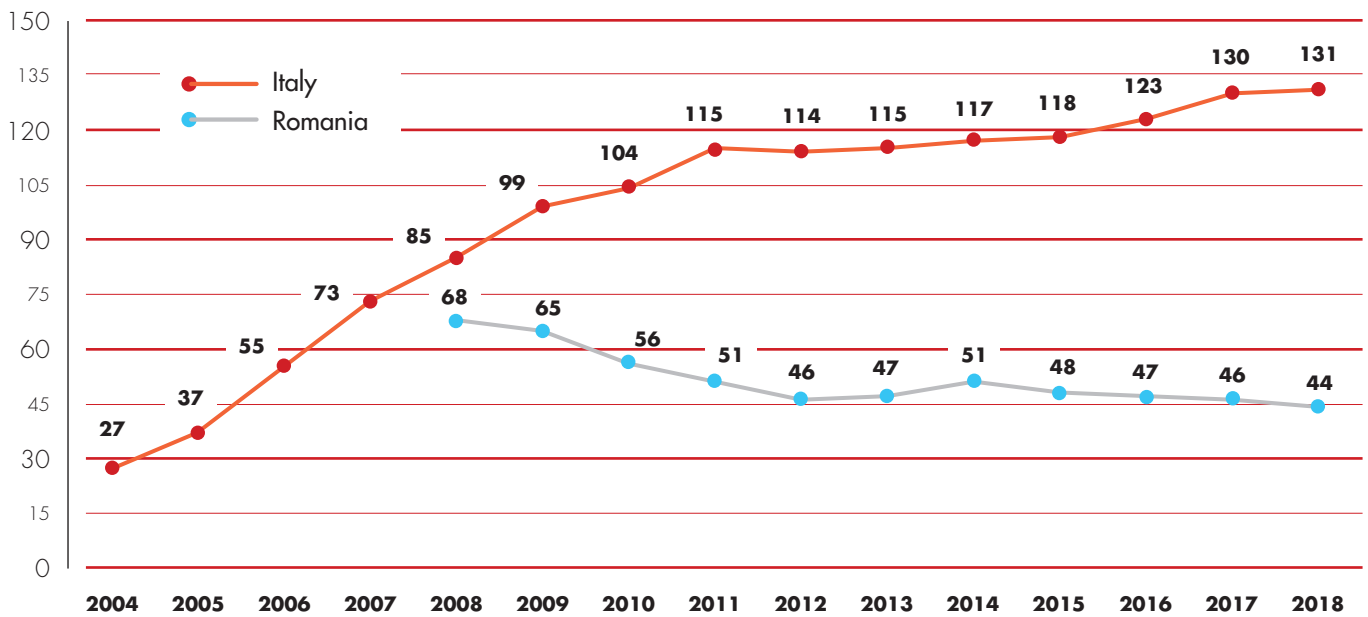
Instead, the workforce in Winmarkt Group recorded a slight decrease and an increase in turnover, with the structure remaining essentially the same. However, a third Area Manager was hired in order to increase territorial supervision.

IGD_Headquarters offices



Grafico 1

Corporate workforce flow (2004-2018) (GRI 102-8)



NB: the chart shows the number of employees over the last 15 years for IGD and of those since the acquisition of Winmarket

Consistent with IGD's commitment to guarantee its employees steady employment, the percentage of permanent contracts in place in Italy and Romania increased to 96.6%. In Italy the number of permanent contracts increased (from 123 in 2017 to 125 in 2018) but, in

relation to the increase in the workforce, the percentage out of the total stood at 95%. In Romania, the conversion of the only fixed term contract in 2017 into a permanent one in 2018 brought the percentage of permanent contracts up to 100%.

Chart 2

Percentage of employees with permanent contracts (Italy and Romania)

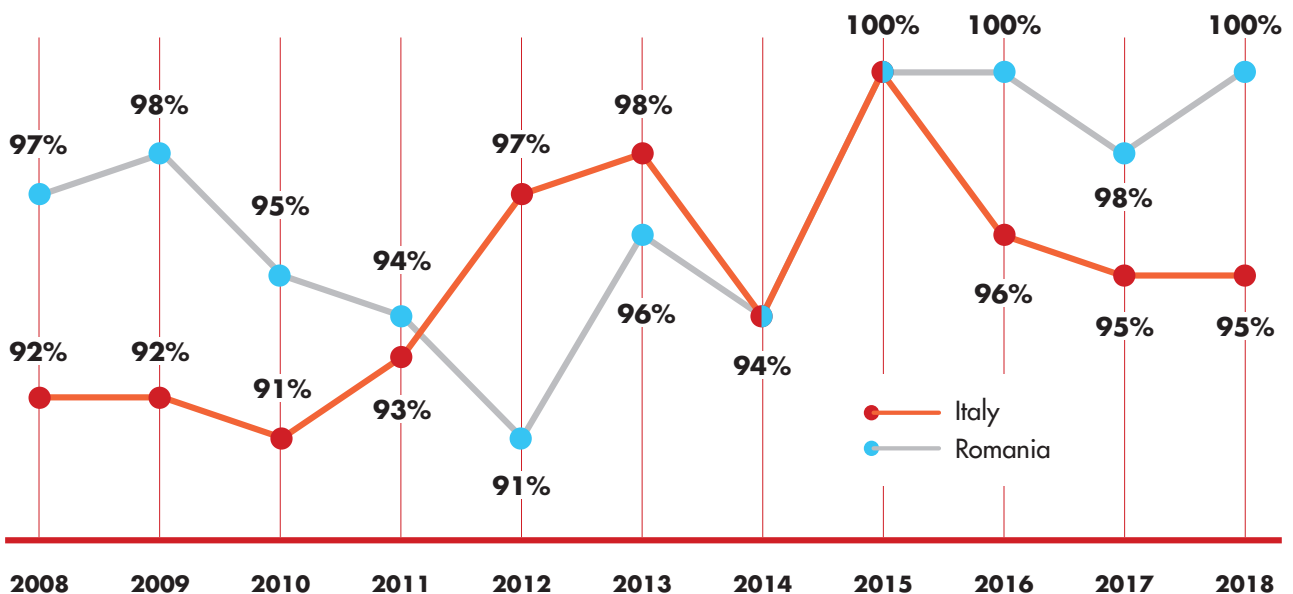


Table 1**Staff by contract type (Italy and Romania) (GRI 102-8)**

	2018 (n)	2017 (n)	2016(n)
Fixed term contracts Italy	6	7	5
Of which female	4	5	2
Of which male	2	2	3
Permanent contracts Italy	125	123	118
Of which female	68	67	65
Of which male	57	56	53
Fixed term contracts Romania	-	1	-
Of which female	-	1	-
Of which male	-	-	-
Permanent contracts Romania	44	45	47
Of which female	27	28	28
Of which male	17	17	19

The number of part-time contracts in Italy grew but remained limited: they went from 8 in 2017 to 9 in 2018, of which 7 female and 2 male. 55% of these were granted by the company after having been requested by the employees themselves, instead the remainder were in response to internal organisational requirements.

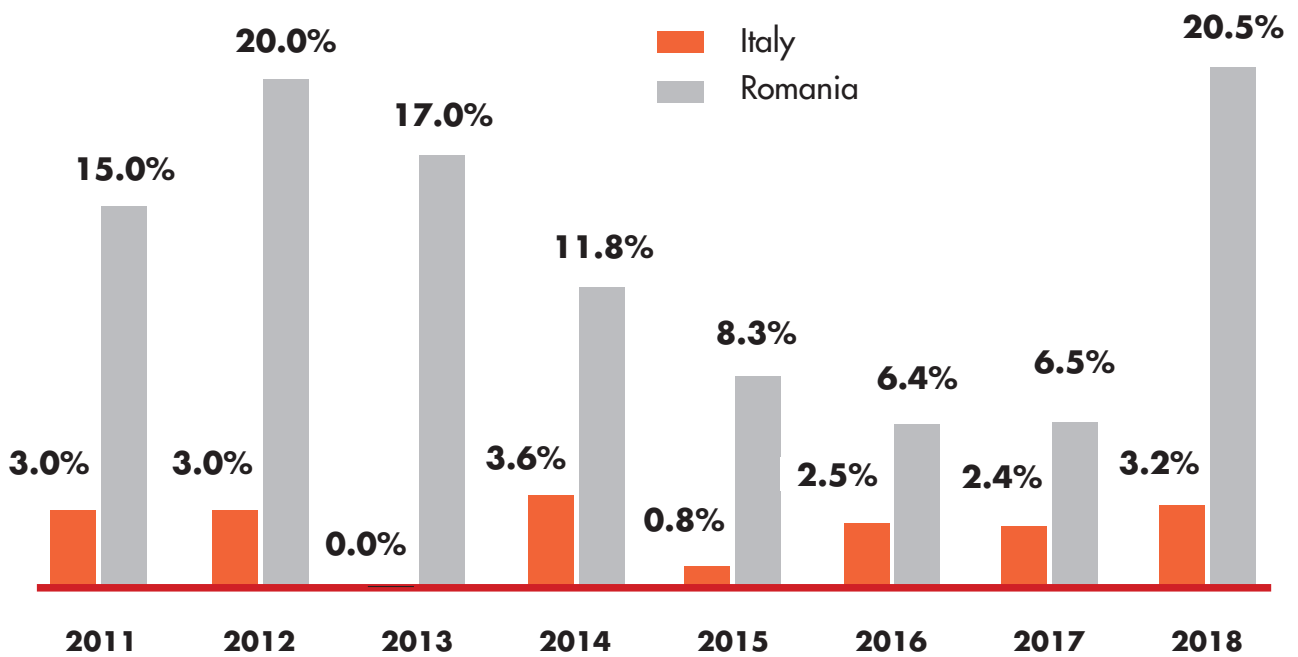
IGD_Headquarters offices



IGD's turnover rate grew slightly (+0.8 p.p.), linked to an increase in employment terminations (from 4 to 5, 2 of which were due to retirement). In Romania, after years of stability and a decreasing turnover rate, 2018 recorded a significant increase (+14 p.p.) due to an attractive and dynamic economic environment and job market, with rapid growth rates also in the construction and real estate sector.

Winmarkt_Headquarters offices



Chart 3**Outgoing turnover (Italy and Romania)* (GRI 401-1; EPRA EMP-TURNOVER)**

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

Table 2**Recruitments and Resignations (Italy and Romania) (GRI 401-1; EPRA EMP-TURNOVER)**

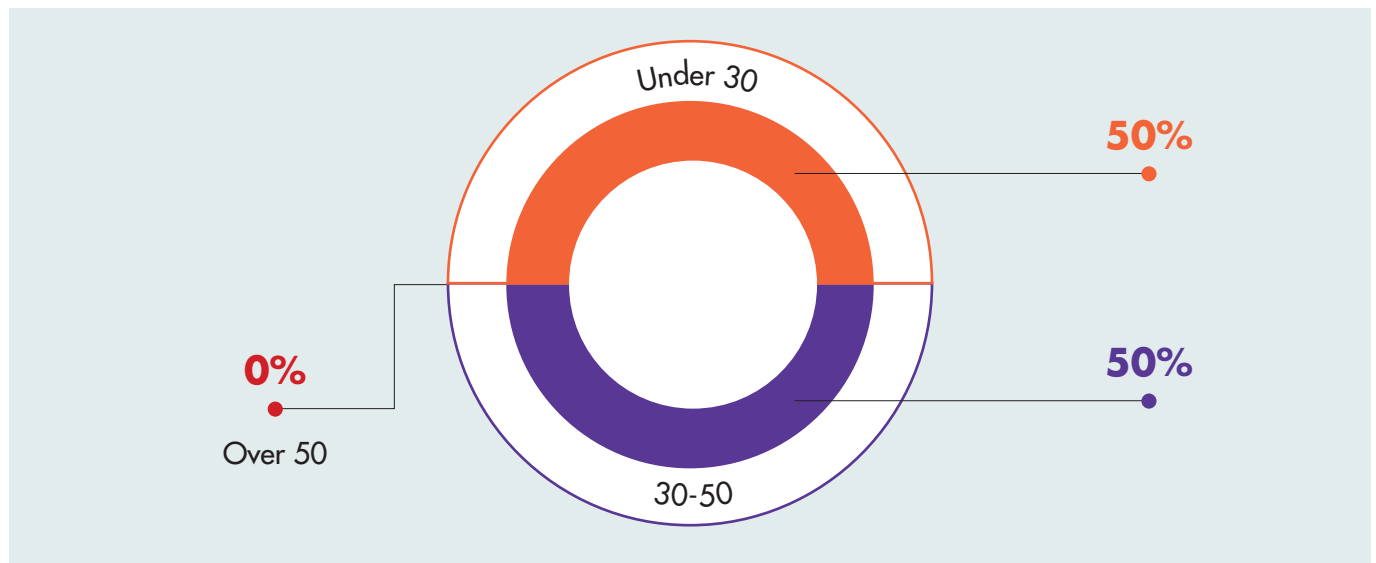
	2018 (n)	2017 (n)	2016 (n)
Recruitments Italy	6	11	10
Recruitment rate Italy	4.6%	8.5%	8.1%
Resignations Italy	5	4	5
Resignation rate Italy	3.8%	3.1%	4.1%
Recruitments Romania	7	2	2
Recruitment rate Romania	16%	4.3%	4.3%
Resignations Romania	9	3	3
Resignation rate Romania	20.5%	6.5%	6.4%

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

The new employees in Italy are male in 67% of cases and belong to the following age groups:

Chart 4

New employees by age group (Italy) (GRI 405-1; EPRA DIVERSITY-EMP)



The 5 resignations involved 3 males and 2 females, 3 in the 30-50 age group and 2 in the over 50 age group (retirements). In Romania the 9 resignations involved 5 males and 4 females, all between the ages of 30 and 50; the new employees were 5 males and two females, belonging to the 30 to 50 age group, with the exception of one over 50. Both in Italy and Romania all work contracts are regulated by the national collec-

tive labour agreement. In Italy, in particular, the relevant National Labour Agreement for IGD's employees is that of Cooperative Retail. A renewal agreement was signed at the beginning of 2019 with regard to the economic aspect, with a salary adjustment in force from the month of February and an envisaged investment in corporate welfare.

Table 3

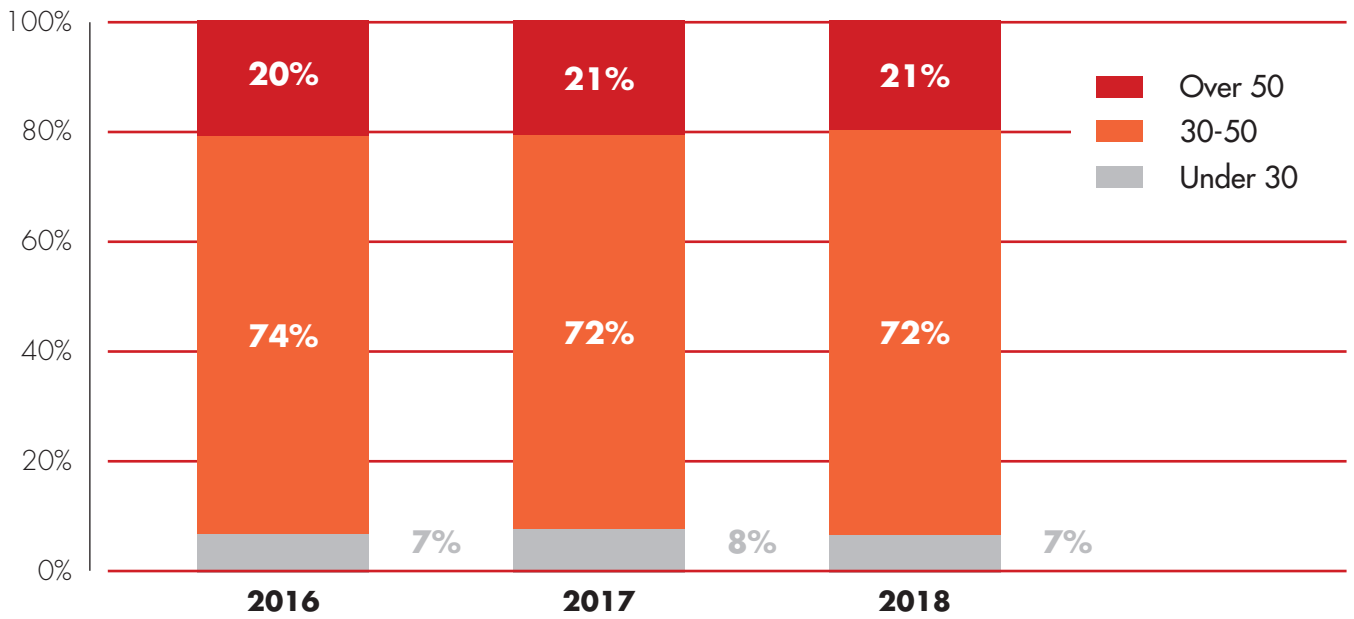
Collective Labour Agreements (Italy and Romania) (GRI 102-41)

	2018 (%)	2017 (%)	2016 (%)
Employees covered by collective labour agreements - Italy	100%	100%	100%
Employees covered by collective labour agreements - Romania	100%	100%	100%

In Italy, the average age of the corporate workforce was 43 years of age, in line with the previous two years. The breakdown by age group also remained steady.

Chart 5

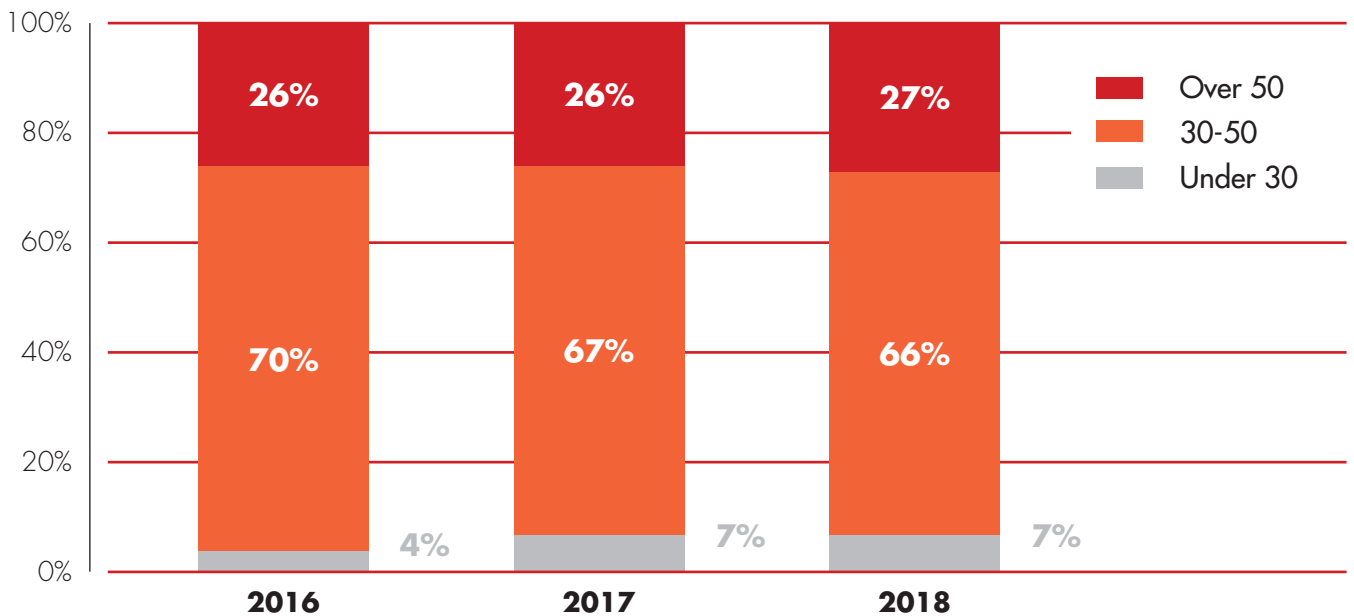
Staff by age group (Italy) (GRI 405-1)



In Romania the average age, as was the case in 2017, was 44 years of age, with a steady increase in the over 50s.

Chart 6

Staff by age group (Romania) (GRI 405-1)



1.2 TRAINING



Provide inclusive and equitable quality education and learning opportunities for all.

Companies play a key role by promoting and investing in education and training. Investment in staff training expands business opportunities for a company, by creating new markets and new customers and by helping to ensure employees are more skilled and more productive.

4 QUALITY EDUCATION



As defined by the Global Compact, in light of the development of the contents of SDG 4 “Quality education”, companies can play a major role in helping to achieve the aforementioned goal, both within the companies themselves and externally. Internally, they

can introduce a human resources management model which calls for continuous learning opportunities so as to improve their employees’ skills. By promoting education aimed at all the workforce, it is possible to guarantee sustainable economic growth.

ITALY

IGD, having always invested in the improvement of individual potential and having always been committed to achieving the right conditions for a stimulating work environment, focuses above all on the introduction of training programmes that foster professional development. In 2018, in particular, training activities were concentrated both on the implementation of mandatory training programmes which involved most of the workforce, and on the continuation of technical refresher and education courses aimed at developing and improving individual skills. In particular, the following subjects were covered and involved employees across-the-board:

- **Safety** (see paragraph 2 in this Section).
- **Privacy**: during the Company Convention all employees, including the top management, received training on the new General Data Protection Regulation (GDPR), which came into force on 25 May 2018 in all the European Union States. On the

same occasion, everyone was also informed about the measures that the company is taking on the issue of cyber security.

- **English Language**: the courses, which involved 9 individuals, were defined to help those whose roles increasingly call for this skill during their daily activities.

Several employees in the Social Responsibility and Marketing Department also took part in an in-depth seminar organised by *Impronta Etica*. More specifically, this seminar was made up of 5 meetings of the Members’ Work Group on the issue “Sustainable Development Goals and the opportunities for companies”.

Compared to the previous year, the total hours dedicated to training in 2018 decreased due to fewer training programmes involving all or a large part of the workforce.

Table 4**Taining (Italy) (GRI 404-1; EPRA EMP-TRAINING)**

	2018	2017	2016
Employees that took part in training activities (N)	125 (95.4% out of total)	125 (96.2% out of total)	99 (80% out of total)
Costs incurred for internal and/or external training (€)	37,225	44,451	36,516
Training hours	1,733	1,861	1,787
Average hours of training per employee	13.2	14.3*	14.5
Percentage of revenues invested in training (€)	0.03%	0.03%	0.03%

*the 2017 data has been restated: it has been recalculated on all the employees, in line with previous years

Winmarkt_team

**Table 5****Breakdown of average hours of training (Italy and Romania) (GRI 404-1; EPRA EMP-TRAINING)**

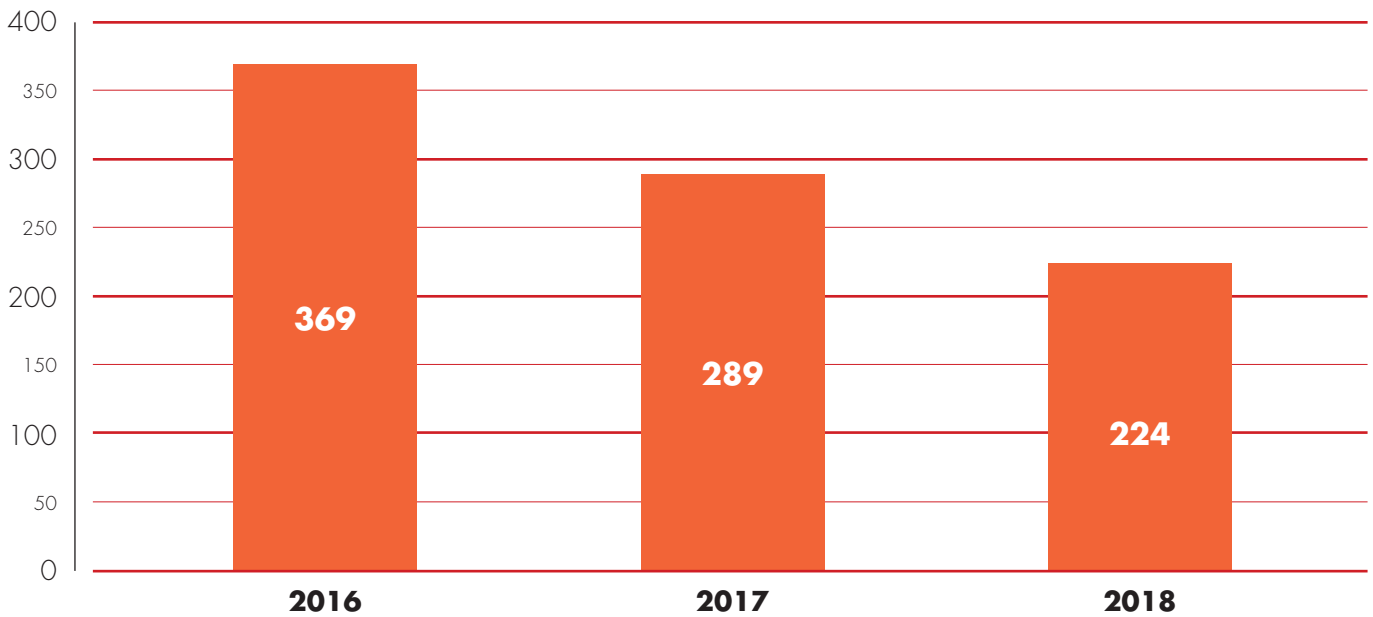
	2018 (Italy)	2017 (Italy)	2018 (Romania)	2017 (Romania)
Average hours of employee training - female	12.9	13.0	3.9	20.3
Average hours of employee training - male	13.7	17.2	11.8	23.2
Average hours of training - total	13.2	14.3*	7	21.3
Average hours of employee training - top management	26.8	42.4	-	-
Average hours of employee training - managerial staff	18.4	12.2	15	24
Average hours of employee training - department heads	13.0	16.6	13	24.1
Average hours of employee training - office workers	9.5	9.1	1	18.6

*the 2017 data has been restated: it has been recalculated on all the employees, in line with previous years

This also had an effect on the investment per capita data (decreasing).

Chart 7

Investment in training per capita (in euros)



ROMANIA

Winmarkt planned and carried out the following training activities:

- Commercial/Technical/Administrative Workshop
- Training courses and activities for the development of professional skills of employees in relation to the corporate sector in which they work.

The total hours of training decreased: unlike previous years, no team building activities involving the entire workforce were held in 2018 (usually organised to coincide with the annual convention, which will be held in 2019).

Table 6

Training (Romania) (GRI 404-1)

	2018	2017	2016
Training hours provided (N)	304	982	1202
Number of employees trained (N)	23	46	47
Average hours of training per employee	7	21.3	25.6
Costs incurred for training (€)	2,903	23,000	20,000

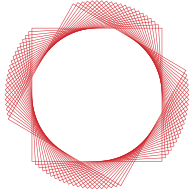
1.3 INTERNAL COMMUNICATION

There are 4 tools which the company uses to circulate information and share information with all its employees, each with different purposes, timings and contents:

COMPANY CONVENTION

Annual

IGD's annual convention was held mid December in Emilia-Romagna and was structured over two days which were organised as follows:



DAY 1:

- Training of all employees on the subject of Privacy
- Presentation by the CEO of the 2019-2021 Strategic Plan

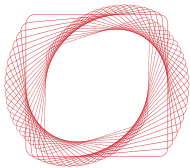
DAY 2

- Visit to the *San Patrignano* Rehabilitation Centre for addicts. All of the IGD team took part in a guided tour of the aforementioned Centre, during which, in addition to the Centre's inhabitants recounting and sharing their individual life stories with them, also included presentations of sustainable production and consumption models and circular economy models.

NEWSLETTER

Quarterly

Digital newsletter, accessible from the IGD website; every quarter the employees receive by email a direct link to the website. The main sections of the Newsletter are:

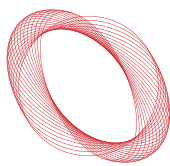


- Economic-financial performance and results
- Breaking news on sustainability and innovation
- Interviews given by the top management on specific topics

PRESS RELEASES

Ad hoc

In 2018, 15 press releases regarding the Group's events were sent to all employees. The main ones dealt with:

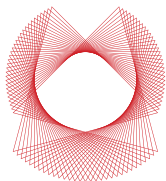


- Appointment of the new BoD
- New Business Plan
- New Shopping Centre acquisitions
- Environmental certifications and international awards
- Financial and commercial performance

COMPANY INTRANET

Continuous

The new platform with a renewed layout was implemented in November 2018. This new version also enables a greater usage of the portal and facilitates the exchange of multimedia contributions.



1.4 ASSESSMENT AND DEVELOPMENT

Since 2011, both IGD and Winmarkt have been equipped with an incentive scheme, "Management By Objectives". The MBO assigns targets that are common to all the company or specific targets to offices or to individual employees on permanent contracts.

Reaching these targets is a factor for the distribution of variable pay. In 2018, in Italy, 118 employees were assigned targets: 81 of these were assigned individual targets and 37 office targets. The variable pay distributed exceeded 70% of the total payable amount.

An award system identical to the Italian one is also in place in Romania: The variable pay distributed reached 100% of the maximum payable amount.

Furthermore, in Italy, all the Managerial Staff and Department Heads that are fully operative in their roles are assessed by means of a skills assessment system. In 2018 this system involved 69 employees (53% of the total workforce, in line with the previous years).

7 development programmes were completed in 2018, 3 of which had begun in 2016 and 4 in 2017. 7 new programmes with higher level assignment were also launched during the year.

The number of employees in 2018 that received pay rises following a particular positive assessment was equal to 13 (10% of the total), 3 more compared to the previous year.

In Winmarkt Group, by following an approach that promotes the growth and development of internal resources, 12 merit pay rises were granted in 2018.

Furthermore, the wage indexation system was introduced in Romania in 2018, a voluntary tool that is supplementary to the remuneration system and which is aimed at encouraging company loyalty and rewarding length of service.

Table 7

Skills assessment (Italy) (GRI 404-3; EPRA EMP-DEV)

	2018	2018	2018	2018	2018	2017	2017	2017	2017	2017
	(% male out of total employees)	(% female out of total employees)	(% managerial staff out of total employees)	(% department heads out of total employees)	(% out of total employees (N))	(% male out of total employees)	(% female out of total employees)	(% managerial staff out of total employees)	(% department heads out of total employees)	(% out of total employees (N))
Employees that regularly undergo skills assessment	29%	24%	15%	37%	53%	29%	23%	15%	37%	52%

2. Gender equality



Achieve gender equality and empower all women and girls.

Companies are called upon to adopt internal policies and procedures that guarantee women the same rights and job opportunities as men.

5 GENDER EQUALITY



The main action that a company can take to promote gender equality in the country in which it operates, is to define corporate policies that include the gender dimension and that promote equality and integration as corporate culture values. IGD's Code of Ethics embraces

this principle by guaranteeing impartiality with regard to its employees and ensuring equal opportunities. Both in Italy and in Romania more than half of the employees are women, 53% and 61% respectively.

2.1 GENDER DATA

Table 8

Breakdown of staff by gender and position (Italy)
(GRI 102-8; 405-1; EPRA DIVERSITY-EMP)

Position	Gender	2018	% per position 2018	2017	% per position 2017	2016	% per position 2016
Directors	Male	5	83%	5	83%	5	83%
Directors	Female	1	17%	1	17%	1	17%
Managerial Staff	Male	13	62%	13	65%	13	65%
Managerial Staff	Female	8	38%	7	35%	7	35%
Department Heads	Male	29	53%	30	57%	26	52%
Department Heads	Female	26	47%	27	43%	24	48%
Office Workers	Male	12	24%	10	21%	12	26%
Office Workers	Female	37	76%	37	79%	35	74%
Total	Male	59	45%	58	45%	56	46%
Total	Female	72	55%	72	55%	67	54%
Total		131		130		123	

Table 9**Breakdown of staff by gender and position (Romania)
(GRI 102-8; 405-1; EPRA DIVERSITY-EMP)**

Position	Gender	2018	% per position 2018	2017	% per position 2017	2016	% per position 2016
Directors	Male	-	-	-	-	-	-
Directors	Female	-	-	-	-	-	-
Managerial Staff	Male	2	33%	3	60%	3	60%
Managerial Staff	Female	4	67%	2	40%	2	40%
Department Heads	Male	11	73%	12	67%	14	70%
Department Heads	Female	4	27%	6	33%	6	30%
Office Workers	Male	4	17%	2	9%	2	9%
Office Workers	Female	19	83%	21	91%	20	91%
Total	Male	17	39%	17	37%	19	40%
Total	Female	27	61%	29	63%	28	60%
Total		44		46		47	

*IGD_Headquarters offices***Table 10****Women in leadership roles in the IGD Shopping Centres**

	2018	2017	2016
Women in leadership roles in the SCs	12	12	11

2.2 REMUNERATION

The remuneration which the employees are entitled to, both in IGD and in Winmarkt, is identified on the basis of the principles of equal treatment and of fairness; it is calculated by taking into account objective factors like the level of responsibility, role and length of service

whereas aspects associated to gender are not taken into consideration (as the table below clearly shows). No report was made to the Compliance Committee In 2018 regarding any episode of discrimination (GRI 406-1).

Table 11

Ratio between basic salary + occupational allowance for females compared to that for males _Italy (GRI 405-2 – EPRA DIVERSITY-PAY)

Employee category	2018	2017*	2016*
Directors	1.11	1.13	1.13
Managerial Staff	0.97	0.97	0.97
Department Heads	1	0.99	1.01
Office Workers	0.98	1.03	1.01

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

*The 2017 and 2016 data has been recalculated and correctly reported in this table as it had been misprinted in the previous report.

Table 12

Ratio between basic salary + occupational allowance for females compared to that for males _Romania (GRI 405-2 – EPRA DIVERSITY-PAY)

Employee category	2018	2017*	2016*
Directors	n/a	n/a	n/a
Managerial Staff	0.67	0.88	0.96
Department Heads	1.33	1.32	1.03
Office Workers	0.91	0.95	0.87

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

*The 2017 and 2016 data has been recalculated and correctly reported in this table as it had been misprinted in the previous report.

3. Wellbeing and safety



Ensure healthy lives and promote wellbeing for all at all ages.

Companies play an active role in putting into practice actions that guarantee health and safety at work for all their employees, also by ensuring that their business operations do not have a negative impact on the right to health and by maximising positive contributions to the wellbeing of society as a whole.

3 GOOD HEALTH AND WELL-BEING



IGD is committed to guaranteeing and promoting the principles of health and wellbeing within the company and its structures, by adopting measures, both those required by law and also voluntary ones, that enable all the employees (its own and those of its tenants) to

work in the best possible conditions. It also undertakes to implement all the safeguards so as to ensure that the visitors to the Malls find themselves in safe locations that are fully compliant with the most up-to-date relevant rules and regulations.

3.1 POLICIES AIMED AT EMPLOYEES

IGD works both for its employees' safety and for their wellbeing.

1. SAFETY

IGD has adopted a Safety at Work Management System (*Sistema di Gestione della Sicurezza sul Lavoro - SGSL*), in accordance with Article 30 of Consolidated Safety Act 81/2008, a system which defines all the activities that the Company is required to perform.

As highlighted in the 2030 Agenda, staff training plays a fundamental role. In Italy in 2018, 75% of the employees were involved in training activities regarding safety.

More specifically, the activities involved:

1. General training for new employees
2. Refresher course recurring every five years for persons-in-charge
3. Refresher course recurring every five years for workers
4. Refresher course for Workers' Safety Representatives
5. Fire prevention course

The hours spent on safety training represented 40% of the total amount of hours dedicated to training in the company, bearing witness to the importance placed on this issue in 2018.

Table 13**Training on health and safety (Italy)**

	2018	2017
Number of training hours on safety provided (N)	704	324
Number of people involved (N)	98	35
Costs incurred for training (€)	9,283	8,327

By monitoring indicators related to injuries, illness and absences, the company is able to constantly assess the performance of its health and safety policies. The data

referring to 2018, which showed an overall further improvement compared to the previous two-year period, does not reveal any particular problems.

Table 14**Causes of absenteeism _Italy (GRI 403-2 and EPRA H&S-EMP)**

	2018 male	2018 female	2018 total	2017 male	2017 female	2017 total	2016 male	2016 female	2016 total	Calculation method of indicator
Injuries	1	0	1*	1	1	2*	1	2	3*	
Injury rate	10,8	0	4,86	10,45	9,86	9,83	11,43	19,72	15,89	(number of injuries/total hours worked in the year* 1.000.000 (Source: UNI 7249:2007 "Injuries at work statistics")
Lost days rate	0,16	0	0,07	0,010	0,20	0,11	1,21	0,16	0,64	(number of days lost due to injury or illness/total number of hours worked)* 1000
Absenteeism rate	1%	2,5%	1,8%	1,1%	2,4%	1,8%	2,2%	2,1%	2,1%	(total number of days lost/total number of days programmed for the same period)* 100
Number of work related deaths			0			0			0	

NB: * all injuries occurred during the journey to/from work

Every year, as provided for in Legislative Decree 81/2008, IGD updates its Work-Related Stress Risk Assessment. The result, which was expressed subsequent to the assessment carried out throughout 2018,

gave the company the “green light”, meaning that no particular organisational conditions that could determine the presence of work-related stress could be found.

The absenteeism rate increased slightly in Romania, due to a long term illness.

Table 15

Causes of absenteeism _Romania (GRI 403-2 and EPRA H&S-EMP)

	2018 male	2018 female	2018 total	2017 male	2017 female	2017 total	2016 male	2016 female	2016 total	Calculation method of indicator
Injuries	0	0	0	0	0	0	0	0	0	
Injury rate	0	0	0	0	0	0	0	0	0	(number of injuries/total hours worked in the year* 1.000.000 (Source: UNI 7249:2007 “Injuries at work statistics”))
Lost days rate	0	0	0	0	0	0	0	0	0	(number of days lost due to injury or illness/total number of hours worked)* 1000
Absenteeism rate	4,1%	3,0%	3,4%	0%	2,6%	1,6%	1%	4,3%	2,9%	(total number of days lost/total number of days programmed for the same period)* 100
Number of work related deaths			0			0			0	

NB: * all injuries occurred during the journey to/from work

2. WELLBEING: CORPORATE WELFARE PLAN

2018 was the second year of existence of IGD’s Corporate Welfare Plan. This tool, included in the 2015-2018 Business Plan, has systematised what was already present in the Positive Actions Protocol and has introduced numerous new features that expand and increase the benefits and services offered by the company to its employees. The end result is a Portal, active online since April 2017, which is accessed by means of a personal password and which contains vouchers and refund packages regarding education and training, recreation, supplementary pension scheme,

social and health care. With the exception of the top management, the corporate welfare system is available to all employees on a permanent contract. Every year IGD allocates a fixed budget to each employee which is the same for all and in proportion with regard to full time and part time. The aim is to increase the individual wellbeing of IGD’s employees and of their immediate family living in the local area and to have a positive influence on the organisational structure and atmosphere within the company. More specifically, the offer concerns:

Crèches

Travel

Summer camps and after school activities

Courses and Training

University fees

Health and Wellbeing

Books and School materials

Culture and Shows

Home care

News and magazines

Nursery school, Primary school and High school

Health insurance

Purchases and Shopping

Supplementary pension scheme

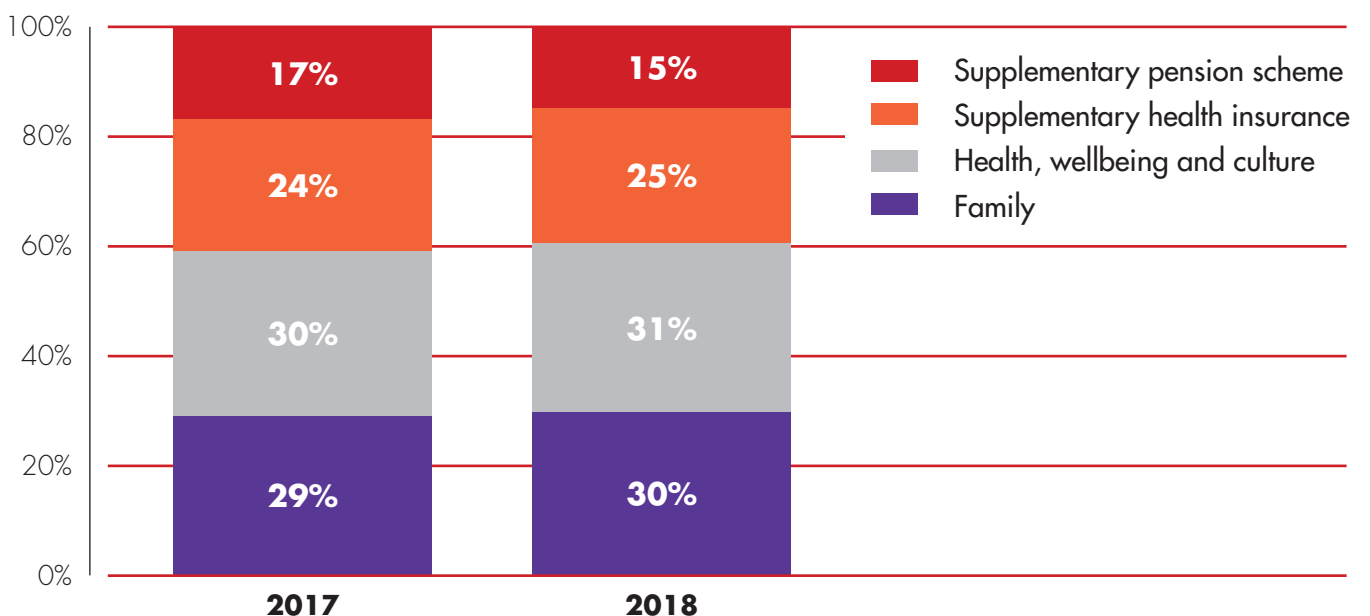
Sports and Gyms

During the year 2018, the offer available on the Portal within these categories was updated, increasing the employees' choices. Another strong point of the Portal is the possibility to constantly monitor the level of satisfaction with regard to the overall offer. This enables the company to identify any corrective actions to be taken, especially with regard to communication and

greater awareness concerning the use of this tool. The monitoring activities in 2018 showed that 99% of the employees used their budget. Out of the services offered, those belonging to the "Family" and "Health, Wellbeing and Culture" categories were the most appreciated (data in line with what emerged in 2017).

Chart 7

Welfare services used





Sesto San Giovanni (MI)_Centro Sarca

Table 16

Corporate Welfare (Italy)

	2018	2017
Number of employees involved	122	118
Utilisation rate	99%	99%

Impact data sheet

Corporate Welfare

CHANGE EXPECTED

- Better internal atmosphere and greater productivity
- Increase in individual wellbeing of employees and of their immediate family
- Positive impact on social fabric where each employee lives

Stakeholders involved

- EMPLOYEES
- LOCAL AND NON-LOCAL PRODUCTION CONTEXT
- NATIONAL HEALTH SERVICE
- IGD

	EMPLOYEES	LOCAL AND NON-LOCAL PRODUCTION CONTEXT	NATIONAL HEALTHSERVICE	IGD
DIRECT IMPACT	x			
INDIRECT IMPACT		x	x	x
ECONOMIC IMPACT	<p>Increase in purchasing power equal to an overall amount of €57,298</p> <p>I Q</p>	<p>Revenue from the goods and services included on the Portal purchased by employees with the budget made available to them</p> <p>NI Q</p>	<ul style="list-style-type: none"> • Reduction in costs for NHS services (visits, tests, exams etc.) that the users choose to have done privately <p>NI NQ</p> <ul style="list-style-type: none"> • Revenue from services carried out <p>NI Q</p>	
NON-ECONOMIC IMPACT	<ul style="list-style-type: none"> • Possibility of finding solutions to own needs • Incentive to increase personal wellbeing 	<p>Welfare Portal as an advertising element for goods/services offered</p>	<p>Less commitment likely required thanks to greater supplementary coverage given to the employees</p>	<ul style="list-style-type: none"> • Increased reputation • Impact on internal atmosphere (to be verified)



3.2 POLICIES IN THE SHOPPING CENTRES

Safety in its structures, both in Italy and Romania, is a fundamental prerequisite for the company right from the construction phase of the structures themselves. Indeed, all the Shopping Centres have been built in full compliance with safety regulations (Legislative Decree 81/2008 and Ministerial Decree 10/03/199 – general criteria for fire prevention and the handling of emergencies in the workplace). Safety management and activities within the Shopping Centres are divided and shared by various specifically appointed individuals: IGD is responsible for the common areas in the mall; the tenants for their own stores. Security staff within the Centre are responsible for protecting

and ensuring that safety regulations are complied with by keeping the building under surveillance during its opening hours, monitoring visitors to prevent theft or other illegal acts. Security and fire prevention staff are, in most cases, also qualified in first aid in the event of accidents or sudden illness involving customers or workers. As a further guarantee, every year the Prevention and Protection Service Manager inspects each Shopping Centre to assess the safety measures in place. Once the inspection has been completed a report is drawn up stating the compliance/non-compliance of the Centre.

Table 17

Health and safety checks in the Shopping Centres (Italy)
(416-1/416-2 and EPRA H&S-ASSET/H&S-COMP)

	2018 Total	2017 Total	2016 Total
Percentage of assets (Shopping Centres) where impacts on health and safety are assessed or inspected with regard to compliance or improvement throughout the year.	100%	100%	100%
Number of cases of non-compliance to health and safety regulations or voluntary standards	0	0	0

Table 18

Health and safety checks in the Shopping Centres (Romania)
(GRI 416-1/416-2 and EPRA H&S-ASSET/H&S-COMP)

	2018 Total	2017 Total	2016 Total
Percentage of assets (Shopping Centres) where impacts on health and safety are assessed or inspected with regard to compliance or improvement throughout the year.	0	0	0
Number of cases of non-compliance to health and safety regulations or voluntary standards	0	0	0

Specific projects

The projects that had been launched over the previous years continued in 2018 both in Italy and Romania, the aim being to voluntarily increase safety in the structures.

Actions and measures carried out in Italy

Lifelines: this project, regarding the creation of safety routes and fall protection systems in the Shopping Centres, began in 2015 and came to an end in 2018 with the completion of the work in Puntadiferro (Forlì) and Darsena City (Ferrara).

Anti-ram bollards: the installation of anti-ram posts continued. These posts, either fixed or retractable, are strategically positioned around the Shopping Centre to prevent heavy vehicles from entering the Mall.

With the installation of anti-ram bollards in Città delle Stelle (Ascoli Piceno) in 2018, IGD has, to date, carried out work on 15 freehold Shopping Centres. Work will continue in 2019 in Casilino Shopping Centre (Rome), in conjunction with the restyling work to be carried out there. The total sum spent on this work amounts to €880,000.

Anti-seismic measures: a project regarding the anti-seismic improvement of the IGD structures was launched following the earthquake that hit Emilia Romagna in 2012 and Central Italy in 2016/2017. IGD defined voluntary measures, also by experimenting with increasingly effective innovative technology. Work was completed in 2018 in Casalino Shopping Centre, on the ground floor and at basement level, whereas work is currently in progress in Centro d'Abruzzo (Chieti). Work has been scheduled in 2019 in Portogrande Shopping Centre (San Benedetto del Tronto, Ascoli Piceno) and, subsequently, in the oldest part of ESP Shopping Centre (Ravenna). Instead, in Darsena City, anti-seismic compliance work is currently being carried out. The total sum invested by IGD in this work over the last two-year period was € 1.5 million for anti-seismic measures and € 2.5 million for repairing and improving the structures after the earthquake that hit Central Italy in 2016.

Actions and measures carried out in Romania

Anti-seismic measures: work began in 2018 regarding the structural reinforcement of Ploiesti Big Shopping Centre, the completion of which is expected by the end of the first quarter 2019.

Fire Prevention: the fire prevention system is continuously adapted or upgraded in the entire Shopping Centre network. Work is carried out in the event of modifications to the internal layout.

Ravenna_ESP_bollards





ETHICAL

Becoming
g.r.e.a.t.

_Material issues

Governance, ethics and corruption

_Highlights 2018



MAXIMUM SCORE confirmed
in the **LEGALITY RATING**



**% OF LEAST REPRESENTED GENDER
IN THE BOARD OF DIRECTORS (ITALY)**

36%



ISO

UNI ISO 37001
anti-corruption certification
OBTAINED IN ROMANIA



Becoming
g.r.e.a.t.



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

1. Governance, ethics and corruption



Peace, justice and strong institutions.

The private sector plays an important role in achieving this SDG, by incorporating the principles of transparency into their organisation, by preventing any episode whatsoever of violence within its supply chain and by promoting lawfulness in the countries in which it operates.



1.1 GOVERNANCE

GOVERNANCE STRUCTURES AND THEIR COMPOSITION (GRI 102-18; 102-22; 102-23; 102-32; 405-1 EPRA GOV-SELECT)

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

The Shareholders' Meeting, which is the body that expresses by means of its resolutions the wishes of the shareholders, appointed the Board of Directors currently in office on 1st June 2018, defining that the number of board members would be 11 instead of 13 as was the case in the previous Board. The current Board of Directors will remain in office for three financial years until the Meeting that will be called for the approval of the Financial Statements for the year ending 31st December 2020.

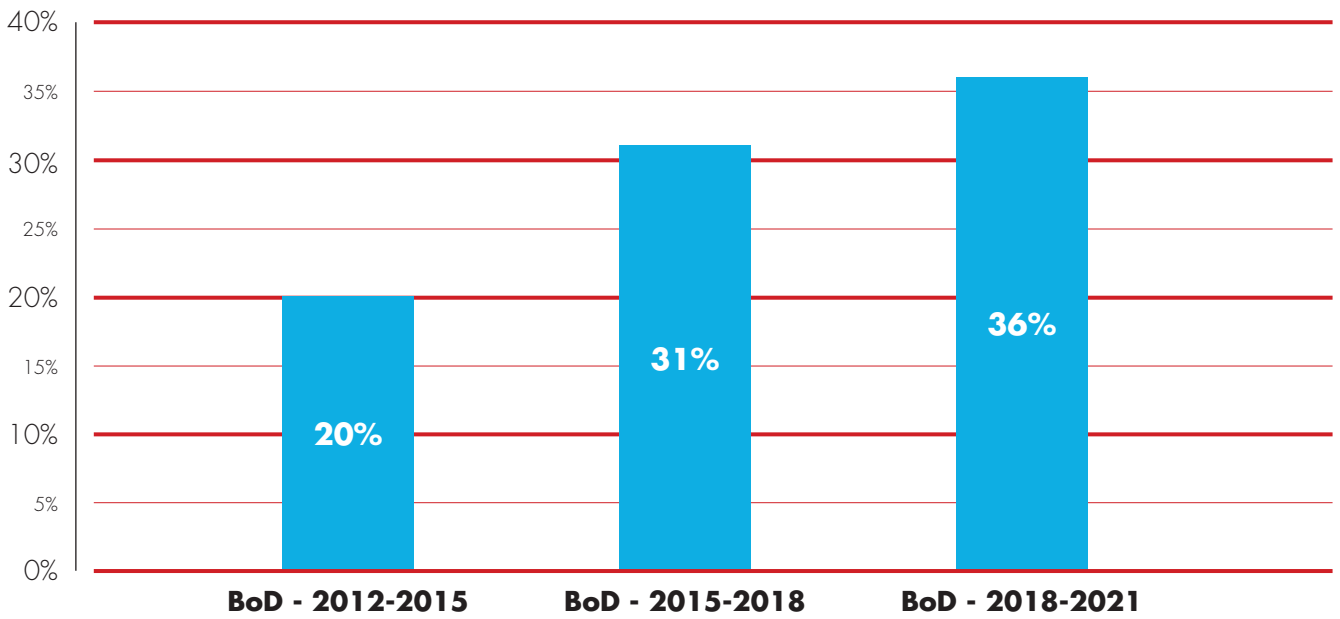
The characteristics of the Board are as follows:

- 11 Directors;
- 7 Independent Directors, representing 64% of the total (this figure was 54% in the previous Board);

- 2 Executive Directors (Chairman and Chief Executive Officer). The Board of Directors confirmed the executive role of the Chairman having qualified him as the Director in charge of the Internal Control and Risk Management system.
- 36% (4 out of 11) belong to the least represented gender. In 2012, the majority shareholders had already indicated a number of nominees belonging to the least represented gender, and by doing so, had willingly and ahead of time complied with the regulations introduced by Law 120 of 2011, which provided for a gradual application of the so called gender quotas, establishing the quota as being at least a fifth of the elected Directors and Auditors and referring to the first mandate subsequent to the entry into force of the Law itself. The structure of the two subsequent Boards saw an increase in this trend.

Chart 1

Least represented gender in the Board of Directors (% out of the total)



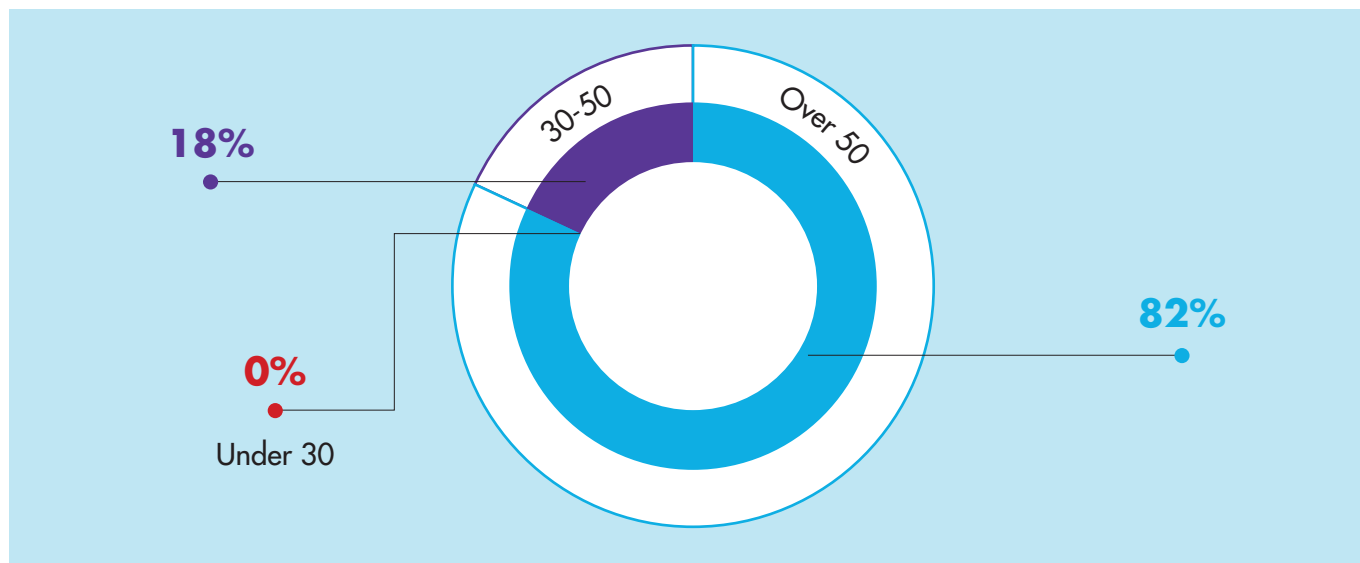
IGD_Management Team



Average age of 57 (as at 31/12/2018), with a decrease of 2 years compared to the previous Board of Directors and with the following breakdown by age group:

Chart 2

Breakdown of Board of Directors by age group



The Board of Directors is made up of members possessing different professional characteristics, like for example university professors, freelance professionals, entrepreneurs as well as company managers, with cross-sector expertise in relation to IGD's business and with specific experience in real estate.

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

The Board of Directors, in full compliance with the recommendations set out in its Code of Conduct, established within the Board itself, the following Committees with propositional and advisory functions:

1. Chairman's Committee
2. Control and Risks Committee (in accordance with the Code of Conduct)

3. Nomination and Compensation Committee (in accordance with the Code of Conduct)
4. Committee for Related Party Transactions (in accordance with Consob Regulations on Related Party Transactions).

The Committees are exclusively made up of Independent Directors.

Following the renewal of the corporate bodies, the Board of Directors determined that it was not necessary to establish a Chairman's Committee for the current term of office, taking into account the Company's ownership and governance structure.

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

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

With specific reference to social and environmental issues, on 22nd February 2018 the Board of Directors approved for the second time the Sustainabil-

ity Report in the same session it also approved the consolidated Financial Statements. The Company's sustainability performance of the previous year was presented and discussed, with reference also made to the level of achievement of the specific targets included in the corporate Business Plan.

ROLES AND EXPERTISE OF THE BOARD OF DIRECTORS **(GRI 102-26; 102-27; 102-28)**

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

- examines and approves the Company's strategic, business and financial plans, including, therefore, the sustainability targets contained in the Business Plan;
- defines the nature and level of risk compatible with the strategic targets in terms of medium-long term sustainability of corporate activity;

- assesses the Company's general operating performance, by taking into consideration, in particular, the information received from the delegated bodies as well as by comparing the results achieved with those programmed.

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

In 2018, with the renewal of the Board of Directors, two specific induction sessions were organised for the members of the corporate bodies. In particular, on 16th July a "Board Members Induction Day"

IGD_ Board of Directors



was organised, during which the management presented the Company to the new corporate bodies. Then, on 30th October, the Chief Executive Officer made a preliminary presentation of the Company's 2019-2021 Strategic Plan to the Board of Directors which was then subsequently approved in the next Board of Directors' meeting. Furthermore, IGD has, since 2007, assigned its "Board Review" to the in-

dependent consultancy firm Egon Zehnder. This is a self-assessment process for the Board of Directors to assess their own performance. It was carried out in the months of January and February 2019 and the results can be seen in the "Report on corporate governance and ownership structure" (available on page <http://www.gruppoigd.it/en/governance/> of the company website).

RISK MANAGEMENT (GRI 102-29; 102-30; 102-31)

IGD adopted an Internal Control and Risk Management System which was integrated into the more general organisational and corporate governance structures. The adoption of the Internal Control and Risk Management System contributes to ensure the safeguarding of corporate assets, the efficiency and efficacy of corporate processes, the reliability of information provided to corporate bodies and to the market, the compliance with all laws and regulations as well as with the Articles of Association and company procedures. In this respect, therefore, the Internal Control System defined with the purpose of guaranteeing the reliability, accuracy, integrity and timeliness of financial information, must be considered as an integrated element and not a separate one with respect to the general risk management system adopted by the Company. The corporate players involved in the internal control system are the Board of Directors, the Control and Risk Committee, the Board of Statutory Auditors, the Chairman as the Director in charge of establishing and maintaining an effective internal control and risk management system, the Compliance Committee, the Financial Reporting Officer, the Head of Internal Audit and the Company management. In particular, IGD defined and implemented in 2010 an integrated risk management process based on the internationally recognised standards in the field of Enterprise Risk Management (ERM) and which is also in line with the recommendations on the matter set out in the Code of Conduct. The ERM Model adopted assists the Top

Management in the identification of the principal corporate risks and the relevant ways in which to manage them, as well as in the definition of safeguard measures to protect from such risks.

For further details on the Internal Control and Risk Management System please refer to the company website: <http://www.gruppoigd.it/en/governance/internal-control-and-risk-management-system/>

Currently, 40 risks are being monitored, having been identified by means of an annual review process, on the basis of which the Company defines a work plan which includes both the updating of the risks themselves and the monitoring of specific areas. In 2018 the safeguard measures in place were substantially maintained and strengthened, having been verified by the monitoring activities carried out over the previous years. Specific examination involved (amongst other issues) the risk of e-commerce. Every year the Board of Directors analyses the entire process and assesses the risk trends. Sustainability is an integral part of this system: Indeed, 5 out of the first 15 risks have ESG (Environmental, Social and Governance) implications. They are included in the ERM model and are subjected to constant control with the help of advanced and effective risk management models.

In the 2018 assessment, 4 out of 5 cases recorded a stable trend compared to the previous year, one worsened.

Table 1**Trend regarding risks with ESG implications in the top 15**

RANK	CATEGORY	MATERIAL ASPECT	RISK DESCRIPTION	TREND 2017-2018
2	STRATEGIC	Analysis of trends	Variations in macroeconomic scenario or in consumer styles (inflation, fall in consumer spending etc.)	stable
4	STRATEGIC	Enhancement of portfolio	Loss in value of the assets	stable
6	OPERATIONAL	Health and safety	Catastrophic natural events (earthquakes, flooding, dioxin contamination) - Damages to assets caused by third parties - Compensation for damages to third parties	stable
9	OPERATIONAL	Stakeholder engagement	Non-optimum management of contractual relations and renegotiations with clients (shopping centre tenants)	stable
11	OPERATIONAL	Retail offer	Non-optimum planning and implementation of target placement / retail mix / tenant mix in the allocation of spaces to tenants	worsening

Remuneration and incentives (GRI 102-35; 102-36)

The Remuneration Policy adopted by IGD is designed to attract, retain and motivate a highly professional management team, capable of running the company successfully.

More in detail, the remuneration of the Chief Executive Officer, Directors holding special offices, the Chief Operating Officer and the Managers with Strategic Responsibilities aims to:

- to involve and incentivise the management deemed key to achieving the Company's (and the Group to which it belongs) targets;
- to promote the medium/long term creation of value for shareholders;
- to create a strong link between remuneration and performance, both individual and group.

For the other Directors, the Remuneration Policy takes into account the commitment required by each of them and their participation, if any, in one or more committees and it is not linked in any way to the economic results achieved by IGD.

The Shareholders' Meeting held on 1 June 2018 approved the first section of the Remuneration Policy, already approved by the Board of Directors on 22 February 2018, concerning the remuneration of the Chief Executive Officer, Directors holding special offices, the Chief Operating Officer and the Managers with Strategic Responsibilities for 2018.

For further details please refer to the company website: <http://www.gruppoigd.it/en/governance/remuneration/>

Governance system assessment

Once again, in 2018, ISS (Institutional Shareholder Services) included IGD in its "ISS QualityScore coverage universe", a tool on governance risk that investors use to measure the possibility of such risk within their own investment portfolio. The elements included in the analysis were: the structure of the Board, remuneration, the rights of the shareholders and the audits. At the end of 2018, IGD obtained the risk assessment value of 5 (it was 4 in 2017), on a scale of 1 to 10

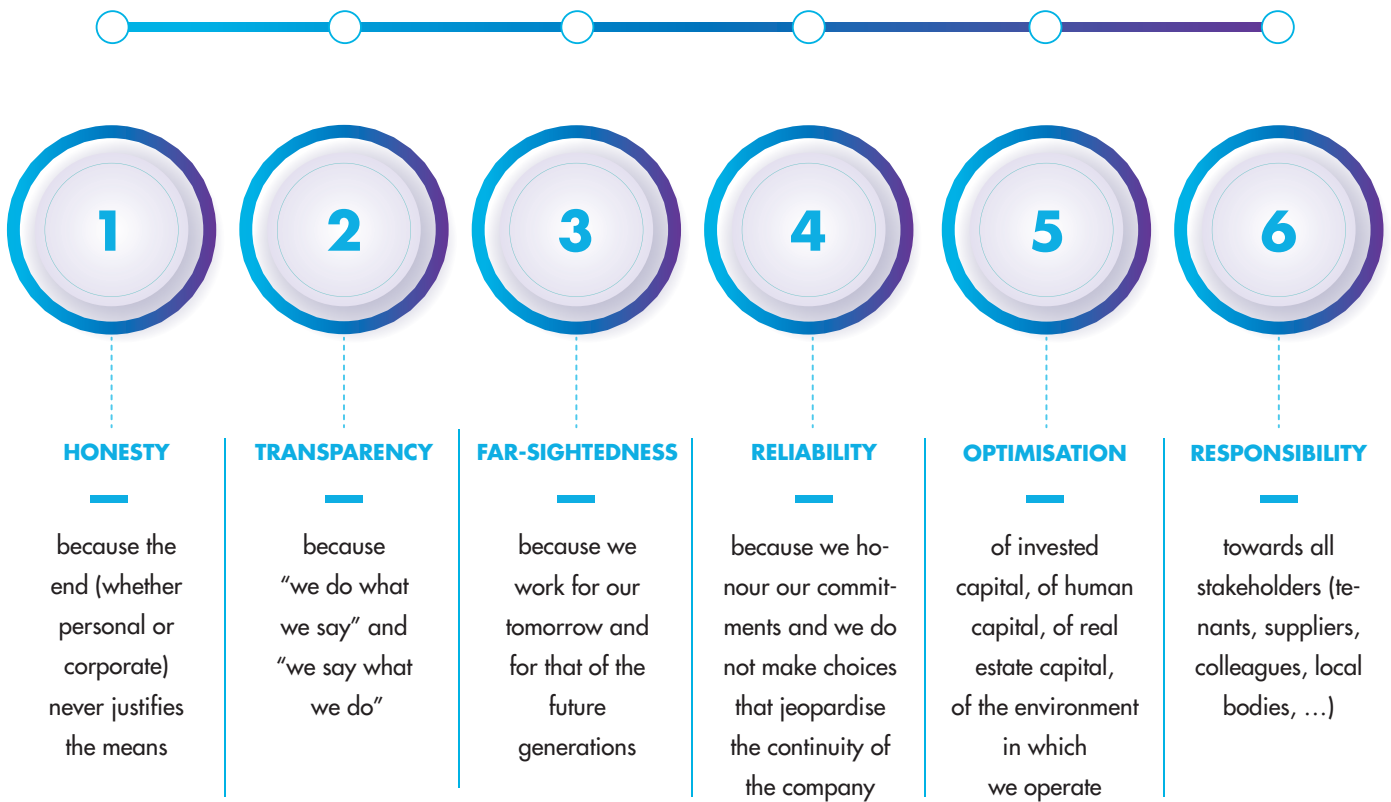
where 1 is associated to the lowest risk and 10 to the highest. The difference in the result between 2017 and 2018 was due to the different assessment methods used in 2018, therefore the data is not comparable. In 2018, ISS added social-environmental parameters in its assessment. The results are shown in the "Sustainability and Materiality" section, in the paragraph titled "International recognition and benchmarks".

1.2 ETHICS

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

VALUES (GRI 102-16)

The values which the Group identifies itself with are:



THE CODE OF ETHICS (GRI 102-17)

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

The Code of Ethics:

- › is the first element on which the Organisational, Management and Control Model adopted by IGD in accordance with Legislative Decree 231/2001, is founded
- › is an integral part of employment relationships with employees and it is included in the employment Contract signed at the time of recruitment
- › is a benchmark for relations with suppliers, as IGD requires that they endorse it in tenders and mandates
- › gives anyone that learns about breaches of the principles of the Code itself and/or of the operating procedures which make up the Model, the opportunity to notify (so-called whistleblowing) the Compliance Committee, IGD's internal body which is responsible for this type of control. In 2018 no notifications regarding breaches were received by the Compliance Committee.

IGD_ Headquarters



FOCUS // WHISTLEBLOWING

The purpose of Law N. 179 of 30 November 2017 is to protect the individual, the “whistleblower”, who reports an offence that has come to his or her attention during a public or private employment relationship. In particular, the law:

- enforces that the anonymity of the reporting party is guaranteed, by providing at least one alternative reporting channel, capable of ensuring, by means of computerised systems, the confidentiality of the reporting party’s identity;
- prohibits any form of retaliation or discrimination against the reporting party;
- imposes sanctions against those who infringe the reporting party protection measures and also against those who intentionally or by serious negligence make a report that reveals to be unfounded.

In 2018, IGD actively worked so as to conform to the requirements of the new Law, by creating an IT application tool that ensures anonymity when making reports. This tool will be accessible through the company portal <http://www.gruppoigd.it/en/>. Any reports made by means of this system will be in an anonymous form and they can only be consulted by members of the Compliance Committee. All the organisational units/roles in IGD and in its subsidiaries which are involved in

receiving or dealing with any reports made, guarantee the absolute confidentiality and anonymity of the reporting parties. To intensify this protection measure, any form of retaliation or discrimination against the reporting party acting in good faith is strictly prohibited. Lastly, to prevent misleading reports from being made, disciplinary sanctions can be applied against those who in bad faith, intentionally or by serious negligence make a report that reveals to be unfounded.

The IGD platform is made up of a questionnaire divided into 3 sections with questions regarding the following:

- reporting party’s relationship with the company
- type of offence and level of involvement of the reporting party
- individuals involved
- description of facts
- any documents attached

In the last section it is possible, but not compulsory, for the reporting party to enter their personal identification data.

Sustainability Protocol in Winmarkt

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

The Protocol operates by means of a two phase system: the first concerns the Shopping Centre management which identifies the potential critical situations and notifies the supplier directly (who is required to find the right solution); the second involves the Compliance Committee which supervises the tenders / purchases and expresses its view on:

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

Both the effectiveness and usefulness of this tool were once again confirmed in 2018.

No company was entered on Winmarkt's black list, that is, the list of names of those suppliers that are non-compliant with this process and therefore will be excluded from competitive tenders and/or construction sites.

Table 2

Sustainability Protocol performance (Romania)

	2018	2017	2016
Number of Sustainability Protocols signed	9	32	15

1.3 ANTI-CORRUPTION AND OTHER ACTIONS TO SAFEGUARD LEGALITY



Promote full and productive employment and decent work for all.

Companies are the main tool for the creation of jobs, and they must guarantee decent work conditions, both for their employees and for those employed within their supply chains.

8 DECENT WORK AND ECONOMIC GROWTH



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

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

LABOUR STANDARDS

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

BACKGROUND OF INTERLOCUTORS

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

ORGANISED CRIME

- An express termination clause included for those suppliers that in tender contracts do not comply with the obligation to present and update every 6 months the anti-Mafia certification issued by the relevant Prefecture;
- Express termination clauses present in tender contracts in the event of conviction, even if it has not yet become final, for Mafia association felonies against the contracting firm itself or its top management;
- With the new standard upon which contracts will be based which will come into force in early 2019, it will be possible for IGD to terminate the contract in the event that the anti-Mafia certification is not submitted, where requested in writing.

ANTI-CORRUPTION AND UNI ISO 37001 CERTIFICATION (GRI 102-25 e EPRA GOV-COL)

IGD is committed to constantly monitoring the safeguards and protection measures in place aimed at combatting corruption. Furthermore, it undertakes to comply with the laws in force, both in relations with the private sector and in those with the Public Administration, abiding by the protection measures included in the Organisational Model ex Legislative Decree 231/01. More specifically, this involves:

1. Reporting to the Compliance Committee with regard to contracts, roles and consultancy, financial transactions and tenders stipulated by the Company for the Company;
2. Yearly declaration of conflicts of interests by the Management;
3. Request for anti-Mafia certification for tenders and contracts generating income.

To consolidate this commitment, the Company obtained UNI ISO 37001 – Anti Bribery management Systems Certification, published in 2016, for its Romanian sub-

sidary Win Magazin SA. This is the only internationally recognised standard that certifies a management system actively involved in preventing and combatting corruption within the corporate environment and that specifies the measures and controls which can be adopted by an organisation in order to monitor its corporate activities and increase effectiveness in preventing this phenomenon.

In 2018, Win Magazin SA took action to define the necessary measures in order to apply this standard, starting with an analysis of corporate procedures. A review process of these was then carried out which led to 6 existing ones being reviewed and 3 new ones being defined (with regard to donations and sponsorships). At the end of the process, Win Magazin SA became the first company in Romania to obtain the UNI ISO 37001 accreditation certification .

With regard to Italy, IGD is assessing what steps would be necessary in order to obtain the certification.

Winmarkt_ UNI EN ISO 37001 certification



LEGALITY RATING

The Legality Rating, which IGD obtained in the month of September 2016 with the maximum score (3 stars), is a reward system indicating a company's compliance with the law, intended as an element to promote market security and competitiveness. It is awarded by the Antitrust Authority (AGCM - *Autorità Garante della*

Concorrenza e del Mercato) and is renewed every two years.

The rating, which is also visible on the Company's Chamber of Commerce registration details, was renewed following its first expiry date in the month of August 2018, confirming the score of three stars.

FOCUS // PRIVACY

Regulation (EU) 2016/679, known as GDPR (General Data Protection Regulation) has been directly applicable in all the Member States since 25th May 2018 and refers to the protection of individuals with regard to the use and free circulation of their personal data. One of the main purposes of this Regulation is the determination to introduce protection measures or make existing ones more effective for those concerned.

IGD implemented an adjustment process to become aligned with the GDPR Regulation, with the specific objective of ensuring its stakeholders that the data they provide to the Company is properly protected. This adjustment involved actions being taken in the following areas: (i) the IT systems, (ii) Contract management and (iii) the Organisational Management Model and mandatory documentation.

When preparing the Privacy organisational chart, the role of Data Protection Officer (DPO), for all the companies in the IGD Group, was assigned to the Head of Legal Services. For the individual Shopping Centre Consortiums this role was assigned to specialised external firms.

Cyber security

In order to prevent possible cyber attacks, the Company implemented a process to regulate the management and the use of IT tools supplied to the Group's employees so as to guarantee greater data security and it also ensured that the memories of all the IT devices were encrypted. The entire workforce received training on this issue during the annual convention.

IGD_ Headquarters

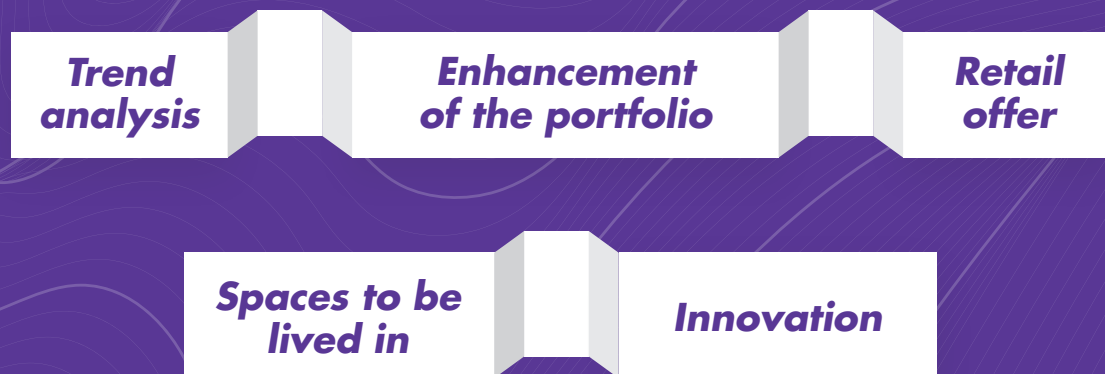




ATTRACTIVE

Becoming
g.r.e.a.t.

_Material issues



_Highlights 2018



becoming
g.r.e.a.t.



IGD is committed to constantly increasing the attractiveness of its Shopping Centres. For this reason it studies ongoing and current trends with regards to both consumption and any innovative trends regarding society in general. This analysis leads to architectural adjustments and adaptations of the merchandising offer within the Malls as well as to the decisions and choices made so that the Malls themselves are more than ever “Places to be lived in”. All of this is part of an approach involving continuous innovation, in line with the evolution of the trends that are characteristic to the retail trade.

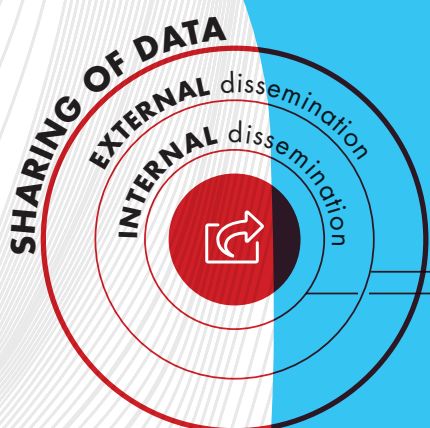
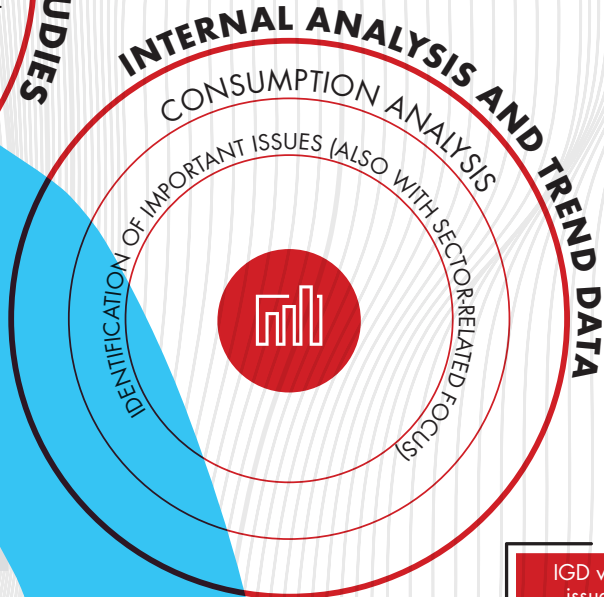
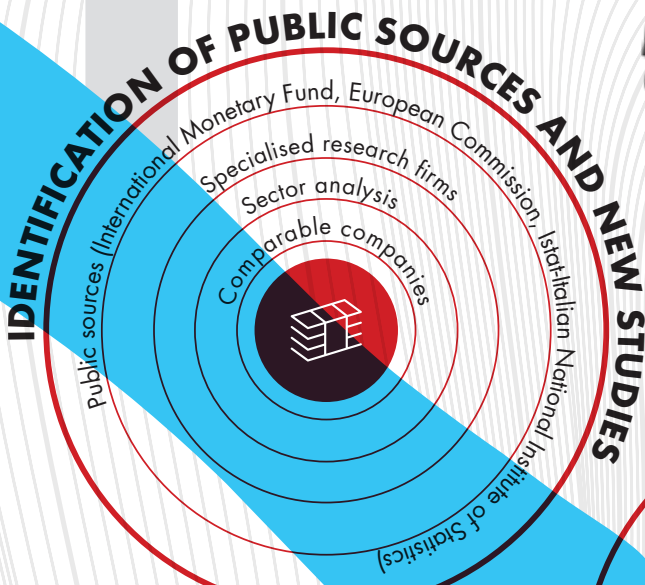
1. Trend analysis

Analysing ongoing and current trends is one of IGD's main activities which it carries out so as to satisfy as quickly as possible its visitors' new and changing needs. For this reason, the Company developed within its

organisation a 4 phase monitoring system as shown in the chart below. The outcome of these actions has impacts on its operations, providing the basis for the activities carried out by the Company.

Ravenna_ESP





IGD view on issues like consumption in the Shopping Centres, e-commerce impact, merchandising mix evolution

INVESTOR RELATIONS AND CORPORATE COMMUNICATION

SEMINARS, PERIODIC PRESENTATIONS, INTERNAL COMMUNICATION

- 7. Increase in awareness on sector-related issues
- 2. In-depth analysis with Top Management and BoD



2. Enhancement of the portfolio

Over the duration of the 2016-2018 Business Plan, IGD invested 332 million euros altogether in order to acquire new assets, expand its portfolio and adapt its existing properties so as to ensure that its entire port-

folio was more functional with regard to the visitors' changing needs. Sustainability has been confirmed as being an important driver during the structural, planning and design decision making process.

Imola_Centro Leonardo



2.1 ACTIONS CARRIED OUT AND RESULTS OBTAINED – ITALY

In 2018, the main work carried out involved the restyling of two Shopping centres, the extension of one Shopping Centre with the construction of a medium

sized area and the definition of a Framework Agreement with Coop Alleanza 3.0 for the hypermarkets.

Restyling work

During the year work started on Casilino Shopping Centre in Rome and Fonti del Corallo Shopping Centre in Livorno. The characteristics of the work carried

out can be seen below, with focus on work aimed at improving the sustainability of the buildings.



What it was like



What it will be like

START OF WORK

July 2018

AIM

- Make the mall even more attractive (ground floor): work carried out
- Reduce the hypermarket (first floor): work programmed for 2019

WORK TO INCREASE SUSTAINABILITY

- Led lighting
- New air conditioning system

What it was like



What it will be like



START OF WORK

May 2018 - work on the hypermarket

AIM

- Increase the attractiveness of this Shopping Centre which is a point of reference for the local area
- Increase the productivity of the hypermarket

WORK TO INCREASE SUSTAINABILITY

- Led lighting

The construction of a new medium sized area

With the aim of completing its merchandising mix, Gran Rondò Shopping Centre in Crema (Cremona) increased in size thanks to the construction of a new medium sized area where an important consumer electronics store was introduced. The creation of this

area, greatly appreciated by the catchment area visitors (as shown by the tenant's revenues), went hand in hand with the introduction of a 56 Kw power photovoltaic system, which will be operational in the first few months of 2019.

The Agreement with Coop Alleanza 3.0

In order to renew and adapt the role of the hypermarket, IGD and Coop Alleanza 3.0 (owner of 40.92% of the company's shares and main food anchor) stipulated a framework agreement to completely revise 18 contracts (out of a total of 20) of the hypermarket portfolio rented to Coop Alleanza 3.0. This agreement, in addition to revising the contractual terms with the lengthening of the expiry date of the contracts and the adjustment of several rents so as to ensure they are more stable and sustainable, also includes a revi-

sion in terms of asset quality, following the good results obtained with the remodelling of the hypermarkets and the malls in Le Porte di Napoli Shopping Centre in Afragola (Naples) and in Città delle Stelle Shopping Centre (Ascoli Piceno). Five other assets have thus been identified where the number of stores/services in the malls will be increased by means of a reduction in size of the hypermarkets. This work will be carried out in 2019-2020.

2.2 ACTIONS CARRIED OUT AND RESULTS OBTAINED – ROMANIA

After the completion of the external restyling work in 2017 involving the renovation of the façades and total rebranding in all the Winmarkt Shopping Centres, work continued in 2018 to adapt the structures to the new market trends and to their visitors' needs. Specific and precise work was carried out, in particular on the upper floors of the buildings, to enable important international tenants to be introduced into the Centres.

Winmarkt Ploiesti



Winmarkt Tulcea



FOCUS // **ESP Shopping Centre received the "CNCC Design Award"**

ESP Shopping Centre in Ravenna received the "CNCC Design Award" in the "Refurbishment" category at the "Deep Renovation" Conference which was held in Milan on 5th April 2018.

Purpose of the award: reward the new constructions and renovations, regarding Shopping Centres that are members of the *Consiglio Nazionale dei Centri Commerciali - CNCC* (National Association of Shopping Centres), which were distinguished by their architectural, technical and sustainability value. More specifically, the judges analysed criteria like architecture, technical features (regarding mechanical, electrical, lighting technique, sound and conveyor systems) and economic, energy and social sustainability.



3. Retail offer

3.1 ADAPTING THE MERCHANDISING AND TENANT MIX – ITALY

In 2018 IGD continued to adapt its merchandising and tenant mix in the Malls by:

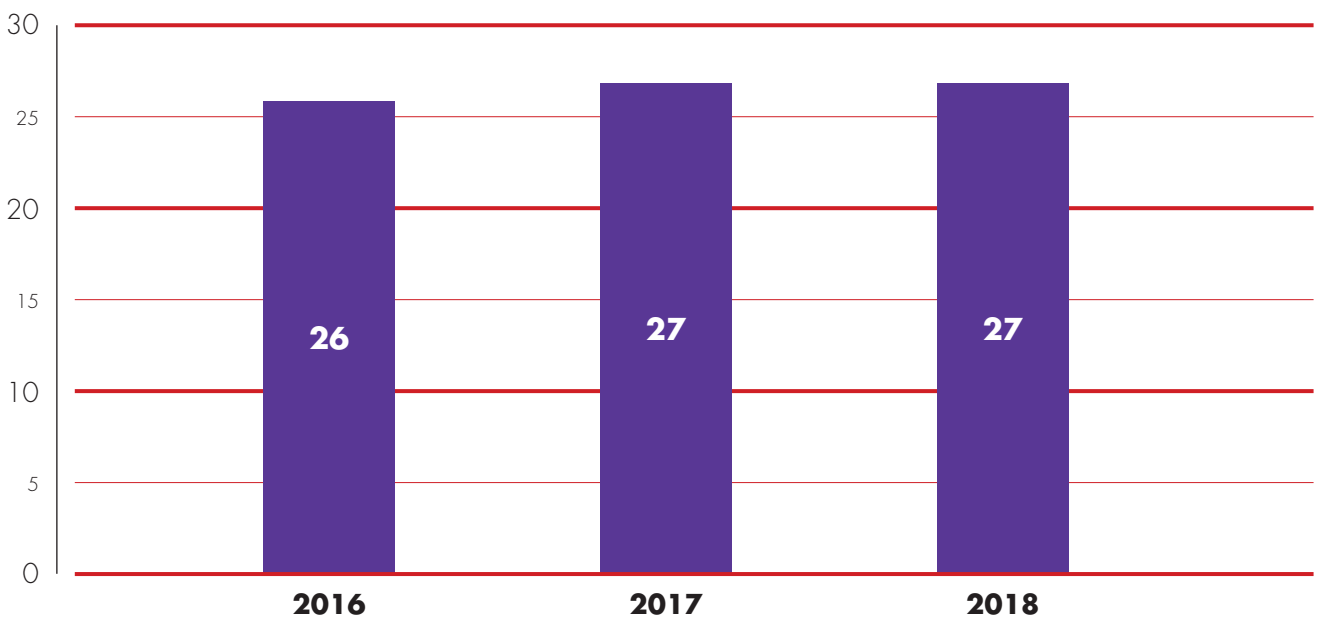
1. managing its existing tenants
2. scouting for new brands

The latter resulted in 27 new brands being introduced, in line with the past two years. Over the last five years,

126 new brands have opened stores in the IGD Centres, bearing witness to IGD's commitment to constantly update the retail offer in its malls and to the ability of the malls themselves to attract tenants. These brands represented 15.1% of the total brands under contract in the year, an increase compared to 2017 when this figure was 14.5%.17.

Chart 1

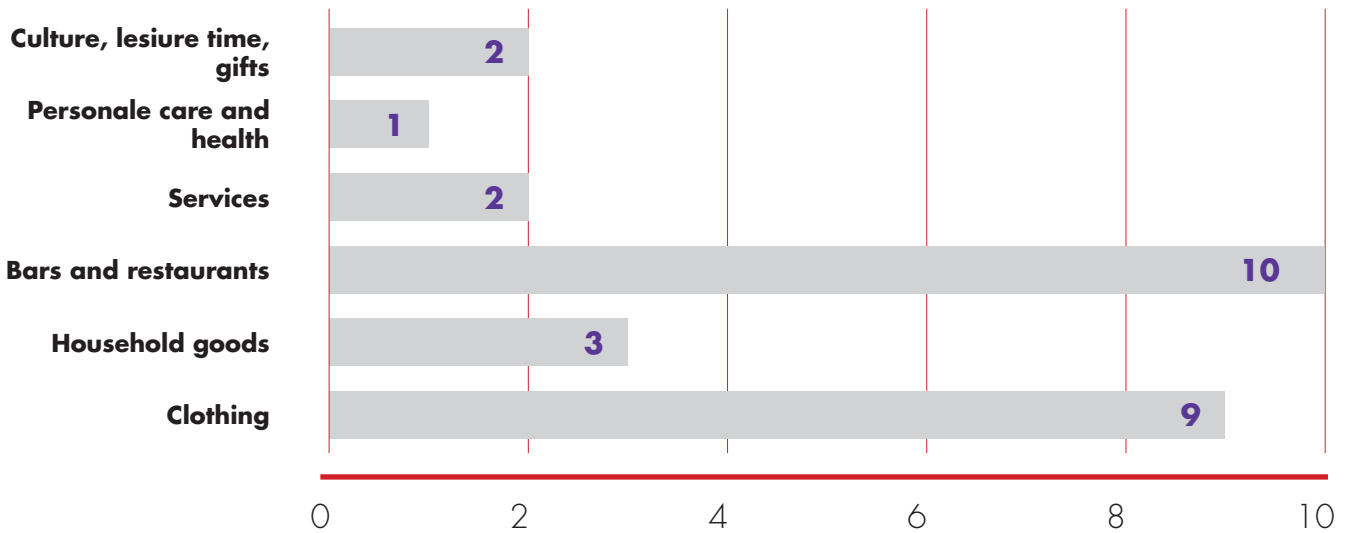
New brands introduced each year (Italy)



Approximately 40% of the new tenants belong to the bar and restaurant category, consistent with the need to continuously update this type of offer, in keeping with the change in trends in the sector itself.

Chart 2

New brands by merchandising type (Italy)



Furthermore, during the year IGD identified the direction to take with regard to marketing over the next few years (included in the 2019-2021 Strategic Plan).

3.2 ADAPTING THE MERCHANDISING AND TENANT MIX – ROMANIA

In 2018, Winmarkt continued to follow its policy to adapt its merchandising and tenant mix. Two main goals were reached:

Due i principali obiettivi raggiunti:

- Increase in the reliability and attractiveness of its tenants in the Malls. For this reason the weight of international tenants on the total portfolio increased even more, going from 33% in 2017 to 40% in 2018. This data is also connected to the opening of medium sized stores in 4 Shopping Centres by an important German retailer;

- Increase in the occupancy of the upper floors of the structures by renting them to tenants offering services. An example of this is the gym opened on the third floor of the Ploiesti Omnia Shopping Centre as is the Cinema on the third floor of the Shopping Centre in Alexandria.

Thanks also to this work carried out, occupancy has continued to increase year after year, going from 84.5% in 2013 to 97.1% at the end of 2018.

4. Spaces to be lived in

Italy

IGD sees its Shopping Centres as out and out “Spaces to be lived in”, where the visitors can enjoy both the retail offer and the opportunity of being able to meet up with others. With regard to the latter, IGD’s aim is to identify a wide range of events capable of attracting and involving a variety of target groups and individuals from the catchment area. The organisation of the correct mix of these events is ensured by the Marketing Plan which each Shopping Centre defines every year and constantly updates in relation to the various needs and opportunities that come to light over time. The methodology with which to define the Marketing Plans was redesigned in 2016 with tangible impacts involving adapting event planning to the characteristics of each structure. In 2018 the last phase of this process

was added, regarding the monitoring and verification every six months of the validity of the initiatives organised. In this way, each Shopping Centre was able to assess the event management and identify the level of satisfaction in relation to the results obtained, creating, in addition, the conditions to define over time a historical framework that will be useful for future decision making.

Each Centre organised on average 21 events in 2018 (essentially in line with 2017). Altogether, the IGD Shopping Centres invested over 3 million euros to organise free of charge events.

Table 1

Total events (Italy)

Events held in the Centres	2018	2017	2016
Total number of events	530	540	488

€ 3.292.004

Total expenditure in € for the organisation of events in 2018 (excluding communication)

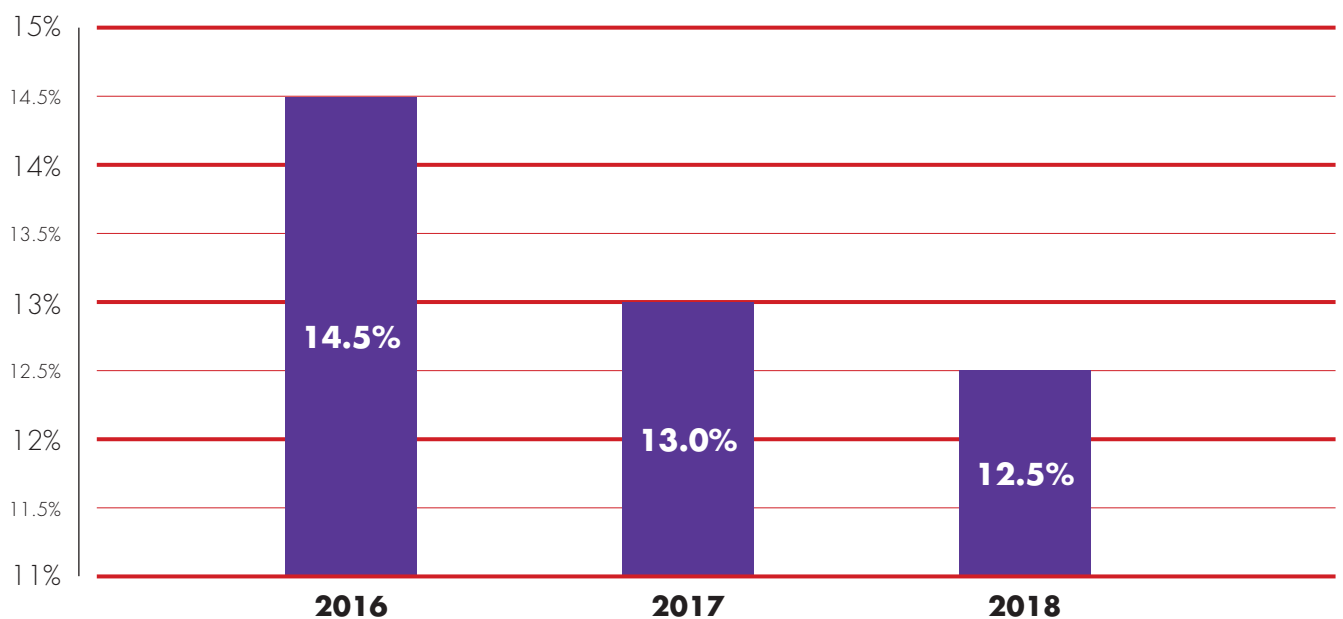


IGD_ Virtual Reality

Over the years, the attention paid to the organisation of social-environmental events has been proven again and again.

Chart 3

Social-environmental events _% out of total (Italy)



The pursuit of IGD's payoff "Spaces to be lived in" continued in 2018 by means of several indications included in the Marketing Guidelines. Three of these are described in more detail below:

- Develop occasions for large gatherings within the Centres
- Define the contents of the Experience project
- Cooperate with entities active at national level on social issues

4.1 LARGE GATHERING EVENTS

Over the past few years the Shopping Centre has amplified its role as a preferred location in which to host extremely attractive events, based on the presence of crowd-pulling celebrities especially those seen on the web or made famous by extremely popular television programmes. The visitors appreciate this type of event, which is safe and free of charge, and they actively participate in the events that are organised. In 2018, IGD took action in order to include as many as possible of these events, the objective being to seize the opportunity to share messages on social issues, in line with IGD's mission.

Amongst the many examples of this type of event there are two which, united in purpose, reached the above mentioned objective. The first concerns Piave Shopping Centre in San Donà di Piave (Venice), where, during an event in which two Youtubers with an ex-

tensive following like Matt & Bise were present, the issue of bullying and cyberbullying was tackled, exchanging and sharing with the youngsters and parents present opinions and ideas regarding this issue. The event, which brought about a 34% increase in footfalls¹ to the Shopping Centre, was focused in particular on schools: the one with the greatest number of pupils present at the event won the opportunity to have Matt & Bise as guests in their school for a morning of training on the issues of "work on the web" and "cyberbullying".

The same issue was also tackled in ESP Shopping Centre in Ravenna: during an event in which a muser² with an extensive following like Samantha Frison was present, a meeting on bullying and its origins was organised. There was a significant number of people present, with a 24% increase in footfalls³.



Conegliano (TV)_Conè

1_Difference calculated by comparing the number of Shopping Centre footfalls in the afternoon of the equivalent Sunday in 2017 (Source: IGD marketing analysis)

2_Muser: user of Musical.ly social network which enables people to share videos in which the users lip-sync to songs

3_Difference calculated by comparing the number of Shopping Centre footfalls in the afternoon of the equivalent Sunday in 2017 (Source: IGD marketing analysis)

4.2 EXPERIENCE PROJECT

The Shopping Centre, as defined by IGD, is a place in which it is possible to enjoy experiences that cannot be replicated elsewhere, which involve purchasing, entertainment and, in general, social gatherings. For this reason, a specific project was created in 2018 to provide answers to the following questions:

a) What does “experience” mean for a Shopping Centre?

It means identify a set of solutions to make retail sales more exciting and engaging. The malls must offer experiences that go beyond the retail service, so as to surprise the visitors and to establish a direct relationship of empathy with them.

b) Which areas can be affected by the “experience”?

The areas that are affected the most are those regarding events, the sale of goods and services by the tenants in the Mall and communications.

c) How did IGD decide to proceed?

During the first half of the year, the Marketing Department outlined the boundaries of the project, the aim being to identify operating solutions capable of making the entire visit to the Mall an experiential one for its visitors. It then drew up a document containing:

- the reasons why it is advisable to take action on this issue
- an initial working proposal with six possible lines of action
- the identification of the process to be followed in order to implement these ideas in two pilot Shopping Centres (Puntadiferro in Forlì and Città delle Stelle in Ascoli Piceno) during the second half of the year

d) What actions were actually carried out?

Just to give a few examples, the visitors experienced in a captivating manner a visiting dinosaur exhibition by means of guerrilla⁴ activities and interactive entertainment; they also played an active role in a fashion event by being casted for the roles of models, artists

and organisers; they witnessed the stores in the Mall in a different light with the tenants coming out of their own stores to present products and services, establishing, in this way, an even more direct relationship with the customers. Furthermore, the visitors were involved as event influencers, sharing with others on social networks their thoughts and opinions about what they had experienced in the Mall.

e) What were the results of the pilot project?

The results were satisfying: the visitors participated in a distinctly proactive manner and they appreciated this different way in which to experience the Shopping Centre. The staff of the stores who were personally involved as «actors» in the events also showed great interest in this project. Interaction on social networks increased with those that had personally experienced the project telling their stories, and lastly, there were good results with regards to local participation, thanks to individual talents and local associations that responded to the casting call.

f) What will the next steps be?

Given the good results obtained, IGD is convinced that this is the path to follow in order to innovate the role itself of the Shopping Centre and to differentiate it from other competitors both physical ones and those online. For this reason, the company has decided to extend the “experience project” to its entire portfolio, so as to make it into a distinguishing and qualifying feature of all its structures in the entire nation. Indeed, all the 2019 Marketing Plans will pursue this line of action which will be advertised externally also by means of a specific promotional campaign.

4_The term Guerrilla marketing refers to a form of advertising that is nonconventional and low cost and is carried out by using means and tools that are not traditionally used to promote goods or services.

4.3 COOPERATE WITH ENTITIES ACTIVE AT NATIONAL LEVEL ON SOCIAL ISSUES

The year bore witness to the continuation of two important projects that distinguish the IGD Shopping Centres in their territories: "Happy Hand in Tour" and the free check-ups in cooperation with ANT - *Associazione Nazionale Tumori* (National Tumour Association).

HAPPY HAND IN TOUR

With the first edition of this tour having ended in 2016, IGD organised the second edition of "Happy Hand in tour", held from the middle of 2017 to May 2018, to promote get-togethers between able-bodied individuals and those with disabilities on sports and artistic common grounds. This second edition confirmed the cooperation between IGD, FISH, - *Federazione Italiana per il Superamento dell'Handicap* (Italian Federation for overcoming Handicaps), which groups together associations of individuals with disabilities and their families, and WTKG (Willy The King Group), the association in Bologna that has for several years organised the "Happy Hand" event. It was also sponsored by CIP - *Comitato Italiano Paraolimpico*, (Italian Paralympic Committee), whose members include the numerous Italian federations for sports played by individuals with disabilities. There were two new partners and these were the two associations that promote to a greater extent sports activities in Italy: CSI - *Centro Sportivo Italiano* (Italian Sports Centre) and UISP - *l'Unione Italiana Sport Per tutti* (Sports for everyone Italian Union).

After the presentation press conference organised in Rome in May 2017, the event itself got underway the following month, with a total of 10 Shopping Centres involved in 2017 and 9 in 2018.

The organisation of "Happy Hand in tour" was made possible thanks to substantial cooperation with the local areas: altogether 138 entities were involved, including associations that take an active interest in disabilities, along with sports clubs and local federations of CONI (Italian National Olympic Committee), of UISP (Sports for everyone Italian Union) and of CIS (Italian Sports Centre) as well as groups that are active in various artistic fields. 124 activities were organised, 70% of which regarded sports and 30% regarded various expressions of the arts. As before, the aim was that of inclusion and cooperation, both with regards to the choice of activities to be organised and to the actual carrying out of these activities in the Shopping Centre. For this reason, preference was given to activities like danceability programmes and inclusive sports like sitting volleyball or simply soccer and, in addition, meetings with Paralympic champions were organised so that they could share their experiences.

FREE CHECK-UPS

The cooperation between IGD and ANT, *Associazione Nazionale Tumori* (National Tumour Association) began in 2012, with the project "*La prevenzione è una robina intelligente*" (Prevention is really an intelligent thing). The purpose has always been to provide a high value-added service centred on health by organising within the Malls days dedicated to prevention and to raising awareness. Again in 2018, the ANT mobile medical surgery reached 11 Shopping Centres, offering their visitors free health check-ups with dermatologists (for the prevention of skin cancer) or specific experts for thyroid check-ups. 735 people made use of this service in 2018. Altogether 7,805 visits have been carried out since the beginning of the project. Following the awards received in two previous edi-

tions, in 2018 IGD received a mention in the Eubiosia Award, which is the yearly award that ANT gives to its biggest supporters during the year.

Furthermore, during the year IGD participated in the event aimed at employees "Donate an hour of solidarity to ANT Foundation" held on the occasion of the association's 40th anniversary of activity. Those interested could participate by authorising that the equivalent of an hour's pay for one or more months during the year be deducted from their pay slip. IGD then donated its own contribution equivalent to the total amount donated by its employees. Altogether the amount donated was equal to €1,770.

Impact data sheet









Prevention is really an intelligent thing _2018

CHANGE EXPECTED

- Spread the word on how important prevention is by raising awareness within the community on the benefits that this brings about
- By means of a partnership that is active at national level, offer a free service to the large number of Shopping Centre visitors
- Improve the reputation of its partners

Stakeholders engaged

- IGD
- ANT
- SHOPPING CENTRE VISITORS
- NATIONAL HEALTH SERVICE
- PRIVATE MEDICAL SPECIALISTS
- PATIENTS

	IGD	ANT	SHOPPING CENTRE VISITORS	NATIONAL HEALTH SERVICE	PRIVATE MEDICAL SPECIALISTS	PATIENTS
DIRECT IMPACT	x		x			x
INDIRECT IMPACT		x		x	x	
ECONOMIC IMPACT	<ul style="list-style-type: none"> Increased tenant sales due to an increase in the number of visits 	<ul style="list-style-type: none"> Potential increase in donations thanks to the publicity in the Shopping Malls  <ul style="list-style-type: none"> Possibility to help more people thanks to the money raised 	Costs not incurred for prevention 	<ul style="list-style-type: none"> Fewer costs for medical services due to prevention  <ul style="list-style-type: none"> Revenue obtained from visits recommended, subsequent to the activities carried out in the Shopping Centres 	Revenue obtained from visits recommended, subsequent to the activities carried out in the Shopping Centres 	Reduction in costs incurred for assistance thanks to financing provided by the Shopping Centre and ANT 
NON-ECONOMIC IMPACT	<ul style="list-style-type: none"> Increased reputation Increase in visitor loyalty 	Increased reputation	Possibility to assess state of health and to receive advice on how to improve it	Less demanding commitment in prevention activities on health issues	-	Improvement in the quality of life



Romania

In 2018 Winmarkt allocated a budget of € 100,000 to its marketing plan, carrying out 110 activities consisting of events and campaigns. More specifically:

- 37 co-marketing campaigns (19 voucher campaigns and 18 personalised co-branding campaigns).
- Events to support and assist new openings of the most important new brands, for example KiK Store (4 openings in the year: Piatra Neamt, Braila, Vaslui, Rm Valcea) and the first private cinema in the city in Winmarkt Alexandria.
- Furthermore, a fashion show was organised during the year in Winmarkt Bistrita Shopping Centre, the purpose being to help the tenants launch their spring-summer collection.
- Social campaigns:
 1. Support given to international NGOs like "Save the Children"
 2. European day against obesity and International health day: two events organised in Winmarkt Ploiesti to raise awareness in the local community, to assist people with health problems and to educate on prevention
 3. "ShoeBox" (Winmarkt Galati), campaign for the collection of gifts for disadvantaged children
- Sponsoring of events with a strong local impact regarding sports, education and culture (for example BUZZ CEE, the International Film Festival which promotes high quality productions originating from Central and Southeast Europe).sud-orientale).

Table 2

Support given to local events (Romania)

Support given to local events	2018 (€)	2017 (€)	2016 (€)
Contributions for sponsoring or supporting local events	4,475	3,600	6,500

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

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

Galati_Romania



5. Innovation



Foster innovation.

The private sector is called upon to promote the expansion of sustainable communication technologies and to support innovation and research within its field of operation.

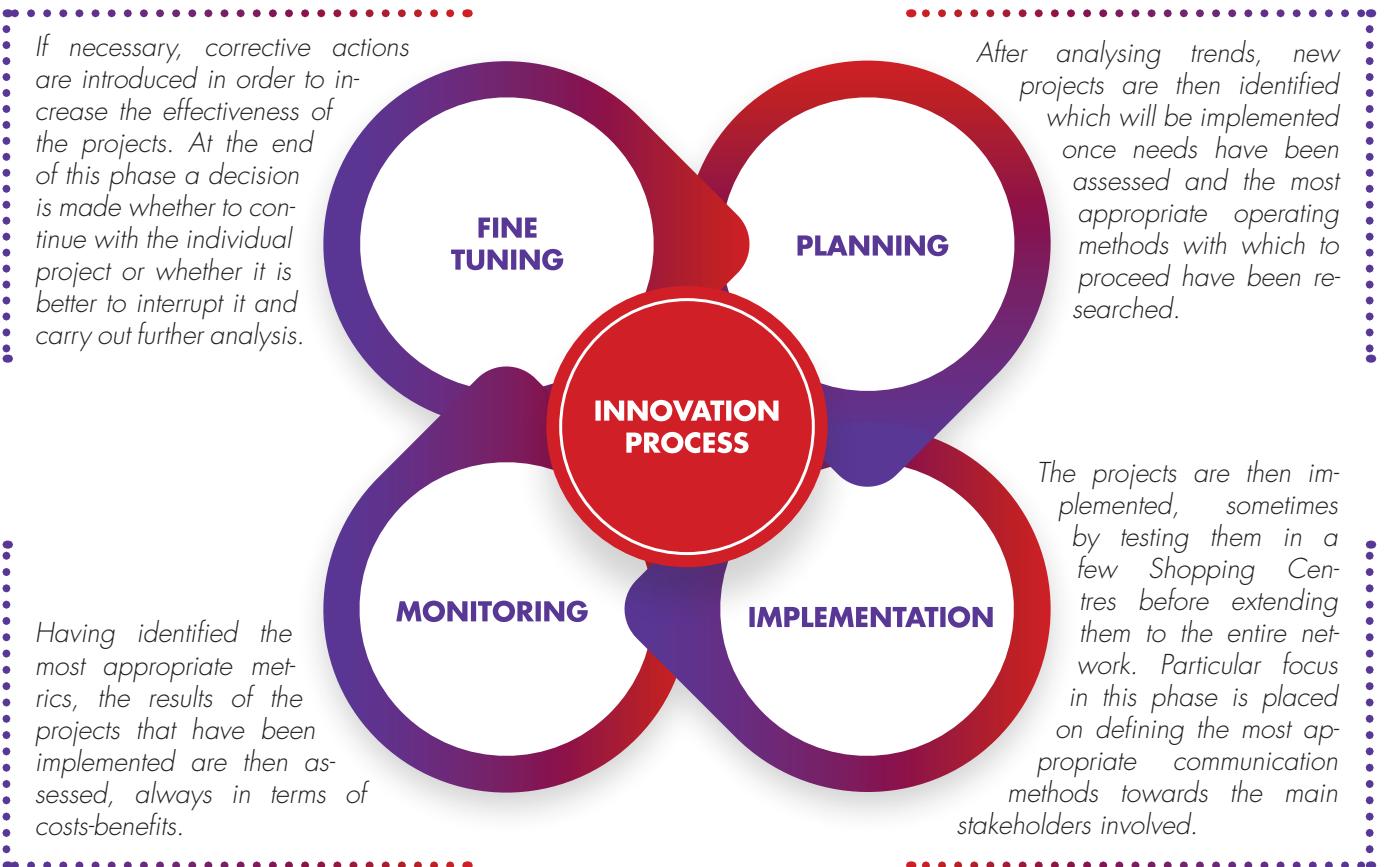
9 INDUSTRY, INNOVATION AND INFRASTRUCTURE



5.1 INNOVATION

Having defined the first measures to be taken on this issue in the second half of 2015, IGD continued to work over the years to create an increasingly structured ap-

proach to this issue. Therefore, it defined a continuous and across-the board work process involving the entire company, which is structured in 4 phases:



There were two courses of action on which IGD worked in 2018:

- Increase the opportunities offered by on line-off line interaction
- Improve the customer journey



Ravenna_ESP_totem

A summary of the **activities carried out** in 2018 for each of the aforementioned **4 phases** can be seen in the table below

PLANNING

01

- 2 new projects were identified :
 - 1_chatbot, virtual assistant active 24/7;
 - 2_Instagram as a new social network which integrates the opportunities offered by Facebook
- The goals and activities to be implemented over the 2019-2021 three-year period were identified and included in the corporate Strategic Plan
- An agreement was defined regarding the installation of Amazon Lockers in 27 Shopping Centres

IMPLEMENTATION

02

- 4 projects were implemented:
- With regard to the omnichannel approach, 2 Poste Italiane lockers were installed in Sarca Shopping Centre and Tiburtino Shopping Centre as a national pilot project
 - To improve the customer journey, interactive maps were introduced on the totems installed in all the Malls
 - To satisfy visitors' needs, active online chatbots were introduced in 3 Shopping Centres
 - To increase the attractiveness of the structures, the use of Instagram was introduced. The goals were defined and the suppliers were chosen in 2018 and the project will be effectively implemented in 2019.

MONITORING

03

Constant monitoring of the performance of the ongoing projects continued with an increasingly structured relationship with the suppliers concerned.

FINE TUNING

04

- Continuous maintenance carried out on the technologies and supports introduced into the Malls from 2016 onwards (Trolley Guard, Multimedia Totems, e-bike charging stations and mobile phone charging points), updating them following developments in software and hardware

5.2 WEB ITALY

Twitter

The Company, by means of its Twitter account @igdSIIQ opened at the end of 2014, uses this social network to communicate institutional information and to provide news in real time on the facts and events that are important to the company including matters regarding sustainability. Indeed, communications in 2018 referred to IGD's participation in the ICSC and EPRA



Sustainability Commissions and initiatives in which IGD was invited to make a report on (in particular the two editions of the CSR Salon). The number of tweets decreased in comparison to the previous two years, due to the decision made to use this channel only to communicate the most important facts and events.

Table 3

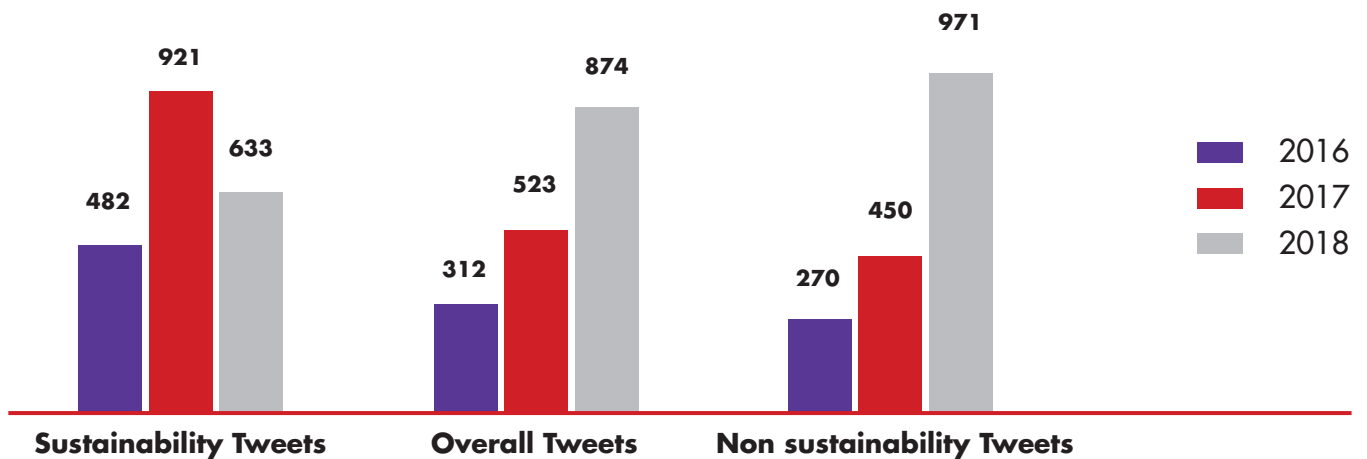
Twitter numbers (source: Twitter Analytics)

Twitter	2018 (N)	2017 (N)	2016 (N)	Variation % 2018/2017
Number of Tweets	21	78	65	-73%
Number of Sustainability Tweets	6	12	13	-50%
Tweet Views	18,356	40,790	20,312	-55%
Sustainability Tweet Views	3,797	11,050	6,264	-66%

The overall views increased, in particular due to the increase in followers compared to the previous years and to the participation in events closely followed by specific communities that are very active on this channel.

Chart 4

Average views (source: Twitter Analytics)



Website

9 years on from the last time the website was overhauled (2009), IGD redesigned its website.

The new site <http://www.gruppoigd.it/en/>, which has been transformed not only with regards to design but also with regards to technology, contents and communication, has been up and running online since July 2018.

The purpose was to improve the usability and transparency of the website, so as to satisfy the Group's strategic goals and the needs of national and international users. In order to convey the experiential philosophy of "Spaces to be lived in", the website uses pictures, videos and interactive elements and, by means of storytelling, it promotes its brand identity and engages the user, highlighting the company's positioning in the context in which it operates. The main evolution



of the website was the transition from the concept of the website as being an archive that provides disclosure information, deriving largely from financial statements and reports aimed at a generally specialised audience, to a website intended as an area for narration and as a "story" of corporate business, capable of reaching a wider audience. A simple and intuitive interface was chosen for the new website in order to make browsing easier.

The data recorded in 2018 regarding the number of visits and new visitors showed an increase of 20% compared to the previous year, bearing witness to the overall appreciation regarding the practicality of the new platform. An increase of 9% was also recorded with regard to the number of visitors that return to the site.

Table 4

Website numbers (source: Google Analytics)

	2018 (N)	2017 (N)	2016 (N)	Variation % 2018/2017
Number of visits	65,046	54,307	56,211	+20%
New visitors (single visitors)	44,810	37,491	40,216	+20%
Length of time in minutes spent on website (average)	2.28	2.31	2.43	-1%
Visitors that return	6,209	5,674	n.a.*	+9%

NB: the calculation method of the indicator has been recently changed, data not comparable with 2016.

According to Webranking Italy 2018, the Italian research carried out by Lundquist, in cooperation with Comprend, which assesses the most important listed companies by analysing the effectiveness and trans-

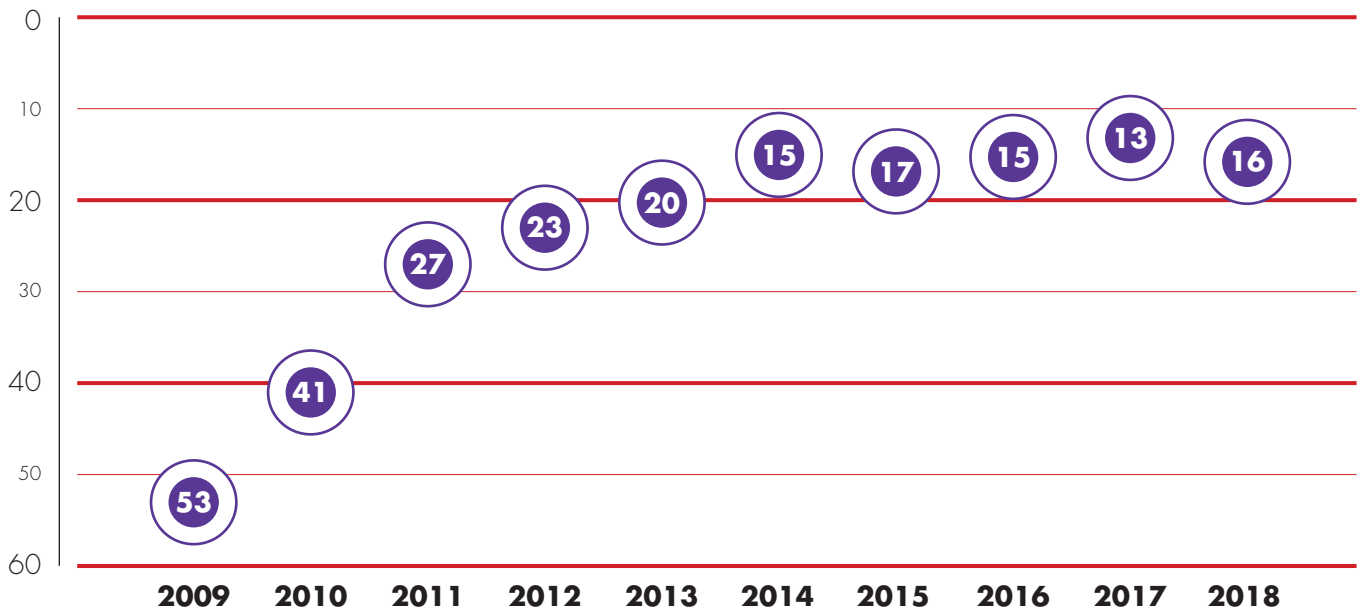
parency of corporate communication on digital channels, IGD is ranked 16th out of 111 Italian companies assessed, with a total of 67.7 points out of 100 (with an improvement of 2.7 points compared to 2017).

IGD_Web Site



Chart 5

IGD's positioning in the Web Ranking from when it was first included



Facebook

In April 2016, IGD started to define a long-term project aimed at identifying a standard strategy common to all the Shopping Centres regarding the use of Facebook. Indeed, this social network enables continuous interaction to be established with the visitors, informing them in real time about what is going on in the Mall, promoting the brands and stores within it and offering the possibility of continuous dialogue.



Two goals were achieved in 2018:

1. Increase in the fanbase, in order to increase the circulation of information;
2. Increasing integration of online and offline activities, also with specific drive to store initiatives.

The results of the actions carried out are illustrated by several KPIs which recorded an increase:

Indicator	Explanation	Performance compared to 2017
Daily average organic reach	Total number of people who are shown the posts on a daily basis, excluding sponsored posts.	+51%
Total organic reach	Total number of people who are shown the posts, excluding sponsored posts	+50%
Fanbase	Number of people that have decided to follow the Centre's page by adding "like"	+14,4%
Engagement: total reactions	Number of comments, shares and likes added to posts in the period in question	+4%

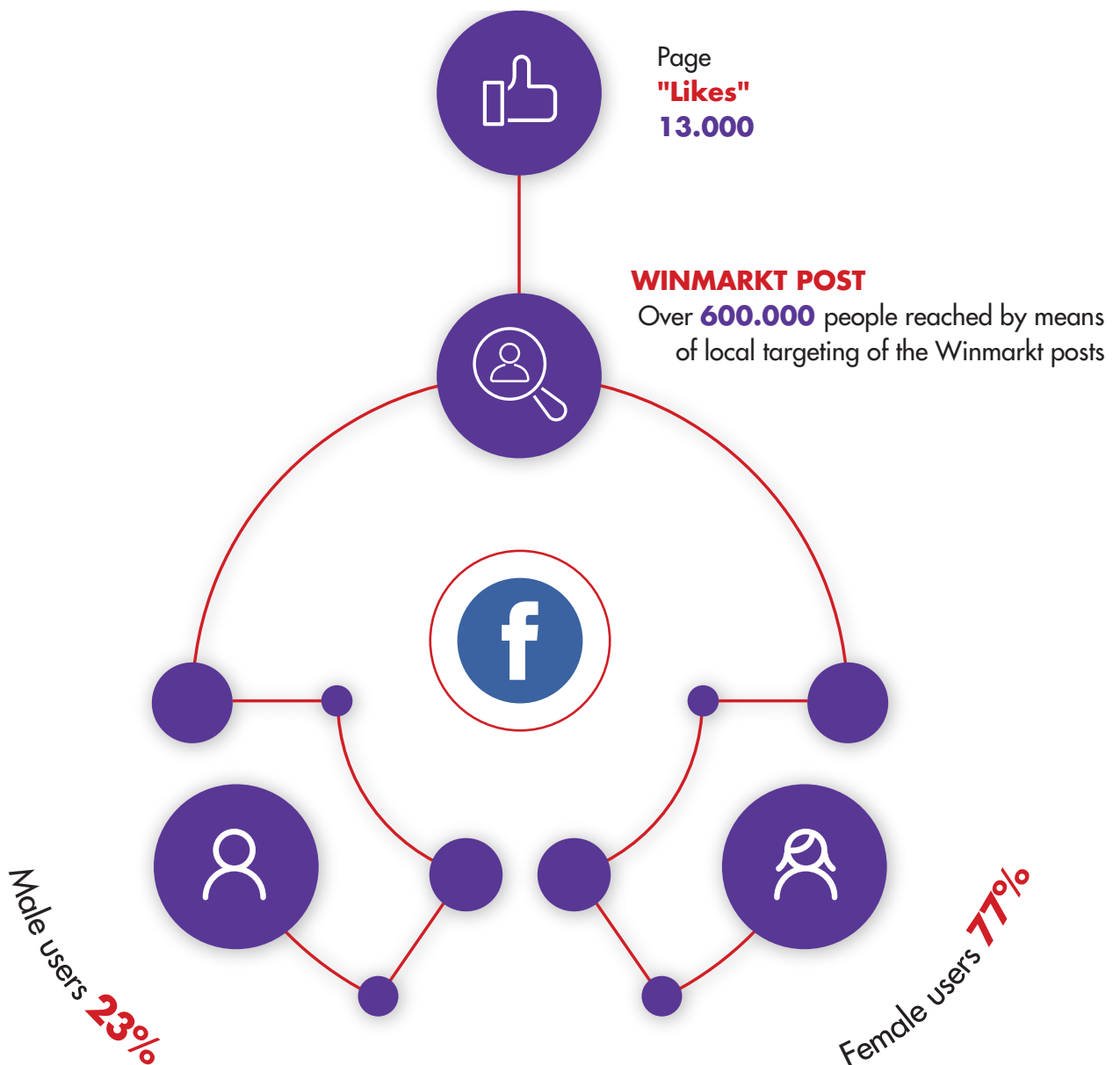
5.3 WEB ROMANIA

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

In 2018, the "Likes" regarding Winmarkt's Facebook page grew a further 4% (after the +31% in 2017), following more specific action carried out during the year on the tool.

Chart 6

Winmarkt's Facebook performance as at 31/12/2018





TOGETHER

Becoming
g.r.e.a.t.

Material issues

**Stakeholder
engagement**

Local Community

Highlights 2018

4.556

VISITORS INTERVIEWED
in satisfaction surveys



AVERAGE NUMBER OF EMPLOYEES
for each city where an IGD Centre is present

637



238

ASSOCIATIONS
which IGD Centres entered into contact with



**Becoming
g.r.e.a.t.**



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

1. Stakeholder engagement

1.1 THE STAKEHOLDERS (GRI 102-40)

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



Stakeholder engagement is an integral part of IGD's strategy, bearing witness to the importance that the company gives to structured relations with those, that for different reasons, enter into contact with the

company. Each individual Division is responsible for implementing and monitoring the initiatives regarding its own area, following a functional approach to business.

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

The Company identified the most appropriate engagement approach for each stakeholder category, establishing the time period, methods and objectives. The 2018 engagement results are reported below.

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

C Financial institutions

Stakeholder engaged

IGD worked with 16 credit institutions, which report to 12 banking groups. 9 of these are classified in the top 12 banking groups in Italy (source: Milano Finanza).

Time period

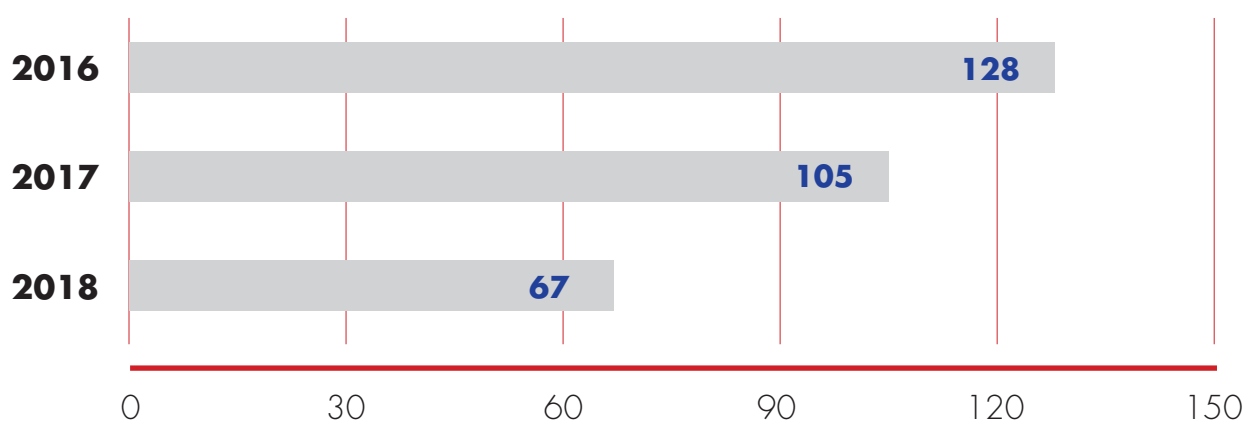
Throughout 2018.

Methods used

- 30 face to face meetings;
- 37 conference calls;
- 1 annual Meeting to present its Financial Statements; 10 credit institutions participated in 2018.

Chart 1

Meetings with Banks



The reduction in meetings held in 2018 was related to much lower financing needs arising during the year and to the decision to choose other financing channels, the terms and conditions of which were considered to be more favourable. Examples of this are the decision to launch a capital increase for the acquisi-

tion of 4 Shopping Centres belonging to the Eurocommercial portfolio and the unsecured financing with a single counterparty to be syndicated at a later time. It is exactly for this reason that the company participates in debt related sector conferences.

Objectives

- communicate the Group's results, with focus on transparency and accessibility of information
- consolidate and enhance relations with credit institutions and other financial institutions
- assess the best credit access offers available

Was engagement carried out for the Sustainability Report?

No.

Results

Over the years the banking sector has become more and more aware of who IGD is, as witnessed by the increase in credit institutions taking part in the conference calls for the presentation of the quarterly results.

Investors/analysts/ shareholders

Stakeholder engaged

Italian and foreign investors, analysts and specialised press.

Time period

Throughout the whole year.

Methods used

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

Chart 4

Summary of Investor Relations activities

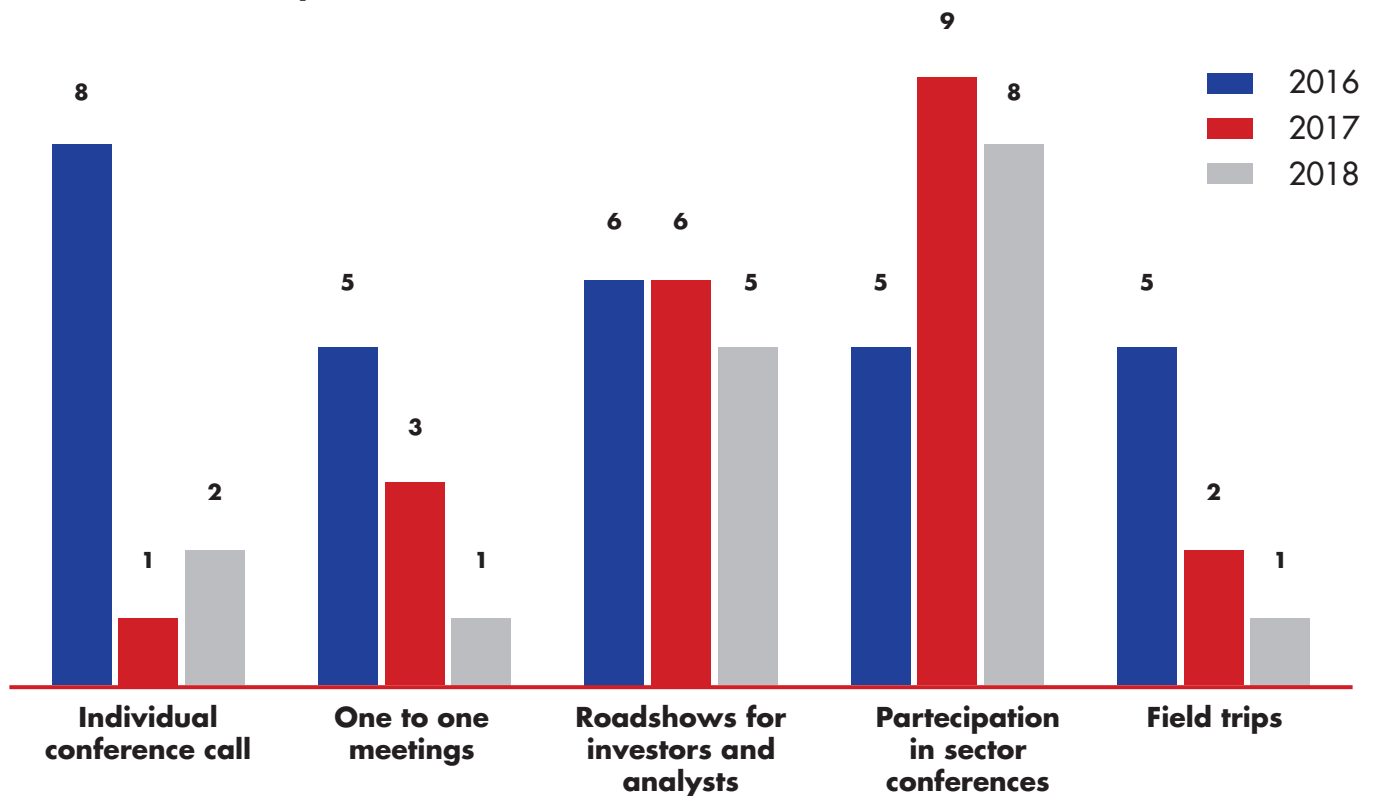


Table 1**Conference call participants**

Conference calls	2018 (N)	2017 (N)	2016 (N)
Number of participants	111	134	110
- Of which Italian	79	86	58
- Of which foreign	32	48	52
- Of which investors	28	64	50
- Of which analysts	26	37	29
- Other (banks, consultants and IGD employees)	57	33	31

The reduction in number of opportunities for meeting analysts and investors recorded in 2018 was linked to the interruption of Investor Relations activities, due to the transaction in progress on the market during the first three months, to the situation of the retail real estate sector in Europe and to the complex political situation in Italy and the comparison with the European Union. For this reason, the number of roadshows and field trips decreased. Furthermore, no scouting activities regarding new financial centres were programmed. The organisation of a new "Investor Day" was postponed for a year or so.

The company participated in the second Italian Sustainability Day organised by *Borsa italiana*, the Italian Stock Exchange. This event, where participation was high, both by companies and also by investors and analysts, is the most important occasion in Italy for listed companies to discuss ESG issues. On this occasion IGD met with 5 Italian institutional funds, compared to the 3 it met with the year before. During the meetings information regarding the strategic guidelines of the corporate Sustainability Plan and the main results obtained over the years were discussed and shared.

Sesto San Giovanni_Centro Sarca

**Objectives**

- Share information in a transparent and direct manner, in addition to providing answers that can help reach a better understanding of IGD's business
- Share IGD's vision with investors on issues regarding the company's core business

Was engagement carried out for the Sustainability Report?

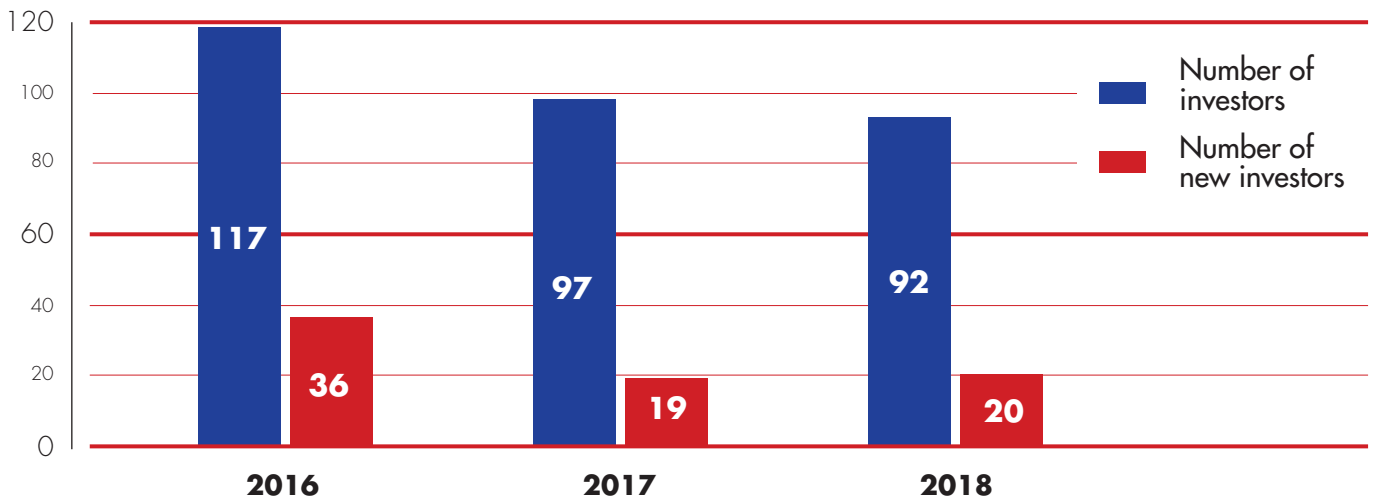
No.

Results

- During the year IGD met with 92 investors, of which 20 were new, in line with 2017

Chart 3

Total and new institutional investors



Visitors to the centres

IGD has been monitoring visitor satisfaction in its Malls for years by using various methods. In 2018, a structured procedure aimed at listening was launched, as the company was aware of the growing importance of being able to possess constantly updated data capable of helping the company to understand the perception of those that spend time (and those that do not) in the IGD Malls, on matters regarding the structure, the management, the assessment of any innovations introduced and those deemed necessary for future improvement.

IGD, therefore, defined and implemented during the year a “Listening Project” organised in 5 steps:

➤ **Step 1) existing situation:** at the beginning of 2018 the company verified, for each Shopping Centre, what data was available, what sources had been used and what results had emerged;

➤ **Step 2) planning of actions:** having defined what the existing situation was, the company then created a map of requirements which was necessary in order to define the visitor listening actions to be taken during the year. By cross-referencing what emerged from this map with corporate assessments (which took into account retail trends, ongoing projects and cross-cutting issues to be examined) the Shopping Centres requiring further actions and the timelines in which to carry them out were identified.








Market in Ravenna_Capi Survey

→ **Step 3) definition of tools:** visitor engagement involves a variety of methods and by cross-referencing them it is possible to obtain the level of in-depth detail required for each analysis. The methods IGD used during the year are shown below:

1. Customer Satisfaction carried out within the Mall;
2. C.A.P.I (Computer Assisted Personal Interviewing) carried out in the municipality of the Shopping Centre and in those nearby;
3. C.A.W.I. (Computer Assisted Web Interviewing) launched on the Shopping Centres' Facebook pages;
4. Focus Group;
5. Survey on interactive totems

→ **Step 4) creation of the engagement map:** by cross-referencing tools and Shopping Centres, the engagement map was defined and was structured as follows

		TOOLS USED				
		CUSTOMER SATISFACTION IN-STORE	C.A.P.I. ON-FIELD	C.A.W.I. FACEBOOK	SURVEY ON TOTEMS	FOCUS GROUP
SHOPPING CENTRES SUBJECT TO ANALYSIS		X	X	X	X	
		X	X	X		
		X	X	X		X
					X	
					X	

→ **Step 5) carrying out of engagement:** having completed the analyses and the methodological definition, engagement was carried out on the basis of the timelines defined during step 2. Subsequently, the results obtained were analysed and the follow up actions were then shared.

IGD decided to manage all the phases of this process internally, including the implementation of listening actions which, until 2017, were also assigned to external consulting firms. The decision to appoint an internal representative to manage the entire process ensured:

- responsiveness in the implementation phase if supplementary analyses were required;
- flexibility in the choice of tools to respond to changing needs;
- ability to analyse the results in light of any corporate developments;
- planning of activities in such a way as to guarantee the most extensive coverage of the visitor network.

The “Listening Project” will also continue in 2019, becoming more and more fine-tuned in relation to corporate needs and available tools.

Stakeholder engaged

IGD Shopping Centres’ visitors and non-visitors.

Time period

Throughout the whole year.

Methods used

See above.

Was engagement carried out for the Sustainability Report?

No

Objectives

The analyses carried out during the year were aimed at pursuing the following specific objectives:

- Identify where the visitors come from and the purpose of their visit;
- Assess visitor satisfaction and the strong points and weak points of the structure;
- Analyse the reasons to visit or not visit the Shopping Centre in question;

- Identify any competitors and their strong points;
- Identify what the visitors desire and the potential actions to be taken in order to encourage visitors to come to the structure;
- Assess the visitors’ sense of wellbeing within the Shopping Malls.

Results

Engagement actions involved 4,556 visitors and non-visitors in the respective catchment areas.

The people interviewed proved to be satisfied with the IGD Shopping Centres, awarding them an overall average assessment of 3.8 points out of 5 (in line with the points determined by Facebook and Google reviews).

The Shopping Mall emerges as a strong point of the structures and these in turn are visited also due to the fact that they are considered to be easily accessible. Indeed, it is precisely accessibility, intended as the proximity of the Centre to homes and the practicability of the road network, which is the second issue that emerges from all the analyses and which is a decisive element when choosing a Centre over those of local competitors.

From the surveys carried out to assess the feeling of wellbeing within the Malls, no particular problems emerged regarding the perception of odours or noise, whereas other features (like lighting) need to be assessed Centre by Centre.

The results that emerged led to the identification of the marketing, management, commercial and structural tools that would increase both the attractiveness of the Centre in the catchment area and the level of satisfaction felt by the visitors when utilising the structures and the services offered within them. After sharing these issues with those concerned, the measures to be taken and the follow up actions were then defined, as were the people in charge and the time schedules.

Tenants

In order to maintain a high occupancy level in the Shopping Malls and to scout for new brands, IGD organises face to face meetings with retailers, both in a continuous manner throughout the year as well as during the most important trade fairs in the sector: Mapic Italy, the third edition of which was held in May in Milan and Mapic which was held in November in Cannes. 2018 saw a significant increase in the importance of the former, which is increasingly becoming a privileged meeting point for those that work in Italian retail real estate. On this occasion IGD was able to meet with 133 retailers (+ 32 compared to 2017). Instead, Mapic in France enabled more focus to be placed on international tenants and

on new retailers interested in opening stores in the IGD Shopping Centres. For this reason, the number of meetings that took place decreased slightly (from 114 in 2017 to 103 in 2018).

The overall number of international retailers that IGD met with increased (38, compared to 24 the previous year).

With regard to scouting for new tenants, both Italian and foreign, 55 were met during the year (a decrease compared to the 80 met the year before).



Mapic meeting

Stakeholder engaged

Various tenants

Time period

Throughout 2018

Methods used

641 one to one meetings.

Was engagement carried out for the Sustainability Report?

No

Objectives

The organisation of the meetings is in response to one or more of the following needs:

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

Results

- High occupancy level was maintained (Italy): 97.2% as at 31.12.18
- 27 new brands were introduced during the year (see Section 4.3)

2. Local Communities

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

- Employment
- Commercial
- Social/meeting place

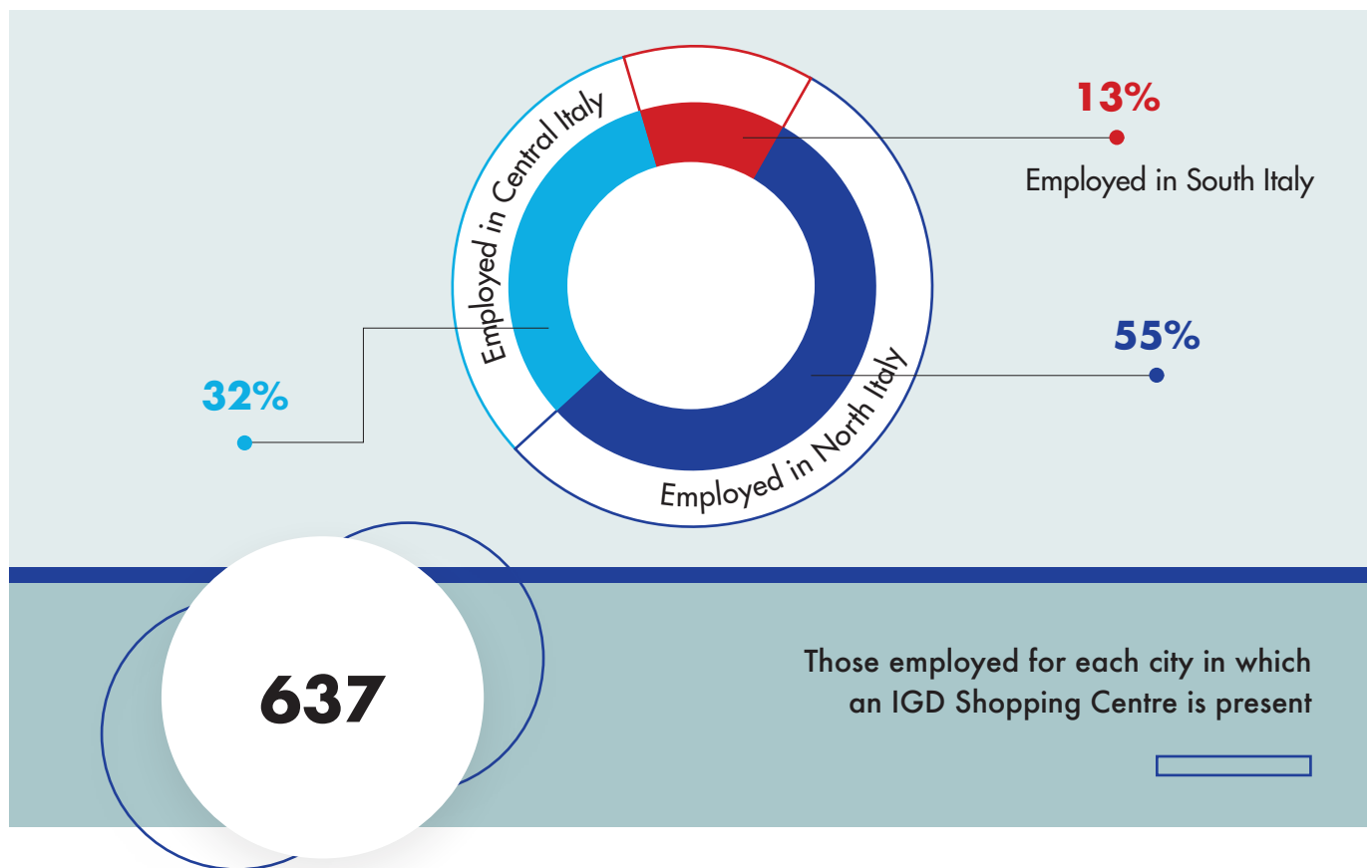
Employment aspect

The system of Shopping Centres, at national level, provides employment to a little over 550,000¹ people (including both those employed directly in the stores

and subcontract employees); altogether 14,650² people work in the IGD Centres, geographically broken down as follows:

Chart 4

Geographical breakdown of those employed in IGD Shopping Centres (Italy)



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

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

Subcontract employees refer to all the people that work within the supply chain and that guarantee the daily functioning of the structures, by providing services to help run the Shopping Centre (for example cleaning and security) and marketing services (communication and event organisation). More than half of the suppliers are locally based. Following a corporate

policy of supplier rotation, this data, which recorded a slight increase in 2018 due to specific needs of several Shopping Centres, bears witness to IGD's decision to prefer local suppliers especially for those services and supplies where the knowledge of the local area, speed of execution and physical presence on site are a competitive advantage.

Table 2

Local suppliers (Italy)

	2018	2017	2016
Number of local suppliers	884	793	781
% out of total suppliers	53%	49%	51%

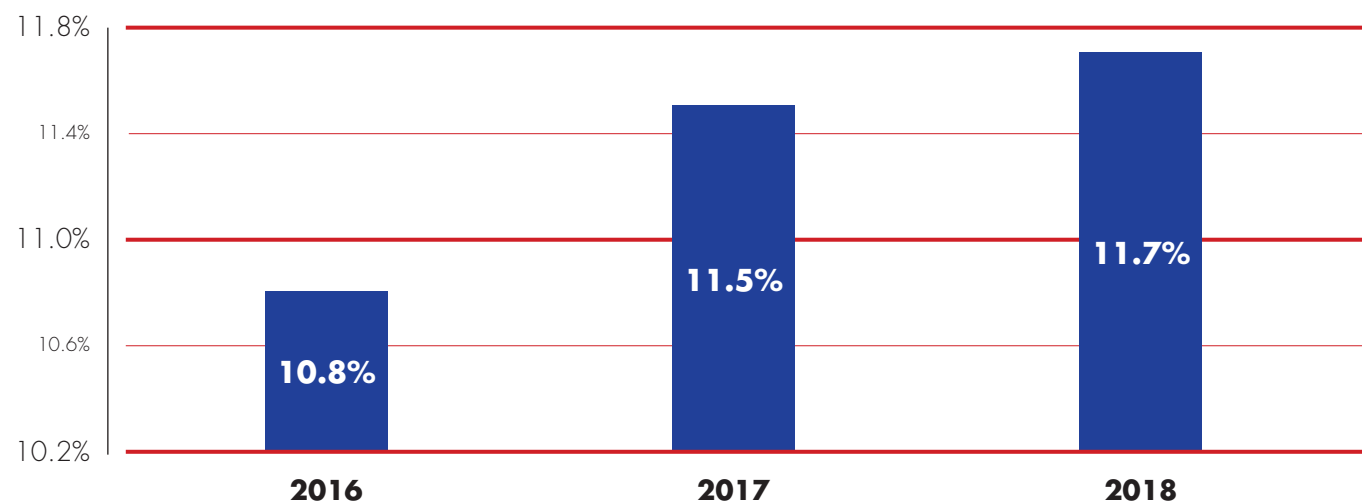
Commercial aspect

The Centres also play an important role within the local commercial network. In the IGD Centres, local brands represented 40% out of the total in 2018, a figure that has remained constant over the years. Instead, an increase could be seen both in revenues of these local brands (+2.6% on a like for like basis) and

in their impact on IGD's overall revenues. These figures bear witness to IGD's commitment to introduce into its Malls those tenants that are more appealing at a local level, in line with the location of the Shopping Centre in its catchment area.

Chart 5

Local tenants' weight on IGD's total revenues (%)



Their average turnover per Shopping Centre remained steady at 3.9 million.

Social/meeting place aspect

The IGD Shopping Centres are both places in which to get together and also points of reference in their catchment area. Each Centre, within the context in which it is situated, operates so that contact with the local community is heightened and intensified over time, the aim being to enhance and favour inclusiveness. With this in mind, the promotion of local events is one of the primary tools: indeed, they represent approximately 1/3 of those organised in the IGD Centres (as envisaged

in the 2016-2018 Business Plan) and they consist of sports, recreational, cultural, artistic and solidarity activities.

These events foster numerous moments of contact, right from the planning and organisation phases, which call for the cooperation and contribution of local associations and/or individuals in order to develop subject matters that are considered to be important and of which IGD is a promoter.

Table 3

Percentage of local events (Italy)

Events held in the Centres	2018	2017	2016
Cultural, recreational-sports events held with local associations	135	149	165
% of local events out of total	26%	28%	34%

Table 4

Shopping Centres in which engagement processes were initiated at local level (Italy and Romania) (GRI 413-1 and EPRA COMTY-ENG)

Events held in the Centres	2018	2017	2016
Percentage of IGD Shopping Centres in which engagement processes were initiated at local level	100%	100%	100%
Percentage of Winmarkt Shopping Centres in which engagement processes were initiated at local level	27%	50%	n.d.
% of local events out of total	26%	28%	34%

*The 2017 data has been restated due to a different calculation method

In line with 2017, the number of local associations involved in activities in the Centres increased. The second edition of "Happy Hand in Tour" had an impact on this as it led to contact being established with a

significant number of local associations, thanks also to the cooperation with representative bodies like UISP and CSI³ (see Section 4.4.3).

3_Uisp: Unione Italiana Sport Per tutti (Sports for everyone Italian Union). CSI: Centro Sportivo Italiano (Italian Sports Centre)

Table 5**Associations and other non-profit organisations received in the Centres (Italy)**

Associations and non-profit organisations received	2018 (N)	2017 (N)	2016 (N)
Local associations involved	238	236	205
Other non-profit organisations	98	70	108
Total	336	306	313

The amount of sponsorships/donations in 2018 remained essentially in line with 2017.

Table 6**Sponsorships and donations made by the Shopping Centres and by the headquarters (Italy)**

	2018 (€)	2017 (€)	2016 (€)
Sponsorships and donations made by the Consortiums to local associations for events	178,497	200,324	172,069
Donations made by the headquarters	7,059	3,795	3,000
Total	185,556	204,119	175,069

Bologna_Centro Borgo_Happy Hand in Tour



FOCUS // MAREMÀ SHOPPING CENTRE

Maremà Shopping Centre in Grosseto, inaugurated in the month of October 2016, interpreted working with the local area as a distinguishing factor, with the aim of being the primary destination for shopping and leisure time in the catchment area. The decision was made to identify activities, including them in the annual Marketing Plan, that called for cooperation with the local area and that had an important impact not only on the city of Grosseto but also on the surrounding areas. This commitment was intensified in 2018 when the Shopping Centre worked alongside the local community in 2 fields: sponsorships and activities with associations. More specifically, the activities carried out have been summarised below:

a) Sponsorships: the Shopping Centre became a partner in sports and cultural events which were representative of the inhabitants and of the city. Sponsorships, furthermore, are a way in which to bring these entities into the Shopping Centre, creating specific events. In this way, financial support given to the local baseball or football team can result in the organisation inside the Shopping Centre of an event where the players are presented to the city, in the same way that the financial support given to the musical festival can result in concerts being hosted there.

b) Activities with associations: The Shopping Centre is not only a place that hosts external events, but most of all it becomes a partner in order to achieve common goals. With this in mind, tackling issues like violence towards women, disabilities or animal protection, is an occasion for the Centre's visitors to become involved by means of flash mobs and theatrical performances. Furthermore, being part of the local community means being committed to helping the more vulnerable also by providing spaces within the Mall: for this reason Maremà cooperated with the Catholic associations in Grosseto to help in the organisation of food drives.

Over time, this commitment leads to good results in terms of awareness in the city regarding the Shopping Centre. The Centre, which is becoming more and more of a landmark for leisure time and increasingly appreciated by the local inhabitants, recorded a significant increase in footfalls (+10.2%) and tenant sales (+7.6%) during the year.





Bologna_Arco Campus

ARCO CAMPUS PROJECT

Arco Campus, which was inaugurated in Bologna in the month of June 2018, is a residence for athletes situated alongside the already existing sports facilities, where players of both the youth and senior teams of Virtus Bologna basketball company can be housed. IGD invested in the creation of this project, bearing witness to its commitment to generate positive impacts in the area in which it operates. Indeed, thanks to this project a suburban area of Bologna was redeveloped,

and a location where people can get together was created not only for the athletes but also for the neighbourhood residents. The project involved the restyling of the gyms and the conversion of the outside areas with the introduction of relaxation, playing and recreational areas for the benefit of the neighbourhood residents. All the new buildings are equipped with high energy efficient systems.

→ GRI Standards, EPRA and SDGs tables

_GRI STANDARDS TABLE (102-55)

Since 2010, IGD's Sustainability Report has been drawn up following the GRI guidelines. The 2018 Sustainability Report has adopted and applied the guidelines drawn up by the Global Reporting Initiative GRI Standards and those referring to the real estate sector ("Sustainability Reporting Guidelines - Construction and Real Estate Sector Supplement"). The level of application of the GRI Standards indicators is "Core".

Please refer to section "Sustainability and Materiality" for the correspondence between material aspects and GRI Standards.

The GRI Standards indicators reported in this document, along with their reference in the sections, are listed in the table below. The standards of the specific sector disclosure "Construction and Real Estate" are marked with an asterisk (*).

IGD material issue	Description of the standard	GRI Standard	Core option	Page	Omissions
	Organisational profile	102-14	x	3	-
	Reporting practice	102-45	x	7	-
	Reporting practice	102-46	x	7	-
	Reporting practice	102-48	x	7	-
	Reporting practice	102-49	x	7	-
	Reporting practice	102-50	x	7	-
	Reporting practice	102-51	x	7	-
	Reporting practice	102-52	x	7	-
	Reporting practice	102-53	x	151	-
	Reporting practice	102-54	x	7	-
	Organisational profile	102-1	x	14	-
	Organisational profile	102-2	x	14	-
	Organisational profile	102-3	x	14	-
	Organisational profile	102-4	x	14	-
	Organisational profile	102-5	x	14	-
	Organisational profile	102-6	x	14	-

IGD material issue	Description of the standard	GRI Standard	Core option	Page	Omissions
	Organisational profile	102-7	x	14; 16	-
	Organisational profile	102-9	x	18	-
	Organisational profile	102-10	x	14	-
	Organisational profile	102-11	x	18	-
	Organisational profile	102-12	x	18	-
	Organisational profile	102-13	x	18	-
	Reporting practice	102-32		19; 22	-
	Reporting practice	102-47	x	22	-
	Management approach	103-1	x	22	-
	Management approach	103-2	x	24	-
	Management approach	103-3	x	24	-
Climate change	Energy	302-1	x	40; 41	
Climate change	Energy	302-3		41	
Climate change	Energy	CRE-1*		41	
Climate change	Emissions	305-1		43	The method used for the calculation of greenhouse gas emissions deriving from electricity consumption is location based, there is not enough information to report greenhouse gas emissions deriving from electricity with the market based method, this will be adopted from the next reporting year
Climate change	Emissions	305-2		43	-
Climate change	Emissions	305-4	x	44	-
Climate change	Emissions	CRE-3*		44	-
Climate change	Water	303-1	x	45	-
Climate change	Water	CRE2*		46	-
Climate change	Effluents and waste	306-2	x	47	-
Climate change	Certifications	CRE8*	x	53; 55	-
Good employment	Organisational profile	102-8	x	62; 63; 72; 73	-
Good employment	Stakeholder engagement	102-41	x	65	-
Good employment	Employment	401-1		64	-
Wellbeing and safety	Occupational health and safety	403-2	x	76; 77	-
Good employment	Training and education of employees	404-1		68; 69	The breakdown by gender and position is not reported for 2016: The data collection systems available enable this to be processed from 2017

IGD material issue	Description of the standard	GRI Standard	Core option	Page	Omissions
Good employment	Training and education of employees	404-3		71	-
Good employment	Diversity management and equal opportunity	405-1		65; 66; 72; 73	The calculation of the percentage of employee category by age group is not included, it is in the process of being elaborated
Gender equality	Diversity management and equal opportunity	405-2	x	74	The data reported includes the basic salary but not the remuneration. This will be examined more thoroughly from the next Report
Good employment	Non-discrimination	406-1		74	-
Wellbeing and safety	Customer health and safety	416-1		81	-
Wellbeing and safety	Customer health and safety	416-2		81	-
Governance, ethics and corruption	Ethics and integrity	102-16	x	92	-
Governance, ethics and corruption	Ethics and integrity	102-17		93	-
Governance, ethics and corruption	Governance	102-18	x	86	-
Governance, ethics and corruption	Governance	102-22		86	-
Governance, ethics and corruption	Governance	102-23		86	-
Governance, ethics and corruption	Governance	102-26		89	-
Governance, ethics and corruption	Governance	102-27		89	-
Governance, ethics and corruption	Governance	102-28		89	-
Governance, ethics and corruption	Governance	102-29		90	-
Governance, ethics and corruption	Governance	102-30		90	-
Governance, ethics and corruption	Governance	102-31		90	-
Governance, ethics and corruption	Governance	102-32		86	-
Governance, ethics and corruption	Governance	102-35		91	-
Governance, ethics and corruption	Governance	102-36		91	-
Governance, ethics and corruption	Governance	405-1		86	-
Stakeholder engagement	Stakeholder engagement	102-40	x	127	-
Stakeholder engagement	Stakeholder engagement	102-42	x	128	-
Stakeholder engagement	Stakeholder engagement	102-43	x	128	-
Stakeholder engagement	Stakeholder engagement	102-44	x	128	-
Local communities	Local communities	413-1		137	Points VI-VII-VIII of the indicator cannot be reported as they refer to processes that are not activated
	Reporting practice	102-55	x	141	-
	Reporting practice	102-56	x	148	-

EPRA TABLES

The environmental, social and governance indicators referred to in IGD's 2018 Sustainability Report are in compliance with the third version of the EPRA guidelines ("Best Practices Recommendations on Sustainability Reporting"), published in September 2017.

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

CORPORATE INDICATORS

ASPECT	INDICATOR	EPRA	GRI STANDARD	UNIT OF MEASURE	2018	2017	DIFFERENCE FROM 2017	COVERAGE	ESTIMATE LEVEL	REFERENCE IN SECTION	REMARKS
ENVIRONMENTAL	Total electricity consumption	Elec-Abs	302-1	annual kWh	40.351.936	40.232.786	0,3%	22/22	0%	Section Green, § 1.1.1, table 1	
	"Like for like electricity consumption"	Elec-LfL	302-1	annual kWh	34.033.348	34.411.090	-1,1%	20/20	0%	Cap. Green, § 1.1.1,, table 1	
	"Total district heating and cooling consumption "	DH&C-Abs	302-1	annual kWh	9.854.866	10.152.693	-2,9%	4/4	0%	Section Green, § 1.1.1, table 2	
	"Like for like district heating and cooling consumption"	DH&C-LfL	302-1	annual kWh	9.854.866	10.152.693	-2,9%	4/4	0%	Section Green, § 1.1.1, table 2	
	Total fuel consumption	Fuels-Abs	302-1	annual kWh	15.215.897	14.685.395	3,6%	14/14	0%	Section Green, § 1.1.1, table 3	
	Like for like fuel consumption	Fuels-LfL	302-1	annual kWh	12.760.703	12.174.141	4,8%	12/12	0%	Section Green, § 1.1.1, table 3	
	Building energy intensity	Energy-Int	302-3	kWh/(m2 common areas+GLA)	136,58	155,87	-12,4%	10/10	0%		Intensity of the 10 Centres where no estimate on car park consumption was carried out in 2017, was also included
					146,95	146,52	0,3%	22/22	31%	Section Green, § 1.1.1, table 5	Energy intensity of all 22 Centres within the absolute boundary. Estimated electricity consumption of 12 Centres' car parks and actual electricity consumption of 10 Centres' car parks were subtracted from the total
	Direct GHG emissions (total) - Scope 1	GHG-Dir-Abs	305-1	tonnes CO2e	2.740	2.645	3,6%	14/14	0%	Section Green, § 1.1.2, table 6	
	Indirect GHG emissions (total) - Scope 2	GHG-Indir-Abs	305-2	tonnes CO2e	18.492	18.535	-0,2%	22/22	0%	Section Green, § 1.1.2, table 6	
	"Direct GHG emissions - (like for like) - Scope 1 "	GHG-Dir-LfL	305-1	tonnes CO2e	2.298	2.193	4,8%	12/12	0%	Section Green, § 1.1.2, table 6	
	Indirect GHG emissions (like for like) - Scope 2	GHG-Indir-LfL	305-2	tonnes CO2e	16.059	16.294	-1,4%	20/20	0%	Section Green, § 1.1.2, table 6	
	Building GHG emissions intensity	GHG-Int	CRES D CRE-3	"Kg CO2e / (m2 common areas + GLA) "	51,25	51,47	-0,4%	22/22	0%	Section Green, § 1.1.2, table 7	
"Total water consumption "	Water-Abs	303-1	m3	526.384	644.053	-18,3%	22/22	0%	Section Green, § 1.1.3, table 8		
Like for like water consumption	Water-LfL	303-1	m3	458.261	481.636	-4,9%	20/20	0%	Section 1.1.3, table 8		
Building water consumption intensity	Water-Int	CRES D CRE-2	m3 / (m2 common areas + GLA)	1,27	1,57	-18,8%	22/22	0%	Section Green, § 1.1.3, table 10		

CORPORATE INDICATORS

ASPECT	INDICATOR	EPRA	GRI STANDARD	UNIT OF MEASURE	2018	2017	DIFFERENCE FROM 2017	COVERAGE	ESTIMATE LEVEL	REFERENCE IN SECTION	REMARKS
ENVIRONMENTAL	Weight of waste by disposal route (total)	Waste-Abs	306-2	tonnes	2.586	2.640	-2,0%	14/22	0%	Section Green, § 1.1.4, table 12	
				of which sent to recycling	1.908	1.966	-3,0%		0%	Section Green, § 1.1.4, table 12	
				of which sent to incinerator	42	42	0,4%		0%	Section Green, § 1.1.4, table 12	
				of which sent to landfill	636	632	0,7%		0%	Section Green, § 1.1.4, table 12	
	Weight of waste by disposal route (like for like)	Waste-LfL	306-2	tonnes	2.586	2.640	-2,0%	14/20	0%	Section Green, § 1.1.4, table 12	
				of which sent to recycling	1.908	1.966	-3,0%		0%	Section Green, § 1.1.4, table 12	
				of which sent to incinerator	42	42	0,4%		0%	Section Green, § 1.1.4, table 12	
				of which sent to landfill	636	632	0,7%		0%	Section Green, § 1.1.1, table 12	
	Type and number of certified assets	Cert-hot	CRE-8	"% of total m2 of portfolio portfolio"	74%	70%	5,7%	17/22	0%	Section Green, § 1.2	

NB: The data and the information contained in this Report are subject to Limited Assurance in accordance with the procedures set out in ISAE 3000 by PricewaterhouseCoopers, which expresses the results, on the basis of the procedures carried out, regarding the compliance of the Sustainability Report with the GRI Standards.

INDICATORI CORPORATE

ASPECT	EPRA CODE	INDICATOR	GRI STANDARD	UNIT OF MEASURE	2018	2017	REFERENCE IN SECTION
ENVIRONMENTAL	Diversity-Emp	% male employees	405-1	%	47%	45%	Section Responsible § 2.1, Table 8
		% female employees		%	53%	55%	
	Diversity-Pay	Pay ratio - Directors	405-2	N	1,11	1,13	Section Responsible § 2.2, Table 11
		Pay ratio - Managerial staff		N	0,97	0,97	
		Pay ratio - Department heads		N	1,00	0,99	
		Pay ratio - Office workers		N	0,98	1,03	
	Emp-Training	Average hours per employee	404-1	N	13,2	14,3	Section Responsible § 1.2, Table 4
	Emp-Dev	% out of total employees	404-3	%	53%	52%	Section Responsible § 1.4, Table
	Emp-Turnover	Number of recruitments	401-1	N	6	11	Section Responsible § 1.1, Table 2
		Number of resignations		N	5	4	
		Recruitment rate		%	4,6%	8,5%	
		Resignation rate		%	3,8%	3,1%	
	H&S-Emp	Injury rate	403-2	Per 1,000,000 hours worked	4,86	9,83	Section Responsible § 3.1, Table 14
		Lost days rate		Per 1,000 hours worked	0,07	0,11	
Absentee rate		%		1,8%	1,8%		
Injuries		N		1	2		
H&S-Asset	% of assets	416-1	%	100%	100%	Section Responsible § 3.2, Table 17	
H&S-Comp	Number of incidents	416-2	N	0	0		
GOVERNANCE	Gov-Board	Number of board members	102-22	N	11	13	Section Ethical, § 1.1
	Gov-Board	Number of Executive Directors	102-22	N	2	2	Section Ethical, § 1.1
	Gov-Board	Number of Independent Directors	102-22	N	7	7	Section Ethical, § 1.1
	Gov-Select	Narrative on process	102-24				Please refer to the Financial Statements, Report on Corporate Governance and Ownership Structure, paragraph 3.4.1. Board of Directors - Appointment and replacement. Pp. 131-132 http://www.gruppoigd.it/en/investor-relations/financial-statements-and-reports/
	Gov-Col	Narrative on process	102-25				Section Ethical, § 1.3

_TABELLA SDGs

Nella seguente tabella sono riportati gli SDGs presenti nel Bilancio 2018, loro corrispondenza con i temi material IGD e il loro riferimento all'interno del documento.

SDGs included in the Report	IGD material issue	Reference in document (subsection)
 <p>3 GOOD HEALTH AND WELL-BEING</p>	<p>Good health and wellbeing</p> <p>Wellbeing and safety</p>	<p>Section Responsible, § 3</p>
 <p>4 QUALITY EDUCATION</p>	<p>Quality education</p> <p>Good employment</p>	<p>Section Responsible, § 1.2</p>
 <p>5 GENDER EQUALITY</p>	<p>Gender equality</p> <p>Gender equality</p>	<p>Section Responsible, § 2</p>
 <p>7 AFFORDABLE AND CLEAN ENERGY</p>	<p>Affordable and clean energy</p> <p>Climate Change</p>	<p>Section Green, § 1.1</p>
 <p>8 DECENT WORK AND ECONOMIC GROWTH</p>	<p>Decent work and economic growth</p> <p>Good employment</p>	<p>Section Responsible, § 1</p>
	<p>Governance, ethics and corruption</p>	<p>Section Ethical, § 1.3</p>
 <p>9 INDUSTRY, INNOVATION AND INFRASTRUCTURE</p>	<p>Industry, innovation and infrastructure</p> <p>Innovation</p>	<p>Section Attractive, § 5</p>
 <p>11 SUSTAINABLE CITIES AND COMMUNITIES</p>	<p>Sustainable cities and communities</p> <p>Climate Change</p>	<p>Section Green, § 1.2 and 2</p>
 <p>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</p>	<p>Responsible consumption and production</p> <p>Climate Change</p>	<p>Section Green, § 1.1</p>
 <p>13 CLIMATE ACTION</p>	<p>Climate action</p> <p>Climate Change</p>	<p>Section Green, § 1.1</p>
 <p>16 PEACE, JUSTICE AND STRONG INSTITUTIONS</p>	<p>Peace, justice and strong institutions</p> <p>Governance, ethics and corruption</p>	<p>Section Ethical, § 1</p>



IMMOBILIARE GRANDE DISTRIBUZIONE SIIQ SPA

**INDEPENDENT REPORT ON THE LIMITED ASSURANCE
ENGAGEMENT OF THE SUSTAINABILITY REPORT 2018**



Independent report on the limited assurance engagement of the sustainability report

To the Board of Directors of Immobiliare Grande Distribuzione SIIQ SpA

We have carried out a limited assurance engagement on the Sustainability Report (hereinafter the “Report”) of IGD Group (hereinafter the “Group”) for the year ended 31 December 2018.

Responsibility of the Directors for the Report

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

Our responsibility

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

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

- comparing the financial information reported in chapter “Introduction: about IGD and brief outline on economic performance” of the Report with the information included in the Group’s consolidated financial statements as of 31 December 2018 on which we issued our audit opinion, in accordance with articles 14 and 16 of legislative decree n° 39 of 27 January 2010, on 18 March 2019;

PricewaterhouseCoopers Advisory SpA

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Società soggetta all’attività di direzione e coordinamento della PricewaterhouseCoopers Italia Srl
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- analysing, through inquiries, the governance system and the process for managing the sustainability issues relating to the Group's strategy and operations;
- analysing the processes underlying the generation, recording and management of quantitative data included in the Report. In detail, we carried out:
 - meetings and interviews with management of Immobiliare Grande Distribuzione SIIQ SpA, IGD Management Srl, Winmarkt Management Srl e WinMagazin SA to achieve a general understanding of the information, accounting and reporting systems in use to prepare the Report, as well as of the internal control processes and procedures supporting the collection, aggregation, processing and submission of the information to the function responsible for the Report preparation;
 - a sample-based analysis of the documents supporting the preparation of the Report, in order to obtain evidence of the reliability of processes in place and of the internal control system underlying the treatment of the information relating to the objectives disclosed in the Report;
- analysing the internal consistency of the qualitative information described in the Report and its compliance with the guidelines identified in the preceding paragraph "Responsibility of the Directors for the Report";
- obtaining a representation letter, signed by the legal representative of Immobiliare Grande Distribuzione SIIQ SpA, on the compliance of the Report with the guidelines identified in the paragraph "Responsibility of the Directors for the Report", as well as the reliability and completeness of the disclosed information.

Our limited assurance work was less in scope than a reasonable assurance engagement performed in accordance with ISAE 3000 (*reasonable assurance engagement*) and, consequently, it does not provide us with a sufficient level of assurance necessary to become aware of all significant facts and circumstances that might be identified in a reasonable assurance engagement.

Conclusion

Based on the work performed, nothing has come to our attention that causes us to believe that the Sustainability Report of IGD Group as of 31 December 2018 has not been prepared, in all material respects, in compliance with the GRI Standards defined in 2016 by the *GRI - Global Reporting Initiative* as disclosed in the paragraph "Methodological preface" of the Report.

Turin, 21 March 2019

PricewaterhouseCoopers Advisory SpA

Signed by

Paolo Bersani
(Partner)

This report has been translated from the original, which was issued in Italian, solely for the convenience of international readers. We have not performed any controls on the Sustainability Report 2018 translation.



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For information and comments on this Report

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