

SUSTAIN20 ABILITY19 Report

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igd **SiG**
SPACES TO BE
LIVED IN

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Letter to stakeholders

// LETTER TO STAKEHOLDERS (GRI 102-14)

Dear Stakeholders,

What we are presenting today is our tenth Sustainability Report. This is a very important milestone for us, it means that we have been working for 10 years to make IGD increasingly sustainable under all aspects: economic, social and environmental. The Company, compared to when we started sustainability reporting, has grown: greater capitalisation, with increased revenues and a higher number of employees. We have defined strategies which have enabled us to improve, over time, all our main sustainability performance indicators, because we believe that a company like ours which intends to be an important and long-lasting player in the retail real estate market, can only operate in a sustainable manner, or rather, one that is capable of producing over time added value for all its stakeholders, without taking short-lived shortcuts.

We believe we have carried out our work successfully, but we also see it as a starting point for what we intend to do in the future. For this reason, in this Sustainability Report we have placed great attention on highlighting our strategic approach and we have taken the opportunity to review our targets from a long-term point of view. Indeed, with this in mind, we have introduced a new section, called «Sustainability strategy».

With regard to this, in 2017 we launched the strategy «Becoming Great», which summarises the Company's commitment to continuously grow in a manner that is «Green, Responsible, Ethical, Attractive, Together». There are three underlying elements: material issues, sustainability risks and future targets.

The definition of the material issues enables us to focus our attention on aspects that are really important both for us and our stakeholders, thus avoiding the use of resources (human and economic) on non-priority targets. We defined these material issues in 2017 and we analyse them every year

to assess their accuracy: currently there are 12, for each of them we have defined the risks and established targets to be reached over the next few years. The definition process of the sustainability risks, carried out in 2019 and presented in this Report, arose from the awareness that the mapping of these (and the subsequent identification of the policies and actions related to them) would enable us to avoid or at least mitigate any negative impacts on corporate business and transform them into positive opportunities.

With regard to future targets, we have stated in this Report what we are doing in order to successfully complete those included in the 2019-2021 Strategic Plan, at the same time, however, we have decided to raise the bar by including targets for 2030. This is an important step for IGD: we want to publicly commit ourselves and actively contribute to a transition towards a “low carbon” economy in the cities where our Shopping Centres are situated.

Furthermore, we intend to continue our relations with you, our stakeholders, in an ethically correct manner and implement all the necessary safeguards so as to be ahead of, or at the very least, comply with the law, both with regard to the way we conduct our business and by positively influencing the context in which we operate. At local level, it is our intention to be not only a landmark for shopping and leisure time but also a generator of economic and social development, becoming known as a place for gatherings and one that satisfies local needs.

We define our targets in a transparent manner, in the same way that we transparently monitor (and will continue to do so) our performance, seeking to continuously adapt our way of reporting to satisfy new standards and requirements. For this reason, starting from this Report, we have decided, in line with the best European practices in our sector, to draw inspiration from and refer to the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD), the aim being to provide you, our stakeholders,

with some useful information in order to assess the Company's approach to climate change.

With regard to climate change, we have highlighted in section «Green» how total energy consumption decreased over the year by 7.1% and how, for the seventh year running, there was a reduction in GHG emissions intensity.

We have calculated that if the structural work and managements actions carried out by IGD over the last few years had not been implemented, our Shopping Centres would have emitted 7,900 tonnes of CO2 more into the atmosphere in comparison with what was actually produced in 2019 (compared to 2012).

These results are the outcome of multi-year planning, which between 2016 and 2019 led us to invest about 10 million euros (3.4 of which just in 2019) in energy efficiency.

We are following with great interest the debate at international level on Nearly Zero-Energy Building: this is one of our targets and we undertake to reach it (as far as is practically possible for us) by 2030 with regard to our Shopping Centres. We are happy to say we are on the right track: the electricity used in our Malls comes exclusively from renewable sources, we are continuing with the installation of photovoltaic panels (8 systems installed in 7 Shopping Centres up to now) and the replacement of traditional lighting with LED lighting systems (change carried out in 19 Shopping Centres, 5 of which alone in 2019). When we decide to enhance a property by means of restyling work, we always do it in a sustainable manner: from 2014 to date, we have taken action on 8 Shopping Centres, focusing in particular on improving their energy efficiency also by utilising eco-sustainable materials.

Environmental certifications play an important role in this process: having 88% of our Italian portfolio UNI EN ISO 14001 certified and 5 of the 8 key assets already Breeam or Breeam in use certified (the certification of the other 3 will reach completion in 2020), is something that guarantees us an

efficient method for the environmental management of our properties.

2019 also witnessed the continuation of two important projects: electric mobility and «Waste 2 Value» concerning circular economy. With regard to the former, we signed an agreement with a specialised company to install 32 EV charging stations in 18 of the Shopping Centres in our portfolio; 10 have already been installed, the rest will be so by the end of 2020. With regard to the latter, following the prototyping and testing phase, we have discovered how it is possible to produce a soil improver by using coffee grounds and orange peel coming from the restaurants/bars in one Shopping Centre. This project will continue in 2020 with the identification of the appropriate ways in which this product can be used by following a circular economy approach within the Shopping Centre itself.

Our commitment to act in a «Responsible» manner towards people continued in 2019. Our corporate workforce grew even more: at the end of 2019 we had 177 employees (counting both Italy and Romania), calling for the creation in IGD of a new role in order to cover specific skills regarding digital innovation. Furthermore, for the third year, the Corporate Welfare Portal was active and updated: 100% of our employees made use of it, bearing witness to the overall appreciation felt by all towards this initiative.

We orient our conduct, as we do that of our stakeholders, to comply with «Ethical» principles and those of legality. For this reason, we decided to voluntarily undertake the process to obtain ISO 37001:2016 certification regarding anti-corruption. Having completed in 2018 the process that led to the certification of our subsidiary Win Magazin (first company certified in Romania), we have now begun the adaptation of the procedures to obtain in 2020 the same result also in Italy. To reinforce our commitment towards responsible business practises and to bear witness to IGD's commitment to implement, disseminate and promote the Ten Principles of the United Nations in the areas regarding human rights, labour, environmental sustainability and anti-corruption, it is our intention in 2020 to become a member of Global

Compact, the world's most important initiative on these issues.

We also proceeded with our primary commitment, which is to constantly make our Shopping Centres «Attractive», increasing their status of «Spaces to be lived in», also by means of an important communication campaign which, on the basis of this concept, portrays the Shopping Centre as a place in which people have the possibility of making their dreams come true; from which the claim “I’m possible, the place without boundaries” arises. This campaign was carried out in 7 Shopping Centres and the outcome in terms of footfall and tenant sales was good. The portrayal of the Centres as «Spaces to be lived in» also continued by way of the organisation of events: we carried out 716, on average one every two weeks, free of charge, inclusive and exclusive, open to all, for a total cost for the Shopping Centres of 3.8 million.

We also intend to continue being attractive by means of the focus we place on constant innovation. The forms of innovation we are currently working on are: technological (with chatbots active in 3 Shopping Centres; social/environmental («Waste2Value» and «Social Borgo»); that regarding services (e-bike charging stations connected to photovoltaic system in Clodi Retail Park and Amazon Lockers in 21 Shopping Centres) and digital (with a new strategy to manage social networks and with focus on digital strategy in 2020).

We continue to carry out our business «Together» with our stakeholders. We engaged with all of them during the year and with several we began an extremely innovative process called «Social Borgo». We wanted to understand if it was possible to replicate inside a Shopping Centre the dynamics of a social street (social phenomenon which originated in Bologna and which is now widespread around many cities, not only Italian ones), by creating a participatory process capable of identifying the needs of a community and of providing responses from a social, cultural, recreational etc. point of view. We decided to launch this process in Borgo Shopping Centre, the long-standing Shopping Centre in Bologna. The project is currently underway and the first

results are positive: the Shopping Centre is becoming established as a civic centre, a place for gatherings and participatory planning. The model will be tested in 2020.

To conclude, we are very pleased to observe how our commitment which began 10 years ago is continuing to produce good results. In reference to one of these, at international level, we are extremely proud to have received for the fifth time running the “EPRA sBPR Gold Award” for our Sustainability Report and to have obtained for the second time the “EPRA BPR Gold Award” also for our Consolidated Financial Statements.

We undertake to keep focusing on this issue, even more so in this day and age where sustainability is at the centre of a worldwide debate. For this reason, it is our intention to continue investing in it, mindful that the work carried out to date enables us to address this debate fully aware that many of the results have already been achieved (and that increasingly demanding targets await us in the coming years).

// The Chief Operating Officer
Claudio Albertini



// The Chairman
Elio Gasperoni







Methodological Preface

// **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) tenth Sustainability Report refers to 2019 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 12 material issues that emerged from the materiality analysis.

The material issues have been grouped together into 5 areas (Green, Responsible, Ethical, Attractive, Together), which represent the 5 sections in this document (for further details on the materiality analysis please refer to section "Sustainability strategy").

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

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

// **Sustainability Report structure**

The Report is divided into two parts:

1. Introduction part, with methodological and strategic references (including reporting on performance with regard to the sustainability targets contained in the 2019-2021 Strategic Plan, the analysis of sustainability risks and focus on the recommendations of the Task Force on Climate Related Financial Disclosures (TCFD));

2. Part regarding performance.

The latter is made up of 5 sections relating to the reporting areas, each of which includes the following information:

- 1.** Main actions carried out in 2019 related to each area
- 2.** Performance in 2019 compared to the previous two-year period
- 3.** Summary of the section content
- 4.** Short, medium, long-term targets for each area

// 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 31.12.19; 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.



The complete list of Shopping Centres, where it is stated if they are excluded from the reporting boundary, can be seen below:

// ITALY

Shopping Centre	Place	Exclusion
Centro Sarca	Sesto San Giovanni (Milan)	
Gran Rondò	Crema (Cremona)	
I Bricchi	Isola d'Asti (Asti)	
Centro Luna	Sarzana (La Spezia)	
Mondovicino	Mondovì (Cuneo)	
Millennium	Rovereto (Trento)	
Clodì	Chioggia (Venice)	
Centro Piave	San Donà di Piave (Venice)	
Conè	Conegliano (Treviso)	
La Favorita	Mantova	
Centro Borgo	Bologna	
Lame	Bologna	
Centro Nova	Villanova di Castenaso (Bologna)	
Darsena	Ferrara	Yes (see previous page)
Leonardo	Imola (Bologna)	
Le Maioliche	Faenza (Ravenna)	
ESP	Ravenna	
Puntadiferro	Forlì (Forlì-Cesena)	
Lungo Savio	Cesena (Forlì-Cesena)	
Porta a mare	Livorno	
Fonti del Corallo	Livorno	
Marema	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

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.

// Changes to historical data

The information 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 in section Together have been restated:

- / Local associations involved (table 5)
- / Other non-profit organisations (table 5)

// References 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 is reported in each section;
- > The third edition of EPRA (“Best Practices Recommendations on Sustainability Reporting”), published in September 2017; 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. This Report reports on the actions carried out by IGD in order to contribute to the achievement of 10 of the 17 Sustainable Development Goals (SDGs) defined by the United Nations. A summary table at the end of this document reports the references in relation to the presence of SDGs in the sections.

// External verification

The data and the information included in this Report are, for the third year running, 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.

// METHODOLOGICAL 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 26 assets included in the reporting boundary are the Italian Shopping Malls and they represent (in number) 96% of the freehold Malls, with a value of 1.96 billion Euros.

The following are not included:

- > Centro Nova, Centro Piave and Fonti del Corallo Shopping Malls (Malls in Master Leasing);
- > Darsena (IGD has no management role);
- > 2018 and 2017 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 is 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 regarding the headquarters and Romania is reported separately. The performance indicators are reported according to two different procedures:

- > Absolute: regarding the entire reporting boundary (26 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 reporting year and the assets that were not open during the entire reporting year (2019) or during the whole year of comparison (2018) are not included. Therefore, the Shopping Malls not included are La Favorita, Lame, Leonardo and Luna, which became part of the IGD portfolio following the acquisition carried out in the month of April 2018, Casilino and Gran Rondò (which underwent restyling work). The Lfl data is calculated exclusively for the years 2019 and 2018.
- > 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 (for further details please refer to «Sustainability strategy»).

The environmental impacts reported concern:

- > Direct energy consumption* (fuel consumption).

The data refers to 16 Shopping Centres that use methane gas for heating. 5 Centres that use district heating, 3 Centres that use heat pumps, Porta a Mare which uses marine geothermal energy and Clodi retail park are not included. The data includes tenants' consumption purchased by the property. The data supplied by the Shopping Centres is in cubic metres and it is taken from the utility bill: 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 26 Shopping Centres and it does not include consumption in the retail parks; there are 5 Centres that use district heating and cooling. In both cases the consumption data is taken from the utility bill.

Direct and indirect greenhouse gas emissions (GHG):

Calculated on the energy consumption of the Centres included within the boundary. Direct GHG 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. Instead 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. Water consumption is taken from the utility bill.

- > Waste

The data referring to 12 Shopping Centres is not available as waste disposal is carried out directly by the Municipalities who 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 to historical data

The 2018 data regarding fuel consumption in one Shopping Centre has been restated; the following indicators have changed compared to what was reported in the 2018 Sustainability Report: fuel consumption Italy (table 3), energy consumption Italy Absolute (table 4), energy intensity Italy (table 5), GHG emissions Italy Absolute (table 6), GHG emissions intensity Italy (table 7).t



- **Introduction: about IGD and brief outline on economic performance**

// 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. Its headquarters are located in Bologna.

The group was founded in 2000 subsequent to the transfer of part of Coop Adriatica's (now Coop Alleanza 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 2019 the portfolio was valued at 2.381 billion euros and it has nearly quadrupled over the years.

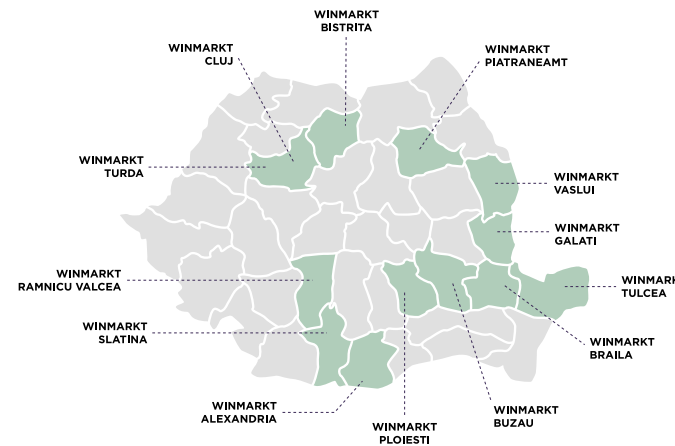


- 60 Property units in
- 12 Italian regions:
- 27 Malls and retail parks
- 25 Hypermarkets and supermarkets
- 1 Property for trading
- 1 Direct development initiative
- 6 Other

// AS AT 31.12.2019 THE SHAREHOLDERS WERE MADE UP AS FOLLOWS:



- 40.92% Coop Alleanza 3.0
- 9.86% Unicoop Tirreno
- 49.22% Free Float



- 14 Malls and
- 1 Office Block in
- 13 Romanian cities

The 3 main activities of the Group are:

1. Property ownership

Being a property company, IGD purchases retail properties, both 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 in order to be in possession, at any given moment, of an optimal portfolio structure by means of a correct asset rotation strategy;

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 to long term by means of:

- > Restyling work, renovations and remodelling work carried out in the spaces, in addition to maintenance activities (ordinary and extraordinary);
- > 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 AS AT 31/12/2019 (GRI 102-7)

Indicator	2019
Number of Employees	135 Italy 42 Romania
Number of activities/ Quantity of products or services	60 property units in Italy and 14 in Romania
Operating revenues	€ 161,642,417
Market capitalisation	€ 684,119,808

The main new developments in 2019 were:

April

> The rating agency Standard & Poor's Global Ratings assigned an "investment grade" rating, "BBB-" with a stable outlook to IGD.

September

The Group signed final contracts with a primary international real estate player with regard to:

> The sale by Porta Medicea S.r.l. (100% subsidiary of IGD Management) of the property "Palazzo Orlando", situated in Livorno and intended for office use;

> The purchase by IGD of a 50% equity share of "Darsena City" Shopping Mall, of which it was already co-owner;

> The purchase by IGD Management S.r.l. (100% subsidiary of IGD) of a 50% equity share in RGD Ferrara 2013 S.r.l. - joint venture - owner since 2013 of the Business Unit operating inside the Property Complex "Darsena City".

October

The rating agency Fitch ratings Ltd ("Fitch") assigned an "investment grade" rating, "BBB-" with stable outlook to IGD.

November

The extraordinary shareholders' meeting approved the proposal for a voluntary share capital reduction from Euros 749,738,139.26 to Euros 650,000,000.00.

On 28th November 2019 IGD issued a new bond for an overall nominal amount equal to Euros 400,000,000.



// 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.

// MEMBERSHIPS 2019

Organisation	Membership with payment of membership fee	Participation in projects and committees	Participation in governance bodies
Assoimmobiliare	X	X	X
Assonime	X	X	X
Consiglio Nazionale dei Centri Commerciali (National Association of Shopping Centres)	X	X	X
Impronta Etica	X	X	
Legacoop Romagna	X		X
Unindustria Bologna	X		
European Public Real Estate Association (EPRA)	X	X	X
ICSC (International Council of Shopping Centers)	X	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 1,833, of which 49% 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 about €22.5 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 (<https://www.gruppoigd.it/en/sustainability/our-approach/csr-governance/>). Furthermore, in 2019 IGD integrated the sustainability risks related to each material issue into its sustainability strategy (see section «Sustainability strategy»)

○ **Sustainability strategy**

// STRATEGY

The Sustainability Strategy, which has been an integral part of business planning since the 2014-2016 Business Plan, is now included in the section “Innovation and operational excellence”, one of the three pillars upon which the 2019-2021 Strategic Plan is based.

In 2017 the Company launched the «Becoming Great» strategy, which summarizes the company’s commitment to constantly grow with a view to being «Green, Responsible, Ethical, Attractive, Together».

The strategy is made up of three elements which make it effectively operational:

1. The material issues

2. The sustainability targets (linked to planning)

3. The risks and related policies/actions

The material issues represent both the cornerstones upon which sustainability planning and strategy is based as well as the areas for sustainability reporting. The relative risks have been identified for each material issue and these risks correspond to policies and actions that the Company is carrying out or will carry out in the next few years.

The logo for "becoming great" features the word "becoming" in a lowercase, sans-serif font. Below it, the word "great" is written in a larger, bold, lowercase, sans-serif font. Each letter in "great" has a small, colored square at its base: 'g' is green, 'r' is purple, 'e' is orange, 'a' is red, and 't' is blue.

// MATERIALITY (GRI 102-32; GRI 102-47; 103-1)

In 2017, for the second time, IGD carried out an analysis to identify its material issues, following the principles contained in the GRI Standards. The aim of this process, which involved various corporate roles, (including the top management for the final approval), was to identify the aspects that were important for IGD and for its stakeholders. This led to the identification of 17 issues, 13 of which were material and 4 important.

Throughout 2018 and 2019 the issues were reviewed by the Sustainability Committee based on results obtained from stakeholder engagement, issues emerging in the real estate sector and findings published by specialised and non-specialised press. It was in this way that the current 12 issues were identified.

More specifically:

2018

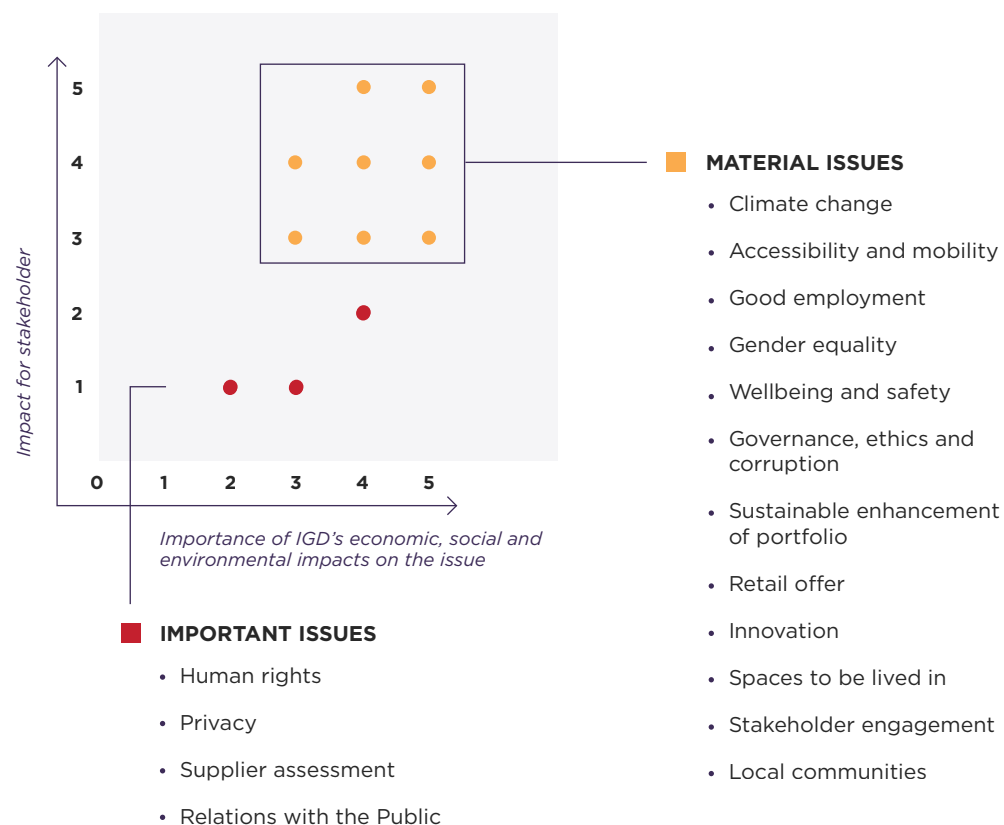
/ The issue «health and safety» was changed to «wellbeing and safety», in order to better portray the target of wellbeing contained in the 2019-2021 Strategic Plan.

2019

/ The issue «trend analysis» was eliminated as it was considered, to all intents and purposes, to be an operational/work aspect of IGD. The contents that characterise it have been included in various parts of this Report.

/ The name of the issue «enhancement of the portfolio» was changed. In order to highlight the extent to which sustainability is an integral part of IGD's operating method also with regard to its properties, the issue was changed to «sustainable enhancement of the portfolio».

// MATERIALITY 2019



// SUSTAINABILITY TARGETS

The sustainability targets included in the 2019-2021 Strategic Plan can be seen below, along with what was achieved in 2019

Aspect	Target	2019 progress update	Aspect	Target	2019 progress update
GREEN Environmental certifications	ISO 14001 for 95% of the portfolio	3 Shopping Centres certified in line with roll out plan	RESPONSIBLE	Continuous updating of the corporate Welfare system	Updating of the welfare portal with new proposals
	BREEAM IN USE (at least "Very Good" level) for 5 other Shopping Centres	2 out of the 5 Shopping Centres foreseen in the plan timespan certified		Monitoring of internal atmosphere and definition of follow up actions	Internal atmosphere assessment expected by end of 2021
GREEN 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)	3.388 million euros invested in 2019		Continuation of projects regarding the safety of structures (anti-seismic improvement measures, anti-ram bollards)	Projects continued as per roll put plan
	Continuation of the installation of photovoltaic system	System installed covering car park in ESP			
GREEN Sustainable mobility	Actions regarding electric mobility	Agreement signed to install 32 charging stations in 18 shopping centres by end of 2021: 10 charging stations already installed in 2019			
GREEN Circular economy	Transition from the experimental phase to the operational one of the Waste2Value project and assessment of other projects on this issue	The operational aspects regarding the development of the project are in the process of being defined			

// SUSTAINABILITY TARGETS

Aspect	Target	2019 progress update	Aspect	Target	2019 progress update
ETHICAL	Anti-corruption certification project	ISO37001 procedures defined. Awaiting certification	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.	Study carried out by research institute expected by September 2020
	Maintaining of Legality Rating with the maximum score possible (3 stars)	Rating confirmed with the maximum score in 2018, awaiting next expiry date			
ATTRACTIVE	Exclusive, inclusive events	223 events carried out, of which 13.1% social events			
	Cooperation with the local community	272 local associations involved. Social Borgo project launched			
	Study and definition of measures to foster wellbeing in the Shopping Centres	Project underway			

// SUSTAINABILITY RISKS AND THE POLICIES RELATED TO THEM (GRI 103-2; 103-3)

The risks related to sustainability affect IGD's business; some of these (regarding climate change, ethics, good employment and health and safety) are considered to be of such importance as to be included in Enterprise Risk Management system (see <https://www.gruppoigd.it/en/governance/internal-control-and-risk-management-system/>) The following table shows all the non-financial risks, the policies identified and the indicators used to monitor the effectiveness of the actions undertaken.

Material issue	Why the issue is material	Risks and possible impacts	Associated policies and action plans	Main associated indicators
Climate Change	The Shopping Centres, by their very nature, are 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 Centres and in the management of the structures themselves	Increase in consumption and energy costs and damages to assets due to unexpected environmental factors (flooding, temperature increase)	Structural actions (photovoltaic systems, LED lighting systems) and asset analysis aimed at fostering both energy efficiency of the structures and resilience to weather conditions	<ul style="list-style-type: none"> > Investments in energy efficiency (insurance, certifications, technical assessments) and in the prevention of damages caused by flooding > No. of photovoltaic systems installed > % of energy from photovoltaic systems of out of total electricity consumption > Number of Shopping Centres equipped with led lighting
		Increase in management costs linked to a lack of control over energy and water consumption	<ul style="list-style-type: none"> > Continuous monitoring of electricity consumption by means of divisional meters and monthly internal reporting > Management actions also in line with UNI EN ISO 14001 and BREEAM certification requirements 	Number of divisional meters
		Sanctions related to the increasingly stringent environmental regulations	EMS (Environmental Management System) UNI EN ISO 14001 certified both with regard to the headquarters and to 20 Shopping Centres	Environmental sanctions due to non-compliance with the law
		Reputational fall due to a lack in management /investments with regard to environmental issues	<ul style="list-style-type: none"> > UNI EN ISO 14001 certification (continuation of the project which will lead to the certification of 95% of the portfolio) > Breeam and Breeam in Use certification obtained for key assets. The possibility for other Shopping Centres to be certified is currently under assessment > Investments to improve energy efficiency > 100% energy from renewable sources > Awareness raising activities regarding visitors, tenants and employees > Circular economy: Waste2Value project 	<ul style="list-style-type: none"> > % of portfolio UNI EN ISO 14001 certified > Number of Shopping Centres Breeam and Breeam in Use certified > € invested to improve energy efficiency
		Low ESG ratings	Participation in sector and non-sector ESG questionnaires, with definition of improvement targets	Score of extra-financial rating (CDP, Vigeo, ISS, MSCI)
Accessibility and mobility	IGD is committed to developing both easy access for vehicular traffic around a Shopping Centre as well as the new trends for sustainable mobility. It is committed therefore 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	Impossibility of satisfying the different needs in terms of mobility of the various target visitors (with reputational falls and drop in visitors)	Actions regarding electric mobility	Number of EV charging stations for cars and bicycles installed
		Non-compliance with the introduction of legislation regarding the compulsory installation of EV charging stations	Feasibility project to promote cycling is currently under assessment	% of Shopping Centres reachable by bicycle

// SUSTAINABILITY RISKS AND THE POLICIES RELATED TO THEM (GRI 103-2; 103-3)

Material issue	Why the issue is material	Risks and possible impacts	Associated policies and action plans	Main associated indicators
Good employment	IGD is committed to fostering "good employment", where continuous skills development and the promotion of these are two of its main undertakings	Low attractiveness with regard to new talent	New approach in the recruitment section on the website and use of social media	Number of CVs inserted in the specific section on the website or arrived by means of social networks
		Difficulty in intracompany communication	Training programme aimed at improving internal communication was defined	Number of employees involved in training programme
		Increase in staff turnover	<ul style="list-style-type: none"> > Corporate Welfare Plan aimed at all employees on permanent contracts > Monitoring of internal atmosphere and definition of follow up actions 	<ul style="list-style-type: none"> > Outgoing turnover > Number of employees involved in Corporate Welfare > Corporate Welfare utilisation rate > Rate of participation in internal atmosphere assessment
		No updating of skills in comparison to the evolution of the sector and of the regulations	Implementation of training programmes for professional development	<ul style="list-style-type: none"> > Average hours of training per employee > Percentage of revenues invested in training > Costs incurred for training
Gender equality	As described in the Corporate Code of Ethics, the Company confirms its actions and activities to the principle of impartiality with regard to its employees, guaranteeing full compliance with the principle of equal opportunities	Non-compliance with legislation	Impartiality towards all employees and guarantee of equal opportunities (as described in the Code of Ethics)	Breakdown of staff by gender and position
		Reputational fall linked to the failure to comply with corporate values		Ratio between basic salary + occupational allowance for females compared to males
Wellbeing and safety	IGD acts in such a way as to ensure that the employees (its own and those of its tenants) work in the best possible conditions, in compliance with all the legal requirements and with full respects 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	Inability to guarantee a safe environment for those that experience the Shopping Centre life	<ul style="list-style-type: none"> > Every year the Prevention and Protection Service Manager carries out an inspection to assess the safety measures in place, after which a report is drawn up stating compliance/non-compliance > Specific projects: lifelines (safety routes and fall protection systems created in all the Shopping Centres), anti-ram bollards (installation of fixed or retractable anti-ram posts), anti-seismic (voluntary project regarding the anti-seismic improvement of the structures launched, with the experimentation of innovative technology) 	<ul style="list-style-type: none"> % of assets where impacts on health and safety are assessed or inspected with regard to compliance or improvement throughout the year
		Non-compliance with legislation	Safety at Work Management System adopted, in accordance with article 30 of Consolidated Safety act 81/2008	<ul style="list-style-type: none"> > Number of training hours on safety provided > Number of people involved in training on safety > Costs incurred for training on safety
		Increase in injury at work rate (with repercussions on corporate efficacy)	Training on safety: general training for new employees, refresher course every five years for workers, refresher course for Workers' Safety Representatives; Fire prevention course	<ul style="list-style-type: none"> > Number of training hours on safety provided > Number of people involved in training on safety > Costs incurred for training on safety
		Shopping Centres lacking in comfort, resulting in a reduction in the number of visitors and average time spent there	<ul style="list-style-type: none"> > Monitoring of satisfaction in terms of wellbeing within the Shopping Centres by means of customer satisfaction surveys > "Wellbeing Project" is currently under assessment 	Average satisfaction regarding wellbeing from Customer Satisfaction surveys

// SUSTAINABILITY RISKS AND THE POLICIES RELATED TO THEM (GRI 103-2; 103-3)

Material issue	Why the issue is material	Risks and possible impacts	Associated policies and action plans	Main associated indicators
Governance, ethics and corruption		Lack of counter measures against corruption with legal implications and impact on reputation	<ul style="list-style-type: none"> > IGD guarantees compliance with the laws in force by abiding by the protection measures included in the Organisational Model ex Legislative Decree 231/01 > UNI ISO 37001 - Anti Bribery management Systems certification obtained for its Romanian subsidiary Win Magazin SA > The procedure to obtain UNI ISO 37001 - Anti Bribery management Systems certification in Italy was concluded > IGD obtained the Legality Rating awarded by the Antitrust Authority (AGCM) with the maximum score 	Obtaining Iso 37001 certification
	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 wich it operates	Reputational risk in the event of non-compliance with the Code of Ethics	Implementation of system for reporting breaches (so-called Whistleblowing) of the principles of the Code of Ethics and/or of the operating procedures wich make up the Organisational, Management and Control Model adopted by IGD in accordance with Legislative Decree 231/2001	Number of reports received by the Compliance Committee
		Impossibility of keeping the members of the Board of Directors up-to-date	<ul style="list-style-type: none"> > Promotion of seminars so thoroughly examine issues relating to the role of Director > The "Board review", a self-assessment process for the Board of Directors to assess their own performance, was assigned to the Independent consultancy firm Egon Zehnder. 	Number of initiatives carried out during the term of office
		Data breach	<ul style="list-style-type: none"> > IGD became aligned with the GDPR Regulation, with the purpose of ensuring its stakeholders that the data they provide to the Company is properly protected > Cyber Security: IGD 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. The entire workforce received training on this issue 	Number of data breach cases received during the year

// SUSTAINABILITY RISKS AND THE POLICIES RELATED TO THEM (GRI 103-2; 103-3)

Material issue	Why the issue is material	Risks and possible impacts	Associated policies and action plans	Main associated indicators
Sustainable enhancement of the portfolio	In order to be constantly competitive, the Shopping Centres need to be continuously adapted. For this reason, IGD plans actions aimed at enhancing its portfolio, and sustainability takes on an important role becoming one of the main drivers in the planning and construction of a new Centre, as it is during restyling and extension work.	Reduction in the attractiveness of the structures with possible results being a decrease in footfall, marketing difficulties and a decrease in investor interest	Sustainability as an integral part of restyling work and extensions in all the Shopping Centres where restyling work and extension are carried out	Number of Shopping Centres in which sustainability activities have been carried out during restyling work/extension since 2014 (when the first restyling work was carried out in IGD Centres)
Retail offer	To ensure the quality of the retail offer available in its Shopping Centres, IGD continuously updates its merchandising and tenant mix, in order to meet the visitors' needs and new consumer trends	Difficulty in indentifying and introducing appealing tenants	Management of existing tenant portfolio and scouting to identify new brands	<ul style="list-style-type: none"> > New brands introduced each year > % of new brands out of brands under contract during the year
Spaces to be lived in	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 recreational events to solidarity ones, with particular focus on the local area	Inability to offer the visitors other drivers with regard to choice, in addition to the retail offer	Carrying out events that unite the ability to attract large gatherings with that of messages on social issues, also organised in cooperation with NGOs and NPOs	% of social-environmental events
Innovation	In order to constantly remain in line with the evolution of trends, IGD works continuously to innovate its spaces and the services offered	<p>Inability to respond to e-commerce impact</p> <hr/> <p>Inability to seize the opportunities offered by the development in technology</p> <hr/> <p>Impossibility of offering visitors fresh and updated reasons for using the Shopping Mall</p>	Innovation Project launched in 2016 with annual planning, implementation, monitoring and fine tuning phases	<p>Number of new projects planned during the year</p> <hr/> <p>Number of new projects carried out during the year</p>

// SUSTAINABILITY RISKS AND THE POLICIES RELATED TO THEM (GRI 103-2; 103-3)

Material issue	Why the issue is material	Risks and possible impacts	Associated policies and action plans	Main associated indicators
Stakeholder engagement	Stakeholder engagement makes it possible for IGD to establish a dialogue with its interlocutors aimed at understanding ongoing changes	Investing in activities that are not material for the stakeholders and/or not guaranteeing a suitable offer due to lack of information regarding their expectations	<ul style="list-style-type: none"> > Creation of an engagement plan involving all the stakeholders, both with regard to business issues and with those relating more to social responsibility > Listening Project was defined aimed at visitors and non-visitors to the Shopping Centres 	<ul style="list-style-type: none"> > Meetings with banks and financiers > Individual concence calls, one to meetings, roadshows for investors and analysts, participation in sector conferences, field trips > Participants in conference calls > Total and new insitutional investors > Shopping Centres under analysis > Tenants met
Local communities	The Shopping Centre not only takes on a significant role regarding shopping, but also becomes a producer of economic development and place in wich to get together for the local community	Being perceived as an "outsider" compared to the local community	<p>IGD is committed to having a positive impact on the local community in three ways:</p> <ul style="list-style-type: none"> > Employment, with regard to those that work there and to the suppliers. On this subject, the corporate policy of supplier rotation is aimed at favouring local suppliers especially with regard to those services where the knowledge of the local area, speed of execution and physical presence on site are a competitive advantage > Commercial: IGD is committed to introducing into its Malls those tenants that are more appealing at local level, in line with the location of the Shopping Centre in its catchement area > Social/meeting place: Each Centre operates so that contact with the local community is heightened and intensified over time, the aim being to enhance and favour inclusiveness <hr/> <p>The project "Social Borgo, towards a collaborative Shopping Centre" was promoted with the aim of enhancing the community role of Borgo Shopping Centre in Bologna within the urban area in which it is situated</p>	<ul style="list-style-type: none"> > Number of people employed in the IGD Shopping Centres > % of local suppliers out of total suppliers > Weight of local tenants on IGD's total revenues > % of local events out of total > Number of local associations received in the IGD Centres > Sponsorship and donations made by the Consortiums to local bodies and associations for events (€)

// FOCUS RECOMMENDATIONS OF THE TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES (TCFD)

Starting from this Sustainability Report, IGD draws inspiration from and refers to the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD, <https://www.fsb-tcfd.org/publications/final-recommendations-report/>) the aim being to provide its stakeholders with some useful information in order to assess the Company's approach to climate change, examining in detail the 4 required areas: governance, strategy, risk management and metrics/targets related to this issue.

// Governance

Describe the Board's oversight of climate-related risks and opportunities.

Every year the Board of Directors analyses the entire Enterprise Risk Management process (which IGD adopted in 2010) and assesses the risk trends. Sustainability is an integral part of this system: All the risks are included in the ERM model and are subjected to constant control with the help of specific risk management models.

Furthermore, every year the Board of Directors approves the Sustainability Report, which includes an assessment of the trend regarding ESG risks.

In addition, in this Sustainability Report, the Company has reported for the first time, the specific risks for each of its material issues, including climate change. The policies and the actions undertaken to eliminate, reduce or mitigate the impacts are associated to each risk (and also reported).

Describe the management's role in assessing and managing climate-related risks and opportunities.

IGD established an across-the-board Sustainability Committee, made up of 5 people covering the roles of 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. The role of the Committee is to formulate proposals regarding strategies and targets and the operational application of these.

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.

The Sustainability Committee reports to the Operating Management, made up of the Chairman, Chief Executive Officer, Chief Operating Officer and the Directors of the various Divisions/Services. With regard to sustainability, it defines the strategies and the guidelines.

// FOCUS TCFD

// Governance

The Sustainability Committee meets periodically and analyses, with regard to climate change, the progress of specific projects (certifications, environmental measures taken by the Shopping Centres etc.) and any possible new projects. When required, the decisions made by the Committee are taken to the Operating Management.

// Strategy

Describe the climate-related risks and opportunities the company has identified over the short, medium and long term.

IGD, operating in a field in which the structures (the shopping centres) have a duration lasting many years, considers 0-5 years as short term, 5-10 as medium term and over 10 years as long term.

In the short term, the bigger risks are related to extreme and unexpected weather conditions, the number of which is on the increase. Amongst these, those that have a greater impact on the functioning of IGD's assets are very intense rainfalls, heatwaves and flooding. With regard to opportunities, the Company identifies one as being the possibility of taking action on the properties, increasing their value and their appeal for its

stakeholders, another opportunity is to be able to make use of European and national public financing aimed at reducing climate change impacts.

In the medium term, IGD identifies the changes in legislation as a risk and an opportunity, with the coming into force of legislations like the Energy Performance of Buildings Directive which includes, amongst others, the definitions of Net Zero Energy Building and relevant obligations starting from 2021.

One of the opportunities is that of reducing environmental impact related to vehicular traffic thanks to the increase in electric mobility (in which it is worthwhile investing in order to promote the creation of an EV charging network).

In the long term, the main risk identified by IGD is that of not having been able to operate in the previous decade with a view to progressively decreasing its environmental impact, ending up with energy-intensive structures. The biggest opportunity is related to the possibility of having been able to continue modernising its portfolio with a low environmental impact resulting in a reduction in operating costs (also linked to the volatility of energy prices).

// FOCUS TCFD

// Strategy

Describe the current and potential impacts of climate-related risks and opportunities on the company's economic activity, strategy and financial planning.

IGD, as a property owner, has been committed, for several years now, to understanding how to reduce its environmental impacts and the effect climate change has (and will have) on its portfolio.

For these reasons, from a financial point of view, the Company began investing in its assets, starting from the 2015-2018 Business Plan, in order to increase energy efficiency. 6 million euros were invested during the timespan of that Plan, leading to an improvement in environmental performance (-5% energy intensity during the period). With the 2019-2021 Plan, the Company intends to invest a further 5 million euros to continue its commitment regarding certifications (ISO 14001 and Breeam in Use), relamping, photovoltaic systems and structural measures (refrigerator units or insulation). These investments were also a result of the desire to progressively reduce costs for the Shopping Centre tenants who are exposed to an increased volatility in energy prices, (result achieved considering that between 2013 and 2019 the tenants in the IGD Malls saved overall about 1.1 million euros).

Although IGD's commitment to issues related to climate change is being constantly updated, several actions aimed at limiting the risks have already been identified:

- > With regard to the short-term risk, represented by the increase in unexpected environmental events, IGD renegotiated the conditions regarding flooding with its insurance company and it cooperated in the European project «Derris» the purpose of which was to provide businesses with the necessary tools to reduce risks related to extreme climatic events.
- > With regard to the medium-term risk, represented by the legislative incentive to work towards zero environmental impact buildings, IGD introduces measures to increase the energy efficiency of its Shopping Centres during restyling work and it signed an agreement with its electricity supplier to ensure that all the Shopping Centres' electricity supply comes exclusively from renewable energy sources.
- > With regard to the opportunity offered by electric mobility, IGD has started to install EV charging stations for cars and bicycles in 18 Shopping Centres.

// FOCUS TCFD

// Strategy

Describe the resilience of the company's strategy taking into consideration different climate-related scenarios including a 2° C or lower scenario.

As stated before, IGD's properties are subject to risks related to climate change (starting with heatwaves which can result in a staggering increase in energy costs and GHG emissions). To deal with this problem, the Company has initiated a voluntary process increasingly integrating sustainability strategies in corporate business. For this reason, it decided to renovate about 40% of its Shopping Centres during the 2014-2020 period adopting a green approach: the result of the work carried out and that in the pipeline is to make the assets even more resilient, with structural work reducing environmental impact. Currently, therefore, IGD has a young property portfolio (with an average age, taking into consideration restyling work, of 7 years), equipped with high-performance systems in upgraded structures. IGD decided to associate important management measures to the above structural work, by deciding to «UNI EN ISO 14001» certify the entire portfolio and to «Breeam In Use» certify an increasing number of assets. This commitment enables continuous improvement actions to be identified, making the structures increasingly resilient with regard to the ongoing changes.

In order to conduct objective assessments on ordinary and extraordinary actions to be carried out following a green approach, IGD created an Environmental Index, where each Shopping Centre is assigned a score.

Furthermore, participation in international work groups ensures that it is possible for the Company to measure itself with its peers in the real estate sector with regard to risks and opportunities related to climate change. This commitment is accompanied by the continuous monitoring of scenario analysis that the most important national and international research institutions are currently carrying out on this issue, with the aim of adapting the analysis to better suit the competitive context in which it operates: at international level it assesses the findings in the «Global Warming of 1.5°C» Report, drawn up by the Intergovernmental Panel on Climate Change (IPCC), at national level it uses the findings in the «National Strategy of Adaptation to Climate Change» issued by the Ministry for the Environment to understand what is happening and what is expected to happen in Italy; it also analyses specific real estate content like the report by Urban Land Institute regarding «Climate risk and real estate investment decision-making».

// FOCUS TCFD

// Risk management

Describe the company's organisational processes for identifying and assessing climate-related risks.

Risks related to climate change are identified and assessed within Enterprise Risk Management (ERM), as described in section 3 of this Report. Identification is carried out by means of specific meetings with the Managers in charge of the Company's main operating and functional areas. Climate change falls within the risk «Catastrophic natural events (earthquakes, flooding, dioxin contamination) and damages to property caused by third parties». IGD assesses this as an «operational risk» and, like the other corporate risks, it is assessed on the basis of the two variables «impact» and «probability» and on the expected safeguard mitigation measures.

Describe the company's organisational processes for managing climate-related risks.

Like the other corporate risks, also those related to climate change are prioritised on the basis of three drivers:

Crossover aspect: Ability of the risk to impact other risks and expand to other corporate areas.

Velocity: Time it takes for the risk to have a significant impact on the Company's business.

Recovery: Company's ability to return to its initial state, to that before the shock.

Following the assessment carried out every year by the bodies appointed by the Company, in 2019 the risk related to climate change resulted as being amongst the top 10 most important for IGD and, like the other 9, it falls within the area “to be monitored” in the matrix that assesses the risk level and control level. For further details on how the risk control system works please refer to the corporate website:

<https://www.gruppoigd.it/en/governance/internal-control-and-risk-management-system/>

Describe how processes for identifying and assessing climate-related risks are integrated into the company's overall risk management.

The risks related to climate change are an integral part of Enterprise Risk Management (ERM) and are subjected to the same identification, control and monitoring system.

This process, since 2019, has been flanked by the publication of the risks related to the individual material issues (of which climate change is an integral part), as stated in the previous paragraph. They are not included in ERM but they represent a guiding element in the definition of the Company's policies and operating actions.

// FOCUS TCFD

// Metrics and target

Describe the metrics used by the company to assess climate-related risks and opportunities in line with its strategy and risk management process.

Every year IGD, in its Sustainability Report, gives an account of its consumption and intensity with regard to energy, greenhouse gas, water and waste in compliance with the international reference standard (GRI Standards) and with EPRA's «Best Practices Recommendations on Sustainability Reporting». The indicators and performance are described in section 1.1 of this Report and they are presented alongside those of the previous two years so that a comparison can be made and a historical time series can be highlighted.

Disclose Scope 1 and Scope 2 and, if appropriate, Scope 3 GHG emissions and the related risks.

IGD, in its Sustainability Report, publishes both GHG emissions (in Tonnes Co2e) and GHG emissions intensity from building energy consumption (in Kg CO2e/m2 common areas + GLA) both Scope 1 and Scope 2, for Italy and for Romania (see section 1.1 of this Sustainability Report).

Describe the targets used by the company to manage climate-related risks and opportunities and performance against these targets.

All the information regarding the targets and the level of achievement of these are reported in in the previous paragraphs of this Report.

In the 2019-2021 Strategic Plan, sustainability is included in the section «Innovation and operational excellence», one of the 3 pillars upon which the Plan is based. The aspects related to climate change are one of the 12 material issues for IGD. The targets identified regard the following aspects:

- > **Environmental certification**
- > **Actions to reduce consumption**
- > **Sustainable mobility**
- > **Circular economy**

// INTERNAL ORGANISATION OF CSR (GRI 102-32)

3 bodies are involved in Corporate 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 defines the strategies and recommends the guidelines.
Board of Directors	https://www.gruppoigd.it/en/governance/board-of-directors/	It is the promoter of the Company's commitment to CSR, it approves the strategy and the Sustainability Report (since 2015) by assessing the social-environmental performance annually.

The following issues were dealt with in 2019 during the meetings held by the Sustainability Committee:

- > Communication regarding sustainability: guidelines and operational developments
- > Process regarding environmental certifications (ISO 14001 and Breeam In Use)
- > Progress report on work regarding the installation of EV charging stations
- > Discussion regarding the most important issues that emerged from IGD's participation in national and international organisations on CSR issues
- > Definition of new features regarding the 2019 Sustainability Report
- > Updates regarding the indices and ratings in which IGD is involved: results obtained and operating methods to manage them internally

// PARTICIPATION IN NATIONAL AND INTERNATIONAL ORGANISATIONS AND EVENTS ON SUSTAINABILITY



IGD has been a member of the EPRA Sustainability Committee since 2018.

In 2019 it participated in two meetings organised in Marseilles and London.

The main issues discussed were:

- > Activities of the association on sustainability (sBPR, Epra database, relations with TCFD);
- > Updates regarding European regulations with impact on CSR.



IGD has been a member of the ICSC Sustainability Group since 2015; in 2019 it participated in three meetings organised in Brussels, Barcelona and London.

Issues discussed:

- > New projects created within ICSC on environmental issues;
- > New opportunities and important issues regarding CSR.



IGD has been a member of Impronta Etica (www.improntaetica.org) since 2010. In 2019, alongside other activities, the association was the promoter of a workgroup amongst its members on the issue «plastic free», in which IGD took part.

UNIVERSITY LECTURES AND TESTIMONIES

> University of Bologna:

testimony on the issue «Strategic approach to sustainability»

> University of Ferrara:

speech on the importance of sustainability within corporate business

> Cà Foscari University (Venice):

lecture held on «Strategic (social) innovation» during the course «Introduction to corporate sustainability» organised by the University in cooperation with Manageritalia and aimed at national companies

// INTERNATIONAL RECOGNITIONS AND BENCHMARKS



IGD received the «**EPRA BPR Gold Award**» for the 5th year, for its 2018 Sustainability Report.



A score of 2 was obtained for Environment, 4 for Social and 2 for Governance, in a range from 1 (highest score) to 10.



IGD received the «**EPRA BPR Gold Award**» for the 2nd year, for its 2018 Consolidated Financial Statements.

RATING AGENCIES
SPECIALISED IN CSR

In 2019 IGD underwent independent assessments carried out by 3 other agencies.

STOCK MARKET
INDICES

IGD is included in 5 stock market indices with focus on sustainability (in 2018 it was included in one index).



Score obtained: D. 2021 target: return to score C, sector average and IGD standard since 2016.



green



“ For us a “green” Shopping Centre is green through and through. It is a concept that regards several aspects (eco-efficiency, waste sorting, materials etc.), it concerns both the interior and exterior of the Malls, both the structural parts and how they are managed. Our idea is that by taking action on the buildings following the rationale of sustainability means both contributing to the environment and improving liveability inside the structures. ”

Roberto Zoia

Director of Asset Management, Development and Network Management

// WHAT WE HAVE DONE

- > 1 photovoltaic system installed over part of the external car park at ESP Shopping Centre (Ravenna). Currently there are 8 photovoltaic systems installed in 7 Shopping Centres.
- > BREEAM in use certification was obtained in 2019 for two key assets: Esp and Puntadiferro Centres. Currently there are 4 key assets Breeam in use certified and 1 Breeam certified.
- > UNI EN ISO 14001 certification was obtained in 2019 for 3 Shopping Centres. Currently 20 Shopping Centres have obtained and maintained this certification, corresponding to 88% of m2 of the portfolio.
- > Relamping work carried out with LED technology in 5 Shopping Centres.
- > 10 EV charging stations installed in 5 Shopping Centres (there will be 32 in 18 Centres by the end of 2020).

1.1 CLIMATE CHANGE

// 1.1.1 IGD'S COMMITMENT TO REDUCE ENVIRONMENTAL IMPACTS

// Actions carried out

IGD works on 6 aspects to improve the energy performance of its portfolio and to mitigate its environmental impact.

In 2019 the Group invested 3.4 million euros in actions to improve the environmental sustainability of its structures.

Aspect	Actions carried out in 2019	Impact
Photovoltaic	<p>A photovoltaic system was installed covering part of the car park in ESP Shopping Centre (Ravenna). With the power installed peaking at 726.75 kW, about 840,000 Kwh of electricity can be generated every year. This system, in addition to ensuring a saving for the tenants in terms of energy consumption, also offers greater comfort to the visitors as they can make use of 340 free-of-charge covered parking spaces. There are currently 8 photovoltaic systems installed in 7 Shopping Centres, with overall power equal to 2.1 MWp.</p>	<p>-30% intensity per m2 in 2019 electricity consumption in the Centres equipped with fully operational photovoltaic systems compared to the rest of the portfolio.</p> <hr/> <p>1,584 Mwh produced from renewable sources.</p>
Led technology lighting	<p>Relamping carried out in Malls, car parks and exterior signs in 5 Shopping Centres: Gran Rondò and Fonti del Corallo (during restyling work in the Mall), La Torre, Puntadiferro and Tiburtino. Currently there are 19 IGD Shopping Centres equipped with LED technology lighting systems.</p>	<p>-22.8% regarding consumption related to lighting*.</p> <hr/> <p>In 2017 IGD obtained white certificates (Energy Efficiency Certificates) for the saving generated by the LED lighting system in Sarca Shopping Centre. The economic benefit, which lasts for five years, amounts to, in the three year period, €71,800.</p>

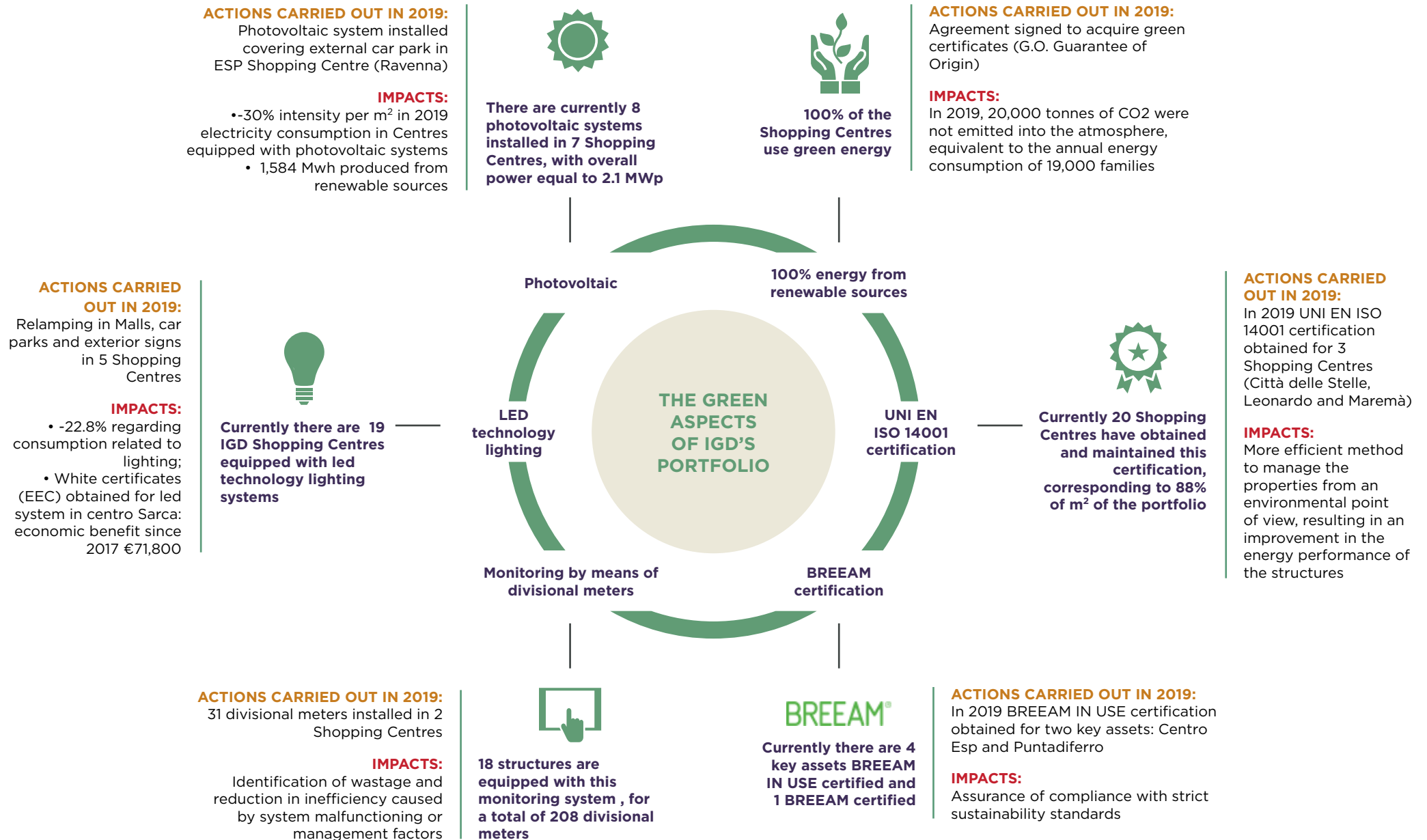
**Source: Research commissioned by IGD to an external company to verify the real reduction in consumption in the Shopping Centres in which these types of action have been taken, comparing the actual pre and post relamping lighting consumption.*

Aspect	Actions carried out in 2019	Impact
100% Energy from renewable sources	<p>Following the agreement signed by IGD with its supplier to acquire Green Certificates (G.O. Guarantee of Origin), since 2017 all the IGD Shopping Centres' electricity supply has come exclusively from renewable energy sources. The 2018 energy mix (latest available) certified by the supplier was made up as follows: biomass energy (87.79%), wind power (11.64%), hydropower (0.4%) and solar power (0.17%).</p>	<p>Thanks to the use of green energy, in 2019 20,000 tonnes of CO₂ were not emitted into the atmosphere, equivalent to the annual energy consumption of 19,000 families.</p>
Management and environmental certifications (GRI CRE8)	<p>In 2019, UNI EN ISO 14001 certification was obtained for 3 Shopping Centres (Città delle Stelle, Leonardo and Maremà). Currently 20 Shopping Centres have obtained and maintained this certification, corresponding to 88% of m² of the portfolio. In 2019 IGD worked hard in order to obtain this certification, as programmed, for 4 Centres in 2020: Casilino, La Favorita, Centro Lama and Centro Luna. In the event of a positive outcome, there will be 24 Shopping Centres certified (in addition to the headquarters), corresponding to 95% of m² of the portfolio.</p> <hr/> <p>In 2019 BREEAM IN USE certification was obtained for two key assets: Centro Esp and Puntadiferro. Currently there are 4 key assets BREEAM IN USE certified and 1 BREEAM certified. During the year the process to obtain certification for the other 3 key assets was initiated: Conè, Leonardo, Le Porte di Napoli.</p>	<p>More efficient method to manage the properties from an environmental point of view, resulting in an improvement in the energy performance of the structures.</p> <hr/> <p>Assurance, also for external stakeholders, of compliance with strict sustainability standards and the absence of environmental problems regarding the certified assets.</p>

Aspect	Actions carried out in 2019	Impact
Energy efficiency improvement measures	<p>Energy efficiency improvement measures carried out on the air-conditioning systems in 3 Shopping Centres (Casilino, Esp and Tiburtino).</p> <hr/> <p>Inverters installed on the escalators in 1 Shopping Centre (Lungosavio).</p> <hr/> <p>Air door system installed in 1 Shopping Centre (Lame).</p> <hr/> <p>Cooling unit replaced in the multiplex cinema in Città delle Stelle.</p> <hr/> <p>Agreement signed to activate CCHP (trigeneration) system in Centro Sarca: the system will be active from winter 2020.</p>	<p>Reduction in electricity consumption, resulting in a decrease in CO2 emissions in the atmosphere.</p>
Monitoring by means of divisional meters	<p>31 divisional meters installed in 2 Shopping Centres. 18 structures are equipped with this monitoring system, for a total of 208 divisional meters, ensuring continuous monitoring of electricity consumption.</p> <hr/> <p>In 2019 IGD, in cooperation with CEE (Consorzio Esperienza Energia), worked on the creation of a model for the remote analysis and monitoring of the network's electricity consumption, equipped with an alarm system in the event of any spot or repeated anomalies. This model will be active from 2020 onwards in all the Shopping Centres equipped with divisional meters.</p>	<p>Identification of wastage and reduction in inefficiency caused by system malfunctioning or management factors.</p>

SUMMARY: INTERVENTIONS AND RESULTS

1.1 CLIMATE CHANGE



// Awareness raising

Another way in which IGD exerts leverage to fight climate change is by means of structured awareness raising activities aimed at visitors, suppliers and tenants. More specifically, the activities carried out in 2019 were the following:

Visitors	<p>Communication of information by means of digital totems inside the Shopping Centres regarding UNI EN ISO 14001 certification, commitments taken on, results achieved with regard to the reduction in energy and water consumption and the SDGs to which the Shopping Centre is committed.</p> <hr/> <p>Publication of posts on the Centres' social pages, the aim being both to give information regarding the equipment and the environmental certifications obtained by the structures and to directly involve the users by means of specific calls to action on environmental issues.</p> <hr/> <p>Identification of the content and graphic design of a comprehensive communication campaign on environmental sustainability which will involve the Shopping Centres in 2020.</p>
Suppliers	<p>Activation of supplier engagement to improve environmental performance in the individual Shopping Centres, also in light of UNI EN ISO 14001 certification.</p>
Tenants	<p>Tenants provided with the rulebook of good practices for a more sustainable management of the stores, "10 recommendations so as to improve our Shopping Centres. Together". It was drawn up in 2015 and it currently remains at their disposal both in the individual Centres and on IGD's institutional website (https://www.youtube.com/watch?v=dNy82ATDq4Y).</p>

// 1.1.2 RESULTS OBTAINED: ENERGY CONSUMPTION

// TABLE 1 - ELECTRICITY CONSUMPTION (GRI 302-1)

Electricity consumption (kWh)	2019	2018	2017	Difference 2019/2018	Difference 2018/2017
Italy - Abs	44,635,792	40,351,936	40,232,786	10.6%	0.3%
Italy - Lfl	36,669,489	38,042,269		-3.6%	
Romania	19,791,583	20,796,000	20,939,000	-4.8%	-0.7%
Headquarters (including common areas)	296,812	309,838	307,898	-4.2%	0.6%
Headquarter offices	106,985	109,598	103,200	-2.4%	6.2%

// TABLE 2 - DISTRICT HEATING AND COOLING CONSUMPTION (GRI 302-1)

District heating (kWh)	2019	2018	2017	Difference 2019/2018	Difference 2018/2017
Italy - Abs	9,596,400	9,854,866	10,152,693	-2.6%	-2.9%
Italy - Lfl	7,635,450	8,545,901		-10.7%	
Romania	595,077	986,122	960,196	-39.7%	2.7%
Headquarters	347,348	325,932	318,562	6.6%	2.3%

// TABLE 3 - FUEL CONSUMPTION (GRI 302-1)

Fuel	Unit of measure	2019	2018	2017	Difference 2019/2018	Difference 2018/2017
Italy - Abs	kwh	15,067,973	14,191,359	13,627,562	6.2%	4.1%
Italy - Lfl	kwh	11,983,881	13,982,756		-14.3%	
Romania	kwh	3,398,192	4,595,201	4,151,291	-26.0%	10.7%
Italy - Abs	Gj	54,245	51,089	49,059	6.2%	4.1%
Italy - Lfl	Gj	43,142	50,338	-	-14.3%	
Romania	Gj	12,233	16,543	14,945	-26.0%	10.7%

NB: For the calculation of energy consumption please refer to «Methodological Preface for Environmental Data» in section «Methodological Preface».

The reduction in like for like electricity consumption in Italy was positively affected by:

- > Savings accumulated in the first half of the year, thanks in particular to the low temperatures recorded in the months of April and May.
- > Excellent performance, in terms of self-consumption, in the Centres with photovoltaic systems in the summer months (self-consumption exceeding 95% on average) and in October (self-consumption +10 p.p. on average compared to 2018).

The reduction in district heating consumption is across-the-board in the Italian Shopping Centres where this system is present.

The increase in consumption in the headquarters in Bologna was affected by a technical problem detected in the system in the month of January.

With just one exception, a decrease in like for like fuel consumption was recorded in all the other Italian Shopping Centres.

The Winmarkt Shopping Centres were positively affected by the increase in temperatures in the winter months, which resulted in a reduction in fuel and district heating consumption.

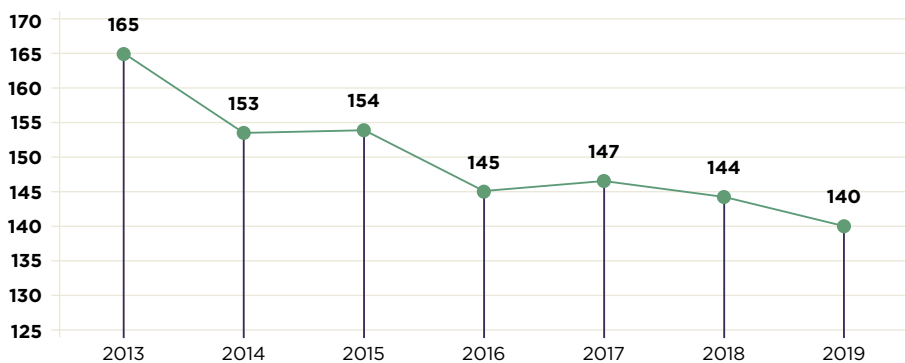
1.1 CLIMATE CHANGE

// TABLE 4 - TOTAL ENERGY CONSUMPTION (302-1)

Energy consumption	Unit of measure	2019	2018	2017	Difference 2019/2018	Difference 2018/2017
Italy - Abs	kwh	69,300,165	64,398,161	64,013,041	7.6	0.6%
Italy - Lfl	kwh	56,288,820	60,570,926	-	-7.1%	
Romania	kwh	23,784,852	26,377,323	26,050,487	-9.8%	1.3%
Headquarter offices	kwh	454,333	435,530	421,762	4.3%	3.3%
Italy - Abs	Gj	249,481	231,833	230,447	7.6%	0.6%
Italy - Lfl	Gj	202,640	218,055	-	-7.1%	
Romania	Gj	85,625	94,958	93,782	-9.8%	1.3%
Headquarter offices	Gj	1,636	1,568	1,518	4.3%	3.3%

// TABLE 5 - BUILDING ENERGY INTENSITY (GRI 302-3; CRE-1; ENERGY - INT)

Energy consumption	2019	2018	2017	Difference 2019/2018	Difference 2018/2017
Italy	140.26	144.47	143.95	-2.9%	0.4%
Romania	269.58	298.96	295.26	-9.8%	1.3%
Headquarter offices	38.83	39.78	37.50	-2.4%	6.1%

// CHART 1 - ENERGY INTENSITY ITALY SINCE 2013 (kwh/m²)

NB: For the calculation of energy consumption please refer to «Methodological Preface for Environmental Data» in section «Methodological Preface».

The reduction in like for like total energy consumption, both in the Italian Shopping Centres and the Romanian ones, is linked to the decrease in electricity, district heating and gas consumption recorded during the year. The reasons behind this can be traced back both to the actions carried out and to the favourable weather conditions.



Like for like energy consumption in 2019

The decrease in the IGD portfolio energy intensity over the years bears witness to the Group's commitment to carry out investments aimed at improving the energy efficiency of its structures.

// 1.1.3 RESULTS OBTAINED: GREENHOUSE GAS EMISSIONS

// TABLE 6 - GREENHOUSE GAS EMISSIONS (GRI 305-1; 305-2)

GHG emissions (Tonnes CO2e)	2019	2018	2017	Difference 2019/2018	Difference 2018/2017
Italy direct emissions (Scope1) - Abs	2,714	2,556	2,454	6.2%	4.1%
Italy indirect emissions (Scope2) - Abs	20,064	18,492	18,535	8.5%	-0.2%
Italy total GHG emissions - Absolute	22,777	21,048	20,990	8.2%	0.3%
Italy direct emissions (Scope1) - Lfl	2,158	2,518		-14.3%	
Italy indirect emissions (Scope2) - Lfl	16,408	17,210		-4.7%	
Italy total GHG emissions - Like for like	18,567	19,728		-5.9%	
Romania direct emissions (Scope1)	612	828	748	-26.0%	10.7%
Romania indirect emissions (Scope2)	9,651	10,220	10,283	-5.6%	-0.6%
Romania total emissions	10,263	11,047	11,031	-7.1%	0.2%
Headquarters - total emissions	41.19	42.20	39.73	-2.4%	6.2%

NB: The method used to calculate greenhouse gas emissions deriving from electricity consumption is location based.

NB: For the calculation of GHG emissions please refer to «Methodological Preface for Environmental Data» in section «Methodological Preface».

The reduction in energy consumption means lower CO2 emissions in the atmosphere: in 2019 alone, 1,161 tonnes less of CO2 were emitted compared to the previous year (on a like for like basis).

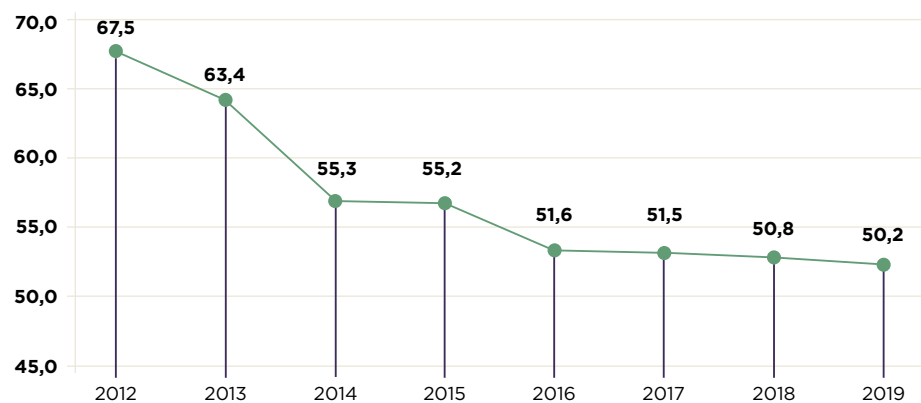


// TABLE 7 - GREENHOUSE GAS EMISSIONS INTENSITY- LOCATION BASED

(GRI 305-4; CRE3)

GHG emissions intensity(Kg CO2e/m2 common areas + GLA)	2019	2018	2017	Difference 2019/2018	Difference 2018/2017
Italy GHG intensity (Scope 1)	6.0	6.2	6.0	-3.1%	3.4%
Italy GHG intensity (Scope 2)	44.2	44.6	45.0	-1.0%	-0.9%
Italy total GHG intensity	50.2	50.8	51.0	-1.2%	-0.4%
Romania GHG intensity (Scope 1)	6.9	9.4	8.5	-26.0	10.7%
Romania GHG intensity (Scope 2)	109.4	115.8	116.5	-5.6%	-0.6%
Romania GHG intensity	116.3	125.2	125.0	-7.1%	0.2%
Headquarters indirect GHG intensity	15.0	15.3	14.4	-2.4%	6.2%

NB: The method used to calculate greenhouse gas emissions deriving from electricity consumption is location based.

// CHART 2 - REDUCTION IN GREENHOUSE GAS EMISSIONS INTENSITY- LOCATION BASED (KG CO2/m²)

Thanks to the structural actions and management measures carried out over the years, greenhouse gas emissions intensity decreased for the seventh year running.

If these actions and measures had not been carried out (and therefore if consumption were still at the 2012 level), the IGD Shopping Centres would have emitted 7,900 tonnes more of CO₂ into the atmosphere compared to that actually produced in 2019.

GHG intensity
Market based* 2019



*In addition to the location based method, for the first year IGD has reported indirect emissions intensity also by using the Market Based method as recommended by the GRI Standards 305-2 indicator (Residual mix 480gCoe/kwh; denominator mq 454.004).

// 1.1.4 RESULTS OBTAINED: WATER CONSUMPTION

// TABLE 8 - WATER CONSUMPTION (GRI 303-1)

Water consumption (m ³)	2019	2018	2017	Difference 2019/2018	Difference 2018/2017
Italy water consumption - Abs	593,935	526,904	644,053	12.7%	-18.2%
Of which from water mains	579,276	515,158	637,509	12.4%	-19.2%
Of which from groundwater	14,659	11,746	6,544	24.8%	79.5%
Italy water consumption - Lfl	508,658	502,290		1.3%	
Of which from water mains	493,999	490,544		0.7%	
Of which from groundwater	14,659	11,746		24.8%	
Romania water consumption	65,066	64,964	59,620	0.2%	9.0%
Of which from water mains	65,066	64,964	59,620	0.2%	9.0%
Headquarters water consumption	2,944	3,047	2,125	-3.4%	43.4%
Of which from water mains	2,944	3,047	2,125	-3.4%	43.4%

As far as the individual Shopping Centres are concerned, no significant increases were recorded in water consumption. The slight overall increase on a like for like basis is linked to one Shopping Centre which, due to leaks occurring during the year, increased its consumption.



NB: For the calculation of water consumption please refer to «Methodological Preface for Environmental Data» in section «Methodological Preface».

// TABLE 9 - BREAKDOWN OF WATER CONSUMPTION BY USE (m³)

Area	Water consumption (m ³)	2019	2018	2017	Difference 2019/2018	Difference 2018/2017
Italy - Abs	Drinking water	465,763	434,983	476,088	7.1%	-8.6%
	Irrigation	67,374	38,497	44,800	75.0%	-14.1%
	Fire prevention	16,158	13,105	112,399	23.3%	-88.3%
	Other uses	48,942	42,354	19,365	15.6%	118.7%
Italy - Lfl	Drinking water	409,552	410,369			-0.2%
	Irrigation	47,067	38,497		22.3%	
	Fire prevention	16,158	13,105		23.3%	
	Other uses	40,182	42,354			-5.1%



// TABLE 10 - BUILDING WATER CONSUMPTION INTENSITY

Water consumption intensity (m ³ /m ²)	2019	2018	2017	Difference 2019/2018	Difference 2018/2017
Italy	1.31	1.27	1.57	2.9%	-18.7%
Romania	0.74	0.74	0.68	0.2%	8.3%
Headquarters	1.07	1.11	0.77	-3.4%	43.6%

Water consumption intensity in Italy increased slightly, due also partly to the addition on an Absolute basis of the 4 Shopping Centres acquired in 2018.

// TABLE 11 - HEADQUARTERS WATER CONSUMPTION INTENSITY (m³/PERSON)

Headquarters	2019	2018	2017	Difference 2019/2018	Difference 2018/2017
Intensity	17.7	19.2	13.8	-7.9%	39.1%

// 1.1.5 RESULTS OBTAINED: WASTE DISPOSAL AND CIRCULAR ECONOMY

// TABLE 12 - WASTE AND DISPOSAL METHOD (GRI 306-2)

Area	Disposal method (tonnes)	2019	2018	2017	Difference 2019/2018	Difference 2018/2017	Weight 2019	Weight 2018	Weight 2017
Italy - Abs	Recycling	1,833	1,908	1,966	-3.9%	-3.0%	65%	74%	74%
	Incinerator	-	42	42		0.4%	0%	2%	2%
	Landfill	992	636	632	55.9%	0.7%	35%	25%	24%
	Total	2,825	2,586	2,640	9.2%	-2.0%			
Italy - Lfl	Recycling	1,878	1,850		1.6%				
	Incinerator	-	42						
	Landfill	580	636		-8.8%				
	Total	2,459	2,528		-2.7%				
Romania	Recycling	156	144	155	8.6%	-6.9%	5%	7%	7%
	Landfill	2858	2001	2,134	42.8%	-6.2%	95%	93%	93%
	Total	3,014	2,145	2,289	40.5%	-6.3%			
Headquarters	Recycling	4.63	3.86	3.66	20.0%	5.6%	53%	54%	53%
	Landfill	4.13	3.33	3.27	24.1%	2.0%	47%	46%	47%
	Total	8.77	7.19	6.92	21.9%	3.9%			

The reduction in weight of waste sent to recycling on an Absolute basis was due to a Shopping Centre acquired in 2018 not yet organised with regard to waste sorting. In 2019 IGD took action so that the Shopping Centre would be aligned to the standard of its portfolio in 2020.

The increase in the quantity of waste produced in Romania was due to the peculiarity of the activities of new tenants over which Winmarket has no control.

NB: For the calculation of waste please refer to «Methodological Preface for Environmental Data» in section «Methodological Preface».

// TABLE 13 - WASTE SORTING

Area	Type	2019	2018	2017	Difference 2019/2018	Difference 2018/2017	Weight 2019	Weight 2018	Weight 2017
Italy - Abs	Paper and cardboard	902	851	852	5.9%	-0.1%	31.9%	32.9%	32.3%
	Plastic	92	56	66	62.6%	-14.7%	3.2%	2.2%	2.5%
	Organic	86	64	74	33.7%	-13.0%	3.0%	2.5%	2.8%
	Unsorted	386	420	352	-8.2%	19.4%	13.7%	16.3%	13.3%
	Mixed	1,100	999	1,128	10.1%	-11.4%	38.9%	38.6%	42.7%
	Glass	122	53	52	130.7%	2.2%	4.3%	2.1%	2.0%
	Wood	2	12	7	-85.7%	83.3%	0.1%	0.5%	0.2%
	Other	136	130	110	4.4%	18.5%	4.8%	5.0%	4.2%
	Total	2,825	2,586	2,640	9.2%	-2.0%			
Italy - Lfl	Paper and cardboard	832	825		0.9%		29.5%		
	Plastic	92	56		62.6%		3.2%		
	Organic	86	64		33.7%		3.0%		
	Unsorted	386	420		-8.2%		13.7%		
	Mixed	803	967		-17.0%		28.4%		
	Glass	122	53		130.7%		4.3%		
	Wood	2	-				0.1%		
	Other	136	142		-4.2%		4.8%		
	Total	2,459	2,528		-2.7%				
Romania	Paper and cardboard	150	133	143	12.8%	-7.1%	5.0%	6.2%	6.3%
	Plastic	6	11	8	-41.7%	32.4%	0.2%	0.5%	0.4%
	Aluminium	-	-	3	-	-	0.0%	-	0.1%
	Unsorted	2,858	2,001	2,134	42.8%	-6.2%	94.8%	93.3%	93.2%
	Total	3,014	2,145	2,289	40.5%	-6.3%			
Headquarters	Paper and cardboard	4.43	3.60	3.34	23.0%	7.7%	50.5%	50.1%	48.3%
	Plastic	0.20	0.26	0.31	-21.7%	-17.2%	2.3%	3.6%	4.5%
	Unsorted	4.13	3.33	3.27	24.1%	2.0%	47.2%	46.3%	47.2%
	Total	8.77	7.19	6.92	21.9%	3.9%			

Also in 2019 no hazardous waste was produced.



// TABLE 14 - PAPER CONSUMPTION BOLOGNA HEADQUARTERS

Paper consumption Bologna headquarters	2019	2018	2017	Difference 2019/2018	Difference 2018/2017
Number of printed sheets of paper	651,395	728,358	729,483	-10.6%	-0.2%

Again in 2019, IGD used only FSC certified recycled paper for institutional material and for all material printed in the headquarters.

// Focus Circular Economy: «Waste 2 Value» project



The «Waste2value» project was launched in 2017, the purpose being to design, prototype and create a product by means of a closed-loop circular economy model within a pilot Shopping Centre (Nova Shopping Centre in Bologna), starting from separable food waste (orange peel and coffee grounds). The intention of the project is also to disseminate the culture of sustainability and promote circular economy around the area in the entire community, from schools to universities, to Shopping Centre visitors, by means of an active and participatory engagement process (further information can be found on the website <http://wastetovalue.it/>).

In 2019, by means of a prototyping and testing phase, it was discovered how it is possible to produce a soil improver by using food waste, coffee grounds and orange peel, coming from the restaurants/bars belonging to Coop Alleanza 3.0 (excluding the supermarket) and Camst – the Italian food and beverage company present in Nova Shopping Centre. In this way the amount of waste generated is reduced and value is created from food waste.

IGD and its partners are defining the appropriate ways in which this product can be used by following a circular economy approach within the Shopping Centre.

1.2 ACCESSIBILITY AND MOBILITY

// 1.2.1 ACTIONS CARRIED OUT AND FUTURE PROJECTS

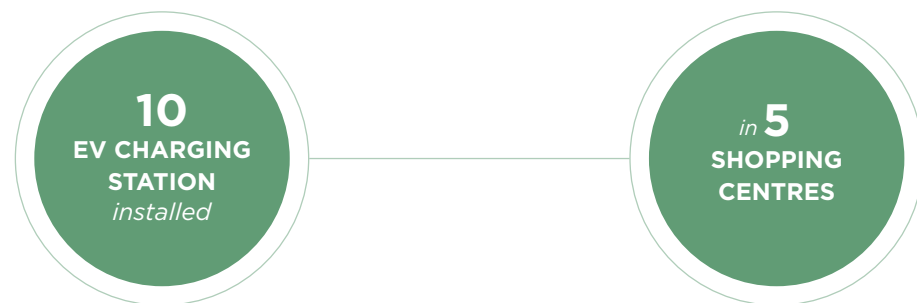
// Electric vehicles

The “Electric vehicle charging project”, which began in 2017, continued in 2019.

In March 2019 an agreement was signed between IGD and Enerhub, a newco specialised in EV charging services, for the installation of 32 EV charging stations in 18 Shopping Centres between 2019 and 2020. During the year, 10 EV charging stations were installed in 5 Shopping Centres in the Emilia Romagna area (first on the list in the roll out plan).

In addition, work continued on the installation of 2 Tesla «Supercharger» stations in Maremà Shopping Centre in Grosseto and Puntadiferro Shopping Centre in Forlì. Furthermore, with regard to the latter Shopping Centre, an agreement has also been defined with Ionity for the installation of a «High power charging station».

With regard to the headquarters, the car fleet available to the employees is equipped with ecological vehicles (LPG and Hybrid). This resulted in over 2 tonnes of CO2 not being emitted into the atmosphere in 2019.



// Bicycles

IGD is committed to promoting sustainable mobility amongst its Shopping Centres' visitors also by encouraging the use of bicycles and e-bikes:

- > In Clodì Retail Park in Chioggia (Venice) work regarding the installation of an e-bike charging station powered by a photovoltaic system was completed;
- > Work will begin in 2020 to create a cycle path which will enable the residents in Chioggia to reach Clodì Retail Park in complete safety;
- > 17 Shopping Centres are equipped with charging systems for e-bikes in the Mall.

// Local public transport

In 2019 work continued on the process which will lead to a new stop being installed next to Maremà Shopping Centre in Grosseto in 2020. IGD became a spokesperson for the community's request, which emerged from a Customer Satisfaction survey, by establishing contact with the local authorities and it promoted the creation of the stop by contributing to it with an investment of approximately 30 thousand euros.

// SUMMARY

01. IGD's commitment to fight Climate Change continued. More specifically, the Group carried out investments aimed at reducing consumption, improving the energy efficiency of its structures and obtaining environmental certifications, which during the year contributed to the -5.9% (Lfl) reduction in greenhouse gas emissions.
02. IGD promotes the use of sustainable mobility by continuously expanding the range of services offered by its structures: with this in mind, the project regarding the installation of EV charging stations was launched and an e-bike charging station powered by a photovoltaic system was installed.

// TARGET

- > Zero CO2 emissions: Italian portfolio Nearly Zero Energy Building by 2030.
- > Obtain BREEAM certification for 80% of the Italian portfolio by 2030.
- > Obtain UNI EN ISO 14001 certification for 95% of the portfolio by the end of 2020.
- > Investment of €5 mn in the 2019-2021 three-year period to improve energy efficiency.
- > Continue installation of photovoltaic systems.
- > Installation of LED lighting systems in the entire Italian portfolio by the end of 2022.
- > Raise awareness in visitors by means of campaigns in the Shopping Centres and the organisation of across-the-board events on ESG issues.
- > Pass from the experimental phase to the operating phase of the Waste2value project and assess other projects on the issue of circular economy.
- > Headquarters to be Plastic Free by the end of 2020.



responsible



“ We always have to ask ourselves one question: «Are we doing enough to make working in IGD satisfying? To this effect we have done a lot and we are going to continue to do a lot, to ensure that the people who work for us are proud of the contribution they are making to the development of our company. ”

Daniele Cabuli
Chief Operating Office

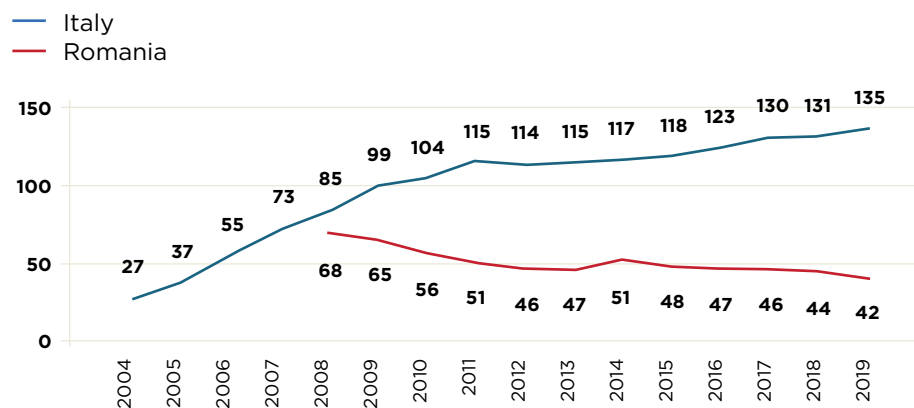
// WHAT WE HAVE DONE

- > IGD's workforce grew by 3.1%, with focus on digital innovation (Digital Strategist role introduced).
- > The level of participation in corporate welfare of those with the right to benefit from the service, reached 100%.
- > 3 company projects continued, the aim being to make the Shopping Centres safer than ever («Lifelines», «Anti-ram bollards», «Anti-seismic measures») and a new one was launched regarding the dome skylights on the roofs.

2.1 GOOD EMPLOYMENT

// 2.1.1 WORKFORCE

// CHART 1 - CORPORATE WORKFORCE FLOW (GRI 102-8)



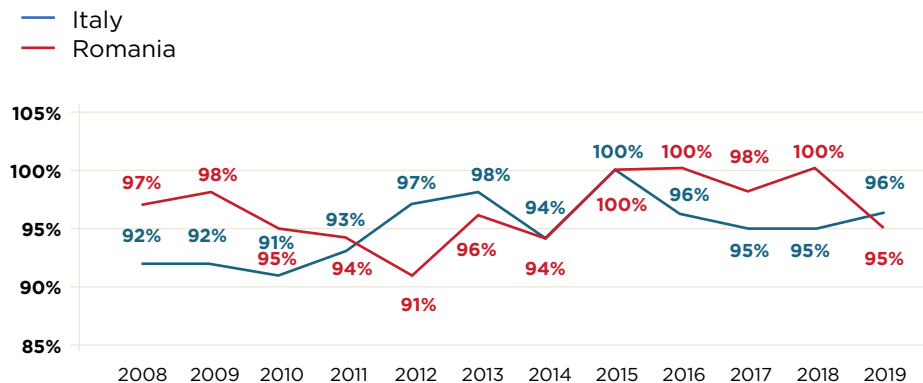
The corporate workforce grew by 3.1% in the year, in accordance with a continuous growth trend which began in 2004 (with the exception of a minor halt in 2012).

In 2019 IGD took action on:

- > Reinforcing the roles in the headquarters in order to respond to the twofold need of innovating, in digital terms, the services offered by IGD (by hiring a Digital Strategist) and improving the efficacy of the Accounts Office (by hiring a new employee).
- > Hiring of human resources needed in order to manage the 2 Shopping Centres acquired in 2018 but which were not previously managed by IGD (La Favorita Shopping Centre in Mantua and Luna Shopping Centre in Sarzana (La Spezia)).

The Winmarkt workforce recorded a slight decrease, with internal organisational changes due to 2 retirements.

// CHART 2 - PERCENTAGE OF EMPLOYEES WITH PERMANENT CONTRACT (ITALY E ROMANIA)



With the intention of stabilising employment, the number of permanent contracts in Italy increased by 5, whereas the number of fixed term contracts continued to decrease.

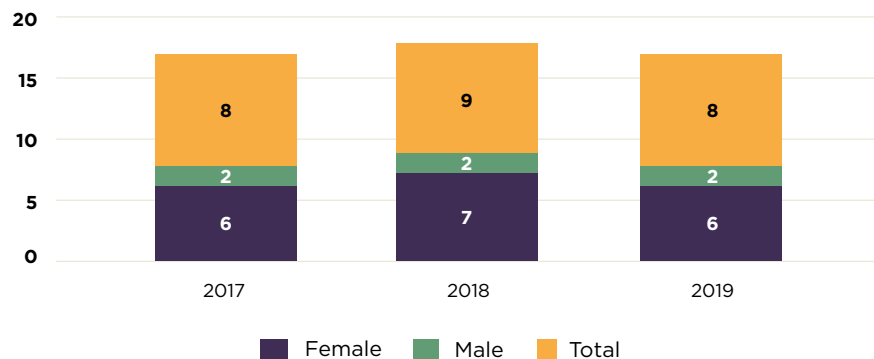
In Romania, the 2 fixed term contracts are in accordance with local law, which requires the conversion of permanent contracts into fixed term contracts in preparation for expected retirement.

// TABLE 1 - STAFF BY CONTRACT TYPE (ITALY AND ROMANIA) (GRI 102-8)

	2019 (n)	2018 (n)	2017 (n)
Fixed term contracts Italy	5	6	7
Of which female	1	4	5
Of which male	4	2	2
Permanent contracts Italy	130	125	123
Of which female	70	68	67
Of which male	60	57	56
Fixed term contracts Romania	40	-	1
Of which female	22	-	1
Of which male	18	-	-
Permanent contracts Romania	2	44	45
Of which female	2	27	28
Of which male	-	17	17



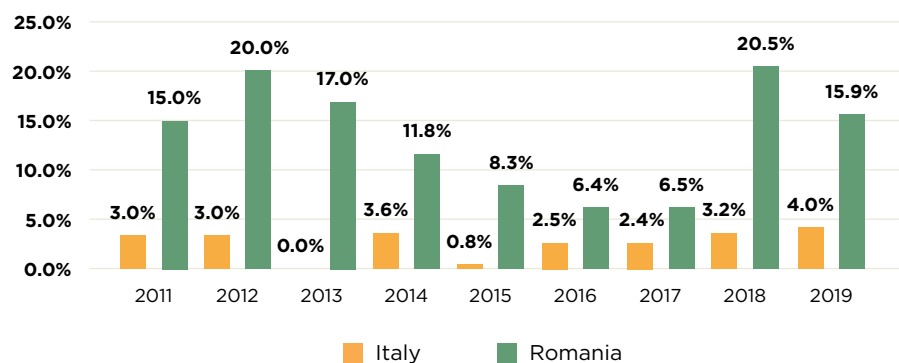
// CHART 3 - TOTAL PART-TIME AND BY GENDER (ITALY)



The number of part-time contracts in Italy decreased slightly, returning to the level in 2017. In most cases, the request to have a part-time contract came directly from the employees for personal reasons; only a few cases were due to corporate organisational requirements.

// CHART 4 - OUTGOING TURNOVER (ITALY AND ROMANIA)*

(GRI 401-1: EPRA EMP - TURNOVER)



The turnover rate in Italy stood at 4%, related to 5 terminations (including 1 retirement) occurring during the year.

The Romanian turnover, even though decreasing, remained higher due to 2 retirements and, more generally, the economic environment and the very dynamic labour market.

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)

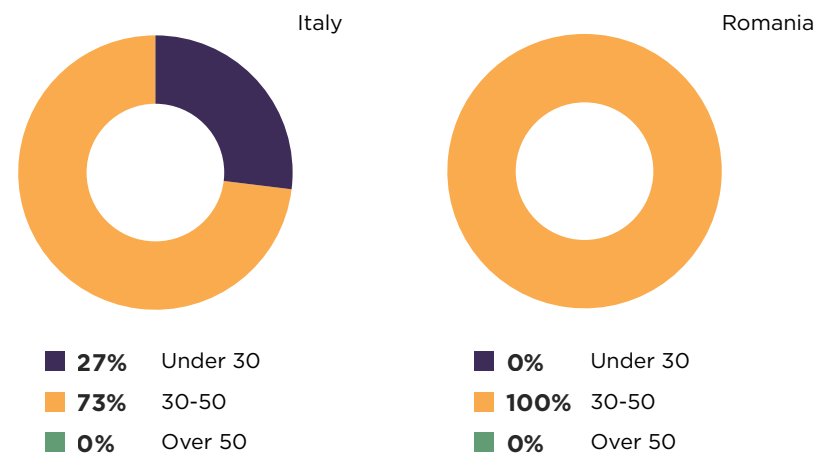
	2019 (n)	2018 (n)	2017 (n)
Recruitments Italy	11	6	11
Recruitment rate Italy	8.1%	4.6%	8.5%
Resignations Italy	7	5	4
Resignation rate Italy	5.2%	3.8%	3.1%
Recruitments Romania	5	7	2
Recruitment rate Romania	11.9%	16.0%	4.3%
Resignations Romania	7	9	3
Resignation rate Romania	16.7%	20.5%	6.5%

To meet the needs mentioned above (see chart 1), the number of recruitments increased during the year. These involved 7 males and 4 females, 3 under 30 and 8 belonging to the 30-50 age group.

Regarding the resignations (5 females and 2 males), 3 were under 30, 3 between 30 and 50, 1 over 50 (retirement).

In Romania, the 5 recruitments involved 3 males and 2 females, all between the ages of 30 and 50; the resignations involved 1 Managerial staff, 2 Department heads and 4 employees, 6 were female and 1 male, 2 were over 50 and 5 were between 30 and 50.

// CHART 5 - NEW EMPLOYEES BY AGE GROUP (ITALY AND ROMANIA) (GRI 405-1; EPRA DIVERSITY - EMP)

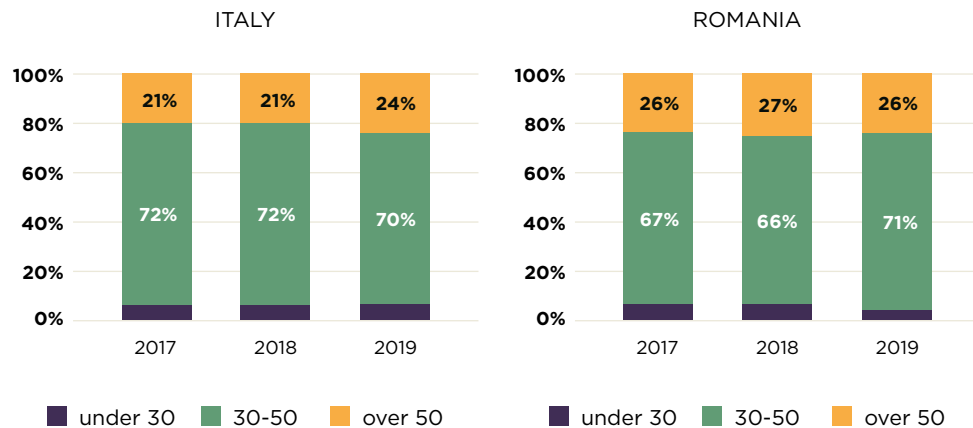


// TABLE 3 - COLLECTIVE LABOUR AGREEMENTS (ITALY AND ROMANIA) (GRI 102-41)

	2019 (%)	2018 (%)	2017 (%)
Employees covered by collective labour agreements - Italy	100%	100%	100%
Employees covered by collective labour agreements - Romania	100%	100%	100%

Both in Italy and in Romania all work contracts are regulated by the national collective labour agreement. In Italy, in particular, the relevant National Labour Agreement for IGD's employees is that of consumer cooperative and at the beginning of 2019 an agreement was signed for the renewal of the economic part, with an adjustment in salaries. Negotiations are still underway between the parties to reach an agreement regarding the overall renewal of the Collective Contract.

// CHART 6 - STAFF BY AGE GROUP (ITALY AND ROMANIA) (GRI 405-1)



In Italy, the decrease in the number of employees in the under 30 age group, related to 3 resignations and the need to hire human resources with expertise, had an effect on the increase in the average age of staff, going from 43 to 44 years of age.

The average age in Winmarkt was also 44 years of age.

// 2.1.2 TRAINING

// **TABLE 4 - TRAINING (ITALY)** (GRI 404-1: EPRA EMP - TRAINING)

	2019	2018	2017
Employees that took part in training activities (N)	134 (95.71% out of total)	125 (95.4% out of total)	125 (96.2% out of total)
Costs incurred for internal and/or external training (€)	47,023	37,225	44,451
Training hours	1,899	1,733	1,861
Average hours of training per employee	14.1	13.2	14.3
Percentage of revenues invested in training (€)	0.03%	0.03%	0.03%

// Italy

In 2019 training activities were carried out involving the entire workforce: following the change in the IT system, the employees were involved in specific training lasting 4 hours on the use of Office 365.

Furthermore, the Directors and Managerial Staff took part in a half-day training course on ISO37001 anti-bribery certification, aimed at both understanding its nature and assessing its implications on corporate procedures. In 2020 training will be extended to all employees.

English language courses also continued for 9 individuals whose roles increasingly call for this skill during their daily activities.

In addition, the 2 Network Managers and the 7 Area Managers took part in 4 days of internal training on property management issues.

Technical refresher courses aimed at developing and improving individual skills (for example new regulations, new software etc.) were also carried out.

Compared to 2018, there was an increase both in the costs incurred and in the number of people involved due also to those activities carried out which involved the entire workforce.

// TABLE 5 - TRAINING (ROMANIA) (GRI 404-1)

	2019	2018	2017
Training hours (N)	744	304	982
Number of employees trained (N)	44	23	46
Average hours of training per employee	17.7	7	21.3
Costs incurred for training (€)	14,760	2,903	23,000



// Romania

In 2019 Winmarkt held its own company convention, a traditional occasion used both for internal communication by the top management and for employee training by means of specific workshops. It was organised in the month of February and the entire workforce took part in it.

Several employees also took part in training activities aimed at increasing their administration and property management skills.

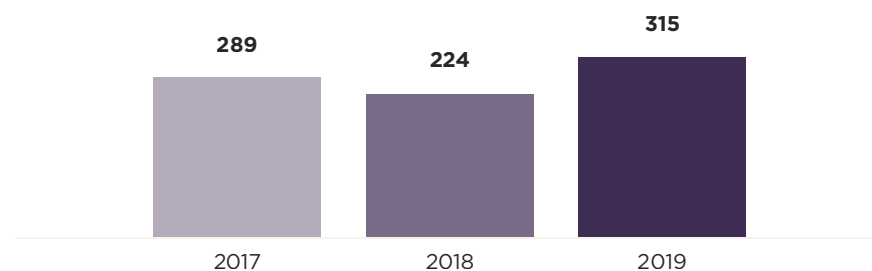
The increase in the number of people that underwent training and the costs incurred in 2019 compared to the previous year, was linked to the decision not to hold the company convention in 2018 due to a change in governance which affected the company in that period.

// TABLE 6 - BREAKDOWN OF AVERAGE HOURS OF TRAINING (ITALY AND ROMANIA) (GRI 404-1: EPRA EMP - TRAINING)

	2019 (Italy)	2018 (Italy)	2019 (Romania)	2018 (Romania)
Average hours of employee training - female	12.2	12.9	17.3	3.9
Average hours of employee training - male	16.1	13.7	16.4	11.8
Average hours of training - total	14.1	13.2	17.7	7.0
Average hours of employee training - top management	26.2	26.8	-	-
Average hours of employee training - managerial staff	30.1	18.4	22.7	15.0
Average hours of employee training - department heads	11.0	13.0	17.1	13.0
Average hours of employee training - office workers	8.9	9.5	16.8	1.0

The increase in training for male staff was due to several activities (training on property management, ISO 37001) aimed at corporate Managerial Staff, the majority of which are male.

// CHART 7- INVESTMENT IN TRAINING PER CAPITA (IN EUROS)



The increase in investment per capita compared to 2018 was due to the decision to engage specialised external experts to carry out more important training activities (Office 365).

// 2.1.3 INTERNAL COMMUNICATION -THE TOOLS

<p>Company Convention Annual</p>	<p>IGD's annual convention, in which the entire workforce participated, was held in mid December in Milan and was structured over two days organised as follows:</p> <p>DAY 1:</p> <hr/> <p>Progress update on the Strategic Plan by the CEO</p> <hr/> <p>Internal and external actions on the present and the future of the Shopping Centres</p> <hr/> <p>DAY 2:</p> <hr/> <p>Visit to two important retail entities in the area of Milan</p>	<p>Press Releases ad hoc</p>	<p>In 2019, 19 press releases regarding the Group's events were sent to all employees. The main ones dealt with:</p> <hr/> <p>Financial and commercial performance</p> <hr/> <p>Recognitions obtained</p> <hr/> <p>New acquisitions</p> <hr/> <p>New communication campaign</p> <hr/> <p>New corporate projects</p> <hr/> <p>Updates on work in progress in the Shopping Centres</p>
<p>Newsletter Quarterly</p>	<p>Digital newsletter accessible from the IGD website which the employees receive every quarter by means of a link sent by email. The main sections of the Newsletter are:</p> <hr/> <p>Economic-financial performance and results</p> <hr/> <p>Breaking news on sustainability and innovation</p> <hr/> <p>Interviews given by the top management on specific topics</p>	<p>Company Intranet Continuous</p>	<p>The company intranet, the layout and content of which was renewed at the end of 2018, is used to exchange information and documents within the company.</p>

// 2.1.4 ASSESSMENT AND DEVELOPMENT

// TABLE 7 - SKILLS ASSESSMENT (ITALY) (GRI 404-3: EPRA EMP-DEV)

	2019 (% of males out of total employees)	2019 (% of females out of total employees)	2019 (% of managerial staff out of total employees)	2019 (% of department heads out of total employees)	2019 (% out of total employees (N))	2018 (% of males out of total employees)	2018 (% of females out of total employees)t	2018 (% of managerial staff out of total employees)	2018 (% of department heads out of total employees)	2018 (% out of total employees (N))
Employees that regularly undergo skills assessment	32%	25%	17%	40%	57%	29%	24%	15%	37%	53%

“Management By Objectives” (the incentive scheme active in Italy and Romania) assigns targets that are common to all the company and/or specific targets to offices or to individual employees on permanent contracts. Reaching these targets has an impact on variable pay. In 2019, in Italy, 123 employees were assigned targets. The variable pay distributed reached 80% of the payable amount.

An award system identical to the Italian one is active in Romania: the variable pay distributed reached 80% 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 2019 this system involved 77 employees, corresponding to 57% of the workforce, recording a slight increase compared to the previous years.

3 new development programmes were launched in 2019 and 5 were competed, all of which had begun in 2018.

The number of employees in 2019 that received pay rises following a particular positive assessment was equal to 11 (8% of the total).

In Winmarkt Group, by following an approach that promotes the growth and development of internal resources, 15 merit pay rises were granted in 2019.

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

2.2 GENDER EQUALITY

// 2.2.1 GENDER DATA

// TABLE 8 - BREAKDOWN OF STAFF BY GENDER AND POSITION (ITALY)

(GRI 102-8; 405-1: EPRA DIVERSITY - EMP)

Position	Gender	2019	% per position 2019	2018	% per position 2018	2017	% per position 2017
Directors	Male	5	100%	5	83%	5	83%
Directors	Female	0	0%	1	17%	1	17%
Managerial Staff	Male	15	65%	13	62%	13	65%
Managerial Staff	Female	8	35%	8	38%	7	35%
Department Heads	Male	31	53%	29	53%	30	57%
Department Heads	Female	27	47%	26	47%	27	43%
Office Workers	Male	13	27%	12	24%	10	21%
Office Workers	Female	36	73%	37	76%	37	79%
Total	Male	64	47%	59	45%	58	45%
Total	Female	71	53%	72	55%	72	55%
Total		135		131		130	

// TABLE 9 - BREAKDOWN OF STAFF BY GENDER AND POSITION

(ROMANIA) (GRI 102-8; 405-1: EPRA DIVERSITY - EMP)

Position	Gender	2019	% per position 2019	2018	% per position 2018	2017	% per position 2017
Directors	Male	-	-	-	-	-	-
Directors	Female	-	-	-	-	-	-
Managerial Staff	Male	2	33%	2	33%	3	60%
Managerial Staff	Female	4	67%	4	67%	2	40%
Department Heads	Male	11	73%	11	73%	12	67%
Department Heads	Female	4	27%	4	27%	6	33%
Office Workers	Male	5	24%	4	17%	2	9%
Office Workers	Female	16	76%	19	83%	21	91%
Total	Male	18	43%	17	39%	17	37%
Total	Female	24	57%	27	61%	29	63%
Total		42		44		46	

Also in 2019, as was the case in 2018, 53% of the employees were female. There was a change in the structure of the top management compared to the previous year: due to a retirement and a simultaneous change in governance in Winmarkt, the role of Director of Administration and Legal and Corporate Affairs (held by a female until the end of 2018) was assigned to the previous CEO of Winmarkt.

With regard to the commercial network, there were 12 females in leading roles in 16 Shopping Centres.

In Romania, following the latest resignations, the number of female employees decreased resulting in a reduction in females out of the total (from 61% in 2018 to 57% in 2019).

// 2.2.2 REMUNERATION

// TABLE 10 - RATIO BETWEEN BASIC SALARY + OCCUPATIONAL ALLOWANCE FOR FEMALES COMPARED TO THAT FOR MALES (ITALY) (GRI 405-2 - EPRA DIVERSITY - PAY)

Employee category	2019	2018	2017
Directors	-	1.11	1.13
Managerial Staff	1.00	0.97	0.97
Department Heads	1.00	1.00	0.99
Office Workers	0.95	0.98	1.03

// TABLE 11 - RATIO BETWEEN BASIC SALARY + OCCUPATIONAL ALLOWANCE FOR FEMALES COMPARED TO THAT FOR MALES (ROMANIA) (GRI 405-2 - EPRA DIVERSITY - PAY)

Employee category	2019	2018	2017
Directors	n/a	n/a	n/a
Managerial Staff	0.70	0.67	0.88
Department Heads	1.31	1.33	1.32
Office Workers	0.84	0.91	0.95

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.

No report was made to the Compliance Committee In 2019 regarding any episode of discrimination.



2.3 WELLBEING AND SAFETY

// 2.3.1 POLICIES AIMED AT EMPLOYEES

// TABLE 12 - TRAINING ON HEALTH AND SAFETY (ITALY)

	2019	2018	2017
Number of training hours on safety provided (N)	268	704	324
Number of people involved (N)	37	98	35
Costs incurred for training (€)	4,870	9,283	8,327

The Company 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.

In Italy in 2019, 27% 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
6. First Aid

2.3 WELLBEING AND SAFETY

// TABLE 13 - CAUSES OF ABSENTEEISM (ITALY) (GRI 403-2 E EPRA
H&S - EMP)

	Totale			Male			Female		
	2019	2018	2017	2019	2018	2017	2019	2018	2017
Injuries	2	1	2	0	1	1	2	0	1
Injury rate	9.6	4.9	9.8	-	10.8	10.5	19.5	-	9.9
Lost days rate	0.13	0.08	0.11	-	0.16	0.01	0.26	-	0.20
Absenteeism rate	1.7%	1.8%	1.8%	0.5%	1.0%	1.1%	1.7%	2.5%	2.4%
Number or work related deaths	0	0	0	0	0	0	0	0	0

The slight increase recorded in 2019 with regard to the indicators related to absenteeism can be traced to 2 accidents during the year involving IGD employees occurring during the journey to/from work (there had been only 1 in 2018).

As provided for in Legislative Decree 81/2008, IGD periodically updates its Work-Related Stress Risk Assessment. The result, which was expressed subsequent to the latest assessments carried out, gave the company the “green light”, meaning that no particular organisational conditions that could determine the presence of work-related stress could be found.

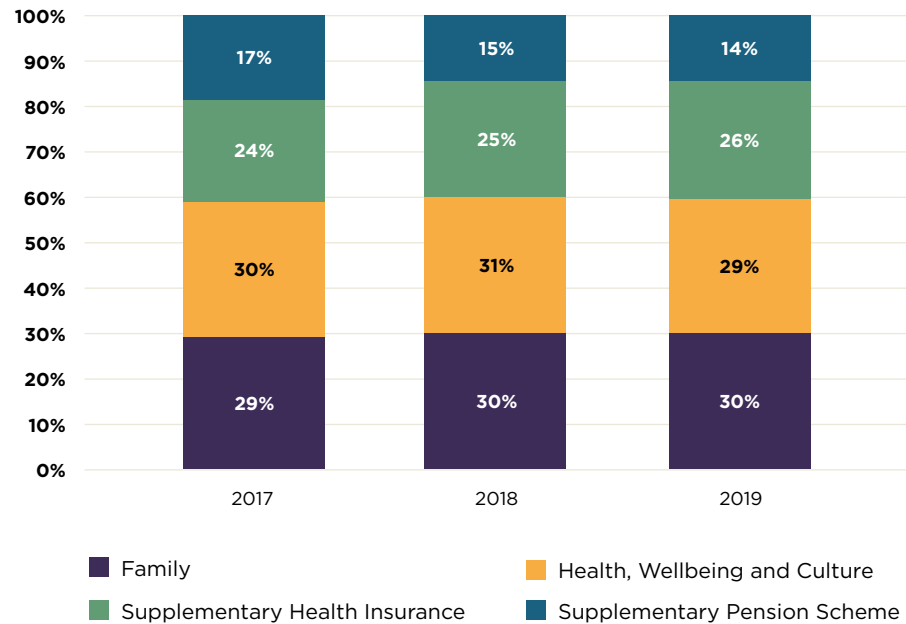
// TABLE 14 - CAUSES OF ABSENTEEISM (ROMANIA) (GRI 403-2 E
EPRA H&S - EMP)

	Total			Male			Female		
	2019	2018	2017	2019	2018	2017	2019	2018	2017
Injuries	0	0	0	0	0	0	0	0	0
Injury rate	0	0	0	0	0	0	0	0	0
Lost days rate	0	0	0	0	0	0	0	0	0
Absenteeism rate	3.9%	3.4%	1.6%	5.4%	4.1%	/	2.9%	3.0%	2.6%
Number or work related deaths	0	0	0	0	0	0	0	0	0

The absenteeism rate in Romania remained stable compared to 2018.

2.3 WELLBEING AND SAFETY

// CHART 8: WELFARE SERVICES USED



// TABLE 15 - CORPORATE WELFARE (ITALY)

	2019	2018	2017
Number of employees involved	123	122	118
Utilisation rate	100%	99%	99%

WHY CORPORATE WELFARE

The aim is to increase the individual wellbeing of the employees and of their immediate family living in the local area and to have a positive influence on the organisational structure and the atmosphere within the company.

ACTIVE SINCE

April 2017. 2019 was the third year the Portal was active.

EMPLOYEES INVOLVED

All employees on permanent contracts with the exception of the Directors.

HOW IT WORKS

Every year IGD allocates a fixed budget which is the same for all and in proportion with regard to full time and part time.. The employee accesses the Portal by means of a personal password.

SERVICES AVAILABLE

The Portal contains vouchers and refund packages regarding education and training, recreation, supplementary pension scheme, social and health care.

2019 DATA

> For the first time, all of the 123 employees that were entitled used the corporate welfare system.

> The categories regarding «Family» and «Health-Wellbeing-Culture» were once again the most appreciated; «Supplementary Health Insurance», was becoming increasingly requested thanks also to the commitment to reduce the time required for reimbursement and to improve the range of services.

// 2.3.2 SAFETY POLICIES IN THE SHOPPING CENTRES

// TABLE 16 - HEALTH AND SAFETY CHECKS IN THE SHOPPING CENTRES (ITALY) (GRI 416-1 / 416-2 AND EPRA H&S - ASSET / H&S - COMP)

	2019	2018	2017
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 17 - HEALTH AND SAFETY CHECKS IN THE SHOPPING CENTRES (ROMANIA) (GRI 416-1 / 416-2 AND EPRA H&S - ASSET / H&S - COMP)

	2019	2018	2017
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

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.

// 2.3.3 SPECIAL PROJECTS TO IMPROVE SAFETY IN THE STRUCTURES



Lifelines (Italy)

This project, which began in 2015, regarded the creation of safety routes and fall protection systems in the Shopping Centres and involved 21 structures altogether. In 2019 specific assessments were conducted on work to be carried out on 2 of the 4 assets acquired in 2018.

Anti-ram bollards (Italy)



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. At the end of 2019, with the installation of anti-ram bollards in Centro Casilino (Rome), IGD has to date carried out work on 16 Shopping Centres.

Dome skylights (Italy)



In 2019 IGD started a general assessment phase of the safety conditions of the dome skylights on the Shopping Centre roofs, the aim being to programme actions to be taken where deemed necessary due to potential lack in safety and security.



Anti-seismic (Italy)

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. In 2019:

- > Portogrande Shopping Centre (San Benedetto del Tronto-Ascoli Piceno): the development of the executive project was completed in the first quarter in 2018 and anti-seismic improvement work was carried out in 2019 and will be completed in 2020;
- > Centro d'Abruzzo (Pescara) and Centro Casilino (Rome): anti-seismic improvement work completed.



Anti-seismic (Romania)

Work regarding the structural reinforcement of Ploiesti Big Shopping Centre was completed.

Fire Prevention (Romania)



The project regarding the adaptation and upgrading of the fire prevention system in all 14 Winmarkt Shopping Centres was completed in 2019.

The contractual aspects regarding fire prevention teams being present in all the Shopping Centres in 2020 have been defined.

// SUMMARY

01. The results obtained during the year bear witness to IGD's commitment to «good employment», with a growth in numbers, an increase in employees undergoing training and a rise in variable pay.
 02. Attention placed on the employees' wellbeing and safety is guaranteed both by investments in specific training and by the corporate welfare system, which is appreciated more and more and increasingly satisfies the employees' needs.
- Continuous work is being carried out regarding safety in the Shopping Centres, with the development of all the necessary safety measures required by law and with the creation of specific projects both in Italy and in Romania.
- 03.

// TARGET

- > Training: focus on soft skills and on the importance of inter-functional work.
- > Internal atmosphere assessment: organisation of the third assessment between 2020 and 2021.
- > Corporate Welfare: increase in services.
- > Definition of individual targets related to CSR.
- > Communication regarding job positions open by means of IGD website and LinkedIn platform.
- > Wellbeing: definition of overall project.
- > Continuation of projects for safety in the structures.



ethical



“*Transparency, integrity and legality are an essential and integral part of IGD’s vision and culture, above all in terms of CSR. It is from this that our commitment, in terms of compliance to rules and regulations in the sector and to the highest national and international standards, arises.*”

Carlo Barban

Director of Administration and Legal and Corporate Affairs

// WHAT WE HAVE DONE

- > Anti-Bribery Management System has been defined in order to obtain ISO 37001/2016 certification.
- > Anti-Corruption policy, ISO 37001 Management Manual and the relative Corporate Procedures have been adopted.
- > ISO 37001 training for managerial staff and directors.
- > Notification procedure so-called «whistleblowing» has been adopted.
- > Remuneration Policy has been updated.

3.1 GOVERNANCE, ETHICS AND CORRUPTION

// 3.1.1 GOVERNANCE

// Governance structures and their composition

(GRI 102-18;102-22;102-23;102-32;405-1;EPRA GOV-SELECT)

IGD's governance structure is based on the traditional model and it 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.

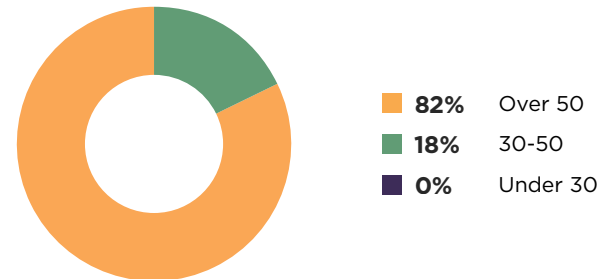
On 1st June 2018 the Shareholders' Meeting appointed the Board of Directors which will remain in office for three financial years until the Meeting that will be called for the approval of the Financial Statements for the year ending 31st December 2020.

The characteristics of the Board are as follows:

- > 11 Directors
- > 7 Independent Directors, representing 64% of the total (the 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
- > 4 belong to the least represented gender (36% out of the total). The composition of the Board of Directors currently in office confirms this rising trend: the figure was 20% in the I 2012-2015 Board and 31% in the following one

> Average age of 58 (as at 31/12/2019), with a decrease of 2 years compared to the previous Board of Directors and with the following breakdown by age group:

// CHART 1 - BREAKDOWN OF BOARD OF DIRECTORS BY AGE GROUP



3.1 GOVERNANCE, ETHICS AND CORRUPTION

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

The Committees are exclusively made up of Independent Directors.

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 <https://www.gruppoigd.it/en/governance/>.

With specific reference to social and environmental issues, on 26th February 2019 the Board of Directors approved for the third time the Sustainability Report in the same session it also approved the Consolidated Financial Statements. The Company's sustainability performance of the previous year was also presented and discussed and the level of achievement of the specific targets included in the 2015-2018 corporate Business Plan was also analysed.

// 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 :

- > 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
- > Engages and encourages the management whose activities are deemed to be of fundamental importance in order to reach IGD's targets and those of the Group
- > Defines the nature and level of risk compatible with the strategic targets of the issuer in terms of medium to long-term sustainability of corporate activity

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.

Following the two specific induction sessions organised in 2018, in 2019, during various sessions, the Board of Directors and the Board of Statutory Auditors received updated detailed information from the Company management on the dynamics of the Company and of the retail real estate market.

Furthermore, IGD has, since 2007, assigned its "Board Review" to the independent consultancy firm Egon Zehnder. This is a self-assessment process for the Board of Directors on the performance, the composition and the effectiveness of the Board itself with regard to the creation and preservation of value. It was carried out in the months of January and February 2020, and the results can be seen in the "Report on corporate governance and ownership structure" (available on page <https://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 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 addition to the Governing Body, Top Management and Compliance Function for the prevention of corruption appointed at the end of 2019.

In 2010 IGD defined and implemented an integrated risk management process, updated every year, which is based on the internationally recognised standards in the field of Enterprise Risk Management (ERM). In 2019, in order to ensure an optimal detection and assessment of risks and review the already existing safeguard measures in place, the Enterprise Risk Management activities included a workshop, with the support of the Operating Management, during which a further fine-tuning process on the analysis and classification of risks was carried out with priority given to the identification of the so-called «strategic» ones.

The facts that emerged were then analysed during specific meetings with the managers in charge of the main operating and functional areas, in order to define the risks and organise them into «operational», «financial» and «compliance» categories.

In this way it was possible to both validate the risks identified in the Risk Map, and assess the risks and the existing mitigation measures in place.

Altogether 34 corporate risks have been identified and are being monitored by the bodies in charge.

All of the top ten 10 risks identified in the matrix that assesses the risk level and control level, fall, for 2019, within the area «to be monitored». Included in these is the risk related to climate change (as described in section «Sustainability strategy» Focus TCFD).

For further details on how the risk control system works please refer to the corporate website: <https://www.gruppoigd.it/en/governance/internal-control-and-risk-management-system/>.

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

IGD's Remuneration Policy, regarding the Chief Executive Officer, the Board Members assigned with particular roles and/or mandates, the Chief Operating Officer and the Top Managers with strategic responsibilities, is designed to:

- > Attract, retain and motivate the management, of fundamental importance to the achievement of IGD's goals and those of the Group
- > Create a close connection between remuneration and performance, both individual and of the Group
- > Promote the creation of value for the stakeholders in the medium to long term

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-financial results achieved by the Company.

The Shareholders' Meeting held on 10th April 2019, also in light of the renewal of the Board of Directors which took place on 1st June 2018, approved the Remuneration Report, which provided for some restructuring of the variable component, both short-term and long-term, compared to the previous policy.

The underlying objective of this new policy is to ensure that the structure of the remuneration of the directors and the top managers with strategic responsibilities is such as to adequately pay the envisaged activities and the performance achieved. For this purpose the ratio between the fixed component and the variable component was rebalanced, favouring, compared to the previous version, the medium to long-term component. The variable component of remuneration is always linked to measurable and predetermined targets, which can be traced back to those in the 2019-2021 Strategic Plan.

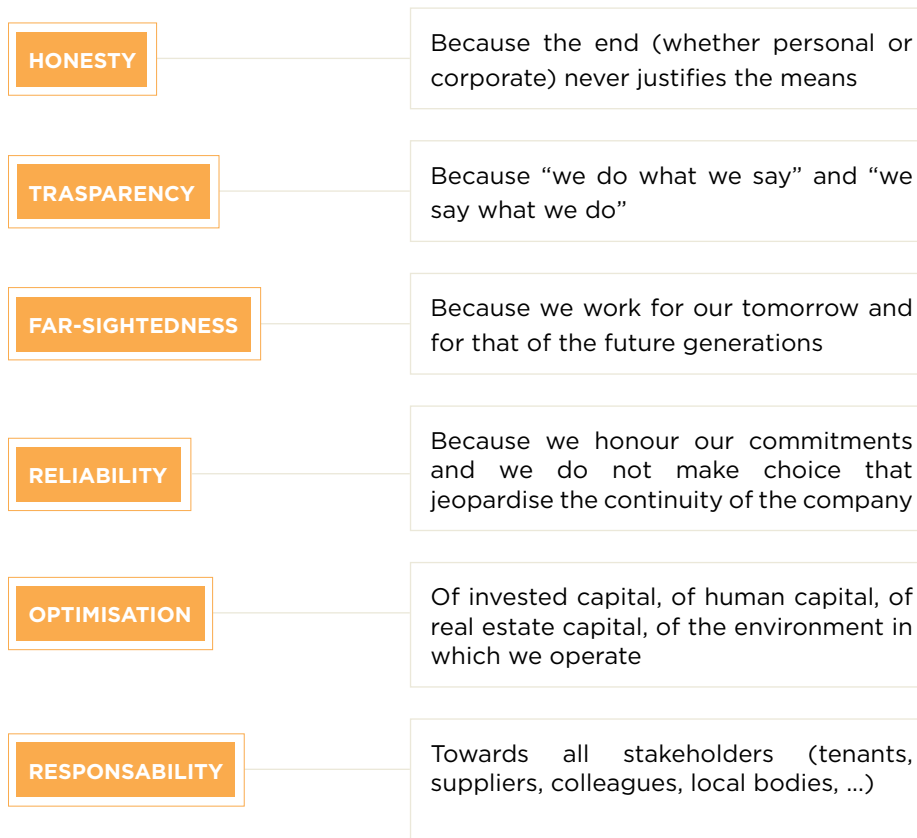
Further details on the remuneration policy are available on the company website:

<https://www.gruppoigd.it/en/governance/remuneration/>.

// 3.1.2 ETHICS

// Values (GRI 102-16)

The values which the Group identifies itself with are:



// The Code of Ethics (GRI 102-17)

IGD’s Code of Ethics defines a set of ethical and social regulations which stakeholders must abide by. 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: The Code of Ethics: <https://www.gruppoigd.it/en/governance/business-ethics/code-of-conduct/>.

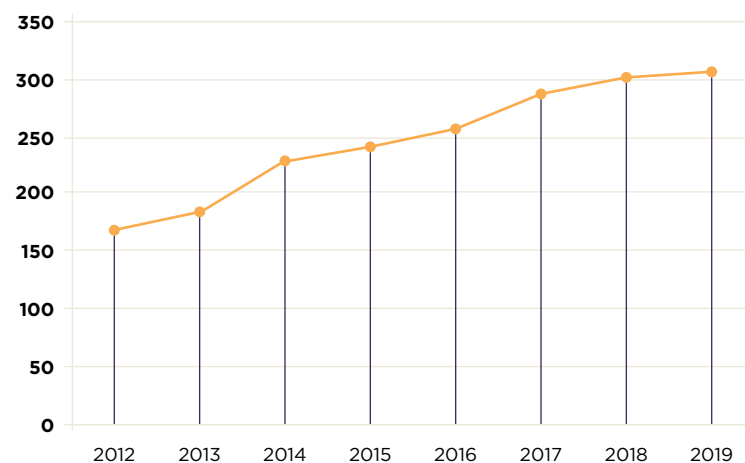
- > It is the first element on which the Organisational, Management and Control Model, adopted by IGD in accordance with Legislative Decree 231/2001, is founded
- > It is an integral part of employment relationships with employees and it is included in the employment Contract signed at the moment of recruitment
- > It is a benchmark for relations with suppliers, as IGD requires that they endorse it in tenders and mandates
- > It 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 the Compliance Committee

In 2019 the «whistleblowing» notification system was activated and was accessible from the <https://www.gruppoigd.it/en/>, website, guaranteeing anonymity of the reporting party. To date, no notifications regarding breaches have been received by the Compliance Committee.

// TABLE 1 - SUSTAINABILITY PROTOCOL PERFORMANCE (ROMANIA)

	2019	2018	2017
Number of Sustainability Protocols signed	10	9	32

// CHART 2 - SUSTAINABILITY PROTOCOLS SIGNED 2012/2019 (ROMANIA)



// Sustainability Protocol in Winmarkt

The “Protocol to promote business sustainability”, which Winmarkt adopted in 2012, is a document which is appended to the contract signed by all new suppliers, committing them to behave in such a manner that is consistent with the ethical principles 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 (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 and substantive aspects.

Between 2012 and 2019 a total of 311 Sustainability Protocols were signed, contributing to the dissemination of respect for workers’ rights in Romania. In 2019, more specifically, just one 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 future competitive tenders and/or selections.

// 3.1.3 ANTI-CORRUPTION AND OTHER ACTIONS TO SAFEGUARD LEGALITY

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

// Labour Standards

- > Inclusion of a clause in the rental and/or lease contracts which expressly requires the tenants to comply, with regard to their employees, with labour standards laid down by the National Collective Labour Agreement;
- > Inclusion of obligation to issue a surety in service contracts (cleaning and security), to guarantee the use of legal forms of employment;
- > Inclusion of obligation to present, during the prequalification stage in tender contracts, the specific documentation regarding compliance with laws (with particular attention to labour legislation).

// Background of interlocutors

- > Due diligence carried out, regarding customers, tenants, suppliers, business partners, as well as staff, before signing the relative contract and/or agreement, in order to assess the nature and entity of the risk of corruption;
- > A general system of supplier rotation foreseen, in order to favour 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;
- > Inclusion of an express termination clause in tender contracts and contracts with tenants with regard to the failure to present and/or update the anti-Mafia certification, issued by the relevant Prefecture;
- > Express termination clauses present in tender contracts and contracts with tenants in the event of conviction, even if it has not yet become final, for Mafia association felonies against the contracting firm itself or its corporate representatives, as well as in the event of any breach of the Anti-Corruption Policy and/or the Organisational, Management and Control Model, adopted by IGD.

// Anti-corruption and UNI ISO 37001 certification

(GRI 102-25; EPRA GOV-COL)

In order to combat corruption, IGD has implemented safeguards and protection measures aimed at monitoring behaviour both in relations with the private sector and in those with the Public Administration.

First of all, the Company undertakes to comply with the laws in force, abiding by the protection measures included in the Organisational Model ex Legislative Decree 231/01, by means of (for example):

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 regarding the existence of any conflicts of interests by the Corporate Management
3. Request for anti-Mafia certification for tenders and contracts generating income

Secondly, in order to consolidate and improve the process to combat and mitigate corruption-related risks, the Company voluntarily launched a project in 2019 aimed at the implementation and execution of a management system for the prevention of corruption pursuant to ISO 37001:2016 international regulations.

This certification is based on international best practices and refers to all forms of corruption. It is certifiable by an accredited third party and it can become part of the Organisational Model ex Legislative Decree 231/2001 with positive impacts on reputation (legality rating).

The activities carried out in 2019 led to the definition of:

1. Anti-Corruption Policy: this document establishes the principles and the general goals of the Anti-bribery System, amongst which the prohibition of any form of corruptive behaviour (so-called “zero tolerance” principle), compliance with anti-corruption laws, commitment to fulfil the requirements of the Anti-bribery System and to continuously improve the System itself. The Anti-Corruption Policy is available on the IGD website: <https://www.gruppoigd.it/en/governance/business-ethics/anti-corruption/>.

2. ISO 37001 Management System Manual: this specifies the requirements and the guidelines in order to establish, execute, maintain, update and improve the anti-bribery management system implemented by IGD.

New corporate procedures have been introduced for this purpose.

Furthermore, the Company, during the Board of Directors' meeting held on 17th December 2019, identified the Governing Body, Top Management and Compliance Function for the prevention of corruption.

// Anti-corruption and UNI ISO 37001 certification

(GRI 102-25; EPRA GOV-COL)

In November 2019 the Company organised a half-day training session for corporate Directors and Managerial Staff in order to disseminate and promote knowledge regarding the ISO 37001 Management System adopted by the Company. This training will be extended to the rest of the IGD workforce in 2020.

IGD's commitment, on a voluntary basis, also came about after its Romanian subsidiary Win Magazin Sa obtained the same certification (UNI ISO 37001 - Anti Bribery Management Systems) in 2018 (first company in Romania to have obtained this certification). The monitoring activity has been assigned to the internal role of «Tax and Internal Control Manager».

// 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 it 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. The next renewal will take place during 2020.



// GDPR

Back in 2018 IGD implemented an adjustment process to become aligned with EU Regulation 2016/679, known as GDPR (General Data Protection 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.

The Company appointed a Data Protection Officer for all the companies in the IGD Group.

In 2019, with focus on the issue of cyber security, the Company implemented and completed the encryption of portable PCs and mobile devices in order to raise the IT security level.

Specific audits were carried out by the DPO in 2019 to assess the extent of adjustment.

In 2019, no instances were reported of people being affected and no data breaches occurred.



// SUMMARY

- 01.** IGD carefully monitors its Corporate Governance model to ensure compliance with regulations in the sector in strict adherence to the Corporate Governance Code promoted by the Corporate Governance Committee of Borsa Italiana S.p.A., the Italian Stock Exchange.
- 02.** IGD promotes ethical behaviour both within the company and in its external relations: examples include the actions undertaken to comply with labour standards, due diligence activities regarding all commercial partners and, with regard to its foreign subsidiary, the Sustainability Protocol in Romania.
- 03.** With regard to legality, bearing witness to the deeply ingrained desire to be transparent, IGD has voluntarily launched a process to obtain ISO 37001 Anti-Bribery Management Systems certification.

// TARGET

- > ISO37001:2016: obtain certification in Italy in 2020.
- > Legality Rating: maintain the maximum score (3 stars) after two-yearly renewal.
- > Global Compact: become a member, bearing witness to IGD's commitment to implement, disseminate and promote the Ten Principles of the United Nations in the areas regarding human rights, labour, environmental sustainability and anti-corruption.



attractive



“

The retail sector is in constant evolution, in the same way that consumer needs and preferences change.

For this reason, in IGD we continuously examine innovative solutions both commercial ones and those from the point of view of sustainability and the use of digital technology and we focus our attention and our resources on ensuring that our properties remain modern and attractive and on improving our visitors' shopping experience.

”

Raffaele Nardi

Director of Planning, Control and Investor Relations

// WHAT WE HAVE DONE

- > Actions carried out to improve the structures also from an environmental sustainability point of view in 8 Shopping Centres from 2014 to 2019 (3 restyling activities completed in 2019).
- > Creation of the «I'm possible» communication campaign, following on from the concept of «Spaces to be lived in».
- > 716 free-of-charge events organised for the Shopping Centres' visitors, 13.1% of which were social/ environmental ones, with a total cost of 3.8 million euros.

○ 4.1 SUSTAINABLE ENHANCEMENT OF THE PORTFOLIO

// 4.1.1 ACTIONS CARRIED OUT AND RESULTS OBTAINED

Between 2014 and 2019 IGD carried out restyling activities in 8 Shopping Centres. The opportunity was taken during this work to increase the energy efficiency of the structures and reduce their environmental impact. In 2019 restyling work was carried out in Gran Rondò Shopping Centre in Crema (Cremona).



// Start/End of work

June/November 2019

// Aim of work

Increase the attractiveness of the Mall, also by modifying the merchandising mix

// Work to increase sustainability

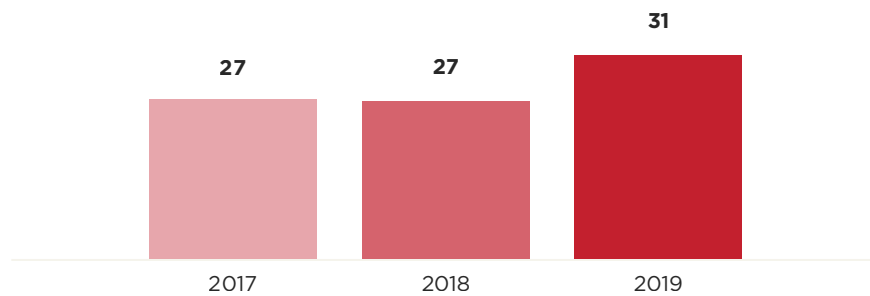
LED lighting system

The work that began in 2018 in Casilino Shopping Centre in Rome and in Fonti del Corallo Shopping Centre in Livorno was concluded in 2019. In both cases, the lighting system was changed and LED lighting systems were installed.

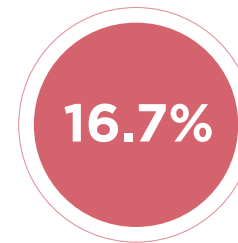
4.2 RETAIL OFFER

// 4.2.1 ADAPTING THE MERCHANDISING MIX (ITALY)

// CHART 1 - NEW BRANDS INTRODUCED EACH YEAR (ITALY)

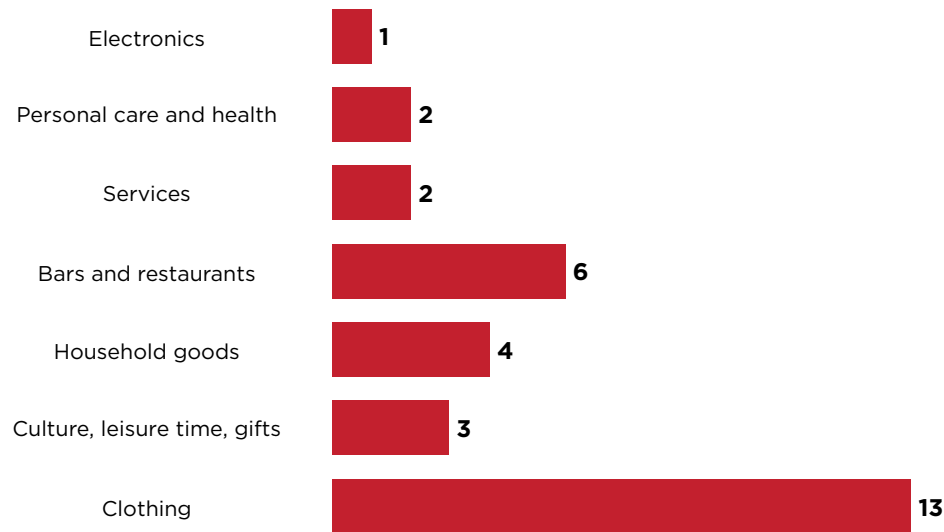


The increase in new brands during the year was the result of scouting activities carried out with local, national and international operators. With regard to the latter, the meetings carried out with non Italian tenants continued to grow in numbers (+18% in 2019 compared to 2018). The new brands represent 16.7% of the total brands under contract in the year, on the increase compared to the previous year.



New brands out of total brands under contract

// CHART 2 - NEW BRANDS BY MERCHANDISING TYPE



Over the last 3 years, one out of 4 new tenants has belonged to the bar and restaurant category, bearing witness to the attention paid by IGD to constantly adjust its retail offer in one of the fastest growing sectors inside the Shopping Centres.



Weight of restaurants/bars on total new brands introduced over the last 3 years

// 4.2.2 ADAPTING THE MERCHANDISING MIX (ROMANIA)

In 2019 Winmarkt's policy to adapt its merchandising and tenant mix was focused on:

1. Scouting for and introducing new tenants in the Malls.

Included in the group of the most important tenants that became part of the Winmarkt network were also:

- > A Hungarian tenant from the second hand and vintage clothing sector, with openings in 7 Shopping Centres (Ramnicu Valcea, Ploiesti, Alexandria, Braila, Galati, Piatra Neamt and Bistrita);
- > A tenant in the food sector selling traditional products either to take away or to eat in on site in the designated area, opened in the month of April in the Shopping Centre in Braila.

2. Consolidating relations with important tenants that are already part of the Winmarkt network. In particular:

- > 4 new Kik stores were inaugurated in Ploiesti, Galati and Bistrita;
- > Pepco store was relocated to a larger unit in Buzau Shopping Centre.

The weight of international tenants on the total portfolio was 38% (in line with 2018 when it was 40%).



4.3 SPACES TO BE LIVED IN

// 4.3.1 MARKETING AND EVENTS - ITALY

// TABLE 1 - EVENTS HELD IN THE SHOPPING CENTRES

	2019	2018	2017
Total number of events	716	530	540

€ 3,820,543

Total expenditure in Euros for the organisation of events in 2019 (excluding communication)

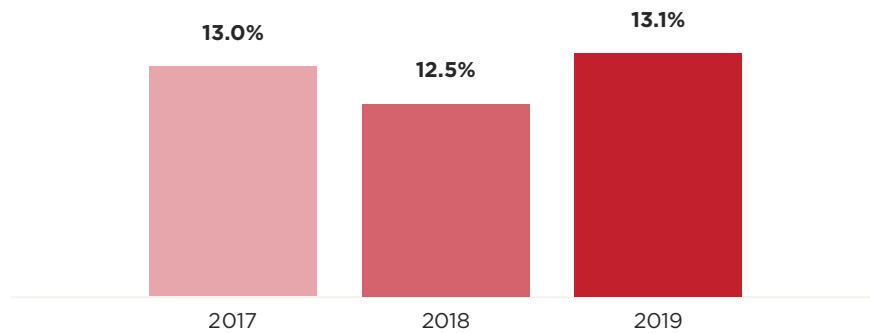
Events represent the most important moment for social gatherings within the Shopping Centres. The definition of the correct mix of these events in relation to the specific location of the structures is ensured by the relative Marketing Plans. In 2019 IGD updated the methodology with which the Plans are defined, focusing more and more on the targets that each Mall intends to reach within their catchment area. This new approach, which will be effectively used for the Marketing Plans referring to 2020, places particular focus on monitoring and verification, in order for periodic fine-tuning to be carried out.

In 2019 there was an overall increase in events organised in the IGD Shopping Centres. The reason behind this is related both to the inclusion in the calculation of 4 Shopping Centres acquired in 2018 and to the increase in events in several Shopping Centres in which carrying out a higher number of entertainment initiatives of a local nature was determined to be more strategic.

Altogether the IGD Shopping Centres invested almost 4 million euros in the organisation of free-of-charge events, creating a positive impact on the local area.



// CHART 3 - SOCIAL-ENVIRONMENTAL EVENTS - % OUT OF TOTAL (ITALY)



IGD undertakes to organise exclusive and inclusive events, with great attention paid to social-environmental initiatives. Their weight on the total has remained constant over the years. These initiatives vary in nature ranging from prevention/health to safe driving, from workshops on recycling/reuse to awareness raising activities to combat violence against women.



The number of Shopping Centres that organised at least one exhibition during 2019 went from 52 to 62%, confirming the commitment to offer visitors the possibility of learning more on cultural, artistic, local or naturalistic issues.

// 4.3.2 INSTITUTIONAL COMMUNICATION CAMPAIGN

In 2019 IGD launched a communication campaign dedicated to the image repositioning of seven key Shopping Centres in its Italian portfolio. Following on from the concept of «Spaces to be lived in», the aim was to portray the Shopping Centre as a place in which people have the possibility of making their dreams come true; from which the claim “I’m possible, the place without boundaries” (I’m possible, il luogo senza confini”) arises. This message was conveyed, from a creative point of view, by means of dreamlike images, adapted to suit each of the seven Shopping Centres. A dimension that was parallel to that of everyday routine was portrayed, a dimension in which people can treat themselves, their families, their friends to a special moment, just like in a Shopping Centre that is transformed into a real “space to be lived in”.



// Campaign period

October/November 2019

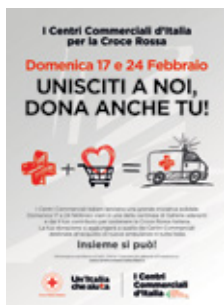
// Shopping Centres involved

- > Centro Sarca in Milan
- > ESP in Ravenna
- > Le Maioliche in Faenza (Ravenna)
- > Tiburtino in Rome
- > Centro d'Abruzzo in Chieti
- > Le Porte di Napoli in Naples
- > Katanè in Catania

// Results obtained

The Shopping Centres where this campaign was carried out recorded an improvement in performance in terms of footfall and tenant sales compared to the pre-campaign period. These results can also be confirmed by the comparison with the other Centres where this campaign was not carried out.

// 4.3.3 COOPERATION WITH ENTITIES ACTIVE AT NATIONAL LEVEL ON SOCIAL ISSUES



All the IGD Shopping Centres took part in the initiative promoted by the National Association of Shopping Centres - Consiglio Nazionale Centri Commerciali (CNCC) with the aim of raising, by means of spontaneous donations from visitors and the direct contribution from the properties, the amount earmarked for the purchase of ambulances to assist the community. Altogether IGD contributed by donating €30,000. Thanks to the participation of over 300 Italian Shopping Centres, 2 ambulances were purchased.



In 2019, six IGD Shopping Centres hosted, for 67 days altogether, fundraisers who promoted, in the name of the High Commissariat of the United Nations Refugee Agency (UNHCR), the programme called «Angelo dei Rifugiati». (Angel of Refugees). 61 of the visitors that were met in the IGD Malls decided to become a donator.



The cooperation between IGD and ANT Associazione Nazionale Tumori (National Tumour Association), which began in 2012, continued in 2019, the purpose of which is to organise within the Malls days dedicated to prevention and to raising awareness on health issues. In 2019 the ANT mobile medical surgery reached the visitors of 7 Shopping Centres. 210 people had free health check-ups, making a total of 8,015 visits carried out since 2012.



The NPO WeWorld, which operates in 29 countries around the world, in particular to help women and children in difficulty, carried out awareness raising activities in 2019 in 5 IGD Shopping Centres. 65 of the Malls' visitors decided to support their programme and, thanks to a forecast of yearly donations equal to €14,820, they will be contributing to the fulfilment of projects which are presently being carried out.

// 4.3.4 MARKETING AND EVENTS - ROMANIA

In 2019 Winmarkt allocated a budget of € 110,000 to its marketing plan, carrying out 115 activities consisting of events and campaigns.

In particular, the main activities were as follows:

- > 37 co-marketing campaigns (21 voucher campaigns 16 personalised co-branding campaigns);
- > 10 fairs, based on traditional festivals, on charity or recreational issues;
- > Installation of the waxworks museum in the Shopping Centre in Ploiesti;
- > Events to support and assist new openings of the most important new brands;
- > Community engagement social campaigns, like;
 1. «Adopt a mother», a fundraising event organised on the occasion of international Mother's Day;
 2. «World Diabetes Day», an event organised with the involvement of the local community in Ploiesti to support people suffering from diabetes and to raise awareness on the issue of prevention;
 3. «Earth Hour» an event to raise awareness on combatting Climate Change.

> Sponsoring of events with a strong local impact regarding sports and culture (for example «BUZZ CEE», International Film Festival which promotes high quality productions originating from Central and Southeast Europe; «Skirt Bike», cycling tour exclusively for women of all ages and «International Festival of Independent Comedy Theatre», the first event exclusively dedicated to independent theatres, organised in Buzau.

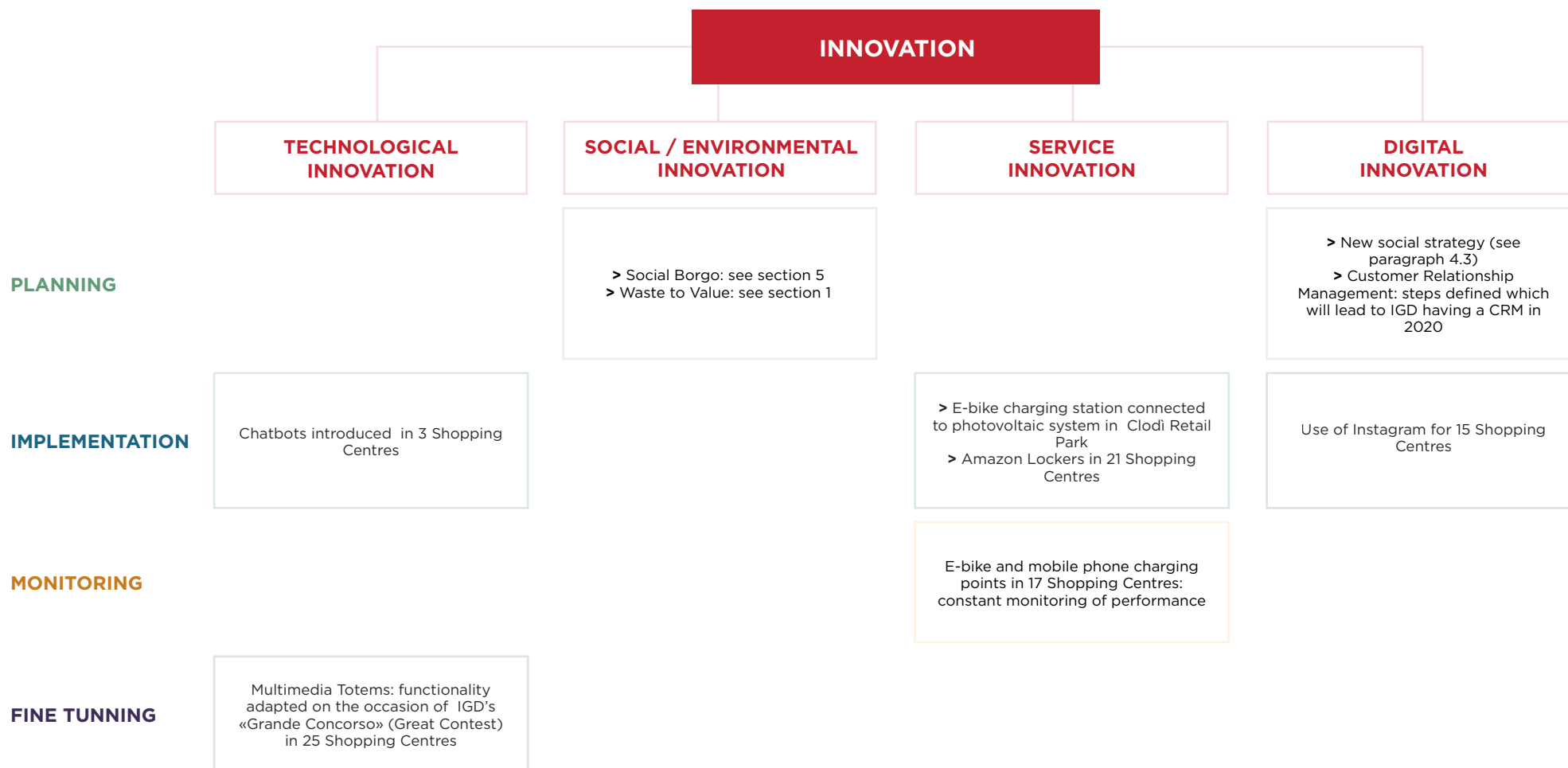
// TABLE 2 - SUPPORT GIVEN TO LOCAL EVENTS (ROMANIA)

Support given to local events (Romania)	2019	2018	2017
Contributions for sponsoring or supporting local events	7,600	4,475	3,600

4.4 INNOVATION

// 4.4.1 AREAS OF WORK

IGD uses a matrix approach to manage innovation: the one shown below, referring to 2019, cross-references the 4 areas which the Company has decided to work on (technological, social-environmental, service and digital innovation) with the PLAN-DO-CHECK-ACT approach. It is constantly updated and gives an overall picture of the work in progress.



// 4.4.2 WEB - CORPORATE

In 2019 the Company further reinforced corporate communication activities and protection, including the use of social networks.

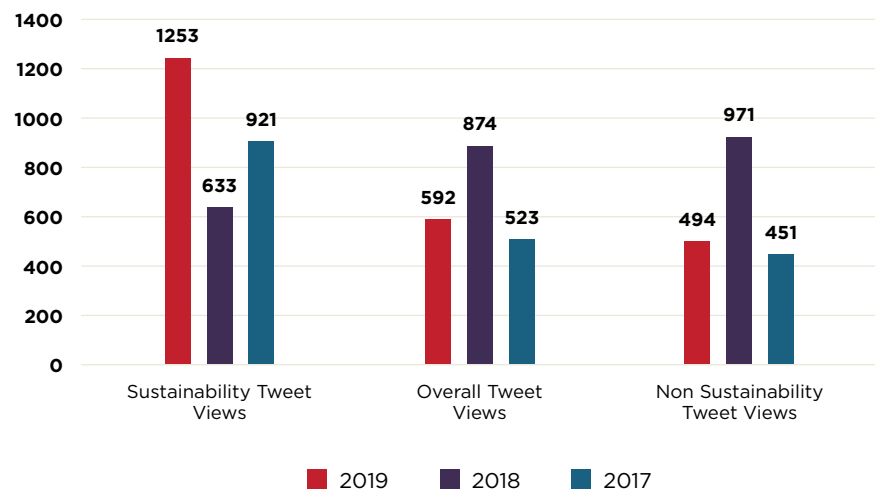


// TABLE 3 - TWITTER PERFORMANCE (SOURCE: TWITTER ANALYTICS)

	2019	2018	2017	Difference 2019/2018	Difference 2018/2017
Number of Tweets	116	21	78	452%	-73%
Number of Sustainability Tweets	15	6	12	150%	-50%
Tweet Views	68,706	18,356	40,790	274%	-55%
Sustainability Tweet Views	18,797	3,797	11,050	395%	-66%

IGD uses its account @igdSIQ to communicate institutional information and to provide news in real time also on events or issues regarding sustainability. Due to the new internal organisation, the use of this channel increased, with more tweets and consequently more views.

// CHART 4 - AVERAGE VIEWS (SOURCE: TWITTER ANALYTICS)



The increase in sustainability tweet views can be linked to projects directly promoted by IGD (for example Social Borgo) or those which it supports (for example «M'illumino di meno» - I will use less light). These are projects that are followed by communities that are active on this channel, thanks also to the cooperation with partners that are well-known locally or at national level.



// TABLE 4 - WEBSITE NUMBERS (SOURCE: GOOGLE ANALYTICS)

Website	2019	2018	2017	Difference 2019/2018	Difference 2018/2017
Number of visits	109,302	65,046	54,307	68%	20%
New visitors	90,959	44,810	37,491	103%	20%
Length of time in minutes spent on website (average)	1.28	2.28	2.31	-44%	-1%
Visitors that return	6,483	6,209	5,674	4%	9%

During the year, the www.gruppoigd.it website, which was redesigned in 2018, recorded a considerable increase both in numbers of visits and in new visitors, bearing witness to the extent to which the functions and features of the new platform are appreciated.

In the annual Italian research «Webranking Italy» carried out by Lundquist, which analyses the effectiveness and transparency of corporate communication on digital channels of the most important listed companies, IGD is ranked 18th out of 112 Italian companies assessed; IGD's score (69.2 points out of 100) improved by 1.5 points compared to 2018, making IGD the second company with lower capitalisation out of the top 18 in the ranking.



// TABLE 5 - LINKEDIN NUMBERS (SOURCE: LINKEDIN ANALYTICS)

Linkedin	2019
Page views	4,800
Number of visits (single visitors)	1,974

In 2019 IGD defined its placement in the LinkedIn platform, used as a B2B communication tool with content that gives an all-around vision of corporate activities, the aim being to increase its recognisability and reputation. Furthermore, the Company established an internal process dedicated to the use of this channel for two other purposes:

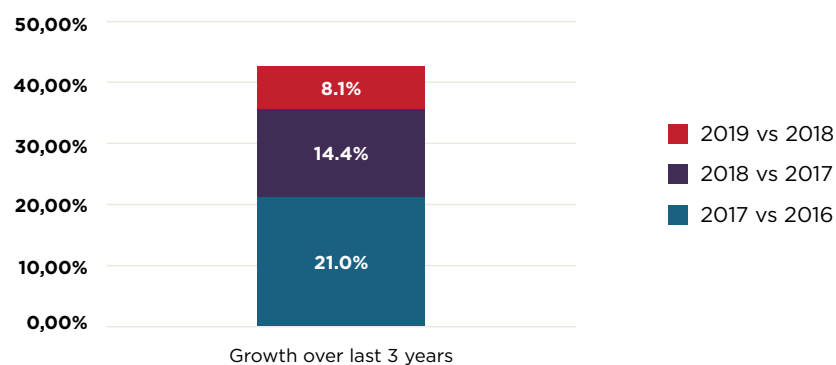
- > To increase the sense of belonging transforming the employees into corporate ambassadors;
- > To advertise for staff recruitment / positions available.

// 4.4.3 WEB - SHOPPING CENTRES

All the IGD Shopping Centres have a Facebook page and, starting in 2019, 15 of them also have an Instagram account, so as to complement the narrative and content approach of the former with the visual/aspirational one of the latter. With the purpose of developing an increasingly systematic approach, during the year IGD laid the foundations to include its social strategy in a more general digital strategy (2020 target).



// CHART 5 - FANBASE GROWTH 2017-2019



With a continuous growth being recorded over the last few years (+43.5 p.p.), the overall fanbase now exceeds 520,000 people (taking into consideration those that have decided to follow the Shopping Centres' pages by clicking «like»).



// TABLE 6 - INSTAGRAM NUMBERS

Instagram	2019
Engagement	3.2%
Fanbase	17,814

In the first year of use, the posts on Instagram were viewed by nearly 10 million unique accounts (reach).

// SUMMARY

01. Focus on sustainability has proven once again to be the unwavering factor that is common to all the work carried out on the properties by the Company over the last 5 years, bearing witness to the ever increasing bond between this issue and the attractiveness of the Malls.
02. With an increased investment in marketing activities and with a specific communication campaign, IGD has undertaken to offer its visitors numerous reasons and opportunities for them to spend time in its Shopping Centres.
03. Innovation as a distinguishing feature in its approach to business, both with regard to constantly adapting its merchandising and tenant mix in its retail offer and with regard to introducing elements of improvement in order for its Shopping Centres to become more and more «Spaces to be lived in».

// TARGET

- > Sustainable enhancement of the portfolio: restyling activities with improvement on environmental impact to be carried out in 10 Shopping Centres by 2030.
- > Spaces to be lived in: definition of campaigns at national level to raise awareness in the Shopping Centres' visitors on issues in line with IGD's values.
- > Innovation: definition of the «Digital Strategy».



together



“ We continuously seek to engage our Stakeholders. Investors and lending banks in particular, express their willingness to finance Sustainable and Responsible Investments. These investments are orientated towards the medium to long term and the assessment of businesses and institutions involves the integration of financial analysis with environmental, social and good governance analysis, in order to create value for the investor and for society at large. ”

Andrea Bonvicini

Director of Finance Division

// WHAT WE HAVE DONE

- > Structured engagement has been carried out with all stakeholders in order to understand their expectations.
- > The «Social Borgo. Towards a Collaborative Shopping Centre» project was launched.
- > 272 local associations were received in the IGD Shopping Centres.
- > 31% of events carried out were of a local nature.

5.1 STAKEHOLDER ENGAGEMENT

// 5.1.1 STAKEHOLDER (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.

// 5.1.2 ACTUAL ENGAGEMENT AND THE RESULTS OBTAINED FOR EACH STAKEHOLDER (GRI 102-42; 102-43; 102-44)

// Financial institutions

Stakeholders engaged

IGD worked with 16 credit institutions, which report to 12 banking groups. 8 of these are classified in the top 12 banking groups in Italy (source: Milano Finanza).

Time period

Throughout 2019

Methods used

- > 44 face to face meetings
- > 84 conference call

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

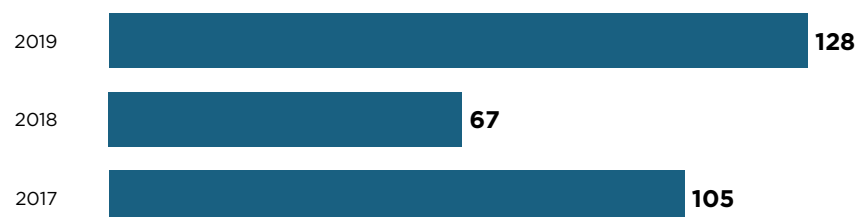
Was engagement carried out for the Sustainability Report?

No

Results

Important refinancing transactions carried out successfully during the year

// CHART 1 - MEETINGS WITH BANKS



The number of meetings and conference calls held during 2019 was affected by IGD's intense activities in the debt market.

In particular, in the first few months in 2019 the syndication activity regarding the unsecured syndicated loan underwritten with BNP Paribas for 200 million Euros was executed, with the allocation of the parts to the other financing entities involved. With this transaction, the Company repaid the bond with maturity in January 2019 for 125 million euros.

// Investors and analysts

Stakeholder coinvolti

Italian and foreign investors, analysts and specialised press

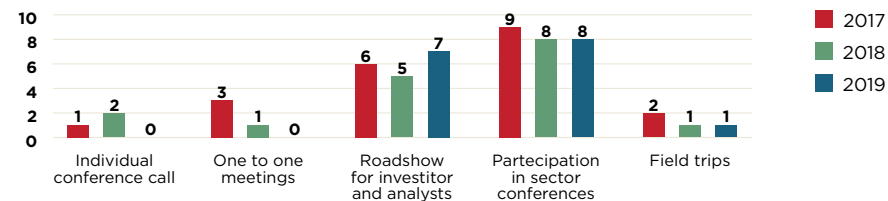
Time period

Throughout 2019

Methods used

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

// CHART 2 - SUMMARY OF INVESTOR RELATIONS ACTIVITIES



In 2019 the company participated in the third Italian Sustainability Day organised by Borsa italiana, the Italian Stock Exchange. This event represents the most important occasion in Italy for listed companies to discuss ESG issues. On this occasion IGD met with 3 Italian institutional funds. 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.

The slight reduction in IR activities was due to the postponement of several roadshows for reasons not directly caused by IGD, like for example the instability of the political scenario in Italy and the complexity of the physical retail sector, which investors do not found favourable (in particular Anglo-Saxon investors) due to the problems in several countries.

// TABLE 1 - CONFERENCE CALL PARTICIPANTS

	2019 (N)	2018 (N)	2017 (N)
Number of participants	105	111	134
of which Italian	67	79	86
of which foreign	38	32	48
of which investors	52	28	64
of which analysts	25	26	37
other (banks, consultants, IGD employees)	28	57	33

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

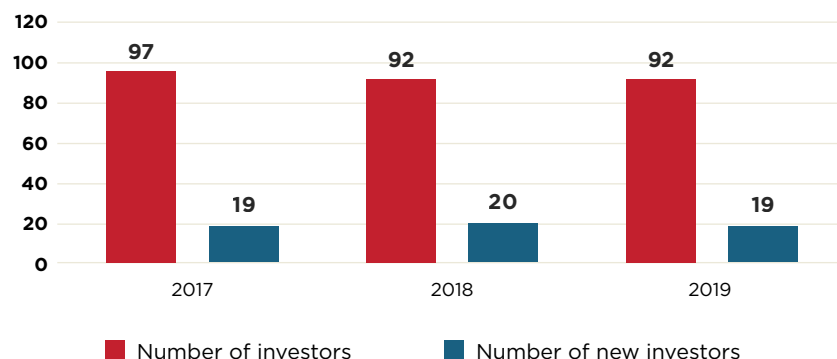
Was engagement carried out for the Sustainability Report?

No

Results

During the year IGD met with 92 investors, of which 19 were new, in line with the previous years

// CHART 3 - TOTAL AND NEW INSTITUTIONAL INVESTORS



In anticipation of the refinancing of the bond, IGD met with debt investors (mainly new ones) interested in the transaction.

On 28.11.2019 the Company issued new bonds for €400,000,000 with maturity on 28th November 2024 and a 2.125% fixed yearly coupon. The proceeds of this issue were earmarked in part for the partial buy-back of the €300 million and €162 million bonds, with maturity, respectively, in 2021 and in 2022, and in part they will be earmarked for the repayment in full of the bond with maturity in 2021 as well as for general operational management.

// Visitors to the Centres

The «Listening Project», launched by IGD in 2018, continued in 2019: IGD engaged visitors and non-visitors to its Shopping Centres by carrying out surveys that were defined on the basis of a structured 4 step process which, starting from the selection criteria, arrives at the planning of the individual surveys over the identified timespan.

Step 1

Identification of the criteria for the selection of the Shopping Centres and the available tools

Step 2

Selection of the Shopping Centres on the basis of the criteria in step 1

Step 3

Planning during the year of the Shopping Centres to be surveyed

Step 4

Planning of the surveys

Selection criteria of Shopping Centres

1. Date last Customer Satisfaction carried out
2. Commercial performance
3. Ongoing projects/changes since last survey

Analysis tools

Customer Satisfaction in-store



C.A.P.I. on field



C.A.W.I. on Facebook / Instagram



Focus Group



Stakeholders engaged

IGD Shopping Centres' visitors and non-visitors

Time period

Throughout 2019

Methods used

> See previous page

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 to 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, also in light of programmed restyling work;
- > Assess the visitors' sense of wellbeing within the Shopping Malls.

Was engagement carried out for the Sustainability Report?

No

Results

Engagement actions involved 2,242 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 3.9 points out of 5 (in line with the points determined by Facebook and Google reviews).

The management aspects of the Malls (cleaning, security ...) received very positive assessments, as did the indicators related to wellbeing within the Malls. Indeed, in 2019 the latter obtained an assessment rating equal to 4.6 out of 5.

The main trends emerging from the 2019 surveys regard the request by the visitors for new services (structural and commercial) both inside and outside the Malls.

The analysis of the results that emerged, carried out by an interdepartmental Committee, led to the definition of the marketing, management, commercial and structural tools required in order to increase the attractiveness of the Centre as well as the level of visitor satisfaction. Subsequently, the measures to be taken, the follow up actions, the people in charge and the time schedules were all then defined.



*people interviewed
in 2019*

// Tenants

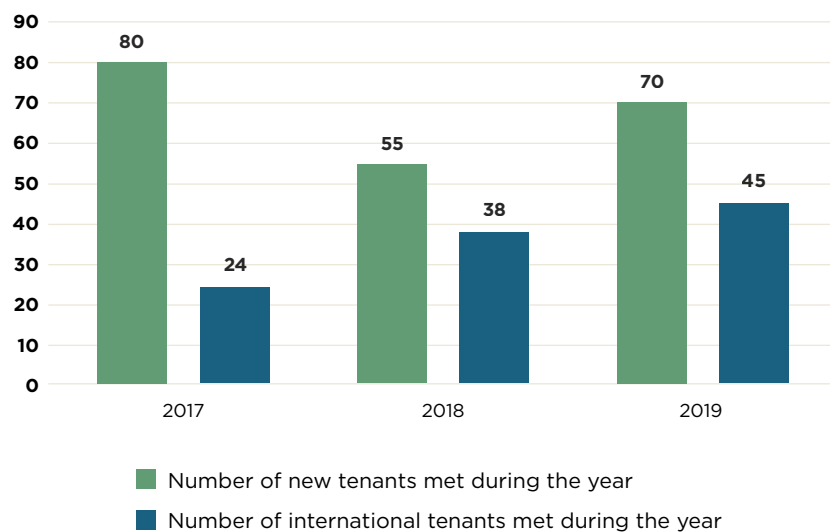
// TABLE 2- NUMBER OF SECTOR TRADE FAIR MEETINGS

Trade fair meetings	2019	2018	2017
Mapic Italy	108	133	101
Mapic Cannes	97	103	114

IGD organises face to face meeting with retailers, both in a continuous manner throughout the year as well as during the two most important trade fairs in the sector: Mapic Italy, the fourth edition of which was held in May in Milan, and Mapic Cannes which was held in the month of November.

With regard to the Italian edition of the trade fair, IGD decided to slightly reduce the number of meetings compared to the previous year, in order to dedicate the appropriate time to each meeting to better examine the issues to be addressed. The number of meetings held in Cannes remained substantially the same.

// CHART 4 - MEETINGS WITH NEW TENANTS AND INTERNATIONAL TENANTS



Positive results were obtained with regard to scouting for new tenants: there was an increase both in new tenants met during the year (70 in 2019 and 55 in 2018), and, for the second year running, in international tenants met (45 in 2019 and 38 in 2018).

// Tenant**Stakeholders engaged**

Various tenants

Time period

Throughout 2019

Methods used

> 650 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:

- > Analyse 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;
- > Monitor and manage any problems that the tenants may have in connection with their presence in the IGD Centres;
- > Monitor consumer trends

Risultati

- > High occupancy level was maintained (Italy): 96.9% as at 31.12.19;
- > 31 new brands were introduced during the year (see section 4.3).



○ 5.2 LOCAL COMMUNITIES

// 5.2.1 LOCAL COMMUNITIES

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

**SOCIAL - MEETING
PLACE**

COMMERCIAL

EMPLOYMENT

// 5.2.2 SOCIAL/MEETING PLACE ASPECT

// TABLE 3 - PERCENTAGE OF LOCAL EVENTS

Events held in the Centres	2019	2018	2017
Cultural, recreational-sports events held with local associations	223	135	149
% of local events out of total	31%	26%	28%

The IGD Shopping Centres are both places in which to get together and points of reference in their local areas. Each Centre works so as to strengthen the synergy with the context in which it operates, the aim being to enhance it, starting with the organisation of events held in the Shopping Malls. The programming of the activities, during the definition of the Marketing Plan, is sometimes co-planned with the local area, in terms of both associative and institutional network.

Local events increased compared to the previous two-year period: the aim is to increase the presence in the local area especially for those Shopping Centres that have a competitive advantage over their competitors on this aspect.

// TABLE 4 - SHOPPING CENTRES IN WHICH ENGAGEMENT PROCESSES WERE INITIATED AT LOCAL LEVEL (ITALY AND ROMANIA)

	2019	2018	2017
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	46%	27%	50%

// TABLE 5 - ASSOCIATIONS AND OTHER NON-PROFIT ORGANISATIONS RECEIVED (ITALY)

Associations and other non-profit organisations received	2019	2018	2017
Local associations involved	272	243	236
Other non-profit organisations	95	95	70
Total	367	338	306

// TABLE 6 - SPONSORSHIPS AND DONATIONS MADE BY THE SHOPPING CENTRES AND BY THE HEADQUARTERS (ITALY)

Sponsorships and donations made by the shopping centres and by the headquarters (Italy)	2019	2018	2017
Sponsorships and donations made by the Consortiums to local associations for events	288,568€	178,467€	200,324€
Donations made by the headquarters	37,904€	7,059€	3,795€
Total	326,472€	185,526€	204,119€

In line with 2018, the number of local associations involved in activities in the Centres increased. This was impacted by the participation of all the Shopping Centres in the fund-raising initiative in favour of the Italian Red Cross (with the involvement of local entities), promoted by the National Association of Shopping Centres - Consiglio Nazionale dei Centri Commerciali (see section 4.3.3).

The amount of sponsorships/donations in 2019 increased compared to 2018. The most important entities to which support was given were of a cultural, sports and local nature. The increase in donations made by the headquarters was due to IGD's direct involvement in supporting the Red Cross project.

// FOCUS SOCIAL BORGIO



WHAT IT IS

It is an innovative project included in the 2019-2021 Strategic Plan, the aim being to define a participatory way in which to identify the needs of the community and to satisfy these needs within the Shopping Centre. Reference model: «social street», the social phenomenon which originated in Bologna and which is now widespread around many cities, the aim being to reap the benefits of greater interaction between people who live in the same part of the city.

HOW IT IS STRUCTURED

The steps of this process launched in July 2019 were the following:

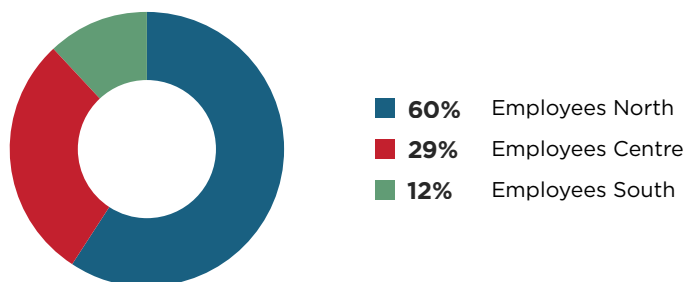
- 1.** The most suitable Shopping Centre was identified: Centro Borgo in Bologna, created in 1989 in the centre of a densely populated neighbourhood and a point of reference for food shopping in the area
- 2.** The partner was identified: Fondazione per l'Innovazione Urbana (Foundation for Urban Innovation), leader in the city of Bologna on issues regarding participation and co-planning in the local areas
- 3.** First meeting was held in the Shopping Centre to engage the tenants in the project
- 4.** An analysis to identify the neighbourhood's needs was carried out by directly observing the activities and the flows within the Centre and by interviewing and holding discussions with the Mall's tenants and visitors
- 5.** After holding a press conference to present the project, a public meeting was held, open to all the residents, giving them the possibility to put forward their proposals regarding their ideas for activities in the Shopping Centre: 30 residents took part, 15 proposals were received
- 6.** An assessment was carried out regarding the feasibility of the ideas and a co-planning workshop was held with the direct involvement of the residents in order to define the proposals
- 7. NEXT STEP >** Operational Kick Off of the project, with the activities starting in March 2020

IN BRIEF

Social Borgo is presented as a new civic centre with the aim of being a point of reference for the Borgo Panigale - Reno neighbourhood. The activities organised include courses, workshops, meetings in the field of education, environment, social inclusion, sports and cultural activities. The issue of e-learning is addressed. The needs of the elderly regarding social relations are satisfied by means of entertainment and adult education. It is a place for youngsters, the children of the shopping centre's employees and kids who are particularly interested in dancing; mothers, new mothers and fathers who normally visit or don't visit Centro Borgo, it places importance both on people with mental and physical disabilities and on elderly people who are alone and are «late digital developers».

// 5.2.3 EMPLOYMENT ASPECT

// CHART 5 - GEOGRAPHICAL BREAKDOWN OF THOSE EMPLOYED IN THE IGD SHOPPING CENTRES (ITALY)



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

630

// TABLE 7 - LOCAL SUPPLIERS

	2019	2018	2017
Number of local suppliers	895	884	793
% out of total suppliers	49%	53%	49%

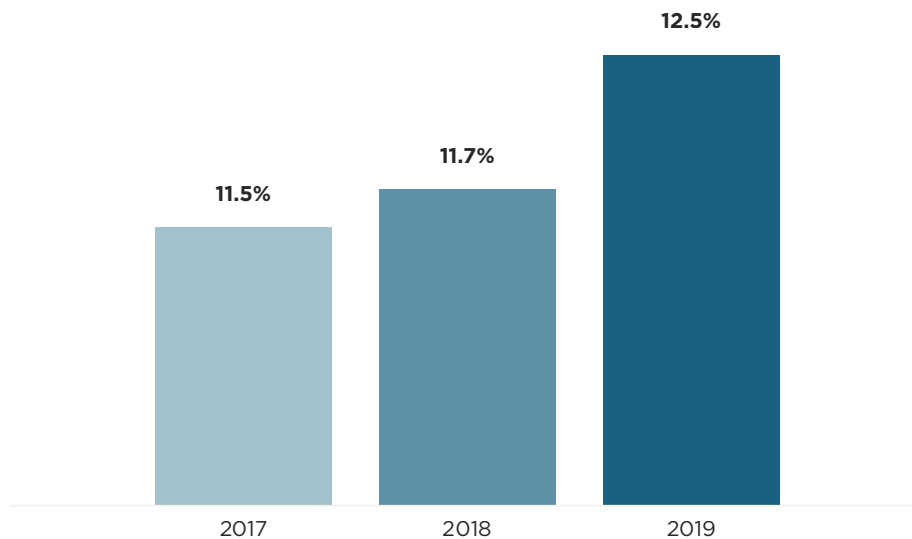
It is estimated that the system of Shopping Centres, at national level, provides employment to a little over 550,000 people (including both those employed directly in the stores and subcontract employees); altogether about 16,600 people work in the IGD Centres.



Following a corporate policy of supplier rotation, the percentage of local suppliers out of the total number of suppliers remained steady, along the lines of the previous years, bearing witness to IGD's decision to work with local suppliers especially for those services and supplies where knowledge of the local area, speed of execution and physical presence on site are a competitive advantage.

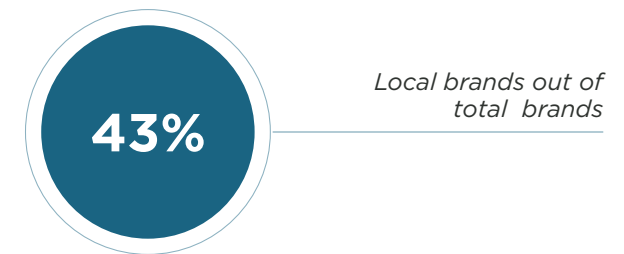
// 5.2.4 COMMERCIAL ASPECT

// CHART 6 - LOCAL TENANTS' WEIGHT ON IGD'S TOTAL REVENUES (%)



The Shopping Centres play an important role also within the local commercial network. In the IGD structures, local brands represented 43% out of the total in 2019, showing a slight increase compared to 2018 (40%). The weight of their revenues on IGD's total revenues also grew, also in light of the inclusion of the 4 Shopping Centres acquired in 2018 in the 2019 reporting boundary.

The revenues of local tenants was substantially in line with the 2018 data (+0.3% on a like for like basis).



// SUMMARY

01. IGD's focus on stakeholder engagement activities was once again confirmed in 2019, thanks to the structured engagement of all its stakeholders.
02. Attention was once again placed on the involvement of the local communities, with regard to employment, commercial and social-meeting place aspects of the Shopping Centres, also by means of the organisation of an innovative initiative based on participation and co-planning (Social Borgo).

// TARGET

- > Listening project regarding the expectations of Millennials on the topic of the Shopping Centre of the future.
- > Engagement of tenants on sustainability issues.
- > Shopping Centre in the role of civic centre: cooperation with the local area fostering involvement and participatory planning activities.

○ **Appendix**

// GRI STANDARDS TABLE

Since 2010, IGD's Sustainability Report has been drawn up following the GRI guidelines. The 2019 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". The correspondence between material aspects and GRI Standards can be seen below.

The GRI Standards indicators reported in this Report, 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	p. 4	-
	Reporting practice	102-45	x	p. 9	-
	Reporting practice	102-46	x	p. 9	-
	Reporting practice	102-48	x	p. 9	-
	Reporting practice	102-49	x	p. 9	-
	Reporting practice	102-50	x	p. 9	-
	Reporting practice	102-51	x	p. 9	-
	Reporting practice	102-52	x	p. 9	-
	Reporting practice	102-53	x	p. 136	-
	Reporting practice	102-54	x	p. 9	-
	Organisational profile	102-1	x	p. 17	-
	Organisational profile	102-2	x	p. 17	-
	Organisational profile	102-3	x	p. 17	-
	Organisational profile	102-4	x	p. 17	-
	Organisational profile	102-5	x	p. 17	-
	Organisational profile	102-6	x	p. 17	-
	Organisational profile	102-7	x	p. 18, 19	-
	Organisational profile	102-9	x	p. 20	-
	Organisational profile	102-10	x	p. 17	-
	Organisational profile	102-11	x	p. 20	-
	Organisational profile	102-12	x	p. 20	-
	Organisational profile	102-13	x	p. 20	-
	Reporting practice	102-32		p. 23, 37, 80	-
	Reporting practice	102-47	x	p. 23	-
	Management approach	103-1	x	p. 23	-
	Management approach	103-2	x	p. 26	-
	Management approach	103-3	x	p. 26	-
Climate change	Energy	302-1	x	p. 47, 48	-
Climate change	Energy	302-3		p. 48	-
Climate change	Energy	CRE-1*		p. 48	-
Climate change	Emissions	305-1		p. 49	-
Climate change	Emissions	305-2		p. 49	The method used to calculate greenhouse gas emissions deriving from electricity consumption is location based. The calculation of emissions following the market based method will be elaborated in the near future
Climate change	Emissions	305-4	x	p. 50	-
Climate change	Emissions	CRE-3*		p. 50	-

IGD material issue	Description of the standard	GRI Standard	Core option	Page	Omissions
Climate change	Water	303-1	x	p. 51, 52	-
Climate change	Water	CRE2*		p. 53, 54	-
Climate change	Effluents and waste	306-2	x	p. 53, 54	-
Climate change	Certifications	CRE8*	x	p. 43	-
Good employment	Organisational profile	102-8	x	p. 60; 61, 62	-
Good employment	Stakeholder engagement	102-41	x	p. 64	-
Good employment	Employment	401-1		p. 62, 63	-
Wellbeing and safety	Occupational health and safety	403-2	x	p. 73	-
Good employment	Training and education of employees	404-1		p. 65, 66	-
Good employment	Training and education of employees	404-3		p. 69	-
Good employment	Diversity management and equal opportunity	405-1		p. 64, 70, 80	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	p. 71	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		p. 71	-
Wellbeing and safety	Customer health and safety	416-1		p. 75	-
Wellbeing and safety	Customer health and safety	416-2		p. 75	-
Governance, ethics and corruption	Ethics and integrity	102-16	x	p. 85	-
Governance, ethics and corruption	Ethics and integrity	102-17		p. 85	-
Governance, ethics and corruption	Governance	102-18	x	p. 85	-
Governance, ethics and corruption	Governance	102-22		p. 80	-
Governance, ethics and corruption	Governance	102-23		p. 80	-
Governance, ethics and corruption	Governance	102-26		p. 82	-
Governance, ethics and corruption	Governance	102-27		p. 82	-
Governance, ethics and corruption	Governance	102-28		p. 82	-
Governance, ethics and corruption	Governance	102-29		p. 83	-
Governance, ethics and corruption	Governance	102-30		p. 83	-
Governance, ethics and corruption	Governance	102-31		p. 83	-
Governance, ethics and corruption	Governance	102-32		p. 80	-
Governance, ethics and corruption	Governance	102-35		p. 84	-
Governance, ethics and corruption	Governance	102-36		p. 84	-
Governance, ethics and corruption	Governance	405-1		p. 80	-
Stakeholder engagement	Stakeholder engagement	102-40	x	p. 109	-
Stakeholder engagement	Stakeholder engagement	102-42	x	p. 110	-
Stakeholder engagement	Stakeholder engagement	102-43	x	p. 110	-
Stakeholder engagement	Stakeholder engagement	102-44	x	p. 110	-
Local communities	Local communities	413-1		p. 117	Points VI-VII-VIII of the indicator cannot be reported as they refer to processes that are not activated
	Reporting practice	102-55	x	p. 126	-
	Reporting practice	102-56	x	p. 133	-

// CORRESPONDENCE BETWEEN MATERIAL ASPECTS AND GRI STANDARDS

Macro issue	Material issue	GRI Standard Category	GRI Standard 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 - Environments
	Accessibility and mobility		*		x	Visitors - Local community - Environments
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	
	Governance, ethics and corruption	General Disclosures - Social	Occupation 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	Sustainable 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 - Tenantst
	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.

// EPRA TABLES

The environmental, social and governance indicators referred to in IGD's 2019 Sustainability Report are in compliance with the third version of EPRA ("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.

Aspect	Indicator	EPRA	Gri standard	Unit of measure	2019	2018	Difference from 2018	Coverage	Estimate level	Reference in section	Datasubject to assurance
Environmental	Total electricity consumption	Elec-Abs	302-1	annual kWh	44,635,792	40,351,936	10.6%	26/26	0%	Section Green, § 1.2, tab 1	
	Like for like electricity consumption	Elec-LfL	302-1	annual kWh	36,669,489	38,042,269	-3.6%	20/20	0%	Section Green, § 1.2, tab 1	
	Total district heating and cooling consumption	DH&C-Abs	302-1	annual kWh	9,596,400	9,854,866	-2.6%	5/5	0%	Section Green, § 1.2, tab 2	
	Like for like district heating and cooling consumption	DH&C-LfL	302-1	annual kWh	7,635,450	8,545,901	-10.7%	4/4	0%	Section Green, § 1.2, tab 2	
	Total fuel consumption	Fuels-Abs	302-1	annual kWh	15,067,973	14,191,359	6.2%	17/17	0%	Section Green, § 1.2, tab 3	
	Like for like fuel consumption	Fuels-LfL	302-1	annual kWh	11,983,881	13,982,756	-14.3%	13/13	0%	Section Green, § 1.2, tab 3	
	Building energy intensity	Energy-Int	302-3	kWh/ (m ² common areas+GLA)	120.42	136.58	-11.8%	11/11	0%	Section Green, § 1.2, tab.5	
					140.26	144.47	-2.9%	26/26	5%		
	Direct GHG emissions (total) - Scope 1	GHG-Dir-Abs	305-1	tonnes CO2e	2,714	2,556	6.2%	17/17	0%	Section Green, § 1.3, tab.6	
	Indirect GHG emissions (total) - Scope 2	GHG-Indir-Abs	305-2	tonnes CO2e	20,064	18,492	8.5%	26/26	0%	Section Green, § 1.3, tab.6	
	Direct GHG emissions - (like for like) - Scope 1	GHG-Dir-LfL	305-1	tonnes CO2e	2,158	2,518	-14.3%	13/13	0%	Section Green, § 1.3, tab.6	
	Indirect GHG emissions (like for like) - Scope 2	GHG-Indir-LfL	305-2	tonnes CO2e	16,408	17,210	-4.7%	20/20	0%	Section Green, § 1.3, tab.6	
	Building GHG emissions intensity	GHG-Int	CRESO CRE-3	Kg CO2e (m ² common areas+GLA)	50.17	50.80	-1.2%	26/26	0%	Section. Green, § 1.3, tab.7	
	Total water consumption	Water-Abs	303-1	m ³	593,935	526,904	12.7%	26/26	0%	Section Green, § 1.4, tab.8	
	Like for like water consumption	Water-LfL	303-1	m ³	508,658	502,290	1.3%	20/20	0%	Section Green, § 1.4, tab.8	
	Building water consumption intensity	Water-Int	CRESO CRE-2	m ³ / (m ² common areas+GLA)	1.31	1.27	2.9%	26/26	0%	Section Green, § 1.4, tab.10	
	Weight of waste by disposal route (total)	Waste-Abs	306-2	tonnes	2,825	2,586	9.2%	14/26	0%	Section Green, § 1.2, tab.12	
				of which sent to recycling	1,833	1,908	-3.9%		0%	Section Green, § 1.2, tab.12	
				of which sent to incinerator	-	42	-100.0%		0%	Section Green, § 1.2, tab.12	
				of which sent to landfill	992	636	55.9%		0%	Section Green, § 1.2, tab.12	
Weight of waste by disposal route (like for like)	Waste-LfL	306-2	tonnes	2,459	2,528	-2.7%	12/20	0%	Section Green, § 1.2, tab.12		
			of which sent to recycling	1,878	1,850	1.6%		0%	Section Green, § 1.2, tab.12		
			of which sent to incinerator	-	42	-100.0%		0%	Section Green, § 1.2, tab.12		
			of which sent to landfill	580	636	-8.8%		0%	Section Green, § 1.2, tab.12		
Type and number of certified assets	Cert-tot	CRE-8	% of total m ² of portfolio	88%	74%	18.9%	20/26	0%	Section Green, § 1.1		











* Intensity of the Centres where no estimate on car park consumption was carried out in 2019, was also included
 ** Energy intensity of all 26 Centres within the absolute boundary. Estimated electricity consumption of 15 Centres' car parks and the actual consumption of 11 Centres' car parks were subtracted from the total

// EPRA TABLES

Aspect	EPRA Code	Indicator	GRI Standard	Unit of measure	2019	2018	Reference in section
Social	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	1.03	1.11	Section Responsible § 2.2, Table 11
		Pay ratio - Managerial staff		N	0.95	0.97	
		Pay ratio - Department heads		N	1.00	1.00	
		Pay ratio - Office workers		N	0.94	0.98	
	Emp-Training	Average hours per employee	404-1	N	13.6	13.2	Section Responsible § 1.2, Table 4
	Emp-Dev	% out of total employees	404-3	%	57%	53%	Section Responsible § 1.4, Table 7
	Emp-Turnover	Number of recruitments	401-1	N	11	6	Section Responsible § 1.1, Table 2
		Number of resignations		N	7	5	
		Recruitment rate		%	8.1%	4.6%	
		Resignation rate		%	5.2%	3.8%	
	H&S-Emp	Injury rate	403-2	Per 1,000,000 hours worked	9.6	4.9	Section Responsible § 3.1, Table 14
		Lost days rate		Per 1,000 hours worked	0.13	0.08	
Absentee rate		%		1.7%	1.8%		
Injuries		N		2	1		
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	Section Responsible § 3.2, Table 17	
Governance	Gov-Board	Number of board members	102-22	N	11	11	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 2019, Report on Corporate Governance and Ownership Structure, paragraph 3.2.1. Board of Directors - Appointment and replacement, http://www.gruppoigd.it/investor-relations/bilanci-e-relazioni/
	Gov-Col	Narrative on process	102-25				Section Ethical, § 1.3

// SDGs TABLE

The SDGs included in the 2019 Sustainability Report, their correspondence with IGD’s material issues and their reference in the sections, are reported in the table below.

SDGs included in the Report		IGD material issue	Reference in document (subsection)
	3. Good health and wellbeing	Wellbeing and safety	Section Responsible, § 3
	4. Quality education	Good employment	Section Responsible, § 1
	5. Gender equality	Gender equality	Section Responsible, § 2
	7. Affordable and clean energy	Climate Change	Section Green, § 1
	8. Decent work and economic growth	Good employment	Section Responsible, § 1
		Governance, ethics and corruption	Section Ethical, § 1
	9. Industry, innovation and infrastructure	Innovation	Section Attractive, § 5
	11. Sustainable cities and communities	Climate Change	Section Green, § 1 e 2
	12. Responsible consumption and production	Climate Change	Section Green, § 1
	13. Climate action	Climate Change	Section Green, § 1
	16. Peace, justice and strong institutions	Governance, ethics and corruption	Section Ethical, § 1



External Assurance



IMMOBILIARE GRANDE DISTRIBUZIONE SHQ SPA
INDEPENDENT REPORT ON THE LIMITED ASSURANCE
ENGAGEMENT OF THE SUSTAINABILITY REPORT 2019

YEAR ENDED 31 DECEMBER 2019



Independent report on the limited assurance engagement of the sustainability report 2019

To the Board of Directors of Immobiliare Grande Distribuzione SIIQ SpA

We have carried out a limited assurance engagement on the Sustainability Report of IGD Group (hereinafter the "Group") for the year ended 31 December 2019 (hereinafter the "Report").

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 2019 on which PricewaterhouseCoopers SpA issued its audit opinion, in accordance with articles 14 and 16 of legislative decree n° 39 of 27 January 2010, on 18 March 2020;

PricewaterhouseCoopers Advisory SpA

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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 2019 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.

Bologna, 20 March 2020

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 2019 translation.

// HEADQUARTERS

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> For information and comments on this Report and on IGD Group's sustainability please contact the following email: sustainability@gruppoigd.it.

> Further information on IGD's sustainability can be found on the Group's website on the page: <https://www.gruppoigd.it/en/sustainability/>.

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