

# SUSTAIN20 ABILITY20 Report

becoming  
**g.re.a.t.**

**igd** **SiG**  
SPACES TO BE  
LIVED IN

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## **Letter to stakeholders**

## // LETTER TO STAKEHOLDERS (GRI 102-14)

Dear Stakeholder,

We would like to present our 11th Sustainability Report referring to 2020, a difficult year for our sector. Starting from the month of February we suddenly found ourselves facing challenges which we could not have predicted when we defined our 2019-2021 Sustainability Plan. Once confronted with these challenges, we had two options: put our sustainability commitment to one side, given the then current circumstances or confirm it and strengthen it. We chose the second one, **maintaining steadfast our commitments and confirming the process aimed at sustainability undertaken in 2011**. We saw it, and we still do today, as a distinguishing feature of IGD, our approach so as to remain in the retail real estate market with a view to the long term. The pandemic convinced us even more how important it is for us to continue to give our contribution to ensure that the world is a place where focus on the environment is an element that cannot be put aside, where the health and safety of people are priorities and where compliance with laws is a steadfast pillar towards fairer social justice.

The pandemic also underlined the importance of innovation and it taught us that cooperation on all levels is necessary in order for us to surpass this phase. In short, **it has been made clear to us how contemporary our strategy «Becoming Great» is today**: we want to continue our work following a sustainable approach to growth which focuses

on environmental issues (Green), on people (Responsible), in an ethical manner (Ethical), in attractive places (Attractive), together with our stakeholders (Together).

Having defined this, we asked ourselves how we could adapt the elements upon which our strategy is founded (material issues, sustainability risks and short, medium and long-term goals) to this current situation. First of all, we confirmed all our 12 material issues, with the addition of necessary greater **focus on «health» matters**, integrating our already existing «wellbeing and safety» issue. In doing so, we are confirming that this is an issue in which we believe it is appropriate to invest both resources and time, both in the present and the future.

We also reviewed our sustainability risks. We had already identified them in 2019, we had said then we would monitor them and, if necessary, update them. Because of Covid-19 we decided to include specific “pandemic risks”, especially in those most exposed areas: relations with the workforce, safety within the structures and the attractiveness of the same. Thanks to the KPIs that we introduced, we will assess over time the level of effectiveness of the actions taken to reduce each risk.

With the 2019 Sustainability Report, we reviewed our targets, establishing altogether 25 short, medium and long-term ones. **In 2020 we took action in order to reach the short-term ones and**

**to make headway with the medium to long-term ones**. We decided to suspend or push back several of them, due to the decision made by IGD to go ahead in 2020 only with undeferrable investments and due to the impossibility of social gatherings within the Shopping Centres.

There is one target out of those we set (and reached) which we are proud to highlight: in line with our CSR process, **in 2020 we decided to become a member of the United Nations’ Global Compact, the world’s most important initiative on the sustainability of organisations**. By becoming a member, we are declaring that our strategies and operating activities are aligned with the universal principles on human rights, labour, the environment and the fight against corruption.

As required by Global Compact, we will report, starting from this Sustainability Report, on our annual progress to reach the goals set by the United Nations. Our commitment to ensure our reporting is in line with international best practices led us again in 2020 to satisfy the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD).

With regard to **climate change**, as shown in section «Green», we did not stop investing in energy efficiency in 2020. Indeed, **altogether we invested 1.2 million euros to improve our structures**, installing systems that are more and more environmentally sustainable.

Part of this investment was allocated to the continuation of relamping with led lighting systems, now installed in 19 Shopping Centres. To get an idea of the benefits that this brings in terms of energy efficiency, we have estimated that if we had not introduced this technology over the years, in 2020 our energy consumption would have increased by 6.6%.

We set ourselves the ambitious target of making our Shopping Centres «nearly zero emissions» by 2030: we are on the right track, thanks both to the decision, again confirmed in 2020, to use energy coming exclusively from renewable sources, and to that to install photovoltaic systems on the roofs or in the car parks of the Shopping Centres. We are pleased to have verified that following the installation of our **eighth photovoltaic system**, mounted on the car park in ESP Shopping Centre in Ravenna, once again in 2020 the percentage of electricity produced by solar energy increased (currently this represents 6% of the total energy consumed).

2020 was also the year in which we managed to reach our target of achieving **ISO 14001 certification in 95% of the freehold Malls in Italy**, completing the process we started in 2012; **3 other Key Assets were also BREEAM IN USE certified with an assessment level of «Very Good»** (in addition to the 5 already certified in the previous years).

Consistent with our commitment to actively contribute to a **transition towards “low carbon” economy, during the year we installed 19 EV**

**charging stations in 10 Shopping Centres** and we intend, by the end of 2021, to have a total of 37 of them in 20 structures. We were one of the first in Italy to be equipped with such an extensive network in our Shopping Centres and we are pleased to see that car drivers are using them more and more.

The way in which we conduct our business also involves focusing on people: for us this means acting in a «*Responsible*» manner both with regard to our employees and to the people that are present in our structures.

We continued this approach also in 2020: **we guaranteed steady employment, we continued to invest in training and we confirmed our Corporate Welfare Plan for the fourth year**, increasing the services offered. At the same time, we took action both to protect our co-workers during the pandemic as well as to continuously ensure safety in our Shopping Centres. To do this, **we invested a total of 1.3 million euros to implement effective measures to prevent the spreading of the virus both in the Italian Shopping Centres and in the Romanian ones**. We are satisfied with the results brought about by these actions: no local outbreaks were detected (neither in our structures nor in any other Italian Shopping Centres) and visitors progressively started to return to our Malls once it became possible.

Once again in 2020 we confirmed how Ethics and Legality are two ineradicable factors in our approach to business («*Ethical*»). We stated so in our **Code of Ethics, which we updated during the**

**year** and this was reiterated by the results and recognitions we obtained throughout the year.

In 2018 our subsidiary Win Magazin was the first Romanian company to obtain **UNI ISO 37001** certification, the international standard for anti-bribery management systems.

In 2020 also **IGD in Italy obtained the same certification, a demonstration of its commitment to tackle and mitigate the risks related to corruption**.

At the same time we obtained the second **renewal of the Legality Rating**, confirming the maximum score (3 stars) and we received two recognitions regarding corporate governance demonstrating that also in this field we are on the right track: we were one of the three best financial companies in the MID CAP segment in the Permanent Observatory on Corporate Governance promoted by *The European House - Ambrosetti* and our «governance risk» received the best score possible in the ISS (Institutional Shareholder Services) assessment.

Making our Shopping Centres «*Attractive*» also remains a primary commitment for us.

In 2020 the activities we engaged in were, on the one hand, to further update our retail offer by introducing 18 new brands in our Malls, and on the other, to constantly adapt our strategies by using all the tools and channels available to ensure that our Shopping Centres remained «Spaces to be lived in», despite the restrictions imposed by the pandemic.

2020 was also a **year of innovation**, as we defined our first **Digital Plan**. This was a further step in a process that had begun in the past and continued over the years as we constantly seized the growing opportunities offered by digital tools so as to increase contact with our visitors. With the aim of the Plan being to standardise the use of all the current digital tools, in 2020 we adapted the Shopping Centres' websites and we defined a specific strategy for the management of social networks.

Handling this pandemic phase without the cooperation of you, our stakeholders, would have been even more difficult. Our approach is to listen and interpret your needs, to work *«Together»* to identify the best solutions for our business. During this past year we have greatly increased our customary commitment to converse with you: the over 2,000 moments of interaction carried out with our tenants or the two visitors' surveys, in which over 6,000 people took part, bear witness to this.

The Covid emergency showed us that our Shopping Centres perform an important service in their local communities. This was demonstrated by the fact that even in a difficult year like 2020, we managed to **engage in relations with 140 local associations and NPOs**, who saw our centres as

the place in which to achieve their goals.

In light of the actions carried out, we can now confirm that the decision to continue our sustainability process also in 2020, with all the necessary precautions, was without a doubt worthwhile.

Strengthened by this awareness, we are ready to face 2021, a year which is, on the one hand, uncertain in terms of the evolution of the pandemic, but on the other, also stimulating thanks to some new developments that could take place, first amongst which the «Green Deal» promoted by the European Union. We actively take part in the Sustainability Groups of the two European associations relevant to our sector, EPRA (European Public Real Estate Association) and the recently founded ECSP (European Council of Shopping Places), with the precise intention of analysing the proposals made by European legislation, assessing them and, if necessary and possible, proposing to the other members any modifications. At the same time, and with the same goals at national level, we actively take part (in the role of Chairman) in the ESG Commission promoted by the *Consiglio Nazionale dei Centri Commerciali* (National Association of Shopping Centres).

When 11 years ago we started along this path, it

was then difficult to imagine that 6 rating agencies specialised in sustainability would have assessed us in the course of one year. Not only did this happen in 2020 but we also always recorded an improvement compared to the previous years.

For this reason we are confident about the future: we realise that sustainability vocabulary contains words that have by now entered into everyday use in organisations, companies and civil society. We are of course pleased about this, aware that there is still plenty to be done but we are ready to play our part.

// The Chief Executive 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, eleventh Sustainability Report refers to 2020 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, which is introduced by the Chairman and Chief Executive Officer's «Letter to Stakeholders», is divided into three parts:

**1.** Introduction part, with methodological and strategic references (including reporting on performance with regard to short, medium and long-term sustainability targets which the Company set in its 2019 Sustainability Report), the analysis of sustainability risks, focus on the recommendations of the Task Force on Climate Related Financial Disclosures (TCFD) and the «UN Global Compact Communication on Progress 2020», regarding IGD's participation in the Global Compact, which occurred in 2020.

**2.** Part regarding performance.

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

- > Main actions carried out in 2020 related to each area;
- > Performance in 2020 compared to the previous two-year period.

**3.** Appendix, with the GRI, EPRA and SDGs tables, as well as the «Limited audit report on the 2020 Sustainability Report» compiled by PricewaterhouseCoopers Advisory Spa.

### // **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 31.12.20; 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 (MI)	
Gran Rondò	Crema (CR)	
I Bricchi	Isola d'Asti (AT)	
Centro Luna	Sarzana (SP)	
Mondovicino	Mondovì (CN)	
Millennium	Rovereto (TN)	
Clodi	Chioggia (VE)	
Centro Piave	San Donà di Piave (VE)	
Conè	Conegliano (TV)	
La Favorita	Mantova	
Centro Borgo	Bologna	
Lame	Bologna	
Centro Nova	Villanova di Castenaso (BO)	
Darsena	Ferrara	Yes (see previous page)
Leonardo	Imola (BO)	
Le Maioliche	Faenza (RA)	
ESP	Ravenna	
Puntadiferro	Forlì (FC)	
Lungo Savio	Cesena (FC)	
Porta a mare	Livorno	
Fonti del Corallo	Livorno	
Marema	Grosseto	
Tiburtino	Guidonia (Roma)	
Casilino	Roma	
PortoGrande	Porto d'Ascoli (AP)	
Città delle Stelle	Ascoli Piceno	
Centro d'Abruzzo	San Giovanni Teatino (CH)	
Le Porte di Napoli	Afragola (NA)	
Katanè	Gravina di Catania (CT)	
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 have been restated:

- > Average hours of training Winmarkt male and female (2019 data), section 2;
- > Part time Italy (2019 data), section 2.1;
- > Remuneration - ratio between basic salary + occupational allowances for females compared to that for males Italy (2019 data), section 2.2;
- > Number of Sustainability Protocols Winmarkt (2019 data), section 3.

## // References and Guidelines

This Report has been drawn up in compliance with:

- > GRI Standards issued by the Global Reporting Initiative, responding to the core option 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 fourth 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 1.85 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 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 (2020) or during the whole year of comparison (2019) are not included. Therefore, the Shopping Malls not included are Casilino and Gran Rondò (which underwent restyling work in 2019). The Lfl data is calculated exclusively for the years 2020 and 2019;

- > The energy 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 as well as from the meter reading: the conversion factor from m<sup>3</sup> to kWh is 10.5 m<sup>3</sup>/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 CO<sub>2</sub>e 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 m<sup>3</sup> equivalent to 0.001891 tCO<sub>2</sub> eq.

For the calculation of CO<sub>2</sub>e 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 CO<sub>2</sub> eq.

Instead for Romania 1 MWh of electricity is equal to 0.481 tonnes of CO<sub>2</sub> 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 CO<sub>2</sub>/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 CO<sub>2</sub>/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. Water consumption from groundwater refers to one Centre only.

> Waste.

The data referring to 8 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**

No changes were made to historical data





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

## // INTRODUCTION: ABOUT IGD AND BRIEF OUTLINE ON ECONOMIC PERFORMANCE

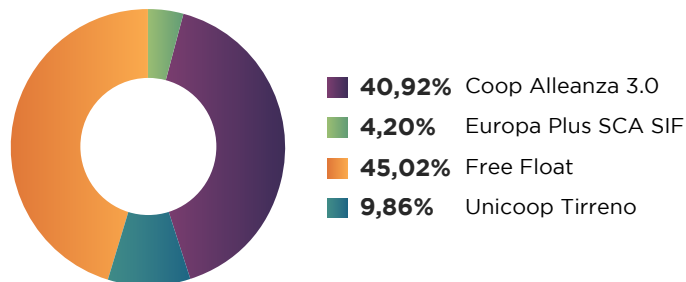
### // IGD's organisational profile (GRI 102-1; 102-2; 102-3; 102-4; 102-5; 102-6; 102-7; 102-10)

IGD Group 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.

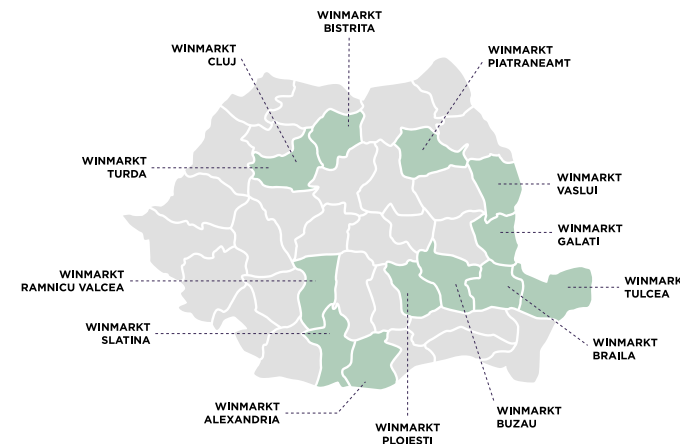
The group was founded in 2000 subsequent to the transfer of part of Coop Adriatica's (now Coop Alleanza 3.0) and Unicoop Tirreno's real estate portfolio, which today are still the majority shareholders. The Company with Immobiliare Grande Distribuzione SiiQ S.p.a, as the holding company, has been listed on the STAR segment of *Borsa Italiana* (the Italian Stock Exchange) since 2005.

As at 31st December 2020 the real estate portfolio, including leasehold properties, was valued at 2.309 billion euros.

### // AS AT 31.12.2020 THE SHAREHOLDERS WERE MADE UP AS FOLLOWS:



- 60** property units in
- 12** Italian regions:
- 27** malls and retail park
- 25** hypermarkets and supermarkets
- 1** property for trading
- 1** direct development initiative
- 6** other



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

The 3 main activities of the Group are:

**1. Real estate investments**

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**

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 31/12/2020** (GRI 102-7)

Indicator	2020
Number of Employees	<b>137</b> Italy <b>40</b> Romania
Number of activities/ Quantity of products or services	<b>60</b> property units in Italy and <b>14</b> in Romania
Operating revenues	<b>151,963,956 €</b>
Market capitalisation	<b>397,230,848 €</b>





What happened in 2020:

### March/April

- > The months of March and April, both in Italy and Romania, were marked by lockdown measures defined by the Authorities in order to reduce the risk of Covid-19 infection. The IGD Shopping Centres remained open only for activities defined as «essential», like food, electronics and goods relating to health and personal care as well as household goods. Protecting the health of the Shopping Centres' visitors and tenants was a priority for IGD, as was safeguarding the economic-financial sustainability of the business;
- > The rating agency, Standard & Poor's Global Ratings changed IGD's investment grade rating from "BBB-" to «BB» with a negative outlook, due to the challenging retail sector situation in Italy and due to the measures imposed in response to the Covid-19 pandemic, recognizing at the same time the Company's robust liquidity profile;
- > The rating agency, Fitch ratings Ltd ("Fitch") confirmed an investment grade rating for IGD equal to "BBB-", putting it however in the condition of Rating Watch Negative.

### May/October

- > Starting from the middle of May, following an easing of the restrictions, there was a progressive improvement in terms of footfalls and tenants' sales in the IGD Shopping Centres;
- > On 24th September 2020, IGD SIIQ signed a Sace guaranteed financing aid transaction within the Garanzia Italia programme for 36.3 million Euros with a 6-year duration;
- > On 1st October the rating agency Fitch ratings Ltd ("Fitch") confirmed the BBB- investment grade rating, modifying the Rating Watch Negative and giving a negative outlook;
- > In October, Roberto Zoia, IGD's Director of Asset Management, Development and Network Management was appointed as Chairman of Consiglio Nazionale dei Centri Commerciali (National Association of Shopping Centres) for the 2020-2023 three-year period.

### November/December

- > Due to the increasing number of Covid-19 infections, new restrictions for Shopping Centres were defined in Italy, more specifically, at the weekends and on bank holidays and pre-bank holidays they could only be open for «essential» activities. In Romania no further measures were taken in the months of November/December, with area lockdowns remaining in place where necessary, and the continuation of restrictions for categories like restaurants/bars, cinemas and entertainment.

**// 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 2020**

Organisation	Membership with payment of membership fee	Participation in projects and committees	Participation in governance bodies
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

**// 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. In numerical terms, the overall number of suppliers is equal to 1,820, of which 48% are local (see section 5.2 for further details on local suppliers).

**// 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-sustainability-strategy/csr-governance/>) and the UNI ISO 37001 anti-bribery management system certification. Furthermore, in 2019 IGD integrated the sustainability risks related to each material issue into its sustainability strategy (see section «Sustainability strategy»).

**// Tax** (GRI 207-1; 207-2; 207-3)

IGD Group aligns its conduct regarding taxation to comply with the laws and regulations in force. Furthermore, in accordance with the responsibility principle as stated in the Group’s Code of Ethics, the approach and the fulfilment of tax obligations are carried out with a view to transparency and legitimacy. In addition, the holding Company IGD Siiq Spa has integrated tax violations into its Organisational, Management and Control of Risks Model ex Legislative Decree 231/2001.

Aware that its tax payments contribute to the economic and social development of the areas in which it operates, IGD pays taxes exclusively in the countries it does business in (e.g. Italy and Romania).

The Company annually reports on its tax operations in its Annual Report, with a country-by-country approach.

In Italy, IGD’S Administrative, Legal and Corporate Affairs Division are responsible for ordinary tax management and relations with the Tax Authority, whereas it is the duty of IGD’s Operating Management to make non-ordinary decisions concerning taxes. In Romania, the subsidiaries Winmarkt Management Srl and WinMagazin SA directly manage relations with the Tax Authority.



# Sustainability strategy

## // STRATEGY

IGD's sustainability strategy has been an integral part of business planning since the 2014-2016 Business Plan right up to the 2019-2021 Strategic Plan, where it is included in the section «Innovation and operational excellence».

It is made up of 3 linked elements, the contents of which are defined and rendered effectively operational by means of the materiality analysis and the identification of the material issues:

### 1. Material issues

### 2. Sustainability targets

### 3. Sustainability risks

Starting from the materiality analysis, 12 material issues were identified which represent the core of the strategy and the areas in which the sustainability risks and short, medium and long-term targets were identified.

In 2017 IGD's sustainability strategy was encapsulated in «Becoming Great», bearing witness to the Company's objective to carry out its business following a sustainable approach to growth which focuses on environmental issues (Green), on people (Responsible), in an ethical manner (Ethical), in attractive places (Attractive), together with its stakeholders (Together).

becoming  
g.re.a.t.

green responsible ethical attractive together

## // COVID IMPACT ON THE STRATEGY

The Covid 19 pandemic, which made its mark in 2020 on a global level, affected Italy from the last week in February and Romania from the middle of the following month, with a highly significant impact on the planning of corporate activities. IGD's immediate reaction to the crisis was to ensure the health and safety of its employees and those inside its Shopping Centres (tenants and visitors), by investing in tools and means of communication that were necessary in order to manage the emergency in the best way possible. This commitment, however, did not make IGD change its sustainability strategy, indeed it decided to confirm it, albeit with the need for partial

adjustments to be carried out in the 3 elements upon which it is founded (material issues, risks and targets).

More specifically:

- > The 12 material issues were confirmed, with just the addition of necessary greater focus on the matter of «health» which was integrated into the issue «wellbeing and safety»;
- > Specific «pandemic risks» were included amongst the sustainability risks;
- > Several targets were suspended or postponed until 2021, in particular following IGD's decision

to go ahead in 2020 only with undeferrable investments. It was also not possible to reach targets that were directly connected to social gatherings within the Shopping Centres, due to the restrictions imposed by the Authorities.

These measures had a significant impact on performance in 2020, in particular on activities requiring the Shopping Centres to be fully operational. For this reason, it is sometimes difficult to make a comparison between the sustainability indicators reported in this document and those of previous years.

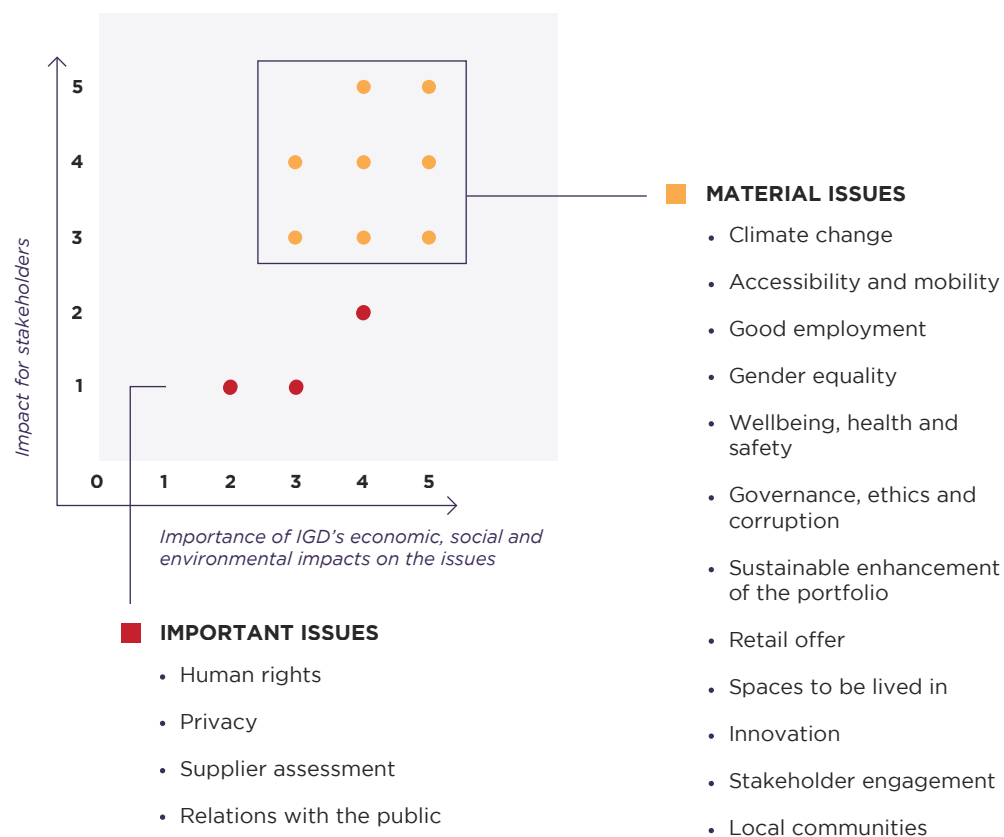
## // MATERIALITY (GRI 102-32; GRI 102-47; 103-1)

Considering the importance of the material issues for the entire corporate strategy, the process to identify them is carried out periodically, involving the whole of the top management. Furthermore, every year, any possible adjustments are assessed in relation to specific necessities determined by the Company itself (also by analysing emerging issues in the real estate sector) or identified during discussions with its stakeholders. The definition of the current material issues complied with the principles contained in the GRI Standards and it was carried out in 2017 for the second time. In the years that followed the issues that had been identified were reviewed by the Sustainability Committee until arriving at the current definition of 12 material issues and 4 important ones.

In 2020, 11 of the issues identified in the previous years were confirmed and «wellbeing and safety» was changed into «wellbeing, health and safety». In doing so, the Company wanted to clearly express its commitment towards these issues which became even more important in a pandemic situation which marked 2020 and which prompted IGD to identify appropriate and specific actions aimed at guaranteeing the healthfulness of its spaces.



Focus placed also on issues considered as being «important» was also shown in 2020 by IGD's participation in the Global Compact, the world's most important initiative on issues regarding «human rights».

## // MATERIALITY 2020





## // SUSTAINABILITY TARGETS

Starting from those included in the 2019-2021 Strategic Plan, IGD defined 25 short, medium and long-term sustainability targets in its 2019 Sustainability Report, informing at the same time its stakeholders about them. This Report describes the results obtained throughout 2020.

	 Target	Period	Actions carried out in 2020
	<b>Zeroing of co2 emissions:</b> Italy portfolio Nearly Zero-energy Building <b>by 2030</b>	LONG TERM	Confirmed use of 100% energy from renewable sources
	Obtain <b>BREEAM certification for 80% of the fully-owned Malls in Italy by 2030</b>	LONG TERM	Breeam in Use certification obtained for 3 more Shopping Centres*: Conè, Leonardo and Le Porte di Napoli. Currently 30% of the Italy Malls are Breeam certified
	<b>Continuation of installation of photovoltaic system</b>	MEDIUM TERM	No new system was installed following the block/deferment of investments due to the pandemic
	<b>Sensibilizzazione</b> dei visitatori attraverso campagne nei centri commerciali e realizzazione di <b>eventi trasversali inerenti tematiche ESG</b>	MEDIUM TERM	The «Sostenibilità tour» (Sustainability tour), the aim of which was to raise awareness in the public on the matter of the environment, scheduled to take place in the second half of 2020 / first quarter of 2021 was suspended due to the pandemic



\* Other BREEAM certified Shopping Centres: Sarca, Tiburtino, Katanè, Esp and Puntadiferro.

## // SUSTAINABILITY TARGETS





	 Target	Period	Actions carried out in 2020
 GREEN	Obtain <b>UNI EN ISO 14001 certification for 95% of the freehold Malls by the end of 2020</b>	SHORT TERM	4 new Shopping Centres (Casilino, La Favorita, Centro Lame and Centro Luna) certified for a total of 95% of the fully-owned Malls in addition to the Bologna headquarters
	<b>€5 mn of investments</b> in the <b>2019-2021 three-year period to improve energy efficiency</b>	SHORT TERM	Total investments equal to approximately 3.2 mn, of which 2 mn in 2019 and 1.2 mn in 2020
	Installation of <b>LED lighting systems in the entire Italian portfolio by the end of 2022</b>	SHORT TERM	Altogether 19 Shopping Centres are equipped with LED lighting systems
	<b>Transition from the experimental phase to the operational one</b> of the <b>Waste2value</b> project and assessment of other projects on issue of circular economy	SHORT TERM	Access obtained to a grant offered by the Emilia Romagna Authority for water and waste Services. This grant will cover 80% of the overall estimated costs and it will be distributed when the project is implemented (within the first six months in 2021).
	<b>Headquarters to be plastic free by the end of 2020</b>	SHORT TERM	The Bologna headquarters became plastic free following the elimination of plastic bottles and cups in 2020



## // SUSTAINABILITY TARGETS

	 Target	Period	Actions carried out in 2020
 <b>RESPONSIBLE</b>	Definition of individual targets linked to <b>CSR</b>	MEDIUM TERM	IGD intends to further expand this activity, also in light of the provisions in the new Corporate Governance Code of Listed Companies
	<b>Corporate welfare: increase in services</b>	MEDIUM TERM	The services included on the Welfare portal increased in 2020, with particular focus on childhood, assistance and numerous opportunities for online lessons
	<b>Wellbeing:</b> definition of overall project	MEDIUM TERM	The «wellbeing» project was postponed due to the restrictions in place in 2020
	Continuation of projects regarding the <b>safety of the structures</b>	MEDIUM TERM	Continuation of fall protection projects, and more specifically, of the dome skylights on the Shopping Centre roofs. The voluntary anti-seismic improvement measures have been momentarily suspended
	<b>Training:</b> focus on <b>soft skills</b> and on the importance of <b>cross-functional work</b>	SHORT TERM	Training with focus on soft skills has been rescheduled for 2021
	Advertising of available jobs on the <b>corporate website</b> and on <b>LinkedIn</b>	SHORT TERM	Job posting was initiated on the corporate website (6th February 2020) and on LinkedIn (19th February 2020). Altogether the posts recorded 15,653 views
	<b>Third</b> internal atmosphere assessment	SHORT TERM	Given the ongoing changes connected to the handling of the pandemic, the internal atmosphere assessment has been postponed until the end of the emergency. An assessment activity, however, was carried out on the repercussions of the pandemic within the company

## // SUSTAINABILITY TARGETS

	 Target	Period	Actions carried out in 2020
 ETHICAL	Obtain <b>ISO37001: 2016</b> certification in Italy in 2020	SHORT TERM	Certification obtained on 20th April 2020
	<b>Legality Rating: confirm maximum score</b> on the occasion of the two-year renewal	SHORT TERM	Legality Rating renewed with the maximum score (3 stars) in 2020
	<b>Adhere to the Global Compact</b>	SHORT TERM	Participation formalised during the year
	 Target	Period	Actions carried out in 2020
 ATTRACTIVE	<b>Sustainable enhancement</b> of the portfolio: carry out restyling activities with improvement in the environmental impact of 10 more Shopping Centres <b>by 2030</b>	LONG TERM	Several investments aimed at enhancing the portfolio were postponed in 2020 and rescheduled for 2021/2022
	Definition of <b>national campaigns</b> to raise awareness in the Shopping Centres' visitors on issues in line with IGD's values	SHORT TERM	A campaign was carried out at national level to inform visitors about the focus that the Shopping Centres placed on the health and safety of all those that spend time within them
	<b>Innovation: definition of the «digital strategy»</b>	SHORT TERM	The Digital Plan was defined at the end of 2020 and it is scheduled to be launched in 2021

## // SUSTAINABILITY TARGETS

	 Target	Period	Actions carried out in 2020
 TOGETHER	<b>Listening project regarding the expectations of millennials in relation to the Shopping Centre of the future</b>	MEDIUM TERM	The listening activity organised in cooperation with Nomisma was carried out at the end of 2020. The results will be analysed in 2021
	<b>Tenant engagement</b> on sustainability issues	MEDIUM TERM	Engagement activity has been postponed
	Shopping Centre in the role of <b>civic centre</b> : cooperation with the local area fostering involvement and co-planning activities	SHORT TERM	The «Social Borgo» project (inside Centro Borgo in Bologna) was suspended due to the pandemic, the aim being to implement it as soon as health and safety conditions allow so

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

Every year IGD monitors its risks by means of its Enterprise Risk Management system (see Section 3). This monitoring activity also includes some non-financial risks (regarding climate change, ethics, good employment and safety). Others, which are important for corporate business, are reported below and are linked to the relevant material issue and to why the issue is considered to be material for IGD. They are also linked to the policies and actions identified in order to limit the risk and to the indicators used to monitor the effectiveness of the actions undertaken with reference made to their inclusion in this Sustainability Report. Internally, the Company verifies every year the level of effectiveness of the actions undertaken to mitigate each risk and, at the same time, it assesses whether any modifications to existing risks are required. More specifically, with regard to the first identification of risks which took place in 2019, in 2020 several changes became necessary due to the pandemic.

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 the Centres and in the management of structures themselves	Increase in consumption and energy costs and damages to assets due to unexpected environmental factors (flooding, temperature increase)	Structural actions (photovoltaic system 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"> <li>&gt; Investments in energy efficiency (insurance, certifications, technical assessment) and in the prevention of damages caused by flooding</li> <li>&gt; No. of photovoltaic system installed</li> <li>&gt; % of energy from photovoltaic systems out of total electricity consumption</li> <li>&gt; Number of Shopping Centres equipped with led lighting</li> </ul>
		<p>Increase in management costs linked to a lack of control over energy and water consumption</p> <p>Sanctions related to the increasingly stringent environmental regulations</p> <p>Not taking advantage of new opportunities offered by new European/national laws on environmental issues</p> <p>Reputational fall due to lack in management/investments with regard to environmental issues</p> <p>Low ESG ratings</p>	<p>&gt; Continuous monitoring of electricity consumption by means of divisional meters and monthly internal reporting; an integrated monitoring system is being experimented</p> <p>&gt; Management actions also in line with UNI EN ISO 14001 and BREEAM certification requirements</p> <p>EMS (Environmental Management System) UNI EN ISO 14001 certified both with regard to the headquarters and to 24 Shopping Centres</p> <p>Constant vigilance regarding initiatives by means of active participation in the ECSP Sustainability Committee and in the ESG Commission of the CNCC</p> <p>&gt; UNI EN ISO 14001 certification</p> <p>&gt; Breeam and Breeam in Use obtained for key asset. The possibility for other Shopping Centres to be certified is currently under assessment</p> <p>&gt; Investments to improve energy efficiency</p> <p>&gt; 100% energy from renewable sources</p> <p>&gt; Awareness raising activities regarding visitors, tenants and employees</p> <p>&gt; Circular economy: Waste2Value project</p> <p>Participation in sector and non-sector ESG questionnaires, with the definition of improvement targets</p>	<p>Number of divisional meters</p> <p>Environmental sanctions due to non-compliance with the law</p> <p>Number of meetings in which IGD participated during the year</p> <p>&gt; % of portfolio UNI EN ISO 14001 certified</p> <p>&gt; Number of Shopping Centres Breeam in Use certified</p> <p>&gt; invested to improve energy efficiency</p> <p>&gt; Co2 saved thanks to the actions carried out</p> <p>Score of extra-financial ratings (CDP, Vigeo; ISS, MSCI)</p>
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 fall and drop in visitors)	EV charging stations installed in 15 Shopping Centres	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
		Increase in staff turnover	<ul style="list-style-type: none"> <li>&gt; Corporate Welfare Plan aimed at all employees on permanent contracts</li> <li>&gt; Monitoring of internal atmosphere and definition of followup actions</li> </ul>	<ul style="list-style-type: none"> <li>&gt; Outgoing turnover;</li> <li>&gt; Number of employees involved in Corporate Welfare</li> <li>&gt; Corporate Welfare utilisation rate</li> <li>&gt; Rate of participation in internal atmosphere assessment</li> </ul>
		No updating of skills in relation to the evolution of the sector and of the regulations	Implementation of training programmes for professional development	<ul style="list-style-type: none"> <li>&gt; Average hours of training per employee</li> <li>&gt; Percentage of revenues invested in training</li> <li>&gt; Costs incurred for training</li> </ul>
Gender equality	As described in the Corporate Code of Ethics, the Company conforms its actions and activities to the principle of impartiality with regard to its employees, guaranteeing full compliance with the principle of equal opportunities	Non-compliance with legislation	Impartially 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, health and safety	IGD acts in such a way as to ensure that the employees (its own and those of its tenants) work in the best possible conditions, in compliance with all the legal requirements and with full respect for their wellbeing. It also places the same attention on the visitors to the Malls, by implementing all the safeguards so as to ensure that they can make the most of everything that its Shopping Centres have to offer in complete safety	Inability to guarantee a safe environment for employees and for those that experience the Shopping Centre life	<ul style="list-style-type: none"> <li>&gt; 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</li> <li>&gt; Specific projects: lifelines (safety routes and fall protection system 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)</li> <li>&gt; Introduction of specific measures aimed at limiting the pandemic risk (see section 2.2.)</li> </ul>	<ul style="list-style-type: none"> <li>&gt; % of assets where impacts on health and safety are assessed or inspected with regard to compliance or improvement throughout the year</li> <li>&gt; Number of cases of non-compliance with health and safety regulations or voluntary standards</li> <li>&gt; Number of outbreaks in IGD Centres</li> <li>&gt; Number of infections occurred in the Headquarters</li> </ul>
		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"> <li>&gt; Number of training hours on safety provided</li> <li>&gt; Number of people involved in training on safety</li> <li>&gt; Costs incurred for training on safety</li> </ul>
		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 person-in-charge, refresher course every five years for workers, refresher course for Workers' Safety Representatives; Fire prevention course	<ul style="list-style-type: none"> <li>&gt; Number of training hours on safety provided</li> <li>&gt; Number of people involved in training on safety</li> <li>&gt; Costs incurred for training on safety</li> </ul>
		Inadequate provision of technological devices for employees in smart working to carry out their duties in the best conditions	Devices provided for headquarter employees in smart working	<ul style="list-style-type: none"> <li>&gt; % of headquarter employees in smart working</li> <li>&gt; Number of laptops provided</li> </ul>

## // 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
<p><b>Governance, ethics and corruption</b></p>	<p>In line with the content of the Code of Conduct, IGD has an effective governance system. This is a very important issue for investors and the financial community. IGD undertakes both to personally act in an ethical manner, in accordance with its inspirational principles, and to positively influence the context in which it operates</p>	<p>Lack of counter measures against corruption with legal implications and impact on reputation</p>	<ul style="list-style-type: none"> <li>&gt; IGD guarantees compliance with the laws in force by abiding by the protection measures included in the Organisational Model ex Legislative Decree 231/01 and in the Code of Ethics (reviewed in 2020)</li> <li>&gt; UNI ISO 37001 - Anti Bribery management Systems certification obtained both in Italy and in Romania</li> <li>&gt; IGD obtained the Legality Rating awarded by the Antitrust Authority (AGCM) with the maximum score</li> </ul>	<p>Obtaining Iso 37001 certification</p>
		<p>Reputational risk in the event of non-compliance with the Code of Ethics</p>	<p>System defined regarding the reporting of breaches (so called Whistleblowing) of the Code of Ethics and/or of the operating procedures which make up the Organisational, Management and Control Model adopted by IGD in accordance with Legislative Decree 231/2001</p>	<ul style="list-style-type: none"> <li>&gt; Number of reports received by the Compliance Committee</li> <li>&gt; % of the workforce trained regarding the contents of the Code of Ethics out of the total (Italy,2020)</li> </ul>
		<p>Impossibility of keeping the members of the Board of Directors up-to-date</p>	<ul style="list-style-type: none"> <li>&gt; Promotion of seminars so thoroughly examine issues relating to the role of Director</li> <li>&gt; 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</li> </ul>	<p>Number of initiatives carried out during the term of office</p>
		<p>Data breach e cybersecurity failure</p>	<ul style="list-style-type: none"> <li>&gt; 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</li> <li>&gt; 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</li> </ul>	<p>Number of data breach cases received 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
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)
		Pandemic risk: reduced competitiveness of the assets due to a slowdown in investments in projects regarding the efficiency/improvement of the structures	Confirmation of the investments with a postponement of completion times due to the pandemic	Investments expected for restyling/remodelling activities in the coming years
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 identifying and introducing appealing tenants	Management of existing tenant portfolio and scouting to identify new brands	<ul style="list-style-type: none"> <li>&gt; New brands introduced each year</li> <li>&gt; % of new brands out of brands under contract during the year</li> </ul>
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	Programming of marketing initiatives in an increasingly omnichannel approach that are capable of engaging visitors on issues regarding sustainability	% 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	Inability to respond to the impact of e-commerce, the numbers of which are increasing due to the pandemic	Innovation Project launched in 2016 with annual planning, implementation, monitoring and fine tuning phases	Number of new projects planned during the year
		Inability to seize the opportunities offered by the development in technology	Digital Plan programmed with effects starting from 2021	Number of new projects carried out 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
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"> <li>&gt; Creation of an engagement plan involving all the stakeholders, both with regard to business issues and with those relating more to social responsibility</li> <li>&gt; Listening Project was defined aimed at visitors and non-visitors to the Shopping Centres</li> </ul>	<ul style="list-style-type: none"> <li>&gt; Meetings with banks and financiers</li> <li>&gt; Individual concerence calls, one to meetings, roadshows for investors and analysts, participation in sector conferences, field trips</li> <li>&gt; Participants in conference calls</li> <li>&gt; Total and new insitutional investors</li> <li>&gt; Shopping Centres under analysis</li> <li>&gt; Tenants met</li> </ul>
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"> <li>&gt; 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</li> <li>&gt; 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</li> <li>&gt; 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</li> </ul> <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 (momentarily suspended due to the pandemic)</p>	<ul style="list-style-type: none"> <li>&gt; Number of people employed in the IGD Shopping Centres</li> <li>&gt; % of local suppliers out of total suppliers</li> <li>&gt; Weight of local tenants on IGD's total revenues</li> <li>&gt; % of local events out of total</li> <li>&gt; Number of local associations received in the IGD Centres</li> <li>&gt; Sponsorship and donations made by the Consortiums to local bodies and associations for events (€)</li> </ul>



## // FOCUS RECOMMENDATIONS OF THE TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES

IGD responds 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 all the necessary 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.

Climate change, in particular, is considered within the risk «Catastrophic natural events (earthquakes, flooding, dioxin contamination) and damages caused by third parties»

Furthermore, every year the Board of Directors approves the Sustainability Report which, starting from 2019, includes an assessment of the trend regarding ESG risks, identified by starting from the material issues (amongst which «climate

change»). The policies and the actions undertaken to eliminate, reduce or mitigate the impacts are associated to each risk (and reported) as are the KPIs which are required in order to periodically monitor the results of the policies implemented.

Every year the Company assesses the trend of the risks that were identified and carries out fine-tuning activities on them, both by introducing new risks and also by modifying/substituting some of the ones previously identified.

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

Environmental sustainability is integrated into the Company's core business and it is a driver that is analysed and taken into consideration by the top management when making choices and decisions: it is with this in mind, for example, that

the Company's real estate portfolio is enhanced.

Furthermore, since 2011, the Chief Operating Office and the Director of Planning, Control and Investor Relations have been two of the 5 members of the Sustainability Committee which is an across-the-board committee, the role of which is to formulate proposals regarding strategies and targets and the operational application of these.

For further details please refer to the INTERNAL ORGANISATION OF CSR, in the Section «Sustainability strategy».

## // FOCUS TCFD

### // Strategy

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

The sector in which IGD operates is distinguished by the presence of real estate with a long-lasting duration. For this reason, the Company considers 0-5 years as short term, 5-10 as medium term and over 10 years as long term.

#### Short term

##### Risks:

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.

##### Opportunities:

- > The possibility of taking action on the properties, increasing their value and their appeal for its stakeholders;
- > the possibility of making use of European and national public financing aimed at reducing climate change impacts.

#### Medium term

##### Risks:

Increase in the cost of raw materials coming from non-renewable sources, as a result of national and European regulatory measures.

##### Opportunities:

- > Use of possible economic incentives connected to regulatory measures especially in relation to the so-called Green Deal promoted by the European Union;
- > reduce environmental impact related to vehicular traffic thanks to the increase in electric mobility (in which it is worthwhile investing, so as to promote the creation of an EV charging network).

#### Long term

##### Risks:

Having energy-intensive structures in its portfolio, not in line with the laws in force, nor with its stakeholders' requirements.

##### Opportunities:

- > 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.***

In order to reduce the environmental impacts of its structures and to mitigate the impacts of climate change, 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). In the subsequent 2019-2021 Strategic Plan, a further 5 million euros were set aside for the Company to continue its commitment regarding certifications (ISO 14001 and Breeam in Use), relamping, photovoltaic systems and structural measures (refrigerator units or insulation). One of the economic impacts resulting from these investments was the progressive reduction in costs

for the IGD Malls' tenants: between 2013 and 2019 there was an overall saving of 1.1 million euros (in addition to the 1.3 million euros reduction in 2020 related to the restrictions in opening times due to the pandemic).

The risks and the related policies are described in the paragraph «SUSTAINABILITY RISKS AND THE POLICIES RELATED TO THEM» in this section of the Report. In addition to these, there are also several actions aimed at limiting short/medium/long-term risks:

> 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 possible increase in price of non-renewable raw materials, IGD confirmed and signed the agreement with its electricity supplier to ensure that all the Shopping Centres' electricity supply comes exclusively from renewable energy sources;

> with regard to the long-term risk of having a very energy-intensive portfolio for the next 10 years, IGD has set itself the target of zeroing CO2 emissions by 2030.

## // 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.***

To reduce climate change related risks, the Company initiated a process regarding the restyling and remodelling of its structures during the period 2014-2020, involving 40% of its portfolio by following a sustainable enhancement approach, making the Shopping Centres even more resilient thanks also to structural work and management actions aimed at reducing their environmental impact. For this reason, IGD currently has a rather young property portfolio (with an average age, taking into consideration restyling work, of 10 years), equipped with high-performance systems in upgraded structures. Furthermore, the decision to obtain certification

(«UNI EN ISO 14001» for the entire portfolio and «Breeam In Use» for a growing number of assets), was also made so that the structural work carried out was associated to continuous improvement in management measures. In order to adapt its structures to climate changes, IGD monitors the possible scenarios that emerge from the most important research carried out at international level (like «Global Warming of 1.5°C» drawn up by IPCC) and at national level (like the «National Strategy of Adaptation to Climate Change» issued by the Ministry for the Environment).

At the same time, it also takes into consideration the positioning of its properties within the regions, in order to assess any risks that could emerge at local level.

Participation in both European and Italian work groups ensures that it is possible for IGD to be informed and continuously updated about the main scenarios. This knowledge has led the Company, for example, to identify heatwaves as one of the main risks related to climate change. For this reason, it is equipping the Malls with increasingly advanced systems to control and monitor the interior temperature, so as to be able to take action on the cooling systems in real time in the event of excessively contrasting values compared to the average.

## // FOCUS TCFD

### // Risk Management

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

Risks related to climate change are assessed within Enterprise Risk Management (ERM). The processes to identify, assess and manage the risks are described in section 3 of this Sustainability Report and on the corporate website: (<https://www.gruppoigd.it/en/governance/internal-control-and-risk-management-system/>). Since 2019 this process has also been flanked by the publication of risks relating to the individual material issues (of which climate change is an integral part) as described in the previous paragraph. They are not included in the ERM but they represent a driving force in the definition of the Company's policies and operational actions.

### // Metrics and Target

***Describe the metrics used by the company to assess climate-related risks and opportunities.***

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.



## // GLOBAL COMPACT

In 2020, in line with its Sustainability targets, IGD decided to adhere to the Global Compact, the world's most important initiative on the sustainability of organisations, promoted by the United Nations. The decision to do so was the result of the structured approach to Social Responsibility that the Company embarked on in 2011, which over time enabled it to develop the conditions and to take on all the necessary commitments in order to be able to fully satisfy the requisites of a company participating in the Global Compact. By adhering, IGD is declaring its commitment to ensure its strategies and operating activities are continuously aligned with the universal principles on human rights, labour, the environment and the fight against corruption.

IGD's Chief Executive Office, therefore, signed and sent a letter, which was approved during the Board of Directors' meeting held on 5th November 2020, to the Secretary-General of the United Nations, communicating the Company's formal undertaking to follow the Ten Principles of the Global Compact, to act in support of the Sustainable Development Goals, as well as to issue an annual communication on progress made. A summary table describing the Company's actions and results for each Principle is shown below.

	Principles	Information
Human rights	<p><b>Principle I:</b> Businesses should support and respect the protection of internationally proclaimed human rights in their areas of influence</p> <p><b>Principle II:</b> Businesses should make sure they are not complicit, not even indirectly, in human rights abuses</p>	<p><b>IGD Group's Code of Ethics:</b>  <a href="https://www.gruppoigd.it/en/governance/business-ethics/code-of-conduct/">https://www.gruppoigd.it/en/governance/business-ethics/code-of-conduct/</a></p> <p><b>Company's Charter of Values:</b>  <a href="https://www.gruppoigd.it/en/who-we-are/what-makes-us-different/mission/">https://www.gruppoigd.it/en/who-we-are/what-makes-us-different/mission/</a></p> <p><b>Measures to safeguard legality:</b>            see Sustainability Report section 3.3 «Anti-corruption and other actions to safeguard legality»</p> <p><b>Legality Rating:</b>  <a href="https://www.gruppoigd.it/en/governance/business-ethics/legality-rating/">https://www.gruppoigd.it/en/governance/business-ethics/legality-rating/</a></p>
Labour	<p><b>Principle III:</b> Alle imprese è richiesto di sostenere la libertà di associazione dei lavoratori e riconoscere il diritto alla contrattazione collettiva</p> <p><b>Principio IV:</b> Alle imprese è richiesto di sostenere l'eliminazione tutte le forme di lavoro forzato e obbligatorio</p> <p><b>Principle IV:</b> Businesses should support the elimination of all forms of forced and compulsory labour</p> <p><b>Principle V:</b> Businesses should support the effective abolition of child labour</p> <p><b>Principle VI:</b> Businesses should support the elimination of discrimination in respect of employment and occupation</p>	<p><b>IGD Group's Code of Ethics:</b>  <a href="https://www.gruppoigd.it/en/governance/business-ethics/code-of-conduct/">https://www.gruppoigd.it/en/governance/business-ethics/code-of-conduct/</a></p> <p><b>Company's Charter of Values:</b>  <a href="https://www.gruppoigd.it/en/who-we-are/what-makes-us-different/mission/">https://www.gruppoigd.it/en/who-we-are/what-makes-us-different/mission/</a></p> <p><b>Collective labour agreement:</b>            see Sustainability Report section 2.1 «Good employment»</p> <p><b>Absence of discriminatory policies:</b>            see Sustainability Report section 2.2 «Gender equality» and section 2.3 «Wellbeing, health and safety – policies aimed at employees»</p> <p><b>Legality Rating:</b>  <a href="https://www.gruppoigd.it/en/governance/business-ethics/legality-rating/">https://www.gruppoigd.it/en/governance/business-ethics/legality-rating/</a></p>

## // GLOBAL COMPACT

	Principles	Information
Environment	<p><b>Principle VII:</b> Businesses should support a precautionary approach to environmental challenges</p> <p><b>Principle VIII:</b> Businesses should undertake initiatives to promote greater environmental responsibility</p> <p><b>Principle IX:</b> Businesses should encourage the development and diffusion of environmentally friendly technologies</p>	<p><b>Environmental sustainability in IGD:</b>  <a href="https://www.gruppoigd.it/en/sustainability/our-priorities/green/">https://www.gruppoigd.it/en/sustainability/our-priorities/green/</a></p> <p><b>Identification and management of environmental risks:</b></p> <ol style="list-style-type: none"> <li><a href="https://www.gruppoigd.it/en/sustainability/our-sustainability-strategy/sustainability-risks/">https://www.gruppoigd.it/en/sustainability/our-sustainability-strategy/sustainability-risks/</a></li> <li>See Sustainability Report section «Strategy», Focus Task Force on Climate Related financial Disclosures</li> </ol> <p><b>Environmental performance and awareness raising activities:</b>            See Sustainability Report section 1.1 «Climate change» and section 1.2 «Accessibility and mobility»</p>
Anti-corruption	<p><b>Principle X:</b> Businesses should work against corruption in all its forms, including extortion and bribery</p>	<p><b>IGD Group's Code of Ethics:</b>  <a href="https://www.gruppoigd.it/en/governance/business-ethics/code-of-conduct/">https://www.gruppoigd.it/en/governance/business-ethics/code-of-conduct/</a></p> <p><b>Measures to safeguard legality:</b>  <a href="https://www.gruppoigd.it/en/governance/business-ethics/anti-corruption/">https://www.gruppoigd.it/en/governance/business-ethics/anti-corruption/</a></p> <p><b>Interventi a presidio della legalità:</b>            see Sustainability Report section 3.3 «Anti-corruption and other actions to safeguard legality»</p>

## // 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
<b>Sustainability Committee</b>	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
<b>Operating Management</b>	Chairman, Chief Executive Officer, Chief Operating Officer, Directors of the various Divisions/Services	It approves the strategies and recommends the guidelines
<b>Board of Directors</b>	<a href="https://www.gruppoigd.it/en/governance/board-of-directors/">https://www.gruppoigd.it/en/governance/board-of-directors/</a>	It is the promoter of the Company's commitment to CSR, it annually assesses social-environmental performance and it approves the Sustainability Report (since 2015)

The following issues were dealt with in 2020 during the meetings held by the Sustainability Committee:

- > New Code of Ethics: definition of contents;
- > Sustainability targets: assessment on level of achievement and identification of feasible actions;
- > Environmental certification (ISO 14001 and Breeam In Use): process of results obtained and programming of next steps;
- > Participation in the Global Compact: definition of operational procedure;
- > Project for the installation of EV charging stations: progress made and results obtained;
- > IGD's participation in the work of national and international associations on CSR issues: sharing of the most important issues that emerged;
- > Indices and ratings in which IGD is assessed: updates and results obtained.



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



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

In 2020 it participated in two meetings organised online.

- > Activities of the association on sustainability (sBPR, Epra database, relations with other stakeholders on CSR issues);
- > Updates regarding European regulations with impact on CSR, with particular focus on EU Taxonomy.



In 2020 the CNCC (National Association of Shopping Centres) founded an ESG Commission. In addition to the Chair of the Association itself being assigned to IGD, it was also assigned the Chair of the Commission, the aim of which is to thoroughly examine regulations at both European and national level in the field of CSR and to make known/expand the commitment to these issues in the sector of the Italian Shopping Centres participating in this Association.



IGD has been a member of the Sustainability Group representing the *Consiglio Nazionale dei Centri Commerciali - CNCC* (National Association of Shopping Centres) since it was founded in 2020. The main issues discussed included those relating to the risks and opportunities arising from European legislation in the field of CSR, with the relevant tracking of regulation processes.



IGD has been a member of Impronta Etica (<https://www.improntaetica.org/en/>) since 2010. Amongst other activities carried out in 2020, the association promoted a workgroup amongst its members on the issue of corporate risks, in which IGD took part.

In cooperation with Impronta Etica, in 2020 IGD gave lectures on its own experience regarding its sustainability process, in the Universities of Bologna, Forlì and Cattolica University in Milan.

## // INTERNATIONAL RECOGNITIONS AND BENCHMARKS



IGD received the «**EPRA sBPR Gold Award**» for the 6th year, for its 2019 Sustainability Report.

RATING AGENCIES  
SPECIALISED IN CSR

In 2020 IGD underwent independent assessments carried out by 6 companies: ISS, MSCI, S&P Global-Trucost, Vigeo Eiris, Gaia and Refinitiv. The overall number of companies that had carried out assessment activities in 2019 was 4.



IGD received the «**EPRA BPR Gold Award**» for the 3rd year, for its 2019 Consolidated Financial Statements.

STOCK MARKET  
INDICES

In the available ratings, IGD's score is shown to be on the increase or in line with the previous year.

As was the case in 2019, also in 2020 IGD was included 5 stock market indices with focus on sustainability.



Score obtained: C.



green

## // WHAT WE DID IN 2020

- > €1.2 mn were invested to improve energy efficiency in the structures;
- > BREEAM IN USE certification was obtained for 3 more key assets. Currently 8 Shopping Centres are certified: 7 Centres BREEAM IN USE and 1 BREEAM;
- > UNI EN ISO 14001 certification was obtained for 4 Shopping Centres, bringing the number of ISO 14001 certified Shopping Centres to 24, in addition to the Bologna headquarters, corresponding to 95% of m2 of the fully-owned Malls portfolio;
- > A pilot project was launched in Puntadiferro Shopping Centre to remotely monitor the structure's electricity consumption, increasing its efficiency. The project will be extended to other Shopping Centres in 2021;
- > The circular economy project, «Waste2value», was identified as one of the grant winners in a public competition of the Emilia Romagna Region Authority;
- > Altogether there are 34 EV charging stations installed in 17 Shopping Centres, one Ionity charging station 100% supplied by renewable electricity in 1 Centre and two new «Supercharger» Tesla stations in Maremà and Puntadiferro Shopping Centres;
- > Work began on the creation of a cycle path and an e-bike charging station was installed in Clodi Retail Park;
- > Bologna Headquarters became Plastic Free.

*“Every day we are committed to making our Shopping Centres «greener and greener», by innovating and modernising all the parts of the buildings. In doing so, it is our intention to reach our sustainability targets as rapidly as possible.”*

**Roberto Zoia**

*Director of Asset Management,  
Development and Network Management*



## 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 2020 the Group invested 1.2 million euros in actions to improve the environmental sustainability of its structures.

Aspect	Actions carried out in 2020	Impact
<b>Photovoltaic</b>	<p>The photovoltaic system installed in ESP Shopping Centre (Ravenna) covering a car park with 340 parking spaces, came into operation in the year. Since it was installed, it has generated over 430,000 kWh and it has made reaching the Shopping Centre more comfortable for visitors</p> <p>Altogether there are currently 8 photovoltaic systems installed in 7 Shopping Centres with overall power equal to 2.1 MWp</p>	<p>The photovoltaic system installed in the car park in ESP enabled 94% of the energy produced to be self-consumed</p> <p>The Shopping Centres equipped with photovoltaic systems consumed on average 78.4% of the energy they themselves produced</p> <p>Altogether, the photovoltaic systems present in the IGD Shopping Centres produced, in 2020, 6% of the total electricity, with an increase of 2.5 p.p. compared to 2019</p>
<b>Led technology lighting</b>	<p>Relamping was completed in Puntadiferro Shopping Centre, with the installation of led lighting in the Mall, covered car park and offices</p> <p>Currently there are 19 IGD Shopping Centres equipped with LED technology lighting systems.</p>	<p>Relamping work helped to improve energy efficiency in 19 Shopping Centres; if this work had not been carried out, overall electricity consumption would have increased by 6.6%, corresponding to the annual electricity consumption of a large Shopping Centre (Puntadiferro)</p> <p>Thanks to the installation of the LED lighting system in Sarca Shopping Centre, in 2017 IGD obtained white certificates (Energy Efficiency Certificates) with an economic benefit in the four year period of 99,041</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 2020	Impact
100% energy from renewable sources	<p>In line with IGD's aim to achieve zero CO2 emissions by 2030, during the year the Company confirmed the purchase of energy coming exclusively from renewable sources.</p> <p>The 2019 energy mix (latest available) certified by the supplier, was made up of 100% wind power</p>	<p>Thanks to the use of green energy, 16,500 tonnes of CO2 were not emitted into the atmosphere in 2020</p>
Management and environmental certifications (CRE8)	<p>In 2020 UNI EN ISO 14001 certification was obtained for 4 new Shopping Centres (Casilino, La Favorita, Centro Lama and Centro Luna). Currently 24 Shopping Centres, representing 95% of m2 of the fully-owned Malls portfolio, are certified, in addition to the Bologna headquarters</p> <hr/> <p>In 2020 BREEAM IN USE certification was obtained for three more key assets: Conè, Leonardo and Le Porte di Napoli, which were assessed as «very good» regarding both <i>Asset Performance and Building Management</i>*. Currently 8 Shopping Centres are certified: 7 Centres BREEAM IN USE and 1 BREEAM</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 buildings</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>

\*Assessment body: BRE GLOBAL LIMITED.

Aspect	Actions carried out in 2020	Impact
<b>Energy efficiency improvement measures</b>	<p>6 new Cooling Units installed in the same number of Shopping Centres</p> <hr/> <p>2 high efficiency air-conditioning systems installed in 1 Shopping Centre (Katanè)</p> <hr/> <p>2 devices for air treatment and ventilation were replaced in 1 Shopping Centre (Le Porte di Napoli)</p> <hr/> <p>1 tank to collect rainwater was installed in 1 Shopping Centre (Maremà)</p>	<p>Reduction in energy and water consumption.</p>
<b>Monitoring by means of divisional meters</b>	<p>Currently 18 Shopping Centres are equipped with divisional meters (208 in total), by means of which electricity consumption is continuously monitored. Meters are scheduled to be installed in two other Shopping Centres in 2021</p> <hr/> <p>A pilot project was carried out (in cooperation with Consorzio Esperienza Energia) in Puntadiferro Shopping Centre, to remotely monitor the structure's electricity consumption by means of a tool that collects the data from the already present sensors and which means that action can be taken in the event of any anomalies. Given the good results, this project will be extended to other Shopping Centres in 2021</p>	<p>Identification of wastage and reduction in inefficiency caused by system malfunctioning or management factors</p>

## 1.1 CLIMATE CHANGE

**ACTIONS CARRIED OUT IN 2020:**  
The photovoltaic system covering the external car park in ESP Shopping Centre (Ravenna) came into operation

**IMPACT:**  
Production of 6% of total electricity, with an increase of 2.5 p.p. compared to 2019



There are currently 8 photovoltaic systems installed in 7 Shopping Centres, with overall power equal to 2.1 MWp



100% of the Shopping Centres use green energy

**ACTIONS CARRIED OUT IN 2020:**  
Agreement signed to acquire green certificates (G.O. Guarantee of Origin)

**IMPACT:**  
In 2020 16,500 tonnes of CO2 were not emitted into the atmosphere

**ACTIONS CARRIED OUT IN 2020:**  
Relamping completed in Puntadiferro Shopping Centre

**IMPACT:**  
Thanks to the work carried out in 19 Shopping Centres, in 2020 2.5 mn kwh were saved, equal to the energy consumption of a large Shopping Centre



Currently there are 19 IGD Shopping Centres equipped with LED technology lighting systems

LED technology lighting

Monitoring of electricity consumption

**ACTIONS CARRIED OUT IN 2020:**  
Pilot project was carried out in 1 Shopping Centre (Puntadiferro)

**IMPACT:**  
Identification of wastage and reduction in inefficiency caused by system malfunctioning or management factors



Installation of a tool to monitor electricity consumption by means of collecting data from sensors present in the Shopping Centre

100% energy from renewable sources

THE GREEN ASPECTS OF IGD'S PORTFOLIO

UNI EN ISO 14001 certification

Certificazione BREEAM

**BREEAM®**  
Currently 30% of the Italian Malls are BREEAM certified

**ACTIONS CARRIED OUT IN 2020:**  
In 2020, BREEAM IN USE certification was obtained for three more Shopping Centres (Conè, Leonardo and Le Porte di Napoli)

**IMPACT:**  
Assurance of compliance with strict sustainability standards



Currently 24 Shopping Centres have obtained and maintained this certification, corresponding to 95% of m2 of IGD's fully-owned Malls portfolio, in addition to the Bologna headquarters

**ACTIONS CARRIED OUT IN 2020:**

In 2020 UNI EN ISO 14001 certification was obtained for 4 new Shopping Centres (Casilino, La Favorita, Centro Lama and Centro Luna)

**IMPACT:**  
More efficient method to manage the properties from an environmental point of view, resulting in an improvement in the energy performance of the buildings



## // 1.1.2 RESULTS OBTAINED: ENERGY CONSUMPTION

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

Electricity consumption (kwh)	2020	2019	2018	Difference 2020/2019	Difference 2019/2018
Italy - Abs	37,367,433	44,635,792	40,351,936	<b>-16.3%</b>	10.6%
Italy - Lfl	35,714,765	42,445,352		<b>-15.9%</b>	
Romania	15,828,008	19,791,583	20,796,000	<b>-20.0%</b>	-4.8%
Headquarters (including common costs)	258,577	296,812	309,838	<b>-12.9%</b>	-4.2%
Headquarter offices	95,998	106,985	109,598	<b>-10.3%</b>	-2.4%

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

District heating (kwh)	2020	2019	2018	Difference 2020/2019	Difference 2019/2018
Italy - Abs	8,949,814	9,596,400	9,854,866	<b>-6.7%</b>	-2.6%
Italy - Lfl	7,868,674	8,440,520		<b>-6.8%</b>	
Romania	309,645	595,077	986,122	<b>-48.0%</b>	-39.7%
Headquarters	271,174	347,348	325,932	<b>-21.9%</b>	6.6%

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

Fuel	Unit of measures	2019/2018	2019	2018	Difference 2020/2019	Difference 2019/2018
Italy - Abs	kwh	13,747,041	15,067,973	14,191,359	<b>-8.8%</b>	6.2%
Italy - Lfl	kwh	13,463,237	11,983,881		<b>-9.3%</b>	
Romania	kwh	3,729,596	3,398,192	4,595,201	<b>9.8%</b>	-26.0%
Italy - Abs	Gj	49,489	54,245	51,089	<b>-8.8%</b>	6.2%
Italy - Lfl	Gj	48,468	43,142	-	<b>-9.3%</b>	
Romania	Gj	13,427	12,233	16,543	<b>9.8%</b>	-26.0%

The reduction in electricity consumption occurred throughout the whole of 2020, not only during the lockdown period: even in the months when no restrictions were in place in the Shopping Centres, the drop in electricity consumption was about 13%.

District heating consumption recorded a general decrease. The overall difference was affected by the increase in consumption in two Shopping Centres due to the final balances referring to 2019.

The reduction in fuel consumption was the effect of the air conditioning systems being used less in the summer months due to the weather conditions.

The increase in consumption recorded in Romania was a direct result of the particularity of the data referring to the previous year, 2019, a year in which the winter was particularly mild.

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

## 1.1 CLIMATE CHANGE

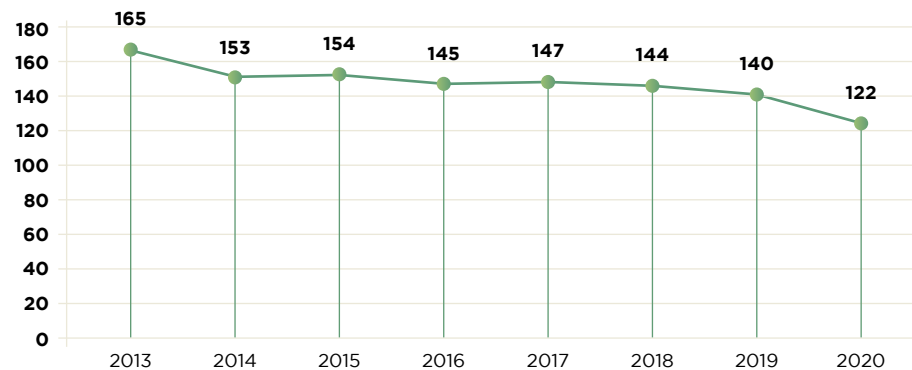
// TABLE 4 - TOTAL ENERGY CONSUMPTION (302-1)

Energy consumption	Unit of measures	2020	2019	2018	Difference 2020/2019	Difference 2019/2018
Italy - Abs	kwh	60.064.288	69.300.165	64.398.161	<b>-13.3%</b>	7.6%
Italy - Lfl	kwh	57.046.676	65.724.483	-	<b>-13.2%</b>	
Romania	kwh	19.867.249	23.784.852	26.377.323	<b>-16.5%</b>	-9.8%
Headquarter Office	kwh	367.172	454.333	435.530	<b>-19.2%</b>	4.3%
Italy - Abs	Gj	216.231	249.481	231.833	<b>-13,3%</b>	7.6%
Italy - Lfl	Gj	205.368	236.608	-	<b>-13.2%</b>	
Romania	Gj	71.522	85.625	94.958	<b>-16.5%</b>	-9.8%
Headquarter offices	Gj	1.322	1.636	1.568	<b>-19.2%</b>	4.3%

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

Energy consumption	2020	2019	2018	Difference 2020/2019	Difference 2019/2018
Italy	121,79	140,26	144,47	<b>-13.2%</b>	-2.9%
Romania	225,18	269,58	298,96	<b>-16.5%</b>	-9.8%
Headquarter offices	34,85	38,83	39,78	<b>-10.3%</b>	-2.4%

// CHART 1 - ENERGY INTENSITY ITALY SINCE 2003 (kwh/mq)



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

The drop in overall energy consumption was positively affected by the 8 photovoltaic systems installed in 7 Italian Shopping Centres, which self-consumed on average 78.4% of the energy they produced.

Also the LED technology lighting systems had a positive impact as they enabled 2.5 mn kwh to be saved, equivalent the electricity consumption of a large Shopping Centre (e.g.:Puntadiferro).

**-13,2%**

Like for like energy consumption in 2020

Although the restrictions caused by the pandemic had an effect as they impacted the opening times/capacities of the Shopping Centres, the intensity data confirmed that there was a progressive reduction over the last four years.

## // 1.1.3 RESULTS OBTAINED: GREENHOUSE GAS EMISSIONS

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

GHG emissions (Ton Co2e)	2020	2019	2018	Difference 2020/2019	Difference 2019/2018
Italy direct emissions (Scope 1) - Abs	2,476	2,714	2,556	<b>-8.8%</b>	6.2%
Italy indirect emissions (Scope 2) - Abs	17,071	20,064	18,492	<b>-14.9%</b>	8.5%
<b>Italy total emissions GHG - Absolute</b>	<b>19,547</b>	<b>22,777</b>	<b>21,048</b>	<b>-14.2%</b>	<b>8.2%</b>
Italy direct emissions (Scope 1) - Lfi	2,425	2,672		<b>-9.3%</b>	
Italy indirect emissions (Scope 2) - Lfi	16,111	18,874		<b>-14.6%</b>	
<b>Italy total emissions GHG - Like for like</b>	<b>18,535</b>	<b>21,546</b>		<b>-14.0%</b>	
Romania direct emissions (Scope 1) - Lfi	672	612	828	<b>9.8%</b>	-26.0%
Romania indirect emissions (Scope 2) - Lfi	7,681	9,651	10,220	<b>-20.4%</b>	-5.6%
<b>Romania total emissions</b>	<b>8,353</b>	<b>10,263</b>	<b>11,047</b>	<b>-18.6%</b>	<b>-7.1%</b>
Headquarters - total emissions GHG	36.96	41.19	42.20	<b>-10.3%</b>	-2.4%
<b>Headquarters - total emissions</b>	<b>36.96</b>	<b>41.19</b>	<b>42.20</b>	<b>-10.3%</b>	<b>-2.4%</b>

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

The fall in greenhouse gas emissions recorded in 2020 was in line with the decrease recorded the previous year. Between 2019 and 2020, 3,011 tonnes of CO2e were not emitted into the atmosphere by the IGD Shopping Centres.

In 2020

**3.011**  
tonnes less of  
CO2e

compared to 2019

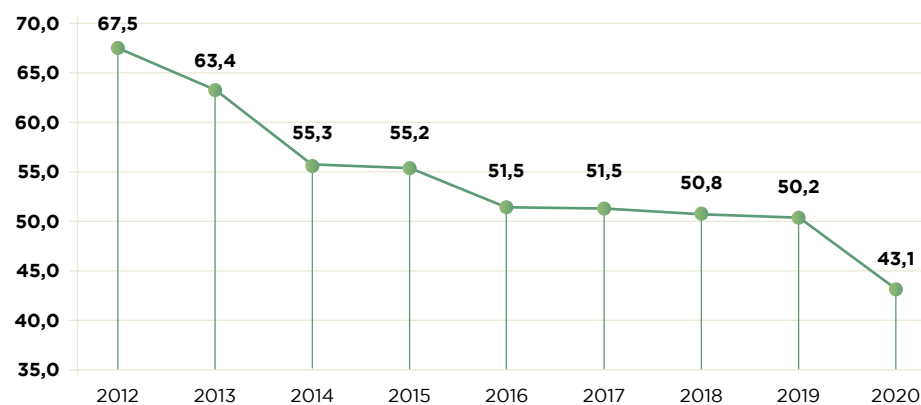
NB: For the calculation of GHG emissions please refer to «Methodological Preface for Environmental Data» in section «Methodological Preface»

**// TABLE 7 - GREENHOUSE GAS EMISSIONS INTENSITY- LOCATION BASED** (GRI 305-4; CRE3)

GHG emissions intensity (Kg Co2e/common areas + GLA)	2020	2019	2018	Difference 2020/2019	Difference 2019/2018
Italy GHG intensity (Scope 1)	5.5	6.0	6.2	<b>-8.8%</b>	-3.1%
Italy GHG intensity (Scope 2)	37.6	44.2	44.6	<b>-14.9%</b>	-1.0%
<b>Italy total GHG intensity</b>	<b>43.1</b>	<b>50.2</b>	<b>50.8</b>	<b>-14.2%</b>	<b>-1.2%</b>
Romania GHG intensity (Scope 1)	7.6	6.9	9.4	<b>9.8</b>	-26.0
Romania GHG intensity (Scope 2)	87.1	109.4	115.8	<b>-20.4%</b>	-5.6%
<b>Romania GHG intensity</b>	<b>94.7</b>	<b>116.3</b>	<b>125.2</b>	<b>-18.6%</b>	<b>-7.1%</b>
Headquarters indirect GHG intensity	<b>13.4</b>	<b>15.0</b>	<b>15.3</b>	<b>-10.3%</b>	<b>-2.4%</b>

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/MQ)



There was a considerable reduction in the greenhouse gas emissions intensity compared to 2019, confirmation of IGD's commitment to tackle climate change. The Covid-19 pandemic accelerated this decrease and the energy efficiency work carried out, like the photovoltaic systems, the LED lighting systems and the installation of new cooling units, also contributed to it.

**13.6 Kg**  
CO2/mq

GHG intensity  
Market based\* 2020

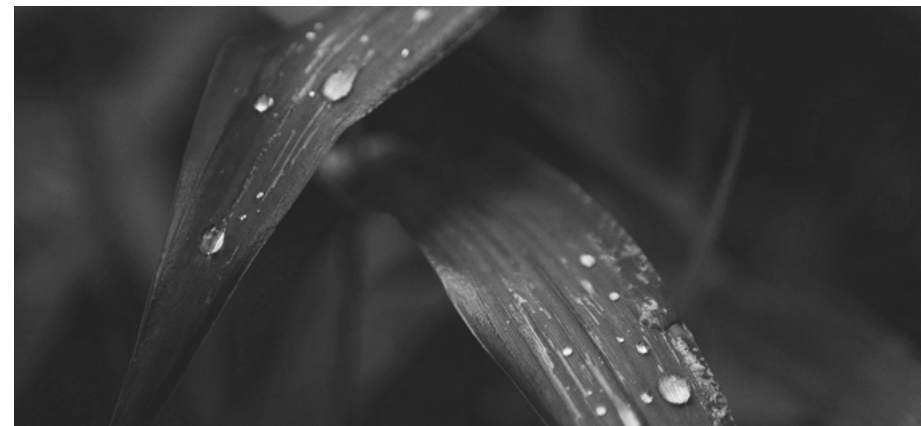
\* In addition to the location based method, for the second year IGD has reported indirect emissions intensity also by using the Market Based method as recommended by the GRI Standards 305-2 indicator (Residual mix 487gCoe/kwh; denominator m2 454,004 - source: European residual mix 2018).

## // 1.1.4 RESULTS OBTAINED: WATER CONSUMPTION

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

Water consumption (mc)	2020	2019	2018	Difference 2020/2019	Difference 2019/2018
Italy water consumption- Abs	443.407	593.935	526.904	-25,3%	12,7%
Of which from water mains	426.046	579.276	515.158	-26,5%	12,4%
Of which from groundwater	17.361	14.659	11.746	18,4%	24,8%
Italy water consumption - Lfl	401.535	508.658		-21,1%	
Of which from water mains	384.174	493.999		-22,2%	
Of which from groundwater	17.361	14.659		18,4%	
Romania water consumption	44.511	65.066	64.964	-31,6%	0,2%
Of which from water mains	44.511	65.066	54.964	-31,6%	0,2%
Headquarters water consumption	1.643	2.944	3.047	-44,2%	-3,4%
Of which from water mains	1.643	2.944	3.047	-44,2%	-3,4%

83% of the Shopping Centres recorded a decrease in water consumption. The increase in groundwater consumption was due to just one Shopping Centre, where extraordinary maintenance work was carried out.



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 (MC)

Area	Water consumption (mc)	2020	2019	2018	Difference 2020/2019	Difference 2019/2018
Italy - Abs	Drinking water	368,703	465,763	434,983	<b>-20.8%</b>	7.1%
	Irrigation	24,207	67,374	38,497	<b>-64.1%</b>	75.0%
	Fire prevention	18,535	16,158	13,105	<b>14.7%</b>	23.3%
	Other uses	31,962	48,942	42,354	<b>-34.7%</b>	15.6%
Italy - Lfl	Drinking water	332,496	409,552	410,369	<b>-18.8%</b>	
	Irrigation	23,474	47,067	38,497	<b>-50.1%</b>	
	Fire prevention	18,535	16,158	13,105	<b>14.7%</b>	
	Other uses	27,030	40,182	42,354	<b>-32.7%</b>	

The increase in water consumption for fire prevention was connected to breakages in the system resulting in leakage which occurred in two Shopping Centres during the year.

// TABLE 10 - BUILDING WATER CONSUMPTION INTENSITY

Water consumption intensity (mc/mq)	2020	2019	2018	Difference 2020/2019	Difference 2019/2018
Italy	0.98	1.31	1.27	<b>-25.4%</b>	2.9%
Romania	0.50	0.74	0.74	<b>-31.6%</b>	0.2%
Headquarters	0.60	1.07	1.11	<b>-44.2%</b>	-3.4%

Water consumption intensity continued its tendency to decrease.

// TABLE 11 - HEADQUARTERS WATER CONSUMPTION INTENSITY (MC/ PERSONA)

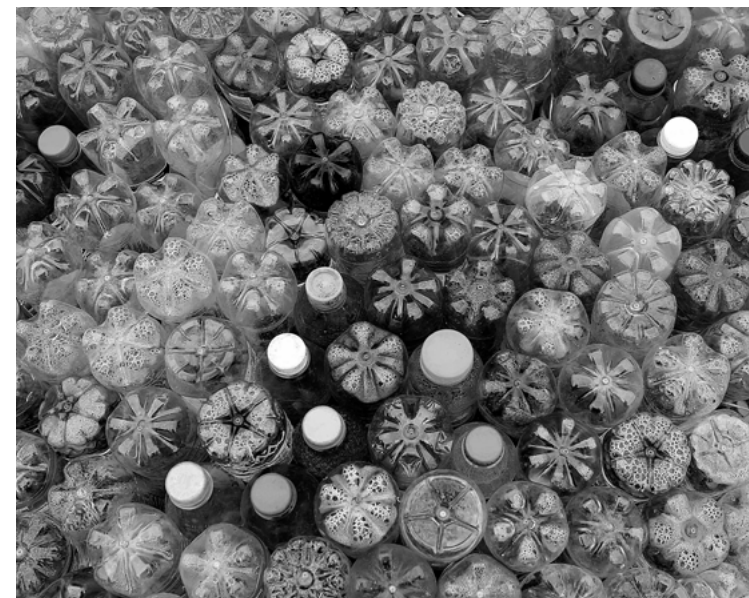
Headquarters	2020	2019	2018	Difference 2020/2019	Difference 2019/2018
Intensity	17.6	17.7	19.2	<b>-0.6%</b>	-7.9%

## // 1.1.5 RESULTS OBTAINED: WASTE DISPOSAL AND CIRCULAR ECONOMY

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

Area	Disposal method (ton)	2020	2019	2018	Difference 2020/2019	Difference 2019/2018	Weight 2020	Weight 2019	Weight 2018
Italy - Abs	Recycling	1,929	1,948	1,908	<b>-1.0%</b>	2.1%	77%	69%	74%
	Incinerator	-	-	42			0%	0%	2%
	Landfill	571	877	636	<b>-34.9%</b>	37.9%	23%	31%	25%
	<b>Total</b>	<b>2,500</b>	<b>2,825</b>	<b>2,586</b>	<b>-11.5%</b>	<b>9.2%</b>			
Italy - Lfl	Recycling	1,249	1,699	1,850	<b>-26.5%</b>				
	Incinerator	-	-	42					
	Landfill	526	580	636	<b>-9.4%</b>				
	<b>Total</b>	<b>1,775</b>	<b>2,279</b>	<b>2,528</b>	<b>-22.1%</b>				
Romania	Recycling	167	156	144	6.6%	8.6%	7%	5%	7%
	Landfill	2,096	2,858	2,001	<b>-26.6%</b>	42.8%	93%	95%	93%
	<b>Total</b>	<b>2,263</b>	<b>3,014</b>	<b>2,145</b>	<b>-24.9%</b>	<b>40.5%</b>			
Headquarters	Recycling	1.46	4.63	3.86	<b>-68.5%</b>	20.0%	41%	53%	54%
	Landfill	2.08	4.13	3.33	<b>-49.7%</b>	24.1%	59%	47%	46%
	<b>Total</b>	<b>3.54</b>	<b>8.77</b>	<b>7.19</b>	<b>-59.6%</b>	<b>21.9%</b>			

There was an overall decrease in the quantity of waste produced and an increase in the amount that was sent to recycling, the weight of which out of the total grew by 8 p.p. compared to the previous year.



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

// TABLE 13 - WASTE SORTING

Area	Type	2020	2019	2018	Difference 2020/2019	Difference 2019/2018	Weight 2020	Weight 2019	Weight 2018
Italy - Abs	Paper and cardboard	873	902	851	<b>-3.2%</b>	5.9%	34.9%	31.9%	32.9%
	Plastic	148	92	56	<b>61.7%</b>	62.6%	5.9%	3.2%	2.2%
	Organic	91	86	64	<b>6.0%</b>	33.7%	3.6%	3.0%	2.5%
	Unsorted	442	386	420	<b>14.7%</b>	-8.2%	17.7%	13.7%	16.3%
	Mixed	785	1.100	999	<b>-28.6%</b>	10.1%	31.4%	38.9%	38.6%
	Glass	88	122	53	<b>-27.9%</b>	130.7%	3.5%	4.3%	2.1%
	Wood	-	2	12	<b>-100.0%</b>	-85.7%	0.0%	0.1%	0.5%
	Other	72	136	130	<b>-47.0%</b>	4.4%	2.9%	4.8%	5.0%
	<b>Total</b>	<b>2,500</b>	<b>2,825</b>	<b>2,586</b>	<b>-11.5%</b>	<b>9.2%</b>			
Italy - Lfi	Paper and cardboard	600	832	825	<b>-20.9%</b>		33.8%		
	Plastic	85	92	56	<b>-6.9%</b>		4.8%		
	Organic	46	86	64	<b>-25.2%</b>		2.6%		
	Unsorted	318	386	420	<b>-17.5%</b>		17.9%		
	Mixed	603	803	967	<b>-16.8%</b>		34.0%		
	Glass	61	122	53	<b>-49.8%</b>		3.5%		
	Wood	-	2	12			0.0%		
	Other	61	136	130	<b>-54.7%</b>		3.4%		
	<b>Total</b>	<b>1,775</b>	<b>2,459</b>	<b>2,528</b>	<b>-22.1%</b>				
Romania	Paper and cardboard	157	150	133	<b>4.5%</b>	12.8%	6.9%	5.0%	6.2%
	Plastic	10	6	11	<b>56.3%</b>	-41.7%	0.4%	0.2%	0.5%
	Alluminium	-	-	-	-	-	0.0%	0.0%	-
	Unsorted	2,096	2,858	2,001	<b>-26.6%</b>	42.8%	92.6%	94.8%	93.3%
	<b>Total</b>	<b>2,263</b>	<b>3,014</b>	<b>2,145</b>	<b>-24.9%</b>	<b>40,5%</b>			
Headquarters	Paper and cardboard	1.36	4.43	3.60	<b>-69.3%</b>	23.0%	38.4%	50.5%	50.1%
	Plastic	0.1	0.20	0.26	<b>-50.9%</b>	-21.7%	2.8%	2.3%	3.6%
	Unsorted	2.08	4.13	3.33	<b>-49.7%</b>	24.1%	58.8%	47.2%	46.3%
	<b>Total</b>	<b>3.54</b>	<b>8.77</b>	<b>7.19</b>	<b>-59.6%</b>	<b>21.9%</b>			

// TABLE 14 - PAPER CONSUMPTION BOLOGNA HEADQUARTERS

Paper consumption Bologna headquarters	2020	2019	2018	Difference 2020/2019	Difference 2019/2018
Number of printed sheets of paper	453,523	651,395	728,358	<b>-30.4%</b>	-10.6%

Data regarding waste sorting was directly impacted by the periods in which the Shopping Centres were not fully open.



The 30% decrease in paper consumption was due to fewer people being present in the headquarters following the increase in smart working.



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



The objective of the «Waste2value» project is to create a circular economy model within one pilot Shopping Centre (Centro Nova in Bologna), starting from food waste and then reusing it for the upkeep of a garden next to the Centre itself. In addition to IGD, this project involved partners like *Camst*, the Italian food and beverage company, *Coop Alleanza 3.0*, *Impronta Etica* and *Future Food Institute*.

In 2020 the partners defined the operating aspects of the project in cooperation with the Municipality of Castenaso, which presented it at the «Public competition for the awarding of grants for the creation of municipal projects regarding reduction in waste production – year 2020», obtaining access to a grant put forward by the Emilia Romagna Authority for Water and Waste Services. This grant will cover 80% of the overall estimated costs and it will be distributed when the project is implemented, which is scheduled to be within the first six months in 2021.

For further information, please refer to the website <http://wastetovalue.it/>

## ○ 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 2020, reaching a total number of 34 EV charging stations in 17 Shopping Centres. Thanks to the energy supplied, it was possible to prevent 5.23 tonnes of CO2 from being emitted into the atmosphere, which is the amount that would have been produced in one year by a traditional car travelling the same number of kilometres\*.

An agreement was also signed during the year for the installation in 2021 of a new «Supercharger» Tesla station in Katanè Shopping Centre, in addition to those already inaugurated in Maremà and Puntadiferro in 2020.

Puntadiferro Shopping Centre was also the location where, in July 2020, a Ionity High Power Charging Station, 100% supplied by renewable electricity, was installed - the first in an Italian Shopping Centre.



*Have been saved thanks to  
the installation of EV charging stations*

*\*Source: Enerhub research using the WLTP procedure, with the assumption of approximately 7,000 km annually (driven by electric vehicle owners)*

#### // Bicycles

Accessibility and mobility represent a material issue for IGD, which undertakes to constantly monitor any related risks and to take measures by means of specific action plans. In order to promote electric mobility:

- > In October 2020 work was started to create a cycle path to reach Clodi Retail Park from the centre of Chioggia (Venice); The work is expected to be completed in April 2021;
- > An e-bike charging station powered by a photovoltaic system was also installed in Clodi Retail Park;
- > 17 Shopping Centres are equipped with charging systems for e-bike batteries inside the Malls;
- > Over half the Shopping Centres can be reached by cycle path, and in 53% of cases this means is widely used by the visitors.

#### // Local public transport

IGD continued to work in order to facilitate access to its Shopping Centres, satisfying the visitors' needs in terms of mobility. Currently 83% of the Shopping Centres have a public transport stop within 200 metres of their entrance. Furthermore, the projects to create two new bus stops in proximity of Maremà and Katanè Shopping Centres will be completed in 2021.



responsible

## // WHAT WE DID IN 2020

- > The employment level remained stable;
- > Specific measures were defined to protect the workforce during the pandemic. These included the launch of simplified smart working for the Headquarters and remote working for the network employees;
- > The corporate Welfare Plan was confirmed and it involved 98% of those entitled
- > “Virtual Team” activity was experimented for the first time and it involved the entire workforce, who, by means of digital tools, were asked to share both their professional and personal experience with regard to the emergency situation caused by the pandemic;
- > Job posting was carried out in a structured manner both on the corporate website and on LinkedIn;
- > Specific measures were defined to prevent the spreading of the virus within the Shopping Centres and the Headquarters in Bologna (with an overall investment equal to approximately 1.3 mn €).

*“Never before as in the present situation has considering the needs of the people who work for us been so important in order to maintain a high level of participation and involvement. We followed this approach in 2020 and we will do so also in 2021.”*

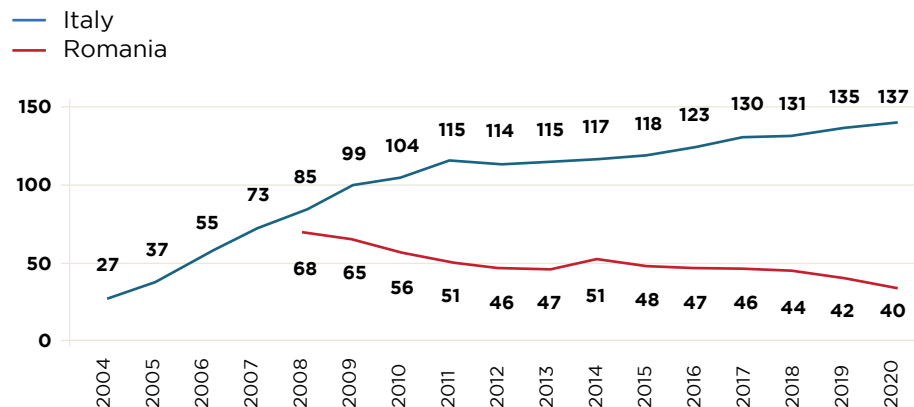
**Daniele Cabuli**  
Chief Operating Officer



## 2.1 GOOD EMPLOYMENT

### // 2.1.1 WORKFORCE

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



During the year IGD decided to maintain a stable level of employment, also to ensure constant safety within the Shopping Centres during the pandemic.

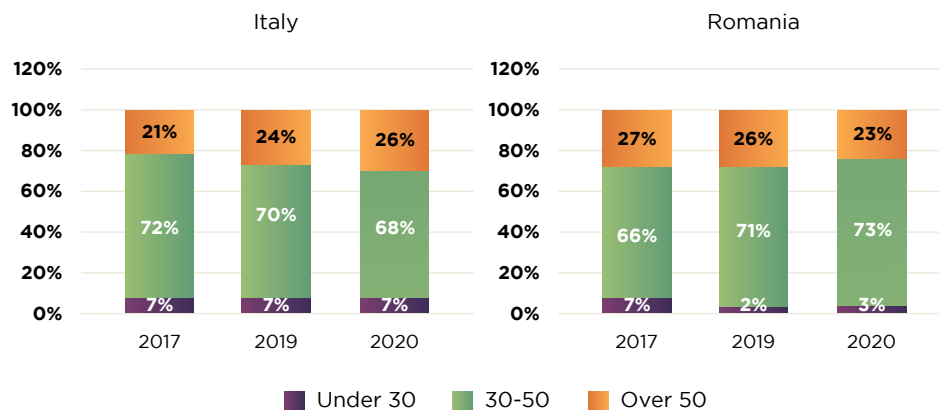
The growth in the workforce at the end of the year was due to two people being hired to substitute employees on maternity leave.

To strengthen internal protection measures, the role of tax specialist was created. Rotations were also organised within the Shopping Centre network workforce.

During the year a project was defined which will lead to the internalisation of Information Technology services. For this reason, the Company has scheduled the introduction of the new role of IT Manger in the first half of 2021.

The Winmarkt workforce recorded a slight decrease, due mainly to internal organisational changes and one retirement.

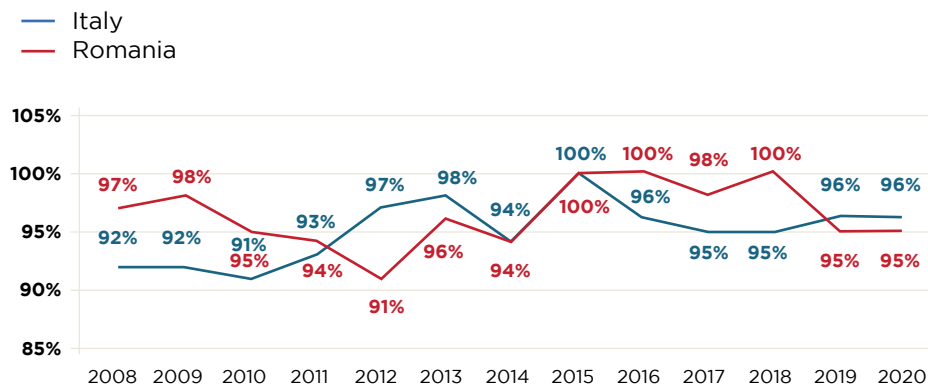
// CHART 2 - STAFF BY AGE GROUP (ITALY AND ROMANIA) (GRI 405-1)



In Italy, as a result of stability in the younger age group which weighed 7% on the total, the weight of the over 50s recorded an increase, also due to the need to hire human resources with expertise. This resulted in the slight increase in the average age, which went from 43 to 44 years of age.

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

### // CHART 3 - PERCENTAGE OF EMPLOYEES WITH PERMANENT CONTRACTS (ITALY AND ROMANIA)



Also in 2020, steady employment for employees continued as permanent contracts stood at 95.6% out of the total (a slight decrease compared to 2019 due to replacements for maternity leave).

### // TABLE 1 - STAFF BY CONTRACT TYPE (ITALY AND ROMANIA)

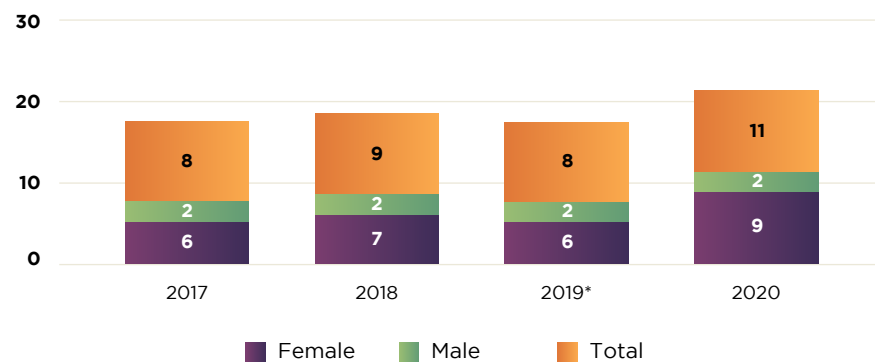
(GRI 102-8)

	2020 (n)	2019 (n)	2018 (n)
Fixed term contracts Italy	6	5	6
Of which female	2	1	4
Of which male	4	4	2
Permanent contracts Italy	131	130	125
Of which female	69	70	68
Of which male	62	60	57
Fixed term contracts Romania	2	2	-
Of which female	2	2	-
Of which male	0	0	-
Permanent contracts Romania	38	40	44
Of which female	22	22	27
Of which male	16	18	17

In Romania, there was a reduction in permanent contracts because of the resignation of two department heads, one of which was due to retirement.



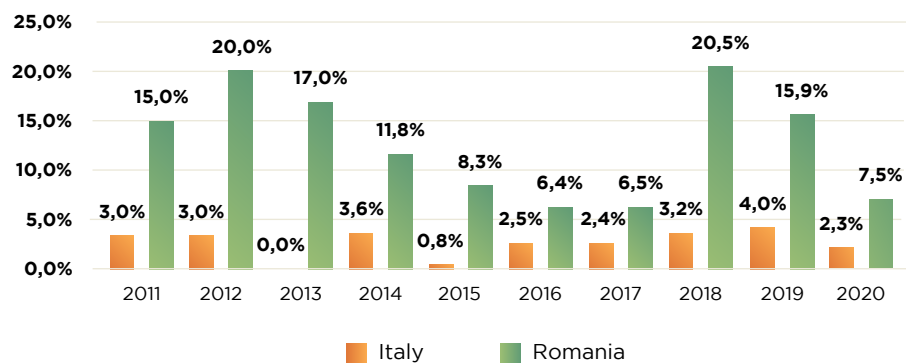
## // CHART 4 - TOTAL PART-TIME AND BY GENDER (ITALY)



\*2019 data has been restated as it did not include fixed term contracts

## // CHART 5 - OUTGOING TURNOVER (ITALY AND ROMANIA)\*

(GRI 401-1: EPRA EMP - TURNOVER)



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

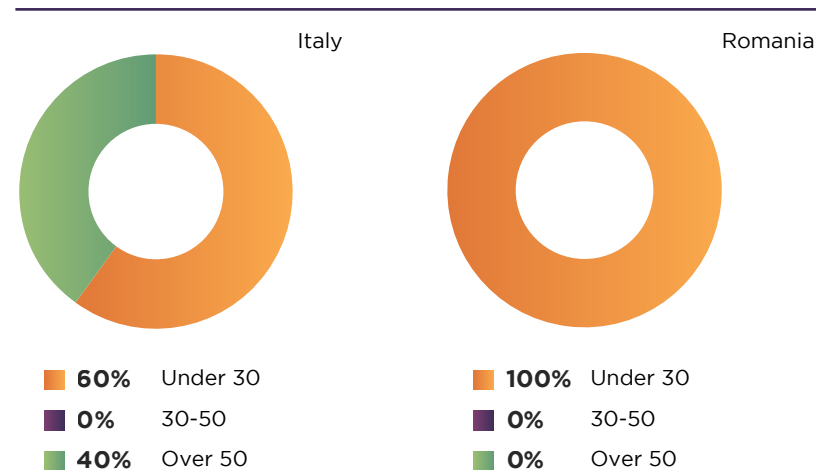
The number of part-time contracts remained substantially stable. In most cases, the request to have a part-time contract came directly from the employees for personal reasons.

Due to the pandemic, the job market was not very dynamic in Italy or Romania in 2020. It was for this reason that IGD's turnover rate was the third lowest recorded over the last 10 years, and Winmarkt's recorded a decrease of 8.4 percentage points compared to 2019.

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

	2020 (n)	2019 (n)	2018 (n)
Recruitments Italy	5	11	6
Recruitment rate Italy	3.6%	8.1%	4.6%
Resignations Italy	3	7	5
Resignation rate Italy	2.2%	5.2%	3.8%
Recruitments Romania	1	5	7
Recruitment rate Romania	3%	11.9%	16.0%
Resignations Romania	3	7	9
Resignation rate Romania	7.5%	16.7%	20.5%

**// CHART 6- NEW EMPLOYEES BY AGE GROUP (ITALY AND ROMANIA)**  
(GRI 405-1; EPRA DIVERSITY - EMP)



The recruitments/resignations ratio also remained positive in 2020, confirming the trend which has been ongoing since 2013 for the aforementioned reasons.

To facilitate the recruitment phase of new resources and to broaden the selection base, in 2020 IGD structured the activity of job posting both on its website and on LinkedIn. Altogether the posts recorded 15,653 views and 275 CVs were received for the positions available.

In Italy 5 new resources were hired, consisting of 4 office workers and one department head, 3 were under 30 and 2 belonged to the over 50 age group, 2 were female and 3 were male.

The 3 resignations involved 1 male and 2 females, 1 belonged to the 30 to 50 age group, 2 were over 50 (one due to retirement).

The new recruitment in Romania was a female under 30. Instead the 3 resignations involved 2 in the over 50 age group and one in the 30 to 50 age group, 1 was female and 2 were male.



**// TABLE 3- COLLECTIVE LABOUR AGREEMENTS (ITALIA E ROMANIA)**

(GRI 102-41)

	2020 (%)	2019 (%)	2018 (%)
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 particular in Italy, following the signing in 2019 of the agreement for the renewal of the economic part of the National Labour Agreement for consumer cooperatives (the relevant contract for IGD's employees).

In compliance with the National Labour Agreement, a Corporate Trade Union Representative is present in IGD who is elected by the workers and whose role is to encourage an exchange of dialogue between the employees and the Company with regard to:

- > Workers' motions;
- > Matters relating to the Enterprise Bargaining Agreement, like wages, variable pay, business trips etc;
- > Collective procedures (like the furlough scheme or Wage Subsidy Funds) and collective redundancies.

In 2020 the Company, the Corporate Trade Union Representative and the Workers' Safety Representatives established a Covid-19 Committee with the purpose of supervising the application and effective implementation of the "Precautionary Measures aimed at preventing Covid-19 infection within the workforce", summarised in IGD Group's document bearing the same name and carried out in compliance with the laws in force.

## // 2.1.2 TRAINING

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

	2020 (n)	2019 (n)	2018 (n)
Employees that took part in training activities (N)	138 (99.3% out of total)	134 (95.71% out of total)	125 (95.4% out of total)
Costs incurred for internal and/or external training ( )	44,773	47,023	37,225
Training hours	1,120	1,899	1,733
Average hours of training per employee	8.2	14.1	13.2
Percentage of revenues invested in training ( )	0.03%	0.03%	0.03%

### // Italy

In 2020 training took place almost exclusively on line. Focus was placed on issues regarding compliance, on updating hard skills and on an experimental project involving an assessment by employees about the repercussions of the pandemic.

With regard to compliance, the training programme on Anti-bribery certification, which was started in 2019, was completed by all employees; likewise, the entire workforce was involved in training aimed at disseminating and sharing the contents of the new features introduced in the Organisational Model and in the Code of Ethics. Lastly, the compulsory courses on safety and those for the network regarding the update on environmental regulations were also completed.

With regard to across-the-board skills, an activity called “Virtual Team” was experimented, involving the organisation of meetings for functional teams carried out by remote connection and involving the entire workforce. The aim of each meeting was to discuss important issues relating to the professional and personal experience of the workforce during the emergency situation caused by the pandemic. The format included an anonymous opinion survey with collective results, an analysis of the events that occurred and their impact on their work and, in conclusion, a discussion between the participants aimed at generating ideas regarding possible lines of action both in terms of business and the development of Human Resources.

Technical refresher courses aimed at developing and improving individual skills were also carried out.

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

	2020	2019	2018
Training hours (N)	388	744	304
Number of employees trained (N)	22	44	23
Average hours of training per employee	9.7	17.7	7
Costs incurred for training (€)	5,000	14,760	2,903



## // Romania

In 2020, due to the Covid-19 health emergency, from March onwards it was not possible to carry out the usual group training of the entire workforce that had been carried out in the previous years.

In particular, the pandemic and the problems deriving from it put a stop to the traditional company convention, which was normally the occasion used both for internal communication between the top management and employees as well as for ad hoc training sessions by means of specific workshops, external contributions etc.

Several employees, however, took part in training activities aimed at increasing their administration, Marketing and PR skills.

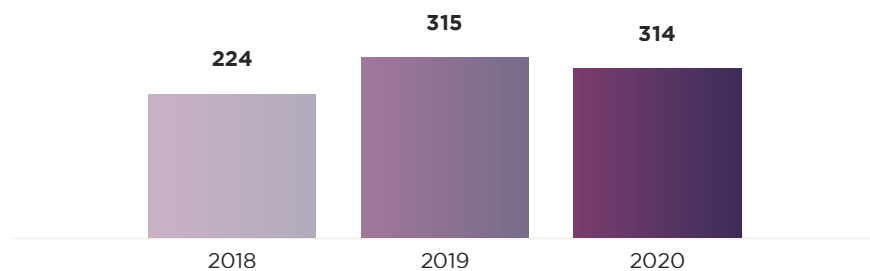


**// TABLE 6 - BREAKDOWN OF AVERAGE HOURS OF TRAINING (ITALY AND ROMANIA)** (GRI 404-1: EPRA EMP - TRAINING)

	2020 (Italy)	2019 (Italy)	2020 (Romania)	2019 (Romania)
Average hours of employee training - female	7,7	12,2	6,8	18,0*
Average hours of employee training - male	8,7	16,1	14,0	12,4*
<b>Average hours of employee training - total</b>	<b>8,2</b>	<b>14,1</b>	<b>9,7</b>	<b>17,7</b>
Average hours of employee training - directors	23,2	26,2	-	-
Average hours of employee training - managerial staff	8,9	30,1	13,3	22,7
Average hours of employee training - department heads	7,2	11,0	17,5	17,1
Average hours of employee training - office workers	7,5	8,9	3,8	16,8

\*2019 data has been restated.

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



In 2020 the investment per capita in training was in line with the previous year. There was a reduction, however, in the overall training hours due to the impossibility for people to physically attend courses in class, which on average last longer and which were replaced by activities that could be carried out online and which were substantially shorter. Furthermore, as the company convention, which every year gathers together all the Group's employees, did not take place in 2020, neither did the training activity that is normally carried out during this occasion.



## // 2.1.3 INTERNAL COMMUNICATION - THE TOOLS

<p><b>Company convention</b> Annual</p>	<p>Due to the pandemic, the Company decided not to organise the Company Convention in one sole occasion at the end of the year. Instead, the Operating Management met all the employees divided into 5 groups in different moments in the month of December.</p>	<p><b>PRESS RELEASES</b> ad hoc</p>	<p>In 2020, 35 press releases regarding the Group's events were sent to all employees. The main ones dealt with:</p> <ul style="list-style-type: none"> <li>Updates on financial and commercial performance</li> <li>Recognitions obtained</li> <li>Updates on financial Rating results</li> <li>New openings of important stores during the year</li> <li>Updates on performance during the pandemic</li> </ul>
<p><b>Newsletter</b> Quarterly</p>	<p>Digital newsletter accessible from the IGD website which the employees receive every quarter. The main sections of the Newsletter are:</p> <ul style="list-style-type: none"> <li>Economic-financial performance and results</li> <li>Breaking news on sustainability and innovation</li> <li>Interviews given by the top management on specific topics</li> </ul> <p>In 2020 the section «Retail News» was consolidated, with regard to marketing and commercial management</p>	<p><b>Company intranet</b> 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. In 2020 a standardised system for booking company cars was created. In addition, all the regulations and recommendations for the employees relating to the pandemic were also stated here.</p>

## // 2.1.4 ASSESSMENT AND DEVELOPMENT

### // TABLE 7- SKILLS ASSESSMENT (ITALY)

(GRI 404-3: EPRA EMP - DEV)

	2020 (% of males out of total employees)	2020 (% of females out of total employees)	2020 (% of managerial staff out of total employees)	2020 (% of department heads out of total employees)	2020 (% out of total employees) (N)	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)
Employees that regularly undergo skills assessment	<b>32%</b>	<b>24%</b>	<b>18%</b>	<b>39%</b>	<b>56%</b>	<b>32%</b>	<b>25%</b>	<b>17%</b>	<b>40%</b>	<b>57%</b>

“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 2020, in Italy, all the employees on permanent contracts were assigned company and individual targets (except for those employees on long-term leave). The variable pay distributed during the year, referring to the targets assigned in 2019, reached 61% of the payable amount.

The annual assessment on performance involved 77 employees, corresponding to 56% of the workforce (-1 p.p. compared to 2019).

Despite the impact of Covid-19, the schedules of the development programmes which had been previously launched or which had already been contractually assigned did not undergo any variations. For this reason, 5 new programmes were launched and 4, which had begun in 2019, were completed.

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	2020	% per position 2020	2019	% per position 2019	2018	% per position 2018
Directors	Male	5	100%	5	100%	5	83%
Directors	Female	0	0%	0	0%	1	17%
Managerial staff	Male	16	67%	15	65%	13	62%
Managerial staff	Female	8	33%	8	35%	8	38%
Department heads	Male	29	52%	31	53%	29	53%
Department heads	Female	27	48%	27	47%	26	47%
Office workers	Male	16	31%	13	27%	12	24%
Office workers	Female	36	69%	36	73%	37	76%
<b>Total</b>	<b>Male</b>	<b>66</b>	<b>48%</b>	<b>64</b>	<b>47%</b>	<b>59</b>	<b>45%</b>
<b>Total</b>	<b>Female</b>	<b>71</b>	<b>52%</b>	<b>71</b>	<b>53%</b>	<b>72</b>	<b>55%</b>
<b>Total</b>		<b>137</b>		<b>135</b>		<b>131</b>	

// TABLE 8BIS - BREAKDOWN OF STAFF BY GENDER, POSITION AND AGE (ITALY) (GRI 102-8; 405-1: EPRA DIVERSITY - EMP)

Position	Gender	2020	% Under 30	% 30-50	% Over 50
Directors	Male	5	0%	40%	60%
Directors	Female	0	-	-	-
Managerial staff	Male	16	0%	81%	19%
Managerial staff	Female	8	0%	75%	25%
Department heads	Male	29	0%	76%	24%
Department heads	Female	27	0%	63%	37%
Office workers	Male	16	38%	56%	6%
Office workers	Female	36	8%	67%	25%
<b>Total</b>	<b>Male</b>	<b>66</b>	<b>9%</b>	<b>70%</b>	<b>21%</b>
<b>Total</b>	<b>Female</b>	<b>71</b>	<b>4%</b>	<b>66%</b>	<b>30%</b>
<b>Total</b>		<b>137</b>	<b>7%</b>	<b>68%</b>	<b>26%</b>

Compared to 2019, the male/female breakdown remained substantially unchanged, with females representing 52% of all employees. With regard to the commercial network, there were 12 female Shopping Centre managers.

**// TABLE 9- BREAKDOWN OF STAFF BY GENDER AND POSITION (ROMANIA)** (GRI 102-8; 405-1: EPRA DIVERSITY - EMP)

Position	Gender	2020	% per position 2020	2019	% per position 2019	2018	% per position 2018
Directors	Male	-	-	-	-	-	-
Directors	Female	-	-	-	-	-	-
Managerial staff	Male	2	33%	2	33%	2	33%
Managerial staff	Female	4	67%	4	67%	4	67%
Department heads	Male	9	69%	11	73%	11	73%
Department heads	Female	4	31%	4	27%	4	27%
Office workers	Male	5	24%	5	24%	4	17%
Office workers	Female	16	76%	16	76%	19	83%
<b>Total</b>	<b>Male</b>	<b>16</b>	<b>40%</b>	<b>18</b>	<b>43%</b>	<b>17</b>	<b>39%</b>
<b>Total</b>	<b>Female</b>	<b>24</b>	<b>60%</b>	<b>24</b>	<b>57%</b>	<b>27</b>	<b>61%</b>
<b>Total</b>		<b>40</b>		<b>42</b>		<b>44</b>	

**// TABLE 9BIS- BREAKDOWN OF STAFF BY GENDER, POSITION AND AGE (ROMANIA)** (GRI 102-8; 405-1: EPRA DIVERSITY - EMP)

Position	Gender	2020	% Under 30	% 30-50	% Over 50
Directors	Male	-	-	-	-
Directors	Female	-	-	-	-
Managerial staff	Male	2	-	100%	-
Managerial staff	Female	4	-	75%	25%
Department heads	Male	9	-	100%	-
Department heads	Female	4	-	75%	25%
Office workers	Male	5	-	40%	60%
Office workers	Female	16	13%	63%	25%
<b>Total</b>	<b>Male</b>	<b>16</b>	<b>-</b>	<b>81%</b>	<b>19%</b>
<b>Total</b>	<b>Female</b>	<b>24</b>	<b>8%</b>	<b>67%</b>	<b>25%</b>
<b>Total</b>		<b>40</b>	<b>5%</b>	<b>73%</b>	<b>23%</b>

In Romania, following the latest resignations, the percentage of female employees in the workforce increased. There were 2 female Shopping Centre managers.



## // 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	2020	2019	2018
Directors	-	-	1.11
Managerial Staff	0.98	0.98*	0.97
Department Heads	0.98	1.00	1.00
Office Workers	0.98	0.95	0.98

\*2019 data has been restated as it did not include part-time contracts.

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

Employee category	2020	2019	2018
Directors	n/a	n/a	n/a
Managerial Staff	0.69	0.70	0.67
Department Heads	1.27	1.31	1.33
Office Workers	0.85	0.84	0.91

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 significant variance in the ratio between male/female remuneration has been observed over the last 3 years either in Italy or Romania.

No report was made to the Compliance Committee In 2020 regarding any episode of discrimination.



## 2.3 WELLBEING, HEALTH AND SAFETY

### // 2.3.1 COVID POLICIES - SAFETY MEASURES FOR THE PROTECTION OF STAFF

In the Bologna headquarters, in addition to carrying out extraordinary sanitising activities, all the necessary safety measures for employees were put in place. More specifically, everyday cleaning was intensified with appropriate products, the air conditioning/heating filters were sanitised and surgical masks (and other PPE) and hand sanitisers were purchased and distributed. An official Covid-19 procedure was also defined, which included social distancing mapping of the offices, the installation of partitions and the introduction of internal notice boards in the entrances and common areas. The overall amount invested to carry out the above was equal to € 30,000.

With regard to Human Resources, simplified smart working was introduced for the Headquarters' employees and remote working for the network employees; altogether 50 personal computers were provided to make this possible; extra paid leave was granted to employees with children of 14 or under and a reduction plan for outstanding holiday days was launched.

IGD made use of the wage subsidy fund «FIS», the ordinary allowance of which was interrupted before schedule and was integrated for each employee.

Also in Romania, specific measures were identified aimed at reducing the risk of employees contracting Covid-19, in line with those introduced in Italy. Smart working, in particular, which had already been in place in the previous years, became more diffused amongst the employees than in the past. However, no social benefits were made use of.

### // 2.3.2 POLICIES AIMED AT EMPLOYEES

The Company 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.

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

	2020	2019	2018
Number of training hours on safety provided (N)	121	268	704
Number of people involved (N)	14	37	98
Costs incurred for training (€)	1,773	4,870	9,283

In Italy in 2020, 14 employees were involved in training activities regarding safety. More specifically, the activities involved:

1. training for new employees;
2. refresher course recurring every five years for workers;
3. refresher course for Workers' Safety Representatives;
4. fire prevention refresher course.

## 2.3 WELLBEING, HEALTH AND SAFETY

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

	Total			Male			Female		
	2020	2019	2018	2020	2019	2018	2020	2019	2018
Injury	1	2	1	0	0	1	1	2	0
Injuries rate	4.47	9.6	4.9	-	-	10.8	9.2	19.5	-
Lost days rate	0.69	0.13	0.08	-	-	0.16	1.42	0.26	-
Absenteeism rate	2.6%	1.7%	1.8%	1.2%	0.5%	1.0%	3.9%	1.7%	2.5%
Number or work related deaths	0	0	0	0	0	0	0	0	0

The increase in the lost days rate and the absenteeism rate in Italy was caused both by a long-term injury on the journey to/from work and by a few cases of employees in quarantine due to contact with people resulting positive to Covid-19.

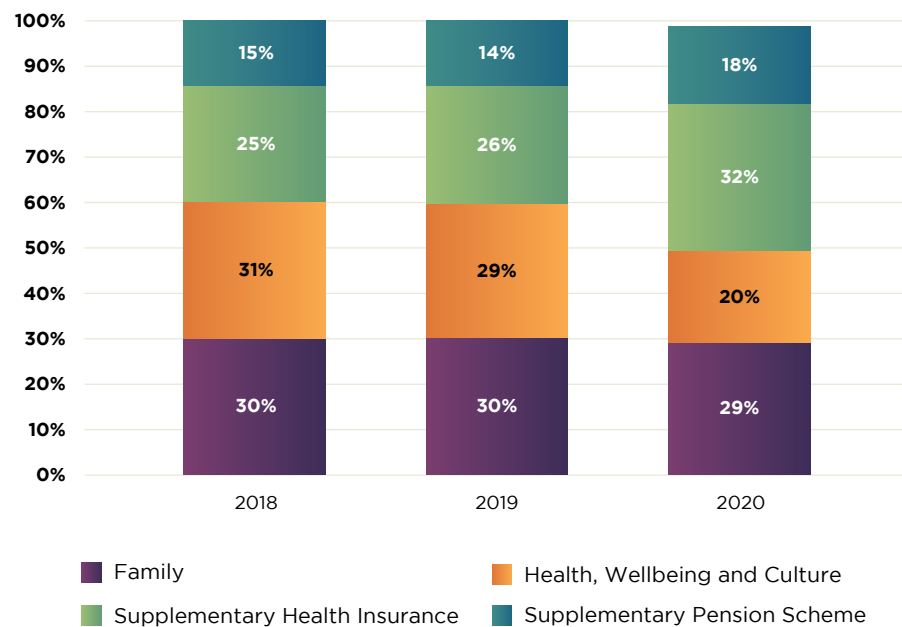
In 2020, in compliance with Legislative Decree 81/2008, IGD updated its three-yearly Work-Related Stress Risk Assessment. The investigation was carried out with a sample group of 10 employees who completed a questionnaire on work related factors. The evaluations, which were collected and analysed by an external company, showed that IGD was positioned in the “green zone”, 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		
	2020	2019	2018	2020	2019	2018	2020	2019	2018
Injury	0	0	0	0	0	0	0	0	0
Injuries rate	0	0	0	0	0	0	0	0	0
Lost days rate	0	0	0	0	0	0	0	0	0
Absenteeism rate	1.3%	3.9%	3.4%	1.0%	5.4%	4.1%	1.5%	2.9%	3.0%
Number or work related deaths	0	0	0	0	0	0	0	0	0

The absenteeism rate in Romania decreased compared to the previous years.

## // CHART 8: WELFARE SERVICES USED



## // TABLE 15- CORPORATE WELFARE (ITALY)

	2020	2019	2018
Number of employees involved	126	123	122
Utilisation rate	98%	100%	99%

## // CORPORATE WELFARE

**What it is**

Since 2017 IGD has provided a Corporate Welfare Plan, which enables employees to access a series of services made available by the company.

**Its aim**

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

**How it works**

All employees on permanent contracts (with the exception of the Directors) are allocated their own budget (which is the same for all and in proportion with regard to full time and part time) which they can use during the year by way of the Portal which is accessed by using their personal credentials.

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

**2020 results**

124 employees made use of the services (out of 126 that were entitled). The categories of services chosen were a reflection of the pandemic situation:

- > «Supplementary Health Insurance» recorded an increase of 6 percentage points, demonstrating it was one of the priorities regarding spending in 2020;
- > There was a decrease in the request for services related to leisure time like fitness, culture, shows, tourism and food and beverage (belonging to the category «Health-Wellbeing-Culture») due to the restrictions imposed by the emergency situation;
- > The category regarding «Family» was once again much appreciated, also thanks to the new services regarding early childhood and assistance introduced on the Portal during the year.

### // 2.3.3 COVID POLICIES - SAFETY MEASURES FOR THE PROTECTION OF WORKERS AND VISITORS IN THE SHOPPING CENTRES

After lockdown was announced, IGD took action to ensure that all the people that work in the Shopping Centres could continue to be operational and that customers could visit the Shopping Centres in complete safety. Indeed, the IGD Shopping Centres never closed due to the fact that retailers classified as «essential» were present within the Centres. In line with the «Operational Guidelines of the *Consiglio Nazionale Centri Commerciali* (National Association of Shopping Centres) for the reopening of shopping centres», IGD, both in Italy and Romania, defined the following specific measures to prevent the spread of the virus (with an overall investment equal to approximately 1.3 mn):



The measures introduced proved to be effective and they prevented the spread of infection (no outbreaks were reported in the Shopping Centres). The visitors demonstrated how much they appreciated these measures: they progressively started to return in increased numbers once it became possible and the surveys carried out gave further confirmation of this (see section 5.1.2 for further details).

## // 2.3.4 SAFETY POLICIES IN THE SHOPPING CENTRES

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

	2020	2019	2018
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 E EPRA H&S - ASSET / H&S - COMP)

	2020	2019	2018
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 10/03/1998 - general criteria for fire prevention and the handling of emergencies in the workplace).

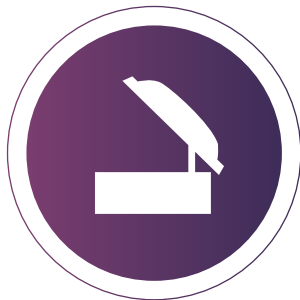
Security staff within the Centre are responsible for protecting and ensuring safety regulations are complied with by keeping the building under surveillance during its opening hours and monitoring visitors to prevent theft or other illegal acts. Security and fire prevention staff are, in most cases, 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, once or more often, in order 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.

In 2020, new governance on safety within the Shopping Centres was defined by IGD, with the identification of a new more effective management system thanks also to the use of a specific Portal which enables the documents regarding safety in the Shopping Centres to be archived and consulted. The project will be put into effect starting from 2021.

## // 2.3.5 SPECIAL PROJECTS TO IMPROVE SAFETY IN THE STRUCTURES

### Dome skylights (Italy)

In 2019 an assessment was initiated regarding the management and monitoring of fall protection systems, and more specifically, of the dome skylights on the Shopping Centre roofs. Mapping activities were carried out to assess the state they were in and to ascertain whether they were compliant with the required safety standards. In relation to the results that emerged, in 2020 fall protection grids were installed or railings were attached to the domes. In other instances, either a project was launched or a call for bids was made in order to completely replace the dome skylights.



### Anti-seismic (Italy)

A voluntary project regarding the anti-seismic improvement of the IGD structures was launched following the earthquake that hit Emilia Romagna in 2012. In 2020 work to this effect was scheduled to take place in the Shopping Centres undergoing restyling activities. However, work was suspended and rescheduled for 2021/2022 to prevent the risk of infection in the work sites and on account of IGD's decision to put investments on hold due to the pandemic.





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## // WHAT WE DID IN 2020

- > After Romania, we also obtained in Italy UNI ISO 37001:2016 “Anti-Bribery Management System” certification, the international standard for anti-bribery management systems;
- > The Organisational, Management and Control of Risks Model ex Legislative Decree 231/2001 was updated, in order to include new violations as well as to integrate it in the Anti-Bribery Management System;
- > The Code of Ethics was also reviewed, with regard to both contents and structure;
- > A specific risk linked to Corporate Social Responsibility was included within Enterprise Risk management;
- > The Legality Rating was renewed for the second time, confirming the maximum score of 3 stars (maximum obtainable).

*“Transparency, integrity and legality are an essential 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*



## 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.

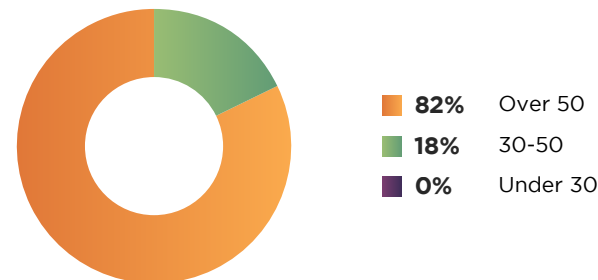
The characteristics of the Board are as follows:

- > 11 Directors;
- > 7 Independent Directors, representing 64% of the total;
- > 1 Chief Executive Officer;
- > 1 Chairman, to whom the Board of Directors assigned the executive role of Director in charge of the Internal Control and Risk Management system (in accordance with the Corporate Governance Code - July 2018 edition - in force as at 31.12.2020) and who was identified as being the member of the Top Management in charge of the implementation of and compliance with the Anti-Bribery Management System, in accordance with that provided for by ISO 37001 regulation;

> 5 Directors belonging to the least represented gender. In 2020 the Board of Directors resolved to co-opt Isabella Landi as the new independent, non executive, member of the Board to replace Sergio Lugaresi who had resigned. Therefore, the female percentage out of the total number of Directors rose to 45%;

> The average age stood at 58 (as at 31/12/2020), 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 Corporate Governance Code – July 2018 edition, 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. The quarterly meetings, which are called to approve the interim results, are the occasion during which 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.

The Board of Directors, in line with the recommendations set out in the Corporate Governance Code – July 2018 edition - established

within the Board itself the following Committees with propositional and advisory functions:

1. Control and Risks Committee
2. Nomination and Compensation Committee
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.

In 2020 the Organisational, Management and Control of Risks Model was completely reviewed in order to include new violations as well as to integrate it in the Anti-Bribery Management System already implemented by the Company during the recent UNI ISO 37001:2016 “Anti-Bribery Management System” certification.

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 27th February 2020 the Board of Directors approved the Sustainability Report (in the same session it also approved the Consolidated Financial Statements). The Company's new short, medium and long-term sustainability targets were also presented as were the previous year's ESG performance results.

**// Roles and expertise of the Board of Directors**

(GRI 102-26; 102-27; 102-28)

The Board of Directors is responsible for carrying out and accomplishing 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;
- > Engages and encourages the management whose activities are deemed to be of fundamental importance in order to reach the Group's targets;

- > Defines the nature and level of risk, compatible with the strategic targets of the Group in terms of medium to long-term sustainability of corporate activity.

In 2020, in particular, the Board of Directors:

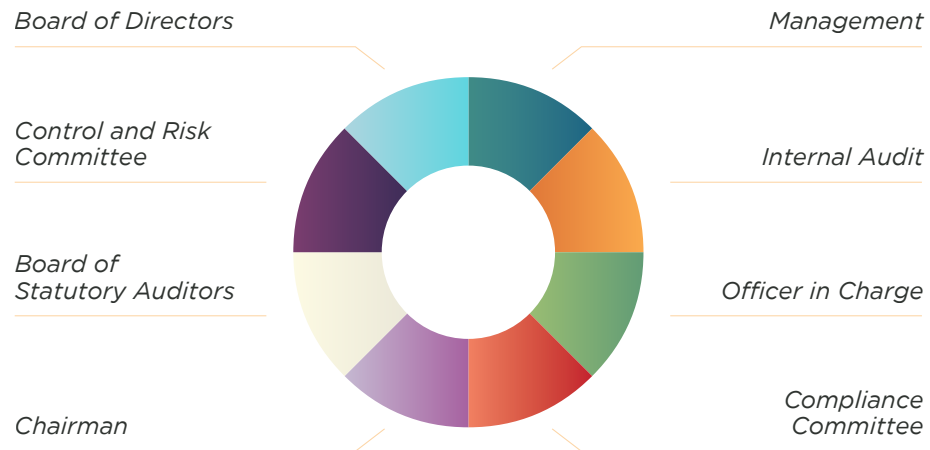
- > Received updated information from the Company management on the actions carried out to limit the impacts caused by the Covid-19 emergency, as well as on possible strategic business developments. For this purpose, 7 meetings were called during the year;
- > Was involved in the «Board Review», the self-assessment process on the performance, the composition and the effectiveness of the Board itself with regard to the creation and preservation of value, which IGD assigns every year, and has

done since 2007, to the independent consultancy firm *Egon Zehnder*. During this review, the outgoing Directors expressed their guidance with regard to the renewal of the Corporate Bodies which will take place in 2021, ahead of that required by the new Corporate Governance Code – January 2021 edition, in force from 1.1.2021;

- > Approved the adoption of the Chief Executive Officer succession plan (in accordance with the provisions laid down in the Corporate Governance Code – July 2018 edition) and it acknowledged the formulation of a succession plan also for key Management roles.

**// 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.

**// CHART 2 - CORPORATE BODIES INVOLVED IN RISK MANAGEMENT**

The Governing Body, Top Management and Compliance Function for the prevention of corruption are also involved.

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

Each corporate risk is 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 before the shock. (see <https://www.gruppoigd.it/en/governance/internal-control-and-risk-management-system/>)

Every year the risks are identified and organised into "strategic", "operational", "financial" and "compliance" categories and they are then analysed during specific meetings with the Managers in charge of the main operating and functional areas; the effectiveness of the existing mitigation measures in place for each of them is then assessed.

## 3.1 GOVERNANCE, ETHICS AND CORRUPTION

In 2020, following international benchmarking activity, it emerged that IGD's ERM Model was aligned with best practices (both with regard to structure and processes), with just a couple of possible inclusions in the list of risks concerning mainly Corporate Social Responsibility and the Global Pandemic. Both risks have been included in the new IGD risk panel.

With regard to the focus placed on the management of risks related to the Covid-19 emergency, the analysis highlighted that the measures and safeguards adopted by IGD in order to limit the effects of the pandemic are in line with those adopted by its competitors/comparables.

As far as the issue «Corporate Social Responsibility» is concerned, the main effects connected to the risk could be reputational damage, possible delays in development activities, criticalities in relations with customers and a reduction in value for shareholders. The safety measures adopted are incorporated within the Group's Sustainability

Strategy and in the CSR activities carried out over the years.

### // 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 high level professional management;
- > Engage and stimulate the management, whose actions are 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 shareholders in the medium to long term.

For the other Board Members, 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. With particular reference to the Independent Directors, in 2020 the Company, in compliance with the Corporate Governance Code, adopted the criteria to assess the significance of professional, economic and financial relations as well as any additional remuneration to ensure that the condition required to be classed as independent continued to be fulfilled.

Further details on the remuneration policy are available on the company website: <https://www.gruppoigd.it/en/governance/remuneration/>

## // 3.1.2 ETHICS

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

IGD adopted a Code of Ethics in 2006 after being listed on the Italian Stock Exchange. Over the years it has been updated various times – the most important being in 2010 – following operational and legislative developments.

In 2020 it became necessary to thoroughly review this document, with regard to both its contents and its structure, in order to include new internal and external sources. Amongst the most important driving forces behind this review were the updating of the Code of Ethics of IGD's majority shareholder Coop Alleanza 3.0 which took place in 2018, the updating of IGD's Organisational, Management and Control of Risks Model which took place in 2020, the introduction of the Anti-Bribery Management System with ISO 37001 certification, obtained by IGD in 2020, the procedures connected to privacy regulations and those regarding whistleblowing. In addition, the new corporate welfare policy and all the actions carried out to maintain the Legality Rating were also driving forces.

The new version of the Code of Ethics was approved by the Board of Directors on 5th November 2020 and it was subsequently the subject of training sessions involving all the employees.

The main new features of this second updated edition of the Code of Ethics are:

- > A new structure, which highlights in a more analytical manner the various sections of the Code, including the introduction, the aim of which is to place the Code within the Corporate Social Responsibility process;
- > A new version of the Company's Charter of Values, the element that inspires corporate behaviour;
- > A review of the stakeholders, updated to be in line with IGD's other official documents (Sustainability Report, website, Anti-Corruption Policy);
- > A review of the rules of conduct, divided into "general" and "per stakeholder", so that the "pact" that ties IGD and its stakeholders together is clear;

> An update of the implementation and control procedures, in light of the new corporate safety measures.

For further details on the Code of Ethics please refer to <https://www.gruppoigd.it/en/governance/business-ethics/code-of-conduct/>



## 3.1 GOVERNANCE, ETHICS AND CORRUPTION

## // Values (GRI 102-16)

The new Charter of Values, defined when the Code of Ethics was reviewed, identifies the values that determine and characterise IGD's business, both within the Company and towards external stakeholders.

It is made up of the following Values:

- > Reliability
- > Autonomy
- > Fair competition
- > Correct conduct
- > Excellence and continuous improvement
- > Impartiality
- > Integrity
- > Far-sightedness
- > Honesty
- > Responsibility
- > Confidentiality
- > Seriousness
- > Sustainability
- > Transparency
- > Optimisation

For further details on each value please refer to <https://www.gruppoigd.it/en/who-we-are/what-makes-us-different/mission/>

## // 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 2020 a total of 339 Sustainability Protocols were signed, actively contributing to the dissemination of respect for workers' rights in Romania.

With particular reference to 2020, no company was entered on Winmarkt's black list, that is, the list of suppliers resulting non-compliant with corporate processes and which therefore will be excluded from future competitive tenders and/or selections.

## // TABLE 1 – SUSTAINABILITY PROTOCOL PERFORMANCE (ROMANIA)

	2020	2019	2018
Number of Sustainability Protocols signed	27	11*	9

*NB.: 2019 data has been restated.*



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

IGD is committed to ensuring compliance with legality in all the areas in which it operates. In 2020, this resulted in the Company becoming a member of Global Compact (see Section «Sustainability strategy»), the highest international reference for issues regarding the respect of human rights, labour conditions and active policies regarding the fight against corruption.

The most closely monitored areas of action and the measures introduced to safeguard legality 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 the obligation to issue a surety in

service contracts (cleaning and security), to guarantee the use of legal forms of employment;

- > Inclusion of the obligation to present, during the prequalification stage in tender contracts, documentation regarding compliance with laws (with particular attention to labour legislation, demonstrating compliance regarding payment and contributions).

#### Background of the interlocutors

- > Due diligence is 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 is foreseen, in order to ensure continuous control of the requisites;

> Express termination clauses are 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 are 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 and in the Code of Ethics.

In order to further consolidate this commitment to combat and mitigate corruption-related risks, the Company obtained UNI ISO 37001:2016 "Anti-bribery management system" certification, the international standard for anti-bribery management systems, based on international best practices and certifiable by an accredited third party. The certification was issued by RINA

Services S.p.A upon completion of a voluntary verification process which began in Autumn 2019 and was concluded in April 2020. The process regarded the structure and the appropriateness of IGD Siiq Spa's anti-bribery management system and, subsequently, the actual implementation of the same in the various operating areas of the Company.

Its Romanian subsidiary Win Magazin Sa had already obtained the same certification in 2018.

In order to obtain this certification in IGD Siiq, activities were carried out in 4 phases:

1. Drawing up of the Gap Analysis between the anti-bribery safeguards adopted by the company and the measures required by ISO 37001 standard;
2. Definition and implementation of corrective actions to align the Company's Anti-Bribery Management System with ISO 37001 good practices;

3. Implementation and performance of the Anti-Bribery Management System;

4. Certification of the Anti-Bribery Management System by an accredited party (RINA Services).

The activities carried out led to the definition of the Anti-Corruption Policy (which establishes the principles and general goals of the Anti-Bribery System), along with the definition of the ISO37001 Management System Manual (which specifies the requirements and the guidelines in order to implement the Anti-Bribery Management System) and also the definition of specific corporate procedures. One of the latter involved the compulsory conduction of due diligence investigations of its staff, customers, tenants, suppliers and business partners before any contract was signed between the parties, in order for the nature and entity of the risk of corruption to be duly assessed.

### // Anti-corruption and UNI ISO 37001 certification

(GRI 102-25; EPRA GOV-COL)

The management system will be periodically monitored by means of an annual supervisory audit and then subjected to any necessary remediation actions aimed at improving and/or implementing the system itself.

The anti-bribery system is directed at all the individuals, both internal and external, that carry out activities on behalf of IGD Group and who, therefore, are required to abide by the contents of the Policy and to conduct themselves in accordance with that established within it while carrying out their activities. For this reason, between 2019 and 2020, IGD organised specific training for the entire corporate workforce on the ISO 37001 Management System.

Further information on the Anti-Corruption Policy can be found on the IGD website <http://www.gruppoigd.it/en/governance/business-ethics/anti-corruption/>

### // Recognitions: Legality Rating and Permanent Observatory on corporate governance and the «ISS QuickScore coverage universe»

In September 2016 IGD obtained the **Legality Rating** awarded by the Antitrust Authority (AGCM - *Autorità Garante della Concorrenza e del Mercato*) with the maximum score (3 stars). The rating, which is renewed every two years, is a reward system indicating a company's compliance with the law, intended as an element to promote market security and competitiveness.

The rating is shown on the Company's Chamber of Commerce registration details and was renewed in 2020, confirming the maximum score already obtained in 2018.

At the end of 2016, IGD became a part of the analysis panel that the **Permanent Observatory on corporate governance**, promoted by The European House - Ambrosetti, studies with regard to the Index of Governance Excellence (EG Index). The EG Index is a parameter of synthesis of the level of corporate governance based on the analysis of a wide selection of Italian listed

companies belonging to the FTSE MIB, MID CAP and STAR segments. In particular, in 2020 IGD was one of the three best financial companies in the MID CAP segment in general terms of Governance Excellence and, more specifically, it reached third place in the area "Shareholder Structure and Representation".

Since December 2015, ISS (Institution Shareholder Services) has included IGD within the "ISS QuickScore coverage universe", a scoring tool related to the governance risk that institutional investors use to identify this potential risk within their portfolios. The key factors involved in the assessment are the following: the Board's structure, the compensation, the shareholders' rights and the audit. In the last review, IGD has obtained an evaluation of the risk equal to 1 in a 1-10 scale, whereby the 1 represents the lowest governance risk while 10 represents the highest.

## // GDPR

IGD's accountability approach continued in 2020 with the development of its privacy management model, focusing on the protection of personal data in connection with the Covid emergency. This was then implemented and the relevant documentation was updated. A number of audits were carried out (with particular attention paid to contractual adaptation and to the protection of personal data, following the adoption of a Covid-19 protocol) and a session was carried out to obtain a data processing map to be analysed by means of DPIA - Data Protection Impact Assessment, in order to then proceed with the subsequent activities. Following the Shrems II ruling and the resulting invalidation of the Privacy Shield, mapping activity of personal data processing is currently underway which could lead to personal data transfer to Non EU countries. No data breaches occurred. No instances were reported of people being affected.





**attractive**

## // WHAT WE DID IN 2020

- > Scouting activities continued with the introduction of 18 new tenants in the Italian Shopping Malls;
- > The Marketing strategy was modified on the basis of the continuing changes linked to the evolution and spread of the pandemic, the aim being to maintain close contact with the local communities, providing them with advantageous retail offers;
- > A communication campaign was launched reassuring visitors about the post lockdown safety within the Shopping Centres and the retail offers available;
- > IGD's first Digital Plan was defined. This will create a structured use of the existing web tools and it will identify others, the aim being to make use of the possibilities offered by the web in the best way possible so as to boost relations with visitor.

*“The pandemic brought about new and difficult challenges in the retail sector and it acted as an accelerant for others already present.*

*For this reason, in IGD we are continuously studying innovative commercial and technological solutions that enable us to deal with the contingent situation in the best way but which also ensure that we are ready to act, with attractive assets as the crisis draws to a close.”*

**Raffaele Nardi**

*Director of Planning, Control and Investor Relations*



## 4.1 SUSTAINABLE ENHANCEMENT OF THE PORTFOLIO

### // 4.1.1 ACTIONS CARRIED OUT AND RESULTS OBTAINED

Since 2014, IGD has carried out extensions, restyling or remodelling work in 11 Shopping Centres, with an overall investment equal to approximately 90 million euros. During this work, specific actions to be taken so as to improve energy efficiency in the structures were also identified, thus reducing their environmental impact. Work had been programmed on two Shopping Centres in 2020: Portogrande in San Benedetto del Tronto (Ascoli Piceno) and La Favorita in Mantua. Following IGD's decision to put investments on hold, work was suspended during the year and then rescheduled for 2021 and 2022. The energy efficiency improvement measures to be carried out during the restyling work in these two centres can be seen below:



Complete relamping will be carried out in the building and in the car parks, with the introduction of led lighting and 3 new high energy efficient rooftops. The creation of a new external green area has also been programmed and a link-up with a new cycle path is currently being assessed.

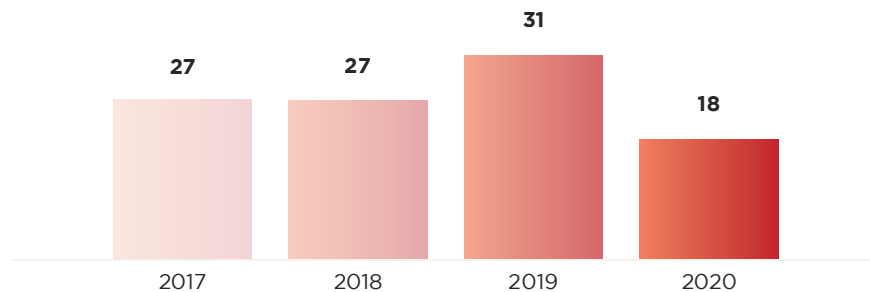


Complete relamping will be carried out in the Mall, with the introduction of led lighting. The creation of a new external green area has also been programmed.

## ○ 4.2 RETAIL OFFER

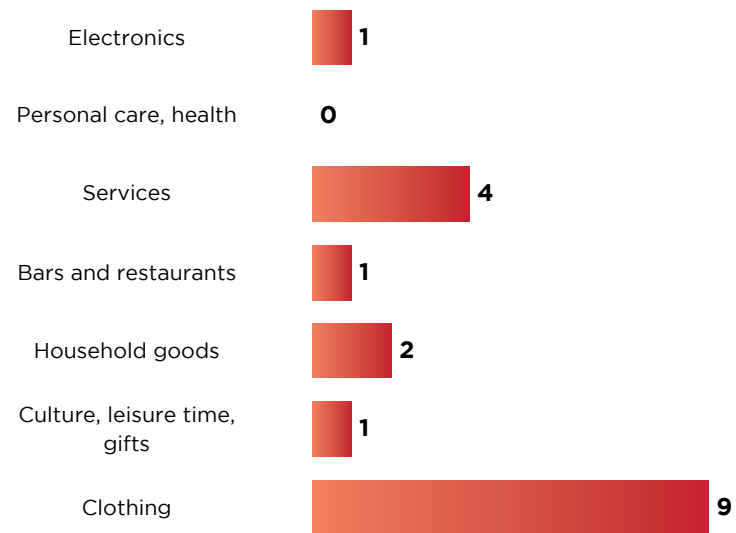
### // 4.2.1 ADAPTING THE MERCHANDISING MIX (ITALY)

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



Scouting activities for new brands continued in 2020, bearing witness to IGD's intent to continuously adapt its retail offer in its Shopping Centres. The fact that 18 new brands were introduced during the year despite the problems caused by the pandemic is of particular significance.

// CHART 2 - NEW BRANDS BY MERCHANDISING TYPE



Out of the new brands, services once again continued to show an increase (+50% openings compared to 2019), in line with IGD's aim of making its Shopping Centres more and more up-to-date in order to also satisfy the non-shopping needs of the local inhabitants.



## // 4.2.2 ADAPTING THE MERCHANDISING MIX (ROMANIA)

In 2020, the aim of maintaining a balanced merchandising mix in line with consumption trends continued. Despite the pandemic, Winmarkt invested in the opening of new stores, amongst which:

- > Two new stores of a Hungarian based second hand and vintage clothing sector tenant, currently present in 10 Shopping Centres. The two new openings took place in June 2020 and recorded satisfying results (sales in the Slatina store were the second highest ever recorded on the opening day of a new store of this brand);
- > A new tenant dealing in oriental gifts, the first and only one in the Shopping Centre in Ploiesti, which enabled us to attract new customers;
- > A tenant in the perfumery and cosmetic sector in Ramnicu Valcea, resulting in an improvement in the tenant mix in the Centre;
- > In Ploiesti a patisserie with a 100 m2 workshop and an external sales area, which has improved the aspect of the entrance to the Centre.


The weight of international tenants on the total portfolio was 37%; the weight of local ones increased slightly (43%).



## 4.3 SPACES TO BE LIVED IN

### // 4.3.1 MARKETING AND EVENTS ITALY

In 2020 the Marketing strategy was modified on the basis of the continuing changes linked to the evolution and spread of the pandemic. Consequently, the targets were adjusted and the most suitable tools to reach them were identified.

Period	Marketing target	Tools used	Results obtained
<b>MARCH/APRIL: General lockdown in all Italy</b>	Maintain contact with the Shopping Centres' visitors	Information and contents in line with new and current habits were created and shared by means of social networks (from entertainment to food, from new working habits to the new paradigm of Italian sociality), all of which could be linked to the merchandising categories in the Shopping Centre	The response from the users was positive, with a progressive increase in views and interactions
<b>MAY/JUNE Reopening of the whole shopping centres</b>	Understand the new expectations of visitors with regard to the Shopping Centres	One survey was carried out in 7 Shopping Centres (for further details please refer to Section 5.1.2)	The appropriate actions to be taken were identified in light of the results that emerged, especially with regard to safety
	Inform the visitors that IGD's Shopping Centres were ready to welcome them once again, with maximum attention paid to health and safety and the customary variety in its retail offer	A specific campaign was organised both on social networks and by means of the local press  	The message was widely circulated at local level: more than 7 million views regarding the social campaign and 47 releases in 25 local newspapers.

## // 4.3.2 MARKETING AND EVENTS ITALY CONTINUED

Period	Marketing target	Tools used	Results obtained
<p><b>JULY/OCTOBER:</b> Progressive return of visitors to the Shopping Centres with no restrictions in force</p>	<p>Support tenants' sales and offer visitors advantageous purchasing conditions, creating appealing situations without gatherings, in compliance with the safety regulations laid down by the law due to the pandemic</p>	<ul style="list-style-type: none"> <li>&gt; Organisation of marketing events that rewarded visitors by offering them the opportunity to purchase discounted products within the Shopping Malls; an innovative geomarketing platform was used to promote one of these events in a targeted manner within the territory</li> <li>&gt; The second edition of the IGD Contest called "Voglia di Vincere" (the Desire to Win) was organised in October with 27 Shopping Centres taking part and a jackpot of over 600,00 euros. The overall results were positive with excellent impacts on tenants' sales</li> </ul> 	<p>High level of participation by the visitors who were attracted by the advantageous purchasing conditions in the Mall with a continuous improvement in footfalls and tenants' sales: in October approx. 88% of footfalls and 100% of tenants' sales were regained compared to the same month in 2019</p>
<p><b>NOVEMBER/DECEMBER</b> New restrictions on opening hours</p>	<p>Support sales during the period traditionally starting from Black Friday (November) until Christmas</p>	<p>Communication campaigns specifically related to the period in question were carried out</p>	<p>Drop in terms of footfalls and tenants' sales linked to the weekend closures and bank holiday and pre-bank holiday closures</p>

### // 4.3.3 MARKETING AND EVENTS ROMANIA

In 2020 Winmarkt invested 93,600 in its marketing plan, carrying out 90 events and campaigns, the most important of which are described below:

- > 35 co-marketing campaigns (21 voucher campaigns and 14 personalised co-branding campaigns);
- > 7 fairs, based on traditional festivals, on charity or recreational issues;
- > 1 special event – Butterfly exhibition in Ploiesti;
- > Events to support and assist new openings of the most important new brands;
- > Creation of photos and videos with a famous stylist to promote the summer collection in the Centre in Ploiesti;
- > Creation of an online project in cooperation with a blogger to promote Winmarkt's «home & decor» sector tenants;
- > Social campaigns involving the community. One of the most successful was the one organised during the semi-marathon in Galati (held online in an individual capacity), where the Shopping Centre offered several vouchers as prizes, to be spent in its stores.

// TABLE 1 – SUPPORT GIVEN TO LOCAL EVENTS (ROMANIA)

	2020	2019	2018
Contributions for sponsoring or supporting local events	2,500	7,600	4,475



## 4.4 INNOVATION

### // 4.4.1 AREAS OF WORK

IGD uses a matrix approach to manage innovation: the one shown below, referring to 2020, 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 enables the work in progress to be continuously monitored.

	Technological innovation	Social/Environmental innovation	Service innovation	Digital innovation
PLANNING	Agreement defined to install 30 led walls in 13 Shopping Centres starting in February 2021			The contents of the Digital Plan were defined and work was started to define a Customer Relationship Management system
IMPLEMENTATION		<ul style="list-style-type: none"> <li>&gt; Social Borgo: see section 5</li> <li>&gt; Waste to Value: see section 1</li> </ul>	<ul style="list-style-type: none"> <li>&gt; 34 EV charging stations in 17 Shopping Centres</li> <li>&gt; E-bike charging station connected to photovoltaic system in Clodi Retail Park</li> <li>&gt; Amazon Lockers in 22 (+1 in 2020) Shopping Centres</li> </ul>	New way of managing social networks: standardised guidelines for the entire Group but individually managed by each single Shopping Centre
MONITORING			E-bike and mobile phone charging points in 17 Shopping Centres: constant monitoring of performance	
FINE-TUNING				Revamping of websites to improve user experience: contract assigned and work started. New websites from March 2021

## // 4.4.2 WEB - CORPORATE

In 2020 the Company further reinforced its commitment to be able to communicate with its stakeholders by means of the web in a prompt and transparent way in order to provide them with the necessary elements so they can assess the company's response to the critical issues brought about by the pandemic. The web channels used were the Corporate website, Twitter and LinkedIn.

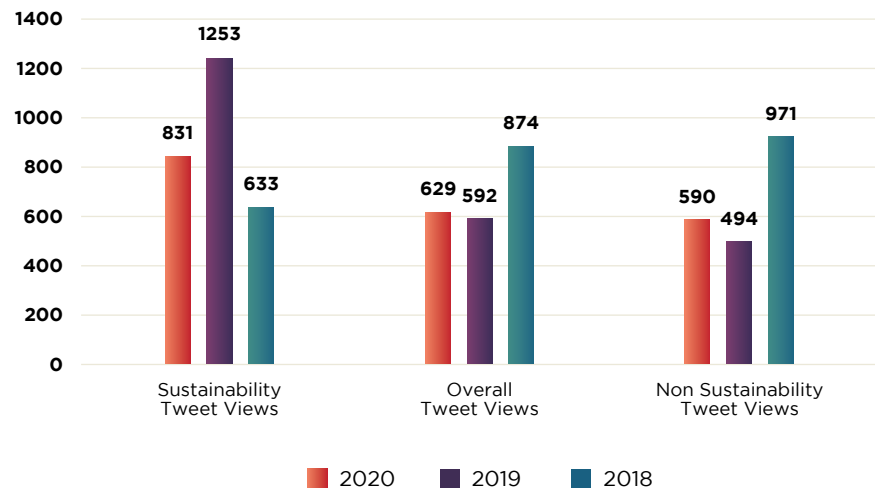


### // TABLE 2 - TWITTER PERFORMANCE (SOURCE: TWITTER ANALYTICS)

	2020	2019	2018	Difference 2020/2019	Difference 2019/2018
Number of tweets	99	116	21	-15%	452%
Number of sustainability tweets	16	15	6	7%	150%
Tweet views	62,249	68,706	18,356	-9%	274%
Sustainability Tweet views	13,289	18,797	3,797	-29%	395%

IGD uses its account @igdSIQ to communicate institutional information and to provide news in real time also on events or issues regarding sustainability. In 2020, its active presence on the channel was in line with 2019. The drop in number of Tweets was due to the decision to liaise with its own community through LinkedIn.

### // CHART 3 - AVERAGE VIEWS (SOURCE: TWITTER ANALYTICS)



As it was impossible to be physically present at events on CSR or to organise meetings related to social-environmental projects, the consequence was a decrease in sustainability tweet views.



### // TABLE 3 - WEBSITE NUMBERS (SOURCE: GOOGLE ANALYTICS)

Website	2020	2019	2018	Difference 2020/2019	Difference 2019/2018
Number of visits	43,106	109,302	65,046	-61%	68%
New visitors	24,423	90,959	44,810	-73%	103%
Length of time in minutes spent on website	2.54	1.28	2.28	98%	-44%
Visitors that return	5,939	6,483	6,209	-8%	4%

In 2020 IGD reached 17th position out of the Italian listed companies with the best online communication and it obtained an overall score of 4 stars with regard to transparency in corporate communication in the «*Webranking*» research, which is carried out annually by *Comprend*, in cooperation with *Lundquist*, and which analyses the transparency of corporate communication on digital channels of the most important listed companies.

The fall in visits and visitors to IGD Group's website ([www.gruppoigd.it/en/](http://www.gruppoigd.it/en/)) was due to the company's decision to disseminate the update on news and its response to the pandemic (particularly requested during the year) by means of social networks (in particular LinkedIn, see table 4).

The length of time spent on the website increased by 98%, a sign that the contents provided were highly appreciated.



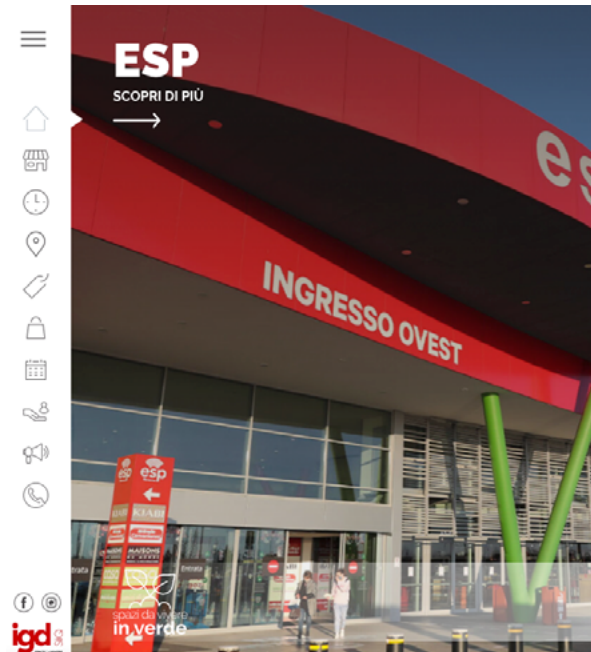
### // TABLE 4 - LINKEDIN NUMBERS (SOURCE: LINKEDIN ANALYTICS)

LinkedIn	2020	2019	Difference 2019/2018
Page views	10,538	4,800	120%
Number of visits (single visitors)	3,501	1,974	77%

The increase in the indicators regarding the use of LinkedIn was due to the dedication bestowed on this platform in terms of time and resources. During the year this network was used to disseminate corporate communications, interviews and analyses linked to the pandemic. This channel was also used to share information contained in the corporate newsletters and to advertise new job opportunities.

### // 4.4.3 WEB - SHOPPING CENTRES

The presence of the IGD Shopping Centres on the web has evolved over time, the aim being to increase interaction with their visitors. Starting with the necessity to keep visitors informed, all the Shopping Centres have had a website since 2012, the design of which is identical so that it is easily recognisable and distinguishable from any competitors. In order to interact with the local community, the Shopping Centres have been using Facebook since 2016 (and Instagram since 2019) in a structured manner. In 2020, also in view of the decision to introduce the role of Digital Strategist into its workforce, IGD defined its first Digital Plan which will create a structured use of the existing web tools and it will identify others, the aim being to make the best possible use of them so as to boost relations with visitors. With regard to the existing tools, the websites were updated and a specific strategy with which to manage social networks was defined.



#### Websites:

In 2020 IGD decided to review the entire layout and design of the Group's Shopping Centres' websites, with particular focus on user experience (functional for the current needs of the users) and on new marketing targets, with the aim of integrating digital marketing activities in the future.

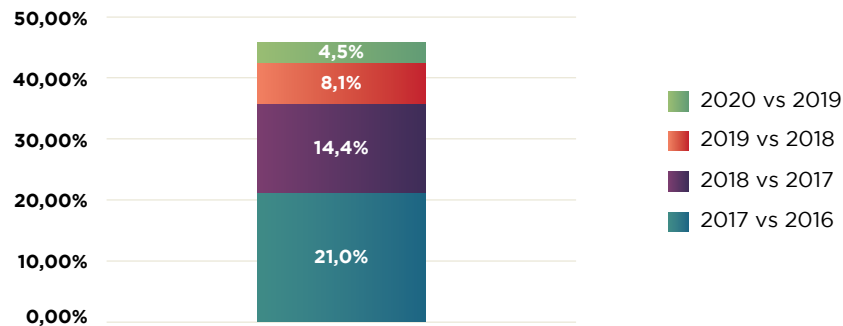
For this reason, after calling for bids, it assigned a specialised agency to revamp the existing sites which will be online from March 2021.



## // 4.4.3 WEB - SHOPPING CENTRES



// CHART 4 - FACEBOOK FANBASE GROWTH 2017-2020



### Social Networks:

In 2020 IGD defined a new method to manage the Shopping Centres' Facebook and Instagram pages, with general guidelines and designs in common for all the structures, the aim being to progressively integrate them into the Digital Plan. Thanks to social networks it was possible to manage relations with the local communities (important during the lockdown period, see section 4.3.1), increase drive to store opportunities during marketing initiatives carried out in the second half of the year and highlight particularities of stores by means of specific initiatives (e.g. use of influencers or brand ambassadors). The results were positive: the Shopping Centres' Facebook pages had 550,000 followers (+23,000 compared to 2019) and those of Instagram were over 32,000 (+15,000 compared to the previous year). The data confirms that the intention not to lose contact with the local community was achieved, despite the fact that it was impossible to organise events with gatherings, the traditional moment of interaction between visitors and Shopping Centres by means of social networks.

### Digital plan:

The Digital Plan involves identifying actions and services that ensure customer loyalty and personalise the retail offer. To reach these objectives, the Plan identifies the way in which to develop a system that is geared towards lead generation and which enables us to profile and liaise with tenants and visitors/users, in other words, the two targets at which the digital marketing plan is aimed; actions and services have been identified to satisfy their needs.

The Plan will be launched during the first six months in 2021, when the Customer Relationship Management (CRM) system will be up and running in the Shopping Centres. In order to generate contacts and profile them in a more and more detailed manner, actions have been identified which are connected to the various touchpoints that are typical of the so-called customer journey (online and offline).



together

## // WHAT WE DID IN 2020

- > Structured engagement was carried out with all stakeholders in order to understand their expectations;
- > The project «Social Borgo. Towards a Collaborative Shopping Centre» was postponed due to the pandemic right when it was being implemented in Centro Borgo (Bologna);
- > Cooperation with 140 local associations and NPOs was maintained, despite the impossibility of organising social gathering events.

*“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



## ○ 5.1 STAKEHOLDER ENGAGEMENT

### // 5.1.1 STAKEHOLDERS (GRI 102-40)

The Company's stakeholders are the people, the companies and the other organisations that add value to IGD, they are influenced by its activities or are otherwise interested in them. The Company continuously listens to and interprets the main needs of its stakeholders, assessing, in light of its own material issues, whether to integrate them into the strategies or into the business activities.



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 12 credit institutions, which report to 9 banking groups. 9 of these are classified in the top 10 banking groups in Italy. (source: Milano Finanza).

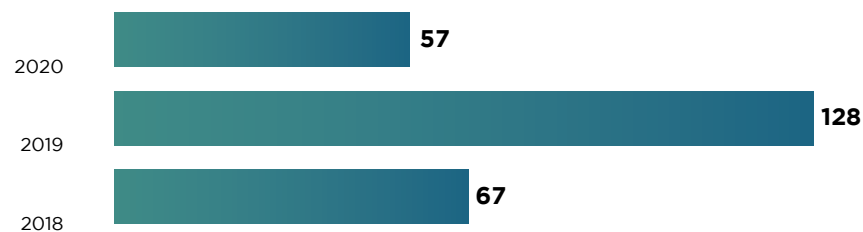
#### Time period

Throughout 2020.

#### Methods used

- > 5 face to face meetings;
- > 52 conference calls.

### // CHART 1 - MEETINGS WITH BANKS



#### 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

Protect the economic-financial sustainability of the business.

Given the expected reduction in rents and the limited visibility of proceeds, in 2020 IGD decided to protect its cashflow. Although the Covid-19 emergency could not have been predicted, the Company however, was in a situation in which it had abundant liquidity at its disposal, thanks to the liability management transaction carried out in November 2019. An initial measure taken in March 2020, therefore, was to block all investments that could be postponed. It also arranged to reduce the distribution of the 2019 dividend to a level corresponding to the minimum that the status of SIIQ permitted. In addition, it renewed its committed credit lines until 2023 for 60 million euros, to run alongside the 151 million euros of non committed lines available. In October 2020 IGD then cashed in the loan issued by MPS with SACE guarantee for an amount of 36.3 million euros, ensuring, in this way, that all financial needs were covered for the whole of 2021.

## // Investors and analysts

**Stakeholders engaged**

Italian and foreign investors, analysts and specialised press.

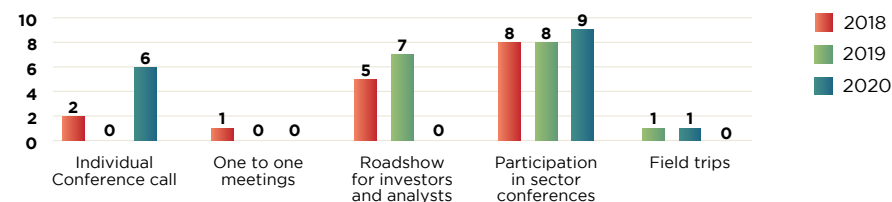
**Time period**

Throughout 2020.

**Methods used**

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

## // CHART 2 - SUMMARY OF INVESTOR RELATIONS ACTIVITIES



## // TABLE 1 - CONFERENCE CALL PARTICIPANTS

	2020 (N)	2019 (N)	2018 (N)
Number of participants	149	105	111
of wich Italian	98	67	79
of wich foreign	51	38	32
of wich investors	94	52	28
of wich analysts	37	25	26
other (banks, consultants, IGD employees)	18	28	57

In 2020 the Company participated in the fourth Italian Sustainability Day organised by Borsa italiana, the Italian Stock Exchange. This event, which over time has become the most important occasion for listed companies to discuss ESG issues, was carried out online. On this occasion, IGD met 6 institutional investors and one social analyst, with whom discussions were held both on issues regarding the economic situation connected to the handling of the pandemic and on aspects regarding the sustainability targets and their level of achievement.

Due to the pandemic, IGD suspended all the face-to-face activities which it normally organises (see field trips and roadshows), maintaining, however, continuous relations with investors and analysts also by means of participating in virtual events regarding both equity and debt. There was a particularly high level of participation by investors and analysts, both Italian and foreign, in the conference calls; the number recorded in 2020 (149) was the highest in the last 10 years.

### 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, including the Company's response to the new emergencies arising from the handling of the pandemic.

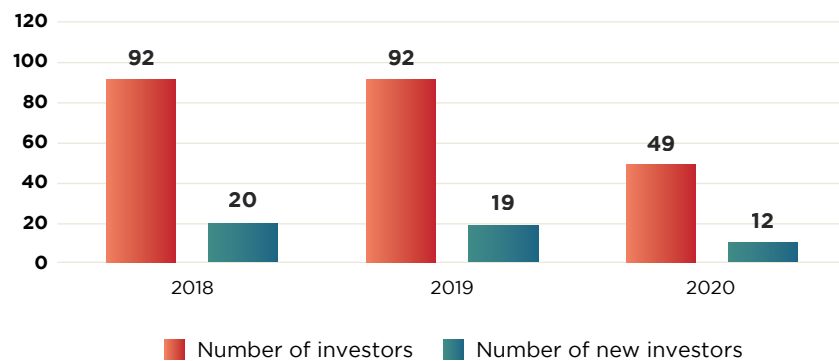
### Was engagement carried out for the Sustainability Report?

No.

### Results

During the year IGD met with 49 investors, of which 12 were new, a fall in numbers compared to the previous years due to 2020's changed needs.

#### // CHART 3 - TOTAL AND NEW INSTITUTIONAL INVESTORS



## // Visitors to the Centres

### Stakeholders engaged

Visitors and non-visitors in 7 IGD Shopping Centres.

### Time period

May/June 2020.

### Method used

CAWI (Computer Assisted Web Interviewing).

### Objectives

- > Understand the visitors' expectations in two specific periods: the lockdown period (before the complete reopening of the Shopping Centres on 18th May) and the subsequent period, once the Shopping Centres had been completely reopened. More specifically, the purpose of the surveys was to:
  - > Understand the level of appreciation regarding the safety measures introduced by IGD in the Shopping Centres;
  - > Assess any changes in level of loyal;
  - > Identify future expectations;
  - > Examine more thoroughly specific issues like online buying, food and beverage services and cinemagoers.

### Was engagement carried out for the Sustainability Report?

No.

### Results

Engagement actions involved 6,032 visitors and non-visitors in the respective catchment areas.

The main facts that emerged from the two surveys were:

- > The Shopping Centre was still identified as the **place in which to carry out purchases** (the perception of the open stores was good), rather than a place in which to spend leisure time;
- > IGD's commitment to guarantee health and safety in its Shopping Centres was highly appreciated;
- > There was a slight drop in the percentage of those who declared **they would continue to buy online**, bearing witness to the gradual return to pre-pandemic habits;
- > The inclination to use **food and beverage services**, both within the Shopping Centre and for take-away or delivery was low;
- > **The perception of safety within cinemas was good**: only 1 out of 10 declared they would not go.

In light of the results, IGD defined specific follow-up actions.



## // Tenants

### Stakeholders engaged

710 tenant.

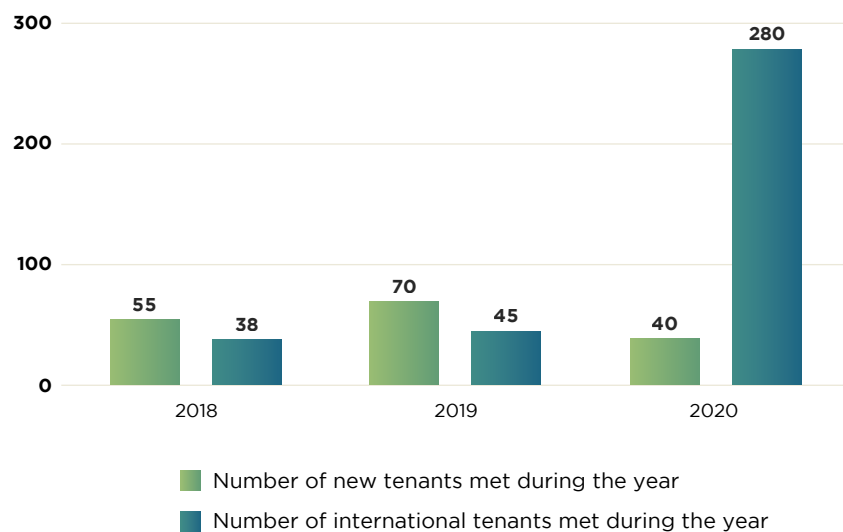
### Time period

Throughout 2020.

### Methods used

2,250 one to one meetings.

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



### Objectives

Meetings are generally organised in order to manage the turnover, to define the best conditions for the renewal of contracts or to analyse the performance of both the tenants and the Shopping Centres.

From March onwards, following the introduction of restrictions in Shopping Centre opening times, which significantly impacted the tenants' economic conditions, IGD carried out online meetings or telephone calls with 710 of them.

At the same time, due to the need to manage the current situation, IGD also organised meetings with 40 new retailers throughout the year, with the aim of scouting for new brands to be introduced into the Shopping Centres.

### Results

- > High occupancy level was maintained (Italy): 94.3% as at 31.12.20;
- > 18 new brands were introduced during the year (see section 4.2).

## ○ 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**

**EMPLOYMENT**

**COMMERCIAL**



## // 5.2.2 SOCIAL/MEETING PLACE ASPECT

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

(GRI 413-1 E EPRA COMTY-ENG)

	2020	2019	2018
Percentage of IGD Shopping Centres in which engagement processes were initiated at local level	93%	100%	100%
Percentage of Winmarkt Shopping Centres in which engagement processes were initiated at local level	14%	46%	27%

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

Associations and other non-profit organisations received	2020	2019	2018
Local associations involved	97	272	243
Other non-profit organisations	43	95	95
<b>Total</b>	<b>140</b>	<b>367</b>	<b>338</b>

### // 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)	2020	2019	2018
Sponsorships and donations made by the Consortiums to local associations for events	124,394 €	288,568 €	178,467 €
Donations made by the headquarters	11,000 €	37,904 €	7,059 €
<b>Total</b>	<b>135,394 €</b>	<b>326,472 €</b>	<b>185,526 €</b>

The difficulty in organising face to face events in the Italian Malls and in the Romanian ones also had an impact on the traditional forms of cooperation between the Shopping Centres and the local areas. For this reason, there was an overall drop both in the number of associations with which shared projects could be carried out and in those which could be allocated a space in the Mall for them to achieve their goals.

However, the most structured partnerships continued, sometimes along with specific local projects so as to respond to the problems arising from the Covid-19 emergency.

At corporate level, in line with the focus that has always been placed on the combination of sports/disabilities, IGD decided to support, at the beginning of 2020, the «Bologna for Community» project, the social action started by the Bologna FC 1909, in cooperation with *PMG Italia - La Mobilità Garantita* (Guaranteed Mobility) and the NPO *Io Sto Con...Il Sorriso Solidale* (I'm With .... a Supportive Smile), to facilitate the participation of differently-abled people to experience the life of Bologna Fc.

## // SOCIAL BORGHO UPDATE

In March 2020, IGD decided to suspend «Social Borgo», the innovative project included in the 2019-2021 Strategic Plan, the aim of which was to define a participatory way in which to identify the needs of the community and to satisfy these needs within Borgo Shopping Centre in Bologna.

The initial phase of this project was launched in July 2019 when an analysis was carried out to identify the needs and the model was defined. It then continued with the identification of the issues to be treated, its governance and the partnerships required for it to function. For this reason, the residents were involved by means of a co-planning workshop, the Shopping Centre tenants were involved by means of both interviews and a designated general meeting, and the ways in which the local associations could participate were defined by means of specific meetings. Once this phase was concluded, a calendar was drawn up with the schedule of courses, workshops, meetings in the fields of education, environment, social inclusion, sports and culture activities. Following the «Measures to contain and manage the Covid-19 epidemiological emergency» ruling issued by the Emilia Romagna Region Authority on 23rd February 2020, the decision was made not to proceed with the implementational phase, postponing the start of activities until it was both permitted and safe for the participants.

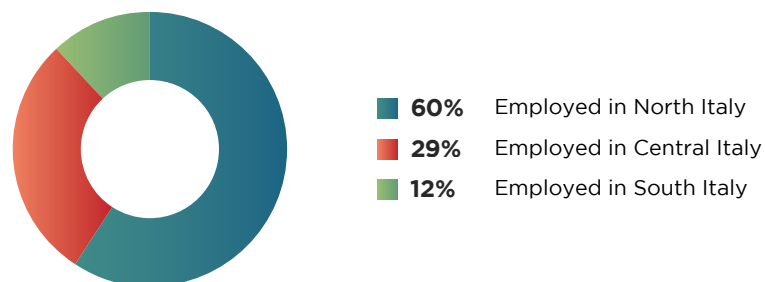


# social borgo



## // 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

	2020	2019	2018
Number of local suppliers	882	895	884
% out of total suppliers	48%	49%	53%

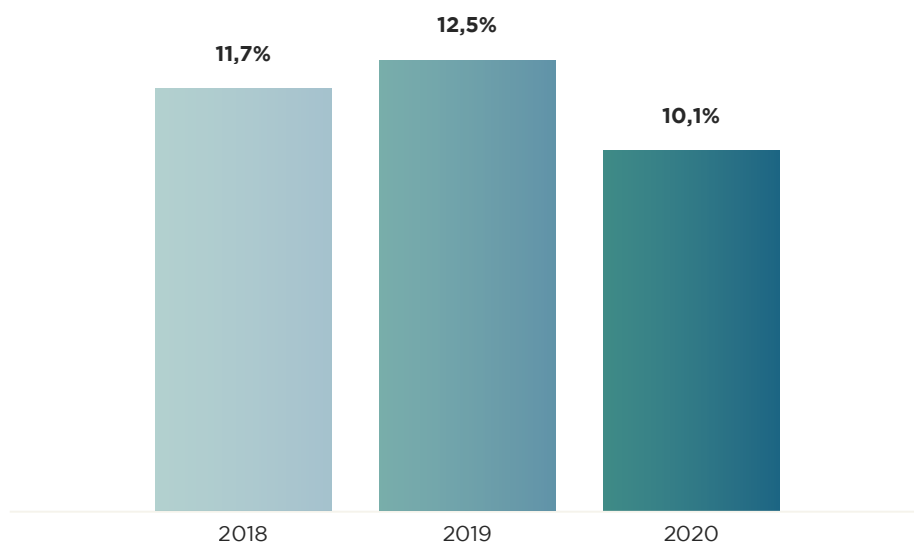
From an employment point of view, it is estimated that altogether approximately 16,600 people work in the IGD Shopping Centres, 60% of these people are employed in the northern regions of Italy.



In addition to the jobs in the stores, the Shopping Centres have an impact on the local area because of the subcontract employees that are involved. Approximately half the suppliers are local ones and the large majority of the employees reside in the Shopping Centre catchment area.

## // 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 42% of the total in 2020 (in numeric terms), in line compared to 2019. Instead, the weight of their revenues on IGD's total tenants' sales decreased due to the great impact, amongst the local tenants, of the bar and restaurant sector, whose revenues fell significantly during 2020.



## Appendix

## // GRI STANDARDS TABLE

Since 2010, IGD’s Sustainability Report has been drawn up following the GRI guidelines. The 2020 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	page 4	-
	Reporting practice	102-45	x	page 9	-
	Reporting practice	102-46	x	page 9	-
	Reporting practice	102-48	x	page 9	-
	Reporting practice	102-49	x	page 9	-
	Reporting practice	102-50	x	page 9	-
	Reporting practice	102-51	x	page 9	-
	Reporting practice	102-52	x	page 9	-
	Reporting practice	102-53	x	page 123	-
	Reporting practice	102-54	x	page 9	-
	Organisational profile	102-1	x	page 17	-
	Organisational profile	102-2	x	page 17	-
	Organisational profile	102-3	x	page 17	-
	Organisational profile	102-4	x	page 17	-
	Organisational profile	102-5	x	page 17	-
	Organisational profile	102-6	x	page 17	-
	Organisational profile	102-7	x	page 17, 18	-
	Organisational profile	102-9	x	page 20	-
	Organisational profile	102-10	x	page 17	-
	Organisational profile	102-11	x	page 20	-
	Organisational profile	102-12	x	page 20	-
	Organisational profile	102-13	x	page 20	-
	Reporting practice	102-32		page 24, 42, 80	-
	Reporting practice	102-47	x	page 24	-
	Management approach	103-1	x	page 24	-
	Management approach	103-2	x	page 30	-
	Management approach	103-3	x	page 30	-
	Tax	207-1, 207-2, 207-3		page 20	Included for the first time. It will be examined more thoroughly from the next Report
Climate change	Energy	302-1	x	page 50, 51	-
Climate change	Energy	302-3		page 51	-
Climate change	Energy	CRE-1*		page 51	-
Climate change	Emissions	305-1		page 52	
Climate change	Emissions	305-2		page 52	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	page 53, 54	-
Climate change	Emissions	CRE-3*		page 53	-

IGD material issue	Description of the standard	GRI Standard	Core option	Page	Omissions
Climate change	Water	303-1	x	page 54	-
Climate change	Water	CRE2*		page 54	-
Climate change	Effluents and waste	306-2	x	page 56	-
Climate change	Certifications	CRE8*	x	page 47	-
Good employment	Organisational profile	102-8	x	page 61, 62, 71	-
Good employment	Stakeholder engagement	102-41	x	page 65	-
Good employment	Employment	401-1		page 63, 64	-
Wellbeing, health and safety	Occupational health and safety	403-2	x	page 74	-
Good employment	Training and education of employees	404-1		page 66, 67, 68	
Good employment	Training and education of employees	404-3		page 70	-
Good employment	Diversity management and equal opportunity	405-1		page 64, 71, 80	
Gender equality	Diversity management and equal opportunity	405-2	x	page 72	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		page 72	-
Wellbeing, health and safety	Customer health and safety	416-1		page 77	-
Wellbeing, health and safety	Customer health and safety	416-2		page 77	-
Governance, ethics and corruption	Ethics and integrity	102-16	x	page 86	-
Governance, ethics and corruption	Ethics and integrity	102-17		page 85	-
Governance, ethics and corruption	Governance	102-18	x	page 80	-
Governance, ethics and corruption	Governance	102-22		page 80	-
Governance, ethics and corruption	Governance	102-23		page 80	-
Governance, ethics and corruption	Governance	102-26		page 82	-
Governance, ethics and corruption	Governance	102-27		page 82	-
Governance, ethics and corruption	Governance	102-28		page 82	-
Governance, ethics and corruption	Governance	102-29		page 83	-
Governance, ethics and corruption	Governance	102-30		page 83	-
Governance, ethics and corruption	Governance	102-31		page 83	-
Governance, ethics and corruption	Governance	102-32		page 42	-
Governance, ethics and corruption	Governance	102-35		page 84	-
Governance, ethics and corruption	Governance	102-36		page 84	-
Governance, ethics and corruption	Governance	405-1		page 64, 71, 80	-
Stakeholder engagement	Stakeholder engagement	102-40	x	page 104	-
Stakeholder engagement	Stakeholder engagement	102-42	x	page 105	-
Stakeholder engagement	Stakeholder engagement	102-43	x	page 105	-
Stakeholder engagement	Stakeholder engagement	102-44	x	page 105	-
Local communities	Local communities	413-1		page 111	Points VI-VII-VIII of the indicator cannot be reported as they refer to processes that are not activated
	Reporting practice	102-55	x	page 116	-
	Reporting practice	102-56	x	page 122	-

## // CORRESPONDENCE BETWEEN MATERIAL ASPECTS AND GRI STANDARDS

Macro issue	Material issue	GRI Standards Category	GRI Standards material aspect	Indicator	Material within the organisation	Material outside the organisation
Green	Climate Change	Environmental	Energy; Water; Emissions; Effluents and Waste	302-1; 302-3; 303-1; CRE1; 305-1; 305-2; CRE3; 305-4; CRE2; 306-2; CRE8;	x	Visitors - Local community - Tenants - Environment
	Accessibility and mobility		*		x	Visitors - Local community - Tenants - Environment
Responsible	Good employment	General Disclosures - Social	Employment; Training and education; Diversity and equal opportunity	102-8; 102-41; 401-1; 404-1; 404-3; 405-1	x	
	Gender equality	General Disclosures - Social	Diversity and equal opportunity	102-8; 405-1; 405-2	x	
	Wellbeing, health and safety	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 - Tenants
	Innovation		*		x	Visitors - Local community - Tenants
Together	Stakeholder engagement	General Disclosures		102-40; 102-42; 102-43; 102-44	x	
	Local communities	Social	Local communities	413-1	x	Visitors - Local community

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

## // EPRA TABLES

The environmental, social and governance indicators referred to in IGD's 2020 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	2020	2019	Difference from 2019	Coverage	Estimate level	Reference in section	Data subject to assurance
Environmental	Total electricity consumption	Elec-Abs	302-1	annual kWh	37,367,433	44,635,792	-16.3%	26/26	0%	Sec. Green, § 1.2, tab 1	
	Like for like electricity consumption	Elec-LfL	302-1	annual kWh	35,714,765	42,445,352	-15.9%	24/24	0%	Sec. Green, § 1.2, tab 1	
	Total district heating and cooling consumption	DH&C-Abs	302-1	annual kWh	8,949,814	9,596,400	-6.7%	5/5	0%	Sec. Green, § 1.2, tab 2	
	Like for like district heating and cooling consumption	DH&C-LfL	302-1	annual kWh	7,868,674	8,440,520	-6.8%	4/4	0%	Sec. Green, § 1.2, tab 2	
	Total fuel consumption	Fuels-Abs	302-1	annual kWh	13,747,041	15,067,973	-8.8%	16/16	0%	Sec. Green, § 1.2, tab 3	
	Like for like fuel consumption	Fuels-LfL	302-1	annual kWh	13,463,237	14,838,611	-9.3%	15/15	0%	Sec. Green, § 1.2, tab 3	
	Building energy intensity	Energy-Int	302-3	kWh/ (m <sup>2</sup> common areas+GLA)	120.77 121.79	120.42 140.26	0.3% -13.2%	11/11 26/26	0% 5%	Sec. Green, § 1.2, tab.5	
	Direct GHG emissions (total) - Scope 1	GHG-Dir-Abs	305-1	tonnes Co2e	2,476	2,714	-8.8%	16/16	0%	Sec. Green, § 1.3, tab.6	
	Indirect GHG emissions (total) - Scope 2	GHG-Indir-Abs	305-2	tonnes Co2e	17,071	20,064	-14.9%	26/26	0%	Sec. Green, § 1.3, tab.6	
	Direct GHG emissions (like for like) - Scope 1	GHG-Dir-LfL	305-1	tonnes Co2e	2,425	2,672	-9.3%	15/15	0%	Sec. Green, § 1.3, tab.6	
	Indirect GHG emissions (like for like) - Scope 2	GHG-Indir-LfL	305-2	tonnes Co2e	16,111	18,874	-14.6%	20/20	0%	Sec. Green, § 1.3, tab.6	
	Building GHG emissions intensity	GHG-Int	CRES CRE-3	Kg Co2e/(m <sup>2</sup> common areas+GLA)	43.06	50.17	-14.2%	26/26	0%	Sec. Green, § 1.3, tab.7	
	Total water consumption	Water-Abs	303-1	m <sup>3</sup>	443,407	593,935	-25.3%	26/26	-0,04%	Sec. Green, § 1.4, tab.8	
	Like for like water consumption	Water-LfL	303-1	m <sup>3</sup>	401,535	508,658	-21.1%	24/24	0%	Sec. Green, § 1.4, tab.8	
	Building water consumption intensity	Water-Int	CRES CRE-2	m <sup>3</sup> / (m <sup>2</sup> common areas+GLA)	0.98	1.31	-25.3%	26/26	0%	Sec. Green, § 1.4, tab.10	
	Weight of waste by disposal route (total)	Waste-Abs	306-2	tonnes	2,500	2,825	-11.5%	18/26	0%	Sec. Green, § 1.2, tab.12	
				of which sent to recycling	1,929	1,948	-1.0%	18/26	0%	Sec. Green, § 1.2, tab.12	
				of which sent to incinerator	-	-	0.0%	18/26	0%	Sec. Green, § 1.2, tab.12	
				of which sent to landfill	571	877	-34.9%	18/26	0%	Sec. Green, § 1.2, tab.12	
	Weight of waste by disposal route (total)	Waste-LfL	306-2	tonnes	1,775	2,279	-22.1%	13/24	0%	Sec. Green, § 1.2, tab.12	
of which sent to recycling				1,249	1,699	-26.5%	13/24	0%	Sec. Green, § 1.2, tab.12		
of which sent to incinerator				-	-	0.0%	13/24	0%	Sec. Green, § 1.2, tab.12		
of which sent to landfill				526	580	-9.4%	13/24	0%	Sec. Green, § 1.2, tab.12		
Type and number of certified assets	Cert-tot	CRE-8	% of total m <sup>2</sup> of portfolio	95%	88%	8.0%	24/26	0%	Sec. Green, § 1.1		











\* 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	2020	2019	Reference in section
Social	Diversity-Emp	% male employees	405-1	%	48%	47%	Sec. Responsible § 2.1, Tab. 8
		% female employees		%	52%	53%	
	Diversity-Pay	405-2	Pay ratio - Directors	N	-	-	Sec. Responsible § 2.2, Tab. 11
			Pay ratio - Managerial staff	N	0.98	0.98	
			Pay ratio - Department heads	N	0.98	1.00	
			Pay ratio - Office workers	N	0.98	0.95	
	Emp-Training	Average hours per employee	404-1	N	8.2	14,1	Sec. Responsible § 1.2, Tab. 4
	Emp-Dev	% out of total employees	404-3	%	56%	57%	Sec. Responsible § 1.4, Tab. 7
	Emp-Turnover	401-1	Number of recruitments	N	5	11	Sec. Responsible § 1.1, Tab. 2
			Number of resignations	N	3	7	
			Recruitment rate	%	3.6%	8.1%	
			Resignation rate	%	2.2%	5.2%	
	H&S-Emp	403-2	Injury rate	For 1.000.000 hours worked	4.5	9.6	Sec. Responsible § 3.1, Tab. 14
			Lost days rate	For 1.000 hours worked	0.69	0.13	
Absentee rate			%	2.6%	1.7%		
Injuries			N	1	2		
H&S-Asset	% of assets	416-1	%	100%	100%	Sec. Responsible § 3.2, Tab. 17	
H&S-Comp	Number of incidents	416-2	N	0	0	Sec. Responsible § 3.2, Tab. 17	
Governance	Gov-Board	Number of board members	102-22	N	11	11	Sec. Ethical, § 1.1
	Gov-Board	Number of executive directors	102-22	N	2	2	Sec. Ethical, § 1.1
	Gov-Board	Number of independent directors	102-22	N	7	7	Sec. Ethical, § 1.1
	Gov-Select	Narrative on process	102-24				Please refer to 2020 Financial Statements, Report on Corporate Governance and Ownership Structure, paragraph 3.4.1. Board of Directors - Appointment and replacement, <a href="https://www.gruppoigd.it/en/investor-relations/financial-statements-and-reports/">https://www.gruppoigd.it/en/investor-relations/financial-statements-and-reports/</a>
	Gov-Col	Narrative on process	102-25				Sec. Ethical, § 1.3

## // SDGs TABLE

The SDGs included in the 2020 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)
 <b>3. Good, health and wellbeing</b>	Wellbeing, health and safety	Section Responsible, § 3
 <b>4. Quality education</b>	Good employment	Section Responsible, § 1
 <b>5. Gender equality</b>	Gender equality	Section Responsible, § 2
 <b>7. Affordable and clean energy</b>	Climate Change	Section Green, § 1
 <b>8. Decent work and economic growth</b>	Good employment	Section Responsible, § 1
	Governance, ethics and corruption	Section Ethical, § 1
 <b>9. Industry, innovation and infrastructure</b>	Innovation	Section Attractive, § 5
 <b>11. Sustainable cities and communities</b>	Climate Change	Section Green, § 1 e 2
 <b>12. Responsible consumption and production</b>	Climate Change	Section Green, § 1
 <b>13. Climate action</b>	Climate Change	Section Green, § 1
 <b>16. Peace, justice and strong institutions</b>	Governance, ethics and corruption	Section Ethical, § 1



## **External Assurance**



IMMOBILIARE GRANDE DISTRIBUZIONE SIQ SPA  
INDEPENDENT REPORT ON THE LIMITED ASSURANCE  
ENGAGEMENT OF THE SUSTAINABILITY REPORT 2020  
YEAR ENDED 31 DECEMBER 2020





### **Independent report on the limited assurance engagement of the Sustainability Report 2020**

To the board of directors of Immobiliare Grande Distribuzione SIIQ SpA

We have been engaged to undertake a limited assurance engagement on the Sustainability Report of the IGD Group (hereinafter the "Group") for the year ended 31 December 2020.

#### **Responsibility of the Directors for the Sustainability Report**

The Directors of Immobiliare Grande Distribuzione SIIQ SpA are responsible for the preparation of the Sustainability Report in accordance with the "Global Reporting Initiative Sustainability Reporting Standards" issued by GRI - Global Reporting Initiative (the "GRI Standards"), as illustrated in the "Methodological preface" section of the Sustainability Report. The Directors are also responsible for such internal control as they determine is necessary to enable the preparation of a sustainability report that is free from material misstatement, whether due to fraud or error. The Directors are also responsible for defining the sustainability performance targets of the Group, as well as for identifying its stakeholders and material topics to be reported on.

#### **Our Independence and Quality Control**

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Our company applies International Standard on Quality Control 1 (ISQC Italia 1) and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

#### **Our responsibility**

Our responsibility is to express a conclusion, based on the procedures performed, on whether the Sustainability Report complies with the requirements of the GRI Standards. We conducted our work in accordance with "International Standard on Assurance Engagements ISAE 3000 (Revised) - Assurance Engagements other than Audits or Reviews of Historical Information" (hereinafter also "ISAE 3000 Revised") issued by the International Auditing and Assurance Standards Board (IAASB)

#### **PricewaterhouseCoopers Advisory SpA**

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for limited assurance engagements. That standard requires that we plan and perform procedures to obtain limited assurance about whether the Sustainability Report is free from material misstatement.

The work performed was less in scope than in a reasonable assurance engagement conducted in accordance with ISAE 3000 Revised and, consequently, we did not obtain assurance that we became aware of all significant facts and circumstances that might be identified in a reasonable assurance engagement.

The procedures performed on the Sustainability Report were based on our professional judgement and included inquiries, primarily of personnel of the company responsible for the preparation of the information presented in the Sustainability Report, inspection of documents, recalculations and other procedures designed to obtain evidence considered useful.

Specifically, we performed the following procedures:

- 1) we compared the financial information reported in the "Introduction: about IGD and brief outline on economic performance" section of the Sustainability Report with the information included in the Company's annual consolidated financial statements;
- 2) we obtained an understanding of the processes underlying the generation, collection and management of significant qualitative and quantitative information included in the Sustainability Report.

In detail, we inquired of and discussed with management personnel of Immobiliare Grande Distribuzione SIQ SpA, IGD Management Srl, Winmarkt Management Srl and WinMagazin SA and we carried out limited analyses of documentary evidence, in order to obtain information about the processes and procedures supporting the collection, aggregation, processing and submission of non-financial information to the corporate function in charge of the preparation of the Sustainability Report.

Furthermore, for significant information, taking into account the activities and characteristics of the Group:

- at the level of Immobiliare Grande Distribuzione SIQ SpA:
  - a) with reference to the qualitative information presented in the Sustainability Report, we carried out interviews and obtained supporting documents to verify its consistency with available evidence;
  - b) with reference to quantitative information, we performed both analytical procedures and limited tests to verify, on a sample basis, the accuracy of data aggregation.
- For the following entities, IGD Management Srl, Winmarkt Management Srl and WinMagazin SA, which we selected based on their activities, contribution to performance indicators at a consolidated level, we met the persons responsible and obtained documentary evidence, on a sample basis, about the correct application of the procedures and calculation methods applied for the indicators.

**Conclusion**

Based on the work performed, nothing has come to our attention that causes us to believe that the Sustainability Report of the Group for the year ended 31 December 2020 is not prepared, in all material respects, in accordance with the requirements of the GRI Standards as illustrated in the "Methodological preface" section of the Sustainability Report.

Bologna, 15 March 2021

PricewaterhouseCoopers Advisory SpA

Signed by

Paolo Bersani  
(Partner)

*This report has been translated into English from the Italian original solely for the convenience of international readers. We have not performed any controls on the Sustainability Report 2020 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](mailto:sustainability@gruppoigd.it).

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> 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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