The climate emergency demands radical change in the way cities work, to evolve towards a leaner urban model that adapts itself to the new climate challenges.

Buildings and other construction are some of the most energy intensive sectors and highest producers of greenhouse gas emissions in France, which means a special responsibility. Moreover, the consequences of climate change are becoming increasingly noticeable in France, with an intensification of climate phenomena such as storms and heat waves heightened in cities by the heat island phenomenon. These weather events affect buildings and user comfort. They can impact the built environment, networks, construction sites and the quality of city life.

Altarea has evaluated these changes, is joining the challenge of adapting these cities to a new low-carbon world and has made specific commitments. Following structuring work co-developed in-house, it set targets to reduce emissions in 2017 that integrated Scopes 1 and 2, as well as Scope 3 (see 4.2.2.1). Following its research into indirect impacts, Altarea now offers responses that are proportionate to the emissions from each source and are adapted to each activity.

In 2019, Altarea worked towards new objectives, to make further progress on all its businesses' carbon trajectories in the medium term, and to conform with the Paris Agreement, in order to limit global warming to below 2°C. The Group made its first concrete commitments to this effect this year, with the renewal and extension of its commitment in the Paris Climate Action Charter to Gold level. The Group therefore undertakes to support the vision of a carbon-neutral city and 100% renewable energy in Paris by 2050 (see 4.1.3).

This year, Altarea also announced its partnership with Woodeum, the objective of which is large-scale low-carbon property development. This strategic, financial partnership is a sign and a strong commitment, towards change in methods of construction and the objective of a carbon-free world.

This year adaptation attracted particular attention again, with the implementation of specific action plans on climate resilience, particularly for Residential activity.

4.2.2.1 Altarea's approach to combating climate change

The Group's carbon footprint

Altarea measures its carbon footprint according to the Greenhouse Gas Protocol (GhG Protocol) methodology, which is compatible with the Bilan Carbone® assessment and ISO 14064.

The Group has a direct carbon footprint of 2,200 tCO_2e in Scopes 1 and 2 (Scope 1: 1.7 $ktCO_2e$, Scope 2: 0.5 $ktCO_2e$). Included in this scope is energy consumed (mainly electricity and natural gas) by the Group at its shopping centres, as well as business travel in corporate vehicles. By way of comparison, this represents approximately 2,200 Paris New-York[1] return flights. This relatively low footprint can be explained by the Group's activities (mostly office work) and the low-carbon electricity mix in France, with Altarea mainly using electricity in its portfolio of shopping centres.

The Group has conducted an in-depth analysis of its extended footprint and has calculated its Scope 3 emissions for a number of years in order to have a comprehensive overview of its emissions. In 2019, Scope 3 emissions stood at 7,080 $ktCO_2e$ – which represents over 99% of the Group's total emissions.

Scope 3 emissions are mainly linked to energy consumption, transportation of the occupants of residential and office buildings sold by the Group, and the purchase of construction materials. Altarea has methods of reducing emissions from these sources, for example by choosing high energy efficiency designs or by where it chooses to locate its projects (less than 500 meters from public transport).

With regard to the design, the Group conducts Bilan Carbone® assessments and life cycle analyses to identify alternatives with a lower environmental impact. The gradual dissemination of this practice since 2011 has meant improvements in terms of managing carbon challenges in the construction industry. These studies are used in particular in rehabilitation or major construction projects.

This strategy for the global reduction of greenhouse gas emissions is consistent with a vision of the low-carbon city: by developing a city based around proximity and designed upstream to be sustainable and energy efficient, the Group reduces its indirect contribution to climate change. Actions also include close collaboration with customers and users.

THE GROUP HAS SET THE BASIS OF A CARBON ROADMAP COMPATIBLE WITH THE PARIS AGREEMENT

In order to continue reducing these emissions, Altarea is currently involved in the process of defining an ambitious, new climate strategy. To that end, the Group has set up working groups to define strong, quantified carbon commitments for all of the Group's businesses. It will then submit them to the Science-Based Target (SBT) initiative, so that it has a carbon roadmap that is compatible with the Paris Agreement, and to help limit global warming to below 2°C.

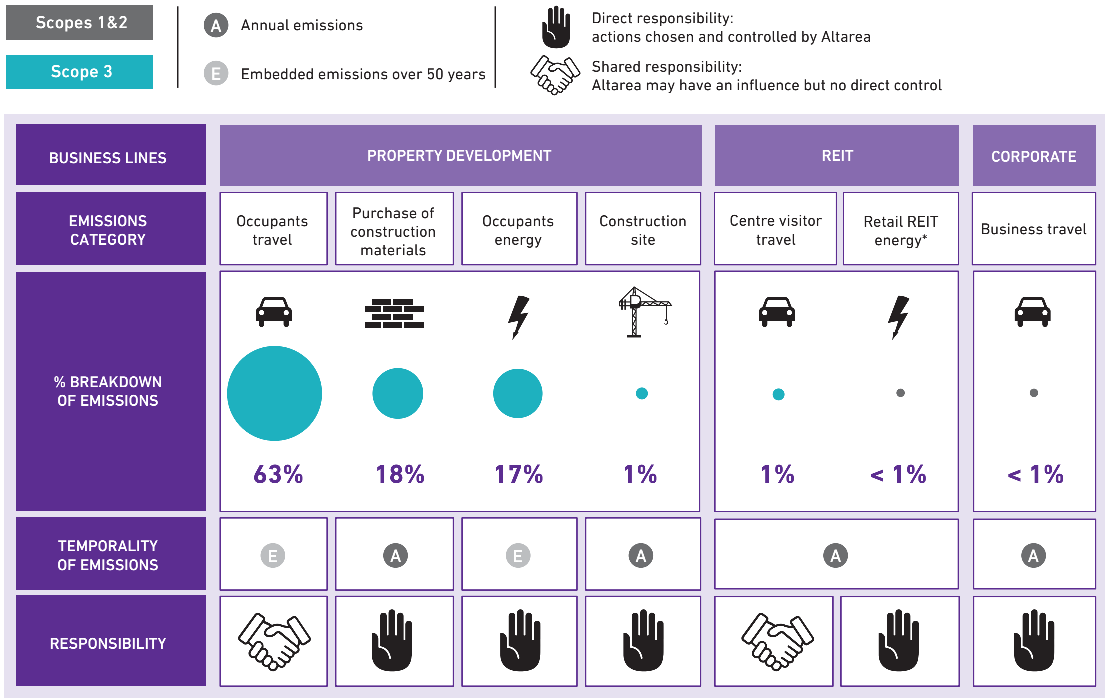
To date, three carbon trajectories have been studied in the following scopes: energy consumption of shopping centres, mobility of future occupants in the Development portfolio, construction in the Development portfolio (including building materials and energy), *i.e.* 98% of the Group's emissions. In 2020, these trajectories will be further refined with the corresponding business line Managers: definition of precise, ambitious and achievable targets, followed by quantified, operational action plans.

In 2020, this work also meant that the methodology for calculating emissions could be updated, with the current best practices, so as to prepare the 2020-2030 operational strategy for reducing emissions.

(1) *Source: greenhouse gas emissions from aviation calculator: https://eco-calculateur.dta.aviation-civile.gouv.fr/Consulted in January 2019.*

The Group's total emissions consist of the following, depending on the activity and the different sources of emissions.

MAJOR SOURCES OF GREENHOUSE GAS EMISSIONS IN THE GROUP



* The parameters related to energy consumption of the centres and related emissions are detailed on the following page.

This diagram shows the different scopes associated with Altarea's emissions:

- the time frame of emissions indicates whether they are annual (emissions released over the year of the financial period) or built up over 50 years (emissions released over the entire life of the building; these emissions largely represent the current risks of transition of the activity, but also the future risks);
- the scope of responsibility for emissions indicates whether they are Altarea's direct responsibility (emissions related to activities chosen and controlled by Altarea) or shared responsibility (emissions related to activities over which Altarea may have an influence but no direct control).

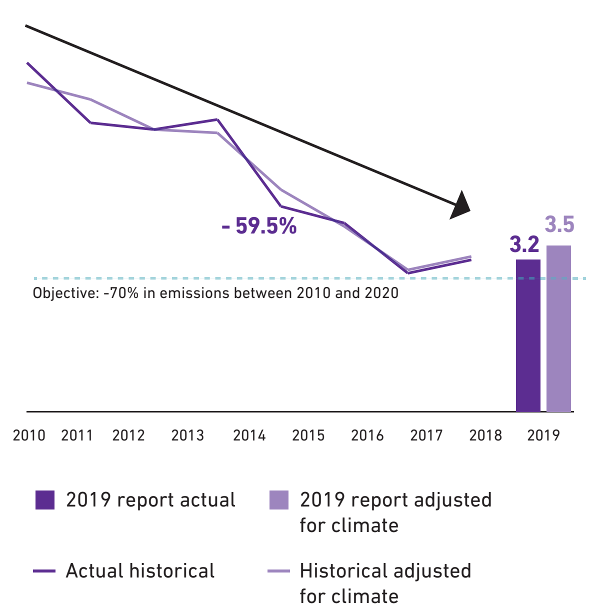
Focus on the portfolio's carbon footprint

THE GROUP'S COMMITMENT TO ITS ASSETS

Within its scope of direct responsibility (shopping centres in operation): the Group is committed to reducing Scopes 1 and 2 emissions by 70% between 2010 and 2020, and then to aim for zero emissions by 2030.

Since 2010, the approach implemented for energy efficiency has had led to a 65.1% reduction in greenhouse gas emissions per m^2 on a like-for-like basis compared to 2010. On a constant climate and use basis, this reduction is 59.5%.

PORTFOLIO GREENHOUSE GAS EMISSIONS
(LIKE-FOR-LIKE SCOPE OF REPORTING IN $kgCO_2e/m^2$)

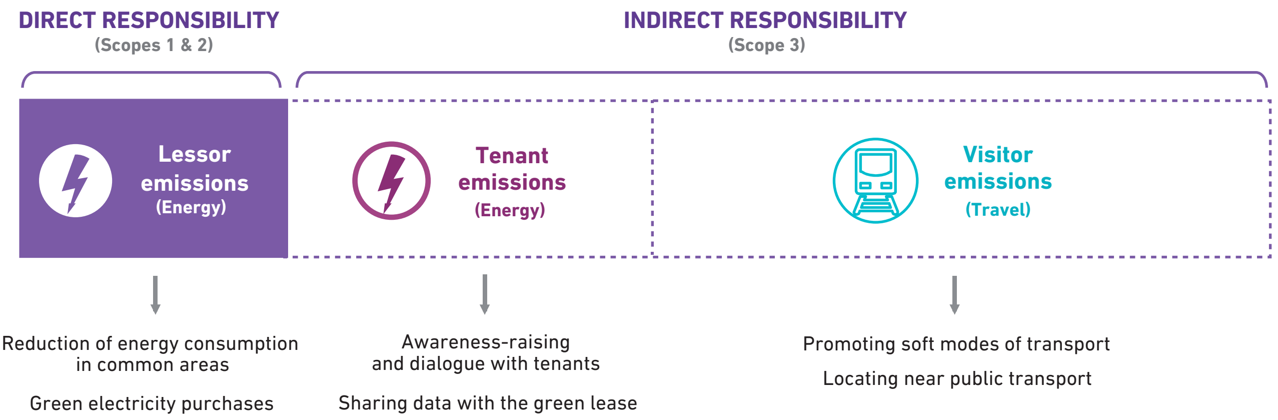


Emissions have been reduced thanks to the Group's considerable efforts to promote energy efficiency and the fact that between 2016 and 2018, 50% of the energy purchased was green electricity, with this figure rising to 75% since 1 January 2019. The target is to switch to 100% renewable electricity in the medium term.

Emissions were reduced significantly this year, down by -27% $kgCO_2e/m^2$ compared to 2018, on a like-for-like basis. The sites have made significant efforts to reduce consumption levels, particularly of gas, which is more carbon-intensive than electricity.

Finally, aside from direct emissions, the emissions from shopping centres are related to visitor travel and tenants' consumption. Altarea is working with these two groups of stakeholders to reduce their emissions (see. 4.2.2.3).

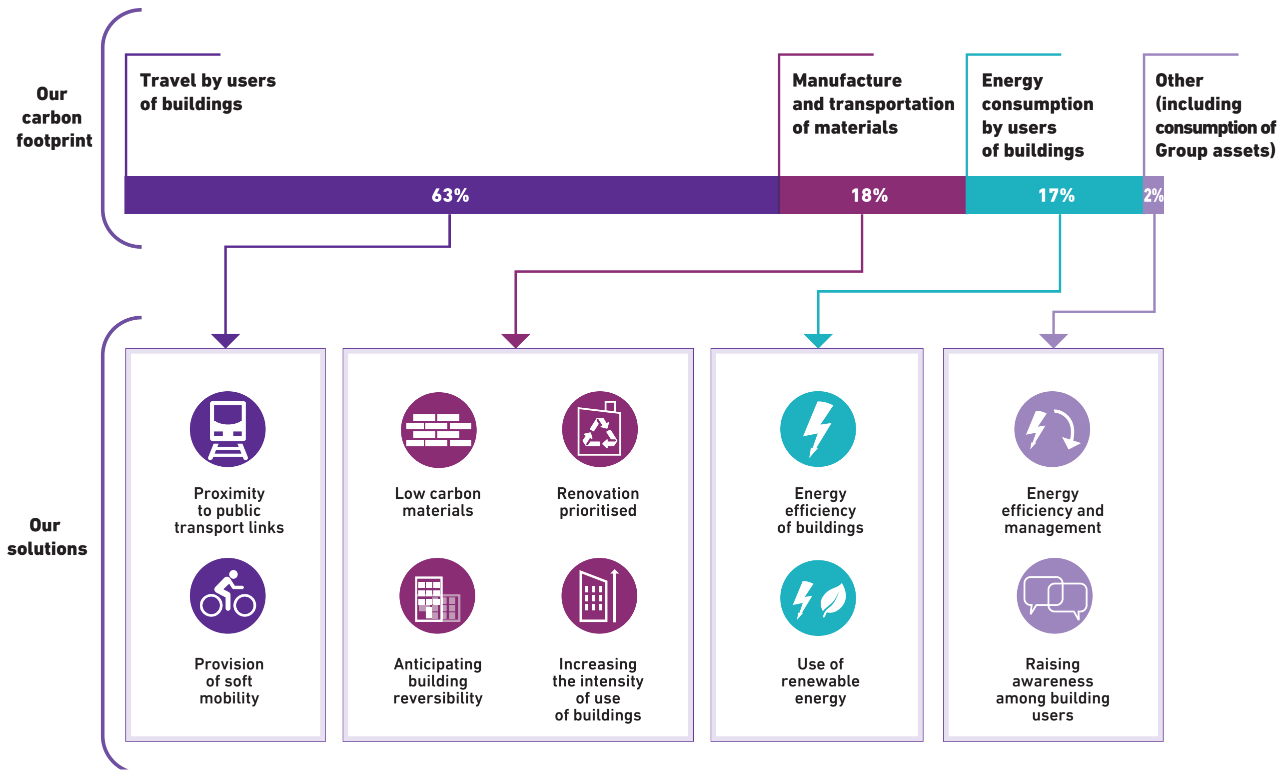
TAKING ACTION ON THE GREENHOUSE GAS EMISSIONS FROM SHOPPING CENTRES



Measuring and reducing Scope 3 emissions

In Scope 3, Altarea undertakes to contribute to the low-carbon city and to be a source of avoided emissions by designing projects that make it easy for stakeholders to cut emissions. The solutions proposed by the Group are set out in the diagram below and the rest of this chapter.

GROUP GREENHOUSE GAS EMISSIONS AND SOLUTIONS IMPLEMENTED



Reducing the biggest source of emissions: facilitating low-carbon mobility

Altarea develops projects that can cut the use of high-carbon mobilities:

- the choice of land is the primary action lever: in accordance with its development strategy the Group selects sites with good public transport links (see indicators under 4.2.1), meaning a reduction in the carbon footprint of users;
- In addition, Altarea offers alternative sustainable mobility solutions. In Business property, for instance, Altarea has developed around a hundred parking spaces fitted with charging stations for electric vehicles in the Paris Region and always takes forward looking measures so they can be installed later, during the building's operational phase. Similarly, throughout France, the Group's projects offer the best mobility solutions for local regions. Some examples include the "Crescendo" project in Villeurbanne, which offers more than 250 m² for bicycles; in Bobigny Cœur de

Ville, the neighbourhood will be pedestrianised and have a mobility hub offering soft mobility services, such as bicycle workshops. In Retail, Altarea is aware that many of its customers still travel by car and is creating spaces specifically for hybrid and electric vehicles. At its shopping centres under development, the Group is planning to display public transport times and traffic conditions in real time as well as alternative modes of transportation (carpooling, pedestrian and cyclist infrastructure, charging stations for electric vehicles, etc.).

Internally, the main line of action is to cut emissions from the corporate vehicle fleet and introduce the mobility plan at the new headquarters of the Group. This plan will provide a limited number of parking spaces and a mobility pack.

Reducing the second biggest source of emissions: greenhouse gas emissions from materials

18% of the Group's emissions are due to the purchase of materials during the construction stage. Activities and specific reviews of projects have been carried out to reduce this source of emissions, including:

- replacing materials that emit CO_2 (notably concrete) with less carbon intensive alternatives (wood, bio- sourced materials, low-carbon concrete, etc.);
- reusing existing materials; rehabilitation uses less materials, the circular economy reuses or repurposes materials, etc.; and
- reflecting on a new concept for buildings which will increase their life (reversibility, anticipating future uses, etc.) and the intensity of their uses.

Substituting materials

The Group has run pilot projects using wood as the main material. For example, part of the framework for the U-Care project (Paris thirteenth district) is made from wood. Altarea also built the Marques Avenue A13 shopping centre in Aubergenville entirely out of wood, a first in France. In the regions, the Group uses a modular wood construction process, such as in the *Domaine de Guillemont* project (Canéjan). This process allows timber panels to be prefabricated in a workshop before being assembled on-site in a very short time-frame, reducing the disturbances caused by the site.

The Group also uses other bio-sourced materials. For example, the "Brunet/Prévoyance" project (Paris nineteenth district) was studied to limit the use of concrete: in addition to incorporating a metal frame and pre-fabricated wooden components, this project also uses bio-sourced insulating materials.

PARTNERSHIP WITH WOODEUM: ACCELERATING THE PRODUCTION OF LOW-CARBON HOUSING

In July 2019, Altarea acquired a 50% stake in Woodeum Résidentiel, a subsidiary of the Woodeum Group, whose shared ambition is large-scale low-carbon residential development. The aim is to build 2,500 to 3,000 housing units in Cross Laminated Timber (CLT) per year by 2023. This bio-sourced material has excellent properties (technical and environmental), making it possible to store carbon over the life of the building.

Rethinking the design of buildings and the city

The Group explores many ways to optimise the use of buildings and extend their useful life:

- a review is under way on how to increase the usage intensity of buildings, particularly Business property projects, to make better use of shared spaces (restaurants, auditoriums, etc.) throughout the day. Building design incorporates flexibilities to allow for changes in use, privatisation or conversion of some areas to open air at certain times of year, for instance. Serviced residences for seniors are also open to business travellers, maximising the use of surface area;
- the Group is working to make spaces reversible, anticipating potential changes of use for the building in the future. Altarea, for instance, is offering apartments 5-room homes that can be split into two apartments, each with its own external door, two electrical panels and a load-bearing wall down the middle to provide acoustic insulation for users if the apartment is eventually split;
- finally, the Group is working on making buildings more sustainable by predicting the future technologies to which buildings will have to adapt. In Business property, the Group is looking into labels such as Ready2Services, introduced at the future Richelieu headquarters, which certifies the building's adaptability to future digital uses.

CAP 3000 IS LOOKING AHEAD TO NEW USES FOR ITS MULTI-STOREY CAR PARK

In anticipation of changes to mobility (reduced role of the personal car in particular), the Cap 3000 multi-storey car park was designed to be reversible: the car park frame can be transformed to accommodate retail space. As such, if cars are used significantly less in the future, it will be possible to change the use of the car park by turning it into shops without destroying the building. By planning ahead in this way, the building's life can be extended.

Reducing the third biggest source of emissions: managing energy to reduce greenhouse gas emissions

In the extended Scope 3, emissions associated with the consumption of future occupants of residential units and offices sold by Altarea account for 17% of total emissions. This category benefits from the low-carbon electricity available in France but represents a significant action lever and a substantial source of impacts avoided by the Group:

- building design is the first area of action, enabling good energy efficiency throughout the lifetime of the building and so lowering energy bills for occupants. The Group uses all available methods (bio-climatic design, working on the case and insulation, high-performance equipment, consumption monitoring tools, etc.): a high level of energy efficiency is a pre-requisite for projects developed by Altarea. All of the energy optimisation measures implemented are detailed under 4.2.2.3;
- the Group uses renewable energies whenever possible. In the design phase, Altarea examines the possibilities of connecting to existing heat networks and carrying out feasibility studies for the supply of energy to major commercial projects. These studies make it possible to compare various possible energy solutions to cover a building's needs and thus identify the possibility of supplying renewable energy (see 4.2.2.3). The "Issy Cœur de Ville" (92) project will therefore use geothermal energy. During the exploitation phase, renewable energy supply possibilities are studied during major construction work. For example, the Le Due Torri shopping centre in Stezzano uses geothermal energy from groundwater to maintain its water system at a constant temperature;
- finally, Altarea is working on raising awareness among building occupants of how their behaviour has a significant impact on the energy and carbon performance of buildings. Specifically,

Residential teams have expanded the "Green Tips" manual given to buyers as part of the NF Habitat certification. The latter was updated in 2019, by developing advice and ideas of practical ways to use housing better. The Group is also developing soft incentives or "nudges" and game-based tools, which it sees as major areas of action. In the Retail business line, work is being undertaken with tenants to encourage them to reduce their energy consumption (see 4.2.2.3 and 4.3.1).

THE "NUDGE" PROJECT ENCOURAGES CITIZENS TO ADOPT GREEN HABITS

The Paris thirteenth district Nudge project uses an ethnographic study to understand the real obstacles to adopting virtuous behaviours in daily life and proposes simple adaptations of the built environment in order to encourage ecological behaviour. The Nudge project encourages people to adopt behaviours that are good for them, the community and the planet by making small but decisive changes to their lives.

It manifests itself in buildings as a series of small discreet facilities, which can be graphic, informational or architectural, and whose impact on human behaviour is extremely significant. As "little things that change everything", nudges encourage individuals to act in a certain way rather than in another: sort their waste, get to know their neighbours, reduce their energy consumption.

4.2.2.2 Adapting projects to the impacts of climate change

Over the past two years, Altarea has ran in-depth analyses of the risks of the effects of climate change on its activities, with a special focus on the intensification of weather events (heatwaves, floods, drought, violent winds, etc.) and their repercussions for lifestyles and the built environment. These analyses considered two climate change scenarios from the IPCC: one which is optimistic (RCP4.5) and the other pessimistic (RCP8.5).

The Group's objective is to implement a strategy to adapt its activities to these risks. In 2019, operational action plans and business tools were deployed. In this context, Altarea worked on estimates of the financial costs related to adaptation solutions to climate change.

Residential and Business property

For each of the regions where it operates, Altarea conducted a forward-looking study of local climate changes and the physical impacts of weather events on buildings, construction sites, lifestyles and the comfort of occupants.

The results enabled the main lines to be set for an Adaptation action plan to reinforce the comfort and value of Altarea developments. The main areas addressed are actions to enhance comfort in summer, cost reduction, health and safety and property value.

This action plan was implemented in 2019 and will be continued to better integrate these challenges into the Group's developments.

Some projects have already incorporated these issues, such as the "Crescendo" project in Villeurbanne, which has a bio-climatic design to provide better comfort for its occupants, particularly in the summer. In Grenoble, the "Up" project has sliding walls to optimise heat gain in the winter and moderate it in the summer. The Group is also working to combat the urban heat islands phenomenon, for example by including permeable paving and the first urban forest in its "Issy Coeur de Ville" project (92).

Retail

Altarea wanted to measure the impact of climate change on its portfolio and, therefore, conducted analysis into the potential exposure of shopping centres to risks associated with climate change. A range of technical and governance solutions were identified and are gradually being rolled out across the existing portfolio and new developments. In particular, a design specification for climate resilience will enable technical solutions to be incorporated in advance, to limit the vulnerability of retail developments to changing climate conditions.

4.2.2.3 Managing energy in the Group's activities

In order to reduce greenhouse gas emissions, it is essential to design and operate buildings in an energy-efficient way. The Group is developing energy-saving solutions also for economic reasons, both for its buyers and users but also for an optimised management of its portfolio.

A high energy efficiency level is a prerequisite for the projects developed by Altarea. Since 1 January 2013, the Group's production is subject to the 2012 Thermal Regulations (RT 2012). The regulations are among the most ambitious in Europe and are intended to make Low Energy Building (*Bâtiment Basse Consommation* – BBC) more common. The Environmental Regulation 2020 (ER 2020) will eventually replace thermal regulation RT 2012, moving from a thermal approach to a more comprehensive environmental approach.

The Group prepares for and anticipates future regulatory changes, notably by holding training and awareness-raising sessions for technical and construction teams. several projects were enlisted in the "E+C-" government-run trials aiming to define future regulatory thresholds for energy and carbon. Feedback from these trials will help further enhance the skills of technical teams.

Finally, in addition to its overall national goals, Altarea sets goals for each region. The Group is working more closely with the City of Paris to help achieve the targets in its Energy Climate Plan.

Residential

The Group aims to have all its projects under development certified for energy efficiency alone or as an addition to general NF Habitat and HQE™ certifications, such as E+C-, Effinergie or "RT 2012-10%" and "RT 2012-20%" levels as part of the NF Habitat certification.

In 2019, Residential projects under development with an energy label represented 54% of projects under development. Some projects even exceed the Group's ambitions (in Grenoble several projects beat their RT 2012 requirements by more than 30%).

54% of Residential projects have an energy label

The energy efficiency has been systematically improved for rehabilitation projects. Since energy labels do not apply in large to rehabilitation with several heritage constraints, the Group is aiming for greater energy efficiency wherever possible. In 2019, the energy performance requirements of 18% of Residential projects undergoing rehabilitation exceeded those of regulations.

Business property

For all projects under development, the Group seeks to achieve a level of energy consumption that outperforms the applicable thermal regulations. In 2019, 100% of Business property projects achieved this objective.

For projects under its Cogedim brand, the Group set the target of beating regulatory requirements on energy use by at least 30%. In 2019, this target was exceeded by an average of 44% (by surface area).

100% of Business property projects exceed thermal regulation requirements by more than 30%

In 2019, all hotel projects exceeded their thermal regulatory thresholds by an average 15% (by surface area, Cogedim and Pitch Promotion).

These numbers were stable compared to 2018.

In addition, the Group uses renewable energies whenever possible. In 2019, 86% of Business property projects managed used renewable energies and 38% generated them on site.

The Group launches test operations for new labels to anticipate future regulations. In the Issy Cœur de Ville project at Issy-les-Moulineaux the Group is taking part in the "E+C-" trial. Under a government label, this trial seeks to determine the regulatory thresholds that will replace RT 2012. The three Business property buildings are also applying for the BEPOS Effinergie 2013 label, designed to promote buildings that produce as much energy as they consume for heating, cooling, ventilation and lighting.

In addition, a commissioning process was made standard for 100% of Business property projects under development as of 2014, to ensure the proper functioning of technical equipment, notably systems responsible for heating/cooling production and output.

Retail

The portfolio's energy performance

In 2019 the portfolio's total consumption for the current scope was 44.0 GWh of primary energy.

This year Altarea pursued two initiatives to reduce its energy consumption:

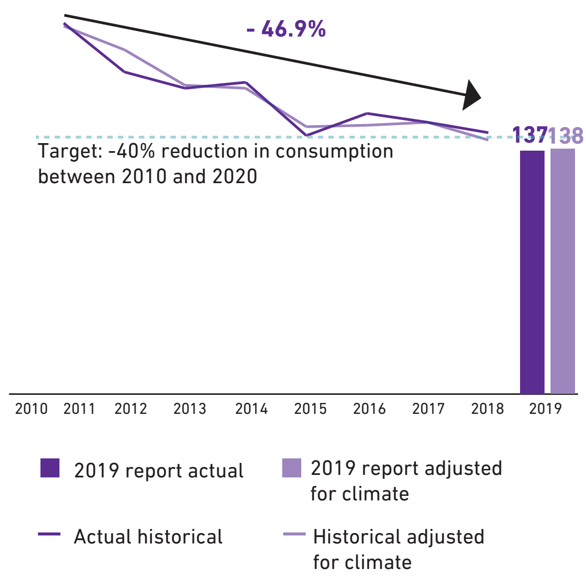
- the portfolio energy master plan: the first energy audits were conducted across the whole portfolio in 2013. The master plan was drawn up in 2017 and allowed the Group to take stock of the progress of reduction efforts. In practical terms, for each centre an action plan was drawn up with a view to being updated in 2020, incorporating structure, technical facilities and operational management in particular;
- the Environmental Management System (EMS) across the full portfolio: 100% of technical and operational teams have received training since 2014. The EMS allows for gradual improvement of the environmental performance (and thus the energy efficiency) of shopping centres by thorough implementation of best practices for operations and reporting.

For a number of years, Altarea has also been testing an innovative solution for a real-time breakdown of the energy consumption for a shopping centre by source, working with the start-up Smart Impulse. It will make it possible to monitor consumption very carefully, and to manage it more closely.

The aim of combining these two actions is to continually improve the environmental performance of the assets and meet the objectives revised upwards by the Group in 2019, on a like-for-like basis and under constant conditions.

- 40% reduction in primary energy consumption per m² from 2010 to 2020, and 50% reduction in final energy per m² between 2010 and 2030;
- 70% reduction in greenhouse gas emissions per m² from 2010 to 2020, and zero emissions by 2030.

PORTFOLIO ENERGY CONSUMPTION
(LIKE-FOR-LIKE SCOPE IN kWhpe/m²)



By the end of 2019, this approach to energy management had led to a 46.9% per m² drop in energy consumption on a like-for-like basis, constant use and climate compared to 2010.

Consumption in particular decreased by 10% between 2018 and 2019, which shows how the issue of energy has been considered by the portfolio sites, and the acceleration of efforts made to reach the Group's ambitious objectives. For example, many sites have replaced their old lights with LED lights, or have even adjusted the operating hours of their technical equipment.

Electricity made up 75% of the portfolio' energy supply in 2019. In comparison with 2019, gas consumption has decreased by two points in the energy mix. This energy mix includes the energy consumption of common and private-use areas managed directly by Altarea. In addition, the Group has chosen, since 1 January 2016, to purchase green electricity with its national contract: 50% between 2016 and 2018, and 75% from 2019. Through the European mechanism for certificates of guarantee of origin, for each kWh purchased by the Group, EDF has agreed to inject one kWh of renewable electricity into the grid.

Energy metering systems for tenants and occupant awareness

The energy consumption of buildings depends on their design but also on their use and management. As such, for Retail projects under development that undergo environmental certification, in order to enable its occupants to access detailed energy monitoring, Altarea goes beyond regulatory requirements for metering and makes dedicated equipment available to occupants. These systems empower occupants, giving them the tools necessary to understand their consumption in detail by use or zone and to rapidly identify sources of overconsumption.

At the level of its portfolio, Altarea is working with its stakeholders in order to gain a better overall picture of the energy used in its shopping centres, including by equipment that does not belong to it. The Group has been collecting annual energy data from its tenants since 2014 in the shopping centres in the portfolio with the highest consumption. They accounted for 384,478 m² GLA in 2019. This makes it possible to establish a consumption profile according to the various types of retail business, and to have an overall view of energy consumption of the portfolio shopping centres as a whole, once added to the energy managed by the Group.

BREAKDOWN OF THE PORTFOLIO'S ENERGY CONSUMPTION
(CURRENT SCOPE)

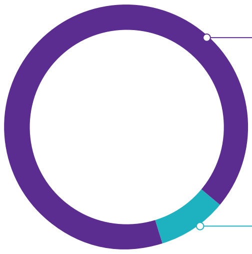


Table: Summary of the Group's climate solutions

Drivers	Description of the solutions and main results
Low-carbon mobility	In the design phase: select sites that have good links to public transport networks to reduce occupants' carbon footprint ▪ *99% of residential units and 100% of offices are within 500 metres of public transport* ▪ *75% of centres are less than 500 m from a transport route with a frequency of under 20 min* Offering additional sustainable mobility solutions in regions ▪ *E.g. the "La Bastide de la grande Duranne" (13) project includes the pedestrianisation of the entire neighbourhood and new cycle lanes*
Reduction in emissions from materials	Opting for the rehabilitation of existing buildings rather than new build, where the context permits ▪ *55% of Business property projects in the Paris Region are rehabilitations* ▪ *E.g. Cogedim Club® opened a seniors residence in Arras' (62) former Schramm barracks, a historic site renovated by the Group's subsidiary Histoire & Patrimoine (which is dedicated to rehabilitation)* Rethinking design to increase lifespan (modularity, reversibility) and intensity of use of buildings ▪ *E.g.: at Cap 3000 (06), car parks are designed to be reversible and potentially transformed into retail space* ▪ *83% of Business property projects are multi-use* Prioritise low-carbon materials for projects ▪ *E.g. in Les Grands Moulins de Paris (59), the demolition materials will be reused for pavement structures*
Low energy consumption	Designing buildings with high energy performance levels ▪ *100% of Business property projects exceed thermal regulation requirements by more than 30%* ▪ *54% of Residential projects have an energy label* Raising occupants' awareness to reduce in-use emissions ▪ *E.g.: in the Nudge building (Paris thirteenth district), the Group is encouraging ecologically friendly behaviours* Reducing the building's energy consumption through bespoke management ▪ *-46.9% kWhpe/m² since 2010 across Altarea's retail portfolio* ▪ *-59.5% kgCO_2e/m² since 2010 across Altarea's retail portfolio*

4.2.3 Protecting biodiversity and soil DPEF2

Scope	Objective/Commitment	2019 Results	2018-2019 Evolution	Comments
Neighbourhoods	Have BiodiverCity® certification for all projects	**Certification is expected for seven of the neighbourhood projects**	**Increase**	The Group made this commitment when it signed the charter to preserve cities' biodiversity and incorporate the living environment into all urban projects
Retail	Ensure 100% of sites have a biodiversity action plan and implement initiatives across the portfolio	**100% of sites have a biodiversity action plan**	**Stable**	The target is met and maintained each year
Retail	Have BiodiverCity®certification for all new shopping centre projects	**Cap 3000 is the first BiodiverCity® shopping centre in the world**	**Stable**	This certification reflects the Group's strong commitment to preserving ecosystems.

Combating urban sprawl and the artificialisation of the soil and protecting biodiversity, including in the urban environment, are big issues for local communities. Against a background of extinctions of species and deteriorating natural environments, local and national regulatory pressure is rising, as are public expectations.

Altarea is convinced that proximity of services and activities and mixed-use provide a better quality of life to city-dwellers. For this reason, most projects are sited on land that is already artificialised or undergoing urban renewal.

The challenge is to reintroduce nature for the well-being and comfort of its customers.

The Group's activities do not release directly toxic discharge or pollution into the environment or water. On construction sites, the Group has its service providers sign a low nuisance construction site charter to ensure that they manage their waste.

The Group keeps a step ahead of regulations thanks to its excellent knowledge of possible issues and actions in relation to biodiversity, *via* diagnostics, internal training and pilot projects. In-house, an awareness-raising programme has been running since 2017, with the creation of operational guides for all teams (design, property development, operations, etc.), presenting technical solutions and best practice in biodiversity.

Finally, in March 2018 Altarea signed the International Biodiversity & Property Council (IBPC)'s BiodiverCity® charter under which it is required to protect biodiversity in cities and incorporate the natural world in any urban project.

Large mixed-use projects, Residential and Business property

Land management

The Group is mainly active in cities and prioritises denser cities and urban redevelopment over urban sprawl and the artificialisation of soil. This is shown by the number of rehabilitation or repurposing projects and revamped districts in redevelopment zones across all its activities. Its subsidiary Histoire & Patrimoine has specialised for more than 15 years in restoring old buildings throughout France. In 2019, 55% of Business property projects in the Paris Region were rehabilitations. Urban redevelopment also helps bring nature back into the city by restoring green spaces or improving their integration with the local natural environment. For instance, as part of the *En vert gure* project to redevelop a former examination centre in Lognes as a residential building, Pitch Promotion replanted a third of the project's surface area.

Tools used to protect biodiversity

The Group pays particular attention to maintaining or enhancing the fauna and flora present. Biodiversity is always considered in the Group's ambitious certification strategy across all its activities.

For large projects, already closely regulated, the Group always exceeds requirements with in-depth studies and action plans. An independent environmental specialist is consulted for all projects subject to BREEAM® certification. This makes it possible to identify, for each project, the best management approach and the right species to improve biodiversity or restore a habitat on the site. Recommendations are included in the project management specifications for preserving the ecology of the site. For example, the phasing of the restoration works for the Histoire & Patrimoine *Cour des Cavaliers* project located in Compiègne has been adapted based on swallows' nesting periods, and new nests as well as a natural pond will be installed. Ecological monitoring is planned to assess the impact of the measures.

In addition to the BiodiverCity® label, some projects also apply for environmental certifications such as HQE or BREEAM®. They impose more demanding requirements for biodiversity in a property development. This certification is sought for several Business property projects in the Paris Region and for all district projects. The Group is also trialling the pilot version of BiodiverCity® district in its Issy Cœur de Ville project.

Nature in the city and well-being

Aside from the importance of limiting waterproofed surfaces and creating spaces that welcome biodiversity, the presence of nature in the city is an important factor for the well-being of citizens and users. The Group is working on the concept of biophilic design in its projects (see. 4.3.2).

The balance between buildings and green spaces allows natural light to come through and offers nice views, enhancing the comfort felt by users. Choice of materials and relaxation spaces (play and picnic areas, etc.) also help. Encouraging the presence of small animals, birds in trees and amphibians in ponds further enhances the educational and leisure attributes of the district.

Moreover, planting at ground-level or in the façade or roof, is a means of combating urban heat islands (see 4.2.2) by reducing the temperature during heat waves.

PROTECTING BIODIVERSITY IN TOULOUSE

Special importance is given to nature in the project at the former test-flight centre in Toulouse (CEAT). The water- proofing of the site will be reduced by 17% and half the surface area of the district will be ground-planted green space. Small animal habitats and corridors will be installed to protect local fauna.

Their needs are also considered during construction work: the works schedule was adapted, and replacement habitats installed.

Retail

Land management

Compliance with regulatory standards is essential when opening a shopping centre in a region. Land-use plans (P*lans d'Occupation des Sols* – POS) and local development plans (*les Plans Locaux d'Urbanisme* – PLU) establish the conditions of land-use by setting a land-use ratio to be applied.

Beyond these standards, the Group also limits the artificialisation of greenfield land by favouring already urbanised land for its new developments, such as zones undergoing urban renewal or stations. For example, Cap 3000 and Montparnasse station have not led to any artificialisation of land as they are located in urban or developed areas. The Cap 3000 has even managed to reduce artificialized and sealed land with 2.5 times more planted spaces after works than before.

Tools used to protect biodiversity

Altarea holds the belief that shopping centres must integrate into their environment in order to protect and reintroduce biodiversity and contribute to visitor well-being.

During the development phase, an ecologist is hired as standard, as was the case for the recent projects L'Avenue 83 and Cap 3000. The Group uses certifications as tools for continuous progress. Aside from BREEAM®, which is applied to all new developments, Altarea is testing new certifications: Cap 3000 was the first shopping centre in the world to receive BiodiverCity® certification, which assesses the performance of property projects in terms of the consideration and promotion of biodiversity. This year, the Group has undertaken to have this certification for all its new retail projects.

CAP 3000: THE FIRST SHOPPING CENTRE TO RECEIVE BIODIVERCITY® CERTIFICATION

Inaugurated in 1969 in Saint-Laurent-du-Var, one of the first shopping centres in France, Cap 3000 is now undergoing a major renovation and extension which is subject to very high environmental standards in terms of biodiversity, in particular.

The project incorporated biodiversity in its governance from the design stage through its partnership with the French League for the Protection of Birds (*Ligue de Protection des Oiseaux* – LPO).

Biodiversity measures are included at all stages of the project:

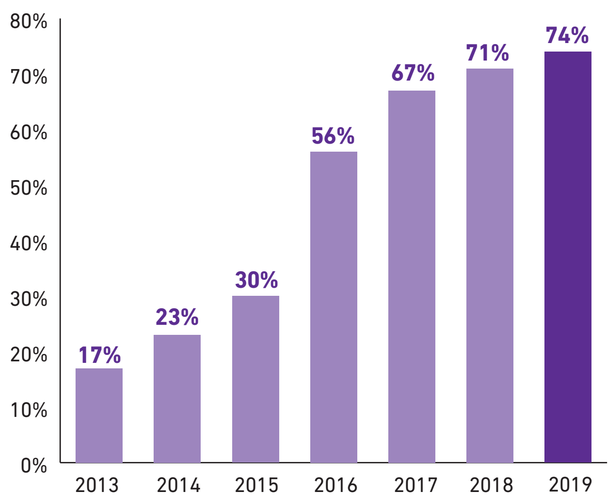
- architecture that respects and imitates nature: plant screen the length of the Var wetland, buildings that incorporate nesting sites, printed glass to prevent bird strikes, acoustic treatment of delivery bay, reversible architecture, etc.;
- a flagship construction site planned to take into account bird nesting seasons;
- responsible management and raising public awareness, with an observatory on site.

In the operational phase, the Group took steps to involve all shopping centres in better taking into account biodiversity. Through BREEAM® In-Use certification – now applying to 100% of the Group's managed sites – respect for and conservation of biodiversity are assessed and improved on a continuous basis. For example, in this context Altarea asks its green space service providers to cease the use of phytosanitary products on all portfolio sites.

The Group has prepared specific biodiversity action plans for all of its shopping centres within the reporting scope. The current objective is to maintain this coverage rate, and to continue implementing these improvement plans by developing biodiversity activities across the sites.

The average score under the Land Use & Ecology category of the BREEAM® In-Use guidelines is continuing to improve across the portfolio. This year it stands at 74% compared to 17% in 2013. This is evidence of the efforts by shopping centre teams in taking measures that are tailored to their local environment.

CHANGE IN THE AVERAGE BREEAM® IN-USE "LAND USE & ECOLOGY" SCORE



Nature in the city and well-being

Because contact with nature promotes the well-being of visitors, Altarea is also taking care to involve them in the biodiversity initiatives of its shopping centres, particularly through awareness-raising.

This is, for example, the goal of the OCEANS project, which is the result of the partnership between Altarea, through its Cap 3000 shopping centre (Saint-Laurent-du-Var), MK2+ and the Oceanographic Institute Albert I Foundation. This 360-degree virtual aquarium enables visitors to explore the seabed and provides a realistic and immersive virtual odyssey through these rich and fragile ecosystems.

The Group's shopping centres have also worked proactively to protect nature, by implementing various initiatives. For example, the -X% shopping centre (Massy), Flins shopping centre and Ambrésis business park (Villeparisis) have set up wildlife sanctuaries with an explanatory poster. Aubergenville Family Village and Les Hunaudières Family Village (Ruaudin) mowed and carefully cut the grass in order to preserve the biodiversity of the sites.

4.2.4 Promoting the circular economy DPEF5

Scope	Objectives/Commitments	Indicator	2019 Results	2018-2019 Evolution	Comments
Business property	Favour rehabilitations to reduce resource consumption and greenhouse gas emissions	Share of rehabilitations in the Paris Region by surface area	55%	Decrease	The Group always considers the possibility of rehabilitation, with equal performance and comfort, rather than a complete demolition-reconstruction. Although down since 2018, the figure rose by +18% compared with 2016
Retail	Recover over 80% of waste at Standing Assets	Share of recovered waste	90%	Stable	Waste recovery is promoted, notably with the implementation of composting for restaurants

The construction industry (buildings and civil engineering projects) generates 70% of all waste in France[1]. In light of this, the Group launched a long-term reflection on how best to manage and use natural resources, re-use or reduce waste, and how to put eco-design principles into practice (use of alternative sources, extending building life, intensifying usage, etc.).

The circular economy, which is the opposite of the linear economy (produce, consume, destroy), is a virtuous way to make the most of resources and reduce the environmental impacts of property throughout the life cycle of a building;

- design: the most important phase as the aim is to find a solution that balances the environmental impact of resources used (rehabilitation, recycling, reuse, etc.) and a building's capacity to avoid early obsolescence (energy performance, evolving and reversible architecture, ease of deconstruction, etc.);
- construction: reducing waste generated at construction sites, sorting, reusing and promoting recycled or local materials;
- operation: reducing consumption and waste generation in the operational phase, sorting and reusing residual waste, extending the building's useful life while intensifying and diversifying its uses to sustain its economic value;
- end-of-life: increase the life of the building by allowing for changes of use. Where conversion to new use is impossible, a diagnostic is conducted to decide whether the best solution is rehabilitation or demolition.

Altarea is committed to building high-performance buildings and adopting the principles and best practice of the circular economy at every stage of its projects.

Due to its presence in urban areas, Altarea confronts the issues of density and age of the urban fabric. First, the Group always considers the possibility of rehabilitation, which is less costly in materials and produces less waste than a full demolition and reconstruction. Then, from the building design phase, the Group incorporates a certification process which is used to roll out good practice such as clean construction charters for example, which limit the disturbances caused by construction sites (noise, vibrations, etc.) and set the conditions for sorting and recovering waste.

Moreover, the Group's multi-business model means it is able to offer mixed projects at neighbourhood level but also at the level ofeach building, making them flexible and scalable over time and thus reducing the risk of obsolescence.

Hazardous waste is not produced directly by the Group's activities. On construction sites, the Group's service providers may have to deal with hazardous waste, particularly in the case of demolitions/rehabilitations. For example, by signing a clean site charter, this waste must be treated correctly.

Initiatives specific to each business line (Residential, Retail, Business property) to each project stage and throughout the building's life are also implemented.

Residential

Rehabilitation

One of the Group's brands, Histoire & Patrimoine has specialised for more than 15 years in the rehabilitation and restoration of old buildings throughout France. The façades and supporting framework of buildings are always preserved, unless there is a proven structural problem. In 2019, this activity represented over 135,000 m² of rehabilitations in progress or completed during the year.

Recycled or local materials

Whenever a building cannot be rehabilitated, the Group carries out a demolition and reconstruction looking to reuse the waste from demolition. Waste is reused on the same site wherever possible or made available on materials exchange platforms.

Use of recycled and/or local materials also helps reduce a project's environmental impact. In 2019, 73% of construction site purchases were from local sources (see 4.2.1).

LES GRANDS MOULINS DE PARIS IN MARQUETTE-LEZ-LILLE (59)

This 1921 complex – the product of early twentieth century industrial architecture – underwent rehabilitation and was converted into a building with 246 residential units and a retail space.

Efforts were made to priority the reuse of the site and minimise demolition. As a result, most of the concrete flooring and concrete frame have been preserved. The cobblestones will be reused for the redevelopment of the outdoor constructions. Lastly, two 1970s concrete silos will be demolished and crushed to be reused as a base layer for the pavement structures (around 10,000 t).

(1) "Waste, key figures" published April 2018 - Agence de l'Environnement et de la Maîtrise de l'Énergie (ADEME). France generated 324.5 million tonnes of waste in 2015.

Low-waste construction sites

The Group is steadily extending clean site charters to cover all its Residential projects. These charters notably impose measures to limit the production of waste at source, identify waste on-site, ensure tracking until final destination and conduct effective and efficient recovery of waste. In 2019, 93% of Residential projects (by number of housing units) were covered by a clean site charter. Some sites also ask suppliers to limit product packaging to reduce site waste.

Intensification of use and reversibility

During the design and operational phase, the Group seeks to intensify its use to avoid underuse of spaces. As a result, parking spaces at some residences, such as those planned for the "Les 5 jardins" project in Villemonble, may be available to the public when they are not used by residents. Also, Cogedim Club® residences, for senior citizens, regularly take in business travellers to fill vacant apartments.

Business property

Rehabilitation and recycled materials

The Group has developed unique expertise which means its rehabilitated buildings achieve energy and comfort performance levels equal to those of its new buildings. 55% of Business property projects in the Paris Region are rehabilitations (by surface area), a 18% rise since 2016.

55% of Business property projects in the Paris Region are rehabilitations

The environmental impact is also reduced by using reused, recycled and/or local building materials. For example, the insulation materials for the Richelieu project, the Group's future headquarters, are made from recycled cotton fibres.

Low-waste construction sites

In the construction phase, the Group is aiming to hit the target set by the energy transition law of recycling 70% of construction waste by 2020. In 2019, Business property projects set a site waste recovery objective of at least 70%. They surpassed this objective as the real recovery rate for secured projects, delivered in 2019, was 99%, 94% of which materials (in tonnes).

Intensification of use and reversibility

Owing to the Group's expertise across a range of businesses, 83% of the surface area of Business property projects is multi-use: offices, retail, facilities, services, etc. For example, some of the spaces on the ground floor of the Kosmo offices project in Neuilly-sur-Seine can be transformed into retail space. By developing adaptable and convertible spaces, the Group reduces building obsolescence.

83% of Business property projects are multi-use

Retail

Construction waste management on new Retail developments

By rolling out the Group's construction charter, which requires contractors to sort and manage construction site waste, excellent performances were posted once again this year in terms of recovery. The Cap 3000 redevelopment/extension project therefore reused 87% of its construction site waste.

Waste produced by the portfolio

At the Group's shopping centres, the overwhelming majority of waste is generated by tenants and there is very little that Altarea can do to control the production level. The Group focuses its actions instead on increasing sorting rates and the rate of energy recovery and managed waste.

Details of the quantities produced, and the monitoring of the share of sorted and recovered waste, are available in the end tables, in Chapter 4.5.2.

Improving sorting in shopping centres

The Group has implemented actions to increase this share of sorting: closer monitoring of sorting by merchants and more sorting *via* the inclusion of new types of sorted waste (glass, fermentables, lighting, etc.) in particular.

The breakdown of waste in the portfolio is 65% for mixed non-hazardous industrial waste, and 35% for cardboard and other sorted waste. Thanks to the initiatives implemented, the proportion of sorted waste in the current scope has increased since 2010.

Over the last four years, the Group has been close to its target of 50% of waste sorted and will continue in its efforts to meet it.

Increasing recovery

The Group also looks for the best service providers to recycle, recover and ensure the traceability of waste. In 2019, 30% of the waste produced in shopping centres managed by the Group was recycled, 53% was incinerated with energy recovery and 7% was recovered in another way (reuse or composting, for example). In all, 90% of waste is recovered, the remaining 10% is dumped or incinerated without energy recovery. The Group's goal of over 80% recovery has been maintained since 2013.

Raising awareness among stakeholders

Since waste volumes are directly linked to the commercial activity of tenants, the Group focusses its efforts on steadily increasing the proportion of waste sorted and raising tenant awareness of improved waste management.

Tenant surveys conducted in recent years showed that sorting waste and recycling were the most-cited issues among tenants: As a result, Altarea organises meetings with retailers in its shopping centres, and in particular suggests ways to improve waste management, for example, a welcome guide for new recruits, or regular briefing notes.

The Group also encourages visitors to its shopping centres to reduce food waste, by recommending retailers selling foodstuff to work with the start-up "Too good to go", which has created an app which enables individuals to buy unsold food for a fraction of the price.

MAKING RECYCLING AN ART

The Bercy Village site in Paris works regularly with artists to decorate its outside walkway. It is in this context that Bercy Village installed its 2019 summer decoration "BUBBLE SKY": 3,200 balloons hanging over the Saint-Emilion courtyard. When the installation was taken down, all of the balloons were donated to the La Réserve des arts association. This association resells a kilogram of balloons for €1 to artists and art students, which is an original way to encourage the recycling of its waste.

Corporate

Group employees were informed about how to reduce their environmental impact, in particular that linked to waste. As a result of pre-sorting at headquarters in 2019, 76% of office waste, mainly paper/cardboard was recycled.

In addition, in June 209, fairs for exchanging objects between employees were organised during Sustainable Development Week at the Group's different regional departments.

As part of the relocation of the offices located in the Paris Region to the new Richelieu headquarters (Paris second district), "Cleaning Days" have been organised for 2020 to anticipate departures and enable quality sorting and reuse of personal belongings that will not be kept.

Summary: circular economy issues in the property sector

Stage	Description of the issues and key results
Design	The most important phase: reducing the environmental impact of resources used (rehabilitation, recycling, reuse, etc.) and designing a building to avoid early obsolescence (energy efficiency, flexible and reversible architecture, ease of deconstruction, etc.) ■ *Kosmo, rehabilitation of an office building with performance to match newbuild*
Buildings	On-site: reducing waste generated, sorting, reusing and favouring recycled or local materials ■ *94% of Business property site waste recovered through reusable materials* In the case of demolition: reuse materials, favour reuse on-site or through materials exchange platforms ■ *In Les Grands Moulins de Paris (59), materials from the demolition were reused to make pavements*
In operation	Reducing consumption and waste production, sorting and recovering residual waste ■ *90% of waste recovered across the portfolio* Intensifying building use (diversification of uses, convertibility, etc.) ■ *83% of Business property projects are multi-use*
End of life	Extending the life of the building or allow its use to evolve Where further conversion is impossible, a diagnostic is conducted to decide whether the best solution is rehabilitation or demolition ■ *At Cap 3000, car parks are designed to be reversible and might be transformed into retail space*

4.2.5 Other environmental and health issues *DPEF11*

Details can be found in the chapter on risk management (Chapter 5 of the Universal Registration Document), under "Health and public safety risks".

The Group was not convicted for any environmental-related issues during the year.

4.2.6 Philanthropy and partnership

Continuation of the Group's philanthropy policy

In 2019, Altarea continued to publicise and apply its philanthropy policy, in line with its desire to make a positive impact in its regions, around three main themes which, in particular, strengthen the Group's local ties:

- contributing to economic development of the regions by strengthening links to the local social fabric (associations, social enterprises, social economy, etc.) to enhance the positive impacts of its activities on the local economy, particularly jobs;
- social initiatives: sharing the Group's skills to help the most in need, by, for example, promoting access to housing and supporting charities that create social cohesion locally;
- support for culture and artistic creativity, bringing art to a wider public, anchoring the Group's property projects in their cultural context.

Contribution to local economic development

In 2019, Altarea committed to the Canaux association, in particular for the deployment of its programme to support ethical trade. This partnership resulted in a meeting between Group employees and stakeholders in the social economy during a meet-up organised during social economy month in November.

Social initiatives – Renewed partnership with *Habitat et Humanisme*

Altarea renewed its support for *Habitat et Humanisme*, with a new three-year partnership agreement, for €373,000/year. At the time of this renewal, Altarea's desire was to guide the partnership to promote inclusive and intergenerational housing. Through this initiative, the Group has affirmed its commitment to a more inclusive city and its contribution to the most disadvantaged sector.

The renewal of this commitment will also strengthen local links between the *Habitat et Humanisme* associations and the various Group subsidiaries.

Since 2007, Altarea has partnered with *Habitat et Humanisme* to work together over the long term, to find housing solutions for people on low incomes. The Group contributes in a number of ways:

- participation in the funding of 15 social residences (family boarding houses and intergenerational houses), representing over 350 housing units;
- for the last eight years, funding three management posts in *Habitat et Humanisme* in the Paris Region, combined with sponsorship of skills to help extend their field of action;
- involvement of Altarea employees in the partnership by, in 2019, helping to select two support projects on the association's crowdfunding platform. Donations to the "shared garden to cultivate living together" project at the *Habitat et Humanisme* intergenerational house in Toulouse and the "renewal of refrigeration equipment for the communal kitchen" at the La Forêt family boarding house in Nice were matched by the Group entirely. Furthermore, 2019 also included the participation of certain employees in the Soli'Run, a race to promote social cohesion, the profits of which were donated to *Habitat et Humanisme* in the Paris Region to build a new residence.

Supporting culture and culture for all

Altarea is always keen to promote young talent in all art forms (sculpture, painting, music, etc.) through a number of initiatives, for example:

- since 2015, an official partnership with *Festival d'Aix*, an unmissable event for lovers of opera and classical music. The *Festival d'Aix* is not only an internationally recognised venue for excellence in opera but also encourages the introduction of new artists as well as access to opera by an increasingly wide audience. These values are shared by Altarea: a responsible and committed company which wants to share its passion for art with as many people as possible. The Group is also partner of the Aix-en-Provence Economic Meetings, an event for reflecting on the business world;
- restoring and revealing the Montparnasse station Vasarely murals to the public, following the partnership agreement set up as part of the renovation of retail space at the station, in order to keep the artwork and showcase its twentieth century heritage;
- the partnership with *Cité de l'Architecture et du Patrimoine*, with the support of the "*Éloge de la méthode*" exhibition. This is the result of the similarity between the institution's and the Group's concerns regarding the construction of the city. The exhibition puts into perspective the specific approach of the *Gare d'Auteuil* project – the result of an international competition launched by the city of Paris and carried out by a group made up of four architects;
- the donation to *Fondation du Patrimoine* for the reconstruction of *Notre-Dame de Paris* cathedral following the fire that destroyed the roof, the thirteenth century framework, Viollet-le-Duc's spire and several vaults. The Group has also matched donations from its employees.

4.3 Customers at the core of the processes

4.3.1 Dialogue in service of customer and user relationships DPEF1

Scope	Objectives/Commitments	2019 results	2018-2019 Evolution	Comments
Group	Working to satisfy customers across all our business lines	**3rd place in HCG's ranking of customer hospitality**	**Increase**	In 2019, the Group is continuing to make customer satisfaction a priority: speed and quality of responses given to customers and gradual roll-out of new Cogedim stores at national level
Residential	Commitment to customer satisfaction	**Awarded Customer Service of the Year[(a)]**	**Stable**	In 2018, 2019 and 2020 the Group received this award which recognises its efforts in favour of customers over several years
Residential	A quality guarantee: 100% of projects certified NF Habitat[(b)]	**100% of projects certified NF Habitat**	**Stable**	The Group has been 100% NF Habitat certified for four years, reflecting its continuous efforts to strive for quality
Serviced residences	Establish a formal dialogue with residents to improve services	**At least one monthly meeting with residents in each of the ten residences**	**Stable**	For a number of years the Group has committed to maintaining continuous dialogue with residents
Retail	Continually improving and enriching the customer's visit experience	**Satisfaction index: 7.7/10**	**Stable**	The satisfaction index of visitors to shopping centres is stable and testifies to the efforts made to keep the sites attractive and pleasant and to increase leisure offerings
Retail	Strengthen dialogue with tenants	**Deployment of the Brands Pact**	**New roll-outs in 2019**	The Group has been measuring tenants' satisfaction on CSR issues since 2017. Since 2018, the Brands Pact has boosted interaction with tenants with a view to establishing a collaborative relationship

(a) Property Development category – BVA Group research and consulting firm – Viseo CI – May to July 2019 – More information at escda.fr
(b) Excluding co-development, rehabilitations and managed residences.

The changing structure of households, new forms of work and mobility, the growth of the collaborative economy… social and technological changes are transforming customers' ways of life and habits. They are looking for custom solutions and desire a special relationship with their contact throughout the buying experience.

Altarea is committed to changing its offers so that they continue to meet customer needs and expectations. To do so, the Group is strengthening its relationships with its customers. In each of the activities, measures to promote dialogue and assess satisfaction have been rolled out: surveys and studies, face-to-face or digital interactions, etc. Customer satisfaction is Altarea's top priority and the Group values excellence and creativity in serving its customers.

WE ARE ALL INVOLVED IN PROVIDING CUSTOMER SATISFACTION

Customer satisfaction guides the Group's action. In 2018, the Group created and deployed a wide ranging training programme for its employees in the Residential sector. The goal was to promote awareness and emphasise that everyone has a role in customer satisfaction. From development to after-sales service, nearly 700 people participated in learning modules with fact sheets at each stage of the customer experience.

On the back of its success, the scheme has been renewed and extended to include the Retail sector. In 2019, over 300 people took part. The scheme will continue to be rolled out to other Group business lines.

Residential

Customer Service takes care of customer satisfaction at each step of the buying experience. In-house procedures are dedicated to dialogue and monitoring satisfaction at each step.

Dialogue with customers

The customer experience is based on a human and personal relationship at each step of the project. The customer is supported by a dedicated point of contact, the Customer Relations Manager, from signing at the notary's office to delivery. When the keys are handed over, a single after-sales service executive takes over and provides continuity of customer support.

This support is also digital. A personalised on-line space is provided to the buyer from the time housing has been booked. It allows the customer to obtain information on the different steps of the buying experience and to obtain answers to questions through practical guides or FAQs (for example: personalisation, progress on the work site, visits, etc.).

What's more, for the customer experience, Altarea also offers its customers 'live' immersion and help in the personalisation of their home at a unique dedicated location: the Cogedim Store.

THE NETWORK OF COGEDIM STORES

The Cogedim Store is an innovative space that goes beyond a traditional sales space. Customers can view show apartments, browse the choice of materials and equipment as well as customisation packs and enjoy an immersive digital experience. It helps customers to imagine themselves in their future home.

Since 2016, several Cogedim Stores have opened in Paris, Bordeaux, Toulouse, Marseille, Lyon and Nantes. Other openings are expected soon.

Moreover, the Group has partnered up with Sourdline, the leading call centre for the deaf and hard-of-hearing. The customer may thus interact with each contact along the customer path thanks to the presence of an interpreter, *via* webcam, chat or in-person.

Finally, future residents are given a guide on green habits just before they move in to give them tips on improving their comfort (air quality, noise, comfort in summer, planting, etc.) and reducing their environmental impact (energy and water consumption, sorting waste, etc.).

Measuring and monitoring customer satisfaction

Each year, the Group conducts a study to measure customer satisfaction at two key moments in the buying experience: six months after the deed of purchase is signed and six months after delivery of housing. The goal is to better understand the expectations of customers and any possible shortcomings encountered during the buying experience. Questions range across a large spectrum of subjects from customer trust at the time of purchase to the endorsement rate at the end of the experience.

The endorsement rate is considered as the indicator that best sums up the customer experience since it measures his or her attachment to the brand by rating the likelihood of recommending Cogedim or making another purchase. The Group has set as a goal to reach a 70% recommendation rate for each of its regional offices. In 2019, the approach bore fruit with the endorsement rate up ten points on 2015.

In addition, the Customer Services Department monitors spontaneous comments by customers on its Immodvisor platform. This independent platform records and checks the comments submitted by customers. In 2019, over 2,000 comments were checked. They showed a satisfaction rate of 90% and a recommendation rate of 98%.

In addition, mystery shopping is also carried out across the territory, with tests at both physical sites and in sales offices, but also in exchanges by email or *via* social media.

EFFORTS REWARDED

For the third consecutive year, the Group was presented with the "Customer Service of the Year 2020"(1) award for the Cogedim brand, in the category of Property Development. This award assesses the quality of customer relations with mystery shoppers (telephone, email or questionnaire, internet sites and social media).

In January 2020, the Group moved up 3 places ranking 3rd in HCG's customer welcome rankings for 2020. This ranking puts the customer services of the 200 biggest companies in France against each other by testing all of their channels: telephone, letter, email, website and social media.

Cogedim Club® Residences

Altarea develops and manages Cogedim Club® senior residences, designed to meet the specific needs of seniors. To best adapt to their expectations, the Group used several means that combine market research, satisfaction surveys and field analysis.

Each year, the Group publishes a barometer dedicated to looking at the changes in senior lifestyles. This study is conducted by interviewing a national sample of nearly 1,000 people representing the senior population. It analyses the lifestyle of seniors in terms of an annual theme. In 2019 the study specifically addressed "ageing well": health, autonomy, connections, etc.

Furthermore, each of the residences has a team dedicated to listening to the needs of residents in their daily routine. Once a month, a plenary meeting is organised between resident tenants in each of the residences in order to listen to their needs and expectations. The following subjects are addressed: life in the apartments and common areas, services and overall satisfaction.

Short-term residents are also questioned through satisfaction surveys.

These *in situ* measures make it possible to understand the level of residents' satisfaction and their level of facility use as well as identify desired changes. A half-yearly meeting is organised with the management of Cogedim Club® and allows for a discussion about areas for improvement or necessary changes with the agreement of occupants of the residences. The information gathered also serves to modify specifications for future Cogedim Club® projects.

Business property

In a context of rapidly changing work patterns and employee expectations in terms of their working environment, the Group listens to its partners and users.

Altarea has a customised offering, designing offices that promote team productivity and the comfort and well-being of staff. In 2017 Altarea has interviewed 18 real estate divisions of major companies to assess their needs and expectations. The subjects addressed included the expectations of corporate accounts and their perception of landlord-tenant relations. It made it possible to categorise a building by best integrating their needs.

In 2019, the Group structured its offering by creating the entity Altarea Entreprise Studio with the aim of providing a coherent and efficient response to changing uses and new ways of working so as to offer users innovative products and meet their requirements. Its remit is to design buildings that are able to evolve through time due to their architecture, technical design but also their services.

Altarea Entreprise Studio operates upstream of operations, determining requirements and uses and anticipating new ways of working and designing the office of the future with multiple uses. In particular, in its thinking it incorporates phenomena such as the fragmentation of working methods and coworking and the office building as a means of boosting the appeal of the employer's brand.

Retail

In its shopping centres, Altarea interacts with two customer groups with very distinct requirements and modes of dialogue: visitors and brands.

Measuring visitor satisfaction

The flow of visitors to the shopping centres is testimony to their success and attractiveness and the quality of their image and that of the brands present in them. The Group pays particular attention to measuring visitor satisfaction and reinforcing the attractiveness of the shopping centres. This is done notably by organising leisure activities and holding events and sales demonstrations.

In order to measure the overall satisfaction rate of visitors and better understand what they are looking for in the shopping centres, the Group conducts quantitative and qualitative customer surveys. Based on the results, the teams draw up an operational action plan designed to improve the customer satisfaction index.

(1) Property Development category – BVA Group research and consulting firm – Viséo CI – May to July 2019 – More information at escda.fr

In 2019 the satisfaction index reached
7.7 out of 10

This index was calculated using on-site customer surveys conducted at nine shopping centres, representing 79% of the scope of current reporting by value. The satisfaction index for the shopping centres has held steady since 2015 – a sign of the teams' commitment to keeping the sites attractive and pleasant.

Attracting visitors and winning their loyalty

To maintain and reinforce the attractiveness of the shopping centres, Altarea takes care to mix retail outlets, food and drink, leisure activities, culture and services. Whether they involve sales drives, encounters with celebrities, solidarity actions, shows or activities for children, events are essential elements in the life of the shopping centres. They enable us both to attract visitors and reinforce the role of the centres in the region, as well as creating a different, enriching visitor experience.

EVENTS AT BERCY VILLAGE, PARIS (75)

Bercy Village prides itself on creating regular activities, sometimes with brands' collaboration. This year, Bercy Village organised three exhibitions held in the four passages and some 70 days of events, including theatre performances, dance, music, author events, you-tubers, DIY workshops, yoga workshops, art workshops for children and lots more.

These events were announced and commented on in the social media, and this attracted visitors, the merely curious and fans of the celebrity guests. Often in the form of signings, workshops or shows, these events provided an opportunity to intensify store traffic and to reinforce the cultural positioning of Bercy Village in the east of Paris.

For shopping centres under development, Altarea integrates leisure and cultural activities into its programming far upstream. For example, the planned shopping and leisure centre located at the heart of the Ferney-Genève mixed development zone (ZAC) in Pays de Gex-Ain features a cultural and leisure offering with Universcience and the creation of a new branch of the Georges Pompidou Museum, the third establishment of this cultural institution outside its original premises.

Strengthening relations with the brands

The Brands Pact

Since 2018, Altarea has been working on a new scheme called the Brands Pact, a programme of initiatives to support the move towards a collaborative relationship with brands. Its objective is to offer them better support throughout their journey with Altarea through:

- more services and gestures: for example, the introduction of a concierge for brands in 2020 at Cap 3000 and the introduction of an induction course and loyalty card for employees;
- more events for more discussion, such as themed breakfasts;
- more local marketing activations: customised marketing campaigns, optimisation of online visibility of points of sale, etc.

A huge survey of tenants was launched in 2018 to assess the satisfaction of brands and better identify their requirements. A similar survey, of new brands at Montparnasse station, was conducted in 2019 and the aim is to roll out the initiative to monitor their perceptions as accurately as possible and implement an appropriate action plan.

The green lease: a tool for environmental dialogue with tenants

Since 2010, Altarea has rolled out the green lease to promote the regular sharing of environmental information with its tenants: the Group applies it to all its new commercial leases as well as to its existing leases when these are renewed.

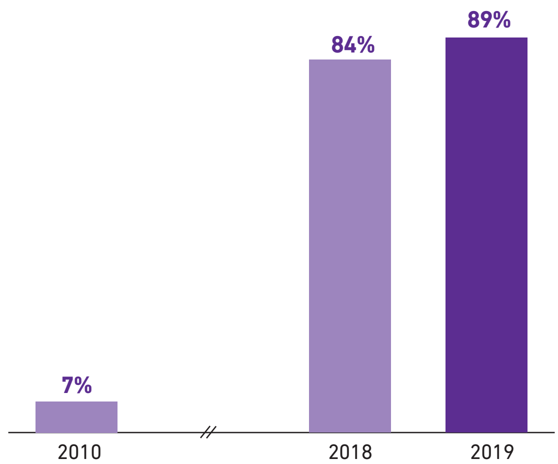
Specifically, the green lease gives Altarea a margin of environmental manoeuvre in two respects:

- the contractual exchange of environmental information allows Altarea to become familiar with tenants' fittings and installations, and also to have regular access to their energy and water consumption and waste production;
- the green lease requires the setting up of an environmental committee bringing together owners, tenants and all other stakeholders at each site. This committee is an opportunity to discuss the most effective ways of reducing the centre's environmental footprint.

Under a green lease on assets subject to such environmental certification, tenants undertake to comply with a set of technical, architectural and environmental guidelines that provide maximum power thresholds for any equipment they may install and recommendations regarding interior materials.

As of the end of 2019, the Group had signed 1,466 green leases out of 1,644 leases within its French portfolio, *i.e.* 89%.

GREEN LEASE COVERAGE RATE



CSR surveys for tenants: a tool for better understanding their expectations

In 2017 and 2018, Altarea conducted surveys of tenants at its shopping centres on issues around sustainability. In all, nearly two thirds of tenants were asked about their actions and expectations regarding CSR.

Since 2019, this initiative has been incorporated in the Brands Pact described above, which includes questions on CSR in annual surveys. The objective is to continue the dialogue on these subjects in the interests of improved cooperation.

4.3.2 Quality of life and well-being in operations DPEF1

Scope	Objectives/ Commitments	2019 Results	2018-2019 Evolution	Comments
Neighbourhoods	Develop pleasant living spaces	**Development of two WELL Community Standard neighbourhoods, including Issy Cœur de Ville, the first pilot project in France**	**Increased**	As a result of these projects, the Group plans to build up its expertise when it comes to quality of life in neighbourhoods
Residential	Certify 100% of projects NF Habitat[a]	**100% of projects certified or in the process of certification**	**Stable**	The Group has been committed since 2016 to NF Habitat certification, a guarantee of quality and environmental performance and comfort
Business property	WELL certification for 100% of projects in Paris Region	**86% of projects in the Paris Region WELL certified or in the process of certification**	**Stable**	This indicator is based on the target set by the Group to realise its well-being ambition. The figure has steadily increased since its introduction in 2017
Retail	Draw up and roll out a comfort, health and well-being strategy for shopping centres	**Creation of internal guidelines on comfort, health and well-being Evaluation of 100% of the consolidation scope**	**Stable**	Since 2017 the Group has produced its own internal guidelines on well-being and evaluates its portfolio each year so as to identify priorities for action

(a) Excluding co-development, rehabilitations and managed residences.

A project's quality of life and well-being are factors that create both social bonds for users and appeal for communities that have roots in sustainable urban development. The latter issue hinges on the search for balance in the diversity of projects (at the level of the neighbourhood and the building) in terms of housing, places of work, retail, services, culture and leisure with respect for the environment in which it is located.

The interior layout of buildings is also key with the increased importance of notions of comfort, security, health and well- being in terms of temperature, acoustics, air quality, lighting, usage, aesthetics…

Finally, each activity has its own challenges:

- in Residential, the ease of use and quality of equipment helps ensure the heritage value of the property over the long-term for investors;
- in Business property, employee comfort and well-being is a strong source of appeal for any business;
- in Retail, proposing a pleasant, practical customer experience and keeping it fresh, combining shops and leisure activities is now indispensable.

In all its real estate transactions, Altarea pays special attention to the quality of city life, going well beyond the applicable regulations to offer the user added value. It therefore deploys means to improve the customer experience with regard to well-being by drawing on external certifications (for example, WELL) and internal requirements.

The Group focuses on three components of comfort and well-being in each activity and for each project:

- quality of the location: the Group opts for density and proximity. Its projects are located at less than 500 meters from public transportation to promote user access and mobility;
- intrinsic quality of the building: air quality, acoustics, lighting, aesthetics… but also quality of use of the building and flexibility, so that it is adaptable to current as well as future uses;
- additional services provided by the project to complement those already offered locally. Altarea uses its skills and multi-product know-how to develop, for example, child care, quality food stores, leisure activities, etc. The Group also pays particular attention to nature's place in the city, recognised as a source of well-being for users, by developing green spaces for relaxing.

Large mixed-use projects

Thanks to its unique multi-activity positioning, Altarea brings together all the skills and services to design large mixed urban projects combining homes, shops, offices, etc. By working with communities, planners and other private stakeholders, the Group develops balanced neighbourhoods adapted to the needs of residents and users. The Group makes sure it offers a range of services, both diversified in the scale of the project and complementary to the offerings already present nearby.

Working on the scale of a neighbourhood also allows the Group to offer quality public spaces, mixing green spaces and recreation areas. The Group pays particular attention to the place of nature in the city (see 4.2.3).

ISSY CŒUR DE VILLE: WELL PILOT NEIGHBOURHOOD

The Issy Cœur de Ville project consists of the redevelopment of a site of about 3 hectares in the heart of downtown Issy-les-Moulineaux as a new mixed-use neighbourhood.

Fully pedestrian and developed around an urban forest, this neighbourhood has big ambitions in terms of quality of life for the city and its users. The neighbourhood will be endowed with a total of 1.3 hectares of landscaped spaces in patios and suspended gardens, in flower boxes and nature areas, shared and private.

It is the first pilot project in France with the WELL Community label, the benchmark standard in health and comfort on the scale of a neighbourhood.

Residential

The Group is developing healthy and comfortable residential buildings that favour social bonding and conviviality. It relies on the NF Habitat and HQE™ certification process and its team of interior designers. The Group also pays particular attention to interior air quality.

NF Habitat and user comfort

The NF Habitat standard exceeds the regulatory requirements in matters of health and safety, and focuses particularly on making pleasant, practical and comfortable places to live, with requirements regarding acoustic quality, visual comfort, proximity to services and public transportation, etc. (see 4.3.3). In 2019, 100% of Cogedim and Pitch Promotion Residential projects had either received NF Habitat certification or were in the process.

Moreover, plans for apartments are checked by the Group's team of interior designers to guarantee their practicality: easy circulation, "practical" amenities thanks to the appropriate position of electrical outlets, sufficient space for furniture...

Indoor air quality

The issue of air quality is key in residential property. Altarea approaches the problem in a global manner: by imposing health criteria in the choice of materials and the installation of equipment and by supporting buyers in a healthy and responsible occupying process. 100% of products and materials are labelled A at the least.

As an example, Altarea is using the "IntAIRieur" label on multiple projects including the Cours des Arts project in Mougins. This new measure commits all businesses working on the site to respect the guidelines in order to preserve the indoor air quality of residential units under construction. Once the project is finalised, two manuals are provided to users: one to the occupants and one to the Manager. These documents will guide them in the building's daily use and during maintenance operations.

On the Vallon Regny project in Marseille, residential units will be fitted with a smart heating management system. This system will reveal peaks of humidity or CO_2 in the air and offer corrective measures to residents.

Social bonding and Cogedim Club® residences

In the context of its Cogedim Club® residences for seniors, the Group adapted its offer to their specific needs by especially favouring the quality of social bonding, one of the principal selection criteria for future residents.

The range of residences combines adapted residential units, a programme of varied entertainment and a location in the city centre close to transportation, shops, health services and cultural programmes.

As for quality, the fixtures and furniture in residential units are carefully selected with suppliers to adapt to the constraints of ageing (floorings, level of foundations and bedding, sanitary facilities). They comply with ergonomic recommendations.

THE "GRANDPARENTS & RESIDENTS" PROGRAMME

In 2019, the Group launched the programme "Grandparents & Residents" in partnership with the site "*Grand Mercredi*". In a homely atmosphere, families of residents are invited to attend workshops on literature and transmission. A monthly newsletter also gives news of residents to family and friends.

Finally, the Group gradually rolled out the VISEHA label in its residences. This label attests to the quality of the services offered in the senior residences (see 4.3.3).

Business property

The quality of life in offices being a major factor of attractiveness to employees and large tenants/investors, Altarea develops very high quality work spaces. The topic of well-being has thus been integrated for numerous years, notably through BREEAM® and HQE certifications.

New ways of working

To respond to the new uses of Business property, the Group is developing interior spaces that are less isolated, more flexible, leaving more room for natural light and vegetation. For example, each floor of the Bridge project, the future headquarters of Orange in Issy-les-Moulineaux, features plant-covered balconies and roof terrace gardens accessible for meetings or rest breaks.

In support of the digitisation of activities and communications, the Group offers first-class digital connectivity based on the most demanding standards such as those of WiredScore and Ready2Services (see 4.3.4).

WELL certification

This standard places the user and health at the centre of building projects by encouraging the implementation of comfortable and quality amenities around seven themes that contribute to well-being (air, water, light, comfort, fitness, food, state-of-mind).

The Group has the goal of certifying all of its Business property projects in the Paris Region WELL Core&Shell silver level at the minimum. In 2019, over 86% of projects achieved this objective.

86% of Business property projects in the Paris Region are WELL certified

Biophilic design

The biophilic concept consists of integrating elements from nature into the building. Recent studies prove that a design imitating nature has a positive impact on health, creativity and in reducing stress.

The Group is exploring this approach in the context of the Richelieu and Bridge projects by reviewing the integration of biophilic design into the building (especially the visual and auditory connection with nature, lighting that respects the circadian rhythm, the presence of water, designs and motifs inspired by nature, the presence of "cocoon" spaces for quiet time alone...).

Retail

The theme of well-being is already an integral part of BREEAM® and BREEAM® In-Use certification, on which the Group bases its CSR approach for its Retail business. Altarea is going further in taking into account well-being in the design of its projects and the operation of its buildings, drawing on the most recent standards such as WELL and the concept of biophilia. In order to have a tool aggregating the various issues associated with comfort, health and well-being, the Group has defined its own dedicated in-house guidelines since 2017.

Property development

In the context of its systematic sustainable certification approach, Altarea surpasses the regulatory requirements as regards:

- indoor air quality and olfactory comfort: for 100% of projects under development with environmental certification, the Group identifies sources of pollution, both internal (VOCs and formaldehyde) and external (major roads, construction products, business conducted on premises, soil, etc.). It sees to it that there is effective ventilation and control of sources of unpleasant odours and appropriate air flows for the businesses on the premises to ensure healthy circulation of fresh air;
- hygrothermal (heat and moisture) comfort: during the design phase, dynamic thermal simulations are carried out to decide on the technical and architectural options that strike the best balance between comfort of use and energy consumption. Altarea chooses systems that provide the most comfortable temperature and humidity levels in all seasons: in winter, a suitable overriding control makes it possible to maintain a stable temperature in the building; in summer, protection from the sun and dissipation of excess heat are essential for comfortable temperature and humidity levels;
- acoustic comfort: to offer good acoustic performance, Altarea optimises the position of spaces in relation to each other based on internal noise pollution and conducts acoustic studies to assess the level of ambient noise and sound insulation between spaces. In Retail, where the level of ambient noise in different spaces (retailers, food outlets, central area, and offices) can be even more difficult to assess, the objectives are specific to each project. Acoustic measurements are taken during the construction phase to check that these objectives are met.

Portfolio

In its Retail REIT business, Altarea has been implementing comfort, health and well-being actions for its visitors for several years now, notably *via* its management system based on BREEAM® In-Use.

As such, for the health and well-being part of the certification, the shopping centres achieved an average score of 64% in 2019.

Action is taken at the shopping centres to continuously increase their comfort. For example, the L'Avenue 83 centre in La Valette-du- Var provides a wheelchair service, package collection kiosks and a motorcycle helmet check room. Bercy Village, in Paris, holds many events themed on well-being, notably artistic workshops and weekly yoga courses from March to October. It makes deckchairs, table football and table tennis tables freely available.

EVENTS TO PROMOTE HEALTH AND WELL-BEING

Again this year, Altarea centres have organised many events for visitors. Some of these have raised awareness of the issues of health and well-being.

As such, stands teaching basic first aid were set up at the Family Villages in Limoges and Nîmes Costières Sud, as part of a French Red Cross event held over a number of days.

In September the Thiais Village centre held the "Vitalsport" day in partnership with Thiais town hall and local sporting associations. Workshops provided visitors with an introduction to a number of sports (badminton, archery, climbing, table tennis, martial arts, basketball, etc.) and encouraged them to take up a sport as a hobby.

Internal guidelines on comfort, health and well-being

In 2017 Altarea tested the WELL standards on the Qwartz shopping centre, and discovered some new best practices to implement throughout its portfolio.

This study, combined with the Group's experience of the BREEAM® In-Use well-being criteria, enabled it to set its own guidelines in 2017, drawing on these recognised external criteria. This made it possible to evaluate Standing Assets in more detail and roll out a large-scale process of continuous improvement on the issue of comfort, health and well-being.

An inventory was carried out of the entire portfolio in 2017, and since 2018 progress has been measured by the portfolio environmental management system.

The 33 criteria evaluated by the standards concern various themes such as air quality (for example verification that CO and NOx checks are correctly carried out and that an alarm is triggered if limits are exceeded) and visitor comfort (for example verification that a rest area is made available to visitors).

The priority themes on which Altarea concentrates its efforts are: indoor air quality, comfort and food. Improvement measures were put in place as long ago as 2017, such as strengthened monitoring of air quality in standard maintenance contracts and partnerships with start-ups to recover unsold food in an innovative way that promotes the circular economy.

Summary table: the Group's well-being solutions

Levers	Description of the solutions and main results
Quality of the location	Developing projects near services and public transport ▪ *Cogedim Club® residences are located in city centres near transport links, shops, healthcare services and cultural activities* ▪ *99% of residential units and 100% of offices are within 500 metres of public transport* ▪ *75% of shopping centres are less than 500 m from a transport route with a frequency of under 20 min*
Intrinsic quality of the building	Developing healthy, comfortable properties that favor social bonding, well-being and conviviality ▪ *The vast majority of Group projects and shopping centres are certified (NF Habitat, VISEHA, WELL, etc.) or are subject to internal guidelines on quality and well-being* ▪ *The Cours des Arts in Mougins (06) projects in France is one of the first projects to apply for the "IntAIRieur" label which certifies indoor air quality* Guaranteeing building quality of use and flexibility in order to adapt to the uses of today and tomorrow ▪ *The floor areas at Kosmo (92) are modulable for use by different types of users* ▪ *90% of Business property projects offer optimal digital connectivity and have been certified with a digital connectivity label*
Services to complement local provisions	Complementing local provision with a crèche, good quality food stores, leisure activities, etc. ▪ *The Altaproximité subsidiary, has a specific division dedicated to convenience stores* ▪ *Each Cogedim Club® residence offers a daily programme of activities tailored to seniors which complements local services* Rewilding the city ▪ *A one-hectare park on the Campus de l'enfance project at Bourg-la-Reine (92)* ▪ *Shopping centres in the portfolio and events connected with health and well-being: for example, yoga classes in Bercy Village and an organic market at Cap 3000*

4.3.3 Labels and certifications, creators of green value DPEF1

Scope	Objectives/Commitments	Indicator	2019 Results	2018-2019 Evolution	Comments
Residential	100% of new projects certified NF Habitat[(a)]	Portion of new projects certified	**100%**	**Stable**	The objectives are achieved. The strategy of ambitious certification is complemented by the most recent or innovative certifications in order to guarantee the building's green value
Business property	100% of new projects in the Paris Region certified at least HQE "Excellent" and BREEAM® "Very Good"	Portion of new projects certified	**100%**	**Stable**	
Retail	100% of new projects certified at least BREEAM® "Excellent"	Portion of new projects certified	**100%**	**Stable**	The Group raised its minimum certification level required in 2016 and continues to grow. It is developing the use of new labels such as BiodiverCity®
	100% of portfolio sites certified at least BREEAM® In-Use, "Very Good"	Portion of sites certified	**100%**	**Stable**	The figure has been steady since 2015. Altarea is 100% BREEAM® In-Use certified for the French managed assets

(a) Excluding co-development, rehabilitations and managed residences.

The increasing importance of customer demands with regard to comfort and use as well as the tightening of environmental regulations have pushed the notion of green values to the forefront in the real estate sector. It represents the ability of a building to avoid regulatory obsolescence, or of use, and is thus a guarantee of its sustainability over time. To maintain or advance a building's green values, certifications and labels have gradually become the market norms.

Altarea is committed to a strategy of ambitious, innovative and sustainable certification, specific to each of its activities. Labels and certifications are thus chosen depending on:

- the relevance of the applicable standards and assessment method. In Retail for example, BREEAM® is the tool most used by the market;
- stakeholder expectations for each project type, while seeking to outperform market standards;
- the strong willingness to offer the most recent, ambitious and innovative labels and certifications on broader matters than environmental performance (WELL, BiodiverCity®, WiredScore, etc.) in order to stay ahead in all of its activities.

Residential

NF Habitat Certification and its HQE approach

Since 2016, the Group has been committed to NF Habitat certification and its HQE approach.

All of the Group's newly built housing (Cogedim and Pitch Promotion brands) is certified NF Habitat. The NF Habitat certification is a benchmark for the essential qualities of housing and the common areas of the building. It is reflected in concrete daily benefits: a healthy interior, safe and pleasant for living, controlled expenses, but also a respect for the environment.

Regarding environmental or energy performance, the Group is going even further by seeking for over half of its production, the NF Habitat HQE™ certification (which goes beyond NF Habitat in environmental terms) for quality, habitat & environment, and even an additional energy label, such as E+C- or biosourcé. In 2019, 55% of the Group's Residential projects had NF Habitat HQE™ certification, or an environmental label.

100% of Residential projects are NF Habitat, a guarantee of quality, environmental performance and comfort

55% go even further with an additional environmental certification or label

Some projects may benefit from supplemental certification efforts. The Cœur de Ville project in Bobigny, already committed to Ecoquartier labelling, at the community's initiative, is a pilot project of the new HQE Performance standard. The Group is thus participating in defining new standards of reference in terms of sustainable urban development.

VISEHA label and Cogedim Club® Residences

To improve transparency as regards the quality of services offered in serviced residences for seniors, the professionals of the sector, among them Altarea, have created a label called VISEHA (Vie Seniors & Habitat). It is based on 13 criteria concerning property features and services offered by the residences, as well as prerequisites relating to the financial health and feasibility of the operator in order to ensure the sustainability of the residences.

After an initial residence in Suresnes was awarded a label in 2018, the Cogedim Club® residence Villa d'Helios in Montpellier was also awarded one in 2019. This label will continue to be rolled out gradually to other senior residences within the Group that meet the criteria.

Business property

All the Cogedim Business property projects benefit from a systematic certification process, HQE and/or BREEAM®, respectively the French standard and the European standard with regard to the environmental performance of buildings. In 2019, 100% of Cogedim Business property projects were certified HQE and/or BREEAM®.

In the Paris Region, which represents almost 80% of national production, the ambition is higher, with systematic dual certification at a high level of performance. In 2019:

- 100% of Cogedim Business property projects in the Paris Region have dual certification, HQE and BREEAM®;
- 100% of Cogedim Business property projects in the Paris Region are HQE certified "Excellent" or higher, 76% of them "Exceptional";
- 100% of Cogedim Business property projects in the Paris Region are BREEAM® certified "Very Good" or higher, 69% of them "Excellent."

100% of Cogedim Business property projects in the Paris Region have dual certification at least HQE "Excellent" and BREEAM® "Very Good"

Furthermore, in 2019, 94% of Pitch Promotion's Business property projects and 85% of the hotel projects are based on HQE and/or BREEAM® certification (by surface area). The Hilton hotel, on Place du Grand Ouest in Massy, delivered in October 2019, was awarded HQE certification with an "Excellent" rating. Finally, 100% of Logistics projects under development in 2019 were working towards BREEAM® certification.

These numbers were stable compared to 2018.

Some projects also have thematic certifications and labels, such as BiodiverCity® (biodiversity) for the Issy Cœur de Ville project and the WELL label (well-being) for the Bridge project (see 4.2.3 and 4.3.2).

Retail

In 2019, the process of certification continued for the assets managed in France.

100% of the assets managed in France are certified BREEAM® In-Use

Additionally, 30% of the shopping centres also have HQE and/or a BREEAM® construction certification.

Construction certification

Altarea chooses the certifications best suited to its customers' needs and the context of projects. Accordingly the BREEAM® certification, adopted en masse by European retail operators, has been used for 100% of Retail projects under development managed by the Group since 2016.

The Group systematically seeks the highest levels of certification for its projects (taking account of technical and economic constraints). Accordingly, 100% of shopping centre projects in development that have a BREEAM® certification obtain an "Excellent" level or higher. Cap 3000 obtained a total score of 76% on its BREEAM® certification for the design of its building.

The Group is also seeking to certify the convenience stores in its large mixed-use projects, such as the fifty or so stores at the foot of the development at Bezons-Cœur de Ville or the stores at Issy Cœur de Ville in Issy-les-Moulineaux.

As a complement to BREEAM®, certain Retail projects seek other certifications or labels. For example, Cap 3000 has obtained the BiodiverCity® label.

Portfolio assets with an environmental construction certification represent 158,320 m^2 NFA. The Qwartz site in Villeneuve-la-Garenne and the L'Avenue 83 site in La Valette-du-Var have two certifications: HQE and BREEAM®.

Operational certification

Since 2012, Altarea has embarked upon a process of gradual environmental certification of its operating assets, opting for BREEAM® In-Use certification.

At the end of 2015 an initial objective was reached with the certification of 100% of the assets in its reporting scope thanks to the roll-out from 2014 of the operational environmental management system, which makes non-financial reporting more organised and reliable and applies best practices and requirements of environmental certification across the Board. Each centre management team received a series of trainings in using this tool.

The Group's new objectives are:

- to maintain the certification rate of the managed assets at 100%;
- to improve its BREEAM® In-Use scores every year. A score of "Very Good" or higher is targeted for score reassessments.

In 2019, all sites present in the reporting scope had BREEAM® In-Use certification.

These certifications apply to the Asset (intrinsic performance of the building) and Management (operation of the building) categories of the benchmark. Detailed scores are available in Chapter 4.5.2.

In 2019, the average performance of the portfolio was 68% for the "Asset" part (+20 points on 2013) and 68% on the "Management" part (+25 points on 2013).

The improvement in the average performance of Altarea's standing assets in operation bears testimony to the commitment and efforts made by each shopping centre in respect of health and well-being (see 4.3.2), the soil conservation and biodiversity (see 4.2.3), waste management (see 4.2.4), etc. Certain themes such as energy and biodiversity improved notably thanks to actions carried out at Group level.

The Group has also extended its approach to environmental certification internationally and to sites that are not under its direct management. As such, Le Due Torri in Stezzano (Italy) has been certified BREEAM® In-Use, "Excellent" since 2017, and Jas-de-Bouffan (Aix-en-Provence) has been certified BREEAM® In-Use, "Excellent" since 2019.

4.3.4 New uses and innovation DPEF1

Scope	Objectives/Commitments	2019 Results	2018-2019 Evolution	Comments
Business property	Strengthening the digital connectivity of projects	**90% of projects in the Paris Region are working towards a digital connectivity label**	**Increase**	The Group continues to offer long-term performance to its customers with regard to technology

The real estate industry develops assets that have lasting effects on cities. Yet, practices and expectations of city inhabitants and users have greatly changed and continue to evolve rapidly. Altarea must, therefore, adapt its offerings to the new residential pathway of French people, new ways of working, digital players, new forms of consumption, etc. The challenge is to provide investors and users with a guarantee that the properties or neighbourhoods built will be able to adapt to new uses and retain their appeal in the long-term.

Altarea has an Innovation division whose objective is to support the transformation of its offering (in methods and products) and promote the teams' creativity and innovative spirit, which are key winning attributes for the Group.

Development of new offers, construction with an open innovation approach and promoting standards in terms of digitisation, allowing Altarea to make the city of tomorrow today.

Making the Group more competitive through new products, services and processes

The Innovation team, comprising seven persons, has both a watching brief to identify promising innovations and a support role in their deployment throughout the Group. It organises events that introduce specific innovations for property, makes digital tools available and connects employees with innovative external structures.

Its roadmap is based on four themes:

- strengthening the Group's culture of innovation;
- identifying and breaking down the new economic models influencing the property industry;
- developing and coordinating open innovation at Altarea;
- implementing innovative solutions and tools for projects and/or internal procedures, to accelerate business growth.

It is supported by a network of officers across all regions where the Group has a presence.

In 2019 it held four themed events:

- restitution of Altarea participation in the Consumer Electronics Show" (CES) in Las Vegas (presentation of the Easy Village app for which the Group was awarded the Digital Transformation trophy in the Development category);
- workshop "From Homo sapiens to Homo urbanicus: the new age of humanity" (with speaker Pascal Picq, anthropologist);
- workshop "Low tech & Property: What's the outlook?" (with speaker Philippe Bihouix, engineer);
- open Innovation morning (including start-up pitches).

2019 also saw the second season of Youth Comity, bringing together 15 young company employees the aim of which is to think about new issues facing the Group to challenge the direction taken by the Executive Committee.

Developing new offers of property products and services

Altarea is constantly innovating for the benefit of its customers and users. In Residential, for example, teams developed a digital tool that allows buyers to project themselves in their future apartment by means of a 3D visit, where they can test the different materials on offer. This configurator is available in Cogedim Stores, one-stop shops for future buyers.

To respond to new ways of living and working, the Group has worked on new offerings: co-living homes and attractive and flexible co-meeting spaces designed for occasional business use (conference rooms, special corporate events, etc.).

VOLPELIER CO-LIVING SPACE

First co-living pilot with the teams of Cogedim Paris Métropole

Altarea won a call for projects by the town of Montreuil and Établissement Public Foncier d'Île-de-France and is piloting a co-living project. It involves offering a range of affordable homes to young workers and single-parent families. This offering was born out of a number of observations: on the one hand, the desire of young people to have access to a competitive housing solution and enjoy more interaction and conviviality; on the other, the need of single-parent families to access flexible housing tailored to transitional circumstances.

This pilot is part of more general thinking on the way in which the Group can position itself in the co-housing market. Currently, some 60% of French people experience difficulties in accessing accommodation. Co-living offers an alternative to traditional housing.

To guarantee long-term technological performance in its buildings, Altarea was one of the first groups to take an interest in the WiredScore and Ready2Services (R2S) labels. WiredScore assesses the quality of internet connectivity, infrastructure and the building's potential connectivity. R2S has a complementary approach which aims to make buildings compatible with future technologies and uses.

READY2SERVICES (R2S) LABEL

The R2S label has as its goal to support the digital revolution in buildings, to make them more adaptive, pleasant for living, serviceable and interoperable. It offers innovative thinking based on upgradability and the openness of systems to combat obsolescence, optimise operation and make services accessible to the occupants. Its standard requires that the building must be able to connect to any exterior network and accommodate future innovations by using communication protocols that communicate with each other.

The Group's future "Richelieu" head office in Paris is aiming for the WiredScore label and is part of eleven R2S pilot projects. In 2019, 90% of Business property projects under development (by surface area) targeted a digital connectivity label such as WiredScore or R2S.

90% of Business property projects in the Paris Region sought a digital connectivity label

RICHELIEU

Richelieu Business Center

The Group has created an innovative co-meeting space in the Group's future head office in which to host seminars and presentations for external companies and Altarea staff. The aim is to offer new ways of working.

Services app

The Group is developing a property app which enables employees at its future head office access to a range of services available within the building. The aim of this app is to support employees as much as possible in their new working environment, to improve their efficiency and promote their well-being day-to-day.

Lastly, in order to guarantee the value of its properties over time, the Group is working to increase the intensity of use of its buildings and the design of adaptable spaces (see 4.2.2).

Suggesting innovative projects thanks to an open innovation approach

Altarea is integrating its approach to innovation into the business and enriching it with external partnerships. The innovation team identifies and selects potential partners to integrate into the Group's activities.

In 2019, several fruitful partnerships with start-ups were conducted on projects as well as for employees:

Issy Open Design

At the Issy Cœur de Ville eco-district, Altarea wants to create a 1,500 m^2 site offering experiences and innovation which aims to create a new destination for businesses and individuals. The Group has launched a new Open Design process which aims to invent a new way of designing innovative, multifunctional, co-constructed spaces that bring people together.

This Open Design process offers a consultation of stakeholders from all backgrounds to whom it can provide resources for developing their proposal and getting established in the future space.

Ultimately, the aim of this process is to:

- identify and compare ideas to create a place for discovery, interaction and learning;
- co-design the future space with participants: students, innovative businesses and public interest stakeholders;
- reinforce the attractiveness of the site and raise the profile of private and public partners.

In the initial phase, "Issy Open Design" brought together some 1,035 participants who proposed some 452 projects. A consolidation phase is scheduled from February 2020 after review of the submissions by a multidisciplinary panel, representing the Group's activities.

Promolead

After a successful pilot by our Annecy teams, the Group is rolling out the real estate prospecting tool "Promolead" to all of Cogedim's real estate developers. This new tool enables them to save time by removing tasks with no added value, targeting their call-backs and securing prospecting data. It is part of a strategy for optimising internal processes.

Landscape

As part of the Landscape project, restructuring a 70,000 m^2 high-rise property, the Group is putting together an innovative range of services aimed at future users of the tower, located at la Défense, for the well-being of employees.

This range of services is based on the concept of "Find Paris in la Défense" and includes new generation food services (partnerships with the brands Michalak, Jonh Weing, Fuxia, King Marcel); a business centre designed in partnership with the Company Comet Meeting; a sports offering in partnership with Wellness training and a hotel-style reception.

The Group has also partnered up with incubators that monitor new trends and allow innovative added-value to be brought to its projects, such as Paris & Co, specialised in innovation in property. Altarea is also a member of the Smart Building Alliance, which promotes the development of smart buildings, through multi-disciplinary discussion between its members in the property sector.

Implementing innovations and tools to accelerate business growth

The Innovation unit is creating opportunity files that evaluate the technical, financial and legal consequences of identified innovative projects and products. The goal is to both select the most adaptable innovations and the simplest to implement, to clear potential roadblocks and facilitate their deployment.

In order to help connect operational development teams with innovative projects outside the Company, the innovation team has launched Altawiki, a collaborative tool that now lists some 120 projects (including both successful and unsuccessful bids) and over 1,200 of the Group's innovative partners and suppliers. The platform contains hundreds of start-ups and structures within the social and solidarity economy which are helping to shape the city of tomorrow. This platform makes it possible to easily motivate them to respond to tenders or involve them in projects under development.

Finally, 100% of Altarea's Business property projects in the Paris Region have been developed using the Building information modelling or BIM method. This method involves virtual modelling of the physical and functional characteristics of a building. The digital model makes it possible to better control construction costs and to facilitate operation of the building.

4.3.5 Responsible supply chain and supplier relations DPEF6

The Group is a substantial buyer, placing nearly €2 billion worth of orders a year. These purchases have a huge societal impact, due to their volume and the variety of economic sectors concerned.

Nearly 90% of the Group's purchases are linked to construction, of which more than one third is for shell structures, the remainder being spread over all the other items such as electricity, heating/ventilation/air conditioning, plumbing, etc.

The other 10% consists mainly of Group's general expenses and the operating costs of the shopping centres.

Altarea conducts responsible purchasing actions for all its business lines, including in particular clauses in contracts and an assessment of a selection of suppliers as well as the introduction of a responsible purchasing charter.

A Group approach

In 2018, Altarea launched a process for structuring and optimising purchases, led by the Performance Department and the CSR Department. This process encompasses all of the Group's companies and covers all purchases (direct purchases related to construction and the Group's overhead costs). Its aim is to simplify and optimise purchases, while guaranteeing the integration of a CSR approach adapted to each type of product or service.

The project began with detailed mapping of the Group's purchases so as to identify the nature of these and how the were organised. The second stage involved identifying the main related areas of risk (social, environmental risk, etc). These areas of risk were reconciled with pre-identified purchasing categories so as to produce an action plan for 2019 and coming years, determining the firsts categories to be worked on. The process anticipates widespread action (CSR clauses in tenders and contracts, creation of a Group charter), and specific requirements for types of purchases identified as the most risky (specific clauses, supplier evaluation, audits, etc.), in collaboration with the technical and performance departments.

Moreover, the Group is part of a working group on responsible purchases organised by the Observatoire de l'Immobilier Durable (OID or sustainable property observatory). A responsible purchasing charter covering social demands, health/safety, the fight against corruption, personal data protection and environmental issues, was drafted in 2019 and shared with all employees.

A certain number of actions are already in place and will be reinforced at Group level (anti-corruption clause to be included in all contracts) or in each activity (notably in the context of NF Habitat, HQE, BREEAM® and BREEAM® In-Use certifications). These actions concern the fight against illegal and undeclared work, respect for the health and safety of employees and respect for the environment. As an example, Altarea systematically contracts the external service provider, *Attestation légale* to collect, archive and manage all regulatory company statements required for signing contracts and obtaining approval for the various sub-contractors.

Finally, in relation to dependency on suppliers and vice-versa, over half of its construction purchases are made from several major players in the sector. As such they do not have a high level of dependency on the Group and, conversely, Altarea is not dependent on them. A study on levels of dependency has also been undertaken for a number of other purchases.

FLAGSHIP RICHELIEU

In building and fitting out its new head office, Altarea paid attention to the performance of materials and their environmental and health characteristics. For example, wall insulation is made from recycled jeans and is sourced locally, particular attention has been paid to minimising air pollution produced by new furniture, the source of plants has been studied and the compost used will be organic.

In operating the building, the Group has incorporated CSR criteria when choosing the majority of its partners, in particular in the case of facility management and food outlets. A few practical applications: the use of chemical products for cleaning premises will be reduced to a minimum, disability-friendly contractors (where at least 80% of staff have a disability) will be used to maintain outside spaces and recover waste, cleaners' uniforms will be in Oeko-Tex® cotton and recovered at the end of life, etc.

Residential and Business property

These activities include actions that complement those carried out at Group-level. As an example, the ambitious, systematic strategy to certify all projects is a means of incorporating CSR criteria throughout the building life cycle: sustainable design, environmental and health standards for materials, responsible practices during the construction phase, commissioning, etc.

In the marketing phase, activities benefit from standard contracts (architectural, multi-disciplinary engineering and project management), which contractualise a project's sustainability goals. Moreover, the Group quantifies the percentage of local purchases for its Residential activities (see 4.2.1.2).

Whilst taking into account the tension in the construction market, the Group wishes to continue its responsible purchasing approach in 2020, tying it in with the carbon strategy which is currently being drawn up (correlation between the responsible purchasing approach and the choice of materials with the smallest carbon footprint).

Low-nuisance construction site charter

A low nuisance construction site charter is also appended to all works contracts. Under this charter, all service providers, working on the project are required to meet commitments relating to:

- reducing nuisance (noise, dust) caused to residents;
- reducing risks of water and soil pollution from the construction site;
- sorting and reducing construction site waste that goes to landfill;
- protecting nature and biodiversity;
- managing water and energy resources;
- the social and organisational aspects of the work site.

Both employees and service-providers receive training on the content of the charter. The Group has introduced a monitoring system to check that commitments are being met, particularly through audits during the construction phase.

Construction site safety

The Group is particularly attentive to construction site safety.

The Group has direct responsibility for managing the data which enables it to monitor practices on construction sites for the purposes of continuous improvement. Substantial reporting of Residential activities is used to report data on construction site accidents to the national level. In Business property, data is followed at the local level. In 2019, the frequency rate of construction site accidents for rehabilitation projects was 20.7 since the start of construction. Consistency of the information is underway to consolidate the data at Group level.

In terms of shared responsibility, the Group is taking action to help businesses adopt best practices (awareness-raising, poster campaigns, etc.).

In order to manage safety on construction sites, the Group relies on the project manager and health and safety protection (H&S) coordinator who is responsible for managing joint working on safety on-site. Occupational health and safety experts and logistics specialists also work on large or more complex projects.

In 2019, an in-depth audit was conducted to make lasting improvements to safety management on construction sites. A three-year action plan was put in place and is applicable both internal teams and service providers. Among the first initiatives launched was updating the project management and health and safety contracts which now include recommendations by the insurance funds *Caisse Régionale d'Assurance Maladie d'Île-de-France* (CRAMIF) and CARSAT (*Caisse d'Assurance Retraite et de la Santé au Travail*). The Group is also involved in creating a club at CRAMIF on the subject of safety for Project Managers. A number of meetings are planned each year from 2020 in order to share good practice.

Requirements monitoring system

Various officers such as the "clean site" officer or the CSPS are tasked with ensuring that requirements are properly applied during the construction phase. National framework agreements have been signed with technical monitoring companies specialising in H&S and Environment Works Management with the aim of ensuring safety and the proper application of the low nuisance construction site charter in particular. At the end of the operation, contractors are evaluated according to qualitative and/or environmental criteria to assess whether labour and environmental clauses have been fully applied.

EVALUATION AND CONTINUOUS IMPROVEMENT OF SUPPLIERS

In 2017, Altarea launched an evaluation process of its suppliers *via* the Ecovadis platform, to measure the level of progress with regard to CSR.

The first phase of the evaluation related to suppliers of fixtures and fittings for Cogedim residential properties. Following the initial evaluation, the Group established a scheme to support suppliers in making improvements in the areas of social and environmental issues in order to reduce risk. With each re-evaluation, suppliers are made aware of CSR issues and those who have made the least progress are given personalised support.

The Ecovadis evaluation has been a requirement for new suppliers since 2019.

Retail: property

A low-nuisance construction site charter is appended to each contract. It applies to all contractors working on the construction site and contains mandatory commitments on the following themes:

- staff information and working environment;
- limiting consumption (water and energy);
- limiting nuisances (dust, mud, noise, deliveries and parking, changes to local traffic plan, approach to construction site, etc.);
- limiting local pollution (soil, water, air, etc.);
- management and selective collection of waste;
- secure access to the site.

The "clean construction site" contact person ensures commitments are met throughout the project.

Retail: portfolio

In order to engage the providers involved in the operation of shopping centres in a CSR approach, Altarea has introduced the following documents applicable to all concerned in the past few years:

- an environmental charter for providers carrying out one-off assignments, covering the following points:
  - construction site impact: limiting noise, accidental pollution,
  - waste treatment: reporting on waste produced, by type and disposal channel,
  - choice of materials: EC branding, preference for labelled and low VOC emission materials;
- an environmental note appended to maintenance and cleaning contracts addressing the following points:
  - management: service provider training plan, provider sustainable development plan,
  - energy: consumption monitoring, continuous maintenance plan for equipment,
  - environment: incorporation of a biodiversity action plan,
  - pollution: management of hazardous waste, monitoring of emissions,
  - materials: limiting nuisances and risks for workers,
  - waste: maximisation of sorting and recovery,
  - water: monitoring of consumption, installation of hydro-efficient equipment,
  - comfort and health: management of bacteriological risks, low VOC or labelled paints;
- an environmental appendix for green-space contracts making for operations that are more respectful of biodiversity. Accordingly, the Group prohibits the use of phytosanitary products on its sites, with the exception of those used for organic farming.

Standardising the use of these contractual documents on sites included in the scope of reporting and sites managed on behalf of third parties (unless otherwise specified by the third-party principals) satisfies the requirements of BREEAM®In-Use certification, integrated in the Group's Environmental Management System.

Moreover, standard contract frameworks for service providers working on portfolio assets were updated in 2017 and have been circulated across all sites since 2018. These new versions incorporate enhanced requirements on CSR aspects such as monitoring indoor air quality, impacting directly on visitor health and comfort.

4.3.6 Professional ethics DPEF9

Scope	Objectives/ Commitments	2019 Results	2018-2019 Evolution	Comments
Group	Continuing to strengthen the programme for combating corruption	**Finalising the mapping of corruption risks**	**Continuing the process**	Strengthening work will continue in 2020
Group	Train and raise awareness of employees identified as most at risk of corruption and fraud	**Six days of induction for new employees with a quiz on "rights and obligations"** **Fraud awareness-raising exercise two times a year at Group level**	**Continuing the process**	Moreover, at the end of 2019 a communication campaign was launched on cybersecurity and is set to continue in 2020 on the themes of fraud and compliance

Values and ethics

All Altarea Group employees and corporate officers must comply with the principles established in the Ethical Charter, appended to the internal rules of procedure. Any breach of these provisions may thus constitute a disciplinary offence subject to sanction. This Ethics Charter, which is available on the Group's intranet site and systematically appended to the employment contracts of new hires, covers all aspects of the relations between Altarea and its stakeholders, employees, customers/tenants, service providers/suppliers, as well as best practices for internal ways of working:

- protection of privacy;
- rules a publicly listed company must respect concerning the use of inside information;
- duty of loyalty and conflicts of interest;
- respect for the law and applicable regulations;
- respect for the environment and the principal of integrity;
- ban on forbidden practices and corruption.

Since two years, in order to ensure new employees adhere to the Group's rules, values and principles and that they have a thorough understanding of how they must be applied, systematic training in the form of a quiz was implemented on induction days. It addresses topics related to Rules of Procedure, the I.T. Charter, the Ethics Charter and aspects of health and safety.

Any employee who has trouble discerning how to behave in a particular situation can refer their situation to their Manager or, if need be, to the Ethics Director appointed by Management. The consultation with the Ethics Director and their advice are confidential under the Ethics Charter.

Fight against fraud, money laundering, the financing of terrorism and corruption

Altarea's General Management has reaffirmed its commitment to combating fraud in general and the subjects of money laundering and corruption through a number of projects including:

- the strengthening of the anti-corruption programme within all of its activities with corruption risk-mapping;
- the strengthening of the anti-laundering and anti-corruption clauses incorporated in all contracts;
- the appointment of a TRACFIN reporter and officer (Ministry of the Economy and Finance body responsible for combating fraud, money-laundering and the financing of terrorism) for the whole Group.

The Group's anti-corruption policy is restated in its Ethics Charter. The policy aims primarily to set out the values and rules of conduct to be observed, and to guide employees in their daily activities regarding any ethical questions or conflicts of interest they may be confronted with. For example, hiring contractors or service providers with a relationship with the Group for personal use is prohibited without the approval of the Ethics Director. The following principles must also be mutually enforced in relations with authorities and customers: any act that is likely to be construed as an attempt to corrupt is prohibited and is to be reported. Any payment or acceptance of illicit funds is strictly forbidden in the conduct of Group operations. Where there is doubt as to the legality of a payment, the Ethics Director must be consulted immediately for their opinion.

In order to support the proper and full deployment of the Group's approach to business ethics, an awareness campaign on violations that concern neglecting the duty of probity was conducted in previous years for those employees identified as being the most exposed and should be repeated in 2020. Also, with the help of a specialist law firm, courses were held on different sorts of corruption, conflicts of interest, the peddling of influence, favouritism and the criminal repercussions associated therewith, particularly in relations with the public sector. This awareness campaign continues on a regular basis by means of messages issued to employees by senior executives at events such as seminars, committee meetings as well as at induction days for new arrivals.

Moreover, the Legal Department ensures that clauses specific to anti-corruption legislation are included in contracts with third parties.

In the context of the Sapin 2 law, a corruption risk mapping was carried out in 2019. In accordance with legal provisions and for maximum transparency in relations and in the interests between the companies and public officials, the Group has registered with the High Authority for Transparency in Public Life (HATVP) since 30 April 2018 and an annual declaration of interests was thus filed on 30 March 2019.

As part of its activities, Altarea uses the services of many external companies. Their selection is governed by formal provisions and generally established in tenders (no monopoly of a service provider, limited use of multi-year contracts, etc.). At the Group's most recent update to its risk mapping in 2019 the risk of fraud, though limited, was assessed as being slightly greater in terms of impact. This was due to increased media coverage of fraud cases and the increase in "fake president" and "changed bank details" scams which the Group was a target of. To ensure that these attempts at fraud do not succeed, awareness-raising messages are now circulated to the most at-risk groups regularly, and since the second half of 2019 training has been given to accounting services. On the date on which this document was filed, no cases of non-compliance with internal policies had been identified and no fine linked to corruption had been paid.

Finally, through its management activities on behalf of third parties and transactions, Altarea is subject to the Fourth Directive (combating money laundering and the financing of terrorism). As such, the Legal Department ensures that clauses specific to anti-corruption legislation are included in the relevant contracts. A TRACFIN reporter and officer is in place at Group level and know-your-customer procedures are in the process of being finalised. Any transfer or payment where no proof of the origin of funds is given, must be communicated to the TRACFIN reporter who must report the suspicion to TRACFIN.

4.3.7 Safety of assets, people and personal data DPEF10

Information on safety of assets, people and personal data is described in the chapter Risk Management (chapter 5 of the Universal Registration Document) in the paragraphs headed Risk factors and Control.

4.4 Talent at the service of the Group's growth

At the end of 2019, Altarea had 2,045 employees, or 171 more employees than a year before. This significant increase in staff (+9.1%) goes along with the Company's strong growth.

As such, the change in the Group's size over recent years, coupled with sustained operational momentum, reinforces the strategic nature of the management of its talents, in terms of recruitment, integration, dissemination of the corporate culture and career management and quality of life at work.

The Human Resources Department reports to the Chairman and Founder and, as a member of the Group's Executive Committee, its main remit is to oversee the transformation of the workforce. Operationally it is structured as follows:

- local operational HR Managers who are able to support all employees and Managers of the Group's brands day-to-day;
- experts who work hand-in-hand with local HR Managers on cross-functional projects. Areas of expertise are: human resources management, compensation, administration of personnel and pay, human capital and legal and employment law.

4.4.1 Headcount and organisation

4.4.1.1 Organisational change

Change in Group structures

In 2019, the Residential business continued to grow. Its multi-brand provision offers local authorities a range of services and its employees the opportunity to broaden their professional horizons.

In 2020 the Residential division will restructure to ensure coordination across all brands and optimise action undertaken by all in line with business models.

The objective is to promote cross-function working by development brands and provide customers of the Group with additional services, such as rental management and finance/broker services.

Evolution of central support functions

The Group is working to structure and pool its support systems in order to support all operational business lines with optimal efficiency, making employee satisfaction a priority.

In this context, in 2019, numerous initiatives were taken. The accounting teams of the development brands have been consolidated, the human resources information system (HRIS) has been rolled out across all entities.

2020 will see improvements in the employee experience with the introduction of paperless administration. A HR portal will be offered to all Group employees covering a range of subjects: electronic safe, request for documents, request for down-payments.

All these efforts to modernise provide more effective support on a daily basis to operational staff. To achieve this, the Group relies on digitisation and a global performance management programme which is being implemented to improve organisational efficiency, methods and processes.

Towards a single new head office in 2020

The big project in 2020 will be the move of all Paris Region employees to Richelieu: the Group's new Paris head office. It will benefit from an address in the heart of Paris, between *la Bourse* and l'Opéra Garnier.

In addition to showcasing the Group's Business property expertise, Richelieu will be a smart building that promotes collaborative interaction. It will provide the opportunity to work in a number of different places (work spaces, meeting rooms, collaborative spaces, restaurants, tea rooms, patios, etc.) as close to our colleagues as possible.

All Group subsidiaries will be brought together whilst their individual identities will be retained. Support systems will be centralised and information systems aligned.

The layout of the building is designed to support collaborative and cross-functional working and, over time, through its flexibility, will offer a response to new working methods in line with the changing expectations of employees and quality of life at work.

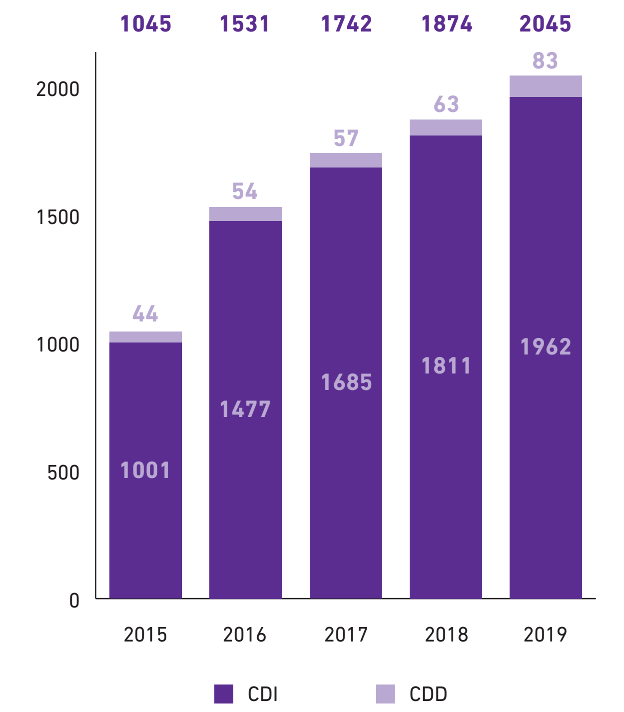
Group employees were involved in designing the building through many workshops aimed at co-designing the future working spaces and services as well as by voting on furnishings.

4.4.1.2 Headcount changes

Scope	Objectives/Commitments	2019 Results	Trend
Group	Support Group growth	**Headcount up 9%**	↗
Group	Support talent retention	**An "Exit Form" was produced and handed out at exit interviews.**	N/A

To support business expansion, recruitment remained high in 2019 with a significant increase in the headcount, up +9.1% on last year. This increase is partly due to the consolidation of the company Severini in the Residential division in 2019 (31 employees).

CHANGES IN THE GROUP'S HEADCOUNT



Growth and challenges

The high recruitment levels and acquisitions over the last four years have brought methods and skills from a range of backgrounds to the Group. Today, all of this represents the best platform of skills in the sector. The aim is to keep the Group's DNA: entrepreneurship, creativity, innovation and diversity. With this in mind, initiatives in the areas of integration (Crescendo seminar), brand-building as an employer (obtaining the Happy Trainees label) and learning (introduction of new learning methods such as Urban Expeditions) are crucial in uniting all of these new talents around shared challenges.

The intergenerational aspect is an essential subject for Executive Management and the Human Resource Department in a Group that welcomes employees from 18 to more than 70 years old, or with more than 20 years of service. This allows everyone to find his or her place and have access to all levels of responsibility based on ability and talent. The experienced among them share their knowledge by becoming in-house trainers for the Training Academy or by becoming facilitators at integration seminars for new recruits or tutors for work-study students. The Group is actively involved in training young people. Work-study is growing each year; in 2019, we welcomed 287 work-study students.

AMBITIONS FOR 2025

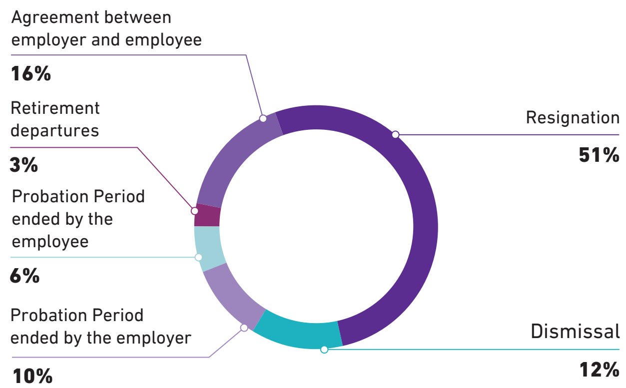
An innovative concept of "re-onboarding" which engages the most long-standing Group employees in the changes facing this rapidly growing Group.

Headcount changes

The Group recruited 416 employees on open-ended contracts, confirming its strong appeal and advantages in a very competitive market. As of the end of 2019, 96% of employees were on open-ended contracts. The Group is maintaining its commitment to long-term jobs. Thus, the challenges of attracting and retaining talents mostly concerns employees on open-ended contracts.

2019 was a turning point due to the consolidation of our organisation to meet an operational need, particularly in respect of our new brands. Combined with significant tension in the property labour market and full employment of Managers in the Paris Region, the departure rate of employees on open-ended contracts has reached 15.5%.

REASONS FOR EMPLOYEE DEPARTURES



The main cause for departure of employees on open-ended contracts is resignation. As a response, the Group has renewed and strengthened its induction programme and rolled out exit interviews. The idea is to adapt the induction programme to changes and the Group's new requirements. The various initiatives are part of a set of staff retention measures such as skills development, cross-functional jobs and sharing value creation.

4.4.2 Recruiting Talent, diversity and equal opportunities **DPEF8**

Scope	Objectives/Commitments	2019 Results	Trend
Group	Promote youth employment	**The number of work-study students and interns moving onto fixed-term or open-ended contracts was up 20% in 2019**	↗
Group	Promoting gender equality	**The percentage of women on the extended Executive Committee was up by 4 points**	↗

The Group promotes integration and diversity in its recruitment policy and the management of its employees' careers through attentiveness to all potential factors of discrimination (gender, age, disability). Quality social dialogue and respect for the fundamental conventions of the International Labour Organisation supplement this policy of diversity and equal opportunities.

Recruitment policy

The "Human Capital" expert unit of the Group's Human Resources Department pursues a recruitment policy that is inspired by the Group's values of creativity, cross-functional diversity and entrepreneurship and emphasises non- discrimination, integrity, ethics, objectivity, diversity and intergenerational cooperation.

In December 2013, the Group signed the Diversity Charter and all new employees are made aware of this commitment through a welcome booklet and integration seminar. A Diversity adviser was named in September 2018 to guide and facilitate Altarea's policy in various areas: gender equality, initiatives aimed at youth and seniors, inclusion of disabilities, socio-professional diversity.

A BROADER DIVERSITY COMMITMENT

The Group has partnered up with the association "Nos quartiers ont des talents". This investment is born out of the observation that, in 2019, according to the latest reports, based on equal qualifications, origin remains the biggest factor of inequality in accessing employment in France.

Alongside NQT, the Group has committed to:

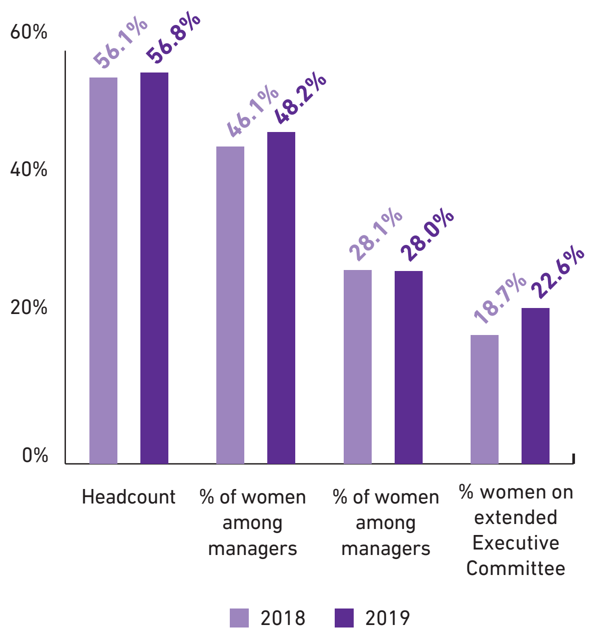
- strengthening its action to reduce regional isolation;
- offer employees the opportunity to get involved through a target, flexible and multi-faceted scheme (mentoring; ad-hoc coaching);
- meeting candidates from diverse backgrounds by taking part in NQT recruitment forums.

The Recruitment, University Relations and Internal Mobility Department is developing close links with students by entering into partnerships with job partners in the *Grandes Écoles* and universities. The "schools" policy also involves communication about the Group's business lines through articles in the student press or through its presence on numerous forums. In 2019, the Group attended ten University Relations events. Operational staff attend these events with HR. As every year, the Group took part in the key annual event for the French property sector, the *Forum des Métiers de l'Immobilier* (FMII). It also sponsored a jobs forum held in May at one of our shopping centres (Qwartz). A jobdating initiative for the property sector was also held in May 2019 to open up our recruitment and establish direct links between employees and students. Finally, groups of students from EDHEC and Sciences Po – École Urbaine were involved in the Group's strategic projects and provided our operational teams with support with their current projects and discussions.

Promoting gender equality

Gender equality is one of the Group's core values. Each entity has thus implemented professional equality action plans, the scope of which has been broadened and formalised and based on concrete themes: compensation, access to training, career development, working conditions, and the work/life balance.

REPRESENTATION OF WOMEN IN THE GROUP



The percentage of Managers who are women is up 2 points and the percentage of women on the extended Executive Committee is also up 4 points.

In 2019, the Group formalised its commitment to gender balance in parternship with the association "*Elles Bougent*". An initiative on women's careers also took place at the first Internal Forum on Jobs and Internal Mobility.

AN AMBITIOUS PARTNERSHIP

Partnership with the association *Elles Bougent* for:

- contributing to a future gender balance in the property professions by motivating female secondary school students to take technical courses;
- raising the profile of our Group through the impact of the association's network which has a presence in secondary schools, universities and major French groups and businesses;
- developing a network for women employed by the Group;
- offer volunteer opportunities to women employed by the Group with a focus on their skills and ability to convey information.

Access to employment by young people and older people

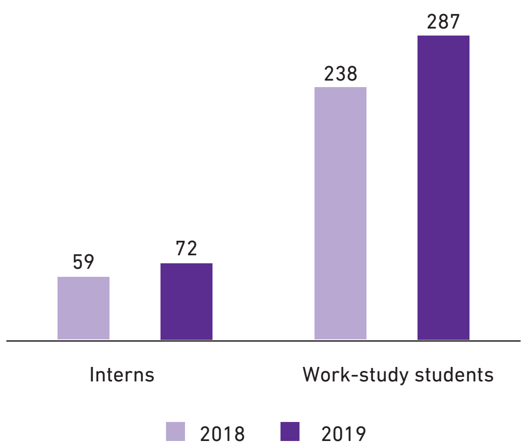
As a responsible company, the Group sees access to employment for young people and older people as a priority. Its objectives are to facilitate the long-term employment of young people under the age of 27 *via* open-ended contracts, to promote the hiring and long-term employment of employees at least 55 years old and to ensure the transmission of know-how and skills.

As of 31 December 2019, Group employees aged over 50 and under 30 accounted for a third of the Group headcount: 18% and 15% of the total headcount respectively. 36 employees over the age of 50 were hired on open-ended employment contracts in 2019 (23 in 2018).

The Group's policy on work-study contracts is being strengthened further this year. In 2019 the Group welcomed some 287 work-study students, compared with 238 in 2018 (+21%). In addition to providing information packs, the Group held an integration seminar exclusively for interns and work-study students. The goal is to pass on to them all the keys for success on the job. 32 interns or work-study students were offered fixed term contracts following their training, and 16 an open-ended contract. The Group hopes to play a societal role by training these young employees in both know-how and behaviour in a corporate setting to facilitate their transition into professional life. For this reason, work-study students are not included in the operating budgets.

The Group is a partner of *Engagement Jeunes*, a platform used by large groups and SMEs to share the profiles of young people with each other.

CHANGE IN THE NUMBER OF INTERNS AND WORK-STUDY STUDENTS



All of these initiatives contributed to the Group being awarded the Happy Trainees and *Engagement Jeunes* labels the first year of taking part. This has just been awarded again for 2020. As such, the Group is one of the best businesses in which to take up a traineeship or work-study contract.

INCREASED SUPPORT FOR YOUNG TALENT

An induction seminar specifically aimed at our work-study students, practical kits for young people and their tutors, tutor training... All measures taken to ensure successful induction and optimal support which were rewarded with 2 labels in 2019: Engagement Jeunes and Happy Trainees.

Disability policy

At 31 December 2019, 12 employees were declared as workers with disabilities.

In addition, ESATs (Établissement et service d'aide par le travail, organisation working for insertion of the disabled into the workforce) are used to provide a range of services (purchase of supplies).

An in-house communication campaign was held again on the occasion of the European Disability Employment Week (posters, quizzes on the Smartportal, etc.).

Dialogue with employee representatives

The quality of employee dialogue is a key focus of the Group's employee relations policy. In addition to regular discussions employee representatives, particularly at Employee Representative, Works Council and Health, Safety and Working Conditions Committee meetings (over 30 meetings held in 2019), 2019 was marked by the setting up of 5 Social and Economic Committees (CSE) within the Group.

The aim of management and all of these CSEs in setting up this committee is to make it more effective and consistent with the Company's economic and social reality. New operating procedures and methods have been put in place to enable elected representatives to perform their duties effectively. Representatives have been regularly informed of and consulted on plans to introduce new forms of organisation and new projects.

In addition to the work standardising how these committees operate, Histoire & Patrimoine and Pitch Promotion now fall within the Altarea Group employment framework.

The Group sees gender equality as a factor of collective enrichment and social cohesion. Gender equality action plans were put in place in April 2019 after consulting committees and obtaining their approval. They confirm the Company's motivation and commitment to maintaining, or even extending, initiatives to promote a gender balance in all its activities. It is about both performance and wealth creation.

Because of the size of the entities in Italy and Spain, formal mechanisms of employee representation are not required under local regulations. Direct dialogue is promoted between employees, the Deputy Director and the Human Resources Department.

Compliance with the eight ILO conventions

The Group has committed to complying with the eight fundamental conventions of the International Labour Organization and ensures they are applied in its operations, particularly in relation to:

- respect for freedom of association and the right to collective bargaining;
- elimination of discrimination in respect of employment and occupation (ILO);
- the elimination of forced labour and slavery;
- the effective abolition of child labour.

The Group also complies with the Children's Rights and Business Principles.

In the case of the Retail division (Altarea Commerce), the Group is only present in the countries (France, Spain and Italy) that have ratified these fundamental conventions and transposed them into their domestic labour law.

Lastly the Group's Ethics Charter reiterates the reciprocal rights and duties of employees and the company and stresses the principle of regulatory and legal compliance. It is available on the internet and is part of the new employee welcome package.

4.4.3 Compensation and value sharing DPEF8

The compensation policy remains aggressive and targeted with an increased budget allocating €3 million for base salaries. It also compensates individual and collective performances by extending the level of performance bonuses for 2018 and reinforcing the *Tous En Actions!* ("We all have a share in success!") scheme for creative and desirable employee shareholders.

In order to reinforce the work/life balance and continue to reward commitment through a motivational compensation policy, the monetisation of days off in lieu (RTTs) was extended and the way in which it functions was simplified for employees.

Salary policy

The 2020 salary campaign was marked by the pursuit of an aggressive wage policy to reward employees after an intense 2019, and to retain talent. A total budget increase of almost 3% of payroll has also been distributed.

The Group is strengthening its social and societal commitments through its campaign which targets a number of groups. One budget was dedicated to basic salaries below a certain amount to compensate for cost of living increases. Thirty year olds with less than 5 years of service received special attention. As with previous years, a gender equality budget is managed centrally so as to rectify any discrepancies as they arise. Finally, the largest part of the budget increase was devoted to deserving, dynamic employees, and to promotions.

A bonus policy acknowledging success

The awarding of bonuses is a managerial act that acknowledges actual performance and reflects the achievement of individual objectives. Taking into account contractual commitments and changes in the workforce, the average volume of performance-based bonuses to be allocated in 2020 (for 2019) remains the same as in the previous year.

An original and ambitious employee shareholding policy

In early 2016, the Management Council introduced a three- year bonus share plan under which over €20 million in shares are distributed each year.

Since 2016, the scheme "We all have a share in success!" has enabled all employees on open-ended contracts to have a stake in the Group's expansion and profits, enabling those who wish to become a shareholder in the Group.

Moreover, since 2016, each Group employee has been able to monetise up to 10 RTT days a year with an associated uplift of 25%, or place them in the PERCOG (the Group's collective retirement savings plan).

2019 was marked by a capital increase reserved for employees. This employee shareholding scheme has enabled Group employees to benefit from a discounted share price; matching by the Company; any dividends from Altarea shares will be reinvested in the FCPE (employee investment mutual fund), thus increasing the value of their shares. This scheme was hugely popular with employees from all subsidiaries with a participation rate of 64%.

COMPENSATION PACKAGE

4.4.4 Talent and skills management DPEF7

Scope	Objectives/Commitments	2019 Results	Trend
Group	Continuing skills development according to the needs of the business line and developing the employability of employees	**89% of employees took at least one training course in the year**	↗
Group	Promoting/Contributing to employee mobility	**25% of vacancies filled as a result of mobility**	N/A

The Academy, "A Developer of Talents": a vision of a company that is open to learning

In early 2017 the Group created an in-house academy as a unique learning & development scheme. It draws on a strategic skills development plan launched upstream with Group directors based on the business issues of each division. Its benefits include accelerating and developing individual and collective performance, building up the skills capital of business lines, strengthening the employer brand and thus attracting the right candidates and creating a space for sharing experiences.

From their induction, employees are immersed in knowledge of a Group with multiple business lines during a week known as Crescendo, a format that was repeated in September 2019. 100% cross-functional and 100% home-made! This involves many speakers from inside the Group as well as the members of the Executive Management, who all come to explain and share their vision of the business. In order to "re-engage" more senior employees in the Group, a seminar is held especially for them as well as the ever growing number of work-study students and interns.

In 2019, the Academy continued to enrich its offer: conferences, urban expeditions, career paths, etc.

URBAN EXPEDITIONS

The aim is to enable a group of around twenty employees to share and develop their knowledge of property and uses in the urban space and even to draw inspiration for future projects as urban entrepreneurs. These tours are led by experts so as to take full advantage of the visited sites.

Learning opportunities are varied and if face-to-face training is selected, content and practices will evolve along with the integration of digital activities *via* LMS platforms (e-learning) and co-construction and co-development workshops.

Training activities (categorised under 200 themes) are catalogued in "Academy Training Provision" available in the HR IT system, offering 100% digital management of demand.

In March 2019, Altarea received the trophy "Growing Group" at the "Spring-time Session of Business Universities" for the coherence of its training policy and innovative activities such as Urban Expeditions.

Impactful implementation

Almost 4,300 training days were delivered in 2019 with an average of 20 learning activities organised each day. As such, 89% of employees benefited from one of the 5,018 initiatives organised this year (compared with 83% in 2017 and 85% in 2018). The Group will continue to manage this indicator to reach 100%.

The training given to employees and Managers covered the technical, managerial and digital growth of their business lines.

In 2019, as in 2018, investment in training accounted for over 3% of payroll (excluding Pitch Promotion, Histoire & Patrimoine and Severini) A significant investment in major initiatives: "core business" themes which remain the majority, workshops on customer satisfaction, management courses, courses leading to a qualification and support for young people on work-study contracts.

In November 2019, Altarea received a second award and recognition for its HR policy and innovations with the "Leadership & Talent Management" Trophy awarded by Leaders League.

Mobility and Promotions

Mirroring the training initiatives, internal mobility and promotion was significant. The inherent diversity of jobs in the real estate industry naturally fosters employee mobility.

In 2019, the Group filled almost 25% of its vacancies through mobility between regions, departments and companies. There were 125 internal transfers and 416 new hires through external recruitment. In addition, some 113 employees were promoted.

The aspirations of the Company's employees were gathered during career interviews to serve as a basis for reflection on a formal talent review.

Thus, in 2019, digitisation of the annual performance appraisal campaign resulted in a 98% rate of return. Beyond the advantages of digitisation (no more paper, a secure personal space…), this first campaign met three goals: quick collection of preferences for training and mobility, accelerated deployment of training plans and easy access in real time for Managers to follow up on employee requests.

To facilitate internal transfers within the Group, a monthly Careers Committee has been set up by subsidiary HR departments to discuss employees and vacancies. This meeting facilitates interaction and cross-over between vacancies and any in-house potential opportunities that might be identified.

In June 2019 the Group's first Internal Forum on Job and Internal Mobility was held. Over 250 people attended the forum held in Paris: forward-looking conference, HR workshops, business line round tables, subsidiary stands, careers interviews. 7 events were also held in the major gateway cities where the Group is established to facilitate local interaction: over 70 employees attended.

This event was sponsored by the Chairman and Founder, Alain Taravella who places an emphasis on cross-functionality within the Group and on access to multiple careers.

In October 2019, the inhouse magazine, AltaStory, dedicated a special edition to summarising and sharing the content of the Forum for all employees and recapping on good practice in terms of internal mobility and associated services (access to training, HR tips, introduction to business lines, Ambitions Seminar 2025).

4.4.5 Well-being at work DPEF8

Scope	Objectives/Commitments	2019 Results	Trend
Group	Extending the Altawellness offering	**Significant increase in user rates**	↗
Group	Managing absenteeism	**Unchanged**	=

Quality of life, health and well-being at work are major concerns for the Group in terms of retaining the best talents and appealing to new employees.

Bringing initiatives under one brand

Created in 2018, the Altawellness offer consolidates major initiatives in terms of well-being at work. It was further developed in 2019 with a significant increase in the number of users.

Yoopies (a platform offering personal services) enabled 400 employees registered on the platform to book almost 1,150 daily services, mainly childcare, personal tutors and cleaning. Hours of childcare were also offered to employees who requested it during strikes in the Paris Region.

Yuco, our platform dedicated to sports, culture and well-being activities on the site, is here to stay with 500 sessions delivered in 2019 for over 250 regular users, on some ten sites across France, with a satisfaction rate of 100%!

Teleworking Charter

At the crossing point where efficiency meets the work/life balance and the approach to CSR, a charter on teleworking was signed in 2018 as part of the common social platform. It grants one day of teleworking per week under certain conditions.

This charter, but also the move of Paris teams into a new head office in 2020, will mean our professional practices will evolve still further, in step with the expectations of employees and Managers for ever greater efficiency.

New head office

By the end of 2020, Richelieu will be the Group's new head office. It's a major project that's much more than a simple move. This will be the realisation of the profound changes begun over the last three years. The standardisation of HR regulations as well as the pooling of back-office functions will be supported by bringing all of the Group's entities together. The transformation of management methods initiated by teams of the Academy will be facilitated by spatial organisation and open offices. Innovative amenities will favour quality of life in the workplace.

Throughout 2019, measures in support of change have been carried out for teams and management. 210 Managers have already been invited to debriefing sessions on the history of the layout of the workplaces of yesterday and today. Pragmatic support based on sociology and ethnology will be implemented to enable all employees to look to the future in a new working environment.

Other initiatives

The policy of exceptional leave time related to events in private life was reviewed as part of the common social platform. Rules more favourable than those of the collective agreement are thus accorded to employees during important life events.

Parenting is also an important theme for Altarea. Beyond numerous existing actions (voluntary part-time working, birth or adoption-related leave, family-related leave, parental leave for childcare, leave to care for a sick child, etc.), the conditions for maternity and paternity leave were improved. Since 2018, employees continue to be paid their gross salary with no condition of length of service for maternity leave and after one year with the Company for paternity leave.

Finally, measures for the controlled management of information technologies and communication tools at the disposal of employees have been reaffirmed. Especially with respect to personal life. In this respect, employees have the right to log off outside the business hours of the establishment in which they normally do their work. It is therefore specified that employees are not obliged, outside normal working hours, to answer emails or telephone calls. Even here, these measures will be further emphasised and monitored in the context of the Richelieu project, which should make the most modern communication tools available to employees.

4.4.6 Employee health and safety

Safety, health and well-being of employees

As the Group's business does not present a significant risk for employee health and safety, no collective agreement was concluded in this area in 2018. There were no occupational illnesses reported within the Group.

Ongoing initiatives to promote a safe working environment and ensure the health and well-being of employees include updating the single document on occupational risk assessment and raising awareness of precautionary measures and personal protective equipment for employees working on construction sites.

The HR Department has also put in place, at Group level, recommendations concerning posture and work spaces in consultation with the occupational doctor and the safety and hygiene of commissions of the Social and Economic Committees (CSEs).

Since 2017, head office employees have also had access to a part-time nurse on-site to treat minor ailments. The Group's employees also have the possibility of accessing other specialists (psychologists, ergonomists, prevention specialists…) from inter-business health services, upon recommendation of the occupational doctor.

Employees and their beneficiaries enjoy complete and quality supplementary healthcare and disability coverage.

In late 2019, a flu vaccination campaign was conducted at the head office for employees. Over 100 employees have been vaccinated by the Company free of charge.

Absenteeism

Absenteeism is the subject of an exhaustive and detailed review each year, with an analysis of each reason by entity.

Absenteeism rate remains less than 3% and is stable compared with previous years.

A HR POLICY THAT IS POPULAR WITH EMPLOYEES AND HAD RECEIVED EXTERNAL RECOGNITION

In 2019 the Human Resources Department obtained four labels and awards:

- the employer of choice for young people with both the Engagement Jeunes and Happy Trainees labels obtained for the second year running;
- Golden Trophy in the GROWING COMPANY category at the fourth edition of U-Spring;
- Golden Trophy 2019 awarded by the Leaders League in the "Leadership and Talent Management" category.

4.5 CSR performance: ratings and indicators

4.5.1 CSR ratings

Altarea CSR performance is regularly assessed by non-financial rating agencies. Analysis of the results obtained allows it to improve its performance on a continuous basis.

Global Real Estate Sustainability Benchmark (GRESB)

Since 2011, the Group has been voluntarily participating in the Global Real Estate Sustainability Benchmark (GRESB), the reference in the real estate sector for sustainable development, with 1,005 companies and funds assessed around the world in 2019.

In 2019, Altarea confirmed its "Green Star 5*" status and has maintained a score of over 90/100 since 2016. This ranking attests to its long-term performance. Moreover, Altarea has obtained an A rating for transparency, a token of the quality of its institutional publications and the reliability and exhaustive scope of its CSR reporting.

ISS-ESG

ISS-ESG is one of the world's leading non-financial rating agencies. In 2019, it awarded the Group its Prime status again.

Gaïa – Ethifinance index

The Gaïa index is made up of 70 companies offering outstanding guarantees in terms of their management of ESG risks. The Group has been part of this index since 2017.

4.5.2 Environmental indicators

Group Indicators

Group carbon footprint	$ktCO_2e$	Scope 1	Scope 2	Scope 3
2019 footprint (calculation method changed in 2019)	7 082	< 1%	< 1%	> 99%
2018 footprint (2018 calculation method)	5 039	< 1%	< 1%	> 99%

Indicators for portfolio

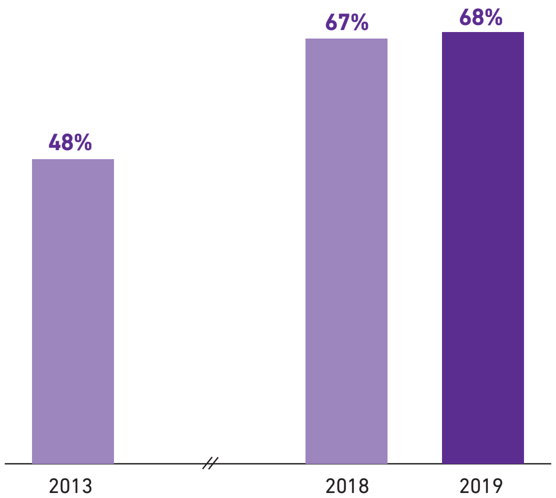
Definition of the scopes (detail in 4.6.3)		GLA private-use *areas* m^2	Share of 2019 reporting scope
CURRENT SCOPE 2019	**TOTAL**	**507,745**	**89%**
	Shopping centres	140,074	28%
	Life style centres	177,854	40%
	Family villages & retail parks	189,817	20%
LIKE-FOR-LIKE 2018-2019	**TOTAL**	**507,745**	**89%**
LIKE-FOR-LIKE 2015-2019	**TOTAL**	**407,096**	**69%**

ENVIRONMENTAL LABELS AND CERTIFICATIONS

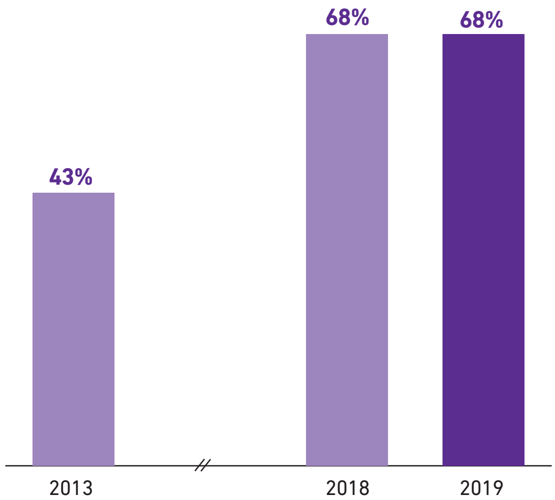
Includes new developments subject to a building permit (provisional or permanent), under construction or delivered during the reference year, and portfolio sites included in the 2019 reporting scope (including sites under construction).

	City	Centre	Construction certification	BREEAM® In-Use certification			
				Category 1 – Asset		Category 2 – Management	
				Level	Score	Level	Score
NEW DEVELOPMENTS	Saint-Laurent-du-Var	Cap 3000 – Expansion	BREEAM® Excellent	-	-	-	-
PORTFOLIO	Aubergenville	Aubergenville Family Village	-	Excellent	70%	Excellent	75%
	Brest Guipavas	Les Portes de Brest Guipavas	-	Excellent	77%	Outstanding	87%
	Flins	Flins shopping centre	-	Very Good	59%	Excellent	79%
	Gennevilliers	Parc des Chanteraines	-	Very Good	60%	Very Good	56%
	Limoges	Limoges Family Village	-	Excellent	71%	Very Good	68%
	Lille	Grand'Place	-	Very Good	57%	Very Good	61%
	Massy	Ccial -X%	-	Very Good	57%	Very Good	58%
	Nîmes	Costières Sud	HQE Very Good	Excellent	74%	Very Good	66%
	Paris	Bercy Village	-	Very Good	56%	Very Good	58%
	Paris	Le Parks	-	Excellent	74%	Very Good	58%
	Ruaudin	Les Hunaudières Family Village	-	Very Good	68%	Very Good	64%
	Saint-Laurent-du-Var	Cap 3000	-	Very Good	62%	Very Good	56%
	Thiais	Thiais Village	-	Very Good	66%	Very Good	69%
	Toulouse	Espace Gramont	-	Very Good	58%	Very Good	68%
	Valette du Var (La)	L'Avenue 83	HQE Very Good BREEAM® Excellent	Excellent	73%	Very Good	69%
	Vaulx en Velin	Carré de Soie	-	Very Good	70%	Very Good	65%
	Villeneuve La Garenne	Qwartz	HQE Excellent BREEAM® Very Good	Excellent	79%	Excellent	82%
	Villeparisis	Parc de l'Ambrésis	-	Very Good	56%	Very Good	58%

CHANGE IN AVERAGE BREEAM® IN-USE SCORE "ASSET" CATEGORY



CHANGE IN AVERAGE BREEAM® IN-USE SCORE "MANAGEMENT" CATEGORY



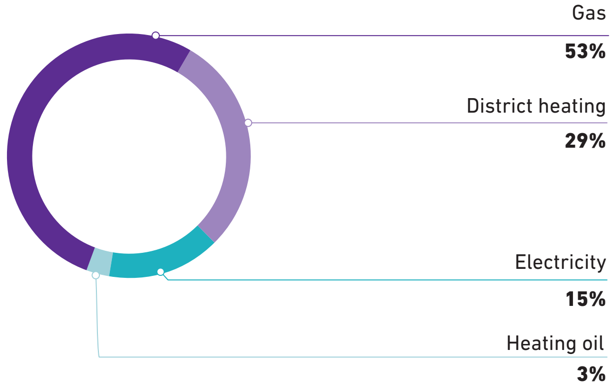
GREENHOUSE GAS EMISSIONS

		tCO_2e	$kgCO_2e/m^2$
LIKE-FOR-LIKE SCOPE OF REPORTING	2019 GHG emissions	1,033	3.2
	2018 GHG emissions	1,412	4.4
	2010-2019 changes at constant climate and use	**-51.8%**	**-59.5%**
	2020 TARGET [(a)]: 2010-2020 REDUCTION AT CONSTANT CLIMATE		**-70%**
CURRENT SCOPE	2019 GHG emissions	**1,033**	**3.2**
	2018 GHG emissions	1,548	4.4

(a) Target set this year: zero emissions from REIT by 2030.

		tCO_2e	$kgCO_2e/m2$
DETAIL OF CURRENT SCOPE	Shopping centres	712	5.7
	Life style centres	311	1.9
	Family villages & retail parks	10.1	0.3

BREAKDOWN OF EMISSIONS BY SOURCE
(CURRENT SCOPE 2019)



BREAKDOWN BY SCOPE
(CURRENT SCOPE 2019)

ENERGY

		GWhpe	GWhfe	$kWhpe/m^2$
LIKE-FOR-LIKE SCOPE OF REPORTING	2019 consumption	44.0	20.1	137
	2018 consumption	48.7	22.5	151
	2010-2019 changes at constant climate and use	-38.8%	-33.3%	**-46.9%**
	2020 TARGET [(a)]: 2010-2020 REDUCTION AT CONSTANT CLIMATE			**-40.0%**
CURRENT SCOPE	2019 consumption	44.0	20.1	137
	2018 consumption	55.1	25.2	155

(a) Target set this year: a 50% reduction final energy consumption between 2010 and 2030.

		GWhpe	GWhfe	$kWhpe/m^2$
DETAIL OF CURRENT SCOPE	Shopping centres	24.8	11.3	197
	Life style centres	16.7	7.9	103
	Family villages & retail parks	2.6	1.0	74.7

ENERGY MIX (CURRENT SCOPE 2019)

WATER

		m³ (common and private areas)	L/visitor (common areas)
LIKE-FOR-LIKE SCOPE OF REPORTING	2019 total water consumption	287,767	0.97
	2018 total water consumption	309,275	0.98
CURRENT SCOPE	2019 total water consumption	287,767	**0.97**
	2020 TARGET [(a)]: MAINTENANCE OF A RATIO PER VISITOR		**1.25**
	2018 total water consumption	334,787	0.91
	2010-2019 change	+6.5%	+31.3%

(a) Target strengthened this year: maintain water consumption below 1L/visitor and reduce total water consumption on a like-for-like basis.

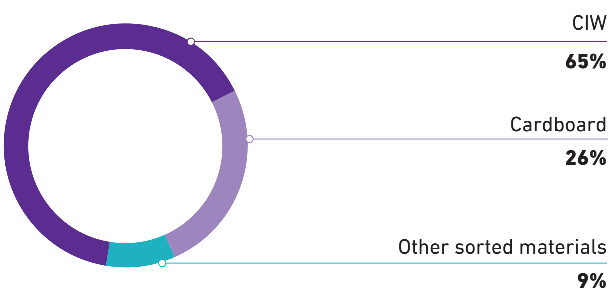
Comments:

- *the consumption of private areas represents 72% of consumption in the current scope, and that of the common areas 28%;*
- *the Group does not operate in high water stress areas and has no polluting waste.*

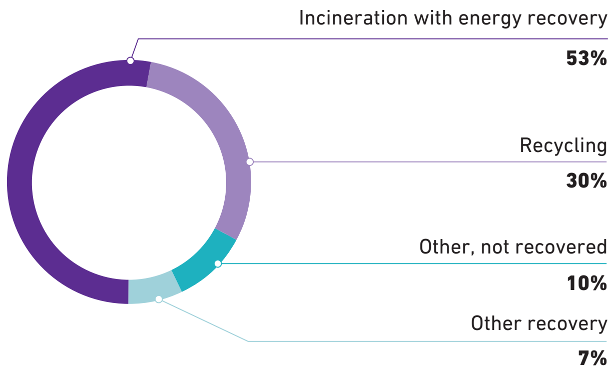
WASTE

		Tonnes	Kg/visitor	Percentage of waste sorted	Percentage of waste recovered
LIKE-FOR-LIKE SCOPE OF REPORTING	2019 waste generated	4,868	0.06	35%	90%
	2018 waste generated	4,724	0.06	35%	89%
CURRENT SCOPE	2019 waste generated	4,868	0.06	**35%**	**90%**
	2020 TARGET ON SORTING AND RECOVERY			**50%**	**>80%**
	2018 waste generated	5,210	0.06	37%	90%
	2018-2019 change	-6.6%	+4.1%	-6.6%	+0.3%
	2010-2019 change	+4.6%	+48.4%	+14.1%	+11.5%

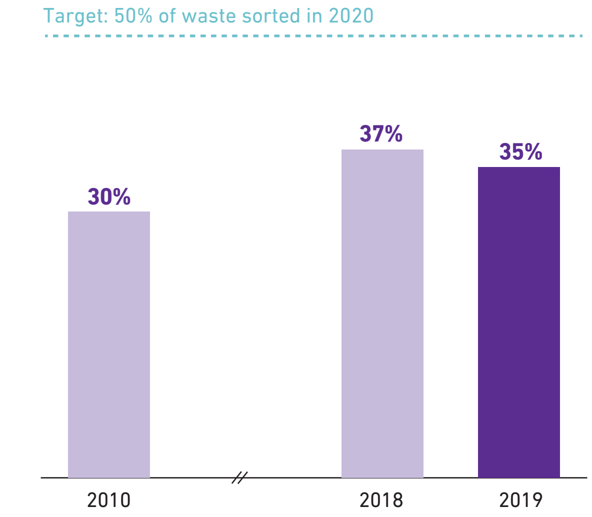
BREAKDOWN BY TYPE OF SORTING (CURRENT SCOPE 2019)



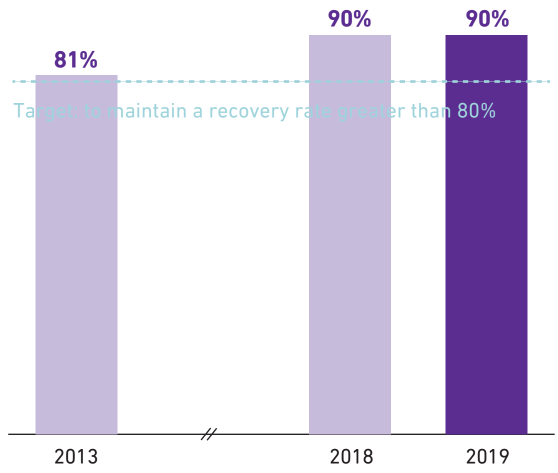
BREAKDOWN BY END-OF-LIFE CATEGORY (CURRENT SCOPE 2019)



CHANGE IN THE SHARE OF WASTE SORTED
(CURRENT SCOPE)



CHANGE IN THE SHARE OF WASTE SORTED
(CURRENT SCOPE)



Corporate indicators

The calculations were made on the basis of 9,631 m[2] and 757 FTEs.

	tCO_2e	$kgCO_2e/m^2$	$kgCO_2e/FTE$
2019 greenhouse gas emissions	198.5	21	263
2018 greenhouse gas emissions	158.1	16	209
2018-2019 change	26%	26%	26%

	GWhpe	$kWhpe/m^2$	kWhpe/FTE
2019 energy consumption	6.27	651	8,296
2018 energy consumption	4.68	486	6,189
2018-2019 change	34%	34%	34%

73% of 2019 consumption was derived from the electricity network and 27% from the urban network. In final energy, it amounts to 2.4 GWh.

	m^3	L/m^2	L/FTE
2019 water consumption	7,635	793	10,099
2018 water consumption	7,719	801	10,197
2018-2019 change	-1%	-1%	-1%

	t	kg/m^2	kg/FTE	Percentage of waste recovered
2019 waste generated	52.8	5.5	69.9	76%
2018 waste generated	75.6	7.9	99.9	79%
2018-2019 change	-30%	-30%	-30%	-5%

4.5.2 Social indicators

		2018	2019
Total headcount	Total headcount end of month	1,874	2,045
Breakdown by type of contract	Number of employees on open-ended contracts	1,811	1,962
	Number of employees on fixed-term contracts	63	83
Breakdown by gender	Percentage of women in the total headcount	56%	57%
Breakdown by age group	Under 30	17%	17%
	30 to 50 years	66%	65%
	Over 50	18%	18%
Breakdown by status	Percentage of employees in management positions	73%	74%
	Percentage of employees in non-management positions	27%	26%
Recruitment	Number of new hires on open-ended contracts	365	416
	Percentage of women hired on open-ended contracts	57%	57%
	Percentage of Managers hired on open-ended contracts	70%	71%
Departures	Number of departures of employees on open-ended contracts excluding mobility and administrative transfers	239	297
	Total departure rate	13.6%	15.6%
	Non-Manager departure rate	26.2%	18.0%
	Manager departure rate	13.7%	14.7%
Reasons for Departures	Percentage of resignations	45%	51%
	Percentage of dismissals	11%	12%
	Percentage of agreements between employer and employee	21%	16%
	Percentage of retirements or early retirements	3%	3%
	Percentage of probation periods ended by employer	13%	10%
	Percentage of probation periods ended by employee	6%	6%
Organisation of working time	FTE on open-ended contracts/FTE on fixed-term contracts	1,815.1	1,963.1
	Average headcount end of month open-ended contracts	1,757	1,911
	Number of theoretical hours worked excluding overtime	2,535,024	3,140,960
Gender equality	Percentage of women among management-level employees	46.1%	48.2%
	Percentage of women on the managing executives committee	28.1%	28.0%
	Percentage of women on the restricted committee of senior executives	18.7%	22.6%
Disabilities	Number of employees having reported a disability	19	12
Anti-discrimination measures	Number of interns during the period	59	72
	Number of work-study contracts during the period	238	287
Organisation of employee-management dialogue	Number of employee respresentatives	37	52
	Percentage of employees covered by a collective agreement (%)	98%	99%
Fixed compensation	Average gross annual employee compensation – excluding variable compensation and employer contributions	56,352 €	56,452 €
	Average gross annual non-management compensation – excluding variable compensation and employer contributions	32,266 €	32,235 €
	Average gross annual management compensation – excluding variable compensation and employer contributions	64,715 €	63,984 €
Training	Total training expenditure (€)	3,211,532 €	3,686,336 €
	Average training expenditure per employee trained	2,084 €	2,287 €
Promotions	Number of employees promoted in the year	135	113
	Percentage of employees promoted in the year	7.4%	5.8%
Mobility	Number of employees having benefited from one or more forms of mobility	326	125[(a)]
	Percentage of employees having benefited from one or more forms of mobility	17.4%	6.1%
	Percentage of vacancies filled as a result of mobility	47.2%	23.1%
Absenteeism/Accidentology	Rate of absenteeism excluding maternity leave/paternity leave/other causes	2.1%	2.6%
	Number of workplace accidents (with work stoppages excluding accidents on the journey to and from work)		7
	Frequency rate of workplace accidents	3.20	2.23
	Severity rate of workplace accidents	0.05	0.04

(a) Definition of mobility refined in 2019.

4.6 Methodology and concordance tables

This document sets out the key information on methodology required for the purposes of transparency, for the reader, the information contained in the Declaration on extra-financial performance (DPEF).

Additional details on methodology is available in the Group's environmental and societal reporting guidelines on request by writing to: developpementdurable@altareacogedim.com.

4.6.1 Establishment of the DPEF (Declaration on Extra-Financial Performance)

France transposed the European Directive of 22 October 2014 on the disclosure of non-financial information in Order no. 2017-1180 of 19 July 2017 and Decree no. 2017-1265 of 9 August 2017. These texts amend Articles L. 225-102-1 and R. 225-104 to R. 225-105-2 of the French Commercial Code initially established by Article 225 of the Grenelle 22 law of 2010 and its implementing decree in 2012.

In order to comply with it, since the year ending 31/12/2018 Altarea has been publishing a DPEF and uses an independent third party organisation for the following:

- verification of the Declaration's compliance with the provisions of Article R. 225-105 of the French Commercial Code;
- verification of the truthfulness of the information: key performance indicators and actions.

Identification and rating of Altarea's non-financial risks

To identify its non-financial risks, the Group called on existing resources: the materiality analysis, Group risk mapping (updated in 2019, see Chapter 5 of the Universal Registration Document and in line with the risks identified in the DPEF), the broad trends covered in the integrated strategic report, and the universe of risks identified in the CSR reporting guide for the sector, produced in 2018 by the CNCC (National Council of Shopping Centres). The risks analysed are gross risks, before the mitigation measures taken by Altarea, in accordance with the requirements of the Directive.

Following an exhaustive cataloguing of the Group's risks and challenges, we carried out a process of classification and ranking in order to create broad families of risks, removing insignificant or irrelevant risks and retaining the most important ones for the business. This work was performed jointly with the various internal stakeholders (CSR Department, the HR Department, the Risks and Internal Control Department).

The risks deriving from this selection were than rated on the basis of the evaluation scale used by the Risk and Internal Control Department for Altarea's risk mapping (rating of probability of occurrence and of severity).

Appropriate policies and indicators have been associated with each of these risks.

The risks and their rating were presented by the CSR Department:

- to the Finance Department, allowing joint work on the business model to be extended;
- and to the Group CSR Committee, which brings together a representative of each business line.

These exchanges led to the list of risks and policies identified being added to and amended.

Lastly the summary document of risks and their ratings was presented to management in the context of an exchange on the Group's non-financial risks, to validate this analysis with the Executive Committee and confirm its strong link to the Group's strategy.

During the process, the list of risks was also presented to the independent third party organisation who are verifying the Group's DPEF.

4.6.2 The CSR management system

Deployment of the CSR approach: General Management System (GMS)

In order to disseminate best practices across all of its activities, Altarea has implemented management systems suited to each business line which, overall, constitute the Group's General Management System (GMS). The implementation of this GMS facilitates access to the requirements of qualitative and environmental certification guidelines while developing employee skills.

GROUP GENERAL MANAGEMENT SYSTEM

Property Development (Residential)	Property Development (Business property)	Retail Development	Retail REIT
Guide to best practices for Residential properties **NF Habitat** **NF Habitat HQE™**	SME office projects **BREEAM®** **HQE**		EMS Standing Assets **BREEAM® In-Use**
Additional tools: training on regulatory changes and certifications, biodiversity guide, social economy guide, well-being guidelines, etc.			

Environmental management system (EMS) for certifications

Property Development (Residential)

The Group has integrated a certification approach, "the Guide to Best Practices for Residential property", into its development and construction process. As of 2016, all residential property developed is NF Habitat certified[1]. Some of the Group's buildings even exceed the NF Habitat requirements and it has committed to the higher-level HQE environmental approach, providing additional benefits to residents such as greater comfort, brighter spaces and even better thermal performance.

Property development (office and commercial)

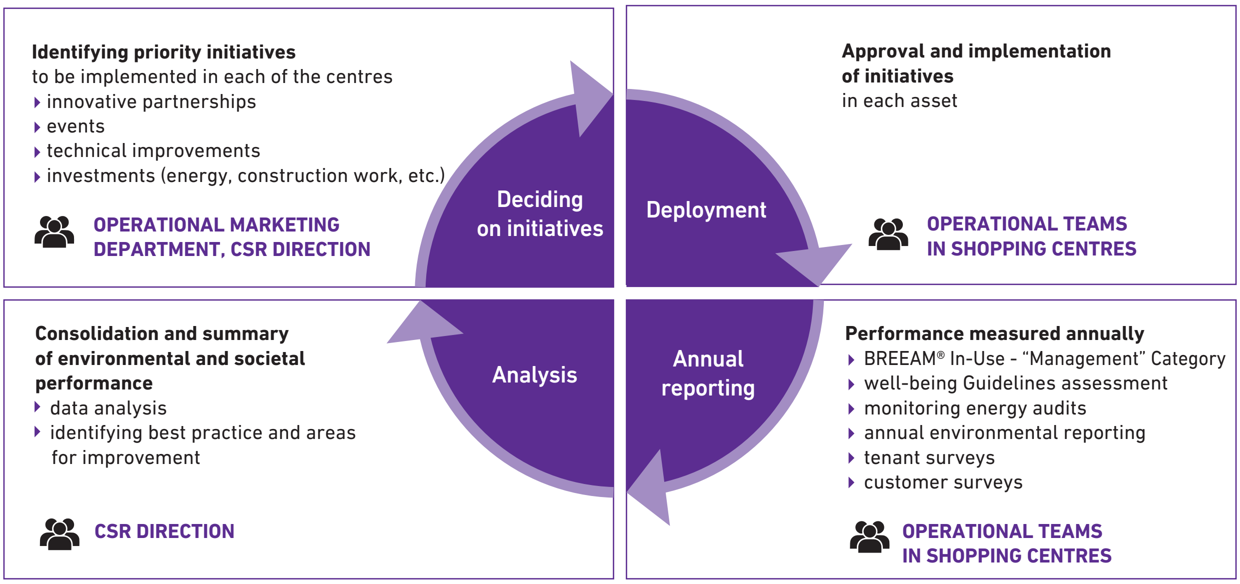
In 2010, the Group implemented *SME Projets Tertiaires* (Office and Retail Development Projects EMS). It provides each developer or operator with a working tool that catalogues all requirements for HQE, Building Research Establishment Environmental Assessment Method (BREEAM®) and (Leadership in Energy and Environmental Design (LEED®) at each stage of the project and accompanies them in the development and realisation of the Group's office and retail operations (Retail and Business property).

Retail portfolio

In 2019, the Group continued to use the "Guide to best operational environmental practice" developed in 2014. Altarea was therefore able to maintain and improve the BREEAM® In-Use certification for all of its shopping centres managed in France. This structuring approach makes it possible to continually improve operations while also making the reported environmental data more reliable.

In Retail, the environmental management approach has since been extended to all CSR subjects.

THE CONTINUOUS ENVIRONMENTAL AND SOCIAL IMPROVEMENT PROCESS (RETAIL PORTFOLIO)



Tools to complement EMS

Training and awareness-raising actions

The teams undergo regular training, in particular with each significant change to regulations or the main certification frameworks.

The government announced the end of the 2012 Thermal Regulations by 2020. They will be replaced by the 2020 Environmental Regulations which will increase the level of energy efficiency and impose a carbon threshold. In 2017, the Group's technical teams underwent training in the issues raised by the future regulations. The training programme continued in 2018 and 2019 improving the skills of all technical teams by: distributing practical guides on the certifications and labels to better adapt the teams' choices to the market needs and goals of the *Tous engagés !* ("We are all involved!") approach.

Awareness-raising is also organised during internal committees or seminars.

On the occasion of Sustainable Development Week, the CSR Department organises conferences and workshops on a theme every year. In 2019 an information morning on the circular economy with speakers including a specialist architect and internal project-owners. Fun workshops based on this theme were also held at the head office and in each of the regional division headquarters. These events were complemented with the circulation with a special edition of the in-house newsletter dedicated to CSR.

Thematic guides

Each year, the CSR Department produces and circulates tolls and guides to raise awareness of employees of the various themes around sustainability and how to facilitate their inclusion. For example:

- two of them aim to provide information about ways of developing and deriving value from biodiversity in the Group's projects. One is specific to Retail (development and operation) and the other is specific to Neighbourhood projects (housing development, Business property, hotels and mixed projects);

(1) Excluding co-development, rehabilitations and managed residences.

- one, dedicated to the social economy (ESS) and updated in 2019, provides information on the world of the ESS and includes mapping and contact details of the stakeholders that can be mobilised on the Group's projects with regional breakdowns (see 4.2.1);
- finally, a guide on the multiple certifications and labels available on the market provides employees with information by theme on the basics and technical and financial restrictions.

Internal guidelines

In order to roll out initiatives to improve comfort, health and well-being at its assets, the Group has produced dedicated internal guidelines in 2017. Drawing on established third-party systems (particularly BREEAM® In-Use and WELL certifications), the Group has set its own requirements for assets in operation, which are sent to each centre in the form of a checklist. It comprises 33 criteria, from the design phase (accessibility of the building, quality of air renewal, implementation of recommendations from an acoustic study for example) to the operational phase of an asset (raising awareness about healthy eating, provision of baby changing facilities in the mixed areas, etc.).

These guidelines form part of a continuous improvement approach which aims to annually review each site's performance in terms of comfort, health and well-being and to put actions plans in place. Portfolio reviews started in 2017 and continued in 2018 and 2019. In all, 27 shopping centres were reviewed.

4.6.3 Methodology and verification

Verification

Altarea contracts an independent third-party organisation to carry out the following:

- verification of the Declaration's compliance with the provisions of Article R. 225-105 of the French Commercial Code;
- verification of the truthfulness of the information: key performance indicators and actions.

Methodological changes

Integration of Histoire & Patrimoine operations

In July 2018, Altarea acquired the remaining capital of Histoire & Patrimoine, having already acquired 55% of its capital in June 2014. As such, Histoire & Patrimoine data is being gradually included in the Group's reporting. Social data were included for the first time in 2018. Consolidation continued in 2019 with an initial collection of environmental and societal data so as to produce a basis for comparison for the future.

Completeness of reporting scopes and guidelines used

Reporting covers nearly all of Altarea's REIT and Property Development activities, as well as the operations of its registered office. CSR reporting coverage rates provide an appreciation of its comprehensiveness compared to financial reporting.

COMPLETENESS OF ALTAREA EXTRA-FINANCIAL REPORTING

	ENVIRONMENT								SOCIAL
ENTITY	ALTAREA	COGEDIM		PITCH PROMOTION		HISTOIRE & PATRIMOINE	ALTAREA COMMERCE		ALTAREA
BUSINESS	CORPORATE	PROPERTY DEVELOPMENT (RESIDENTIAL)	PROPERTY DEVELOPMENT (BUSINESS PROPERTY)	PROPERTY DEVELOPMENT (RESIDENTIAL)	PROPERTY DEVELOPMENT (COMMERCIAL)	PROPERTY DEVELOPMENT (RESIDENTIAL)	PROPERTY DEVELOPMENT (RETAIL)	RETAIL REIT	CORPORATE
GUIDELINES	GRI CRESS	Internal definition ("Methodology and verification" chapter)						GRI CRESS Recommendations EPRA	GRI CRESS
PERIOD	1 September year N-1 31 August year N	to 30 September year N	1 October year N-1 to 30 September year N	to 30 September year N	1 October year N-1 to 30 September year N		1 January year N 31 December year N		1 January 31 December 31 year N
SCOPE	Head office 9,631 m² useful	193 projects 18,040 residential units	30 projects 463,374 m² Net surface area or floor area	53 projects 5,823 residential units	19 projects 177,493 m² Net surface area or floor area	52 projects 1,878 residential units	2 projects 80,811 m² Net surface area or floor area	507,745 m² GLA	2,045 employees
REPORTING COVERAGE	100%	100%	100%	100%	100%	100%	100%	93% (in surface area) 89% (in value terms)	100%

Compliance of reporting with national and international guidelines

Altarea drew on recognised national and international guidelines to produce its internal reporting guidelines and extra-financial communication.

The Group's extra-financial reporting is compatible with the European Public Real Estate Association (EPRA) "Best Practices Recommendation on Sustainability Reporting", published in 2011 and the GRI G4 Construction & Real Estate Sector Supplement (CRESS) sector supplement.

In Retail, Altarea also follows the recommendations of the CNCC (National Council of Shopping Centres) 2018 sector reporting guide on the DPEF. This guide, to which Altarea contributed, sets out the reporting recommendations for the shopping centres sector, following the publication of the transposition into French law of the EU Directive on disclosure of non-financial information.

Reporting period

The Group has opted whenever possible to base its non-financial reporting on the same period as its financial reporting.

For the Retail REIT activity, the key portfolio data (value and area) are those at 31 December of the reference year. However, since 2016, for reasons related to the availability of data, the reporting for footfall, revenue and all environmental data has been provided over a rolling year running from 1 November of the year preceding the reporting year to 31 October of the reporting year.

However, for environmental and societal data related to Group procurement of goods and services (particularly indirect jobs), the length of the calculation processes require that the Group use a staggered reporting period.

On collection, for the reporting period, of more precise data for prior periods, the indicators are recalculated with this new data.

Information about the scope of social reporting

The scope of social reporting includes all of the Group's fully integrated legal entities with a payroll that is not nil.

Description of environmental reporting scopes

Corporate

The scope of Corporate reporting includes the environmental data for Altarea's registered office, which is located at 8, avenue Delcassé in Paris.

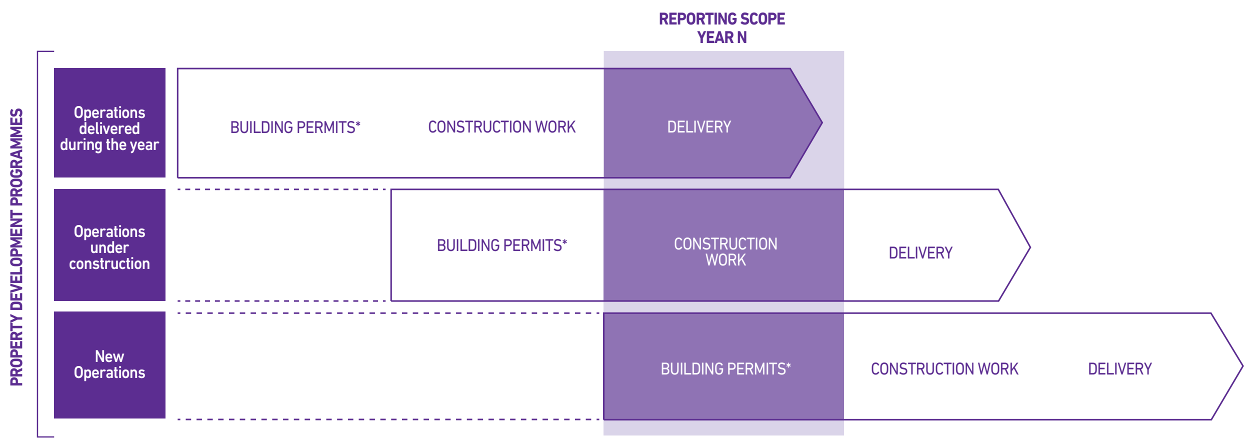
Property Development

The scope of reporting for Property Development includes operations which, during the reporting period:

- obtained a building permit (except for certain Cogedim and Pitch Promotion residential units involving the acquisition of land);
- were in progress;
- were delivered.

The following diagram summarises the way in which projects are entered and booked out for each of the activities (Residential, Business property and Retail).

SUMMARY OF METHODS OF ACCOUNTING FOR NEW PROJECTS IN THE SCOPE OF REPORTING



* Acquisition of land for Cogedim and Pitch Promotion residential projects.

In order to facilitate understanding of the indicators related to the Property Development activities, the Group opted to retain the same accounting method for each category, each certification and each label, although the key dates in the certification process vary according to the category of asset and certification.

Retail portfolio

Scope of ownership

The scope of ownership includes all assets in which Altarea ownership is not zero.

Scope of reporting

The assets included in this scope are the French assets of the scope that have been held for at least 12 months in the reference year. As a result, any acquisitions or disposals made during the reference year are excluded from the scope of reporting.

Sites undergoing construction during the reference year are included in this scope unless they are completely closed for at least one month in the reference year or if creation of gross lesasable area (GLA) exceeds 20%. If the creation of GLA exceeds 20%, it is nonetheless included if overconsumption related to construction can be isolated.

Scope of current reporting

The assets included in the current scope of reporting are those included in the scope of reporting with the exception of:

- sites not managed by Altarea and therefore over which the Group has no operational control;
- sites on which no Altarea representative carries out on-site management.

Scope of overall reporting

The like-for-like basis consists of two phases:

- between 2010 and 2015, it includes all assets in the scope of reporting held throughout the period. Given its share in the total portfolio, the Cap 3000 centre, which was acquired in 2010, was reintegrated in the 2010-2015 scope on a like-for-like basis. The data previous to the acquisition of the centre are generally known, limiting the data which needs to be estimated;
- due to disposals and acquisitions of sites since 2010, a new like-for-like basis was established for the 2015-2020 period to reflect the Group's portfolio as accurately as possible. It includes all of the assets in the scope of reporting held throughout the 2015-2020 period. Given its significant share of the scope, the Carré de Soie centre has been included on a like-for-like basis.

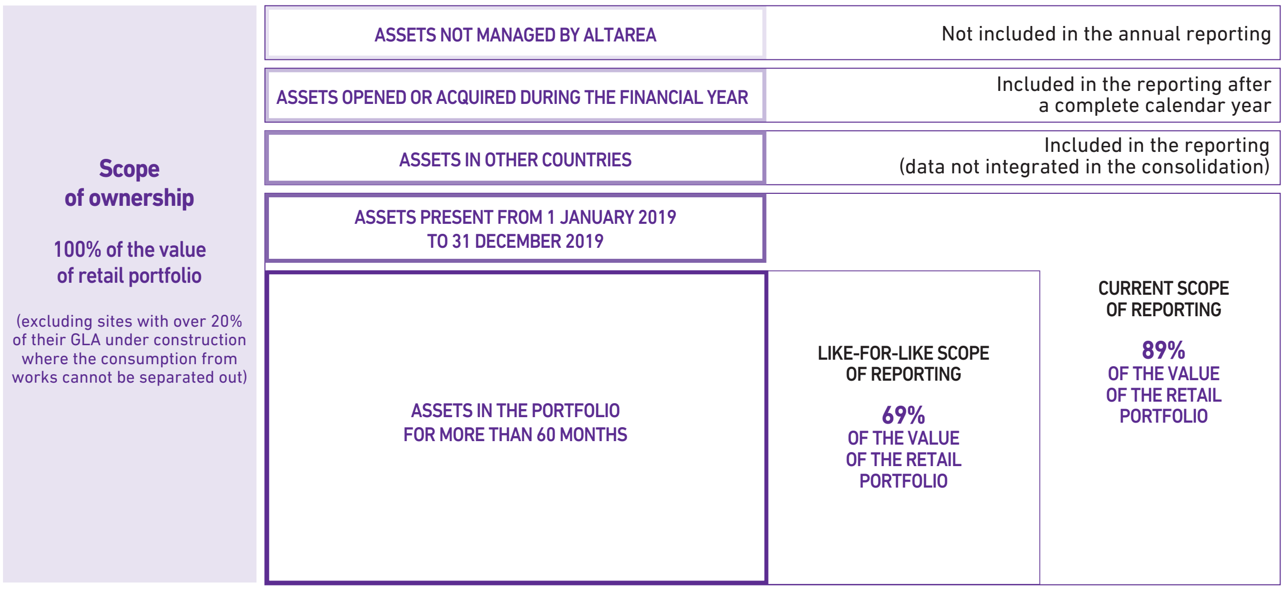
Changes in Group indicators between 2010 and 2020 are calculated by adding the changes seen between 2010 and 2015 on the 2010-2015 like-for-like basis and those seen between 2015 and 2020 on the 2015-2020 like-for-like basis.

All assets included in the scope of current reporting and the overall scope – including partially owned assets – are recognised in full if Altarea manages them directly. Assets directly managed but not owned by the Altarea Group are excluded from the scope of current and overall reporting.

For indicators covering all assets we specify the portion of the current reporting scope or like-for-like basis covered by the indicator, compared with the Group's scope of reporting for the reference year. The indicator for this scope is expressed as a percentage of the value of the assets within Altarea's scope of reporting.

We include only consumption managed or paid for directly by Altarea within the current and like-for-like scopes. As a result, environmental data that are directly managed by tenants are excluded, except for shopping centres for which a specific process for collecting tenant consumption data has been implemented (see 4.2.2).

REPORTING SCOPE FOR THE REIT DIVISION



4.6.4 Materiality matrix concordance table

The table below can be used to determine the issues identified in the materiality matrix in the DPEF chapter.

Level of importance	Matrix issue	Where to find it
Capital	Customer and user relations	Theme: Customers 4.3.1 and 4.3.2
Capital	Mixed use and local development	Theme: Cities 4.2.1
Capital	Energy and climate	Theme: Cities 4.2.2
Capital	Connectivity and mobility	Theme: Cities 4.2.1 and 4.2.2
Capital	Well-being of occupants	Theme: Customers 4.3.2
Capital	Business ethics	Theme: Customers 4.3.6
Capital	New uses and digitisation	Theme: Customers 4.3.4
Capital	Talent and skills management	Theme: Talents 4.4.4
Capital	Compensation and value sharing	Theme: Talents 4.4.3
Capital	Diversity and equal opportunities	Theme: Talents 4.4.2
Capital	Safety of assets, people and personal data	Theme: Customers 4.3.7
Capital	Labelling and sustainable certification	Theme: Customers 4.3.3
Capital	Circular economy	Theme: Cities 4.2.4
Capital	Partnerships	4.1.3 and Theme: Cities 4.2.6
Significant	Well-being at work	Theme: Talents 4.4.5
Significant	Responsible supply chain and supplier relationships	Theme: Customers 4.3.5
Significant	Biodiversity and land management	Theme: Cities 4.2.3
Significant	Health/safety of employees	Theme: Talents 4.4.6
Significant	Governance	Chapter 6 of the 2019 Universal Registration Document
Moderate	Water management	4.5.2
Moderate	Sponsorship	Theme: Cities 4.2.6

4.6.5 DPEF concordance table

The table below refers to the aspects of the DPEF to be found in the DPEF Chapter that are required by Article L. 225-102-1 of the French Commercial Code.

Elements of the DPEF	Where to find them
Description of *the business model*	Strategic report incorporated and Business Review (introduction and Chapter 1 of the 2019 Universal Registration Document)
Description of the main risks associated with the Group's activities	4.1.1
Respect for human rights	4.3.5 and 4.4.2
Fight against corruption	4.3.6
Climate change	4.2.2
Circular economy	4.2.4
Food waste	In view of the nature of our activities, we do not consider that this issue constitutes a major CSR risk or that it warrants being dealt with in this management report.
Collective bargaining agreements	4.4.2
Combating of discrimination and promotion of diversity	4.4.2
Social commitments	4.2.1, 4.2.6 and 4.3
Combating of tax evasion	The Group is committed to complying with applicable tax legislation in all countries where it is established. Each year it files a "country-by-country" (CBCR) tax report with the French administration in accordance with the standard set by the OECD and European Union aimed at combating tax fraud and optimisation. Moreover, the Group has no direct financial interest in, nor makes any investment in or has any transactions with countries featured on the black and grey lists of tax havens produced by the EU or on the list of uncooperative countries or territories produced by the Financial Action Task Force (FATF). As a reminder, Altarea has opted for the SIIC status and as such is subject to a particular tax regime, particularly in terms of distributive obligations (see 8.1.2.9), the compliance with which is monitored by an internal and external team of tax experts and discussed with the Group's auditors. Finally, for some complex questions or transactions, the Group refers to top tax advisors and communicates with the tax authorities. Altarea monitors tax investigations and disputes closely.
Combating food insecurity, respect for animal welfare, responsible, fair and sustainable food system	In view of the nature of our activities, we do not consider that this issue constitutes a major CSR risk or that it warrants being dealt with in this management report.

4.7 Independent third party's report on consolidated non-financial statement

Year ended the 31 December 2019

Independent third party's report on consolidated non-financial statement presented in the management report

This is a free translation into English of the original report issued in the French language and it is provided solely for the convenience of English-speaking users. This report should be read in conjunction with, and construed in accordance with, French law and professional standards applicable in France.

To the shareholders,

In our quality as an independent verifier, accredited by the COFRAC under the number n° 3-1681 (scope of accreditation available on the website www.cofrac.fr), and as a member of the network of one of the Statutory Auditors of your entity, we present our report on the consolidated non-financial statement established for the year ended on the 31 December 2019 (hereafter referred to as the "Statement"), included in the management report pursuant to the requirements of Articles L. 225-102-1, R. 225-105 and R. 225-105-1 of the French Commercial Code (*Code de commerce*).

The entity's responsibility

The management is responsible for preparing the Statement, including a presentation of the business model, a description of the principal non-financial risks, a presentation of the policies implemented considering those risks and the outcomes of said policies, including key performance indicators.

The Statement has been prepared in accordance with the entity's procedures (hereinafter the "Guidelines"), the main elements of which are presented in the Statement and which are available on request at the Company's headquarters.

Independence and quality control

Our independence is defined by the requirements of Article L. 822-11-3 of the French Commercial Code and the French Code of Ethics (*Code de déontologie*) of our profession. In addition, we have implemented a system of quality control including documented policies and procedures regarding compliance with applicable legal and regulatory requirements, the ethical requirements and French professional guidance.

Responsibility of the independent third party

On the basis of our work, our responsibility is to provide a report expressing a limited assurance conclusion on:

- the compliance of the Statement with the requirements of Article R. 225-105 of the French Commercial Code;
- the fairness of the information provided in accordance with Article R. 225-105 I, 3° and II of the French Commercial Code, *i.e.*, the outcomes, including key performance indicators, and the measures implemented considering the principal risks (hereinafter the "Information").

However, it is not our responsibility to comment on the entity's compliance with other applicable legal and regulatory requirements, in particular the French duty of care law and anti-corruption and tax avoidance legislation nor on the compliance of products and services with the applicable regulations.

Nature and scope of the work

The work described below was performed in accordance with the provisions of Articles A. 225-1 *et seq.* of the French Commercial Code, as well as with the professional guidance of the French Institute of Statutory Auditors ("CNCC") applicable to such engagements and with ISAE 3000[1].

- we obtained an understanding of all the consolidated entities' activities and the description of the principal risks associated;
- we assessed the suitability of the criteria of the Guidelines with respect to their relevance, completeness, reliability, neutrality and understandability, with due consideration of industry best practices, where appropriate;
- we verified that the Statement includes each category of social and environmental information set out in Article L. 225-102 1 III as well as information regarding compliance with human rights and anti-corruption and tax avoidance legislation;
- we verified that the Statement provides the information required under Article R. 225-105 II of the French Commercial Code, where relevant with respect to the principal risks, and includes, where applicable, an explanation for the absence of the information required under Article L. 225-102-1 III, paragraph 2 of the French Commercial Code;
- we verified that the Statement presents the business model and a description of principal risks associated with all the consolidated entities' activities, including where relevant and proportionate, the risks associated with their business relationships, their products or services, as well as their policies, measures and the outcomes thereof, including key performance indicators associated to the principal risks;

(1) ISAE 3000 - Assurance engagements other than audits or reviews of historical financial information.

- we referred to documentary sources and conducted interviews to
  - assess the process used to identify and confirm the principal risks as well as the consistency of the outcomes, including the key performance indicators used, with respect to the principal risks and the policies presented, and
  - corroborate the qualitative information (measures and outcomes) that we considered to be the most important presented in Appendix 1; concerning certain risks (responsible supply chain, talent management, Company's loss of appeal) our work was carried out on the consolidating entity, for the others risks, our work was carried out on the consolidating entity and on a selection of entities: Bercy Village, Qwartz and Landscape;
- we verified that the Statement covers the scope of consolidation, *i.e.* all the consolidated entities in accordance with Article L. 233-16 of the French Commercial Code;
- we obtained an understanding of internal control and risk management procedures the entity has put in place and assessed the data collection process to ensure the completeness and fairness of the Information;
- for the key performance indicators and other quantitative outcomes that we considered to be the most important presented in Appendix 1, we implemented:
  - analytical procedures to verify the proper consolidation of the data collected and the consistency of any changes in those data;
  - tests of details, using sampling techniques, in order to verify the proper application of the definitions and procedures and reconcile the data with the supporting documents. This work was carried out on a selection of contributing entities and covers between 21% and 36% of the consolidated data relating to the key performance indicators and outcomes selected for these tests (21% of waste production, 33% of energy consumption and 36% of water consumption of the assets included in the reporting scope);
- we assessed the overall consistency of the Statement based on our knowledge of the entity.

We believe that the work carried out, based on our professional judgement, is sufficient to provide a basis for our limited assurance conclusion; a higher level of assurance would have required us to carry out more extensive procedures.

Means and resources

Our verification work mobilized the skills of four people and took place between September 2019 and February 2020 on a total duration of intervention of about nine weeks.

We conducted four interviews with the persons responsible for the preparation of the Statement.

Conclusion

Based on the procedures performed, nothing has come to our attention that causes us to believe that the consolidated non-financial statement is not presented in accordance with the applicable regulatory requirements and that the Information, taken as a whole, is not presented fairly in accordance with the Guidelines, in all material respects.

Paris-La Défense, the 27 February 2020

French original signed by:

Independent third party

EY & Associés

Partner, Sustainable Development	**Partner**
Éric Duvaud	Jean-François Bélorgey

Appendix 1: The most important information

Social Information	
Quantitative Information (including key performance indicators)	Qualitative Information (actions or results)
▪ The total headcount ▪ The absenteeism rate ▪ The departure rate ▪ The proportion of employees who participated in at least one training course during the year ▪ The number of training days ▪ The Representativeness of women in management ▪ The number of work-study students recruited during the year	▪ The development of recruiting, integrating and training systems for employees ▪ Promotion of diversity and equality of chances ▪ Strengthening well-being and quality of life at work ▪ Employees' awareness and training in business ethics
Environmental Information	
Quantitative Information (including key performance indicators)	Qualitative Information (actions or results)
▪ The share of certified areas or in the process of environmental certification (the environmental management system) ▪ Primary energy consumption and CO_2 emissions per m^2 of commercial assets ▪ Energy performance and the share of areas exceeding the requirements of thermal regulations ▪ Group CO_2 emissions (Scopes 1 and 2 as well as the evaluation made of Scope 3) ▪ The proportion of managed and sorted waste and the rate of recovered waste managed in commercial assets ▪ Water consumption ▪ Share of areas studied by ecologists ▪ Levels sought or obtained in BREEAM®	▪ A reduction in the direct footprint ▪ Use of energies that emit less greenhouse gases ▪ Development of connected operations and rehabilitation ▪ Improving the energy efficiency of projects ▪ Limiting exposure to climate change ▪ Site waste recovery and reduction of raw materials' consumption ▪ Development of activities linked to wooden construction ▪ Preservation of existing biodiversity ▪ Use of innovation to improve the energy performance of buildings
Societal Information	
Quantitative Information (including key performance indicators)	Qualitative Information (actions or results)
▪ The employment footprint (direct, indirect, induced and hosted jobs) ▪ The proportion of local purchases for development projects ▪ The satisfaction rating of visitors and customers ▪ The proportion of sites promoting well-being and comfort of users (NF Habitat and WELL certifications for Residential and Business property activities) ▪ The share of signed green leases ▪ The share of sites within 500 meters of a transport network (urban integration)	▪ The development of activities related to the social and solidarity economy ▪ Contribution to the local economy ▪ Dialogue with customers and visitors ▪ The implementation of wellness and comfort approaches in each business line ▪ Strengthening green value and environmental quality (quality, labels and certifications) ▪ The development of connected operations

5

RISK MANAGEMENT

5.1 Organisation of internal control and risk management

5.1.1 Objectives set for internal control and risk management

In accordance with AMF guidelines, the Altarea Group's internal control system complies with the general principles of risk management and internal control set forth in the reference framework developed by the AMF in July 2010. Internal control aims to ensure:

- compliance with laws and regulations;
- proper observance of instructions issued by Management;
- effective functioning of the Company's internal procedures, particularly those intended to protect its assets;
- the regularity and reliability of accounting and financial information, in order to present a true and fair view of the assets, financial position and results.

The scope for the application of the Company's internal control is that of the Altarea Group, that is, the Altarea parent company and all companies that it controls as defined by Article L. 233-3-I of the French Commercial Code, except for property development joint ventures that are managed by a commercial partner.

The system implemented within the Group is based on a risk management system that aims to identify the main risks to control in order to: safeguard the Company's value, assets and reputation; secure decision-making and other processes to ensure that targets are reached; encourage consistency between actions taken and corporate values; and unite employees around a shared understanding of the major risks.

We remind you that internal control and risk management systems, like any system of control, are subject to inherent limits, and cannot fully guarantee that objectives will be achieved.

Moreover, the information provided on identified risks is not necessarily exhaustive and does not cover all of the risks to which the Group could be exposed in the course of its activities. Only major risks considered sensitive are identified here.

5.1.2 Governance of internal control and risk management

5.1.2.1 Internal control and risk management system

The internal control and risk management system is run by the Internal Control Department, reporting to the Group Property Legal and Risk Management Director.

Internal control system

The Altarea Group internal control system relies on:

- a structure by activity based on three business lines and support functions, with a system of delegation of powers and responsibilities;
- a definition of the missions and responsibilities of the governance bodies (see section 6.2.3 "Supervisory Board");
- procedures and modus operandi specific to the business and objectives of the Group's different business lines;
- a human resources and skills-management policy, based on a strategic training plan and a shared approach revolving around annual appraisals.

The Group also has internal information dissemination tools, including an intranet, procedural notes, instructions and closing schedules.

Risk management system

The Group's main risks are regularly presented in detail to the Audit Committee. They are identified through a risk-mapping process organised by business processes and support functions. The risk-mapping is periodically updated.

The Internal Control Department uses risk mapping to prepare its action plan. Other sources, such as summaries of internal-control review work and comments and recommendations formulated by the Statutory Auditors are analysed and taken into consideration in defining actions to be taken. The control systems put in place to manage the main risks to which the Altarea Group is exposed are described in Section 5.2 "Risk factors and risk control systems" of this document.

5.1.2.2 Control environment

Internal control is based on rules of conduct and integrity established by the Company's governing bodies and communicated to all employees. The key elements of the internal control procedures are as follows:

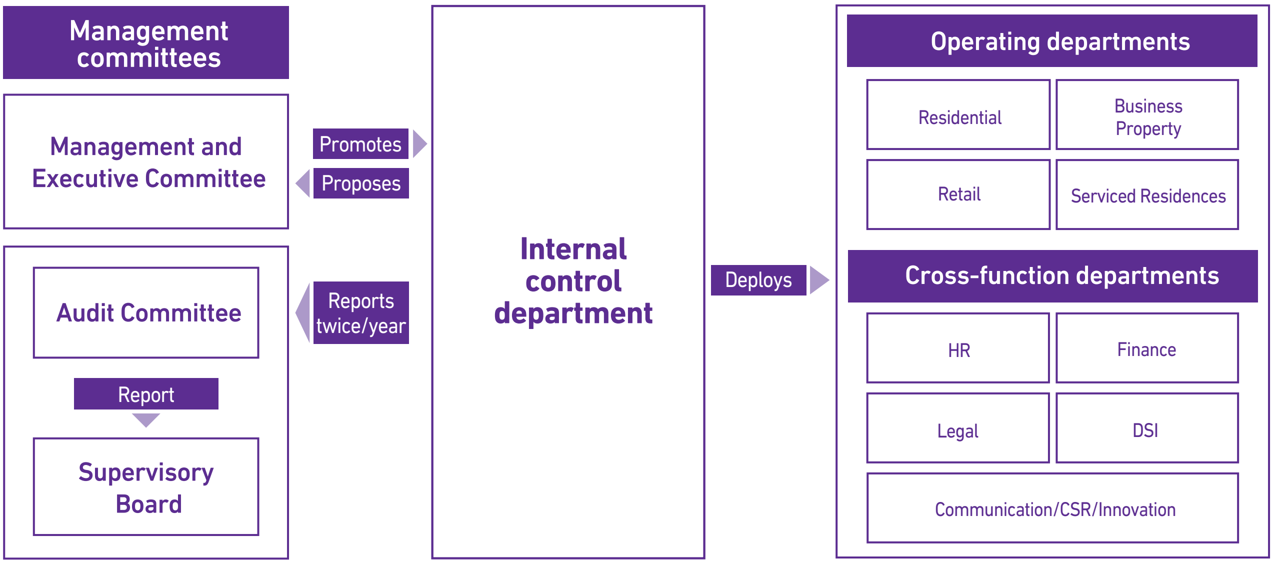
- the ethics charter sets out the Altarea Group's values and rules of conduct that all Group employees and corporate officers must respect in their working relationships. The clear and precise principles outlined in the charter should inspire and guide everyone in their daily tasks, enabling them to resolve issues of conduct, professional ethics and conflicts of interest in a clear and consistent way. The charter is available on the Group's intranet site and a copy is systematically distributed to every employee when recruited;
- all procedures and internal rules of the Group govern its various activities: operational procedures on how to behave in conducting the normal business of the Company and rules that expand upon the principles in the ethics charter on conflicts of interest, the fight against corruption and money laundering or insider trading.

The Group seeks to reinforce its control environment on a daily basis through the development of its compliance programme, in accordance with the various regulatory requirements.

5.1.2.3 Management of the internal control and risk management system

Internal control and risk management is everybody's business, from employees right up to the governance bodies.

Management is responsible for the overall organisation of the internal control system and, for the implementation of its strategic vision, has an Executive Committee which meets regularly. It is under its leadership that internal control procedures are established and that orientations are taken in order to control the risks associated with the Company's business. The Supervisory Board, assisted by the Audit Committee, plays an important role in terms of control as part of its permanent duty to oversee the management of the Company (see Section 6.2.3 "Supervisory Board" in this Universal Registration Document).



5.1.2.4 Priorities of the Internal Control Department

The Internal Control Department is responsible for coordinating and supporting internal control actions which are conducted in the different subsidiaries. Its priority missions are:

- to ensure knowledge and compliance with the rules of procedure and the ethics charter and the correct functioning of the Supervisory Board's specialised committees;
- to monitor regulatory obligations relating to internal control;
- to identify and assist divisions in mapping risks;
- to define or help divisions in defining operational procedures;
- to review the rules applying to the Company's operating commitments, and compile existing procedures and standardise them if needed;
- to perform all compliance checks to ensure procedures are respected.

To fulfil its duties, the Internal Control Department also draws upon:

- specialised advisory and consulting firms;
- a number of contacts within the Group to monitor and control operational risks and commitments.

In addition, every Altarea Group employee is encouraged to make proposals to keep the internal control system effective and up to date. Operational managers ensure that the processes are in line with the objectives assigned to them.

5.1.3 Procedures relating to the preparation and processing of the Group's accounting and financial information

The Group is particularly sensitive to the reliability of the budget processes, the correct consolidation of accounting data and the quality of the financial data published. The Statutory Auditors, the Audit Committee and Supervisory Board closely monitor the clarity of the financial information and compliance of the accounting methods used. Given all the processes in place, the Altarea Group considers the risks related to the preparation of the financial information to be moderate.

Finance Committee

In order to control the financial and accounting risks that may arise, Operational Finance Committee meetings are held every two weeks and are attended by Executive Management, the CFO, Deputy CFO and the managers concerned, depending on the agenda. During these committees, the Corporate Finance Department discusses current financial issues.

In addition, a Cross-Functional Finance Committee is held on a quarterly basis by the operational and corporate finance departments in order to ensure a common approach to managing the business and improving communications. This committee includes all the managers in the finance function and is used to share objectives and issues as well as to improve the flow of information across functions.

Accounting and financial structure and main internal control procedures

(i) Accounting and financial structure

In order to enable controls at every level, the accounting and finance teams are structured by divisions (Group holding companies, Retail Division and Property Development Division).

Within the operating divisions, the main accounting and financial departments are organised with:

- corporate accounts physically maintained by Group employees within each operating subsidiary;
- management controllers in charge of reviewing the results of each operating subsidiary.

Each division prepares consolidated financial statements at its own level with dedicated teams.

Within the Corporate Finance Department, the deputy Chief Financial Officer is responsible for the quality and reliability of all the published or regulatory accounting information: consolidated financial statements (IFRS), parent company financial statements (French Standards) and the Company's forward-looking information (law of 1984). This department is in charge of coordinating the relationship with the Statutory Auditors for the whole Group and at every half-yearly or annual reporting date it prepares an activity report consistent with the accounting information.

(ii) Principal control procedures

The principal control procedures used for the purposes of preparing the accounting and financial information are as follows:

- formally documented budget tracking and planning process on a twice-yearly basis (in April/May and October/November) with a comparison of budgets against actuals approved by operational and Group management. This process facilitates preparation and inspection of half-year and full-year Group financial statements. The main components are discussed with the Statutory Auditors prior to each period-end;
- a vertical procedure for data reporting from various operating departments (period-end timetables and instructions, quarterly meetings and dashboards for information sharing), with audits carried out by the operating management controllers (by business line for the Retail Division, by region and/or brand for the Property Development Division) before the information is sent to the Corporate Finance Department and cross-functional control procedures (consistency checks and reconciliation of operating management/accounting and budgeted/actual figures, intercompany reconciliations, etc.);
- analysis of significant events: the principal events that may have a material effect on the financial statements (acquisitions, disposals, restructuring, etc.) are subject to simulations and explanatory notes prepared by the Corporate Finance Department or the divisions. The accounting treatment of complex transactions (major structural transactions, Corporate financing transactions or operations' tax impact) is systematically presented to the Statutory Auditors before the financial statements are prepared. These items are then used to document the Notes to the consolidated or individual company financial statements;
- reporting, key indicator monitoring and quarterly reporting:
  - unaudited interim financial reports (31 March and 30 September) used to prepare financial statements and analyse key indicators (revenue and net financial debt),
  - periodic reports by the operating subsidiaries to Management and department heads in the Retail Division (half-year Property Portfolio Report, monthly report on shopping centre operations, etc.), and in the Property Development for Third Parties Division (monthly division report and monthly tracking tables of key business indicators for the subsidiaries);

- documentation of the period-end closing process:
  - Retail Division: a matrix formally documenting the overall internal control procedures applying to the period-end closing process; summary files for each company divided by function (purchases, sales, cash flow, capital, etc.) and designed to document economic, legal and financial processing of transactions; formal documentation of claims and legal disputes,
  - Property Development for Third Parties Division: consolidation and accounting procedures guide and documentation of tracking of claims and disputes,
  - Holding Division: Group accounting chart with glossary and table for transition between local and Group accounting; accounting templates for the most common transactions (operating leases, percentage-of-completion payments, etc.); electronic file documenting the consolidated financial statements classified by line items; Notes to the financial statements, including taxes and off-balance sheet commitments;
- audit of the accounts of the French and foreign subsidiaries via contractual audits.

Furthermore a review of operations and the forecast financial results is carried out twice a year with the Chairman of the Audit Committee, a specialised committee of the Supervisory Board, in preparation of the half-year and annual period ends.

Information systems

Accounting and financial information is prepared based on efficient business and financial information systems. Manual and automatic controls exist in order to secure the flow and processing of data that come from these systems.

(i) Retail Division software

The Retail Division uses the rental and property management software Altaix in France, Italy and Spain. This business tool is interfaced with the corporate accounting software Sage. Its unique database (chart of accounts, personal account, analysis, etc.) enables multi-company cross-cutting analyses.

(ii) Property transaction software

The Property Development Division uses Primpromo real estate operations management software which optimizes the monitoring and control of projects throughout the different phases. This "business" tool is interfaced with the accounting software Sage and the data presented in the two systems are regularly reconciled.

(iii) Account consolidation software

Due to its structure, the consolidation software SAP BFC (Business Financial Consolidation) software used within the Group, constitutes a platform enabling a strong integration of accounting systems. It therefore helps to reduce the risk of material mistakes.

Sage data is integrated into the SAP BFC consolidation software via a procedure common to the whole Group. The integration of this data leads to controls performed every quarter by reconciliation with Primpromo data from the Property Development Division (project budgets and cumulative sales) and/or budget data (net income), and corporate and/or budget data from the Retail Division (completeness of integrated data, cut-off, gross rental income, net rental income, overhead expenses, HR, net debt, etc.).

In addition, the SAP software DM – Disclosure Management – enables secure disclosure management via SAP BFC of quantitative data and Notes to the consolidated financial statements. This software package is also used to coordinate the different contributors to the Universal Registration Document, and help prepare it, and thus allows a systematic and cross review of the different parts.

(iv) Software for financial planning and budget reporting

SAP BPC – Business Planning Consolidation – software for financial planning and budget reporting has been implemented for the entire Group. This software uses operating data from business line systems to generate consolidated budget data. Estimated consolidated information is compared with actual figures imported from the system used to prepare the consolidated financial statements (SAP BFC). Any material differences are justified.

(v) Cash flow software

The Group uses the Sage 1000 cash flow software to manage cash flow. It is automatically interfaced with the corporate accounting software, thus enabling the automated transfer of short-term accounting forecasts to cash management or automatic recognition of certain data transmitted to accounting.

Since 2018, the Group transferred all of its electronic signature flows with the EBICS TS secure protocol. This module is interfaced with all of the Group's ERPs, thus enabling the provision of account statements and other information statements to the ERPs or the secure transfer of payment and direct debit files from the ERPs to the banking communication system.

To prevent risks affecting cash management, the cash management teams reconcile bank balances and analyse changes in the cash balance for all divisions on a daily basis: reconciliation of banking data with short-term forecasts, checking of balances and analysis of daily changes in banking positions.

5.1.4 Managing interest rate and counterparty risk

The Altarea Group has borrowings from and liabilities to credit institutions at variable rates and is therefore exposed to the risk of interest rate fluctuations. An increase or a decrease in interest rates could have a negative impact on the Group's earnings.

Furthermore, the use of financial derivatives to limit interest rate risk may also expose the Group to unfavourable consequences on its earnings should its counterparty default.

The Altarea Group has adopted a prudent approach to managing interest rate risk. The Company uses hedging instruments to cover the interest rates on mortgages and/or corporate loans backing its property and therefore to preserve the cash flow generated by its operating assets. The instruments used are mostly fixed/variable-rate swaps(1).

In order to limit counterparty risk that may arise following the setting up of financial derivatives, the Group thoroughly checks the quality of the counterparties and only pursues projects with the largest financial institutions.

5.1.5 Managing fraud and corruption risk

Combating fraud

To mitigate risks of fraud or embezzlement, procedures have been set up for cash management and cash flows to ensure that they are secure and to decrease the risk of fraud (bank powers; rules for opening, modifying and closing bank accounts; daily reconciliation of bank transactions with accounting entries; and separation of functions between the Accounting Department and the Cash Management Department). In addition, the number of authorised signatories for payments is limited.

Every external attempted fraud observed by the teams (for example, fraud by impersonation, bank fraud or recruitment) is reported to the Internal Control Department which sends out a reminder at least twice per year about the methods used by scammers and the right things to do to avoid them. The Internal Control Department works closely with the Group Security Department on these matters.

Combating money laundering and the financing of terrorism

Our prevention mechanism is primarily centred around:

- a systematic inclusion of anti-money-laundering clauses in our contracts with third parties;
- the designation of a Group-wide TRACFIN declarant/officer;
- a process to asses the risk level of commercial customers and partners;
- training and awareness raising for the employees most exposed to risk.

Moreover, a money laundering and terrorism financing prevention manual has been established in Spain and is the subject of an annual report by an external firm.

Fight against corruption

The Group is currently tightening its anticorruption system to prevent this risk and meet the requirements of Sapin 2. Corruption risks are mapped to enable us to identify the areas requiring priority action.

Periodic awareness campaigns target the employees identified as the most vulnerable. For example, with the help of specialist law firms we held courses on the different types of corruption, conflicts of interest, the peddling of influence, favouritism and the potential criminal repercussions, particularly in relations with the public sector.

5.1.6 Legal and arbitration proceedings

The Company is not aware of any government, legal or arbitration procedure, pending or threatened, that over the last 12 months could have, or has had, a material impact on the Company and/or Group's financial position or profitability other than those for which a provision has been booked (see note 6.3 "Provisions") or which the Company has contested or is preparing to contest (see note 5.3 in Section 2.3 "Income Tax" or 6.3 "Provisions" in Section 2.3).

(1) The financial instruments used are detailled in Note 8, Section 2.3 "Other information attached to the consolidated financial statements" of this Universal Registration Document.

5.2 Risk factors and risk control systems

The Company has identified the main categories and the most significant risks, presented in what the Group considers to be the order of decreasing importance within each category. The five categories identified are as follows:

- Business-sector related risks;
- Risks inherent to the Group's operations;
- Risks related to the Group's financial position;
- Legal and regulatory risks;
- Social, environmental and governance risks.

This presentation corresponds, after taking into account the control measures implemented by the Company, to the Group's current perception of the importance of these risk factors, based on the current perceived likelihood of the risks materialising and the estimated extent of their negative impact.

Based on this assessment, the Group carried out a risk categorisation exercise as presented in the summary table below.

Investors should nevertheless be aware that other wholly or partially unknown risks considered unlikely to occur at the date of filing this Universal Registration Document, may exist and could have an adverse impact on the Group's business.

Summary of significant risks and that are specific to the Group

		LOW	AVERAGE	HIGH
Business-sector related risks	Risks related to climate change	■	■	■
	Risks related to trends in the property market and the business climate	■	■	
Risks inherent to the Group's operations	Risks related to shopping centre development	■	■	■
	Risks related to the development of housing and offices	■	■	■
	Risks related to REIT assets and activities	■	■	
Risks related to the Group's financial position	Liquidity risk and compliance with covenants	■	■	
	Risk related to the appraisal of property assets	■	■	
Legal and regulatory risks	Risks related to administrative authorisations	■	■	■
	Risk of legal action for non-compliance with safety/employment law	■	■	■
	Tax risks related to SIIC status	■	■	
	Risks related to the protection of personal data	■	■	
Social, environmental and governance risks	Security risks	■	■	■
	Risks related to the Group's information systems	■	■	■
	Social risks	■	■	■
	Risk of dependency on key people	■	■	■
	Health and public safety risks	■	■	■
	Image risk	■	■	

5.2.1 Business-sector related risks

5.2.1.1 Risks related to climate change

Risk factors

The Group has examined the risks linked to climate change for its activities, which are of two main types:

- the need to mitigate climate change: as the property sector is responsible for around 25% of emissions in France, it is directly concerned by the requirement to reduce greenhouse gas emissions and by future regulations (including taxation and more stringent standards, such as the future environmental regulation). Consequently, there is a risk related to the transition of the Group's current practices in its business lines towards increasingly decarbonised practices in the field of building design, operating, uses, etc.;
- the need to adapt to climate change: climate change causes the exacerbation of climatic phenomena (heatwaves, flooding, etc.) which impact cities and buildings and can affect the safety of users or the comfort experienced inside buildings.

Risk control systems

Mitigation of climate change

The Group is fully aware of the need to contribute to climate change mitigation and has anticipated the regulatory constraints linked to climate change, whether for the reduction of emissions, a possible carbon tax or new building standards.

The Group measures its carbon footprint across its full scope (scopes 1, 2 and 3 as defined by the Greenhouse Gas Protocol) and has also implemented a global programme to reduce its direct and indirect carbon footprint, and this applies to all of its activities, targeting the stages that contribute the most to greenhouse gas emissions.

With regard to property development, these actions focus mainly on the energy efficiency of buildings, connectivity to transport in order to reduce emissions linked to travel and low-carbon design (rehabilitation, reversibility and new materials). Over its portfolio, these actions are closely linked to actions for the reduction of energy consumption.

The Group is currently carbon mapping its activities in accordance with the Paris Agreement to help keep global warming to 2°C.

Adaptation to climate change

In 2018, Altarea conducted an in-depth analysis concerning its exposure to climate risks concerning its assets and its development operations, with a detailed approach studying each location in France.

On this basis, in 2019 the Group committed its tertiary and housing activities to adaptation programmes designed to protect assets and provide guarantees for buyers concerning the comfort and asset value of their property.

The Group's full approach to improvement in this respect is set out in the Declaration on Extra-Financial Performance in Chapter 4 of this Universal Registration Document.

5.2.1.2 Risks related to trends in the property market and the business climate

Risk factors

As part of its risk management strategy, the Group must take account of the many different sectors in which it operates (retail property, residential and office property and serviced residences). Each of these sectors has its own cycle and own exposure to endogenous and exogenous variables. As a result, the Group must develop sector-specific sensitivity and combine it using a vertical analysis and a cross-cutting approach.

Its many different activities also offer it risk diversification which is not available to its single-sector competitors.

Changes to the tax laws could occur and would have more or less favourable consequences for the property development business. The main economic and fiscal regulations are as follows:

- The *Pinel* Law aims to provide housing at affordable rents to lower income households in urban areas where there are housing shortages. The stated objective of this scheme is to substantially increase the creation of new housing by offering tax incentives in exchange for social requirements. The scheme is applicable to acquisitions carried out before 31 December 2021 in high-demand areas (A, A bis and B1);
- the zero-rate loan system (PTZ+) to encourage home ownership is available to buyers provided they have the resources for new housing. This scheme, adapted according to different geographic zones, is rerun high-demand areas at 40% in 2020 and 2021 but reduced to 20% for other areas.

  It should be noted that most *of* the Altarea Promotion residential pipeline consists of operations in A and B1 areas;
- the *Malraux* system, which currently has no time limit, is intended to facilitate the complete rehabilitation of buildings, primarily in sites of remarkable heritage significance mainly in areas covered by an approved preservation and rehabilitation plan (Plan de Sauvegarde et de Mise en Valeur – PSMV). The property purchased must be rented out as main residences or under a commercial lease for a minimum of nine years;
- the "Historic Monument" system is intended to facilitate the maintenance and rehabilitation of buildings that are classed or listed as "Historic Monuments". The interest of the resulting tax benefit deduction depends on the effective tax rate of the investor. There is no geographical restriction and currently no time limit for this system.

Moreover, 2020 began with the uncertainties related to the Covid-19 epidemic. At the filing date of this document, it is still difficult to assess its tangible effects on the Group's businesses. However, from a macro-economic point of view, a prolonged and aggravated impact of the epidemic could certainly affect the Group's activities in 2020.

Risk control systems

The Altarea Group's positioning in multiple segments of the real estate market (shopping centres, residential, offices and serviced residences) enable it to optimise its risk-return profile. Moreover, Management and the Executive Committee closely monitor trends in these markets, the economy and the competitive environment; the strategy and policies that they implement are designed to anticipate and mitigate those risks.

The Group has put in place preventive and organizational measures, in accordance with government decisions, aimed at limiting the impact and spread of the epidemic while allowing for the continuity of its businesses. A crisis unit has also been set up to coordinate the various actions and adapt them to an extremely changing context.

5.2.2 Risks inherent to the Group's operations

5.2.2.1 Risks related to shopping centre development

Risk factors

There are many development risks. They include in particular:

- an administrative risk related to obtaining permits for commercial operations or building permits and to administrative proceedings that could delay property development projects;
- a construction risk linked to potential delays the work going over budget, a shortage of approved construction companies due to the large number and increasing size of the building projects on national soil, companies defaulting, the ability of companies and contractors to adapt, to new standards in particular, and potential disputes with the construction companies;
- a commercial risk, linked to the inadequacy of the products developed, long lead times for setting up some deals or the failure of some chains of retailers;
- a competition risk, which may affect the acquisition of land/ shopping centres, product sale prices or the availability of subcontractors.

Risk control systems

(i) France

These risks are controlled by the Investment Committee, a Specialist Committee of the Supervisory Board (see 6.2.3.2 "Working methods, preparation and organisation of the Board's work" in the Section "Specialist Committees" of this Universal Registration Document) with support from several other committees:

- the Development, Operational and Planning Committee: attended by the Executive Management of the subsidiary, the committee meets weekly to decide on and set operational targets for each project, monitors the commitments to works, approves the initial budgets and, where appropriate, any adjustments. Once a month, it is chaired by Group Management to examine the most strategic issues;
- the Coordination and Marketing Committee: this committee helps the Executive Management to define and set sales targets for each project. Pre-letting mitigates marketing risk;
- the extended Management Committee: this committee includes the members of the Altarea Commerce Management Committee and the main Operational Directors. It addresses all subjects relating to the subsidiary (development, operations, marketing, valuation and legal questions).

The Research Department coordinates economic and competitive analyses of the portfolio and provides operational guidance to the teams on Retail and Business line trends in order to adapt the products developed to meet market needs.

The risks related to development projects are also monitored through several processes and reports:

- monitoring investments: any authorised investments are subject to individual monthly monitoring and a control system by operational and financial management;
- a quarterly report is drawn up for each project under development or in progress, showing actual expenditure and commitments to date and the balance to be invested;
- half-yearly validation of operation budgets: settlement of construction invoices with the Accounting Department and revision of interest expenses based on market conditions, and review of planning schedules. This procedure provides for the budgets of developments under construction to be signed off by the subsidiary's Executive Management.

Administrative authorisation requests (building permits, regional retail development commissions, etc.) are subject to prior review by a specialised law firm.

(ii) Italy and Spain

New investments in these countries are reviewed by the Group Investment Committee.

- In Italy, the Management Committee meets monthly. Specific meetings with Group Management may also be organised according to topics on the agenda. The organisational, management and control model in Italy, in accordance with legislative decree no. 231/2001, calls for the setting up of a monitoring body responsible for overseeing the application and the relevance of the model, comprising a lawyer and a tax accountant;
- in Spain, new developments have been discontinued.

Altarea managers hold monthly meetings with the subsidiaries' Executive Management teams.

5.2.2.2 Risks related to the development of housing and offices

Risk factors

There are many development risks, as there are many shopping centres and include in particular:

- an administrative risk related to the uncertainty of obtaining office approvals, building permits possible appeals that could delay property development projects;
- a construction risk linked to the works going over budget, a shortage of approved construction companies due to the large number and increasing size of the building projects on national soil, companies defaulting, the ability of companies and contractors to adapt, to new standards in particular, and potential disputes with the construction companies;
- a completion risk with regard to its customers, when the Group acts as a developer by signing off plan or property development agreements in which it undertakes to build a building with a fixed price and deadline. The risk would be one of non-compliance of the product delivered or of a delay in delivering;
- in the office market, a market risk when the Group acts as an investor, if it fails to sell or let the property. It may thus have to bear a risk of prolonged carry.

Risk control systems

The implemented procedures are described below.

(i) Residential and Office Property

In the residential property segment, an Operations Management Guide (GMO) sets out best practice for each key stage of residential schemes. The purpose of the guide is to define the role of each actor within property development, to improve and harmonise practices and to facilitate interactions with partner services. It is available on the Group's intranet and training sessions are given to all employees involved.

The following systems are also designed to cover risks related to property development:

- Commitment Committees meet every week to examine all property projects having reached key stages that entail a commitment for the Company: signature of an undertaking to acquire the land, marketing launch, acquisition of the land and start of works. As well as analysing the timing and benefits of the project, at each stage progress is measured against objective benchmarks: margins, percentage of project pre-let on land acquisition and when work gets under way, validation of the cost of works, WCR, etc.

  In addition to the Commitment Committees processes, the Commitment Director works with the Finance Directors in the regional offices on all issues involving the Company but not directly depending on the Commitments Committees. He can ask to see all draft protocols, sales agreements, specific contracts etc. He is also informed about the progress of the Company's major development projects regarding the risks that they may present in terms of the amounts involved or legal arrangements, for example. The Commitment Director works with the Group's Internal Control Department with regard to risk management and internal control issues;
- the Engineering Department guarantees the coherence of the assembly process, that the transfer process for the rights in connection with the project is advancing well and that the construction costs and technical, product, environmental and commercial risks have been properly assessed. It is therefore systematically consulted at Commitments Committee meetings;
- for residential property, the Group has its own marketing arm of dedicated subsidiaries. These structures include: a Marketing Division in charge of keeping contacts and national campaigns, a division in charge of defining and updating product specifications whilst providing research and advice to property development managers to evaluate local markets and a division dedicated to customer relations and after-sales service. In addition, the digital budget monitoring tool used for each project is updated in real time with commercial data (reservations and sales) and allows each Operations Manager to track the progress made in the programmes for which they are responsible. Finally, every week a business report is produced for each project presenting sales figures for the week and a monthly total.

  These two departments use their expertise to assist the Regional Departments, preparing and distributing national working procedures and supervising the Marketing Departments, after-sales services managers, Technical Departments and regional Construction Departments. Outside firms are used for marketing office property;
- reporting and periodic reviews of operations' budgets: in residential property, reports (including bookings and consolidated authenticated deeds, portfolio of projects subject to undertakings, monitoring of commitments to development projects) are sent on a monthly basis to the members of the Cogedim Executive Committee, the Corporate Finance Department, the Chairman of the Supervisory Board and the Management of Altarea. Concerning Office Property, reviews are carried out and sent on a quarterly basis to Executive Management.

  In addition, as part of the budgetary process, all operating budgets are updated at least twice per year and at each milestone triggering Commitment Committee scrutiny (see above);
- building permit applications: for large projects or projects presenting specific difficulties, building permit applications are submitted to a specialised law firm, which participates in drafting the application or reviews the completed application.

(ii) Serviced Residences

Under the Cogedim Club® brand, the Altarea Group is developing a serviced residences concept for seniors with a variety of *à la carte* services and attractive city centre locations. As of the end of 2019, 18 Cogedim Club® residences are in operation. The Group has chosen to manage the design and the development of these residences, as well as rentals during the buildings' operation. In addition to residences for seniors, the Group is also developing an extended range of serviced residences: student halls of residence, business tourism residences, executive residences, etc.

5.2.2.3 Risks related to reit assets and activities

Risk factors

Risks related to assets in operation and to the retail and office REIT business include:

- risks related to letting and re-letting of space in shopping centres and letting of offices, in particular in a challenging and rapidly changing economic climate;
- risks related to property portfolio management and to decisions to buy and sell assets (estimated return on new acquisitions, delays in carrying out disposals, etc.);
- risks related to the operation of shopping centres (maintenance of facilities and achieving compliance with standards, natural and technological risks, accidents, risk of administrative closure of a centre, terrorism, etc.).

Risk control systems

(i) France

The risks related to REIT assets and activities are covered by the following arrangements:

- the Property Portfolio Committee which reports to Executive Management and meets to define and set asset management objectives for each asset;
- due diligence before any acquisition of properties in operation in order to limit the risks linked to the valuation and the integration of these centres into the portfolio;
- on a weekly basis, the Marketing Coordination Committee monitors all re-marketing events in order to set the lease-renewal terms for properties in the portfolio. In order to check that leases are being properly enforced, an independent external firm annually audits the correct invoicing of rents and charges on three or four different sites;
- twice-monthly meeting of the Retail Executive Committee and the Retail Management Committee to take stock of the strategic challenges linked to shopping centres in operation and under development;
- property portfolio reports by the Property Portfolio Managers on forecasts of rental income and non-collectable expenses, data on property vacancies and changes in headline rents, invoiced rents and gross rents. Half-yearly property portfolio reports are also submitted to provide an overview of business at the Company's shopping centres;
- systematic reporting of recovery rates and unpaid rents provides forward-looking guidance to insolvency risk on tenants in the REIT business. A Brand Support Committee reviews solutions for tenants experiencing financial difficulty;
- an insurance programme for assets in operation (See Paragraph 5.3 "Insurance");
- security management of the centres in operation: a schedule of audits and visits by auditing bodies and safety commissions;
- electronic data management (GED): all original paper documents are digitised then stored by a specialist operator.

(ii) Italy and Spain

- In Italy: the operations of all shopping centres in operation are reviewed by the Management and Re-marketing Committees. Monthly management reports on these centres are drawn up and sent to the Group's Executive Management;
- in Spain: Altarea España owns a shopping centre that it manages for the portfolio. Monthly management and re-leasing reports are sent to the Group's Executive Management.

5.2.3 Risks related to the Group's financial position

5.2.3.1 Liquidity risk and compliance with covenants

Risk factors

Altarea finances some of its investments through fixed- or floating-rate loans and through the capital markets. Altarea might not always have the desired access to capital markets or the banking market. This situation could result from a crisis in the bond or equity markets, a serious deterioration in the property market or any change in Altarea's businesses, financial position or shareholder structure which affects investors' perception of the Group's credit quality or attractiveness as an investment. This type of event could also lean to obtain under favourable conditions.

Some of the credit facilities agreed between Altarea and its banks are subject to early repayment clauses primarily linked to compliance with financial ratios or the occurrence of clearly identified events. Failure to meet these commitments or obligations could result either in default or potential default that would mainly result in early repayment of all or part of the outstanding amounts. This situation could produce an unfavourable impact on the Company's business and financial position, particularly its growth.

Risk control systems

As it funds its investments through debt or recourse to capital markets, the Company must continuously monitor the duration of its financing, the ongoing availability of credit lines and the diversification of resources. The budget process for cash management and projected cash flow analysis also provides a way to anticipate and hedge these risks.

Furthermore, compliance with the commitments and obligations granted to financial institutions under the terms of credit agreements is closely monitored by the Group, including bank covenants[(1)].

5.2.3.2 Risk related to the appraisal of property assets

Risk factors

The valuation of Altarea's portfolio of office property is linked to many exogenous factors (economic conditions, retail property market, interest rates, etc.) as well as endogenous factors (shopping centres' rate of return and performance) that may vary appreciably.

(1) See Note 8 "Management of financial risks" in Section 2.3 of this Universal Registration Document.

Risk control systems

In accordance with IAS 40 and IFRS 13, Altarea has opted for the fair value model and measures its investment properties at fair value whenever this can be determined reliably.

- Investment properties in operation are systematically measured at fair value, on the basis of independent appraisals. At 31 December 2019, an external appraisal was performed of all assets in operation(1);
- investment properties under development and construction are measured either at cost or at fair value in accordance with the following rules:
  - properties under development before land is purchased and land not yet built is measured at cost,
  - properties under construction are measured at fair value if most of the uncertainties affecting the determination of fair value have been removed or if the project completion date is in the near future.

The Altarea Group assets are assessed twice a year by an independent appraiser. External valuation of Group assets has been entrusted to Cushman & Wakefield (in France and Italy), Jones Lang Lasalle (in France and Spain) and CBRE (in France).

The fees paid to appraisers are lump-sum amounts determined in advance of the valuations. These amounted to €229,450 (excl. VAT) for 2019, including fees related to the preparation of reliance letters required by banks. They are not proportionate to the value of appraised assets and make up less than 10% of the revenue of each appraisal firm consulted.

A detailed report is produced, dated and signed for each of the assets valued by the experts per the methods set out in Section 2.3 "Other information attached to the consolidated financial statements" of this Universal Registration Document.

The property expert report prepared by the independent experts of Altarea is appended in Section 8.4.4 of this document, with the stipulation that, as far as the Company is aware and can confirm in the light of the information published, no fact has been omitted that would render the information produced inaccurate or misleading.

5.2.4 Legal and regulatory risks

5.2.4.1 Risks related to administrative authorisations

Risk factors

The Group Altarea's activities are governed by a large number of specific French and European requirements. These include law and regulations on urban planning, construction, operating permits, health & safety, the environment, leasing law, intellectual property, consumer regulations, company law and taxation, particularly as they relate to its SIIC status.

Changes to any of these regulations could require the Group to adjust its operations, assets, or business strategy accordingly, which may have negative consequences on its earnings, asset values and expenses and may slow or halt progress on some of the Company's property development or marketing activities.

In the normal course of its business, and in view of the growing number of development projects, the Group could find itself facing unfavourable contractual clauses or clauses which offer insufficient protection. It could also be involved in legal proceedings and be subjected to tax and administrative audits (see Section 2.3 "Other information attached to the consolidated financial statements" – Note 10) of this Universal Registration Document. Each of these risks brings with it not only a financial risk, but also a risk for the Group's image.

Risk control systems

Due to the nature of their activities, the entities of the Altarea Group are subject to the risks of regulatory changes. They are therefore monitored closely by the Group's Legal Departments.

Property Legal Department

The Group Property Legal Department provides support for first-stage development of projects and the acquisition of land for property projects (whether buying land directly or buying a land-owning company) and asset management. It also monitors compliance with current regulations as well as obtaining the permits necessary for the Group to conduct its business. These services mainly concern urban planning law (commercial operating permits and building permits), construction law and commercial lease law, as well as, in general, all aspects of property, intellectual property, consumer and insurance law.

The Group Property Legal Department also acts for Executive Management and the operational teams on request, where appropriate in conjunction with outside consultants, including for projects conducted through partnerships and for disposals. Operational Managers also, in consultation with the Property Legal Department, regularly use the services of specialised law firms.

(1) Note 2 in Section 2.3 of this Universal Registration Document for more information on asset valuation methods and Note 7 of Section 2.3 of this Universal Registration Document for an analysis of investment properties on the balance sheet at 31 December 2019.

Corporate Legal Department

The Corporate Legal Department ensures that Altarea and its main subsidiaries comply with workplace legislation. It also ensures that Altarea and its subsidiaries Altareit and NR21 comply with the requirements associated with their status as listed companies. It provides assistance to the Group's operating personnel to define, create and operate corporate structures or arrangements for operations and negotiate corporate agreements with outside partners in conjunction with the PLD.

All Altarea Group equity investments and mandates are managed through a new holding and subsidiary management software selected following a call for tenders in 2019. This centralised system makes it possible to automatically establish the legal and tax scopes and to monitor compliance with the related regulations. It has been deployed in France, Italy and Spain.

Finally, the Corporate Legal Department is in charge of setting up and monitoring delegations of authority.

5.2.4.2 Risk of legal action for non-compliance with safety/employment law

Risk factors

Based on the large number of property projects underway, the Altarea Group is a major builder. In a situation where it is increasingly difficult to find approved construction companies able to handle complex projects, as the project manager the Group's liability could be incurred should an accident occur.

Indeed, site employees carrying out construction work are potentially exposed to this type of risk.

Risk control systems

To prevent the risk of accidents, especially on site, or at the very least to limit the occurrence and severity of any accidents, action has been taken which includes the systematic use of specialist safety operators (health and safety officers and security coordinators), audits and *ad hoc* site checks.

In addition, the Group ensures it complies with its legal obligations as a project manager: monitoring the construction companies to ensure they are meeting their contractual obligations, checking the subcontractors' approval applications are complete and all administrative documents are properly updated.

5.2.4.3 Tax risks related to the SIIC status

Risk factors

Altarea has elected to adopt tax treatment as a SIIC under Article 208-C of the French General Tax Code, which exempts it from French corporate income tax providing that it meets certain conditions and obligations, particularly pertaining to dividend distributions. If Altarea fails to meet these criteria, it will be required to pay corporate income tax under the French general tax regime for the financial years in which it does not meet these criteria, which would have a negative impact on its earnings.

In addition, if one or more shareholders acting in concert reach the threshold of 60% of the share capital or voting rights, this would also lead to the loss of the SIIC status which would have a negative impact on its earnings. Under Article 25.3 of the Articles of Association, no shareholder can hold more than 60% of the total voting rights attached to all the shares comprising the share capital.

Moreover, Altarea could face an additional tax charge if exempt dividends are paid to a shareholder other than a natural person not subject to corporate income tax or an equivalent tax and who holds, directly or indirectly, at least 10% of the share capital of Altarea. Altarea's Articles of Association state explicitly that the shareholders must pay this charge.

Finally, the Company remains dependent on changes in existing tax laws.

Risk control systems

The requirements for the SIIC status in terms of control, voting rights and dividend distribution are set out in Altarea's Articles of Association.

Tax regimes and obligations are controlled by the Altarea Corporate Finance Department.

5.2.4.4 Risks related to the protection of personal data

Risk factors

For business purposes, the Group, through its different entities, processes the personal data collected from third parties such as its customers, partners, prospects and/or its employees so that it can provide them with better services. Despite putting in place secure information systems, it is not possible to exclude the eventuality of (i) this data being altered or forwarded to third parties by mistake or by malevolence or (ii) the processing undertaken on personal data being the subject of a complaint made to the CNIL (French National Committee for Information Technology and Civil Liberties).

Risk control systems

The Group noted the coming into effect of the European General Data Protection Regulation (GDPR) on 25 May 2018. It therefore appointed a Data Protection Officer who undertook a mapping of the personal data processed within the Group. At the same time, he is in charge of advising the teams, raising their awareness of the regulations and ensuring that the Group's data processing is compliant throughout its various entities.

5.2.5 Social, environmental and governance risks

5.2.5.1 Security risks

Risk factors

Malicious acts targeting the Group's personnel, sites and assets, whether tangible or financial, or even its customers, constitute major risks for the Company's long term business. Malicious acts can come in various forms, ranging from simple incivility to an act of terrorism, and include acts of delinquency. They could also include a simple incident that creates a considerable feeling of insecurity out of all proportion with the act itself.

The security of people and property is a factor which impacts visits to shopping centres (lack of confidence).

Such events are likely to adversely affect the Group's financial capacity, damage its image, result in lost business or engage the responsibility of the Company towards its employees and customers.

Risk control systems

The Group Security Department is responsible for managing security-related risks. The latter is in charge of deploying a global security policy based on an architecture (the structure and the scope of action), systems and procedures, with the risks to be addressed in order of priority. The priority is in effect to address the security of the shopping centres (taking into account the risk of terrorist activity and criminal acts) through physical protection measures, improved video surveillance, training and raising the awareness of preventive measures and the right reflexes among our own staff, service providers and the retail brands in case of attack and addressing vulnerabilities related to commercial activities (deliveries etc.). Another priority is the control of risks related to Group infrastructure and premises by increasing access controls and video surveillance and deploying *ad hoc* procedures, or by strengthening the Group's crisis management capabilities (creating a crisis room and alert and crisis management procedures).

The Security Department is in permanent contact with the public authorities in order to monitor the constantly changing level of threat in real time. Tests and exercises are carried out in the shopping centres to upgrade the systems and adapt the Group's response to potential changes in the threat. Similarly, the Group is also planning to carry out tests this year on the current systems and procedures in correlation with the optimisation of the crisis management procedure and the strengthening of the Business Continuity Plan. Lastly, the Security Department is in charge of implementing security measures at the Group's new head office, both in terms of recommending the building's technical installations and shaping the procedures and future Security Department.

5.2.5.2 Risks related to the Group's information systems

Risk factors

As the Group is currently undergoing a major phase of digitisation, the performance and reliability of its information systems have become major factors in the way it conducts its business. As a result, the Altarea Group could be affected by events (accidents or service failures) outside of its control which could lead to interruptions in its data flows, loss of data or issues affecting its activities.

Furthermore, as the data processed on a daily basis are very often confidential and might even be strategic, the Group could also be confronted by criminal cyber-attacks targeting the integrity, availability and/or confidentiality of this data. Altarea could be exposed to a risk of involving liability and damage to its image.

Risk control systems

The Group Security Department is responsible for managing IT system risks in the Altarea Group. The System Security Manager (ISSM) reports to this Department and has the following duties:

- to monitor compliance with the security policy that meets the Group's needs (ISSP);
- to develop a security culture within the Company through raising employee awareness and an e-learning course;
- to ensure that IT security is taken into account early on in projects by accompanying the business application managers from the design phase onwards;
- to implement good practices and procedures for managing users and business applications, as defined with business line managers.

Within the systems, data are backed up on a daily, weekly and monthly basis, so that they can be recovered if necessary. The Group's ability to recover from a computing disaster will be overhauled during the course of 2019 and 2020 as part of an overall strengthening of the Business Continuity Plan.

This recovery strategy is defined in accordance with the guidelines adopted within the framework of two connected projects in the 2019 schedule:

- strategy for overhauling the system hosting platform;
- review of back-up tools.

Simultaneously, the Group Information Systems Department brought in-house the function of Operational Security Manager (OSM), who works closely with the ISSM. His role is to implement the ISSP and monitor and supervise the various aspects of IS security, while contributing in raising awareness and training employees on the challenges of information systems security.

In addition, a procedure for managing cyber incident alerts also allows real-time processing of events according to their severity.

Moreover, determined to enhance system security, the Group Information Systems Department regularly commissions security audits including internal and external intrusion tests for the whole scope. The results of these audits give rise, depending on the criticality of the vulnerabilities they reveal, to obligations to take corrective action through the creation of remedial plans or security recommendations. These remediation plans are monitored on a monthly basis. Lastly, the Group took out an insurance policy in 2017 to cover its cyber risks.

5.2.5.3 Social risks

Risk factors

The Group's ambitious goals are partly dependent on its Human capital. If Altarea could no longer attract the best profiles and ensure that the competencies of Group employees are up to date with best practice and able to face new challenges, it could have a negative impact on its business and results.

The strong growth in headcount exposes the Group to issues related to the integration and training of new employees. The new recruits are from very varied backgrounds. It is therefore necessary to assist each individual to rapidly assimilate not only the specific requirements, regulations and constraints applicable to the real estate business, but also to share what makes our Company original, and its strategic priorities, objectives and corporate culture.

Risk control systems

The Altarea Group, through different action plans, is implementing a human resources policy to address the following employment risks:

- in terms of recruitment: diversification of hiring sources and recruiting techniques, the involvement and coordination in the recruiting process of both managers and HR teams, combined with the promotion of internal mobility (125 employees moved within the Company and 113 were promoted in 2019) allowing the Group to satisfy its personnel needs. 416 employees were hired on open-ended contracts, to meet the needs of each business line. This shows the importance the Group puts on career development;
- in terms of induction: induction is one of the most important aspects of HR policy. A formal induction interview and a group seminar held within three months of the new employee's arrival are now essential steps to ensure the successful induction of new employees into jobs within the Group. This seminar involves numerous in-house speakers and members of the Executive Committee who are keen to explain and share their vision of the business. A version dedicated specifically to work-study students and a seminar designed for employees with more than two years' service have also been put in place. Since this challenge is shared by everyone, a "manager's kit" was also created and made available to all managers. Other supports of this type were developed internally for tutor communities, trainers, work-study students and interns;
- in terms of training: the Group is developing a proactive training policy through a Talent Development Academy and actions based on a strategic skills development plan which takes account of the challenges each business line faces. The Group continues to invest in training to fund some major initiatives such as our management courses and customer satisfaction programmes but also to assist young people with an ever. increasing number of vocational training contracts;
- in terms of employee loyalty, the Group's salary policy, introduced four years ago through the *Tous en Actions!* ("Shares for all!") scheme, today demonstrates the success of the performance recognition system and enables each employee to build an important portfolio. Furthermore, an "Altawellness" offer designed for the Group's workforce has been launched. The offer enables each employee to access platforms concerning well-being in the workplace;
- in terms of employee dialogue: the quality of social dialogue is maintained and formally documented by employee representative bodies, which play a vital role in transmitting and exchanging information. The unions are also kept informed and consulted on a regular basis about the Group's major projects that affect the working conditions of employees;
- information is also available on a daily basis: magazines, intranet, internal conferences, and committees involving the leading managers in the Group, are the principal channels of communication.

5.2.5.4 Risk of dependency on key people

Risk factors

Some key positions are held by directors whose departure could affect the Group. It cannot be guaranteed that the Group will be able to retain these directors, and some of them could also take advantage of their retirement rights, which would have a negative effect on business.

Risk control systems

The Group's HR policy and the formalization and monitoring of a succession plan for these key positions makes it possible to significantly secure this risk of dependence

5.2.5.5 Health and public safety risks

Risk factors

Assets could be exposed to human health and safety risks such as those related to asbestos, legionella, termites and lead. As the owner/manager of its buildings, facilities, and land, the Group could be formally accused of failure to adequately monitor and maintain its properties against these risks. Any proceedings invoking the Company's liability could have a negative impact on its operations, outlook and reputation.

Risk control systems

To mitigate these risks, the Altarea Group closely follows all applicable public-health and safety regulations and takes a preventative approach involving diagnostics, and, where necessary, building work to bring buildings into compliance.

It has put in place tools to monitor the recommendations made by the Safety Committees and observations made by approved bodies across all the shopping centres it manages.

Asbestos

In accordance with the French Health Code, the Altarea Group performs asbestos tests on all its assets whose building permits were issued prior to 1 July 1997. In addition, in accordance with the regulations, an asbestos technical report is completed for each of these assets and kept up to date.

Legionella bacteria (cooling towers)

The primary source of legionella bacteria is at the level of the cooling towers used in certain shopping centres. These cooling towers undergo methodological risk analyses every two year and a compliance check every five years.

Consequently, Altarea commissions rigorous monthly inspections during the periods when cooling towers are in use, with the support of carefully selected service providers. Furthermore, recently built properties are equipped with adiabatic dry coolers or dry coolers that do not fall under the ICPE 2921 category (Balticare or Jacir equipment lines, whose technology avoids the spreading of Legionella bacteria).

Termites

Prefectoral orders on termites have been issued in municipalities at risk of wood-boring insects. In those municipalities, a termite diagnosis must be conducted in the event of any transaction. Upon selling or purchasing an asset subject to termite diagnosis, the Group carries out such studies.

ICPE (installations for the protection of the environment) classification

Altarea ensures it has all the certifications or authorisations required for the relevant activities at all sites covered by the ICPE classification. Furthermore, the Group commissions maintenance work and periodic general inspections of these ICPEs. Management of ICPE compliance limits the environmental impacts and nuisances on users and local residents of assets.

Access (disabilities)

In accordance with the French Construction and Housing Code, the Group has conducted accessibility diagnoses on the common areas of all establishments whose building permits were issued prior to 1 January 2007. The work required to achieve compliance has since been done or is underway as part of a Programmed Accessibility Agenda (Ad'AP) pursuant to the law of 11 February 2005.

Shopping centres built since 2007 are compliant from the outset.

100% of the sites are equipped with an accessibility log.

Fire safety

To protect people and property against the risk of fire, Altarea has put in place regulatory fire safety systems, which are maintained by appropriately qualified companies and checked by recognised and officially certified bodies.

Air quality

The Group makes sure that there is effective ventilation and air flows that are suitable for the activities conducted on the premises. In the case of new projects, Altarea complies with the regulations and ensures a minimum supply of 20% new air.

In shopping centres, air renewal is ensured through rooftops or air-handling units. The units can be adjusted manually or managed by CO_2 sensors.

Altarea is also aware of the importance of parking lot ventilation systems. To ensure regulatory indoor air renewal, its covered parking lots are equipped with carbon monoxide (CO) sensors that control ventilation fans.

The Group also ensures the safety of ventilation systems through regulatory checks and maintenance. The systems are replaced when needed to guarantee constant safety and efficiency.

Sanitary water quality

To ensure the sanitary quality of the water provided to its tenants, the Group only distributes water from municipal supply systems, which are subject to rigorous, regular checks and analysis.

Refrigerants

The main refrigerants used by the Group in its portfolio are HFC 407C and R410A. The Group does not use virgin HCFC fluids or recycled HCFC recharges, whose use is banned.

Risk of pollution

The French Environmental Code has instituted an obligation of information for tenants and buyers about major environmental risks. At first, this obligation concerned natural disasters and technological and seismic risks, before being extended to include mining, radon and soil pollution. This legislation was last amended on 3 August 2018. The Group took the opportunity of this change to inform its tenants and buyers about the totality of the environmental risks.

Half of the shopping centres are affected by plans for the prevention of natural disasters, including the risk of flooding, subsidence and drought. No Group shopping centre is affected by mining or technological risks or soil pollution.

The vast majority of the shopping centres are located in areas of low or very low seismic activity and none are located in areas of high seismic activity.

5.2.5.6 Image risk

Risk factors

The growing use of social media increases the risk of exposure to criticism or negative messages and accelerates their dissemination. The Group could therefore face situations/events which could damage its reputation and image *vis-à-vis* its stakeholders.

Risk control systems

To prevent this, a guide to the good use of social media at work has been developed and distributed to the Group's employees.

In addition, the Group has monitoring, detection and reaction mechanisms, mainly involving tools distributed to employees, to anticipate and manage its image and reputation risks:

- social media monitoring by community managers;
- daily monitoring of disputes and complaints, including assessment of reputational impact;
- a crisis communication plan and corresponding training for directors;
- annual customer satisfaction surveys, mainly in the Residential Division.

5.3 Insurance

5.3.1 General policy for insurance coverage

The Group's insurance coverage policy aims to protect company and employee assets. The Property Legal and Risk Management Department, supported by the Internal Control Department, has the following key missions:

- the coordination of insurance programmes for the French Group structure of consolidated operations, in collaboration with local teams and insurance brokers;
- the identification and quantification of insurable risks;
- the monitoring and implementation of insurance coverage;
- the coordination of actions with Group insurance brokers, although claims management remains the responsibility of each business segment.

The Group relies on the assistance of brokers specialised in risk management specific to each activity. It works only with reputable insurance companies.

Concerning foreign subsidiaries under Group control and management, when a subsidiary cannot be included in Group policies, it is insured locally and is responsible for monitoring its insurance coverage.

5.3.2 Summary of insurance coverage

The following guarantees have been updated and correspond to the principal insurance policies taken out by the Group for the financial year 2019. These policies were valid as of the release date of this Document. However, these policies should not be considered as permanent, because of evolving risks and activities to be covered, loss history and Group decisions to adjust its coverage. The Group considers that these guarantees take into account the nature of the risks incurred by Altarea and its subsidiaries and that they are proportionate to the capacity of current offers on the insurance market for corporate structures of similar size and activities.

For the financial year 2019, the overall budget for the Altarea Group's main insurance policies (excluding social coverage, Spain and Italy but including construction insurance) was estimated at more than €20 million.

- **Properties in operation**: the Group is insured by CHUBB for "all risks with exceptions" property damage and by ALLIANZ France for general third-party liability. The damages portion covers the reinstatement value of buildings and operating losses over a period of three years. With regards to the Cap 3000 shopping centre, market-value partial complementary insurance is also taken into account. The damages portion includes non-occupant owners' insurance. These insurance policies, which were renewed on 1 January 2020, are for the most part invoiced to tenants under contracts and regulatory provisions in force.
- **Properties under construction**: Altarea has "Construction Damages" (*dommage ouvrage*) and "All Worksite Risks" (tous risques chantier) insurance policies with AXA and MMA. The Group has framework agreements for "Construction Damages" and all "Worksite Risks" for all construction sites that do not exceed a certain size.
- **Professional liability insurance**: Altarea and its subsidiaries hold professional liability insurance policies with various insurance firms, including GENERALI and MMA.
- **Miscellaneous insurance policies**: other insurance covers various rented offices, automobile fleets, computer equipment and 10-year builder liability. Finally, AXA provides a "senior executive and corporate officer civil liability" insurance policy, and CHUBB provides a "cyber policy".

6

CORPORATE GOVERNANCE

6.1 Framework of the report and Reference Code

This report on Corporate Governance has been prepared by the Supervisory Board with the assistance of the Group Finance Department who contributed to writing it. This report was examined by the Audit Committee at its meeting on 28 February 2020 and approved by the Supervisory Board at its meeting on 2 March 2020.

The Company has adopted the Corporate Governance Code of Listed Companies (the "AFEP-MEDEF Code") published by the Association Française des Entreprises Privées (AFEP) and the Mouvement des Entreprises de France (MEDEF) as amended in January 2020. The Company refers to the principles set forth in this Code, which it applies where compatible with the legal form of an SCA (*société en commandite par actions*, a French partnership limited by shares).

Because the Company is a partnership limited by shares, it is overseen by Management and not by a collegiate body, Management Board or Board of Directors. Therefore, changes relating to the collegiate nature of the Board of Directors, and the separation of functions of the Chairman of the Board of Directors and the Chief Executive Officer, the lead director, cannot be applied to partnerships limited by shares.

The Supervisory Board is responsible for overseeing the Company's management on a continual basis, but is not involved in its management. Article 17.1 of the Company's Articles of Association states that the Supervisory Board has the right to be provided with the same documents by the Managers as those made available to the Statutory Auditors. The Articles of Association also give the Supervisory Board significantly greater powers than required by law, for example in reviewing investments.

The Company complies with the recommendations of the AFEP-MEDEF Code, with the exception of the recommendation made in the summary table, below, which have not been applied due to the Company's legal form as a partnership limited by shares. Explanations and, where appropriate, any corrective measures are presented in accordance with the principle "comply or explain".

Recommendation	Code heading	Explanations or remedial measures
Board of Directors, collegiate body	1	In a société en commandite par actions (a French partnership limited by shares), each Manager has the powers to bind the Company.
The separation of duties of the Chairman of the Board of Directors and the Chief Executive Officer	2	In a société en commandite par actions (a French partnership limited by shares), each Manager has the management power, so this separation is not possible.
The Board of Directors and business strategy	3	In a société en commandite par actions (a French partnership limited by shares), Management has exclusive competence to review and decide on operations of strategic importance. However, the Supervisory Board of the Company is consulted on significant commitments and investments/divestments.
Dialogue with shareholders	4	Shareholder relations, particularly on governance-related matters, falls within the remit of management assisted by the operational teams, primarily the Financial Communications Department. The Supervisory Board considers the current procedure to be satisfactory in view of the mode of operation of the partnership limited by shares.
Evaluation of the Board of Directors	9	There is no formal system for evaluating the work of the Supervisory Board. However, the Board freely reviews its functioning and ways to improve it every year.
Board meeting without the presence of the corporate officers	10.3	In compliance with the stipulations of Article 16.3 of the Company's Articles of Association, Management is invited to Board meetings in an advisory capacity to answer questions from the Supervisory Board, so that the Board can exercise continuous oversight of the Company's management.
The term of office of Directors	13	In a société en commandite par actions (a French partnership limited by shares), management powers are exercised by Management, not by a Board of Directors.
The Committee in charge of selection or nomination – Succession plan for executive corporate officers	8.4 -16	In a société en commandite par actions (a French partnership limited by shares), Managers are appointed by the General Partners and the Supervisory Board examines itself questions relating to its composition. In a société en commandite par actions (a French partnership limited by shares), the management succession plan is drafted by the General Partner and not the Board of Directors or one of its committees.
"Say *on pay*"	26	Prior to the entry into force of the Order of 27 November 2019 on compensation for corporate officers of listed companies, implementing the Pacte Act of 22 May 2019, the Company's Management compensation practices exceeded the AFEP-MEDEF recommendation. As Management compensation was determined directly by the Ordinary General Shareholders' Meeting, which had real decision-making power that it exercised ex ante. The General Meeting was not simply consulted ex post to approve or disapprove of compensation awarded to Management by another company body. Management compensation was set directly and in advance by the General Meeting. The General Meeting therefore had no need to issue an opinion on its own decisions. At the General Shareholders' Meeting called to approve the FY 2019 financial statements, the Company will ask its shareholders to vote on its compensation policy ex ante, and ex post if required, in line with the new provisions applicable under the aforementioned Order.

6.2 Composition and practices of the administrative, management and supervisory bodies

As Altarea is a partnership limited by shares, it is overseen and managed by its Management and its ongoing management control is carried out by the Supervisory Board.

It comprises two categories of partners:

- a General Partner, indefinitely responsible for social debts to third parties;
- Limited Partners, who are in the same position as the shareholders of a public limited company: their shares may be traded under the same conditions and their liability is limited to the amount of their contribution.

6.2.1 Management

Composition

The Company is jointly directed and managed by Alain Taravella and the companies Atlas and Altafi 2, of which he is Chairman, the latter being the Company's only General Partner. Altafi 2 is also directed by Jacques Ehrmann, who is Manager of Altarea Management, a wholly-owned subsidiary of Altarea.

Alain Taravella

Co-Manager – Chairman of Altafi 2 and Atlas

He is a French citizen, born in Falaise (Calvados) in 1948. He is a graduate of HEC (École des Hautes Études Commerciales). From 1975 to 1994, Alain Taravella held various positions within the Pierre & Vacances Group, of where he was appointed Chief Executive Officer in 1985. In 1994, he founded the Altarea Group, which he has been managing since. Appointed Co-Manager of the Company on 26 June 2007, when the Company converted into a partnership limited by shares, his term of office was renewed in 2017 for a further 10 years. Alain Taravella is a Chevalier de la Légion d'Honneur.

Altafi 2

Co-Manager

Altafi 2 is a single shareholder public limited company (*société par actions simplifiée unipersonnelle*) with share capital of €38,000 divided into 38,000 shares held by AltaGroupe, itself controlled by Alain Taravella. It is registered with the Paris Trade and Companies Registry under registration number 501 290 506.

Alain Taravella is the Chairman of Altafi 2. Jacques Ehrmann was appointed General Manager of Altafi 2 from 1 July 2019. Alain Taravella's sons, Gautier and Matthieu Taravella are also General Managers of Altafi 2 since 21 February 2019.

Jacques Ehrmann

General Manager of Altafi 2 – Manager of Altarea Management

Jacques Ehrmann, a French citizen, was born in 1960. A graduate of HEC (École des Hautes Études Commerciales), he began his career as General Secretary of Hôtels Méridien in 1989. He then joined the Executive Management of Euro Disney (1995-1997) and Club Méditerranée (1997-2002). In 2003 he joined the Casino Group as CEO for property and development, where he led the creation of Mercialys and Green Yellow, where he held the position of Chairman and Chief Executive Officer for seven years. In 2013, Jacques Ehrmann joined Carrefour Group's Executive Management as Executive Director for Assets, Development and New Activities. In April 2014, he was also appointed Chairman and Chief Executive Officer of Carmila, a REIT specialised in shopping centres. In July 2019 Jacques Ehrmann joined the Altarea Group as CEO of Altarea Cogedim, and more specifically, as Manager of Altarea Management, a wholly-owned subsidiary. He is also Chairman of the French federation of shopping centres (Conseil National des Centres Commerciaux – CNCC).

Atlas

Co-Manager

Atlas is a simplified public limited company (*société par actions simplifiée*) with share capital of €61,000, whose registered office is 8, Avenue Delcassé, 75008 Paris, registered with the Paris Trade and Companies Registry under the number 518 994 678, and is wholly owned by AltaGroupe, itself controlled by Alain Taravella. Alain Taravella serves as Chairman of Atlas. Atlas was appointed as Co-Manager of the Company on 11 December 2014 for a term of ten years. As of 31 December 2019, Atlas did not own any shares in Altarea.

List of corporate offices held at 31 December 2019

Executive officers	Corporate offices held at 31 December 2019 – With the Group	Corporate offices held at 31 December 2019 – Outside the Group	Corporate offices expired over the last 5 years:
Alain Taravella Co-Manager - Chairman of Altafi 2 and Atlas	▪ Chairman of the Supervisory Board: Cogedim SAS♦; Altarea France SNC♦; ▪ Chairman: Foncière Altarea SAS♦; ▪ Director: Pitch Promotion SAS♦; ▪ Observer on the supervisory board: Woodeum SAS♦; ▪ Altarea representative, Altafi 2 representative, manager: Altarea♦■ (1); NR21♦■; Altareit♦■ (2)	▪ Chairman: Altafi 2; Altafi 3; Atlas; Altafi 5; Altafi 6; Altager; AltaGroupe (Chairman of Alta Patrimoine and Manager of SCI Sainte Anne); ▪ Permanent Representative of Altarea, Director: Semmaris; ▪ Representative of Alta Patrimoine, Manager; SNC ATI; SCI Matignon Toulon Grand Ciel; SNC Altarea Retail	▪ Chairman: Alta Patrimoine; ▪ Manager: Altarea Cogedim Entreprise Holding♦ ▪ Director: Alta Blue♦•; Boursorama■; Pitch Promotion SA♦; Altarea España♦•; ▪ Representative of Altarea, Chairman: Alta Delcassé♦; Alta Rungis♦
Jacques Ehrmann Manager Altarea Management - CEO of Altafi 2	▪ Manager: Altarea Management SNC♦ ▪ Representative of Altafi 2, Manager: Altarea♦■ (1); NR21♦■; Altareit♦■ (2)	▪ CEO: Altafi 2 ▪ Member of the Management Board: Frojal (SA) ▪ Chairman: Tamlet (SAS); CNCC: Conseil National des Centres Commerciaux, the French federation of shopping centres ▪ Director: Edmond de Rothschild S.A. ▪ Supervisory Board member: Edmond de Rothschild (France) ▪ Co-manager: Jakerevo (SCI) and Testa (SC)	▪ Chairman - Chief Executive Officer and Strategic and Investment Committee member: Carmila■ ▪ Chairman - Chief Executive Officer: Carmila SAS ▪ Director: Atacadao SA• (Brazil); Carrefour Property España• (Spain); Carrefour SA• (Turkey) ▪ Chairman of the Board of Directors: Carrefour Property Italia• (Italy) ▪ Member of the Management Committee and the Appointments Committee: Adialéa (SAS) ▪ Member of the Strategy Committee and the HR Committee, Chairman of the Audit Committee: Atacadao SA• (Brazil) ▪ Supervisory Board member: Frojal (SA)
Altafi 2 Co-Manager	▪ Manager of SCA: Altareit♦■ (2) ▪ Manager of SCA: NR21♦■	None	None
Atlas Co-Manager	None	None	None

♦ *Altarea Group company* ■ *Listed company* • *Foreign company.*

(1) Altarea is manager of Foncière Altarea Montparnasse♦, Chair of Alta Blue♦ (Chair of Aldeta♦) Alta Développement Italie♦ and Alta Mir♦; and co-manager of foreign companies: Alta Spain Archibald BV♦•, Alta Spain Castellana BV♦•, Altalux Spain♦• and Altalux Italy♦•.

(2) Altareit is a member of the supervisory board of Cogedim♦ and Chair of Alta Faubourg♦, Alta Penthièvre♦, Alta Percier♦ and Alta Concorde♦.

The Company share capital and voting rights held by Alain Taravella and Jacques Ehrmann as at 31 December 2019 are listed in Section 7.2.6 below.

Appointment and termination of office (Article 13 of the Articles of Association)

The Company is managed and administered by one or more Managers, who may or may not be General Partners (*associé-commandité*).

The Manager can be a natural person or legal entity.

The age limit for Managers who are natural persons is 75. If one of the Managers is a legal entity, the number of its corporate officers that are natural persons aged above 75 may not exceed a third of all directors.

The term of office of Managers is ten years, and may be renewed.

Any Manager wishing to resign must advise the other Managers, the General Partners and the Supervisory Board by registered letter with proof of receipt, at least three months before the date on which the resignation is to take effect, unless otherwise agreed by the General Partners.

Upon expiry of a Manager's term of office, the other Manager or Managers shall remain in office without prejudice to the General Partners' right to appoint a replacement Manager or to renew the term of office of the outgoing Manager.

Upon expiry of the sole Manager's term of office, one or more new Managers shall be appointed or the term of office of the outgoing sole Manager shall be renewed under the conditions set out in Section 13.2 of the Articles of Association. Pending such appointment or appointments, the Company shall be managed by the General Partners who may then delegate any powers necessary for the management of the Company's affairs until the new Manager or Managers are appointed.

Managers may be removed from office without reason by unanimous decision of the General Partners. If the Manager is also a General Partner, such a decision may be taken by unanimous decision of the other General Partners. Insofar as the Company now has a sole General Partner who also serves as Manager, this removal is currently not an option.

Managers may also be removed from office under the conditions provided for by law, following a legal action, and pursuant to a final judicial decision not open to appeal that establishes a legitimate reason for removal.

If the Manager is also a General Partner, the loss of General Partner status will automatically result in removal from office as Manager, as of right.

Managers who lose their status as Managers shall be entitled, in full and final settlement of any claims, to payment by the Company of the fixed compensation set out in Article 14 of the Articles of Association, on a pro rata basis until the date of loss of such status, together with reimbursement of expenses of any kind to which they are entitled.

During the lifetime of the Company, any new Manager shall be appointed unanimously by the General Partners, without requiring the approval or recommendation of the Supervisory Board or of the collective body of shareholders.

Powers (Article 13 of the Articles of Association)

Each Manager has the broadest powers to act in any circumstances on behalf of the Company, within the limits of the corporate purpose and subject to any powers expressly conferred on the collective body of shareholders or on the Supervisory Board, whether by law or by the Articles of Association.

In accordance with the law, each Manager may authorise and grant any guarantees and other sureties that they consider reasonable, on behalf of the Company.

Each Manager may delegate some of their powers to one or more persons whether or not employed by the Company and whether or not they have a contractual relationship with the Company. Such delegated powers shall not in any way affect the Managers' duties and responsibilities as regards the exercise of such powers.

The Managers shall have a duty of care in running the Company's affairs.

6.2.2 General Partner

Identity

The only General Partner is Altafi 2, which is also Co-Manager. Full details below in Section 6.2.1.

Appointment and termination of office

General Partners are appointed by Extraordinary General Meetings upon the unanimous proposal of the General Partner or Partners.

In the event of the death or incapacity of a General Partner who is a natural person, or in the event of loss of General Partner status for any other reason, the Company shall not be dissolved but shall continue with the remaining General Partners. This shall also be the case in the event of the liquidation of a corporate General Partner.

Any merger transaction resulting in the absorption of the Manager or General Partner by a company controlled by Alain Taravella within the meaning of Article L. 233-3-I of the French Commercial Code will give rise to the transfer to the absorbing company of the rights of the General Partner or Manager, as the case may be, provided that the absorbing company remains controlled by Alain Taravella.

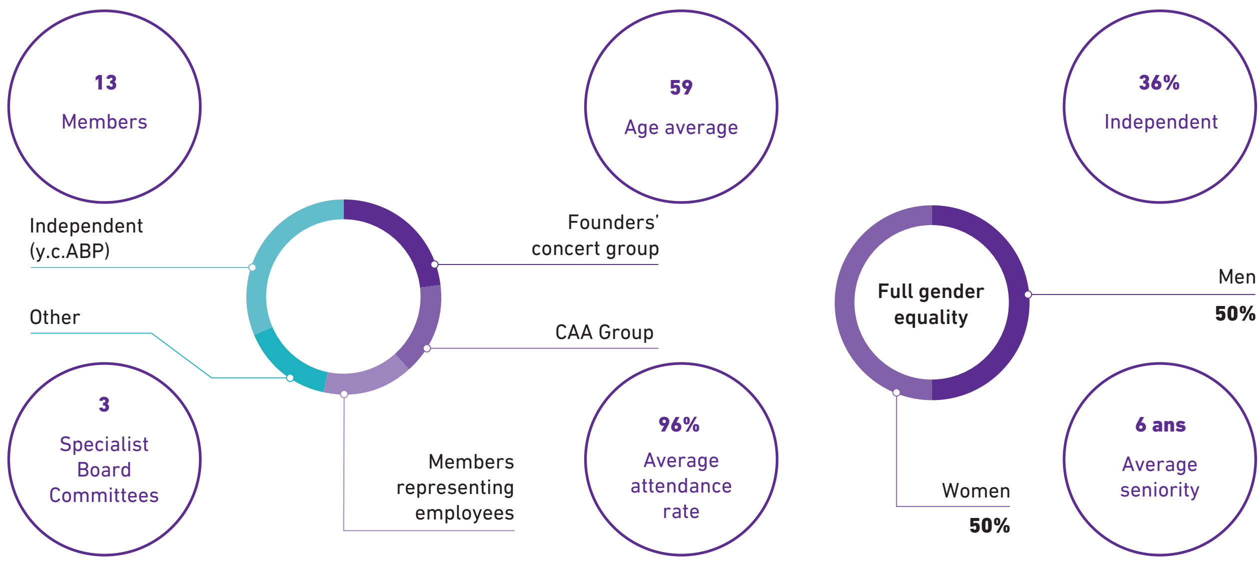
6.2.3 Supervisory Board

6.2.3.1 Composition

Summary table at 31 December 2019

								Participation in a committee				
Name	Permanent Representative	Age	Gender	First appointed	Latest reappointment	Expiration of term(a)	Independent	Audit Committee	Compensation Committee	Investment Committee	Regular attendance(b)
Christian de Gournay *Chairman of the Board*	–	67	H	05/03/2014	23/05/2019	2025 GM				√	At 100%
ABP (APG) *Independent member*	Alain Dassas	73	H	20/11/2015	23/05/2019	2025 GM	√	√	√	√	At 100%
ATI *Member*	-	-	-	20/05/2009	05/06/2015	2021 GM					At 100%
Marie-Catherine Chazeaux *Member representing employees*	–	50	F	20/09/2018	-	20/09/2021					At 50%
Françoise Debrus *Member*	–	59	F	20/05/2009	23/05/2019	2025 GM		√			At 100%
Éliane Frémeaux *Independent member*	–	78	F	27/06/2013	23/05/2019	2025 GM	√	√			At 100%
Bertrand Landas *Member representing employees*	–	62	H	16/10/2018	-	16/10/2021					At 100%
Philippe Mauro *Member*	-	63	H	26/02/2019	-	2024 GM			√	√	At 100%
Jacques Nicolet *Member*	–	63	H	26/06/2007	23/05/2019	2025 GM				√(c)	At 100%
Predica *Member*	Najat Aasqui	37	F	26/06/2007	23/05/2019	2025 GM				√	At 100%
Léonore Reviron *Member*	-	34	F	26/02/2019	-	2022 GM		√			At 100%
Michaela Robert *Independent member*	–	50	F	15/04/2016	-	2022 GM	√	√			At 100%
Dominique Rongier *Independent member*	–	74	H	20/05/2009	05/06/2015	2021 GM	√	√(c)	√(c)		At 100%

(a) Year of the Ordinary General Shareholder' Meeting.
(b) Attendance rate at the meetings of the Supervisory Board and its committees in the 2019 financial year.
(c) Committee Chairman.



Changes since 1 January 2019

Date	Name	Event
11/03/2019	Najat Aasqui	Appointed by Predica as permanent representative on the Board, replacing Emeric Servin
22/10/2019	Marie-Anne Barbat-Layani	Resignation
02/03/2020	Alta Patrimoine	Co-opted by the Supervisory Board to replace Marie-Anne Barbat Layani

The co-option of Alta Patrimoine[1] as a new member of the Supervisory Board will be submitted for ratification at the next General Meeting of shareholders on 19 May 2020.

Diversity policy

The Supervisory Board regularly conducts a review of its composition and the profile of its members in order to ensure its diversity in terms of skills and the balanced representation of men and women, in accordance with the applicable regulations. In particular, it ensures that the diversity of the profiles and expertise of its members allows for a rapid and thorough understanding of the Group's activities and challenges so as to optimise the proper discharge of its responsibilities and duties.

The Supervisory Board considers that its current composition is balanced and believes that it is satisfactory insofar as it comprises:

- six women and six men;
- two members representing employees;
- four independent members, *i.e.* a third of its members[2];
- members representing the concert of the founders and the major Limited Partners;
- members with a perfect knowledge of the Group, its activities and its environment;
- members, active and diligent, who together possess a rich diversity of skills, experience and expertise related to the Group's activities and business lines[3].

In accordance with Article 15.2 of the Articles of Association, the members of the Supervisory Board are appointed or removed by Ordinary General Meetings. Shareholders with the status of General Partner (Altafi 2 on the date of this document assuming that this company is a shareholder) may not take part in the vote on the relevant resolutions.

With the exception of employee representatives, each member must hold at least one Company share as stipulated in Article 15.4 of the Articles of Association.

Representation of men and women

At 31 December 2019, the Supervisory Board was comprised of 50% women and 50% men[4].

In accordance with the AFEP-MEDEF Code, employee representatives are not taken into account to determine these percentages.

Representation of employees

Two employee representative members have been appointed to sit on the Board, one by the Altarea ESU Works Committee and the other by the Cogedim ESU Works Committee, in accordance with the terms set out in Article 15.6 of the Articles of Association.

Average age of the members

At 31 December 2019, the average age of the Supervisory Board members was 59.

(1) *A French simplified joint-stock company (SAS) registered with the Paris Trade and Companies registry under number 501 029 706, wholly-owned by Alta Groupe, which is controlled itself by Alain Taravella*

(2) *Excluding members representing employees in line with the AFEP-MEDEF Code recommendations.*

(3) *The expertise of the Board members is summarised in the Integrated Strategic Report and described in the bibliographies below.*

(4) *Excluding ATI, which does not have a permanent representative.*

Independent members

Since 2009 the Supervisory Board has opted for the definition of independence proposed by the AFEP-MEDEF Code. Under the terms of Article 9.5 of the Code, in its revised version of January 2020, the criteria guiding the Board to classify a member as independent are the following:

Criteria 1	Not to be and not have been in the previous five years: ▪ an employee or executive corporate officer of the Company; ▪ an employee, executive corporate officer or director of a Company consolidated by the Company, of the Company's parent company or of any company consolidated by this parent company.
Criteria 2	Not to be an executive corporate officer of a company in which the Company holds, directly or indirectly, a directorship or in which a designated employee or an executive corporate officer of the Company (currently serving or having served in the previous five years) holds a directorship.
Criteria 3	Not to be a customer, supplier, a significant corporate banker or investment banker: ▪ of the Company or Group; ▪ for which the Company or the Group represents a significant portion of business.
Criteria 4	Not to have a close family link with a corporate officer.
Criteria 5	Not to have been a Statutory Auditor of the Company in the previous five years.
Criteria 6	Not to have been a Company director during the previous 12 years.
Criteria 7	Not to receive variable compensation in cash or securities or any compensation linked to the performance of the Company or Group.
Criteria 8	Not to be involved in control of the Company or to hold a significant percentage (above 10%) of the capital or voting rights.

The Board examines the situation of its members with regard to the independence criteria each year. The latest review of the independent status of Supervisory Board members was carried out by the Supervisory Board at its meeting of 2 March 2020.

Based on the aforementioned independence criteria, the Board has concluded that four of its members – Alain Dassas, Éliane Frémeaux, Michaela Robert and Dominique Rongier – can be considered to be independent. This equates to one third of the Board members (excluding employee representatives) which is in line with the AFEP-MEDEF Code recommendations.

In accordance with AMF recommendation no. 2012-02, the table below sets out the position of the Board members vis-à-vis the AFEP-MEDEF Code independence criteria (excluding members representing employees and Board members who belong to, or represent, the Concert of Founders or the Crédit Agricole Assurances Group).

Criteria	1	2	3	4	5	6	7	8	Independent
Christian de Gournay	-	√	√	√	√	√	√	√	-
Alain Dassas – ABP (APG)	√	√	√	√	√	√	√	√	√
Éliane Frémeaux	-*	√	√	√	√	√	√	√	√*
Philippe Mauro	-	-	√	√	√	√	√	√	-
Michaela Robert	√	√	√	√	√	√	√	√	√
Dominique Rongier	-*	√	√	√	√	√	√	√	√*

* *Éliane Frémeaux and Dominique Rongier are also members of the Supervisory Board of Altareit, a 99%-owned subsidiary of the Company, and the Supervisory Board of NR21, an 84%-owned subsidiary of the Company. The Supervisory Board does not believe that these mandates with a controlling body of a Company subsidiary will lead to conflicts of interest or undermine the independence of these directors. Besides, they have never had a significant business relationship with the Company or held an executive office or employee position in the Group. They do not represent any shareholders.*

Presentation of Board members

Christian de Gournay

Chairman of the Supervisory Board

Christian de Gournay is a French citizen, born in Boulogne-Billancourt (92) in 1952. A graduate of the French École des Hautes Études Commerciales (HEC) and of the École Nationale d'Administration (ENA), Christian de Gournay began his career at the French Council of State in 1978, and later worked for Indosuez Bank as Director of Treasury and Bond Markets. In 1994, he became Senior Executive Vice-President of AGF, where he was in charge of managing Group financial and property assets, as well as banking and financial activities. He joined Cogedim in 2002 as Vice-Chairman of the Management Board. Christian de Gournay served as Chairman of the Management Board of Cogedim from 2003 to 2014, until his appointment as Chairman of the Supervisory Board became effective.

Number of Altarea shares held at 31/12/2019: 221,404(1)

Other corporate offices held at 31/12/2019

Other corporate offices in the Group:

- Chairman of the Supervisory Board of SCA: Altareit■ and NR21♦■.

Corporate offices outside the Group:

- Manager: SCI Schaeffer-Erard;
- Director: Opus Investment BV●.

Corporate offices expired over the past five years

- Manager: Cogedim Valorisation♦

Marie-Catherine Chazeaux

Member representing employees

Marie Catherine Chazeaux, a French citizen born in 1969, obtained a DPLG architect degree in 1994 from the École d'Architecture de Paris Belleville. In 1996 she obtained DESS (Université Paris Jussieu) and CEAA (EAPB) qualifications in architectural and urban acoustics. Having worked for a number of different architecture firms during her studies (Atelier 2M, Kalopissis, to name but two), she worked as an architect for WKZ Architecture et Acoustique from 1996 to 2002 before joining the Altarea Cogedim Group where she is currently Director of its National Product, Architecture and Interior Design unit.

Other corporate offices held at 31/12/2019

Corporate offices in the Group:

- Deputy Secretary of the CSE of UES Cogedim.

Corporate offices outside the Group:

None

Corporate offices expired over the past five years

None

Stichting Depositary APG Strategic Real Estate Pool (ABP Funds)

Supervisory Board member

Algemene Pensioen Groep NV (APG) was appointed as a member of the Supervisory Board on 28 May 2010. It was replaced by the Dutch company Stichting Depositary APG Strategic Real Estate Pool by cooption on 20 November 2015. It is part of the APG Group, which manages the pension funds of civil servants and employees in the education sector in the Netherlands.

Alain Dassas

Permanent representative of APG

Of French nationality, Alain Dassas was born in 1946. He is a graduate of the ESCP (École Supérieure de Commerce de Paris) Europe business school and holds a Master's degree in Econometrics and a Master's degree in Management Science from Stanford University. Alain Dassas began his career with Chase Manhattan Bank in 1973. In 1983, he joined the Renault Group and held the following positions: Head of the representative office in New York, Director of Banking Relations and Financial Markets, Chief Financial Officer of Renault Crédit International, Director of Financial Operations and finally Director of Financial Services. In 2003, Alain Dassas was appointed a member of the Renault Group Executive Committee, then Chairman of Renault F1 Team. In 2007, Alain Dassas was named a member of the Executive Committee of Nissan Motor Company in Tokyo. Since 2010, Alain Dassas has acted as a consultant for the Renault Group and as Chief Financial Officer of Segula Technologies.

Number of Altarea shares held at 31/12/2019: the APG Group held 1,377,460 Altarea shares and Alain Dassas personally held no shares in Altarea.

Other coporate offices helt at 31/12/2019

- Director: Dassas Consulting SAS
- Director: RCI Finance Maroc

Corporate offices expired over the past five years: None

ATI

Supervisory Board member

ATI is a general partnership with share capital of €10,000, whose registered office is at 8, Avenue Delcassé, 75008 Paris, and which is registered with the Paris Commercial and Companies Registry under the number 498 496 520. Its Manager is SAS Alta Patrimoine, itself controlled by Alain Taravella.

Number of Altarea shares held at 31/12/2019: 1

Other corporate offices held at 31/122019: None

Corporate offices expired over the past five years: None

(1) Directly or indirectly, via Opus Investment.

♦ Altarea Group company ■ Listed company ● Foreign company.

Françoise Debrus

Supervisory Board member

A French national born in 1960 in the 12th arrondissement of Paris, Françoise Debrus is a graduate of the French school of rural engineering, water and forestry (École Nationale du Génie Rural des Eaux et des Forêts) and the Paris-Grignon Institute of Agronomics (Institut national agronomique). 1984-1987: Head of the department for agricultural economics and production at the French Ministry of Agriculture and Forestry. Since 1987 with the Groupe Crédit Agricole: first as an auditor and then as audit team Manager of the Internal Audit Department of Caisse Nationale de Crédit Agricole (CNCA), prior to becoming Head of management control and then of financial management of Unicredit. In 1997, she was appointed Head of the debt collection/lending department of the Finance division of Crédit Agricole SA. In 2001, she became Head of finance and tax at the Fédération Nationale du Crédit Agricole (FNCA). In 2005, she was appointed Chief Financial Officer of the Caisse Régionale d'Île-de-France. Since 27 March 2009, she has been with Crédit Agricole Assurances as Head of Investments.

Number of Altarea shares held at 31/12/2019: 8

Other corporate offices held at 31/12/2019

- Director: Cassini
- Supervisory Board member: Covivio Hotels▪
- Permanent representative of CAA/Predica, Director: Korian▪, Aéroport de Paris▪, Semmaris

Corporate offices expired over the past five years

- Director: Beni Stabili▪•, Foncière Développement Logement▪, Ramsay Santé
- Permanent representative of CAA/Predica, Director: Eurosic▪, Générale de Santé▪
- Observer (*Censeur*): Frey▪

Bertrand Landas

Member representing employees

A French citizen, born in 1957, Bertrand Landas is a graduate of ICAM – Institut Catholique d'arts et Métiers. After serving as project Manager and trainer, then branch Manager at AIF and APAVE, he worked for 11 years for the Unibail Group as technical and security Manager, shopping centre Manager and finally Director of the risk management and technical support department. In 2005, he joined the Altarea Group, where he now holds the position of deputy Director of shopping centres.

Other corporate offices held at 31/12/2019: None

Corporate offices expired over the past five years

- Corporate offices in the Group: employee representative and member of the Works Committee and the Health, Safety and Working Conditions Committee of the Altarea ESU

Éliane Frémeaux

Supervisory Board member

Éliane Frémeaux, a French citizen, born in the 15th arrondissement of Paris in 1941, was a partner in the Notary firm of SCP Thibierge Associés until 18 October 2012. A Chevalier of the French Legion of Honour, Éliane Frémeaux is a member of the Legal Studies Institute of the Conseil Supérieur du Notariat. She was a member of the Joint Ownership Commission representing the Conseil Supérieur du Notariat at the Chancellery and of the Commission on Polluted Sites and Soils within the Conseil Supérieur des Installations Classées. She is a member of honour of the Circle of Women Real Estate Professionals (Cercle des Femmes de l'Immobilier) and a member of the association René Capitant des Amis de la Culture Juridique Française (René Capitant Association of Friends of French Legal Culture). Éliane Frémeaux is a regular participant in many seminars and conferences in France and abroad, primarily on topics related to corporate law, credit issues, finance leases, joint ownership, public domain, taxation and business and estate transfer, as well as the environment.

Number of Altarea shares at 31/12/2019: 430

Other corporate offices held at 31/12/2019

- Co-Manager: SCI Palatin
- Member of the Supervisory Board of SCA: Altareit♦▪, NR21♦▪

Corporate offices expired over the past five years: None

Philippe Mauro

Supervisory Board member

A French citizen, born in 1956, Philippe Mauro is a law graduate of the University of Paris II Assas and the University of Saarland (Saarbrücken, Germany). He was Legal Director of SCIC Gestion (CDC Group), Espace Expansion and Arc 108 (UNIBAIL Group), then Legal Director of Unibail before joining the Altarea Group in 1998, where he served as Corporate Secretary until 2018.

Number of Altarea shares held at 31/12/2019: 7,102

Other corporate offices held at 31/12/2019

- Director of SAS: Pitch Promotion SAS♦

Corporate offices expired over the past five years

- Manager: Altarea Management♦, Altarea Cogedim Entreprise Asset Management♦
- Director of foreign companies: Altarea España Sl♦•, Galeria Ibleo Srl♦•

♦ *Altarea Group company* ▪ *Listed company* • *Foreign company.*

Jacques Nicolet

Supervisory Board member

Jacques Nicolet, a French citizen, was born in Monaco in 1956. From 1984 to 1994, Jacques Nicolet served successively as Programme Director, Development Director and Senior Executive Vice-President of the Pierre & Vacances Group. In 1994, he co-founded the Altarea Group, of which he has successively been Senior Executive Vice-President and, since its transformation into a partnership limited by shares, Chairman of the Supervisory Board until 2014.

Number of Altarea shares held 31/12/2019: 9,039(1)

Other corporate offices held at 31/12/2019

Other corporate offices in the Group:

- Member of the Supervisory Board of SCA: Altareit♦■, NR21♦■.

Corporate offices outside the Group:

- Chairman of SAS: Everspeed, Ligier Automotive, Damejane Investissements, Ecodime;
- Chief Executive Officer: SAS Circuit du Maine;
- Manager: SCI Damejane, SNC JN Participations;
- Representative of Everspeed, Chairman of SAS Immobilière Damejane, SAS Everspeed Asset (Manager of SCI Innovatech and SCI Les Fleurs), SAS Oak Invest, SAS Everspeed Composites, SAS Everspeed Media, SAS Shootshareshow, SAS DPPI Media, SAS DPPI Production, SAS Onroak Automotive Classic and SAS Proj 2018;
- Representative of Everspeed, Chairman and Director of SAS Everspeed Composites;
- Representative of Everspeed, Chief Executive Officer of SAS AOT Tech and SAS Les 2 Arbres;
- Representative of Everspeed, Manager of SCI Immotech;
- Chairman and/or Director of foreign companies: Everspeed Connection•, HP Composites Spa•, Carbon Mind Srl•;
- Representative of Everspeed, Chairman of the foreign company Ecodime Italia Srl•.

Corporate offices expired over the past five years

- Supervisory Board member: Altarea France SNC♦, Cogedim SAS♦
- Permanent Representative of Alta Rungis♦ Director: Semmaris
- Manager: SCI 14 rue des Saussaies
- Chairman and/or Director of foreign companies: HPC Holding•, Altarea Espana♦•
- Representative of Everspeed Motorsport, Chairman: SAS Oak Racing
- Representative of Everspeed, Chairman of SAS Onroak Automotive, SAS Sodemo, SAS Ecodime, SAS Everspeed Learning, SAS Ecodime Academy, SAS Oak Invest, SAS HP Composites France, SAS Everspeed Technology, SAS Onroak Collection and SAS Proj 2017
- Permanent representative of Ecodime, Chairman: Mind Values

Predica

Supervisory Board member

Predica is an insurance company, a subsidiary of Crédit Agricole Assurances and the holding company for Crédit Agricole Group's insurance subsidiaries. It was appointed a Supervisory Board member on 26 June 2007.

Najat Aasqui

Permanent representative of Predica

Najat Aasqui, a French national born in 1982, has a post-graduate degree (DESS) in Banking, Finance and Insurance (Paris X Nanterre) and a Master's in Economy (Lille 1). She joined the Crédit Agricole Assurances (CAA) Group in 2017 as investments officer (Private Equity and listed equity) for several sectors including listed real estate. Since March 2019 Najat Aasqui has been Head of the Listed Equity and Real Estate Investment Portfolios of the CAA Group. She had previously held various corporate banking positions, most significantly in acquisition funding at the Crédit Agricole Group.

Number of Altarea shares held at 31/12/2019: Predica held 4,122,406(2) shares and Najat Aasqui herself held no shares.

Other corporate offices held at 31/12/2019

- Permanent representative of Predica, member of the Supervisory Board, Audit Committee and Compensation and Nomination Committe: Argan■

Corporate offices expired over the past five years: None

Léonore Reviron

Supervisory Board member

Léonore Reviron, a French citizen born in 1985, is a graduate of the EDHEC Business School (École des Hautes Études du Commerce). From 2008 to 2011, she was a financial audit Manager at Ernst & Young. In 2011, she joined a listed REIT Group, where she served as a corporate financial analyst until 2013, when she became a financial risk Manager.

Number of Altarea shares held at 31/12/2019: 3,000

Other corporate offices held at 31/12/2019

- Member of the Supervisory Board of SCA: Altareit♦■, NR21♦■

Corporate offices expired over the past five years

- Permanent representative of Alta Patrimoine, Supervisory Board member of Altareit■
- Permanent representative of ATI, Supervisory Board member of Altarea♦■

(1) Directly and indirectly, through the company Everspeed which he controls.

♦ Altarea Group company ■ Listed company • Foreign company.

(2) To the Company's knowledge – Held directly or indirectly through the Crédit Agricole Assurances Group, Predica's parent company.

Michaela Robert

Supervisory Board member

A French citizen, born in Saint-Jean-de-Luz (64) in 1969, Michaela Robert is a graduate of the University of Paris IX Dauphine and Paris X Nanterre. She worked for ten years as a property and structured finance lawyer at international firms. In 2005, she joined Morgan Stanley as Chief Financial Officer for property investment funds under its management. Her roles as finance officer for all the investments made by different funds in France, Spain and Benelux have enabled her to build a solid banking network and acquire diverse expertise in legal issues and legal constraints. In 2010, she founded Finae Advisors, a property financing firm specialised in particular in origination, structuring and debt raising, of which she is Deputy Director.

Number of Altarea shares held at 31/12/2019: 1

Other corporate offices held at 31/12/2019

- Chief Executive Officer of Finae Advisors SAS
- Director of PAREF▪

Corporate offices expired over the past five years: None

Dominique Rongier

Supervisory Board member

A French national born in Paris (16th) in 1945, Dominique Rongier graduated from HEC (École des Hautes Études Commerciales) in 1967 and successively held the positions of: auditor at Arthur Andersen (1969-1976); Chief Financial Officer of the Group Brémond - Pierre & Vacances (1976-1983); Chief Financial Officer of the Group Brossette SA (1983-1987); in 1987 he devised and set up a holding structure for the Carrefour Group and became Secretary General of Bélier, a member of the Havas-Eurocom network from 1988 to 1990; then Chief Financial Officer of the Oros Communication holding company which controls majority holdings in the communications sector (1991 to 1993). Since September 1993, Dominique Rongier has been an independent consultant with DBLP & associés SARL, of which he is Manager and majority shareholder. His main activity is strategic and financial management consultancy. In the interim, he was acting Chief Executive Officer of the DMB & B France Group (French subsidiaries of the U.S. advertising group D'Arcy) for more than two years. Until 31 March 2009, Dominique Rongier was Chairman of a software publishing company specialising in sports and health.

Number of Altarea shares held at 31/12/2019: 14

Other corporate offices held at 31/12/2019

- Member of the Supervisory Board of SCA: Altareit♦▪, NR21♦▪

Corporate offices expired over the past five years

- Manager: DBLP & Associés
- Director: SA Search Partners

6.2.3.2 Working methods, preparation and organisation of the Board's work

Roles and Responsibilities (Article 17 of the Articles of Association)

The Supervisory Board is responsible for overseeing the Company's management on a continual basis. It sets out the appropriation of earnings, dividend distributions and dividend payment procedure to be proposed to the General Meeting. It appoints an Acting Manager if none of the existing Managers and General Partners are able to serve. It submits a list of nominees to the General Meeting for the appointment of new Statutory Auditors. It appoints an appraiser for the Company's property portfolio and renews or terminates the appraiser's term of office. In the latter case, it provides for the appraiser's replacement.

In accordance with the law, the Supervisory Board prepares a report for the Ordinary General Shareholders' Meeting convened to approve the Company's financial statements: the report is made available to the shareholders at the same time as the management report and the financial statements for the period in question. It also draws up an annual corporate governance report.

The Supervisory Board draws up a report describing any proposed capital increase or reduction and submits it to the shareholders. The Supervisory Board can call an Ordinary or Extraordinary General Meeting according to the procedures set forth by French law, if the Board deems necessary and after informing the Managers in writing.

The Supervisory Board also plays an important role in terms of the Company's investments and commitments, above and beyond the usual role played by this body in SCAs. Its opinion must be sought by Management prior to taking any of the following important decisions: (i) any investment or disposal of an amount greater than €15 million; (ii) any commitments made by the Company for an amount greater than €15 million; (iii) any loan agreement for an amount greater than €15 million. It will be proposed at the next General Shareholders' Meeting that these criteria, unchanged since 2007, be updated to take account of the Company's considerable expansion, stipulating that the Board will now be consulted (a) prior to any investment or disinvestment by Altarea of a significant amount that is likely to alter the Company's balance sheet structure, and in all events an amount of over €50 million in the SIIC sector, and (b) Altarea's financing policy, specifically the total value of bank or bond debt.

With the entry into force of the Order of 27 November 2019 on compensation of the corporate officers of listed companies, implementing the Pacte Act of 22 May 2019, the Supervisory Board has been granted additional powers: over compensation policy for Managers and Board members and determining the components of the compensation of these corporate officers, taking over from the General Shareholders' Meeting which until then had direct responsibility for fixing the components of management's compensation for a three-year period pursuant to the Company's Articles of Association (see Section 6.3.1.1 below).

♦ Altarea Group company ▪ Listed company • Foreign company.

Notice of Meeting

The Company's Articles of Association provide that Board members are invited to meetings *via* simple letter or by any means of electronic communication. The Supervisory Board can meet by any means as soon as all members are present or represented. Supervisory Board meetings can be called by the Board Chairman, at least half of the Board members, or any Manager or General Partner. The Board members must be notified at least one week before the Meeting date, except under emergency circumstances.

Information

In accordance with French law, the Supervisory Board has the right to be provided with the same documents by the Managers as those made available to the Statutory Auditors.

Meeting location – Management attendance

Meetings take place at the registered office located at 8, avenue Delcassé in Paris (75008).

Management is invited to Board meetings to answer questions from the Supervisory Board, so that the Board can exercise continuous oversight of the Company's management. At Board meetings, Management presents the Company's financial statements, discusses business developments and presents any investment or divestment plans. Management answers any questions that the members deem appropriate to ask. These questions may or may not be included on the agenda. Management does not participate in deliberations and cannot vote on decisions taken by the Board or on opinions it issues.

The attendance of at least half of the Supervisory Board's members is required for it to be quorate. Decisions are made by a majority of the members present or represented and able to take part in the vote. A member present may only represent one absent member and may do so only upon presenting a valid proxy. In the event of a tie, the Chairman has the deciding vote.

Minutes of the meetings

The minutes of Board meetings are recorded in a special register and signed by the Meeting Chairman and Secretary, or by a majority of Board members present.

Rules of Procedure

The Supervisory Board adopted Rules of Procedure at its meeting of 26 February 2019. They complement in particular Articles 16 and 17 of the Company's Articles of Association as regards the operating rules of the Board and the conduct of its meetings, in accordance with the provisions of the AFEP-MEDEF Code. They also reiterate the ethical rules imposed on Board members, particularly in respect of share trading, in accordance with European regulation no. 596/2014 on market abuse.

The Articles of Association and the Board's Rules of Procedure are available on the Company's website.

There are also detailed Rules of Procedure for the Audit Committee and the Investment Committee, which are specialised committees of the Board.

The Supervisory Board has sole authority to modify its Rules of Procedure and those of its committees.

Supervisory Board meetings and work in 2019

In 2019, the Board met twice. The attendance rate was 93%. The following key topics were discussed at these meetings:

- Meeting of 26 February 2019:

  Examination of the annual Company and consolidated financial statements and the management report for the year ended 31 December 2018. Proposed appropriation of earnings at the Annual Ordinary General Meeting. Authorisations granted to Management to effect capital increases or decreases. Preparation of the Supervisory Board's report to the Annual General Meeting and the Report on Corporate Governance. Examination of the Declaration on Extra-Financial Performance (DPEF). Review of the agenda and draft resolutions submitted to the Combined General Shareholders' Meeting. Financial strategy. Review and recommendation to be given on investment and divestment projects. Recommendation to Management for guarantees, pledges and endorsements given to the Company's subsidiaries. Review of forecast management documents. Review of corporate governance matters: integration of employee representative members, change of the composition of the Board, adoption of Board's Rules of Procedure and Appendix on the Stock Market Code of Conduct, annual discussion on the Company's Policy on Gender Equality and Equal Pay, annual review of the working methods and preparation of the Supervisory Board's work, review of the criteria for the independence of the members of the Supervisory Board and specialist committees and recommendation on the proposed management compensation. Examination of the procedure for processing insider information reviewed by Management. Review of related-party transactions already authorised by the Board;
- Meeting of 1 August 2019:

  Review of the half-yearly financial statements at 30 June 2019 and the half-year financial statements. Business update. Review of financial performance. Recommendation to be given on finance projects. Review and recommendation to be given on investment and divestment projects. Forecast documents.

Specialist committees

Article 18 of the Articles of Association allows the Supervisory Board to delegate tasks to specialist committees, apart from any powers that French law explicitly assigns to the Supervisory Boards of SCAs (*sociétés en commandite par actions*).

The Supervisory Board has three specialist committees: an accounts committee known as the Audit Committee, an Investment Committee and a Compensation Committee.

The specialist committees present their work at Supervisory Board meetings. The work is presented by committee chairs, all of whom are members of the Board.

Investment Committee

Members

Investment Committee members are appointed by the Supervisory Board. The Investment Committee currently consists of the following members:

- Jacques Nicolet, Chairman of the Investment Committee;
- Alain Dassas, Representative of ABP (APG) Fund;
- Najat Aasqui, representing Predica;
- Christian de Gournay;
- Philippe Mauro;
- Éric Dumas.

Operational Managers involved in the investment project(s) also participate in the Meeting.

Proceedings – Minutes

Investment Committee recommendations are adopted by a majority of members present. The Chairman has a double vote in the event of a tie. Minutes are drawn up and signed during the Meeting indicating the decision made. The Company's annual report contains a summary of the resolutions issued by the Investment Committee.

Frequency of meetings

The Investment Committee meets when convened by its Chairman. It can be called at any time in the event of an emergency. Notices of meeting may be sent by any means (post, fax, email, etc.).

Tasks

The Investment Committee is delegated by the Supervisory Board to advise on investment and divestment decisions for amounts between €15 million and €100 million, under the following conditions:

a) investment and divestment opportunities of between €15 million and €50 million may be presented to:
  - either the Investment Committee directly, or
  - the Chairman of the Investment Committee for an initial recommendation, especially in urgent situations, which is ratified at the next Investment Committee Meeting;

b) investment and divestment opportunities of between €50 million and €100 million are presented to the Investment Committee before any final decision is made;

c) or transactions initiated by its property development subsidiaries, the above ceilings are understood to be:
  - before entering into any bilateral sales agreements for real estate over these ceilings,
  - before signing any deeds for real estate over these ceilings, including following a unilateral sales agreement;

d) investments and divestments of:
  - less than €15 million do not require a Supervisory Board recommendation,
  - over €100 million must be submitted to the Supervisory Board for a recommendation.

These limits are adjusted annually on the basis of the Syntec index;

e) finally, the disposal of investment properties and equity interests in companies owning investment properties, within the aforementioned limits;

f) the limits given above apply as a percentage of the Group's equity interests, and exclude tax.

These criteria will be updated by the Supervisory Board if the next General Shareholders' Meeting approves the proposal to amend the provisions of the Articles of Association covering the scope of prior approval by the Board, with the specific aim of updating the thresholds to take account of the Company's considerable expansion (see above).

Work of the Committee

The Investment Committee did not meet in 2019 because all investment and divestment opportunities were reviewed by the full Supervisory Board pursuant to Article 17.6 of the Articles of Association (see 6.2.1. above, Roles and Responsibilities), or by its Chairman, considering the amounts involved.

Audit Committee

Members

Audit Committee members are appointed by the Supervisory Board. They are chosen for their experience in the industry and their knowledge of the Company. The Audit Committee members together with their skills and experience relevant to the Committee's responsibilities are as follows:

- Dominique Rongier, Committee Chairman, independent member, has been an auditor at Arthur Andersen, Chief Financial Officer of the Pierre & Vacances Group, Chief Financial Officer of the Brossette SA Group and Chief Financial Officer of the holding company Oros Communication;
- Alain Dassas, independent member, representative of ABP (APG) Fund, was Director of Banking Relations and Financial Markets at Renault, CFO at Renault Crédit International and Director of Financial Operations and Financial Services at Renault;
- Françoise Debrus has worked as Head of management control and then Head of financial management at Unicredit, Head of deposits and loans in the Finance Department of Crédit Agricole SA, Head of finance and taxation at the Fédération Nationale du Crédit Agricole, Chief Financial Officer at the Caisse Régionale d'Île-de-France and Chief Investment Officer at Crédit Agricole Assurances;
- Éliane Frémeaux, independent member, was a partner in the Notary firm of SCP Thibierge & Associés until 18 October 2012. She is a member of the Legal Studies Institute of the Conseil Supérieur du Notariat. She was a member of the Joint Ownership Commission representing the Conseil Supérieur du Notariat at the Chancellery, of the Commission on Polluted Sites and Soils within the High Council for Installations Classified as Potentially Polluting;
- Léonore Reviron is a graduate of the EDHEC Business School. She was a financial audit Manager at Ernst & Young from 2008 to 2011. In 2011, she joined a listed REIT Group, where she served as a corporate financial analyst until 2013, when she became a financial risk Manager;
- Michaela Robert, independent member, is a graduate of the University of Paris IX Dauphine and Paris X Nanterre. She worked for ten years as a property and structured finance lawyer at international firms. In 2005, she joined Morgan Stanley as Chief Financial Officer for property investment funds under its management. In 2010 she founded a property financial advising firm, of which she is Manager.

Independent members

The Audit Committee is currently composed of four independent members. Consequently, the Company meets (i) the legal requirement that the Audit Committee must have at least one independent member, and (ii) recommendation 16.1 of the AFEP-MEDEF Code that two-thirds of members should be independent. The Committee does not include any executive corporate officers, again complying with Article 16.1 of the Code.

Délibérations – Minutes

The Committee is quorate when at least half of the members are present. Recommendations are adopted by a majority of members present. The Chairman has a double vote in the event of a tie. If it deems it necessary to do so, the Audit Committee prepares minutes of its meetings; these minutes are drafted by the Chairman. The Chairman presents its report on the half-year and full-year financial statements to the Supervisory Board.

Frequency of meetings – Work of the Committee

The Audit Committee meets when convened by the Chairman, on dates set according to the Company's schedule for approving the half-year and full-year financial statements. A meeting can be called at any time if necessary. Notices of meeting may be sent by any means (post, fax, email, etc.). The Group's Finance Department sends any necessary documentation prior to the Meeting.

During the 2019 financial year, the Committee met twice to examine the following points:

- Meeting of 25 February 2019: examination of the financial statements at 31 December 2019, review of the main activities in terms of internal control and risk management undertaken during the second half of 2018, update on IFRS 15 and IFRS 9, delivery of the work of the Statutory Auditors; review and approval of the Statutory Auditors' half-yearly report on services provided other than the audit of the financial statements;
- Meeting of 31 July 2019: review of the main activities in terms of internal control and risk management undertaken during the first half of 2019, 2019 risk map and presentation of the major risks, review of the half-yearly accounts at 30 June 2019, update on IFRS 16 and IAS 23 as they affect real estate appraisals, review and approval of the Statutory Auditors' half-yearly report on services provided other than the audit of the financial statements.

Tasks and responsibilities

The Audit Committee helps the Supervisory Board in its role of oversight and control of the Company. It is responsible for the following tasks:

- monitoring the process for preparing financial information and, where appropriate, making recommendations to ensure its integrity. In the event of failures in the process, the Committee makes sure corrective measures have been applied. The Committee reviews significant risks and off-balance sheet commitments, assesses the seriousness of malfunctions or deficiencies of which it is made aware, and informs the Supervisory Board, if necessary. The Audit Committee also reviews the scope of consolidation and, where applicable, the reasons for which companies are not included;
- monitoring the effectiveness of systems of internal control and risk management, as well as any internal audits, in respect of procedures for producing and processing accounting and financial information. In the event shortcomings are identified, the Committee ensures that appropriate action plans have been put in place and the situation has been addressed. To this end, it is informed of the main findings of the Statutory Auditors and internal audit. It meets with the Heads of internal audit and risk control and advises on the organisation of their departments. It is informed of the internal audit programme and receives internal audit reports and/or periodic summaries;
- monitoring of the Statutory Auditors' work. The Committee reviews the main risks and uncertainties identified by the Statutory Auditors in the parent company and consolidated financial statements, including the half-year financial statements. The Committee also reviews their audit approach and any difficulties they encountered in their work;
- examination and monitoring of compliance by the Statutory Auditors with the criteria for independence. It ensures compliance with the rules for the rotation of Statutory Auditors and their signing partners. The Committee monitors the budget for the Statutory Auditors' fees to ensure that it is appropriate to their work. The Committee makes sure that the Co-Statutory Auditor is effective;
- approval of the provision by the Statutory Auditors or their respective network of services other than the certification of the financial statements to the Company or its subsidiaries. At its meeting of 20 February 2017, the Audit Committee decided unanimously to authorise the Statutory Auditors to provide certain services other than audit of the financial statements corresponding to (i) the missions required by law or regulations and (ii) the usual missions provided by Statutory Auditors which posed no risk to their independence given their purpose and the terms and conditions under which they would be carried out. The Statutory Auditors must provide the Audit Committee with a half-year report on these services. All other services must be authorised in advance by the Audit Committee;
- verification of the arrangements made by the Company in order to guarantee business continuity, with particular reference to documentation, files, systems and the protection of the Company against fraud and malicious acts;
- ensuring that the Company's operations comply with all applicable laws and regulations.

The Audit Committee must be consulted about:

- the appointment of the Statutory Auditors. It recommends Statutory Auditors which the Supervisory Board then proposes to the General Shareholders' Meeting for appointment on the basis of a call for tenders. It also issues a recommendation to the Meeting when the appointment of the auditor or auditors comes up for renewal;
- any significant changes in accounting methods and principles that may seem likely or necessary;
- half-year and full-year financial statements.

The Audit Committee reports on its work regularly to the Supervisory Board. It also reports on the results of the task of the certification of the financial of the financial information and on the role that it played in this process. It immediately reports any problem encountered.

The Audit Committee maintains working relationships with the Company's Executive Management, internal controllers, internal auditors and Statutory Auditors. It may ask the Statutory Auditors to attend Committee meetings to answer questions about subjects within their competence. The Audit Committee may also ask a Company employee to attend a meeting, in order to clarify a specific issue. The Audit Committee recommends to the Supervisory Board all measures it deems useful. If it deems necessary, the Committee may call on external experts, ensuring their competence and independence.

Compensation Committee

History

On 20 May 2009, the Extraordinary General Meeting voted to create a Compensation Committee, and for this purpose added a second paragraph to Article 18 of the Articles of Association concerning the Board's specialist committees.

The same Meeting modified the provisions of Article 14 of the Articles of Association regarding Management compensation: from 1 January 2013, Management compensation should be set for successive three-year periods by the Ordinary General Shareholders' Meeting in response to a proposal by the General Partners and after consultation with the Supervisory Board.

The Supervisory Board, at its meeting of 26 July 2012, voted to create this Management Compensation Committee, in accordance with Article 18 of the Articles of Association. On the recommendation of its Chairman, the Supervisory Board voted to grant the Committee powers wider than those provided for by the Articles of Association. The Committee will participate in determining the compensation not only of Management but also of members of the Supervisory Board and of the Group's senior executives.

Members

The Compensation Committee is composed exclusively of members of the Supervisory Board independent of Company Management.

The Compensation Committee currently consists of the following members:

- Dominique Rongier, Chairman of the Committee;
- Philippe Mauro, Secretary of the Committee;
- Alain Dassas.

Responsibilities (Article 18 of the Articles of Association)

The Management Compensation Committee submits proposals for Management compensation to the Supervisory Board.

Work of the Committee

The Committee used a report conducted by consultants Towers Watson and submitted to the Supervisory Board at its 27 February 2013 meeting proposals related to Management compensation. These proposals allowed the Supervisory Board to make an informed recommendation on the General Partner's proposal, in accordance with Article 14 of the Articles of Association, to the Ordinary General Shareholders' Meeting responsible for setting Management compensation.

The Compensation Committee also made proposals on the annual compensation of the Supervisory Board Chairman, which it recommended setting at €300 thousand, and on the amount of compensation paid as directors' fees. The Committee advised that the latter be increased to €2.5 thousand to encourage members to actively participate in the work of the Supervisory Board.

At its 27 February 2013 meeting, the Supervisory Board decided to approve all the recommendations of the Management Compensation Committee.

The Compensation Committee met on 8 April 2014 to review the compensation paid to the Chairman of the Supervisory Board and Group Operational Managers and to make recommendations to the Supervisory Board and management.

The Committee then met on 23 February 2016 to review Management compensation and develop proposals for the Supervisory Board, which then put recommendations to the Combined General Shareholders' Meeting of 15 April 2016 responsible for setting Management compensation for the 2016, 2017 and 2018 financial years.

In 2019 the Committee approved the proposed changes to the Management Compensation, in fees, suggested by the General Partner for the new three-year period 2019, 2020 and 2021, based on the results of a Towers Watson report of this proposal (see Section 6.3.1.1 below).

Assessment of the work of the Board and specialist committees

At its meeting of 2 March 2020, the Supervisory Board assessed the way in which its work is prepared and conducted. It unanimously concluded that the operating practices of the Board are appropriate and that no formal assessment procedures are necessary.

6.2.4 Management

6.2.4.1 Executive Management

As a SCA (*société en commandite par actions*, a French partnership limited by shares), the Company is run by Management. One of the latter's key roles is to decide the Group's strategic direction.

For the record, the Company is managed by Alain Taravella, in a personal capacity, and Altafi 2 and Atlas for whom he is Chairman. Jacques Ehrmann, general manager of Altafi 2, is Manager of Altarea Management, a wholly-owned subsidiary of Altarea (see Section 6.2.1 below).

6.2.4.2 Operational Management

Ludovic Castillo is in charge of the Retail REIT. He is Chairman of Altarea Commerce and also Manager of Foncière Altarea and Chief Executive Officer of Altarea France.

Philippe Jossé took over operational responsibility for the Residential Property Development division. He is Chairman of the Cogedim Management Board.

Adrien Blanc is responsible for the Office Property Development division and the Manager of Altarea Cogedim Entreprise Asset Management.

6.2.4.3 The Committees

Bearing in mind that the main subsidiaries of Altarea[1] feature operational committees, several committees hold regular meetings to examine going concerns and assist Executive Management in decision-making.

These are mainly the Group Executive Committee and Management Committees for each business line (Residential Management Committee, Office Property Management Committee and Retail Management Committee).

6.2.4.4 Absence of firm commitments made by Management and not communicated by the Company

As of the date of this Document, the management bodies have made no firm commitment on significant investments about which the Company has not provided information.

6.2.5 Additional information

6.2.5.1 Absence of conflicts of interest

No conflicts of interest have been detected at the level of the Company's administrative, management and supervisory bodies, or at the level of its Executive Management, between the duties of those bodies and any other potential duties they might have.

6.2.5.2 Convictions, bankruptcies, prosecutions

To the Company's knowledge and in view of the information at its disposal, none of the Co-Managers or the Company's Supervisory Board members has, in the past five years:

- been convicted of any fraud;
- been the subject of a bankruptcy, receivership or liquidation order;
- been the subject of any prosecution or of any official public sanction imposed by statutory or regulatory authorities (including designated professional bodies).

6.2.5.3 Agreements entered into between an executive officer or a significant shareholder and subsidiaries

Except for agreements relating to current transactions and conducted on arm's length terms, no agreement has been concluded between an executive officer or a major shareholder and Company subsidiaries.

6.2.5.4 Procedure for assessing current agreements

At its meeting on 2 March 2020, the Supervisory Board put in place a procedure for the regular assessment of the terms and conditions of entering into current agreements, whereby any person directly or indirectly involved in one of the agreements does not take part in its assessment.

(1) *See Section 6.2.3.2, above, for a presentation of the Supervisory Board's specialist committees.*

6.3 Compensation of administrative, management and supervisory bodies

6.3.1 Principles and rules

6.3.1.1 Management

The Order of 27 November 2019 on compensation for corporate officers of listed companies, implementing the Pacte Act of 22 May 2019, brings in new rules applicable to partnerships limited by shares listed on a regulated market, as of the General Shareholders' Meeting called to approve the 2019 financial statements. They are codified in articles L. 226-8-1 *et seq.* of the French Commercial Code and require a system for consulting shareholders ex ante and ex post, whereas Altarea management compensation was decided and agreed at the General Shareholders' Meeting itself.

Rules applicable until 2019

In line with the provisions of Article L. 226-8 of the French Commercial Code, applicable prior to the aforementioned Order of 27 November 2019 came into force, the Company's Articles of Association provided that management compensation should be set for successive periods of three years by the Ordinary General Shareholders' Meeting (limited partners), on a proposal from the general partners and after consultation with the Supervisory Board, which itself had to consult the Compensation Committee, a specialist committee whose members are independent of management.

The provisions of Article 14 of the Articles of Association are entirely reproduced below:

"Management compensation shall be set for successive periods of three years by the Ordinary General Shareholders' Meeting (Limited Partners) in accordance with the provisions of Article L. 226-8 of the French Commercial Code, on a proposal from the General Partners and after consultation with the Supervisory Board.

If there is more than one Manager, they will decide how to distribute the said compensation amongst themselves.

No other compensation may be paid to the Managers in respect of their office unless previously approved by the Ordinary General Shareholders' Meeting with the prior unanimous agreement of the General Partners.

The Manager(s) is(are) also entitled to reimbursement of all business, travel and other expenses of any nature incurred in the interests of the Company.

The compensation to which the Managers are entitled shall be invoiced directly to Altarea or its subsidiaries. In the latter case, the portion of compensation received by the Manager, which is attributable economically to Altarea, shall be deducted from the compensation to be paid by Altarea."

Article 25.3 of the AFEP-MEDEF Code, to which the Company refers, recommended consultation with the shareholders on the compensation of each executive corporate officer. The Company's practice with respect to establishment of Management compensation went beyond that recommendation. As such, Management compensation, paid in fees, was determined directly by the Ordinary General Meeting of the Shareholders, which had a real decision-making power, a power that was exercised ex-ante. The General Meeting was not simply consulted ex post to approve or disapprove of compensation awarded to Management by another Company body. Management compensation was set directly and in advance by the General Meeting. The General Meeting therefore had no need to issue an opinion on its own decisions.

Compensation terms set by the 2019 General Shareholders' Meeting

In accordance with the provisions of Article 14 of the Articles of Association described above, the Compensation Committee, composed entirely of independent members of Management, submitted its Management compensation proposal for the next three-year period to the Supervisory Board following its meeting on 14 February 2019, i.e for FY 2019, FY 2020 and FY 2021, including a fixed portion and a variable portion based on the Group's economic and CSR performance.

This proposal received the unanimous approval of the Supervisory Board at its meeting held on 26 February 2019 and the General Partner decided to present it, unamended, to the General Shareholders' Meeting on 23 May 2019, which approved it. The terms for the compensation in fees are as follows:

1. fixed annual compensation in the amount of €1,000,000, excluding taxes, payable in four equal amounts on a quarterly basis and non-revisable;
2. variable annual compensation consisting of two items:

   2.1. variable annual compensation equal to a progressive percentage of a portion of the amount of FFO per share, multiplied by the diluted average number of shares during the financial year, namely:

   - 3% of the amount of FFO per share pertaining to the portion of FFO per share in excess of €15.76 per share and up to €19 per share, the amount obtained being multiplied by the diluted average number of shares during the financial year in question,
   - 5% of the amount of FFO per share pertaining to the portion of FFO per share in excess of €19 per share, the amount obtained being multiplied by the diluted average number of shares during the financial year in question,

   it being specified that the diluted average number of shares during the financial year is published in the Company's annual report and that this variable compensation shall be payable at the latest on 31 March following the end of the financial year, namely for the first time on 31 March 2020 for the 2019 financial year, 2.2. variable annual compensation dependent upon the company's GRESB GREEN STAR rating, namely:

- upon achieving or maintaining five stars in the GRESB GREEN STAR rating, the variable compensation shall be equal to €500,000 excluding taxes,
- upon achieving or maintaining four stars in the GRESB GREEN STAR rating, the variable compensation shall be equal to €250,000 excluding taxes,
- there shall be no variable compensation in this respect under the level of four stars,

it being specified that this variable compensation shall be payable every year in the month following the achievement of the GRESB GREEN STAR rating, generally in the fourth quarter of each financial year.

The entry into force of these new compensation terms saw Management's fees fall substantially in 2019 (see Section 6.3.2. below).

Rules applicable from financial year 2020

The new rules of the aforementioned Order of 27 November 2019 codified in articles L. 226-8 *et seq.* of the French Commercial Code, are applicable within the company from financial year 2020 and for as long as it remains listed. Pursuant to these rules, management compensation will no longer be set at the General Shareholders' Meeting itself but determined according to a compensation policy which sets out all its fixed and variable components and explains the decision-making process followed in its determination, revision and implementation.

This compensation policy will be drawn up by the general partner, having sought the advice of the Supervisory Board, acting in accordance with the recommendation of the Compensation Committee.

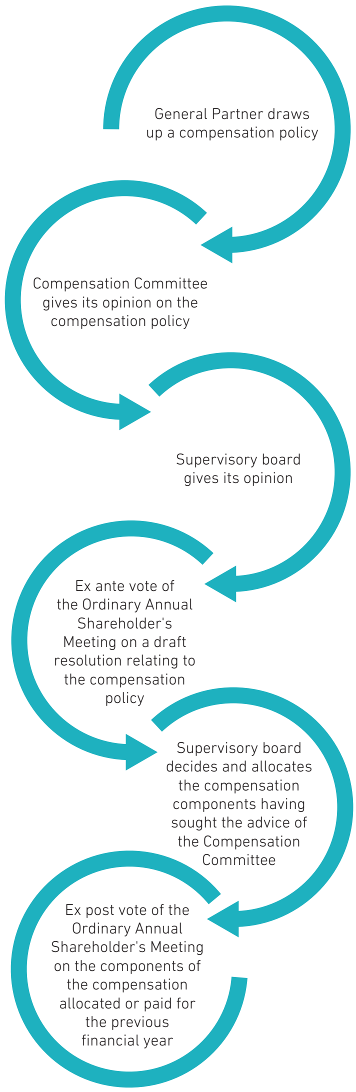
A draft resolution will then be submitted for the approval of the General Shareholders' Meeting each year and each time the ordinary compensation policy is changed significantly (*ex ante* vote).

The compensation components themselves will then be determined, allocated or decided by the Supervisory Board in application of the compensation policy approved by the General Shareholders' Meeting.

The shareholders will be consulted at a General Shareholders' Meeting on the compensation components actually paid or allocated to the Managers (ex-post vote).

The changes to the Company's Articles of Association will be submitted for approval at the General Meeting on 19 May 2020 to ensure compliance with the provisions resulting from these new regulations.

Simplified description of the process used to set the compensation of the Management



6.3.1.2 Supervisory Board

Up unitil now, the compensation and benefits paid to Supervisory Board members was set in Article 19 of the Articles of Association.

In accordance with the Articles of Association, the General Meeting can allocate annual compensation to Supervisory Board members solely for their duties as members of the Supervisory Board. The amount of compensation paid is included in general operating expenses. The Supervisory Board divides this amount among its members as it deems appropriate. Supervisory Board members are also entitled to the reimbursement of all expenses, travel costs and costs of any kind incurred in the Company's interests.

The General Meeting held to approve the 2008 financial statements, which took place on 20 May 2009, decided to allocate total compensation of €600,000 to the members of the Supervisory Board in respect of 2009 and for every subsequent year until the Ordinary General Meeting adopts a new decision.

In application of the new rules above, brought in by the Order of 27 November 2019, the Supervisory Board will now draw up, on an annual basis, a compensation policy for its members which will be put to vote at the General Shareholders' Meeting.

The individual components of the compensation for the members of the Supervisory Board will then be determined, allocated or decided by the Supervisory Board in application of the compensation policy approved by the General Shareholders' Meeting.

Chairman of the Supervisory Board

At its meeting of 19 February 2013, the Management Compensation Committee, proposed to the Supervisory Board to establish gross annual compensation of €300,000 for the Chairman of the Supervisory Board. This proposal was unanimously adopted by the Supervisory Board on 27 February 2013.

At its 5 March 2014 meeting, upon the appointment of Christian de Gournay as incoming Chairman of the Supervisory Board to replace Jacques Nicolet, the Supervisory Board confirmed that the amount of compensation paid to its Chairman would remain unchanged. This compensation encompasses all work done for the Supervisory Board and is exclusive of any other compensation.

On the proposal of the Compensation Committee at its meeting of 14 February 2019, the Supervisory Board decided at its meeting of 26 February 2019 to change, as from 1 July 2019, the amount of the annual compensation of the Chairman of the Supervisory Board to an aggregate amount of €250,000, charged against the annual' fees allocated by the General Meeting to Supervisory Board members.

Supervisory Board members

To encourage members of the Supervisory Board to effectively participate in the Board's work, the Supervisory Board decided at its 27 February 2013 meeting to set the amount of compensation allocated in respect of attendance at €2,500 for each attendance at a meeting of the Board or its specialist committees.

At its meeting of 26 February 2019, the Supervisory Board, having reviewed the amount of compensation allocated in respect of attendance by comparable companies, decided to increase, from 1 January 2019, the amount of fees allocated to the members of the Supervisory Board to €3,000 per meeting of the Board and its specialist committees.

6.3.1.3 General partners

Article 29 paragraph 6 of the Company's Articles of Association stipulates that "the General Partner is entitled to a bonus dividend equal to 1.5% of the annual dividend paid."

Altafi 2, the sole general partner, indefinitely responsible for social debt due to third parties, receives a bonus dividend of 1.5% of the annual dividend. This amounted to €2,569,489 for FY 2016, €2,966,939 for FY 2017 and €3,039,210.93 for FY 2018. The payment of a dividend to shareholders was proposed to the Annual Ordinary General Shareholders' Meeting charged with approving the 2019 financial reports and allocating the corresponding earnings, which would result in a payment of approximately €3,244 thousand for the general partner Altafi 2.

6.3.2 Compensation policy for financial year 2020 submitted to the General Shareholders' Meeting of 19 May 2020

In line with the new provisions applicable to partnerships limited by shares listed on a regulated market, brought in by the aforementioned order of 27 November 2019 and codified in Articles L. 226-8 et seq. of the French Commercial Code, the Ordinary General Shareholders Meeting of 19 May 2020 will be asked to vote on the compensation policy for management and Supervisory Board members for financial year 2020.

On 2 March 2020 the components of this policy, described below, were drawn up by the Supervisory Board, for compensation of its members, and by the general partner, after consulting the supervisory board, for compensation of management, the supervisory board having acted after consultation of the Compensation Committee.

The compensation of corporate officers must be in the Company's interests, competitive and in line with Company strategy, helping to ensure its long-term viability and support its financial and non-financial performance.

6.3.2.1 Management compensation policy

Remember that in 2019, as part of a process involving all corporate bodies and with a central role devolved to the Ordinary Shareholders' Meeting (see §6.3.1.1 above), management compensation, paid as fees, was reduced considerably from the amount paid in previous financial years, even as the Managers' efforts had led to a significant, consistent growth in the Group's financial and non-financial performance in the past few years.

The Management compensation policy described below was drawn up by the general partner and approved unanimously at the Supervisory Board meeting of 2 March 2020, after consultation of the Compensation Committee:

- the Supervisory Board is responsible for determining the components of management compensation, paid as fees, based on proposals from the Compensation Committee and taking account of the latest AFEP-MEDEF Code regulations (updated January 2020): exhaustiveness, a balanced compensation package, benchmark, coherence, clear rules and measurements;

- the Supervisory Board and Compensation Committee will take into consideration all market practice studies (benchmarks) and exceptional events in the financial year;
- management compensation, paid as fees, comprises a fixed annual component and a variable annual component determined according to the recommendations of the AFEP-MEDEF Code;
- the fixed annual compensation must enable management to provide a continuous, high quality service to the Company and its Group. Generally, it should be reviewed at relatively long intervals and take into account the other compensation components, primarily fixed components, paid by other Group companies for their duties and responsibilities at these companies.

  For financial year 2020 it must be between €1 million and €2 million, taking account of the above. For the record, the fixed annual component of management compensation was reduced from €2 million to €1 million from 1 January 2019, by the General Shareholders' Meeting of 23 May 2019, on the proposal of the general partner;
- it is intended that the variable component should link a significant portion of management compensation to Group performance. It is decided annually and can also have a long-term component intended to best align management's interests with those of the shareholders to create long-term value.

  The Supervisory Board must set the precise quantifiable and qualitative criteria used to determine the management's variable compensation.

  The quantifiable criteria must be simple, relevant and in line with corporate strategy. They must take precedence. They must be linked to the main financial indicators generally used to assess the Group's financial performance, notably those usually communicated to the market such as the FFO (funds from operations). If the FFO is selected as a criteria, the corresponding annual variable compensation would be a progressive percentage of a portion of the FFO per share multiplied by the average number of diluted shares in the financial year.

  The qualitative criteria must be specific and primarily tied to the Group's priority sustainability and Corporate Social Responsibility targets, GRESB[(1)] rating or status for example. When quality criteria are used, the qualitative component of the variable annual compensation must be capped. The variable compensation tied to the quality criteria must be between 50% and 100% of the annual fixed compensation.

  The variable or exceptional components allocated for the financial year cannot be paid to management before they have received the approval of the General Shareholders' Meeting (ex post vote) and the consent of the general partner;
- if there is more than one Manager, they decide how to distribute the compensation amongst themselves. The principle of awarding a global management compensation is set out in article 14 of the Company's Articles of Association;
- if applicable, any natural persons, legal representatives of the legal persons in the Company's management, who are called upon to perform duties not related to management of the Company, can be paid under the terms of a corporate mandate by the subsidiary in question. The fixed components, and any variable components (including bonus shares), of this compensation must be decided on the basis of the duties and responsibilities involved;
- the components of management compensation must be sufficiently competitive to attract and retain the best people and talent and best align the interests of the beneficiaries with those of the shareholders to further long-term value creation. Where applicable, the experience of the beneficiaries and the market practices of comparable companies are also taken into account;
- they are examined each year to check that they are still in line with the Company's strategy and current situation and the Compensation Committee will take care to ensure the performance conditions are appraised on the same basis over several years and the quantitative criteria of the variable composition take precedence over the qualitative criteria.

6.3.2.2 Compensation policy for the Supervisory Board members

After consultation of the Compensation Committee, the Supervisory Board sets its members' compensation policy as follows:

- Supervisory Board members receive compensation for attending meetings of the Board and its specialist committees, the maximum amount of which is approved by vote of the General Shareholders' Meeting and its distribution decided by the Supervisory Board itself. In line with the AFEP-MEDEF Code recommendations, the variable component of this compensation is therefore the most important. It must encourage members to take an active part in the Supervisory Committee's work;
- a global fixed compensation may be granted to the Chairman of the Supervisory Board, the amount of which must be taken from the total amount allocated by the General Shareholders' Meeting and may be exclusive of all other compensation. In accordance with the AFEP-MEDEF Code, the Chairman of the Supervisory Board receives no variable annual compensation, variable multi-year compensation or long-term profit-sharing incentives such as stock options or performance shares. At the 2021 General Shareholders' Meeting, shareholders will again be asked to vote on the compensation components payable or allocated to the Chairman of the Supervisory Board for financial year 2020, it being specified that payment of the Chairman's fixed compensation for that financial year is not subject to the approval of the said General Shareholders' Meeting. For the record, the Supervisory Board, on the recommendation of the Compensation Committee, reduced its Chairman's compensation from the figure of €300,000 gross per annum, set in 2013, to €250,000 gross per annum from 1 July 2019 (see.§ 6.3.1.2 above);
- in addition to the compensation they receive for attending meetings, other members of the Supervisory Board may be granted compensation for *ad hoc* assignments they are asked by the Supervisory Board to undertake in accordance with current regulations;
- the General Shareholders' Meeting of 20 May 2019 agreed a total annual compensation for the Supervisory Board members of €600,000, a maximum amount which, unless otherwise decided by the Meeting, will remain unchanged for the 2020 financial year;
- Supervisory Board members may also be reimbursed for all reasonable costs and expenses incurred while undertaking their duties if they provide all the necessary supporting documents.

(1) The Global Real Estate Sustainability Benchmark (GRESB), a leading international ranking, annually assesses the ESG performance of real estate companies around the world.

6.3.3 Information on compensation for FY 2019

6.3.3.1 Compensation components due or paid for financial year 2019

Pursuant to new article L. 226-8-2 of the French Commercial Code, arising from the Order of 27 November 2019, the General Shareholders' Meeting of 19 May 2020 will be asked to approve the compensation components paid or allocated for the 2019 financial year by means of (i) a global resolution relating to all compensation paid to the corporate officers and (ii) separate resolutions for the Management and for the Chairman of the Supervisory Board. The compensation paid or allocated to Jacques Ehrmann, CEO of Altafi 2, as Manager of Altarea Management, a wholly-owned subsidiary of the Company, is also set out below even if does not strictly speaking fall within the scope of the Management compensation policy.

Breakdown of the compensation paid or allocated to Management

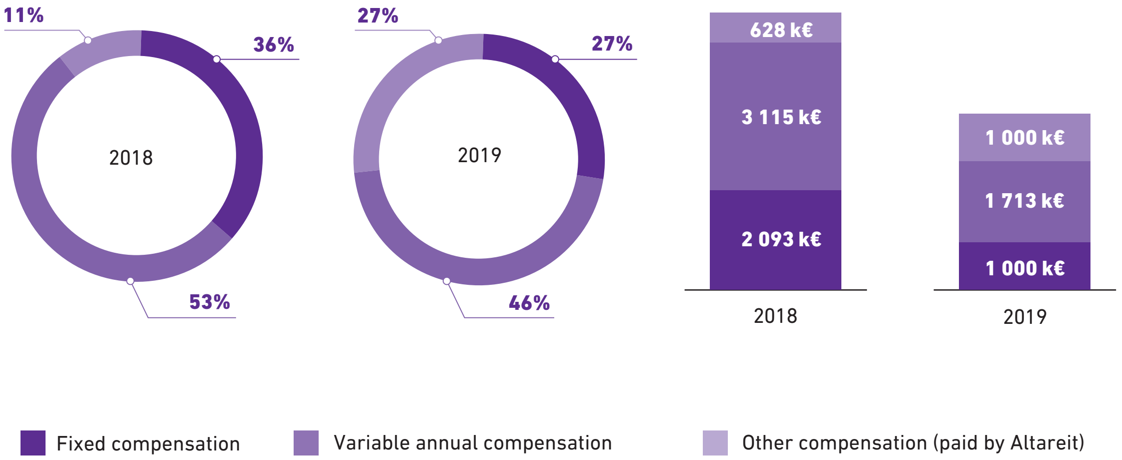
In application of the resolution adopted by the General Shareholders' Meeting of 23 May 2019 (see 6.3.1.1 above), the Management compensation in fees payable for financial year 2019 is as follows, Altafi 2 being the only beneficiary as neither Alain Taravella nor Atlas received any compensation:

Compensation components *(€ thousands)*	**2018**	**2019**	**Comment**
Fixed compensation (in fees)	2,093	1,000	All fees paid to Altafi 2
Variable annual compensation (in fees)	3,115[a]	1,713	The variable fees for financial year 2019 comprise two components: ▪ one based on a quantitative criterion linked to the Group's financial performance: the FFO per share[b]: → €1,213 thousand payable (paid in 2020), i.e. 2/3 of the variable component ▪ one based on a qualitative criterion linked to the Group's ESG performance: GRESB GREEN STAR classification[c]: → €500 thousand payable (paid in 2019), i.e. 1/3 of the variable component These fees were paid in full to Altafi 2.
Variable multi-year compensation	0	0	Management receives no variable multi-year compensation
Exceptional compensation	0	0	Management receives no exceptional compensation
Stock option allocation	0	0	There are no stock option plans (share subscription or purchase) in place for Management
Performance share allocation	0	0	There are no free share allocation plans in place for Management
Compensation in respect of attendance at Supervisory Board meetings	0	0	Management is not member of the Supervisory Board. It does not receive any compensation in this respect.
Benefits in kind	0	0	Management receives no benefits in kind
Severance payments	0	0	Management does not receive severance payments
Non-competition payments	0	0	Management does not receive non-competition payments
Supplementary retirement scheme	0	0	There is no retirement scheme in place for Management
Other compensation	628	1,000	Fees paid to Altafi 2 as Manager of Altareit, an Altarea subsidiary

(a) Variable compensation based on the Group's financial performance (consolidated FFO group share) The before tax amount equates to 1.5% of the FFO value between €120 million and €150 million and 3% above €150 million. This criterion is particularly relevant for a company like Altarea.
(b) Before tax amount equal to a progressive percentage of a portion of the FFO per share, multiplied by the diluted average number of shares during the financial year (3% on the potion of the FFO per share between €15.76 and €19 and 5% on the portion of the FFO per share above €19). No variable compensation payable for an FFO per share below €15.76.
(c) €250 thousand for a 4 star GRESB GREEN STAR rating, €500 thousand before tax for a 5 star rating. No variable compensation paid for a rating lower than 4 stars.

The values in the above table are the fees paid exclusively to the legal person Altafi 2 whose executive officers receive no compensation. Thus they do not reflect the personal compensation of Alain Taravella, Chairman of Altafi 2 which is wholly owned by AltaGroupe. Each year AltaGroupe faces current operating expenditures and fees of around €1.5 million. AltaGroupe pays five people in total.

The breakdown of each of these compensation components was as follows for the last two financial years:



The Management fees were reduced between 2018 and 2019 by an amendment of the compensation conditions decided by the 2019 General Shareholders' Meeting on a proposal of the managing partner, after consultation of the Supervisory Board and compensation committee (see 6.3.1.1. above), even although managers' efforts had led to a significant, consistent growth in the Group's financial and extra-financial performance in the past few years. This proposal was specifically intended to take account on the financial impact for the Group of the appointment of Jacques Erhmann as manager of Altarea Management, a wholly-owned subsidiary of the Company. He was hired primarily to drive forward and implement management's strategy.

Compensation components paid or allocated to Jacques Ehrmann, Manager of Altarea Management since 1 July 2019

The compensation paid or allocated to Jacques Ehrmann, General manager of Altafi 2, solely for his duties as Manager of Altarea Management, a wholly-owned subsidiary of the Company, is for all intents and purposes also set out below, even if does not strictly speaking fall within the scope of the Management compensation policy. He has no employment contract with the Group.

<table>
<tr><th>Compensation components
(€ thousands)</th><th>2018</th><th>2019</th><th>Comment</th></tr>
<tr><td>Fixed compensation</td><td>N/A</td><td>0</td><td>Jacques Ehrmann receives no fixed compensation from Altarea</td></tr>
<tr><td>Variable annual compensation</td><td>N/A</td><td>0</td><td>Jacques Ehrmann receives no variable compensation from Altarea</td></tr>
<tr><td>Variable multi-year compensation</td><td>N/A</td><td>0</td><td>Jacques Ehrmann receives no variable compensation from Altarea</td></tr>
<tr><td>Exceptional compensation</td><td>N/A</td><td>0</td><td>Jacques Ehrmann receives no variable compensation from Altarea</td></tr>
<tr><td>Stock option allocation</td><td>N/A</td><td>0</td><td>Jacques Ehrmann receives no stock options</td></tr>
<tr><td>Performance share allocation</td><td>N/A</td><td>1,020</td><td>As Manager of Altarea Management, Jacques Ehrmann benefits from two bonus share plans. In line with the Group's strategy and objectives, 91% of these shares will only vest to him if he meets stringent performance conditions over several years:
<table>
<tr><th>Plan number</th><th>Award date</th><th>Vesting date</th><th>Date of availability</th><th>Vesting conditions</th><th>Number of shares</th><th>Value[a]</th></tr>
<tr><td>Plan 69</td><td>18/10/2019</td><td>30/03/2021</td><td>30/03/2021</td><td>Condition of presence</td><td>2,000</td><td>€351 k</td></tr>
<tr><td>Plan 70</td><td>21/10/2019</td><td>30/03/2022</td><td>30/03/2022</td><td>Performance[b] and presence conditions</td><td>20,000</td><td>€669 k</td></tr>
</table></td></tr>
<tr><td>Compensation for presence on the Supervisory Board</td><td>N/A</td><td>0</td><td>Jacques Ehrmann is not a member of the Supervisory Board. So he receives no compensation on this account.</td></tr>
<tr><td>Benefits in kind</td><td>N/A</td><td>-</td><td>Company car</td></tr>
<tr><td>Severance payments</td><td>N/A</td><td>0</td><td>Jacques Ehrmann does not receive any severance payments</td></tr>
<tr><td>Non-competition payments</td><td>N/A</td><td>0</td><td>Jacques Ehrmann does not receive any non-competition payments</td></tr>
<tr><td>Supplemental pension plans</td><td>N/A</td><td>0</td><td>Jacques Ehrmann has no supplemental pension plans</td></tr>
<tr><td>Other compensation</td><td>N/A</td><td>575</td><td>Compensation payable by Altarea Management to Jacques Ehrmann as Manager of the Company (€375 k in fixed compensation and €200 k in annual variable compensation for financial year 2019).</td></tr>
</table>

(a) Per the valuation method used for the consolidated financial statements.
(b) vesting of 100% of the shares is subject to meeting a performance objective based on the percentage annual growth of the Total Shareholder Return *(TSR) of Altarea shares.*

Compensation components paid or allocated to Christian de Gournay, Chairman of the Supervisory Board

Compensation components (€ thousands)	2018	2019	Comment
Fixed compensation	300	275	Total amount exclusive of any other compensation - It is taken from the total compensation allocated to the Supervisory Board by the General Shareholders' Meeting[a]
Variable annual compensation	0	0	The Chairman of the Supervisory Board receives no variable compensation
Variable multi-year compensation	0	0	The Chairman of the Supervisory Board receives no variable compensation
Exceptional compensation	0	0	The Chairman of the Supervisory Board receives no exceptional compensation
Stock option allocation	0	0	There are no stock option plans (share subscription or purchase) in place for the Chairman of the Supervisory Board
Performance share allocation	0	0	There are no free share allocation plans in place for the Chairman of the Supervisory Board
Compensation in respect of attendance at Supervisory Board meetings	0	0	The Chairman of the Supervisory Board receives no compensation other than the above fixed compensation taken from the total compensation allocated to the Supervisory Board by vote of the General Shareholders' Meeting
Benefits in kind	0	-	Company car
Severance payments	0	0	The Chairman of the Supervisory Board receives no severance payments
Non-competition payments	0	0	The Chairman of the Supervisory Board receives no non-competition payments
Retirement scheme	0	0	There is no retirement scheme in place for the Chairman of the Supervisory Board
Other compensation	0	0	None

(a) See section 6.3.1.2 above.

Compensation of the Supervisory Board members

The compensation of the Supervisory Board members, non-executive corporate officers, is set out in table 3 of section 6.3.3.2 below.

Other information

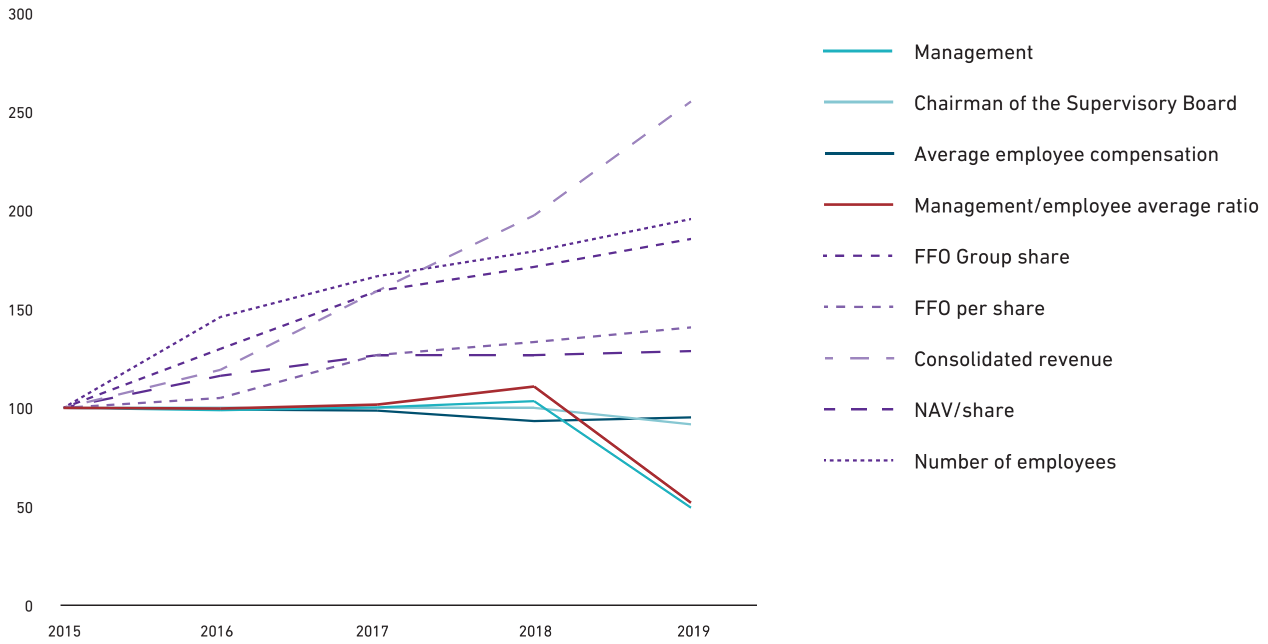
Pursuant to the new provisions of article L. 225-37-3, 6° of the French Commercial Code, introduced by the Order of 27 November 2019 on compensation of the corporate officers of listed companies, implementing the Pacte Act of 22 May 2019, the table below shows for Management and the Chairman of the Supervisory Board, the ratios between their fixed annual compensation paid by the Company, in the form of fees for Management, and the average and median annual fixed compensations, including all social security contributions, of the employees of Altarea Group, other than the corporate officers, on a full time equivalent basis.

Ratios	2015	2016	2017	2018	2019
Management (fees)					
to average employee compensation	23	23	24	26	12
to median employee compensation	28	28	28	30	14
Chairman of the Supervisory Board					
to average employee compensation	3	3	3	4	3
to median employee compensation	4	4	4	4	4

For Management, note that a comparison should be drawn between (i) the annual fixed fees paid by Altarea to Altafi 2, a legal person that pays no compensation to its executive officers and is part of a group that pays its own operating costs and expenses and (ii) the salaries of natural persons. As such these ratios are not a true reflection of the discrepancies between compensation paid to natural persons (see above).

Remember that in 2019 the management fees were reduced considerably from the amount paid in previous financial years, even although Managers' efforts had led to a significant, consistent growth in the Group's financial and non-financial performance in the past few years. This reduction is particularly evident in the above table and the graph below.

Pursuant to the new provisions of the aforementioned article L. 225-37-3, 7° of the French Commercial Code, the graph below summarises the annual change in the fixed fees paid to Management and the Chairman of the Supervisory Board in the five most recent financial years, based on Group performance, and in the average fixed compensation paid to Group employees, other than executive officers, (on a full time equivalent basis) and the ratios mentioned above:



6.3.3.2 Standardised presentation of the corporate officers' compensation

The information provided below complies with the AMF recommendation on disclosure of compensation of corporate officers (the "Recommendations"), in paragraph 3.5 of the AMF Guide to the Preparation of Registration Documents (AMF Position – Recommendation no. 2009-16).

Note that the Company's executive management comprises three Co-Managers: Alain Taravella and the companies Altafi 2 and Atlas which are both chaired by Alain Taravella and are also controlled by him as understood under the terms of Article L. 233-3 of the French Commercial Code. Since 1 July 2019, Jacques Ehrmann has been General manager of Altafi 2 and Manager of Altarea Management, a wholly-owned subsidiary of Altarea. He receives no compensation from Altarea or Altafi 2. All compensation components paid or allocated to him are in return for his duties as Manager of Altarea Management.

The non-executive corporate officers are the Supervisory Board members.

Table 1 – Summary of compensation, stock options and shares allocated to each executive corporate officer, as well as Jacques Ehrmann, Manager of Altarea Management

(€ thousands)	FY 2018	FY 2019
Alain Taravella – Co-Manager		
Compensation due in respect of the financial year (itemised in Table 2)	0	0
Value of options allocated during the financial year	0	0
Value of performance shares allocated during the financial year	0	0
Total Alain Taravella	**0**	**0**
Altafi 2 – Co-Manager (compensation in fees)		
Compensation due in respect of the financial year (itemised in Table 2)	5,836[a]	3,713[b]
Value of options allocated during the financial year	0	0
Value of performance shares allocated during the financial year	0	0
Total Altafi 2	**5,836**	**3,713**
Atlas – Co-Manager		
Compensation due in respect of the financial year (itemised in Table 2)	0	0
Value of options allocated during the financial year	0	0
Value of performance shares allocated during the financial year	0	0
Total Atlas	**0**	**0**
Jacques Ehrmann, Manager of Altarea Management - General manager of Atlafi 2 since 1 July 2019		
Compensation due in respect of the financial year[c] (itemised in Table 2)	-	575
Value of options allocated during the financial year	-	0
Value of performance shares allocated during the financial year	-	1,020
Total Jacques Ehrmann	**-**	**1,595**

(a) Final amount of €5,208 thousand for Management of Altarea and €628 thousand for Management of Altareit, a subsidiary of Altarea.
(b) Provisional amount of €2,713 thousand for Management of Altarea and €1,000 thousand for Management of Altareit, a wholly-owned subsidiary of the Company.
(c) Jacques Ehrmann did not receive any compensation from Altarea or Atlas. He did not receive any compensation as executive corporate officer of the Company. This amount is in recognition of his operational responsibilities as Manager of Altarea Management, a subsidiary of Altarea, since 1 July 2019, the start of his term of office.

Regarding application of Articles L. 225-102-1 and L. 233-16 of the French Commercial Code, note that outside of Altarea, its subsidiaries and Altafi 2, no other company paying compensation to a corporate officer falls within the scope of these provisions.

The amounts provided in the compensation table, above, and the following tables include all compensation due or paid by Altarea and the companies it controls. The figures below include amounts invoiced to Altarea and amounts invoiced directly to its subsidiaries. Variable compensation of Management is calculated by applying the rules for Management compensation set out by the Ordinary General Shareholders' Meeting, which are presented in Article 6.3.1.1 above.

Table 2 – Summary of compensation of each executive corporate officer, as well as Jacques Ehrmann, General manager of Atlafi 2, Manager of Altarea Management, a wholly-owned subsidiary of the Company

Name and position of executive officer	FY 2018		FY 2019	
(€ thousands)	Amount due	Amount paid	Amount due	Amount paid
Alain Taravella – Co-Manager				
Fixed compensation	0	0	0	0
Variable annual compensation	0	0	0	0
Variable multi-year compensation	0	0	0	0
Exceptional compensation	0	0	0	0
Other compensation	0	0	0	0
Compensation in respect of attendance at Supervisory Board Meetings	0	0	0	0
Benefits in kind	0	0	0	0
TOTAL	**0**	**0**	**0**	**0**
Altafi 2 – Co-Manager				
Fixed compensation (fees)	2,093	2,093	1,000	1,000
Variable annual compensation (fees)	3,115[a]	2,633[b]	1,713[c]	3,615[d]
Variable multi-year compensation	0	0	0	0
Exceptional compensation	0	0	0	0
Other compensation[e]	628	628	1,000	1,000
Compensation in respect of attendance at Supervisory Board Meetings	0	0	0	0
Benefits in kind	0	0	0	0
TOTAL	**5,836**	**5,354***	**3,713**	**5,615***
Atlas – Co-Manager				
Fixed compensation	0	0	0	0
Variable annual compensation	0	0	0	0
Variable multi-year compensation	0	0	0	0
Exceptional compensation	0	0	0	0
Other compensation	0	0	0	0
Compensation in respect of attendance at Supervisory Board Meetings	0	0	0	0
Benefits in kind	0	0	0	0
TOTAL	**0**	**0**	**0**	**0**
Jacques Ehrmann – Manager of Altarea Management – General manager of Atlafi 2 (since 01/07/2019)				
Fixed compensation	-	-	0	0
Variable annual compensation	-	-	0	0
Variable multi-year compensation	-	-	0	0
Exceptional compensation	-	-	0	0
Other compensation[f]	-	-	575	375
Compensation in respect of attendance at Supervisory Board Meetings	-	-	0	0
Benefits in kind	-	-	0	0
TOTAL	**-**	**-**	**575**	**375**

* ***Amounts paid include the variable component of compensation in respect of the prior year after any adjustments.***

(a) Corresponding to the amount of variable compensation for the 2018 financial year paid in 2019.

(b) Corresponding to the amount of variable compensation for the 2017 financial year paid in 2018.

(c) Of which €1,213 thousand variable compensation for financial year 2019 based on financial performance criteria (provisionally booked and due for payment in 2020) and €500 thousand variable compensation for financial year 2019 based on CSR performance criteria.

(d) Of which €3,115 thousand (note a above) variable compensation paid for financial year 2018 and €500 thousand variable compensation for financial year 2019 based on CSR performance criteria.

(e) Compensation paid solely for managing Altareit, a subsidiary of Altarea, in fees.

(f) Compensation paid solely for duties as corporate executive of Altarea subsidiaries; see above. Jacques Ehrmann did not receive any compensation from Altarea or Atlafi 2. He did not receive any compensation as executive corporate officer of the Company. This amount is in recognition of his operational responsibilities as Manager of Altarea Management, a wholly-owned subsidiary of the Company, since 1 July 2019, the start of his term of office. The variable component of this compensation, due for financial year 2019, was paid in 2020.

Table 3 – Table of compensation received by the non-executive corporate officers and, where applicable, by their permanent representatives

The Company paid a total of €90,000 in variable compensation to the members of the Supervisory Board in respect of attendance for 2019. This amount does not take into account the overall compensation of the Chairman of the Supervisory Board or any consideration for assignments entrusted by the Board (see Section 6.3.1.3 above). The amounts shown in the table below include not only directors' fees and other compensation paid by Altarea, but also that paid by its subsidiaries.

	FY 2018		FY 2019	
Non-executive corporate officers *(€ thousands)*	**Compensation in respect of attendance**	**Other compensation**	**Compensation in respect of attendance**	**Other compensation**
Christian de Gournay, Chairman of the Supervisory Board	0	300[a]	0	275[a]
APG, Supervisory Board member	0	0	0	0
Alain Dassas, Permanent Representative of APG	12.5	0	15	0
ATI, Supervisory Board member	0	0	0	0
Léonore Reviron, Supervisory Board member	12.5	3[b]	12	3[b]
Marie Anne Barbat-Layani, Supervisory Board member	7.5	0	3	0
Françoise Debrus, Supervisory Board member	12.5	0	0	0
Éliane Frémeaux, Supervisory Board member	12.5	0	12	3
Jacques Nicolet, Supervisory Board member	5	1.5[b]	6	3[b]
Predica, Supervisory Board member	0	0	0	0
Najat Aasqui, Permanent representative of Predica	N/A	N/A	0	0
Michaela Robert, Supervisory Board member	12.5	0	12	0
Dominique Rongier, Supervisory Board member	12.5	3[b]	15	4.5[b]
Philippe Mauro, Member of the Supervisory Board	N/A	N/A	6	100[c]
Marie Catherine Chazeaux, Member representing employees	N/A	N/A	3	–[d]
Bertrand Landas, Member representing employees	N/A	N/A	6	–[d]

(a) Compensation paid by Altarea for the office of Chairman of the Supervisory Board.
(b) Compensation paid in respect of attendance at meetings of Altareit's Supervisory Board.
(c) Compensation paid for an assignment given by the Supervisory Board charged against the total ceiling for compensation allotted by the Shareholders' Meeting.
(d) The two employee representative members of the Board have employment contracts with the Group for which they receive compensation which is not related to the exercise of their term of office Consequently, this compensation is not subject to publication.

Table 4 – Stock options granted during the financial year to each executive corporate officer by the Company and by any Group company

No stock options were allocated during the financial year to the executive corporate officers, namely Alain Taravella, Altafi 2 or Atlas, Co-Managers, by the Company or by any other Group company.

Table 5 – Stock options exercised during the year by the executive corporate officers

No stock options were exercised during the financial year by the executive corporate officers, Alain Taravella, Altafi 2 or Atlas, Co-Managers.

Table 6 – Free shares allocated to the executive corporate officers and members of the Supervisory Board in 2019

No free shares were granted during the past financial year to the executive corporate officers of the Company, namely Alain Taravella, Altafi 2 and Atlas, Co-Managers, or to members of the Supervisory Board either by the Company itself or by another Group company.[1]

Table 7 – Free shares vesting in 2019 for each corporate officer

No free shares allocated to the Company's corporate officers, namely Alain Taravella, Altafi 2 or Atlas, Co-Managers, and the members of the Supervisory Board, by the Company or by any other Group company, vested during the past year, other than those granted to Philippe Mauro for his salaried duties at the Group until 2018 and before he took up his position as a member of the Supervisory Board in 2019[2].

Table 8 – History of stock option grants and share purchases

There is currently no stock option plan for which the corporate officers, namely Alain Taravella, Altafi 2, or Atlas, Co-Managers, are eligible, including other financial instruments convertible to capital (share subscription warrants, redeemable share subscription warrants, founders' warrants, etc.).

Table 9 – Stock options granted to and exercised by the top 10 employees excluding corporate officers and options exercised by them

There is currently no stock option plan for which the top 10 employees excluding corporate officers are eligible, including other financial instruments convertible to capital (share subscription warrants, redeemable share subscription warrants, founders' warrants, etc.).

Table 10 – History of free share allocations

No bonus shares granted to the Company's corporate officers, namely Alain Taravella, Altafi 2 or Atlas, Co-Managers[1], or the members of the Supervisory Board, are currently vesting or subject to a retention period, other than those granted to Philippe Mauro for his salaried duties at the Group until 2018 and before he took up his position as a member of the Supervisory Board in 2019

Table 11 – Employment contracts, supplemental pension plans, severance or other termination payments or benefits and non-competition compensation payable to the executive corporate officers

None.

It is hereby specified that the Company made no commitment for its corporate officers, namely Alain Taravella, Altafi 2, or Atlas, Co-Managers, for any compensation, payments or benefits due or liable to be due upon assumption, termination or any change in their office or subsequent thereto.

(1) In 2019 Jacques Ehrmann, CEO of Altafi 2, received bonus share plans in return for his duties as Manager of Altarea Management, a wholly-owned subsidiary of the Company (see §6.3.3.1 above)

(2) Philippe Mauro, a Group employee until 2018, was a beneficiary of the bonus share plans for Group management and the global "We all have a share in success" bonus share plans, on the same basis as all Group employees on a permanent employment contract (see Note 6.1 of the notes to the consolidated financial statements).

6.3.4 Terms of compensation for financial year 2020

In application of the new provisions of article L. 226-8-1 of the French Commercial Code arising from the Order of 27 November 2019, the Supervisory Board will now decide and allocate the components of corporate officers' compensation according to the voting policy approved by the General Shareholders's Meeting (*ex ante* vote).

At its meeting on 2 March 2020 it decided on the compensation policy for Supervisory Board Members for the current financial year and approved the Management compensation policy drawn up by the general partner, based on proposals from the Compensation Committee. These compensation policies, set out in section 6.3.2 above, will be put to the ex ante vote of the Ordinary General Shareholders' Meeting of 19 May 2020.

On this occasion, subject to the approval of the policies by the General Shareholders' Meeting and based on the proposal of the Compensation Committee, the Supervisory Board agreed the following components of the Management compensation, in the form of fees, and of the compensation of the members of the Supervisory Board for this financial year.

The Ordinary General Shareholders' Meeting called to approve the 2020 financial statements, which will take place in 2021, will be asked to vote (i) on a draft resolution containing the information about the compensation components allocated or paid for this financial year and (ii) on separate draft resolutions relating to the compensation components allocated or paid to the Chairman of the Supervisory Board and Management for the said financial year. Any variable or exceptional components allocated for the financial year just passed cannot be paid to a beneficiary until the components of the beneficiary's compensation have been approved by the General Shareholders' Meeting and received the consent of the general partner.

Components of Management compensation for financial year 2020

Compensation components	Rules and criteria	Targets/Comments
Fixed fee	Annual amount: €1,000,000 before tax Paid quarterly	Compensation enabling the recipients to provide a continuous, high quality service to the Company and its Group Coherent with and unchanged from the fixed compensation for the previous financial period In line with the market practices of comparable companies identified with the help of specialist consultants Includes the compensation paid to Altafi 2 by Altareit, an Altarea Group company, for its duties and responsibilities within the Company.
Annual variable fee	Two components: ■ A portion linked to a **quantitative criterion: the FFO per share** Before tax amount equal to a progressive percentage of a portion of the FFO per share [(1)] • 3% of the portion of the FFO per share between €15.76 and €19 • 5% of the portion of the FFO per share above €19 No fees if the FFO per share is less than €15.76. ■ A portion linked to a **qualitative criterion: the GRESB GREEN STAR rating** Before tax amount which cannot exceed: • €250 k if the rating is 4 stars • €500 k if the rating is 5 stars No fee for a rating under 4 stars	A significant portion of managements' fees is linked to the Group's financial and non-financial performance. Quantitative portion linked to one of the main financial indicators the Group habitually uses in its financial communication. Capped qualitative portion of the variable compensation based on a non-financial performance indicator linked to sustainability and Corporate Social Responsibility, the benchmark for all players in the property sector. Criteria coherent and in line with Company strategy.

(1) FFO per share multiplied by the average number of diluted shares in the financial year.

Management does not receive variable multi-year compensation, long-term profit sharing, benefits in kind, severance or non-competition payments or a pension plan.

Components of the Supervisory Board members' compensation for financial year 2020

	Compensation components Rules and criteria	Targets/Comments
Chairman of the Board	Fixed annual compensation Amount: €250,000 gross Paid monthly	Total amount exclusive of all other Altarea Group compensation, taken from the total compensation allocated to the Supervisory Board by the General Shareholders' Meeting Coherent with the duties and responsibilities of the Chairman of the Board Stable compensation. In line with the market practices of comparable companies and the AFEP-MEDEF Code recommendations
Supervisory Board member	€3,000 for each actual attendance at meetings of the Board and its specialist committees. Beneficiaries: natural person members and permanent representatives of legal person members, with the exception of the Chairman of the Board who receives a fixed lump-sum compensation and persons, other than employee representatives, who receive compensation under the terms of an employment contract or a corporate office within the Altarea Group.	Variable component the largest Incentive to attend meetings In line with the market practices of comparable companies and the AFEP-MEDEF Code recommendations
Special mission assigned to a Board member	€10,000 monthly	Specific 12-month mission assigned by the Supervisory Board relating to governance and human resources, primarily compensation and risk control

6.4 Delegations granted by the General Shareholders' Meeting for capital increases

6.4.1 Delegations given by the General Shareholders' meeting of 23 May 2019 valid during the past financial year

Delegations valid during 2019	Expiry date	Maximum nominal amount	Use in 2019
Share buyback programme			
Authorisation to proceed with share buybacks at a maximum price per share of €300 and for a maximum total amount of €100 million	18 months 23/11/2020	Up to a maximum of 10% of the share capital	See § 7.1.2 below
Authorisation to reduce the share capital by cancelling shares purchased under the buyback programme	26 months 23/07/2021	Up to a maximum of 10% of the share capital per 24-month period	None
Authorisations with preservation of preferential subscription rights			
Issue of ordinary shares and/or equity securities giving access to other securities and/or marketable securities giving access to equity securities to be issued by the Company or a related company[(i)(ii)]	26 months 23/07/2021	€95 million for capital increases €750 million for debt securities	None
Authorisation to increase the share capital by capitalising reserves	26 months 23/07/2021	€95 million	None
Authorisations without preferential subscription rights			
Issue of ordinary shares and/or equity securities giving access to other securities and/or marketable securities giving access to equity securities to be issued by the Company or a related company, as part of a public offering[(i)(ii)(iii)]	26 months 23/07/2021	€95 million for capital increases €750 million for debt securities	None
Issue of ordinary shares and/or equity securities giving access to other securities and/or marketable securities giving access to equity securities to be issued by the Company or a related company, as part of a private placement[(i)(ii)(iii)]	26 months 23/07/2021	€95 million and 20% of the share capital per annum for capital increases €750 million for debt securities	None
Issue of ordinary shares and/or equity securities giving access to other securities and/or marketable securities giving access to equity securities to be issued by the Company or a related company, for the benefit of particular categories of persons[(i)]	18 months 23/11/2020	€20 million for capital increases €750 million for debt securities	None
Issue of ordinary shares that may be combined with securities giving access to the Company's share capital as remuneration for contributions in the form of securities[(i)(iii)]	26 months 23/07/2021	10% of the share capital for capital increases €750 million for debt securities	None
Issue of ordinary shares and/or equity securities giving access to other securities to be used to remunerate the securities contributed as part of a public exchange offer initiated by the Company[(i)(iii)]	26 months 23/07/2021	€95 million	None
Authorisations for the benefit of employees and senior management			
Increase in the capital reserved for members of an employee savings scheme	26 months 23/07/2021	€10 million	See § 7.1.2 below
Bonus share plans[(i)(iv)]	38 months 23/07/2022	350,000 shares[(v)]	See § 7.1.1 below
Stock option plans (share purchase and share subscription[(iv)]	38 months 23/07/2022	350,000 shares[(v)]	None
Share subscription warrants (BSA, BSAANE and BSAAR[(iv)])	18 months 23/11/2020	€10 million	None

(i) Authorisation subject to a nominal global ceiling of €95 million for a capital increase by the issue of new shares and €750 million for the issue of debt securities
(ii) Authorisation subject to an authorisation to increase the issue amount by an additional 15% in case of over-subscription.
(iii) Delegation subject to an authorisation granted to Management to set the issue price up to a maximum of 10% of the share capital per annum.
(iv) Authorisation subject to a global ceiling of 350,000 shares, of which a maximum of 100,000 shares for the corporate officers.
(v) Representing approximately 2.18% of the share capital at 31 December 2019.

The authorisations in the above table supersede those of the same type granted by the General Shareholders' Meeting of 15 May 2018.

6.4.2 Delegations sought from the next General Shareholders' Meeting to be held on 19 May 2020

Délégations	Resolution number of the GM	Maximum nominal amount	Duration/ Expiry date
Share buyback programme			
Authorisation to proceed with share buybacks at a maximum price per share of €300 and for a maximum total amount of €100 million[(a)]	15th	Up to a maximum of 10% of the share capital	18 months 19/11/2021
Authorisation to reduce the share capital by cancelling shares purchased under the buyback programme	16th	Up to a maximum of 10% of the share capital per 24-month period	26 months 19/07/2022
Authorisations with preservation of preferential subscription rights			
Issue of ordinary shares and/or equity securities giving access to other securities and/or marketable securities giving access to equity securities to be issued by the Company or a related company[(b)(c)]	17th	€95 million for capital increases €750 million for debt securities	26 months 19/07/2022
Authorisation to increase the share capital by capitalising reserves	26th	€95 million	26 months 19/07/2022
Authorisations without preferential subscription rights			
Issue of ordinary shares and/or equity securities giving access to other securities and/or marketable securities giving access to equity securities to be issued by the Company or a related company, as part of a public offering[(b)(c)]	18th	€95 million for capital increases €750 million for debt securities	26 months 19/07/2022
Issue of ordinary shares and/or equity securities giving access to other securities and/or marketable securities giving access to equity securities to be issued by the Company or a related company, as part of a private placement[(b)(c)]	19th	€95 million and 20% of the share capital per annum for capital increases €750 million for debt securities	26 months 19/07/2022
Issue of ordinary shares and/or equity securities giving access to other securities and/or marketable securities giving access to equity securities to be issued by the Company or a related company, for the benefit of particular categories of persons[(b)]	23rd	€20 million for capital increases €150 million for debt securities	18 months 19/11/2021
Authorisation granted to Management to set the issue price for capital increases without preferential subscription rights subject to a maximum of 10% of the share capital per year	20th	10% of the share capital per annum	26 months 19/07/2022
Issue of ordinary shares that may be combined with securities giving access to the Company's share capital as remuneration for contributions in the form of securities[(b)]	22nd	10% of the share capital for capital increases €750 million for debt securities	26 months 19/07/2022
Issue of ordinary shares and/or equity securities giving access to other securities to be used to remunerate the securities contributed as part of a public exchange offer initiated by the Company[(b)]	24th	€95 million for capital increases €750 million forf debt securities	26 months 19/07/2022
Global Ceiling and other authorisations			
Setting aggregate nominal ceiling of authorisations to the Management at €95 million for share issues and at €750 million for marketable securities representing debt in the Company	25th	€95 million for capital increases €750 million for debt securities	26 months 19/07/2022
Option to increase the amount issued by 15% in the event of oversubscription[(b)]	21st	-	26 months 19/07/2022
Authorisations for the benefit of employees and senior management			
Increase in the capital reserved for members of an employee savings scheme (global ceiling of €10 million)[(b)]	27th	€10 million	26 months 19/07/2022
Bonus share plans[(b)(d)]	28th	600,000 shares	38 months 19/07/2023
Stock option plans (share subscription or purchase[(b)(d)])	29th	600,000 shares	38 months 19/07/2023
Share subscription warrants (BSA, BSAANE and BSAAR)[(b)]	30th	€10 million	18 months 19/11/2021

(a) See Section 7.3.2 below.
(b) Authorisation subject to an aggregate nominal ceiling of €95 million for capital increases through the issue of new shares and €750 million through the issue of debt securities.
(c) Delegation covered by the requested authorisation to increase the issue amount by an additional 15% in the event of oversubscription.
(d) Authorisation subject to a global ceiling of 600,000 shares, of which a maximum of 100,000 shares for the corporate officers.

It should be noted that the delegations presented in the above table would rescind, if adopted by the General Shareholders' Meeting of 23 May 2019, the delegations of the same description previously granted by the General Shareholders' Meeting and presented in Section 6.4.1, above.

6.5 Conditions of participation in the General Shareholders' Meeting

Except for the requirements set by applicable laws and regulations, there are no particular procedures relating to shareholder participation in General Meetings. Article 25 of the Company's Articles of Association state the following points:

Calling of meetings

General Meetings are called and take place in accordance with the provisions of the law.

Notice of meetings may be given electronically, provided that the shareholders have given their prior written consent.

Meetings take place at the registered office or any other place indicated in the notice of meeting.

Proxies

Any shareholder may participate in person or by proxy in the General Shareholders' Meeting, whatever the number of shares they hold, upon proof of identity and the ownership of their shares in the form of an accounting entry at least two working days before the date of the General Shareholders' Meeting. However, Management may shorten or even do away with this period if it is to the benefit of all shareholders.

Legal entities may take part in General Meetings through their legal representatives or any other person duly appointed for this purpose by their legal representatives.

Double voting rights

The Company's shares do not carry double voting rights. In accordance with the option provided for by Article L. 225-123 of the French Commercial Code, the Combined General Meeting of Shareholders of 5 June 2015 voted to exclude the double voting rights allowed to shareholders whose shares had been registered for at least two years. Each share therefore gives the right to a single vote.

Ceiling on voting rights

The number of voting rights that may be exercised by each Limited Partner in General Shareholders' Meetings is equal to the number of voting rights attached to the shares they own up to a maximum of 60% of the voting rights attached to all shares comprising the share capital.

Voting by mail and videoconferencing

Voting by mail takes place in accordance with the provisions of the law and regulations.

Shareholders may attend and vote at all meetings by videoconferencing or any other electronic means that permits their identification in accordance with the law and regulations.

Chairman – Office

General Meetings are chaired by the Manager or one of the Managers if there is more than one. If the Meeting is called by the Supervisory Board, it is chaired by the Chairman of the Supervisory Board or one of its members designated to that effect. Failing that, the Meeting elects its own Chairman.

Minutes of General Meetings are drawn up and copies certified and issued in accordance with the law.

6.6 Items that may have an impact in case of a take-over bid or public exchange offer

The information referred to under Article L. 225-100-3 of the French Commercial Code is provided in Chapters 6, 7 and 8 of this document, in Sections 6.2 to 6.5, 7.1 and 8.1.2.

7 CAPITAL AND OWNERSHIP STRUCTURE

7.1 General information about the share capital

7.1.1 Share capital – Form and negotiability of the shares

Amount of the share capital (Article 6 of the Articles of Association)

As of the date of this Document, the share capital was €255,194,821.66. It was divided into 16,700,762 shares, all fully paid up and of the same class. The rounded par value is €15.28 a share.

It should be specified that the 10 General Partner shares with a par value of €100 are held by Altafi 2 (see Section 6.2.2, above).

Changes to the share capital and the respective rights of the various categories of shares

The share capital may be modified as provided for by the law. The provisions of the Articles of Association regarding alterations to the share capital are no more restrictive than the provisions of the law, and they do not provide for any special classes of shares.

Form of shares (Article 10 of the Articles of Association)

Fully paid up shares may be in either registered or bearer form, at the shareholder's option.

However, any shareholder other than a natural person who comes to own, directly or through its controlled entities within the meaning of Article L. 233-3 of the French Commercial Code, a percentage of the Company's dividend rights at least equal to the percentage referred to in Article 208-C II ter of the French General Tax Code (a "Relevant Shareholder") must hold all its shares in registered form and ensure that its controlled entities within the meaning of Article L. 233-3 of the French Commercial Code do likewise. Should a Relevant Shareholder fail to comply with this requirement no later than the second business day preceding the date of a General Shareholders' Meeting, its voting rights held directly or indirectly through its controlled entities within the meaning of Article L. 233-3 of the French Commercial Code will be limited at the General Shareholders' Meeting to one tenth of the number of shares held respectively by them. The Relevant Shareholder will recover all the voting rights attached to the shares it owns directly or through its controlled entities within the meaning of Article L. 233-3 of the French Commercial Code at the next General Shareholders' Meeting, provided that the position has been remedied by the conversion of all shares owned directly or through its controlled entities within the meaning of Article L. 233-3 of the French Commercial Code, to registered form no later than the second business day before the date of the General Shareholders' Meeting.

Shares may be converted from registered to bearer form and vice-versa in accordance with the provisions of the law. Notwithstanding the foregoing, shares must be in registered form where required by law.

Partially paid shares may not be converted to bearer form until they have been fully paid-up.

Ownership of the shares is evidenced by their registration in accordance with the provisions of the law either in a share registry held by the issuer or its appointed registrar in the case of registered shares or in an account held with an authorised financial intermediary in the case of bearer shares. If requested by a shareholder, the Company or authorised financial intermediary shall issue a certificate of registration.

Shareholders or intermediaries who fail to provide the information referred to below may, in accordance with the provisions of the law, have their voting rights and dividend rights suspended or disqualified.

The Company is entitled to ask, at any time and at its own expense, the central depository acting as the custodian of the issuing account to disclose the name or, if a legal entity, the Company name, nationality and address, of the holders of Company securities that confer either current or future voting rights at its Shareholders' Meetings, as well as the number of securities held by each of them and, where appropriate, any restrictions to which the securities might be subject.

The shares are indivisible for the purposes of the Company. Joint-owners of shares shall accordingly be represented for the Company's purposes by one of the owners or by a person appointed by the owners as their sole representative. In the event of disagreement, the representative will be appointed by order of the presiding judge of the commercial court in summary proceedings at the request of the most diligent joint-owner.

Trading in the shares (Article 11 of the Articles of Association)

The shares may be traded without restriction save for any provisions to the contrary set out in law, regulations or the Articles of Association.

Authorisations involving the share capital

The information concerning delegations valid during the 2019 financial year, granted by General Shareholders' Meetings, and their use during the course of the previous year is provided in the Supervisory Board report on Corporate Governance included under Chapter 6 of this Document.

Free share allocations

The information concerning free share allocations is presented in Sections 2.3 (Note 6.1. to the consolidated financial statements), and 3.4.3.3 of this Document. In accordance with Article L. 225-197-4 of the French Commercial Code, it is reported that the ten Group employees (not corporate officers) who were allocated the highest number of free shares in the 2019 financial year, received a total of 16,231 free shares allocated in 2019, with a total value of €2,711 thousand (according to the method used in the consolidated financial statements).

Stock options

At 31 December 2019, as at 31 December 2018, there were no outstanding stock options.

7.1.2 Share buyback programme

At the Combined General Shareholders' Meeting of 15 May 2018 and that of 23 May 2019, the shareholders authorised the Company to purchase its own shares up to a maximum of 10% of the shares comprising the share capital and up to a total of €100 million, at a maximum price per share set at €300.

Pursuant to these authorisations, Management decided to implement a share buyback programme on 15 May 2018 and 23 May 2019 for the following purposes, in order of precedence:

(1) acting as a market maker on the security's secondary market and/or ensuring the share's liquidity by means of an investment services provider acting independently under a liquidity contract in line with a Code of Ethics recognised by the AMF;

(2) to allocate shares to employees and corporate officers in accordance with conditions set forth by law, particularly under a stock option plan, a bonus share plan or a company savings plan or employee shareholding plan;

(3) delivery of shares upon the exercise of rights attached to debt securities or equity securities entitling their holders to be allocated shares of the Company;

(4) cancellation of all or part of the shares acquired;

(5) custody and subsequent delivery of shares in respect of payment, exchange or otherwise, under transactions pursuant to Article L. 225-209 para. 6 of the French Commercial Code and more specifically external growth transactions instigated by the Company, on the understanding that the number of shares acquired by the Company in this way may not exceed 5% of its share capital;

(6) allocation in whole or in part of the shares thus acquired upon the performance of any transaction in line with the regulations in force.

A description of these share buyback programmes was published in accordance with Articles 241-1 and seq. of the AMF's General Regulation.

Pursuant to these authorisations, the Company bought and sold the following shares in 2019:

Month	Number of shares purchased	Number of shares sold	Number of shares transferred[(a)]	Balance of treasury shares	Price at end of month
January	398	1,644		277,356	€180.80
February	1,025	582	58,023	219,776	€181.80
March	501	704	13,203	206,370	€183.80
April	311	803	36,540	169,338	€188.40
May	995	153		170,180	€173.00
June	1,004	1,105	2,000	168,079	€183.00
July	615	699		167,995	€184.40
August	871	606		168,260	€186.80
September	504	537		168,227	€189.00
October	749	2,152	121	166,703	€197.00
November	1,207	802		167,108	€195.80
December	604	1,304		166,408	€202.50

(a) In the context of bonus share plans for employees.

In 2019, 8,784 shares were purchased for a total price of €1,620 thousand, 11,091 shares were sold for a total price of €2,068 thousand, and 109,887 shares were transferred under free share allocations. At 31 December 2019, Altarea held 166,408 treasury shares, the item "Treasury shares liquidity contract", which corresponds to objective (1), showing 733 treasury shares and the item "Shares held for allocation", which corresponds to objective (2), showing 165,675 treasury shares.

It will be proposed to the annual General Shareholders' Meeting called to approve the 2019 financial statements that it renews the authorisation granted by the meeting of 23 May 2019 to purchase own shares up to a maximum of 10% of the shares comprising the share capital and up to the same total of €100 million, at a maximum price per share of €300, for the same purposes and buy-back objectives, in accordance with (EU) Regulation no. 596/2014 of 16 April 2014 and (EU) Delegated Regulation 2016/1052 of 8 March 2016.

As in previous years, the shareholders will be asked to authorise that the purchase, sale or transfer transactions described above may be carried out by any means compatible with the laws and regulations in force, including the use of derivative financial instruments and the purchase or sale of blocks of shares. It will be expressly requested to authorise buybacks of shares from corporate officers in compliance with Article 3 of the Delegated Regulation (EU) 2016/1052 of 8 March 2016.

7.1.3 Shares giving access to share capital

At the date of filing this Document, no securities giving access to the share capital had been issued by the Company.

7.1.4 Changes to share capital

Table of changes to share capital over the past three financial years

Date	Project	Number of shares issued	Nominal amount of the transaction	Share premium	Total number of shares	Par value per share	Amount of total share capital
06/06/2017	Payment of scrip dividend	1,021, 555	€15,609,360.40	€141,546,660.80	16,051,842	At rounded par value	€245,279,324.06
24/10/2018	Reserved capital increase	9,487	€144,961.36	€1,705,003.64	16,061,329	At rounded par value	€245,424,285.42
04/07/2019	Payment of scrip dividend	599,267	€9,156,799.76	€84,658,449.09	16,660,596	At rounded par value	€254,581,085.18
19/07/2019	Capital increase reserved for the FCPE (employee investment mutual fund)	40,166	€613,736.48	€5,095,458.76	16,700,762	At rounded par value	€255,194,821.66

Changes occurring in 2019

Payment of 2018 scrip dividend

Under the terms of the fourth resolution passed by the Combined General Shareholders' Meeting of 23 May 2019, the Company carried out a capital increase at the time of payment of the 2018 dividend and shareholders were given the option of having half their dividend paid in shares.

The price of the newly issued shares offered to the shareholders wishing to receive their dividend in shares was €156.55, equal to 90% of the average opening list price on the 20 Paris Bourse trading days prior to the date of the General Shareholders' Meeting, *i.e.* €188.11, less the dividend per share of €12.75 as set in the third resolution, rounded up to the next euro cent.

At the end of the option exercise period (31 May 2019 to 26 June 2019 inclusive), a total of 599,267 shares had been subscribed, *i.e.* a 92.6% subscription rate. Taking into account a rounded par value of €15.28 per share, the nominal amount of the capital increase resulting from the subscription of the new shares totalled €9,156,799.76. The success of the option to receive part dividend payment in shares enabled the Group to increase its equity capital by €93.8 million.

The 599,267 shares were created, delivered and admitted to trading on 4 July 2019. The cash dividend, equating to €108.8 million, was paid to shareholders on the same day.

Capital increase for the employee FCPE

The Company carried out a capital increase reserved for the FCPE (employee investment mutual fund) of Group employees entirely invested in Altarea shares. On this occasion, 63.68% of Altarea Group employees chose to invest their 2018 profit sharing in the FCPE.

The total subscription value of the capital increase was €5,709,195.24, with a subscription price set at €142.14 in accordance with the provisions of the law.

The capital increase resulted in the creation of 40,166 new shares which were admitted for trading on Euronext Paris on 19 July 2019, the full quantity allocated to the FCPE, a nominal value increase of €613,736.48. The share capital is now €255,194,821.66 divided into 16,700,762 shares.

7.1.5 Share capital breakdown

The Company does not know the exact composition of its ownership at all times, as some of its shares are held in bearer form.

Ownership at 31 December 2019

	Share capital theoretical shares and voting rights		Actual voting rights at General Shareholders' Meetings	
Shareholder	Number	%	Number	%
Founders' concert[(a)]	7,617,679	45.61	7,617,679	46.07
Extended concert[(b)]	7,642,679	45.76	7,642,679	46.22
Crédit Agricole Assurances	4,122,406	24.68	4,122,406	24.93
ABP (APG)	1,377,460	8.25	1,377,460	8.33
Opus Investment	221,404	1.33	221,404	1.34
Treasury shares	166,408	1.00	–	–
FCPE	46,355	0.28	46,355	0.28
Public float	3,124,050	18.71	3,124,050	18.89
TOTAL	**16,700,762**	**100.00**	**16,534,354**	**100.00**

(a) Alain Taravella and Jacques Nicolet, founders of the Group, acting in concert, as well as the members of their family and the companies they control (see section 7.1.6 below).
(b) Existing concert between the founders, described above, on the one hand, and Jacques Ehrmann (see Section 7.1.6 below).

To the Company's knowledge, no significant change has occurred in the capital breakdown since 31 December 2019 and no shareholders currently hold, directly or indirectly, alone or in concert, more than 5% of the share capital and voting rights.

It should be recalled that the 10 General Partners shares with a par value of €100 are held by Altafi 2 (see Section 6.2.2, above).

Employee shareholders

In accordance with Article L. 225-102 of the French Commercial Code, it is specified that as of 31 December 2019 the shares held by the employees of the Company and of affiliates within the meaning of Article L. 225-180 of the French Commercial Code represent 1.60% of the Company's share capital.

It must be emphasised that this percentage does not express the proactive nature of the employee shareholder policy implemented by Company Management since the Group's listing on the stock exchange in 2004, because it is calculated based solely on the number of shares held by the employee investment mutual funds (FCPE) and shares definitively acquired under bonus share plans authorised by the General Shareholders' Meeting since the Macron Law, of 6 August 2015, took effect. It does not, therefore, take into account (i) the bonus shares allocated under a plan authorised before 6 August 2015 and (ii) the current setting up of new bonus share plans intended to make each employee a full-blown shareholder in the Group, thus enabling them to benefit from the dividend paid to the shareholders and the gains accrued by an increase in the Altarea share price.

Pledges of Company shares

At 31 December 2019, the number of pledged fully registered shares was 3,408,086[(1)], representing 20% of the number of shares comprising the share capital.

Change in ownership structure over the past three financial years

	31/12/2019		31/12/2018		31/12/2017	
Shareholder	Number of shares	% share capital and voting rights	Number of shares	% share capital and voting rights	Number of shares	% share capital and voting rights
Founders' concert	7,617,679	45.61	7,349,471	45.70	7,353,472	45.81
Extended concert*	7,642,679	45.76	NA	NA	7,402,944	46.12
Crédit Agricole Assurances	4,122,406	24.68	3,962,875	24.67	3,966,708	24.71
ABP (APG)	1,377,460	8.25	1,323,562	8.24	1,323,562	8.25
Opus Investment	221,404	1.33	212,739	1.32	212,739	1.33
Treasury shares	166,408	1.00	278,602	1.73	287,055	1.79
Public float	3,170,405	18.98	2,934,080	18.27	2,858,834	17.81
TOTAL	**16,700,762**	**100.0**	**16,061,329**	**100.0**	**16,051,842**	**100.0**

* *Cf. Section 7.1.6 below.*

(1) Notably Société Générale with 3,224,259 shares and BNP Paribas with 184,153 shares.

Threshold crossings

Legal threshold crossings during 2019

In 2019, the following threshold crossings were disclosed to the AMF:

Date of crossing	Discloser	Capital and voting rights thresholds crossed	Number of shares after crossing	% share capital and voting rights after crossing	AMF Information No.
At 02/08/2019[a]	Jacques Ehrmann	5%, 10%, 15%, 20%, 25%, 30% and 1/3 above	7,642,679 (including 25,000 on own behalf)	45.76 (of which 0.15% on own behalf)	219C1329

(a) Crossing resulting from forming of concert with Alain Taravella and Jacques Nicolet and the companies they control (see Section 7.1.6 below).

Disclosure of statutory threshold crossings (Article 12 of the Articles of Association)

In addition to the legal obligation to disclose threshold crossings, the Articles of Association also require any natural person or legal entity, acting alone or in concert, who acquires or ceases to hold, directly or indirectly, a fraction of the share capital, voting rights or securities giving future access to the Company's share capital greater than or equal to on percent (1%) or a multiple of this fraction, to notify the Company, by recorded delivery and within four days of the threshold crossing, either upward or downward, of the total number of shares, voting rights or securities giving future access to the share capital that they hold either alone or in concert, directly or indirectly.

Any shares or securities in excess of the fraction that should have been disclosed in accordance with these requirements will be disqualified for voting purposes at all General Shareholders' Meetings held for a period of two years after the date on which the requisite disclosure is finally made, if the failure to disclose has been duly noted and if requested by one or more shareholders separately or together holding at least one percent (1%) of the Company's share capital in accordance with the terms of the law. Similarly, the voting rights attached to any shares that have not been disclosed in accordance with these requirements may not be exercised by the holder either in person or by proxy.

7.1.6 Control of the Company and shareholders' agreements

Control of the Company

Description of the control over the Company

There is a disclosed concert between:

- Alain Taravella, the companies AltaGroupe, Alta Patrimoine and Altager, which he controls, and members of his family;
- Jacques Nicolet and the company Everspeed, which he controls; and
- Jacques Ehrmann.

The disclosed concert between Alain Taravella and Jacques Nicolet has existed since taking over control of the Company in 2004. The traditional group of shareholders acting in concert, composed of Alain Taravella and Jacques Nicolet, is referred to in this document as the "founders' concert." As at 31 December 2019, the members of the founders' concert together held 45.61% of the Company's theoretical voting rights and share capital. In a letter received by the AMF on 2 August 2019, Jacques Ehrmann declared he was acting together with the founders' concert (AMF Decision & Information no. 219C1329 of 2 August 2019) following the purchase of 25,000 Altarea shares from Alta Patrimoine[1]. On 31 August 2019, the concert between the founders and Jacques Ehrmann, referred to in this document as the "expanded concert", together held 45.76% of the Company's theoretical voting rights and share capital. Having examined the consequences of the forming of this concert, the AMF decided there was no requirement for a mandatory filing of a planned public offer in accordance with Article 234-7, 2° of the AMF General Regulation (Decision & Information 219C1253 dated 23 July 2019).

Absence of improper control

Regarding governance, the Supervisory Board's Corporate Governance report (Chapter 6) specifies: the Supervisory Board examines investments and divestments starting from a very low threshold (€15 million); the Supervisory Board's Special Committees, namely the Audit Committee, Investment Committee and Compensation Committee, include independent members. At least one third of the members of the Supervisory Board are independent members.

The Company believes that there is no risk of control being improperly exercised.

Shareholders' Agreement

As of the date of this document, the Company was not aware of any shareholders' agreements in force.

(1) Jacques Ehrmann also had a stock option granted by Alta Patrimoine for an additional 25,000 Altarea shares that could be exercised between 1 October and 31 December 2019.

7.1.7 Company officers and related-party transactions in Company shares

During 2019, Company officers and related parties declared the following share transactions to the Company:

Name	Title on transaction date	Date of transaction	Transaction	Financial instrument	Transaction volume	Unit price of transaction
AltaGroupe	Legal person linked to Alain Taravella, Chairman of Altafi 2, Co-Manager	04/07/2019	PSD	Shares	162,887	€156.55
Altager	Legal person linked to Alain Taravella, Chairman of Altafi 2, Co-Manager	04/07/2019	PSD	Shares	38,357	€156.55
Alta Patrimoine	Legal person linked to Alain Taravella, Chairman of Altafi 2, Co-Manager	04/07/2019	PSD	Shares	91,964	€156.55
Christian de Gournay	Chairman of the Supervisory Board	04/07/2019	PSD	Shares	2,162	€156.55
Opus Investment BV	Legal person related to Christian de Gournay, Chairman of the Supervisory Board	04/07/2019	PSD	Shares	6,503	€156.55
Predica	Supervisory Board member	04/07/2019	PSD	Shares	154,840	€156.55
Alta Patrimoine	Legal person linked to Alain Taravella, Chairman of Altafi 2, Co-Manager	02/08/2019	Sale	Shares	25,000	€198.58
Jacques Ehrmann	Chief Executive Officer of Altafi 2, Co-Manager	02/08/2019	Acquisition	Shares	25,000	€198.58

PSD = Payment of scrip dividend.

7.1.8 Bonds not giving access to the share capital

Issue date	Issue amount	Subscription rate	Date of maturity	Interest	Market	ISIN
23/05/2014[(a)]	€100,000,000	Entirely subscribed	23/05/2021	3%	Euronext Paris	FR0011921691
02/06/2014[(a)]	€50,000,000	Entirely subscribed				
12/06/2014[(a)]	€80,000,000	Entirely subscribed				
14/12/2016	€50,000,000	Entirely subscribed	14/12/2026	2.45%	Euronext Paris	FR0013222247
05/07/2017	€500,000,000	Entirely subscribed	05/07/2024	2.25%	Euronext Paris	FR0013266525
17/10/2019	€500,000,000	Entirely subscribed	17/01/2028	1.875%	Euronext Paris	FR0013453974

(a) Bonds issued on 02/06/2014 and 12/06/2014 were assimilated upon issue and comprised a single issue with the existing bonds issued on 23/05/2014.

The bond issue contracts shown in the table above contain a control maintenance clause.

7.2 Stock market information

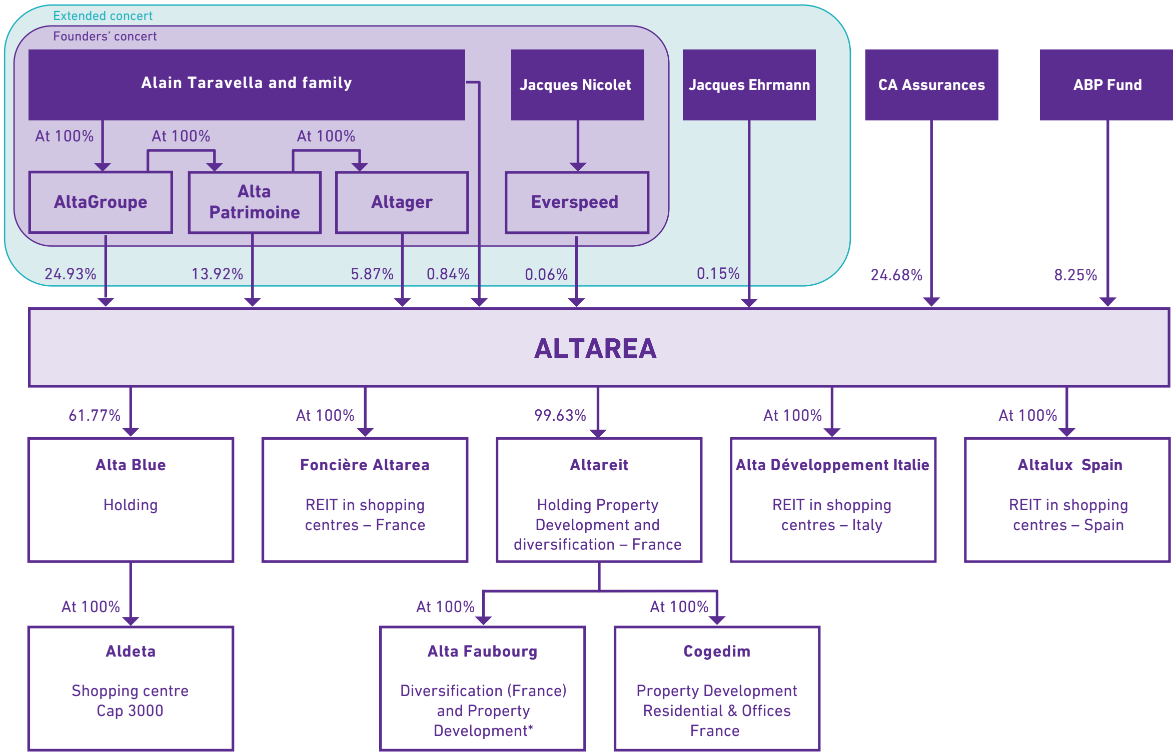
Altarea	
Listing market	Euronext Paris – Compartiment A (Large Cap)
Codes	Ticker symbol: ALTA – ISIN: FR0000033219 Bloomberg: ALTAFP – Reuters: IMAF.PA
Legal Entity Identification code (LEI)	969500ICGCY1PD6OT783
Listings	CAC All Shares – CAC All-Tradable – CAC Mid & Small – CAC Small – IEIF REIT Europe – IEIF SIIC France – IEIF Foncières – CAC Financials
Deferred Settlement Service (French SRD)	Eligible
PEA/PEA PME	Non-eligible
ICB Sector classification	Retail REITs, 8672

	2015	2016	2017	2018	2019
Market capitalisation (at 31/12)	€2,000,057,000	€2,494,700,000	€3,340,338,320	€2,662,968,348	€3,381,904,305
Number of shares traded	572,766	589,268	1,368,495	1,077,486	523,174
Capital traded	€90,400,975	€101,678,183	€257,579,489	€213,144,495	€97,070,770
Highest	€188.00	€186.61	€211.00	€218.50	€205.00
Lowest	€131.00	€151.75	€171.00	€159.60	€163.40
Latest	€184.00	€185.20	€208.10	€165.80	€202.50

	High	Low	Latest	Number of shares traded	Amount of capital traded
January 2019	€185.00	€163.40	€180.80	52,884	€9,224,791
February 2019	€186.00	€173.00	€181.80	39,846	€7,186,924
March 2019	€191.20	€180.40	€183.80	37,735	€6,998,197
April 2019	€191.20	€182.80	€188.40	38,108	€7,085,571
May 2019	€190.00	€171.00	€173.00	39,678	€7,354,956
June 2019	€184.80	€170.00	€183.00	40,353	€7,222,721
July 2019	€186.40	€176.40	€184.40	47,186	€8,529,086
August 2019	€187.60	€179.00	€186.80	34,898	€6,445,615
September 2019	€190.00	€184.20	€189.00	44,445	€8,303,636
October 2019	€198.60	€183.00	€197.00	52,796	€9,986,705
November 2019	€200.00	€191.00	€195.80	47,258	€9,210,553
December 2019	€205.00	€193.00	€202.50	47,987	€9,522,015

(source: Euronext)

7.3 Simplified organisational structure at 31 December 2019



* Pitch Promotion, Histoire & Patrimoine, Severini, Serviced Residences business and the shareholding in AltaFund and Woodeum are held by Alta Faubourg.

Altarea centralises the Group's cash surpluses. Note 8 to the consolidated financial statements shown in Chapter 2 of this Universal Registration Document on financial instruments and market risks provides information on the main banking covenants. The main assets and borrowings are carried by the subsidiaries that conduct the corresponding business operations.

The list of the main companies included in Altarea's consolidation scope is presented in Note 4 to the consolidated financial statements. That of Altarea's subsidiaries and direct equity interests is given in Section 3.2.3.5 of the Notes to the financial statements (Chapter 3 of this document).

In the 2019 financial year, the Company took an equity interest in the following companies:

- SCI Limoges Invest, 25% of the share capital, as part of the universal transfer of assets of Nivernaise de Distribution;
- SCCV B2-B3, 50% of the share capital;
- Foncière Altarea Montparnasse, 99% of the share capital;
- NR 21, whose shares were admitted to trading on Euronext Paris (ISIN FR0004166155), 63.63% of the share capital. On conclusion of the tender offer the Company made for the balance of the NR21 shares, it held 84.37% of the latter's share capital and voting rights.

7.4 Dividend policy

7.4.1 Dividends paid over the past financial years

Dividends paid to the Limited Partners in respect of the last three years are as follows:

Financial year[a]	No. of shares	Dividends per share	Amount eligible for the allowance provided for in Art. 158-3-2 of the French General Tax Code[b]
2016	14,895,589	€11.50	€5,844,798
2017	15,823,675	€12.50	€27,592,865
2018[c]	15,891,290	€12.75	-

(a) Paid in the subsequent year.
(b) 40% tax allowance provided for in Article 158-3-2 of the French General Tax Code and applicable to natural persons whose tax residence is in France.
(c) See Section 7.1.4, above.

The treasury shares held by the Company do not bear dividends.

In accordance with the law, dividends not claimed after a period of five years from the date of payment are cancelled and paid to the State.

7.4.2 Dividend distribution policy

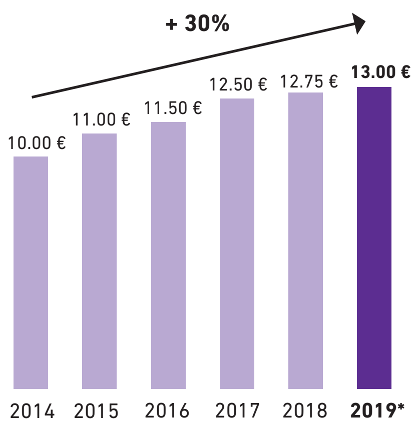
Under the terms of the Company's Articles of Association, it is the Supervisory Board that decides each year on the appropriation of earnings, distribution of the reserves and the dividend payment procedure to be proposed to the General Shareholders' Meeting (see Section 8.1.2.9).

A dividend payment of €13 per share will be proposed at the General Shareholders' Meeting held to approve the financial statements for the year ended 31 December 2019. This dividend will be €0.25 more per share (+2%) than the dividend paid in respect of the previous year. The shareholders will also be able to opt for payment of part of the dividend in new Altarea shares.

The Company's dividend policy is based on an analysis that takes into consideration regulatory constraints, related in particular to the SIIC regime, dividends paid historically and the Group's financial position and results.

Accordingly, the dividend policy will be maintained unchanged from recent years.

DIVIDENDS PER SHARE



* To be voted on by the General Shareholders' Meeting of 19 May 2020.

7.4.3 Expenditures and fees under Article 39-4 of the French General Tax Code

No expense or fee that is non-deductible for tax purposes within the meaning of Article 39-4 of the French General Tax Code was incurred in 2019.

8

ADDITIONAL INFORMATION

8.1 Company information

8.1.1 History and developments

1994

Altarea was founded by Alain Taravella and Jacques Nicolet.

1995

Control of Gerec, a company specialising in shopping centre development and created in 1973.

1996

Control of Espace Aménagement, the retail property management arm of Foncière Rallye.

2000

Delivery of Bercy Village, a redevelopment project started in 1997.

2001

Start of operations in Italy with the creation of Altarea Italia.

2002

Start of Retail Parks business with the creation of Compagnie Retail Park.

2004

Stock exchange listing of Altarea on Euronext Paris. Start of operations in Spain with the creation of Altarea España.

2005

SIIC regime opted for.

2006

Acquisition of property assets of Bail Investissement Foncière.

2007

Acquisition of Cogedim. Adaptation to SIIC 4 regime through the conversion of Altarea into a French partnership limited by shares. The Group becomes the largest shareholder alongside the French government, with a 34% stake in Semmaris (Société d'Économie Mixte d'Aménagement et de Gestion du Marché d'Intérêt National de la Région Parisienne), which manages the Rungis National Interest Market (French MIN).

2008

€375 million capital increase; ABP Pension Fund acquires a stake in Altarea. Reorganisation by business line, with the spin-off of property development and diversification companies to Altareit, also listed on Euronext Paris.

2009

Acceleration of the sustainable development approach: the Group receives one of the first three French HQE® Retail (high environmental quality) certifications for Okabe (Kremlin-Bicêtre) and rolls out the NF Logement certification for residential property.

2010

Acquisition, by the consortium Altarea-ABP-Predica, of Aldeta, a company that owned the regional Cap 3000 shopping centre in Nice, through the company Alta Blue, currently 62% owned by Altarea.

2011

Creation in partnership with the ABP Pension Fund and Predica of AltaFund, an office property investment fund with equity of €650 million.

2013

Long-term partnership with Allianz Real Estate for a portfolio of five shopping centres over which Altarea retains control and management. Delivery of the first Cogedim Club®, the Serviced Residences business line for active seniors. The Group also develops halls of residence for students, business tourism, etc.

2014

Delivery of the regional shopping centre Qwartz in Villeneuve-la-Garenne, which receives a MAPIC Award for its digital innovations. Redevelopment of the ex-Laennec Hospital creating a new "urban district" in the seventh Arrondissement of Paris. The SNCF chooses Altarea Cogedim for the modernisation of Paris-Montparnasse Station. Acquisition of 55% of Histoire & Patrimoine, a specialist in the renovation of standing assets and tax efficient products (*Malraux*, Déficit Land, etc.). Partnership with Crédit Agricole Assurances in the Cogedim Club® operating company.

2015

Reprofiling of the balance sheet on very favourable terms, with almost €2.2 billion raised for financing/refinancing.

2016

Acquistition of Pitch Promotion. The Group exceeds its objective of 10,000 units sold. Delivery of the shopping centres L'Avenue 83 in Toulon, Le Parks in Paris and the first tranche of the redevelopment of Cap 3000. New successes with large mixed-use projects (Bobigny, Belvédère district in Bordeaux and Cœur de City in Issy-les-Moulineaux).

2017

Success with a first unrated listed bond issue (€500 million). Delivery of the large mixed-use project Place du Grand Ouest in Massy. The Group wins the tender to create a shopping and leisure centre in Ferney Voltaire on the outskirts of Geneva.

2018

Acquisition of the remaining share capital of Histoire & Patrimoine. Sale to Crédit Agricole Assurances of the 33.4% stake in Semmaris. Sale of two of the biggest Office developments in Grand Paris this year: the Kosmo building in Neuilly-sur-Seine, the future global head office of Parfums Christian Dior, and the Richelieu building in Paris, the future head office of Altarea. Opening of the first tranche of retail outlets in Paris-Montparnasse train station. First S&P Global credit rating: BBB. Altarea leading French listed company as assessed by GRESB (across all sectors) and world number two of listed retail companies.

2019

Pursuit of strategy to build a portfolio of complementary brands with the acquisition of 85% of Severini, a developer active mainly in Nouvelle-Aquitaine, and 50% of Woodeum, a low-carbon residential developer. Success of a second unrated listed bond issue (€500 million). Delivery of the Cap 3000 extension-renovation which, after five years of work, has doubled the site's surface area (135,000 m^2). Work began on the Issy-Cœur de Ville eco-district, the largest mixed-use development in the Grand Paris metropolitan area which is due for completion in 2022. Acquisition for redevelopment of the current CNP Assurances head office above Paris-Montparnasse station. Group wins the tender for the Simonettes district in Champigny-sur-Marne, a 56,000 m^2 mixed-use development. Cogedim voted "Customer Service of the Year" for the third consecutive year.

8.1.2 General Information

8.1.2.1 Company name
(Article 3 of the Articles of Association)

The Company's name is Altarea.

8.1.2.2 Legal form – applicable legislation
(Article 1 of the Articles of Association)

Altarea was originally incorporated as a *société anonyme* (a French public limited company).

It was transformed into a *société en commandite par actions* (a French partnership limited by shares) by resolution of the shareholders at the Combined General Meeting held on 26 June 2007.

Article 24.2 of the Articles of Association sets out that any Limited Partner (*i.e.* any shareholder) holding individually or in concert 5% or more of the share capital and voting rights of the Company may propose to the General Shareholders' Meeting to transform the Company into a *société anonyme*. As such, Limited Partners may decide, by a majority required for the Extraordinary General Meeting, to terminate the status of the *société en commandite par actions*. The General Partner may not oppose such a transformation. Nevertheless, as long as Alain Taravella, Co-Manager and General Partner, directly or indirectly holds more than a third of actual voting rights, such a decision would be contingent upon his voting in the affirmative.

Altarea is a company incorporated under the laws of France and governed principally by the provisions of Book II of the French Commercial Code.

Altarea is therefore subject to French law.

8.1.2.3 Special legislation applicable

Following the decision made in March 2005 by the Company and its eligible subsidiaries to opt for the tax regime available to Sociétés d'Investissements Cotées (SIIC) in accordance with Article 208-C of the French General Tax Code – decree no. 2003-645 of 11 July 2003, Altarea is subject to the specific provisions of this regime (see below).

8.1.2.4 Registered office
(Article 4 of the Articles of Association)

The Company's registered office is at 8, avenue Delcassé, 75008 Paris.

Its telephone numbers are: +33(0)1 44 95 88 10 and +33 (0)1 56 26 24 00.

Altarea is housed by its sub-subsidiary Cogedim Gestion, which has a commercial lease over the premises on avenue Delcassé.

8.1.2.5 Date of incorporation and term
(Article 5 of the Articles of Association)

The Company was incorporated on 29 September 1954 and, in accordance with Article 5 of its Articles of Association, has a term of 99 years as of that date, unless it is extended or wound up early.

8.1.2.6 Corporate purpose
(Article 2 of the Articles of Association)

The Company's corporate purpose, both in France and abroad, on its own behalf and in participation with third parties, is as follows:

- principal purpose, either directly or indirectly through the companies it controls and manages, in the meaning of Article 8 and Paragraphs 1, 2 and 3 of Article 206 of the French General Tax Code:
  - the acquisition of land, property rights and building rights, as well as any assets and rights that may be subsidiary or ancillary to said property assets,
  - the construction of offices and all transactions directly or indirectly related with building these offices,
  - all for the purpose of: operating and creating value through letting these properties, leasing any type of property assets and investing in any companies with the same purpose;
- subsidiary purpose:
  - the management of buildings, property appraisals, property development and the acquisition for resale, renovation, maintenance and cleaning of property assets,
  - the development, management and operation of shopping centres,
  - the centralisation of cash management,
  - making available to subsidiaries its intellectual and industrial property rights,
  - the provision of services for the benefit of the subsidiaries,
  - investments or shareholdings, directly or indirectly, in any company or enterprise running a business of whatever nature in the field of real estate,
  - the exchange or disposal by sale, contribution or otherwise of the property assets acquired or built for leasing in accordance with the principal purpose of the Company;

and, in general, any civil, financial, commercial, industrial, real estate and other transactions deemed useful for the furtherance of one of the Company's above-mentioned purposes.

8.1.2.7 Identifying information

The Company is registered at the Paris Trade and Companies Registry under registration number 335,480,877.

The Company's SIRET number is 335,480,877 00422 and its business code is 6820 B (Administration of other property assets).

The Company's legal entity identification Code (LEI) is 969500ICGCY1PD6OT783.

The Company's intra-European VAT number is FR 34 335 480 877.

It is listed in Compartiment A of Euronext Paris (ISIN Code: FR0000033219 – Ticker symbol: ALTA).

8.1.2.8 Financial year
(Article 28 of the Articles of Association)

The financial year begins on 1 January and ends on 31 December.

8.1.2.9 Appropriation of earnings (Article 29 of the Articles of Association)

The Company's distributable profit as defined by law is available for distribution by the Ordinary General Meeting. The General Meeting has sole discretion over its appropriation. It may be appropriated in full or in part to any general or special reserves or to retained earnings, or may be distributed to the shareholders.

For as long as the Company is subject to the regime set out in Article 208-C of the French General Tax Code, the amount of any distributions shall be determined in accordance with the provisions of the second, third and fourth paragraphs of Article 208-C II of the same Code such that the Company may benefit from the provisions set out in the first paragraph thereof.

The Ordinary General Meeting, voting to approve the financial statements for the year, may decide to give each shareholder the option of receiving all or part of the final or interim dividend in cash or in ordinary shares issued by the Company, in accordance with applicable law and regulations.

Said Meeting may also decide to distribute all or part of the dividend in kind through the allocation of listed financial securities of the subsidiaries (including all listed rights and warrants that may confer entitlement to shares in the Company's subsidiaries) on the terms and conditions set out by current regulations and providing that equal treatment of all shareholders is respected.

Interim dividends may also be distributed in cash, in Company shares or in kind through the allocation of listed financial securities of the subsidiaries (including all listed rights and warrants that may confer entitlement to shares in the Company's subsidiaries) on the terms and conditions set out by current regulations and providing that equal treatment of all shareholders is respected.

The Ordinary General Meeting may decide at any time, on the terms and conditions set out by current regulations, to distribute sums taken from the reserves and/or premiums at its disposal, including by allocating listed financial securities of the subsidiaries (including all listed rights and warrants that may confer entitlement to shares in the Company's subsidiaries) providing that equal treatment of all shareholders is respected.

The General Partner is entitled to a priority dividend equal to 1.5% of the annual dividend paid.

Save in the event of a capital reduction, no distribution may be made to the shareholders if the Company's net equity is or would as a result of the distribution become lower than the amount of share capital plus any reserves which are not distributable by law.

All of the foregoing is without prejudice to any future issuance of non-voting preferred shares.

A Relevant Shareholder (as defined in Article 10 of the Articles of Association – see 7.1.1 below) whose own position or position of its shareholders causes the Company to become liable for the withholding (the "Withholding") referred to in Article 208-C II ter of the French General Tax Code (a "Liable Shareholder") shall compensate the Company for the Withholding arising upon any distribution of dividends, reserves, share premiums or "income deemed to be distributed" within the meaning of the French General Tax Code.

All Relevant Shareholders are deemed to be Liable Shareholders. A shareholder claiming not to be a Liable Shareholder must provide evidence thereof to the Company no later than five (5) business days before the distribution payment date in the form of a satisfactory unqualified legal opinion from a law firm of international repute and with recognised expertise in French tax law, certifying that the shareholder is not a Liable Shareholder and that the distributions made to it will not cause the Company to become liable for the Withholding.

Should the Company directly or indirectly hold a percentage of the dividend rights at least equal to that referred to in Article 208-C II ter of the French General Tax Code, or in one or more of the *sociétés d'investissements immobiliers cotées* referred to in Article 208-C of said Code (a "SIIC Subsidiary") and should a SIIC Subsidiary have paid the Withholding as a result of a Liable Shareholder, that Liable Shareholder shall, as the case may be, compensate the Company either for the sum paid by way of compensation by the Company to the SIIC Subsidiary in respect of the SIIC Subsidiary's payment of the Withholding or, if the Company has not paid any compensation to the SIIC Subsidiary, for a sum equal to the Withholding paid by the SIIC Subsidiary multiplied by the percentage of dividend rights held by the Company in the SIIC Subsidiary, such that the Company's other shareholders do not bear any portion of the Withholding paid by any of the SIICs in the chain of holding as a result of the Liable Shareholder (the "Additional Compensation"). The amount of Additional Compensation shall be borne by each of the Liable Shareholders in proportion to their respective dividend rights divided by the aggregate dividend rights held by all Liable Shareholders.

The Company shall be authorised to offset its claim for compensation from any Liable Shareholder against the amounts it is to distribute to said Shareholder. Therefore, the sums taken from the Company's profits that are exempt from corporate income tax under the terms of Article 208 C II of the French General Tax Code should, for each share held by said Liable Shareholder, be paid to them pursuant to the above-mentioned decision to distribute or to carry out a share buyback, and shall be reduced by the amount of the Withholding due by the Company for the distribution of these sums and/or the Additional Compensation.

In the case of a scrip dividend, each Liable Shareholder will receive a portion of the sums distributed in shares inasmuch as no fractional shares will be created, and the balance in cash. The shares will be booked on an individual current account so that the set-off mechanism described above can be applied to that portion of the distribution.

The amount of any compensation due by a Liable Shareholder will be calculated in such a way that the Company shall be in the exact same position after payment of the compensation and taking account of any related tax effects, as it would have been had the Withholding not been payable.

Should it transpire that (i) after a distribution of dividends, reserves or share premiums, or "income deemed to be distributed" within the meaning of the French General Tax Code made from the tax-exempt earnings of the Company or a SIIC Subsidiary under Article 208-C II of the French General Tax Code, a shareholder was in fact a Liable Shareholder on the distribution date, and that (ii) the Company or SIIC Subsidiary should have paid the Withholding in respect of the sums paid to the Liable Shareholder and said sums were paid without application of the reduction mechanism described above, the Liable Shareholder will be required to pay the Company compensation for its loss in a sum equal to the Withholding that the Company would then have to pay in respect of each share held by that Liable Shareholder on the distribution date, plus, where applicable, the amount of the Additional Compensation (together the "Indemnity").

The Company has the right to set off the Indemnity due against all sums that might subsequently be paid to the Liable Shareholder without prejudice, where applicable, to the prior application to said sums of the reduction described above. Should, after such set-off, the Liable Shareholder still owe the Company any sums in respect of the Indemnity, the Company may once again set off the outstanding balance against any sums that might subsequently be paid to the Liable Shareholder until the debt has been fully extinguished

8.2 Other information

8.2.1 Competitive situation

Quantitative information on Altarea's businesses and services, current trends, competitive environment and earnings is given in the integrated strategic report and the business review (first and second parts of the Universal Registration Document). The business review also discusses the macroeconomic factors and business cycles affecting the shopping centre and residential property markets.

The Company's main competitors are as follows:

- in the shopping centres sector, the ten other REITs that together have more than €1 billion in market capitalisation, excluding the Altarea Cogedim Group. These are[1] Unibail-Rodamco-Westfield, Gecina, Klépierre, Covivio, Icade, Covivio Hotels, Société Foncière Lyonnaise, Carmila, Argan and Mercialys;
- in the property development sector, the ten leading property operators, which include the Altarea Group, are[2]:
  - for residential[3]: Nexity, Bouygues Immobilier, Kaufman & Broad, Vinci Immobilier, Pichet, Icade, Alila, Les Nouveaux Constructeurs and Marignan,
  - for Business property: Linkcity, 6e Sens Immobilier, Emerige, Adim, Nexity, Vinci Immobilier, Kaufman & Broad, Icade and Bouygues Immobilier.

8.2.2 Absence of material changes in the financial or business position

Over the last 12 months, with the exception of what is shown, where applicable, in paragraph 1.1.4 of the business review presented in Chapter 1 of this document and Note 11 to the consolidated financial statements (Section 2.3 of this Universal Registration Document), the Company has not experienced any material changes in its financial position or business situation.

The Group composed of the Company and its subsidiaries enjoys both the recurring revenue characteristic of a retail REIT and the added value of a developer active on the three main real estate markets (Retail, Residential and Business property).

8.2.3 Information that can affect Altarea's businesses or profitability

Overall, the Company is not dependent on its customers.

In the Retail Division, the ten largest tenants of shopping centres managed by the Altarea Group accounted for 23% of total rental income (excl. VAT) as at 31 December 2019. Out of these, none accounted for more than 10% of rental income.

Furthermore, in the Property Development (Residential and Office Property) Division, not a single customer generates 10% or more of revenue at 31 December 2019. The ten largest customers accounted for 20% of total revenue.

Attention is drawn to the significant risks to which the Company is exposed and which are detailed in chapter 5.2 of this document, in particular regarding the risks related to changes in the real estate market and the economic environment and the uncertainties related to the Covid-19 epidemic (see Section 5.2.1.2).

(1) Source: Institut de l'Épargne Immobilière & Foncière: Euronext IEIF SIIC France, nomenclature of the index at 31/12/2019 (http://www.ieif-indices.com/histo/index_compo.php?compo=SIIC).

(2) In total sales volume in millions of euros – Palmarès 2019 – Classement des Promoteurs 2019 (31st edition). – Innovapresse – pages 14 and 16.

(3) Including the Serviced Residences business.

8.3 Persons responsible for the Universal Registration Document and the audit of the financial statements

8.3.1 Person responsible for the Universal Registration Document

Altafi 2, Co-Manager, represented by its Chairman, Alain Taravella.

8.3.2 Statement by the person responsible for the Universal Registration Document

"I declare, after taking all reasonable care to ensure that such is the case, that the information contained in this Universal Registration Document is, to the best of my knowledge, in accordance with the facts and contains no omission likely to affect its import.

I declare that, to the best of my knowledge, the financial statements were prepared in accordance with generally accepted accounting principles and give a true and fair view of the assets, liabilities, financial position and earnings of the Company and all entities included within the Company's scope of consolidation. I also declare that, to the best of my knowledge, the management report, the cross-reference table of which appears on page 321, gives a true and fair view of the businesses, earnings, financial position and primary risks and uncertainties of the Company and all entities included in the Company's scope of consolidation."

Altafi 2

Co-Manager

Represented by its Chairman

Alain Taravella

8.3.3 Persons responsible for the audit of the financial statements

Statutory Auditors[a]	Date of first appointment	Start date and duration of current term	Expiration of term
Full members			
GRANT THORNTON 29, rue du Pont, 92200 Neuilly-sur-Seine Represented by Laurent Bouby	15 April 2016	15 April 2016 6 financial years	GSM on the accounts for the financial year 2021
ERNST & YOUNG ET AUTRES Tour First – 1, place des Saisons, 92400 Courbevoie Represented by Anne Herbein	28 May 2010	15 April 2016 6 financial years	GSM on the accounts for the financial year 2021
Alternates			
IGEC – Institut de Gestion et d'Expertise Comptable 22, rue Garnier, 92200 Neuilly-sur-Seine	15 April 2016	15 April 2016 6 financial years	GSM on the accounts for the financial year 2021
Auditex Tour First – 1, place des Saisons, 92400 Courbevoie	28 May 2010	15 April 2016 6 financial years	GSM on the accounts for the financial year 2021

(a) The Company's Statutory Auditors are members of Compagnie Nationale des Commissaires aux Comptes.

8.4 Documents and information

8.4.1 Documents incorporated by reference

In compliance with Article 28 of Commission Regulation no. 809/2004/EC, the following information is incorporated into this Universal Registration Document by reference:

- the consolidated financial statements and corresponding audit report provided on pages 87 and 137, the annual financial statements and corresponding audit report provided on pages 141 and 157, as well as the management report provided on page 59 of the 2017 Registration Document filed with the Autorité des Marchés Financiers on 15 March 2018 under number D. 18-0136;
- the consolidated financial statements and corresponding audit report provided on pages 83 and 135, the annual financial statements and corresponding audit report provided on pages 141 and 162, as well as the management report provided on page 47 of the 2018 Registration Document filed with the Autorité des Marchés Financiers on 2 April 2019 under number D. 19-0253.

8.4.2 Documents available

For the full period of validity of this Universal Registration Document, the following documents are available to the public in electronic or printed form and can be obtained from the Company's registered office at 8, Avenue Delcassé, 75008 Paris, on working days and during office hours:

- the Company's most recent Articles of Association;
- all reports, letters and other documents, past financial data and expert opinions or statements requested by the Company that are included or mentioned in this Universal Registration Document.

All regulated company information circulated by the Company in accordance with Articles 221-1 *et seq* of the AMF General Regulation, such as Universal Registration Documents (including the annual financial statements) containing essentially the Company's historic financial information, filed with the French financial markets authority (AMF) for the past ten financial years, and any updates thereof, are available on the Company's internet site www.altarea.com (heading Financial information/Regulatory information and Publications). The information which appears on the Company's website is not part of this Universal Registration Document unless it has been incorporated by reference.

8.4.3 Third party information

Some information in this Universal Registration Document has come from third-party sources. The Company hereby confirms that this information has been faithfully reproduced and, as far as the Company is aware and can confirm in the light of the information published, no fact has been omitted that would render the information produced inaccurate or misleading.

8.4.4 Property expert report

Property expert report prepared by the independent experts of Altarea

Context of instruction

Context and instructions

As instructed by Altarea Cogedim ("the Company") in the appraisal contracts signed by Altarea Cogedim and the Appraisers, we have appraised the assets the Company holds in consideration of the form of holding (full ownership, building lease, etc.). We have written this short report, summarising the terms and conditions of our intervention, for inclusion in the Company's Universal Registration Document.

The appraisals were carried out by local experts and reviewed by the pan-European teams of the Appraisers. When determining the market value of each asset we took account of the real estate transactions in Europe as a whole and not just in France. We confirm that, to ensure a consistent approach and inclusion of all transactions and information available on the market, we have compared our market value appraisals with those of other appraisals carried out in Europe.

For the appraisals, we have used the cash flow discounting and yield methods, both of which are regularly used for these types of assets.

We confirm that the fees received from the Company did not exceed 10% of our respective revenues.

The values given are at 31 December 2019.

General principles and guidelines

We confirm that our appraisals have been carried out in accordance with the relevant sections of the Code of Conduct June 2017 edition (valid from 1 July 2017) of the RICS Valuation – Global Standards 2017 (the Red Book). The latter is an internationally-accepted appraisal benchmark. Our appraisals comply with the IFRS accounting rules and the IVSC standards and recommendations. They were also based on the AMF recommendations for the presentation of appraisal and risk assessment data for the property assets of listed companies, published on 8 February 2010. They take account of the recommendations of the Barthès de Ruyter report on the valuation of property holdings of listed companies carrying out a public offering, published in February 2000.

We confirm that we prepared our appraisals in our capacity as independent external appraisers, in accordance with the RICS Red Book. Our appraisals were carried out in accordance with IFRS 13, *i.e.* the "highest and best use" value of each of the assets.

The "Market Value" stated below is generally the same as the "Fair Value" as defined by the IFRS and more specifically, IFRS 13.

Target value

The values stated are Markets Values and are reported to the Company tax exclusive (after deduction of transfer tax and costs) and tax inclusive (market value before transfer tax and costs).

Terms of instruction

Information

We asked the Company's management to confirm that the information provided about the assets and tenants is accurate and complete in all material aspects. We therefore believe that all information known to the Company's employees that could impact the value, such as operating expenditure, work undertaken and financial elements including bad debts, variable rents, sales pending and completed, rental arrangements and a list of the leases and vacant units, which was provided to us is up to date in all material aspects.

Surface area

We have taken no measurements so our appraisals are based on the surface areas provided to us.

Environmental and soil analyses

We were not requested to carry out soil or environmental analyses and we did not investigate previous events to ascertain whether or not the soil or structure of the assets have been contaminated. Unless informed otherwise, we have considered that the assets have not been, and are not likely to be, affected by soil contamination and that the condition of the land has no impact on its current or future use.

Urban planning

We have not studied the building permits and consider that the assets have been built and are occupied and used in compliance with all the necessary permits and that any legal claims have been settled. We have assumed that the assets comply with urban planning rules and regulations, specifically those governing structures, fire prevention and health and safety. We have also assumed that any extensions currently under construction comply with urban planning regulations and that all the necessary permits have been obtained.

Title deeds and rental schedules

We have based ourselves on the rental schedules, additional income summaries, unrecoverable expenses, capital projects and business plans provided to us. In addition to what is stated in our report for each asset, we have assumed that there is no restriction on the ownership of the asset which would make it impossible or difficult to sell, and that it is free from all restrictions and encumbrances. We have not read the title deeds and have accepted the rental, occupation and all other relevant information provided to us by the Company.

Condition of the assets

During our inspections we noted the general condition of each asset. We were not instructed to carry out any technical appraisal on the building structures but we have pointed out in our report any maintenance defects we noticed during our inspection. The assets were appraised based on the information provided by the Company, which indicates that no hazardous materials were used in their construction.

Taxation

We have provided fair values for the assets and have not taken into account any costs or taxes payable on their disposal. The rental and market values are stated ex. VAT.

Confidentiality and publication

Finally, as is our usual practice, we confirm that our appraisal reports are confidential and intended only for the Company. We accept no liability vis-à-vis third parties; neither the full reports, nor extracts thereof, may be published in a document, declaration, circular or communication to third parties without our written consent as to the form and context of publication. The experts sign this short report on their own behalf and with respect only to the work they have carried out.

Jean-Philippe Carmarans
Chairman
Cushman & Wakefield

Béatrice Rousseau
Director
CBRE Valuation

Arabella Edwards
Chairwoman
JLL Expertises

Cross-reference tables

Universal Registration Document cross-reference table

The cross-reference table below can be used to identify the information required by Annexes 1 and 2 of the Delegated Regulation (EC) 2019/980 of 14 March 2019.

Headings of Annexes 1 and 2 of the Delegated Regulation of 14 March 2019		Section	Page
11	**Profit forecasts or estimates**	N/A	
12	**Executive, managerial, supervisory and senior management bodies**		
12.1	Information about the members	6.2	270 to 278
12.2	Conflicts of interest	6.2.5.1	283
13	**Compensation and benefits**		
13.1	Compensation paid and benefits in kind	6.3	284 to 297
13.2	Provision for benefits payable at retirement	2.3.6.3	133
14	**Practices of administrative and management bodies**		
14.1	Expiration of the terms	6.2	269 - 272
14.2	Service contracts binding on the members of the issuer's executive, managerial or supervisory bodies	2.3.9 - 6.3.3	144 - 288 to 295
14.3	Information about the Audit Committee and the Compensation Committee	6.2.3.2	279 to 282
14.4	Declaration of compliance with the Company's current Governance Policy	6.1	268
14.5	Events which could have a major impact on Corporate Governance	N/A	
15	**Employees**		
15.1	Number of employees	4.4.1 - 4.5.3	225 - 238
15.2	Shareholding and stock options	2.3.6.1 - 4.4.3 - 6.3.3	128 - 129 - 229 - 288 to 295 - 302
15.3	Arrangements involving employees in the issuer's capital	4.4.3 - 7.1.5	229 - 305
16	**Main shareholders**		
16.1	Shareholders with more than 5% of the share capital	7.1.5	305
16.2	Deferred voting rights, if applicable	N/A	
16.3	Direct or indirect control	7.1.6	306
16.4	Agreement which, if implemented, could result in a change of control	N/A	
17	**Related-party transactions**	2.3.9 - 3.5	144 - 180
18	**Financial information on the issuer's balance sheet, financial position and income**		
18.1	Historical financial information	2 - 3 - 8.4.1	91 -155 -316
18.2	Interim and other financial information	N/A	
18.3	Audit of the historical financial information	2.4 - 3.4 - 3.5 - 4.7	149 - 176 - 180 - 246
18.4	Proforma financial information	N/A	
18.5	Dividend policy	7.4	310
18.6	Administrative, legal and arbitration proceedings	5.1.6	254
18.7	Material change in the financial position	1.1.4 - 8.2.2	59 - 315
19	**Additional information**		
19.1	Share capital		
19.1.1	Amount and characteristics	7.1.1	302
19.1.2	Shares not representative of share capital	N/A	
19.1.3	Treasury shares	7.1.2	303
19.1.4	Securities that are convertible, exchangeable or with subscription warrants	7.1.3	304
19.1.5	Rights or obligations attached to authorised share capital	7.1.1 - 6.4.1	302 - 298
19.1.6	Capital of a member of the Group subject to an option	N/A	
19.1.7	Share capital history	7.1.4	304
19.2	Deeds of constitution and Articles of Association		
19.2.1	Corporate purpose	8.1.2.6	313
19.2.2	Rights, privileges and restrictions relating to each share class	6.5 - 8.1.2.9	300 - 314
19.2.3	Provisions that may delay, defer or prevent a change of control	N/A	
20	**Significant contracts (concluded outside the normal course of business)**	N/A	
21	**Documents available**	8.4.2	317

Annual financial report cross-reference table
(articles 222-3 of the AMF General Regulation and L.451-1-2 of the French Monetary and Financial Code)

Title		Section	Pages
1.	**Annual financial statements**	3	155
2.	**Consolidated financial statements**	2	91
3.	**Management report**		See below
4.	**Supervisory Board report on corporate governance**	6	267
5.	**Statutory Auditors' reports**		
	Report on the annual financial statements	3.4	176
	Report on the consolidated financial statements	2.4	149
6.	**Statement by persons responsible**	8.3.2	316

Management report cross-reference table
(articles L.225-100-1, L.232-1 and L.233-26 of the French Commercial Code)

Title	Sections	Pages
I. Activities		
Analysis of changes to the business, results and financial position of the Company during the past financial year	1	53 to 90
Analysis of changes to the business, results and financial position of the Group during the past financial year	1	53 to 90
Results of the subsidiaries and companies controlled by type of business	1.2 - 2.3.4.2	59 to 76 - 121 to 123
Research and development activities	RSI	43
Foreseeable changes and outlook	1.1.4 - 8.2.3	54 - 315
Important events occurring after the closing date of the financial year	1.1.4 - 2.3.11	54 - 148
II. Risks and internal control		
Description of the principal risks and uncertainties	5.2	255 to 264
Main characteristics of the internal control and risk management procedures relating to the preparation and treatment of accounting and financial information	5.1.3	252 - 253
Group policy in terms of financial risk management and exposure to pricing, credit, liquidity and cash flow risks	2.3.8 - 5.1.4 - 5.2.3.1	140 to 143 - 254 -259
Indications on financial risks linked to climate change and presentation of the measures taken by the Company to limit them	4.2.2	197 to 204
III. Declaration of Extra-Financial Performance (Article L. 225-102-1 of the French Commercial Code)	**4**	**181 to 245**
IV. Legal information and information on the shareholders		
Employee participation in the share capital (Article L. 225-102 of the French Commercial Code)	7.1.5	305
Identity of shareholders holding more than 5%; treasury shares (Article L. 233-13 of the French Commercial Code)	7.1.5	305
Information on share buybacks (Article L. 225-211 of the French Commercial Code)	7.1.2	303
Amount of dividends distributed over the last three years (Article 243 bis of the French General Tax Code)	7.4	310
Summary of transactions by officers in the securities of the Company (Article L. 621-18-2 of the French Monetary and Financial Code and 223-26 of the General Regulation of the AMF)	7.1.7	307
V. Other information		
Equity investment or takeover of companies domiciled in France (Article L. 233-6 the French Commercial Code)	7.3	309
Information on supplier payment terms (Article L. 441-6-1 of the French Commercial Code)	3.3.1	174
Table of the Company's results over the last five years (Article R. 225-102 of the French Commercial Code)	3.3.2	175

Glossary

Acronyms and abbreviations

GLA: Gross Leasing Area

EXCL.TR.TAX: Excluding transfer taxes/INCL. TR. TAX: Including transfer taxes

EXCL. TAX: Excluding tax/**INCL. TAX**: Including tax

LFL: On a like-for-like basis

GS: Group share

CBD: Central Business District

SA: Surface area or total surface area of the rooms (internal measurements)

TNFA: Total net floor area

CHG.: Change

A

APPRAISAL VALUE – RETAIL: Value of assets including transfer duties (at 100% or Group Share).

AVERAGE COST OF DEBT: The average cost of debt is the ratio of the total financial costs of short- and long-term financial instruments including related fees (commitment fees, non-use fees, etc.) to the average debt for the period.

B

BAD DEBT RATIO: Net amount of allocations to and reversals of provisions for bad debts plus any write-offs during the period as a percentage of total rent and expenses charged to tenants, at 100%.

BLOCK SALE: When several housing units, an entire building or a complete property portfolio is sold to one institutional investor.

BREEAM®: Building Research Establishment (BRE) Environmental Assessment Method. Method of assessing the environmental performance of buildings developed by the BRE, a private British building research establishment. It is now applicable throughout the world through the BREEAM in-Use international pilot standard.

BUSINESS PROPERTY BACKLOG: Revenue (excl. tax) from notarised sales not yet recognised according to percentage of completion, new orders pending notarised deeds (signed PDAs) and fees pending receipt from third parties under signed agreements.

BUSINESS PROPERTY DEVELOPER: The Group operates under off-plan sales, off-plan leases and property development contracts, with a particularly strong position on the turnkey users market or as service provider under delegated project management contracts.

C

CNCC: Conseil National des Centres Commerciaux, the French federation of shopping centres. French professional organisation of all shopping centre industry professionals, which publishes an index of revenue earned in the shopping centres of the member companies.

COMMERCIAL LAUNCH (RESIDENTIAL): A commercial launch is the release for sale of a residential property programme. This is when the price list is drawn up (a selling price is set for each unit) and the promotional material (sales plans and sales leaflets) is made available. It equates to revenue incl. tax when expressed in value.

COST PRICE: Total development budget including interest expenses for the transaction and capitalised internal costs (including land price) in the case of off-plan sale or lease investment and development projects.

CSR: Corporate Social Responsibility (CSR) is a "concept whereby companies voluntarily incorporate social, environmental and economic concerns into their business activities and their interaction with their stakeholders". By adopting operating practices which are more ethical and more sustainable, they should be able to play their part in creating a better society and protecting the environment. Put simply, it is "the contribution of companies to Sustainability". (Source: Ministry for the ecological and inclusive transition)

"CUSTOMER SERVICE OF THE YEAR" AWARD: The award, which was created in 2007 by Viseo Customer Insights, uses mystery shoppers to annually test the customer service quality of French companies in 42 different economic sectors. It is the benchmark ranking for customer relationships in France. The Group received the "Customer Service of the Year" award in 2018, 2019 and 2020. Property developers were included in the candidate list for the first time in 2018.

D

DELEGATED PROJECT MANAGEMENT: In a delegated project management arrangement, the project Manager has appointed a representative to handle all or some of the project management duties on his behalf. It is essential to differentiate between project management and prime contractor in the project process to separate the responsibilities of the two entities involved. The project Manager is solely responsible for setting the objectives. The prime contractor is in charge of building the structure according to deadlines, quality standards and costs set by the project Manager, and on a more general level, the terms of a contract.

E

ELAN ACT: The ELAN Act (for *évolution du logement, de l'aménagement et du numérique*) aims to facilitate the construction of new housing and to protect socially disadvantaged groups. It was enacted on 23 November 2018. Further information on the Ministry for Territorial Cohesion and Relations with Territorial Communities website (www. cohesion- territoires.gouv.fr).

EPRA NAV: Fair value of all Group assets (net assets), including unrealized capital gains on assets and excluding fair value of debt and financial instruments.

EXIT RATE (OR "CAPITALISATION RATE"): Used by appraisers to capitalise rents in the terminal period of their DCF models. It reflects the fundamental medium- to long-term quality of assets.

F

FFO GROUP SHARE: FFO (Funds from Operations) Group share represents operating income after net borrowing costs, corporate income tax and non-controlling interests, for all Group activities.

FOOTFALL: Change in the number of visitors, measured by Quantaflow at shopping centres equipped with this technology, or by counting cars at retail parks (excluding travel retail).

FINANCIAL VACANCY: Estimated rental value (ERV) of vacant units as a percentage of total estimated rental value. Given net of property being redeveloped.

G

GATEWAY CITY (*MÉTROPOLE*): The Group operates in 12 regional gateway cities: Grand Paris, Métropole Nice Côte d'Azur, Marseille-Aix-Toulon, Toulouse Métropole, Grand Lyon, Grenoble-Annecy, Nantes Métropole, Bordeaux Métropole, Eurométropole de Strasbourg, Métropole européenne de Lille, Montpellier Méditerranée Métropole and Rennes Métropole.

GOING CONCERN NAV: The going concern NAV is the equity market value assuming a continuation in business, taking into account the potential dilution related to the SCA status.

GRESB: Global Real Estate Sustainability Benchmark. Not-for-profit organisation whose primary task is to assess the social and environmental performance of property companies. Created in 2009, it brings together around 15 of the largest pension fund Managers and major property sector organisations including EPRA (European Public Real Estate Association). Each year, the GRESB compiles an international classification to assess the CSR performance of property companies around the world.

H

HIGH-DEMAND AREAS: A high-demand area is an urban district, city or municipality where the demand for housing rental is much higher than the supply of residential property. Under the *Pinel* law (introduced by Minister Sylvia Pinel in September 2014), "high-demand areas" correspond to areas A bis, A and B1.

I

ICR: ICR (Interest Coverage Ratio) is operating income/net borrowing costs (Funds from operations column) on the consolidated income statement by segment.

L

LAND PORTFOLIO – RESIDENTIAL: The land portfolio consists of projects under management (through an option on the land, almost exclusively in unilateral form) which have not yet been launched (in euros incl. tax when expressed as a value).

LARGE MIXED-USE PROJECTS: Complex real estate programmes, offering a mix of Residential, Retail and Office and also including public and leisure facilities (hotel resorts, cultural and sports venues, etc.).

LTV: The Loan-to-Value ratio (LTV) is the ratio of net debt to the restated value of assets including duties.

M

MARKET CAPITALISATION: Share price on the specified date multiplied by the number of shares at this date.

N

NET DEBT TO EBITDA: Net bond and bank borrowings over FFO operating income.

NET RENTAL INCOME AT CONSTANT SCOPE: Net rental income (including payments made into marketing funds, reinvoicing of works and lessor investments, which are not included in the definition of EPRA net rental income) excluding, for the periods under review, any acquisitions, disposals and assets under redevelopment that result in changes to the surface area.

NEW ORDERS – PROPERTY DEVELOPMENT: Orders are the indicator of the "Property Development" business volumes and do not include asset disposals carried out by the REIT.

NEW ORDERS (RESERVATIONS) – RESIDENTIAL: New orders net of withdrawals at 100%, with the exception of jointly-controlled operations (Group share) (in euros incl. tax when expressed as a value).

NEW ORDERS – BUSINESS PROPERTY: New orders at 100%, with the exception of jointly-controlled operations (equity-accounted) which for which new orders are shown in Group share (in euros incl. tax when expressed as a value).

O

OCCUPANCY COST RATIO: Ratio of billed rents and expenses to tenants (including reductions) to sales revenue. Calcul (incl. tax) and at 100%.

OFF-PLAN LEASE: An OPL (off-plan lease) also called a turnkey rental is when the developer leases out a building before it has even been built.

OPERATING INCOME: Recurring operating cash flow (FFO column in the consolidated income statement by segment).

P

***PINEL* (SCHEME):** The rental investment assistance scheme known as *Pinel* targets transactions between 1 September 2014 and 31 December 2021 in high-demand areas (zones A, A bis and B1) and in municipalities covered by an active defence site regeneration contract. The scheme offers a tax reduction to anyone buying a newly-constructed or off-plan property in a qualifying area.

PIPELINE (IN POTENTIAL VALUE): Estimated market value at delivery date. Retail- Creations/extensions: potential market value, inclusive of duties, of projects on delivery at 100% (net rental income capitalised at market rates) - Retail Component - Large Mixed- use projects: revenue excluding VAT or potential value including transfer tax for projects at delivery. Residential: Properties for sale + future offering including VAT. Business property: potential market value excluding duties at date of sale for investment projects (at 100%), excluding VAT on off-plan/PDC signed or estimated for other development projects (at 100% or pro rata for co-developments) and capitalised delegated management contracts.

PIPELINE (IN SURFACE): Total surface area in m^2 of all the projects under development in all of the Group's activities (Retail: retail surface area created; Business property: floor area; Residential: surface area – properties for sale and portfolio).

PROPERTY FOR SALE: Units available for sale on projects under construction not yet sold or rented (in euros incl. tax when stated by value or number of units when expressed by volume).

R

RENTAL INCOME: Rental income includes gross rental income, including the effects of spreading stepped rents over the non-cancellable lease term, rent holidays and other benefits granted by contract to the lessee by the lessor, and notably reductions granted during the lease term.

RESIDENTIAL BACKLOG: Revenue (excl. tax) from notarised sales to be recognised on a percentage-of-completion basis and individual and block reservations to be notarised.

RESIDENTIAL SUPPLY: Sale agreements for land signed and valued as potential residential orders (incl. tax).

RETAILER SALES: Tenants' revenue (incl. tax) from like-for-like sites (excluding assets under redevelopment) for the period in question.

REVENUE – RESIDENTIAL: Revenue in euros (excl. tax) recognised according to the percentage-of-completion method in accordance with IFRS 15 (Revenue from Contracts with Customers). The percentage of completion is calculated according to the stage of construction including land.

S

SCA: The SCA (*société en commandite par actions*, a French partnership limited by shares) is a unique form of company in that it has two categories of partner: General Partners and Limited Partners. The Limited Partners can only be held liable up to the value of their shareholding. As such they are like shareholders. The General Partners, on the other hand, are jointly and severally responsible for all of the Company's debt. The SCA is managed by one or more General Partners. Management is overseen by a Supervisory Board.

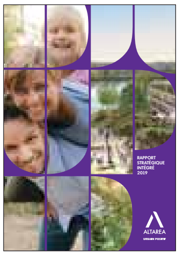
SIIC: The SIIC (Listed Property Investment Company) tax regime was introduced by the Finance Act 2002-1575 of 30 December 2002 and came into force on 1 January 2003. This tax regime covers REITS investing in property assets with a view to leasing them. In return for distributing a significant portion of their income (95% of recurrent income based on parent company net income and 60% of capital gains from the sale of assets), SIICs do not pay corporate income tax. Altarea Cogedim opted for SIIC status in 2005.

About the integrated strategic report

Methodology

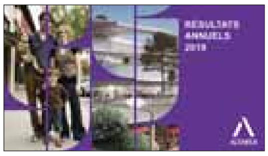
Inspired by the principles of "integrated thinking" and the terms of reference proposed by the IIRC (International Integrated Reporting Council), Altarea's Integrated Strategic Report highlights the Group's vision, business model, strategy and performance in creating shared value with stakeholders and regions.
This report was a combined effort, calling on contributions from the Group's various departments. It was prepared consistently with other corporate and financial publications, in particular the presentation of the annual results.
The Integrated Strategic Report was reviewed and validated by Altarea's management and the Executive Committee before its publication.
The report covers the 2019 fiscal year, from 1 January to 31 December 2019. Group entities are consolidated in the financial scope.
Publication: March 2020.

Publications ecosystem


Integrated strategic report


Portfolio


Universal Registration Document


Annual results slideshow

Thanks

The Strategic marketing, CSR and Innovation Department would like to thank all of the Group's teams who contributed to the preparation of this report, in particular the Finance Department for work done jointly.
Photo credits: Altarea / Portraits: Alexandre Isard / Getty Images / Stotsky
Cover: Güller + Güller / Groupe-6 and Jouin Manku / Wilmotte & Associés / Valode & Pistre, Architecs and Agence Raphia / Makan Rafatdjou, Hubert Godet Architectes, agence Archikubik, agence Rio, agence L35 / TVK, CoBe, Lambert Lénack, Hardel Le Bihan Architects, Barrault Pressacco and Bartolo-Contré / Devillers et Associés urbanistes mandataires, D'une Ville à l'Autre architecte-urbaniste associé / Jean-Paul Viguier et Associés, MPA Architectes / Valode & Pistre, Architects and Agence Raphia/ Métra & Associés, Barré-Lambot, Bourbouze & Graindorge et Fres Architectures, Anne Demians, Jean-Michel Wilmotte and Woods Bagot architectural firm / Agence 2Portzamparc /: PCA – Stream/ Insolites Architecture / Wilmotte & Associés, AREP, DFA, inSpace, TVK, Atelier Zündel Cristea, Henke Schreieck Architekten / Architectes: Ateliers 2/3/4 Simon Rodrigue-Pagès et Laure Mériaud / DATA et DVVD / Landscapers: Atelier Georges et Topager / Jean-Paul Viguier et Associés, Seura, LCR, Munvez – Morel, Outsign, Sathy, Yves Lion, Brenac & Gonzalez

Designed & published by LABRADOR INFORMATION DESIGN +33 (0)1 53 06 30 80