



UNIBAIL-RODAMCO-WESTFIELD

Paris, Amsterdam, October 10, 2023

## **URW announces comprehensive evolution of Better Places to support the environmental transition of cities and retail**

New science-based net-zero targets on Scopes 1 & 2 by 2030 and Scopes 1, 2 & 3 by 2050

First retail real estate company in the EU and sixth CAC 40 company to obtain SBTi<sup>1</sup> approval of net-zero targets

Comprehensive and fully funded climate plan to reduce Scope 1 & 2<sup>2</sup> GHG emissions by -90% by 2030<sup>3</sup>

Expanded environmental targets with a focus on biodiversity, water, waste, climate adaptation and community impact

New Better Places Certification and Sustainable Retail Index initiatives to support the sustainable evolution of the retail industry

### **Jean-Marie Tritant, CEO of URW, said:**

*“With sustainability performance embedded in our business strategy, the evolution of URW’s Better Places roadmap future proofs our portfolio, supports the sustainable evolution of retail and unlocks value creation opportunities.*

*Our updated roadmap builds on URW’s sustainability leadership and environmental performance. The core of our effort is the reduction of our carbon emissions. We will reduce our carbon emissions by -90% for Scopes 1 & 2 by 2030, and on all scopes by 2050. We will neutralise residual emissions through committed programmes that protect and restore biodiversity at scale.*

*We are proud that our net-zero targets have already been approved by the SBTi.*

*Our roadmap includes two new initiatives that bring an innovative approach to the sustainable evolution of retail. Our Better Places Certification and the Sustainable Retail Index will ensure we continue to meet retailers’ needs and customer demand so that we gain market share, drive footfall and support sales performance.*

*Better Places enhances URW’s partnership with cities in their environmental transition, particularly as a developer of large-scale urban-infrastructure assets. Its execution, along with URW’s long-term perspective, unmatched placemaking expertise and significant social and economic contribution to*

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<sup>1</sup> The Science Based Targets initiative (SBTi).

<sup>2</sup> Scopes 1, 2 & 3 as defined by the Greenhouse Gas (GHG) Protocol Corporate Accounting and Reporting Standard. Market-based methodology is applied to all GHG emissions reduction targets.

<sup>3</sup> Updated target from -80%. From 2015 levels.



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*communities, will unlock new opportunities in urban regeneration, including the retrofitting of existing buildings and the densification of our existing assets.”*

### **Key highlights**

- Near-term and long-term GHG emissions reduction targets:
  - -90% reduction in Scopes 1 & 2 by 2030<sup>4</sup> and committed neutralisation plan of 10% residual emissions through carbon removal projects (net-zero on Scopes 1 & 2)
  - -90% reduction in Scopes 1, 2 & 3 by 2050<sup>5</sup> with 10% neutralisation plan to be defined (net-zero on Scopes 1, 2 & 3)
  - Investment in Mirova’s Climate Fund for Nature to protect biodiversity and address residual emissions
- Better Places net-zero climate targets are in line with Intergovernmental Panel on Climate Change (IPCC) scientific consensus and approved by the SBTi based on its Corporate Net-Zero Standard
- Significant increase in renewable electricity production in Europe: 50 MWp of on-site solar PV installed capacity by 2030 (2022: 6.4 MWp), equivalent to 30% of common-area needs
- Accelerated mobility action plan to reach at least 4,000 EV charging points by 2030 in Europe (2022: c. 1,300)
- Comprehensive environmental plan with quantified targets covering biodiversity, waste and water reduction
- Two innovative retail initiatives:
  - Better Places Certification to assess and promote the sustainable performance of URW’s retail assets using 94 criteria, including existing certifications, covering all environmental and social dimensions
  - Sustainable Retail Index to provide insight into the progress of retailers in their environmental transition
- Limited additional Capex<sup>6</sup> to 2030 of €28 Mn per year (including €8 Mn per year on solar PV projects)<sup>7</sup> thanks to consistent annual investment in URW’s high-quality assets<sup>8</sup>. This plan will further support the achievement of EPC level A for assets and positively impact URW’s EU Taxonomy ratios. This investment will allow to generate savings on service charges of €23 Mn per year as well as a return on investment above 8% for solar PV projects.

URW’s Better Places roadmap, targets and net-zero commitment cover the Group’s Retail and Office activities globally. Viparis, URW’s Convention & Exhibition joint venture, has a dedicated sustainability roadmap and targets that are aligned with its own materiality assessment.

The investment plan announced today has the same European focus as URW’s business strategy, as outlined at its Investor Day in March 2022, in line with its stated plan to radically reduce its US financial exposure.

In the US, the Group has a comprehensive Energy Action Plan focused on driving energy savings across its US portfolio, which is fully funded through existing maintenance budgets. The Energy Action Plan has also identified specific business opportunities from on-site solar photovoltaic projects that would increase renewable energy production capacity and generate a return on investment.

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<sup>4</sup> From 2015 levels, in absolute value.

<sup>5</sup> From 2015 levels, in absolute value.

<sup>6</sup> On top of regular maintenance capex related to carbon emissions reduction, estimated at €27 Mn per year.

<sup>7</sup> On a proportionate basis.

<sup>8</sup> See presentations for more details.



## **Better Places Overview**

The Management Board of Unibail-Rodamco-Westfield (“URW” or “the Group”) will today present its updated Better Places sustainability roadmap. The event will be webcast at 14:00 CET [here](#). More details can be found at [URW.com/investors](https://www.urw.com/investors).

## **Enhanced climate commitments**

URW’s new commitments are focused on enhancing the Group’s GHG emissions reduction efforts, introducing a net-zero target on Scopes 1 & 2 in 2030 and a net-zero target on Scopes 1, 2 & 3 by 2050, all approved by the Science Based Targets initiative (SBTi).

The Group aims to reduce by -50% its Scope 1, 2 & 3<sup>10</sup> GHG emissions across its value chain by 2030<sup>9</sup>, with a target to reduce emissions by -90% in Scopes 1 & 2<sup>10</sup>.

Key priorities include:

- Achieving an -80% reduction in GHG emissions from operations<sup>11</sup>, including by engaging with tenants on their in-store operations, with a focus on renewable electricity use and energy efficiency
- Progressively improving the average carbon intensity of development, with a -35% target by 2030<sup>12</sup> to 550 kgCO<sub>2</sub>e/sqm
- Increasing URW’s sustainable transport share from c. 50% in 2022 to 62% by 2030 (see comprehensive mobility action plan below) as a lever to achieve a -40% reduction in transport GHG emissions by 2030<sup>13</sup>

The plan requires limited additional Capex of €28 Mn<sup>14</sup> per year over seven years thanks to URW’s consistent annual investment in its high-quality assets<sup>15</sup>. This includes a €20 Mn<sup>16</sup> annual investment in energy efficiency and carbon reduction, as well as €8 Mn<sup>17</sup> a year on identified solar PV projects<sup>18</sup>. These investments will generate significant financial savings, with full effect from 2030 onwards<sup>19</sup> (€23 Mn per year and a return on investment over 8% for solar PV projects).

URW also has future development opportunities in urban regeneration, building retrofits and mixed-use densification. The Group has an extensive track record and know-how in this area thanks to its

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<sup>9</sup> From 2015 levels, in absolute value. URW’s Scope 3 GHG emissions include construction activities, operations including tenant energy consumption and transport from visitors.

<sup>10</sup> From 2015 levels.

<sup>11</sup> In kgCO<sub>2</sub>e/sqm, from 2015 levels.

<sup>12</sup> In kgCO<sub>2</sub>e/sqm, from 2015 levels. Average of recently delivered projects, based on Group harmonised LCA methodology.

<sup>13</sup> In kgCO<sub>2</sub>e/visit, from 2015 levels.

<sup>14</sup> On a proportionate basis.

<sup>15</sup> See presentations for more details.

<sup>16</sup> On a proportionate basis.

<sup>17</sup> On a proportionate basis.

<sup>18</sup> See section “Growth in renewable energy production”.

<sup>19</sup> See presentations for more details.



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development work, most recently with projects such as Westfield Mall of the Netherlands, Les Ateliers Gaîté, Westfield Hamburg-Überseequartier, Trinity and Lightwell.

URW also targets to neutralise residual emissions as part of the Group's 2050 long-term target. As a first step, URW aims to neutralise its residual emissions from Scopes 1 & 2 starting in 2030. The company is investing in nature-based projects that positively impact biodiversity and address residual emissions through a €5 Mn commitment to Mirova's Climate Fund for Nature.

### **Growth in renewable energy production**

Since 2021, 100% of URW's electricity consumption has come from renewable energy sources<sup>20</sup>. Under its updated Better Places roadmap, URW will increase its renewable electricity production capacity through on-site and off-site renewable electricity projects. Benefits to URW include reducing its total carbon footprint and generating a return on investment.

The Group targets 50 MWp of on-site solar capacity by 2030 in Europe (2022: 6.4 MWp<sup>21</sup>), with 27 MWp of projects already underway in 24 shopping centres in 10 countries.

This plan represents additional investment of approximately €55 Mn<sup>22</sup> over the next seven years – around €8 Mn<sup>23</sup> per year – on top of the €10 Mn<sup>24</sup> already invested. The investment is expected to generate a return on investment of over 8% from 2030 onwards.

### **An action plan to address biodiversity, waste and water**

Building on the momentum of its new climate targets approved by the SBTi, URW also commits to environmental targets addressing the protection of shared natural resources. The company is implementing the Science Based Targets for nature (SBTn) methodology, in terms of impact assessment, prioritisation and setting of science-based objectives.

In terms of biodiversity, URW renews its commitment that all new development projects will achieve a biodiversity net gain, and elaborates on its current target for standing assets by committing to implement a renaturation project for all assets<sup>25</sup> by 2030.

Waste management<sup>26</sup> is another area of focus where URW, on top of its existing zero-waste-to-landfill commitment, sets a new industry-leading standard by targeting a 15% waste reduction and sets an overall recycling rate of 70% by 2030.

And finally, all URW retail assets in water-stressed areas will implement water reuse solutions by 2025, and in all other areas by 2030. URW will also reduce water consumption intensity by footfall by 20% in common areas by 2030.

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<sup>20</sup> Group-wide, common areas, Retail, Offices and C&E.

<sup>21</sup> Total installed renewable energy capacity.

<sup>22</sup> On a proportionate basis.

<sup>23</sup> On a proportionate basis.

<sup>24</sup> On a proportionate basis.

<sup>25</sup> Retail assets.

<sup>26</sup> Operational waste from tenants and visitors, managed by URW.



### **Comprehensive mobility action plan**

Currently, c. 50% of European visits are by public transport, bicycle, on foot or via an electric car. To reach its carbon reduction target of -40% for visitor transport by 2030, URW expects this will increase to 62%.

Active public transport infrastructure projects for assets such as CNIT, Westfield Rosny 2, Westfield Shopping City Süd or Fisketorvet, as well as the delivery of future assets in highly connected locations such as Westfield Hamburg, are expected to increase the current rate to at least 54% as they are delivered, with the electrification of the European vehicle fleet completing the achievement of the target.

To facilitate the use of electric vehicles, URW's mobility action plan will increase the number of EV charging points to at least 4,000 by 2030 (from c. 1,300 in 2022). Executing this plan will generate estimated revenue of €8 Mn<sup>27</sup> per year at no investment cost, though the company continues to explore options at a higher return.

### **Better Places Certification**

To assess and promote the sustainable performance of URW's retail assets, the Group announces its Better Places Certification. The programme has been developed with the support of Bureau Veritas Solutions and the critical-friend vision of WWF, which shared its expertise on the biodiversity, water, mobility, energy, sustainable consumption and climate aspects of the criteria.

The five-level scale, from A to E, encompasses current core industry ratings such as BREEAM In-Use and Energy Performance Certificates (EPC), while also including a broad range of environmental and social dimensions, including Health & Safety, Energy & Climate, Water, Communities, Mobility, Biodiversity and Waste.

Working with Bureau Veritas Solutions, URW will certify 10 assets by 2024 and 100% of its European retail portfolio in the next three years.

### **Sustainable Retail Index**

URW has developed the Sustainable Retail Index (SRI) to provide transparency and support the sustainable evolution of retail.

Co-developed with Good On You, a global sustainable-brand ratings company, the SRI provides a dynamic view on retailers' sustainability commitments, ambitions and performance at a company, product and store-operations level.

Good On You's ratings make up 75% of the calculation of the SRI, which also includes store-level data URW gathers at each of its assets regarding sustainable store practices. Good On You's rating brings together publicly available data leveraging 1,000 datapoints for each brand across key social and environmental issues and is widely used across the industry.

Ratings will be shared annually at a Group and asset level according to the SRI's five-level scale, and also integrated into the overall grade for each shopping centre, as part of the Better Places

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<sup>27</sup> On a proportionate basis.



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Certification. URW will not release the SRI rating for individual retailers but will use it in discussions with them.

URW will assess 70% of its eligible revenues<sup>28</sup> in Europe by the end of 2024, starting with the Fashion, Bags & Footwear, Accessories, Sport, Jewellery and Health & Beauty sectors<sup>29</sup>. Its goal is to cover 100% of eligible revenues by 2027.

### **Contributing to thriving communities**

URW is committed to delivering social and economic value to local communities. The Group has a significant impact, particularly in the area of employment, where it sustains over 133,000 direct, indirect and hosted jobs<sup>30</sup>.

Through the evolution of the Better Places plan, the company has established an integrated programme focused on Jobs & Skills, Social Inclusion and Health to ensure it continues to support economic mobility and the wellbeing of the communities in which its assets are located, particularly underrepresented groups.

To achieve this, URW aims, on an annual basis, to reach at least 15,000 people with its community support programme.

### **Robust employee engagement and governance frameworks**

Sustainability is embedded in URW's business strategy, integrated into the highest levels of governance and taken into consideration in key decisions, in particular investments.

The company's corporate governance has received clear recognition, with top level specific corporate governance sub-scores from ESG rating agencies such as ISS-ESG (B+) and Sustainalytics (1<sup>st</sup> in sector).

The Group's existing short- and long-term ESG compensation incentives will be aligned with the updated Better Places roadmap. Currently, 10% of the Management Board and Executive Committee annual short term incentives is contingent on meeting sustainability performance goals, and every recipient of STI has at least one ESG objective. 20% of long term incentives, received by around 20% of employees, are tied to sustainability performance.

Empowerment and engagement of employees is fundamental to the success of the Group's strategy and of the Better Places roadmap. The company has set up a comprehensive training plan including the Axa Climate School and Climate Fresk. URW was the first CAC 40 company and the first commercial real estate group in France to receive the "Certified Climate Fresk Company" label.

On an annual basis, the Group targets 95% of employees to complete a sustainability course to generate the proper skillset to deliver on its programme. To support the delivery of the plan, 100% of URW employees have annual sustainable-business-transformation objectives.

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<sup>28</sup> Eligible revenues: part of the MGR that can be assessed through the planned sectoral methodologies, covering Fashion Apparel, Food & Beverage, Bags & Footwear & Accessories, Culture & Tech, Health & Beauty, Jewellery, Sport, Home.

<sup>29</sup> URW also benefits from the technical and critical expertise of WWF on the methodology on the first available retail sectors of the SRI and its future developments.

<sup>30</sup> 2023 study on URW social and environmental impact conducted by PWC Strategy&.



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**About Unibail-Rodamco-Westfield**

Unibail-Rodamco-Westfield is an owner, developer, and operator of sustainable, high-quality real estate assets in the most dynamic cities in Europe and the United States.

The Group operates 74 shopping centres in 12 countries, including 39 which carry the iconic Westfield brand. These centres attract over 900 million visits annually and provide a unique platform for retailers and brands to connect with consumers. URW also has a portfolio of high-quality offices, 10 convention and exhibition venues in Paris, and a €3 Bn development pipeline of mainly mixed-use assets. Currently, its €51 Bn portfolio is 87% in retail, 6% in offices, 5% in convention and exhibition venues, and 2% in services (as at June 30, 2023).

URW is a committed partner to major cities on urban regeneration projects, through both mixed-use development and the retrofitting of buildings to industry-leading sustainability standards. These commitments are enhanced by the Group's Better Places 2030 agenda, which strives to make a positive environmental, social and economic impact on the cities and communities where URW operates.

URW's stapled shares are listed on Euronext Paris (Ticker: URW), with a secondary listing in Australia through Chess Depositary Interests. The Group benefits from a BBB+ rating from Standard & Poor's and from a Baa2 rating from Moody's.

For more information, please visit [www.urw.com](http://www.urw.com)