

SIMON SUSTAINABILITY REPORT 2018



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ON THE COVER:

Denver Premium Outlets in Denver, Colorado, one of Simon's recently opened properties in 2018. The property was designed to reflect the environmentally aware shoppers of Colorado.



SUSTAINABILITY AT SIMON

“As we enter our 25th year as a public company (58th year in total) we continue to be focused on the future. We have succeeded in transforming our business since 1993—our first year as a public company—and always are adjusting and improving. Our organization lives for challenges, is driven to succeed, and is among the best-of-breed. Our shopping centers support local and national economies through job creation, small and local business development, and other investments that contribute to economic development. Again in 2017, we were a leader in sustainability, the recognition of our efforts underscore the impact of our programs—once again our sustainability commitment and leadership resulted in recognition by CDP and GRESB.”



DAVID SIMON
Chairman and
Chief Executive Officer
Simon Property Group



A WORD FROM OUR CEO

Sustainability, with our focus on properties, customers, communities, and employees, continues to be a key part of our business. I am happy to provide an update via this year's Sustainability Report. Guided by our commitment to deliver long-term value to all of our stakeholders, we continue to build on the success of long-term sustainability initiatives such as energy efficiency programs. We have reduced our company-wide electricity consumption by 37% since 2003. Energy efficiency projects have saved Simon millions of dollars in operating costs. We continue to explore new projects, such as energy battery storage and on-site energy generation like solar installations as these technologies mature and offer improved financial returns.

Our centers are more than places to shop, dine, and be entertained. We strive to make them a source of pride in the community. We understand engaging with our communities is essential to our success. 100% of our centers participate in local community engagement activities—353 fundraising events such as charity runs and holiday-focused fundraisers and other non-fundraising events like blood drives and diaper banks were held at Simon properties in 2017. I am proud of Simon staff that contributed 3,811 hours, or nearly 11 hours per staff member, to each event. We exceeded our 2017 fundraising goal of \$1 million for Susan G. Komen and committed to raise another \$1 million in 2018, including Project: OM—a one-million-person yoga event co-sponsored by Manduka and Susan G. Komen that took place over Mother's Day weekend at many of our centers.

Simon Youth Foundation (SYF) continues its legacy of helping at-risk youth graduate from high school through its 35 academies in 15 states, many located in Simon centers. Simon employees actively participate in supporting SYF, donating more than \$500,000 annually and contributing to the \$17 million in scholarships that have been granted to the more than 17,000 students who have graduated from SYF academies since 1998.

We aim to be a leader in sustainability performance by continuously innovating a wide range of sustainability programs that contribute not only to improving our financial performance but also towards tackling global environmental challenges in areas such as energy, waste, and water management.

A handwritten signature of David Simon in black ink.

David Simon
Chairman and Chief Executive Officer
Simon Property Group
December 2018

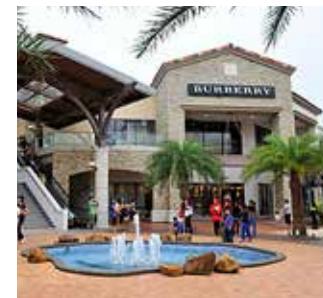
THIS IS SIMON

CELEBRATING OUR 25TH YEAR AS A PUBLIC COMPANY AND 58 YEARS IN TOTAL OF ICONIC SHOPPING FOR EVERY STYLE AND TASTE

At Simon®, the shopping experience is paramount—a fusion of shared discovery, high design, sophisticated environment, dining and entertainment, and social interaction.

Located in the top-tier markets, our centers transcend traditional retail. They showcase an eclectic mix of world-class and emerging retail brands, authentic local and established dining choices, and an array of entertainment options. Some of our most exciting projects also feature state-of-the-art residential components.

We are creating the spaces where people want to shop and socialize, with a dynamic mix of the hottest up-and-coming names and first-to-market brands.



\$60 Billion

Retail Sales

191 Million

Square Feet of GLA in
North America, Asia, and Europe

37

States and Puerto Rico in the U.S.

2,900+

Brands

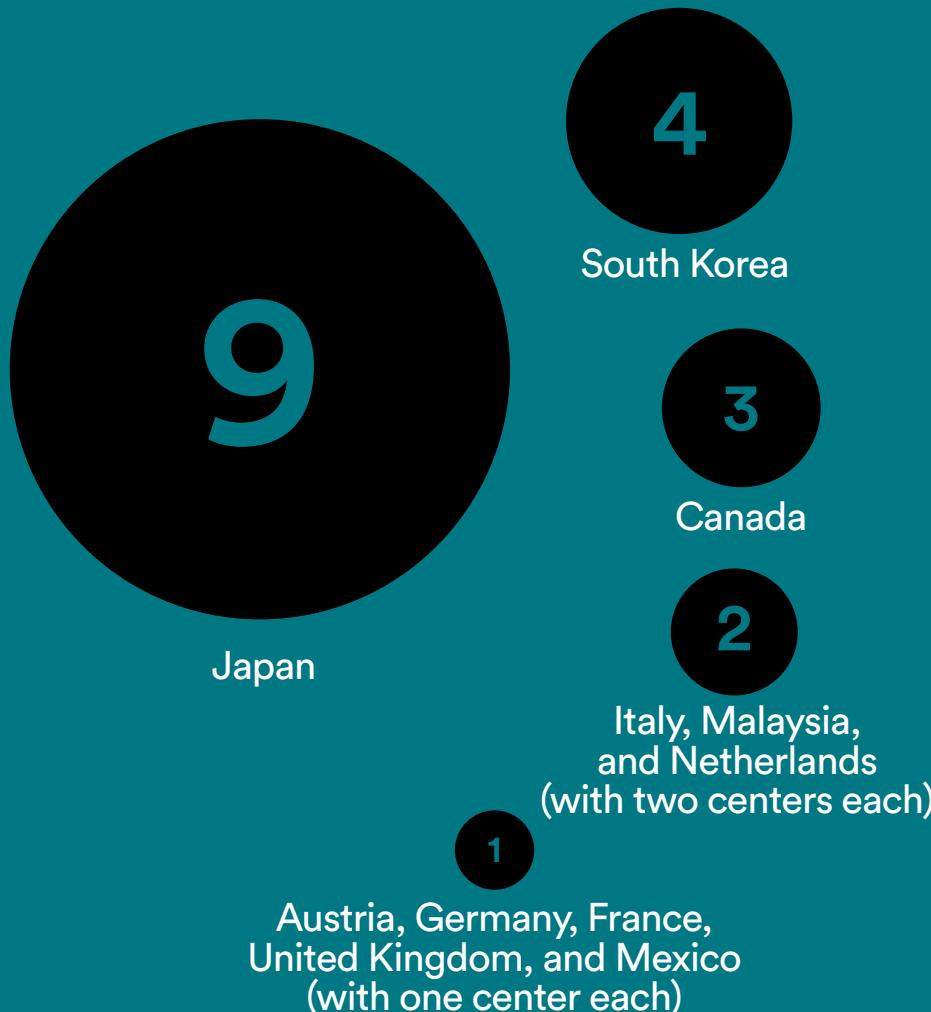
300

New Brands

8X

Named *Fortune's* Most Admired
Real Estate Company

Simon centers around the world:



21.0% 

Equity Stake in Klépierre SA

A publicly traded, Paris-based real estate company, which owns, or has an interest in, shopping centers located in 16 countries in Europe.

FINANCIAL HIGHLIGHTS

Year Ending December 31, 2017 Dollars in millions, except per share figures	2017	2016
Consolidated Revenue	\$ 5,539	\$ 5,435
Net Income Per Share (Diluted)	\$ 6.24	\$ 5.87
Funds from Operations (FFO)	\$ 4,021	\$ 3,793
FFO Per Share (Diluted)	\$ 11.21	\$ 10.49
Dividends Per Share	\$ 7.15	\$ 6.50
Common Stock Price	\$ 171.74	\$ 177.67
Total Equity Capitalization	\$ 61,573	\$ 64,103
Total Market Capitalization ⁽¹⁾	\$ 93,050	\$ 93,683

⁽¹⁾ Includes our share of consolidation and joint venture debt

BUILDING THE SHOPPING DESTINATIONS OF THE FUTURE—SIMON REDEVELOPMENT HIGHLIGHTS

DOMESTIC PROPERTIES

Significant Redevelopment and Expansions

Completed in 2017 & 2018

Allen Premium Outlets®

Allen, TX
Redevelopment and 123,000 SF expansion

Aventura Mall

North Miami Beach, FL
217,000 SF expansion

La Plaza

McAllen, TX
Redevelopment and 221,000 SF expansion

The Shops at Riverside®

Hackensack, NJ
Redevelopment of former Saks Fifth Avenue building - AMC, Renovation
Phase III Luxe Redevelopment (completion in 2019)

Woodbury Common Premium Outlets®

Central Valley (New York), NY
Redevelopment and 63,000 SF expansion

DOMESTIC PROPERTIES

New Development

Opened in 2017 & 2018

Denver Premium Outlets®

Denver, CO
328,000 SF upscale Premium Outlets center

Norfolk Premium Outlets®

Norfolk, VA
332,000 SF upscale Premium Outlets center

The Shops at Clearfork

Fort Worth, TX
380,000 SF of luxury and specialty retail, restaurant, and entertainment

Significant Redevelopment and Expansion Projects

To responsibly manage and improve its environmental impact (e.g., to minimize energy and water use), Simon's Development group assesses the use of sustainable technologies for new construction. For most new developments, Simon utilizes a LEED checklist. However, the decision to apply for LEED or other environmental certifications is made on a case-by-case basis.

INTERNATIONAL PROPERTIES

New Development and Expansions

Opened in 2017 & 2018

Genting Highlands Premium Outlets

Kuala Lumpur, Malaysia
274,000 SF upscale Premium Outlets center

Premium Outlet Collection Edmonton

Edmonton, Canada
428,000 SF upscale Premium Outlets center

Provence Designer Outlet

Miramas, France
268,000 SF upscale Premium Outlets center

Roermond Designer Outlets IV

Roermond, The Netherlands
125,000 SF expansion

Shisui Premium Outlets®

Shisui, Japan
68,341 SF Phase III Expansion

Siheung Premium Outlets

Siheung, South Korea
452,000 SF upscale Premium Outlets center

Toronto Premium Outlets®

Toronto, Canada
Redevelopment and 145,000 SF expansion
Addition of parking deck

SUSTAINABILITY EXTERNAL RECOGNITION

ACHIEVED CDP'S "LEADERSHIP" RECOGNITION FOR SUSTAINABILITY PERFORMANCE

2015-2017*



NAMED ON THE CLIMATE 'A' LIST

2014-2015

NAMED ON THE CLIMATE DISCLOSURE LEADERSHIP INDEX SEVEN TIMES AND THE CLIMATE PERFORMANCE LEADERSHIP INDEX TWO TIMES

2008-2013



RECEIVED GRESB GREEN STAR RATING

2014-2018



RECOGNIZED AS NORTH AMERICAN SECTOR LEADER IN RETAIL

2010-2013



RECOGNIZED AS 'STORMREADY' BY NATIONAL WEATHER SERVICE

FIRST REIT TO ACHIEVE THIS STATUS AT ALL OF ITS LOCATIONS

SIMON'S PROPRIETARY COMPREHENSIVE EMERGENCY RESPONSE PLAN (CEMP)

CERTIFIED BY THE DEPARTMENT OF HOMELAND SECURITY

* 2018 Results will be available in January 2019.

MATERIALITY ASSESSMENT

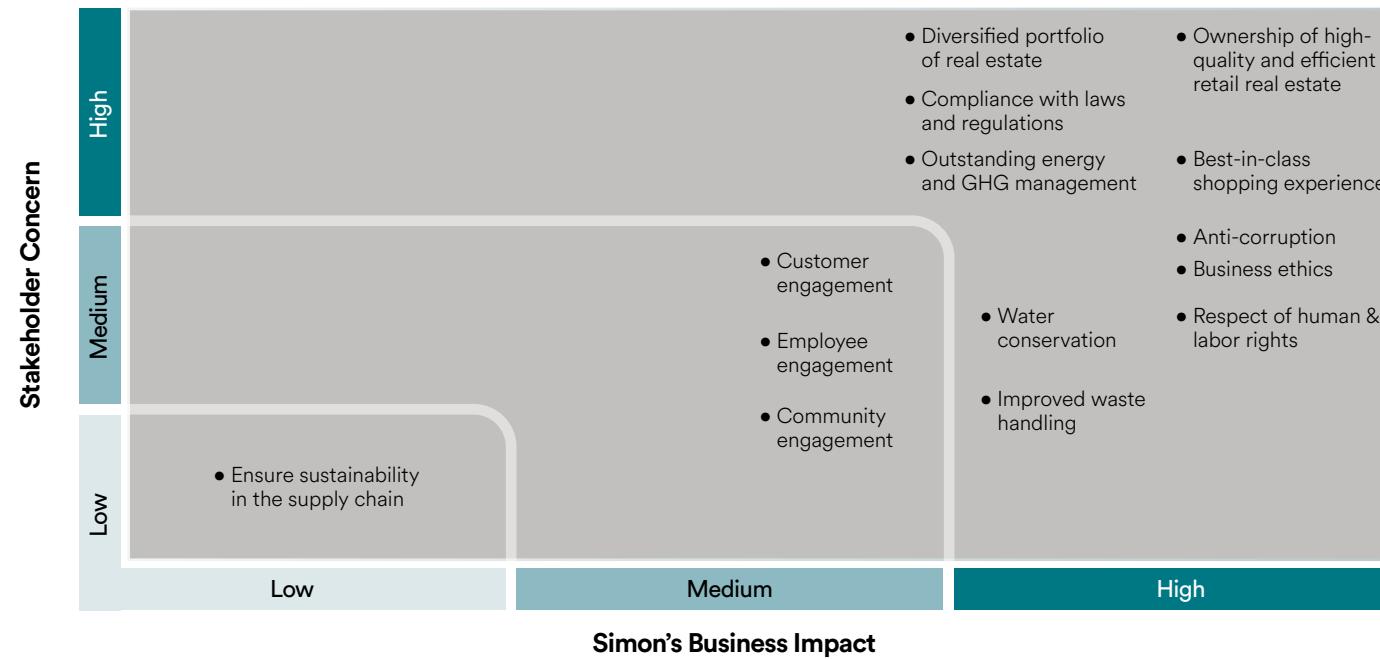
As part of Simon's materiality process, we leverage external frameworks, such as the Global Reporting Initiative (GRI) guidelines to identify key environmental, social, and governance risks and opportunities. Additionally, to inform our material aspects, we engage with external and internal stakeholders. Key steps within Simon's materiality assessment are shown in Chart A.

Simon has identified several topics during its materiality assessment that are summarized in Chart B. Simon will update this assessment periodically to ensure all relevant and current topics are covered within the company's sustainability framework.

CHART A: Steps for Simon's Materiality Assessment

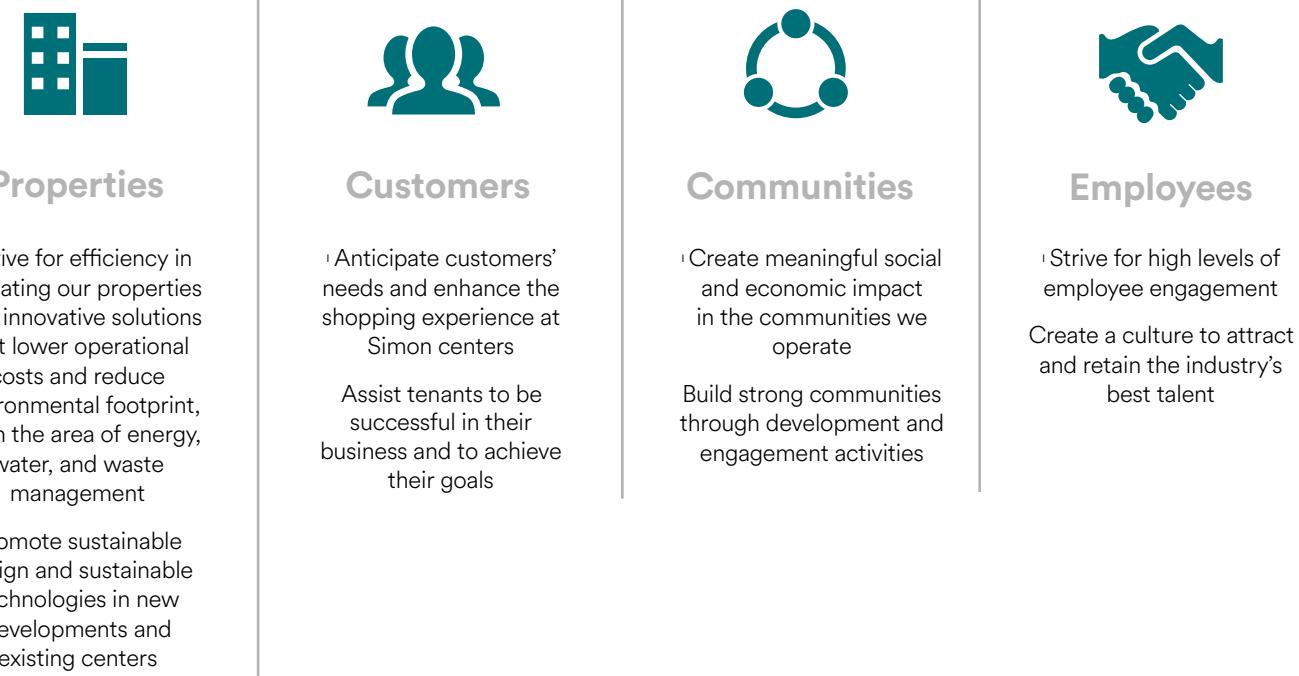


CHART B: Simon's Key Material Aspects



SUSTAINABILITY FRAMEWORK

We have leveraged our materiality assessment in a strategic manner to derive our sustainability framework at Simon. Our approach to sustainability considers all stages of our business, from how we plan, develop, and operate our properties, to how we do business with our customers, engage with our communities, and create a positive work environment for our employees. The four areas of our sustainability framework are centered on properties, customers, communities, and employees outlined below.



SUSTAINABILITY MANAGEMENT

We know that to deliver on our sustainability strategy, how we organize our governance structure is of central importance. Our sustainability activities are steered by the head of sustainability who is responsible for developing Simon's sustainability strategy, including setting the company's sustainability focus areas and key performance indicators. The head of sustainability drives sustainability initiatives through creating partnerships and close collaboration with key corporate functions and onsite local teams. She chairs the Sustainability Executive Committee that includes executives from core functions of the company (see Chart C). This committee is the central committee for progressing sustainability initiatives within Simon. It is tasked with setting the strategic direction for the sustainability framework and provides counsel and executive oversight on initiatives. The field network is comprised of the management teams at centers across the portfolio. We are proud to have devoted and passionate employees at our properties across our portfolio.

CHART C: Sustainability at Simon



SUSTAINABILITY COLLABORATION

We build relationships with a range of parties across our business to better understand and respond to our stakeholders' needs. We encourage regular dialogue with key groups. To identify these groups, Simon performed a stakeholder analysis and discussed procedures for engaging with each group. We participate in public policy advocacy on select issues affecting our business, our employees, and our consumers. We also continue our engagement with industry organizations.

STAKEHOLDER	LEVEL OF ENGAGEMENT	TYPE OF ENGAGEMENT
Investors	●	In addition to quarterly earnings calls and the company's annual stockholder meeting, Simon's Investor Relations team meets with existing and potential investors frequently to solicit their feedback and provide updates on business priorities and earnings results. Upon request, the Head of Sustainability provides updates on the company's sustainability progress.
Joint Venture Partners	●	Simon's Partnership Relations team is exclusively focused on communicating with joint venture partners to share information on the performance of jointly owned assets. Upon request, the Head of Sustainability provides updates on sustainability progress.
Retailers	● ● ●	Simon regularly conducts meetings with tenants to receive feedback and increase customer satisfaction. It's important to work collaboratively to further both Simon's and our tenants' sustainability goals. In 2017, we launched our sustainability tenant engagement program where we partnered with select retailers to collaborate and assess opportunities to assist them in achieving their corporate sustainability objectives.
Shoppers	● ● ●	To ensure that shoppers have an excellent shopping experience, we actively seek shopper feedback through social media, shopper interviews, and encourage shoppers to complete feedback forms at Simon Guest Services kiosks within the properties.
Communities and NGOs	● ● ●	Simon works in close partnership with local, nonprofit organizations to provide philanthropic support to the communities in which we are active. In addition, we focus on providing education for at-risk students through the Simon Youth Foundation.
Suppliers	● ●	Operating sustainably is something we expect not just of ourselves—we assess our suppliers' sustainability as well.
Employees	●	Promoting ongoing two-way dialogue with our employees is vital to retaining and developing our talent. The Simon Employee Association, Simon's open-door policies, and leadership development programs encourage regular communication of business priorities, new corporate initiatives, and performance management, while soliciting employee feedback.

● Organizational level ● Asset level ● Project level

Select Partnerships with External Groups

National Association of Real Estate Investment Trusts (NAREIT)
Member of Sustainability Committee

Real Estate Roundtable
Member of Sustainability Policy Advisory Committee

International Council of Shopping Centers (ICSC)
Member of Planning Committee for Retail Green Conference

Landlord Tenant Energy Partnership (IMT, ICSC, and RILA)
Participant

SUSTAINABILITY OBJECTIVES

We are thrilled that we were able to achieve and exceed the majority of our sustainability objectives. We are currently developing our sustainability ambitions for the next years to come and look forward to present you these in our next Sustainability report.



PROPERTIES

- Improve GHG efficiency ✓ by 5%-10% by 2020*
- Improve portfolio-wide energy ✓ efficiency by 5%-10% by 2020*
- Improve portfolio-wide water efficiency by 20% by 2025*
- Divert pre-consumer ✓ food waste from landfills at selected properties by 2020



CUSTOMERS

- Engage with key tenants on ✓ sustainability issues relevant to shoppers to improve the overall sustainability performance of our properties by 2018
- Install WiFi at 90% of our ✓ properties by 2025
- Reuse or recycle 70% of ✓ construction waste generated during major renovations
- Provide electric vehicle charging stations for our customer at 100% of our properties by 2020¹



COMMUNITY

- Maintain our strong support of ✓ the Simon Youth Foundation through donating commercial space and scholarships for SYF graduates
- Continue to participate in ✓ community engagement activities at 100% of our properties



EMPLOYEES

- Encourage Simon employees to ✓ volunteer in their communities
- Build awareness of sustainability ✓ topics among all our employees by increasing engagement initiatives

IN PROGRESS ⓘ COMPLETE ✓

*Applicable at locations where Simon has ownership of the parking lot facilities and where suppliers are available.
Portfolio refers to all platforms Malls, Mills and Premium Outlets, where Simon has operational control.

*Base year 2013



SUSTAINABILITY FOCUS AREAS

PROPERTIES

PROPERTIES | CUSTOMERS | COMMUNITIES | EMPLOYEES

ENERGY MANAGEMENT

In the U.S., buildings alone account for about 40% of the country's GHG emissions. Simon recognizes the impact that improving energy efficiency at its properties can have on the environment as well as the overall financial performance of the company. Over the last decade, we have actively focused on understanding Simon's energy use by improving energy benchmarking and promoting energy efficiency best-practice sharing across our portfolio of over 200 shopping centers. Key examples of our energy management initiatives are discussed below.

BENCHMARKING ENERGY USE

We have developed a proprietary sustainability benchmarking tool for enclosed centers that will allow us to better compare those properties with the goal of improving the shopping center's overall energy use. This benchmarking tool aggregates the center's physical property and energy data and allows the property's energy consumption to be compared using an "apples to apples" approach, normalizing for certain factors such as weather and tenant mix. The energy benchmark offers an easy 1-100 score, a reference point for all enclosed shopping centers. The results are summarized in the form of a detailed energy scorecard and are leveraged internally for decision making.

LED UPDATES

Simon has upgraded conventional lighting such as fluorescent and metal halide to energy efficient LED lighting at over 178 properties over the last few years. As part of our capital update projects alone, in the previous years, we have invested over \$57 million and have achieved 9.5 million kWh electric savings. Additionally, LED updates are regularly assessed and implemented as part of redevelopment work.

LEVERAGING THE INTERNET OF THINGS

We are investing in intelligent energy pilots of sensor-enabled LEDs in partnership with industry-leading companies such as GE and Acuity. Simon will further explore opportunities to install smart networks and sensors to optimize LED lighting for both indoors and out. To date, we have 74 centers in which we have introduced lighting control technologies and continue to maximize the value these control systems create.

ENERGY EFFICIENCY

Simon continuously assesses our portfolio to upgrade to more efficient equipment, such as Central Plant, Energy Management Systems, and HVAC replacements. Energy audits and retro-commissioning are the foundation of our energy efficiency programs. We completed several ASHRAE Level II and energy audits and 29 centers participated in demand response programs in 2017.

OVERVIEW OF SIMON'S ENERGY MANAGEMENT



REDUCE ENERGY CONSUMPTION

GENERATE ELECTRICITY ON SITE

REDUCE AND/OR SHIFT PEAK LOAD

CONTINUOUS MONITORING

As our results demonstrate, we have successfully developed strategies and processes that have enabled us to implement specific action plans to reduce energy consumption and costs across our properties, allowing us to maximize returns for our shareholders and reduce the company's environmental impact.

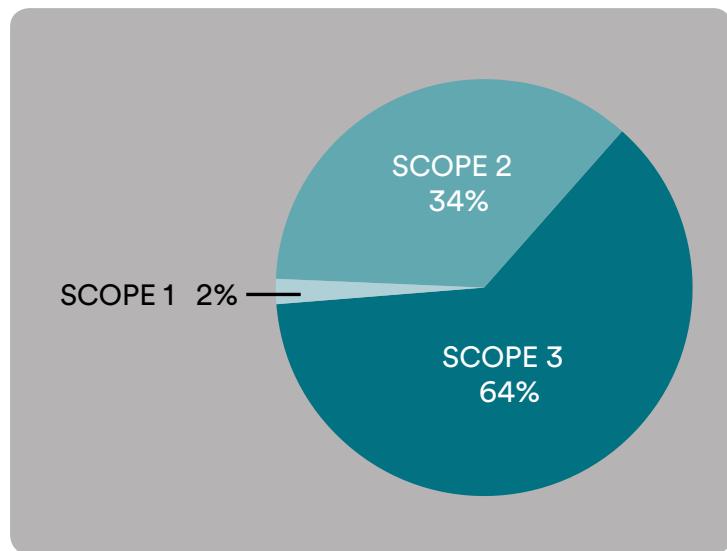
ON-SITE SOLAR AND BATTERY STORAGE

As part of our energy management strategy, we have increased investments in onsite renewable energy in 2017. This program enables us to reduce operational costs as well as scope 2 GHG emissions. We are working on installing over 3MW solar photovoltaic arrays at three regional malls and three Premium Outlets sites in the New York/New Jersey area. The sites are slated to go live in 2019. These installations will complement Simon's existing solar energy project at The Shops at Mission Viejo (Los Angeles), Jersey Shore Premium Outlets® (New York), and St. Louis Premium Outlets® in Missouri.

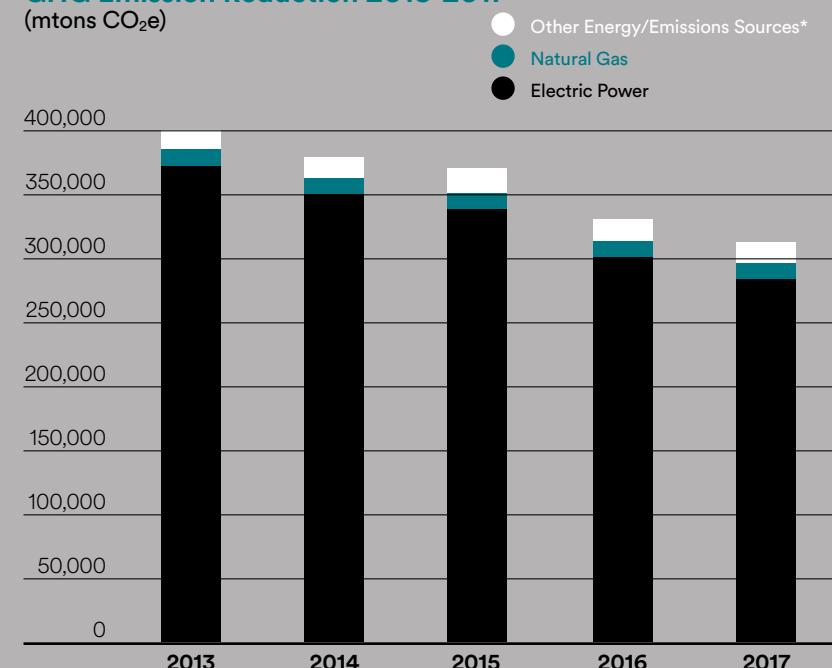
Additionally we are scaling battery storage at select sites in California. At Brea Mall®, two Tesla Powerpack systems with a combined 750 kW/1.5 MWh capacity were installed two years ago. In 2019, battery storage systems at Ontario Mills® and Del Amo Fashion Center® will be operational. Ontario Mills will have one indoor and one outdoor battery storage system. Stem, Inc. will install 351 kW/570 kWh Tesla and Panasonic batteries. Advanced Microgrid Solutions (AMS), will install a 500 kW/3,000 kWh Tesla battery outside at Del Amo Fashion Center.

GREENHOUSE GAS (GHG) EMISSIONS BY SCOPE

- Scope 1: All direct GHG emissions
- Scope 2: Indirect GHG emissions from consumption of purchased electricity, heat, or steam
- Scope 3: Other indirect emissions, such as tenant energy use where applicable, transport-related activities in vehicles not owned or controlled by Simon, waste disposal, Simon employee commuting, and Simon business travel

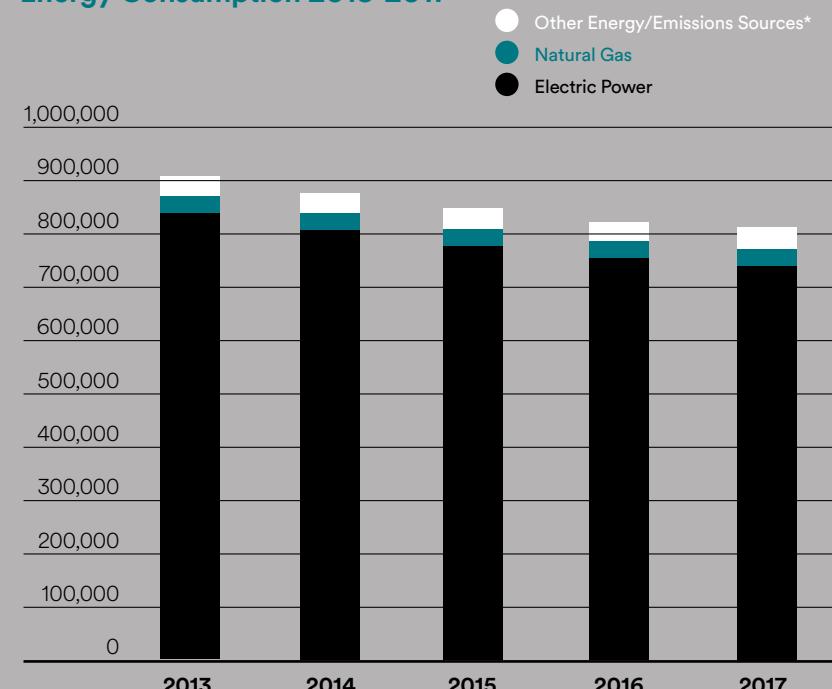


GHG Emission Reduction 2013-2017



21% Reduction in scope 1 and scope 2 emissions from 2013- 2017.

Energy Consumption 2013-2017



11% Reduction in energy use from 2013- 2017.

* Other Energy/Emissions Sources includes chilled water, diesel, ethanol blends, gasoline petrol, refrigerants, and propane.

As Simon's portfolio footprint changes, we ensure that Simon's disclosure of emissions is consistent and relevant. We have established accounting rules that help account for these emissions over time, based on the WRI's GHG Protocol. According to this Protocol, certain structural changes can trigger a recalculations of Simon's emissions to the baseline. More details are included in the Methodology section of this report.

**EXPANDING ELECTRIC VEHICLE (EV)
CHARGING STATION INFRASTRUCTURE**

Simon was one of the first retail property owners in the U.S. to offer electric vehicle charging stations to customers. The company's broad geographical presence provides a unique opportunity to contribute to the development of a national infrastructure for EV charging stations. Utilizing strategic alliances with the major players in the EV industry such as Electrify America, EVgo, ChargePoint, and Tesla, Simon has installed 523 EV charging stations across 108 properties over the last six years with the highest concentration of stations in the state of California, followed by New Jersey, Georgia, Massachusetts, Florida, Indiana, Texas, and Virginia.

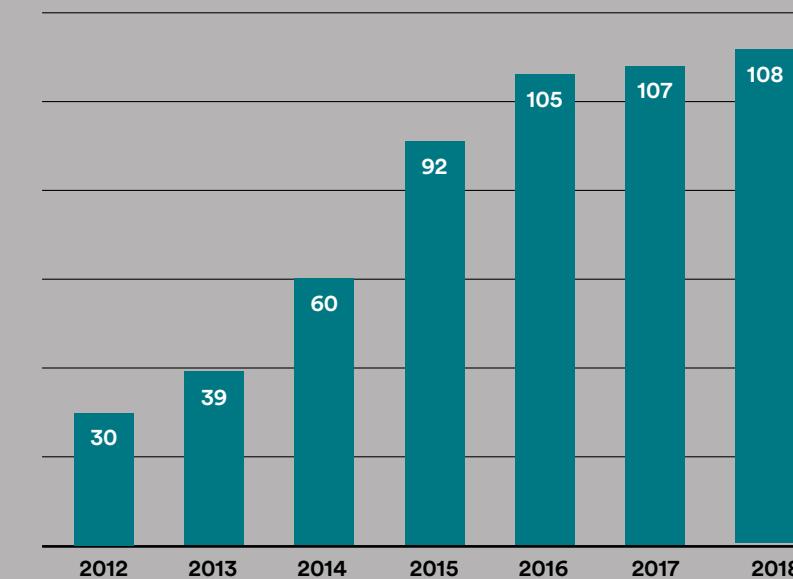
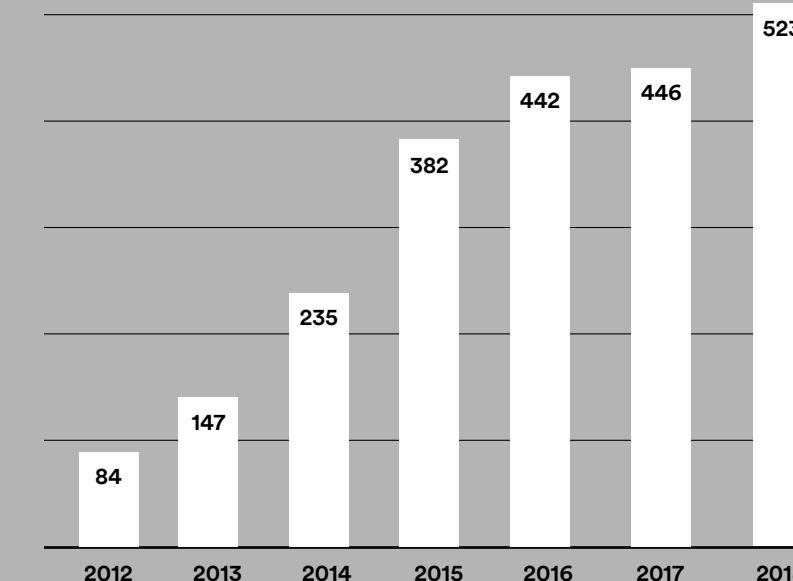
In the past year, Simon has been working to upgrade EV charging stations to stay abreast of the most current technology. We will continue to work with providers to expand charging station infrastructure to additional properties throughout the U.S.

523

EV charging stations
installed across

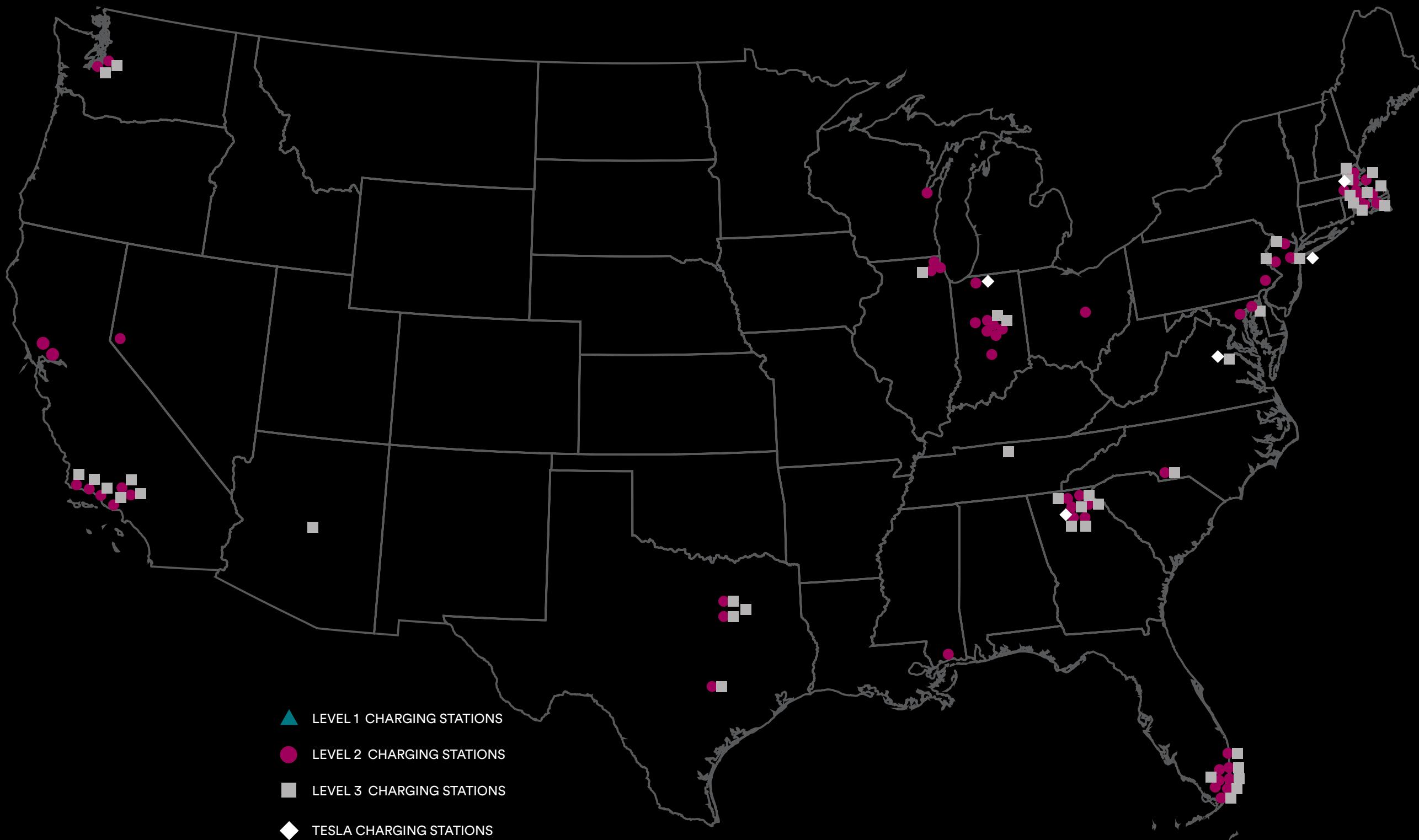
108

properties


**Number of Simon Properties with
EV Charging Stations**

**Number of EV Charging Stations
at Simon Properties**


OVERVIEW OF ELECTRIC VEHICLE CHARGING INFRASTRUCTURE

PROPERTIES | CUSTOMERS | COMMUNITIES | EMPLOYEES



WATER

Water consumption reduction continues to be a focus for Simon in 2017. Simon strives for responsible water management and we employ leading practices to manage our water footprint. This includes understanding available water sources and water use, monitoring water data, identifying efficiency measures to reduce consumption, as well as assessing methods for water reuse across the portfolio. The challenge is finding cost-effective technologies that can reduce water use, meet our investment criteria—and be scalable across the company's portfolio.

To understand the impact of water on our business we conduct water risk assessments that assist us in analyzing potential water risks at Simon properties from a variety of perspectives, including physical risks, regulatory, and reputational risks. We conducted this assessment using World Resource Institute's Aqueduct mapping tool. Select areas of opportunity for water conservation and efficiency that we continuously evaluate are listed below.

LANDSCAPING

We investigate methods to irrigate our landscape using efficient technologies and practices that will reduce our overall water consumption, such as planting native flora that has adapted to the local ecosystem, eliminate irrigation through xeriscaping, and installing local drip-irrigation systems and efficient sprinkler heads. We have piloted smart irrigation control systems that are customized to the mall's landscape type, soil, and weather conditions. As an example, at Stanford Shopping Center in

Palo Alto, California, through the installation of smart irrigation systems we have been able to save over 2.8 million gallons of water annually.

RESTROOM RENOVATIONS

We are installing low-flow fixtures, aerators, and automatic shut offs, low-flow toilets, and waterless urinals within the common area restrooms. As part of the renovations completed by the Property Management teams alone, since 2013 we have updated water equipment in 65 restrooms.

COOLING TOWERS AND IDENTIFYING WATER LEAKS

The water use in cooling towers can account for up to half of a building's total water usage. We continuously assess ways to manage our shopping centers' cooling tower water consumption, including reducing cooling loads and improving system control, optimizing cycles of concentration, and minimizing bleed volume and drift, as well as providing best-practice guidelines to our local operations team. We have piloted leak detection systems at our properties with the objective of saving millions of gallons of water as well as reducing operating costs.

WATER USE IN TENANT SPACE

Metrics

Total water usage	2015 m³	2016 m³	2017 m³
Municipal water	13,438,430	12,863,232	13,169,096

WASTE

Simon aims to reduce waste generated through construction and operations of our shopping malls wherever possible through practices that increase recycling. We want to reduce our environmental footprint and lower waste handling costs. The key areas of opportunity for improved waste handling and increased recycling that we continuously evaluate are listed below.

RECYCLING

Simon has cardboard recycling programs in place at all properties. In addition to cardboard recycling, on an ongoing basis, we assess the financial and operational feasibility of use of single-stream recycling. By offering single-stream recycling, higher recycling rates are typically achieved because less waste separation is required from retailers. Currently 68 centers have single-stream recycling onsite. We have rolled out plastic film recycling programs at about ten centers across the portfolio. Additionally, throughout the year our local teams host recycling events at our centers.

DIVERTING FOOD WASTE FROM LANDFILL

At select Simon centers, including properties in California and Massachusetts, we have launched programs that divert pre-consumer food waste from landfills. Having the right equipment, tenant education, and participation are essential elements that determine the success of these programs. We work on improving these elements on an ongoing basis.

CONSTRUCTION WASTE PROGRAMS

Simon encourages general contractors to implement job site recycling programs with a goal of diverting the project's waste from landfills. Some examples of recent expansions and renovations where over 70% recycling rates have been achieved include Del Amo Fashion Center in Torrance, California; King of Prussia in King of Prussia, Pennsylvania; and The Galleria in Houston, Texas.

TENANT EDUCATION PROGRAM

Simon has rolled out Simon's tenant education program. This program includes providing tenants with information that outlines the availability of recycling programs at centers, the use of improved signage at centers, and regularly communicating with tenants to remind and reinforce the proper implementation of recycling programs.

Metrics

Weight of waste by disposal method	2015	2016	2017
Waste Type	U.S. Tons	U.S. Tons	U.S. Tons
Landfill	273,360	291,211	285,001
Recycling	140,838	98,648	114,300

SUSTAINABILITY FOCUS AREAS

CUSTOMERS



ENGAGING WITH OUR SHOPPERS

At Simon, we are laser focused on continually enhancing the customer experience. Virtually every decision we make reinforces this commitment. We're reinvesting billions of dollars in our centers, transforming them into premier community gathering spaces that encourage shoppers to linger and spend the day in an inviting, engaging retail environment. Innovative customer services and amenities continue to be a priority.

Each engagement is an opportunity to better serve our shoppers, creating the kind of exceptional, elevated experience that builds loyalty and drives return visits.

We're also investing in the future innovation of retail technology that makes shopping easier and more convenient.

Highlights include:

- More robust omni-channel marketing and sales capabilities
- Customer service chat bots
- Traffic measurement
- Enhanced WiFi and data capabilities
- Mall-wide product search
- Interactive digital directories
- Upgraded mall mapping/routing
- Best-in-class digital communication
- Various parking amenities including valet and reservations
- Simon Quickeats dining amenity
- Disney Jr. branded play areas
- EV Charging Stations
- Support for movie times, trailers and tickets
- Rolled out the What's New Now program to 80+ centers

SIMON LOYALTY PROGRAMS

Simon continues to enhance its loyalty programs across platforms with both Simon Insider and the Simon Premium Outlets VIP Shopper Club. Twenty properties participate in Simon Insider and all Simon Premium Outlets offer the VIP Shopper Club program. Simon Insider is designed to reward shoppers for all of their purchases in our properties. Simon Insider members register their existing credit cards and earn Insider Cash for purchases made at participating properties which in turn can be redeemed for cash-back offers provided by retailers.

The Simon Premium Outlets VIP Shopper Club provides customers with numerous benefits, including the highly sought after Savings Passport featuring the latest retailer offers.



NOTABLE NEW BRANDS

We're committed to delivering the best mix of new retail uses to our consumers, including destination experience tenants, new and emerging brands, service uses, local and national dining options, entertainment, and more.

The Edit at Roosevelt Field is one example of our commitment to delivering new retail experiences to our customers and retailers. The Edit is a scalable retail platform for both budding and established brands to pilot new products, new dimensions and new territory. Design-centric, experience driven and completely transitional, The Edit at Roosevelt Field is the place to discover new.

In Fall 2018, 'Launchpad at Simon' debuted at select Simon centers across the country. This exciting new concept is a scalable retail platform for both emerging and established brands to pilot new products and expedite the hottest new trends at Simon's highly productive shopping centers.

SHOPPERS HAVE THE ABILITY TO SHOP FOR "ANYTHING, ANYWHERE, ANYTIME" BUT WHAT DOES THIS MEAN FOR OUR ENVIRONMENT?

The retail landscape is evolving. Shoppers have more choices to purchase a wider variety of products in different ways. While the retailers work hard to deliver convenience to shoppers, consumer shopping behaviors do have environmental and socioeconomic impacts. What does that look like?

At Simon, we took the challenge of determining whether online or mall shopping was more sustainable by setting up a data-driven methodology to understand the sustainability impacts of both channels.

1

To understand the environmental impacts we used a "cradle to grave" Lifecycle Analysis (LCA).

A lifecycle analysis examines inputs/outputs of all material, energy, and the associated environmental impacts attributable to a product or service in its lifecycle.

2

We looked at a typical basket of customer purchases.

The typical shopping basket is comprised of a combination of four retail products' journeys from its manufacturing to its end of life when shopped via mall or online.

3

What is the metric that is most applicable to the environment?

We used Green House Gas (GHG) emissions as the environmental measure because they are the cause of climate change. Our research and experience determined that the main contributors that affect the level of GHG emissions in either shopping experience include transportation fuels, building energy usage, and packaging differences.

4

So what's the big picture outcome? Simply put, online shopping has a 7% larger environmental impact than mall shopping.

- If you consider all of the people that come to a mall each year and they were to purchase a combination of four products, it results in an average of 14.3 million products bought every year from an average mall. The results of the LCA analysis show that if you buy the same number of products in the shopping mall and online store in a year, online shopping has a 7% larger environmental impact than mall shopping. This impact difference is the same as 6.2 million miles driven by an average car or replacing 68,000 incandescent bulbs with CFLs.

- Also, the study tells us a lot about how specific customer behaviors impact the environment.



Curious to learn more? Read the full study at simon.com/sustainability.

ENGAGING WITH TENANTS ON SUSTAINABILITY TOPICS

When we think about our sustainability strategy, we look at what takes place not only within our common areas but also throughout the mall. This broad view is important because the majority of our environmental impacts—as well as our biggest opportunities—occur in operations we do not directly control but can influence. Balancing areas of operational control and influence shapes the ways we can address change in our centers. As part of our sustainability work, we have partnered with select retailers to collaborate and assess opportunities to assist them in achieving their corporate sustainability objectives. We continue to work with tenants on a variety of sustainability topics such as increasing energy efficiency or recycling with select retailers on an ongoing basis.



SIMON'S INDUSTRY LEADING SAFETY AND SECURITY PROGRAM

The mission of the Simon security program is to differentiate Simon shopping venues from all others by creating a safe and secure shopping environment that is attractive to not only shoppers, but also current and prospective tenants. Forward-thinking leadership implemented the Signature Simon Security Customer Experience Program which put into practice a high quality customer service method for security personnel and standardized the phrase—"It's a pleasure to serve you"—stated at the conclusion of all interactions. Simon's best-in-class security strategies have received Safety Act Certification from the Department of Homeland Security (DHS). Response to critical incidents is governed by the Simon Comprehensive Emergency Management Plan (CEMP) which has received DHS certification as National Incident Management System (NIMS) compliant. ALL Simon centers are certified as "Storm Ready" by the US Department of Commerce and National Weather Service. Training side-by-side with first responders at venues such as the Federal Law Enforcement Training Centers in Glynco, Georgia

and Charleston, South Carolina has bolstered Simon's private-public partnership with federal, state, and local law enforcement entities. The Simon Operational Intelligence Center provides a centralized approach allowing for continuity of operations, enhanced situational awareness, while providing professional customer service through standardized training and work-flow management.

With the CEMP, Simon is the only real estate company that has a National Incident Management System compliant plan certified by the Department of Homeland Security.



SUSTAINABILITY FOCUS AREAS

COMMUNITIES

COMMUNITY ENGAGEMENT MEANS CREATING POSITIVE SOCIAL AND ECONOMIC IMPACTS WHERE WE OPERATE

We understand that engaging with our communities is essential to our business success. We are committed to being a responsible corporate citizen, building strong communities through promoting development activities and social initiatives.

In 2018 Simon conducted research titled “The Impact of Brick and Mortar Shopping” to measure the true impact of brick and mortar shopping in communities. The results of this study provides Simon a baseline from which to measure future progress and help shape our sustainability strategy towards best serving our retailers and customers.

The findings of the report highlight the scale of the impact that retail destinations continue to have on local communities:

- The development, construction, and operation of shopping centers support local and national economies through job creation, small and local business development, and trigger other investments that contribute to the community's local economic development.
- Brick and mortar shopping is not just about consumers purchasing goods and services; shopping malls also contribute to improvements in quality of life and the communities' wellbeing, for example our properties work with community members to provide fundraising relating to youth education and development.
- Shopping malls generate carbon emissions, send waste to landfills, and consume water throughout daily operations, but present many opportunities to reduce environmental impact.
- Shopping centers create new destinations for consumers to shop, dine, entertain, and have in-person connections and experiences with friends, family, and community members in the ever-growing age of digitalization.

“The development, construction, and operation of shopping centers support local and national economies through job creation, small and local business development, and other investments that contribute to economic development. Brick and mortar shopping enhances the quality of life and wellbeing of communities in numerous ways, including the support of vital local interests such as education, public safety, and infrastructure. Additionally, in the ever-growing age of digitalization, shopping centers create gathering spaces for visitors to shop, dine, socialize, and share in-person experiences with family, friends, and other members of their local communities.”

David Simon
Chairman and Chief Executive Officer

EXAMPLES OF SIMON'S POSITIVE IMPACT IN COMMUNITIES ACROSS THE U.S.

- 5,000 Simon jobs - that's \$372 million in wages.¹
- 311,870 retail jobs across Simon centers, representing over \$5.9 billion in annual wages.²
- \$5 billion in combined property tax payments from Simon and sales tax generated from its tenants' sales, delivering significant revenue for state and local governments.
- 100% of Simon shopping malls participate in local community activities and, on average, each of Simon's 203 properties is actively engaged with four community organizations.
- \$6,213,025 raised for charity in 2017 from 353 public fundraising events held at Simon properties and attended by 186,740 people. This is in addition to the more than \$1 million in total Simon charitable contributions.



¹Total jobs includes both direct employment (Simon employees at either corporate or field-based locations).

²\$12/h wage at 40h weeks and 10-month full employment annually.

- Simon's \$5 billion investment in redeveloping its properties over the last five years continues to provide a significant jobs boost to the local economies of the communities it serves.
- More than 30 million visitors enjoyed dedicated play spaces within our shopping malls.
- Our properties send 16% less waste to landfill than the broader industry.
- 100% of our properties have received national 'StormReady' designation by the National Weather Service. StormReady indicates that our properties can act as a safe space during severe weather conditions. Simon is the first REIT to have achieved such status across all its locations.

SIMON SHOPPING CENTERS SUPPORT OUR COMMUNITIES

Shopping centers create new destinations for consumers to shop, dine, entertain, and have in-person connections and experiences with friends, family, and community members in the ever-growing age of digitalization.

2,827,295 square feet of Simon-financed common area property was utilized for community purposes (e.g., areas for fundraising activities, etc.).

Contained within these community-specific spaces are 128,000 square feet of dedicated play spaces that hosted over 30 million visitors throughout the course of the year. The importance of play for a child's healthy development is well understood and accepted, but public areas for recreation are not always available or accessible. Our shopping malls provide free and accessible environments for play both outdoors and indoors.

—1,849,862 total mall walkers across all U.S.-based Simon properties in 2017—shopping and exercise, together!

—100% of Simon properties have received "StormReady" designation, providing safe spaces and shelters during severe weather.

StormReady is a national, voluntary community preparedness program that supports commercial gathering sites in preparing for severe storms. With guidance provided from the local National Weather Service Office, state and local emergency managers,

and the media, the program provides communities with the communication and safety skills needed to save lives and property. Designation means the property has demonstrated readiness for all types of severe weather. We are proud that all of our properties are StormReady, and that we are the first REIT to have achieved such status.

—63 disaster relief events, such as food drives, were held at Simon properties in 2017. Beyond offering shopping, entertainment, and dining options, our properties have uniquely served as a gathering place and collection point.

FUNDRAISING SUPPORT

Simon shopping malls fulfill a community need by providing the space and support required for charitable fundraising. We meet those needs through a variety of ways, but most notably through national and local community partnerships and fundraising events held at our properties.



**MALLS ARE NOT JUST A PLACE TO SHOP—
FOR THE LAST 19 YEARS, THOUSANDS OF
STUDENTS HAVE FOUND HOPE HERE, TOO**

Malls are the heart of communities—for nearly 20 years they have also helped thousands of students reach graduation day. In 1998, Simon employees founded Simon Youth Foundation (SYF) as a way to give back to the community. SYF started a nationwide community scholarship program to help graduating seniors pursue post-secondary education, and partnered with local public school districts to meet students at risk of dropping out where they were—in the instead of in school—by creating nontraditional high schools called Simon Youth Academies inside Simon Malls. Students come to Simon Youth Academies for different reasons

that prevent them from succeeding in a traditional high school. As teenagers, many are the economic engine for their entire family; others suffer from trauma and mental health issues; some face chronic illness. Yet these students graduate from Simon Youth Academies at a 90 percent rate—nearly 10 percent above the national average. To date, SYF has launched 35 Simon Youth Academies in 15 states, helping more than 17,000 students earn their high school diplomas. SYF has also awarded more than \$17 million in scholarships to graduating seniors in every community home to a Simon mall. Since 1998, Simon and its employees have invested more than \$30 million to support SYF's mission of helping students reach graduation day.



Since 1998, SYF has awarded almost
\$17 MILLION
in scholarships to
nearly 5,000 students



Read our student stories@
syf.org/blog

\$30 MILLION
total Simon investment to advance
the mission of SYF since 1998



SUSTAINABILITY FOCUS AREAS

EMPLOYEES

PROPERTIES | CUSTOMERS | COMMUNITIES | EMPLOYEES

OUR APPROACH

Simon is a company that values diversity, inclusion, and achievement. Our employees are the driving force of our success and their commitment, creativity, and ability to deliver consistently outstanding results are what keeps Simon ahead of the competition and at the top of our industry year after year. To ensure we continue to attract, develop, and retain our brightest talent across the organization, we maintain focus on the following key priorities:

— Effective Talent Management

Our talent acquisition practices enable us to attract top candidates everywhere we do business. We also offer a variety of ongoing talent programs that foster continual development, high performance, and overall organizational effectiveness.

— Total Rewards

Our compensation and benefit programs reward employees for their value-added service while at the same time supporting Simon's long-term business goals with high levels of quality and compliance.

— Positive Culture and Engagement

Our culture supports a collaborative, results-oriented environment that recognizes excellence at every level. We strive to create an atmosphere for employees that emphasizes productivity, job satisfaction, and general well being.



DEVELOPING SIMON'S FUTURE LEADERS

We understand that the best professionals actively seek opportunities to grow where they work and we take tremendous pride in offering our employees the chance to realize their full career potential at Simon. To help develop the next generation of Simon leaders, we maintain a series of leadership development programs, which include:

— The Advanced Leadership Program (ALP)

Designed for high-potential corporate managers, Simon's Advanced Leadership Program is an intensive learning experience that broadens the strategic thinking and leadership skills of Simon's future senior leaders, preparing them to assume roles of increased influence and responsibility. This learning program focuses on providing the practical skills needed to become a successful leader of a business function, inspiring exceptional employee performance at every level.

— The Advanced Management Program (AMP)

Designed for high-potential field managers, Simon's Advanced Management Program is an experiential learning journey tailored to help elite leaders work more effectively across boundaries and think more broadly about their business in order to lead teams at a regional level. Participants learn how to balance tactical concerns with strategic priorities, acquiring critical decision-making skills with an enterprise-wide perspective.

— The Emerging Leaders Program (ELP)

Designed for team members who aspire to potentially assume a leadership role, Simon's Emerging Leaders Program equips our high-potential non-supervisory employees with the foundational skills needed to make the transition from being a strong individual performer to becoming an effective leader of people. This cohort learning program focuses on personal skill assessment, targeted leadership development, and the acquisition of industry-specific business acumen.

— Mall Management Training Program (MMT)

Our Mall Management Training Program is an accelerated leadership training program with a direct path to Property Management. Participants learn all aspects of running a successful shopping center, which includes operations, guest relations, marketing, leasing, and security. Additionally, participants are taught the leadership and management skills that will help them build a high-performing team. Upon successful completion of the program, participants are transitioned to run their own successful Simon property.

— General Development and On Demand Learning

We believe in empowering employees to take control of their own individual development. To support ongoing professional growth in a variety of skills and competencies, employees are given access to Simon's Online Learning Center as well as the opportunity to attend live, instructor-led training sessions offered throughout the year.

"The Advanced Management Program was a fantastic opportunity to help further develop my leadership skills. The program provided the tools needed to continue developing current and new skill sets that I can apply daily in my current role. I enjoyed the opportunity to meet and network with other participants from different platforms or even in different roles within the company. I am thankful to have had the opportunity to be part of this program and be part of a company that is investing in my continued development."

Kristen DeFamin

General Manager
Wrentham Village Premium Outlets



"The Emerging Leaders Program was a valuable experience that helped to strengthen the leadership foundation that I was building and has enabled me to develop into a higher-level performer within the company. It has been extremely rewarding to implement the personal development plan that I drafted in the program into a new way of leading within my role at Simon. The lessons I've learned during ELP are truly ones that I will be utilizing for the rest of my career. I'm thankful to work for a company that takes the time to invest in its employees."

Amy Selteneright
Manager, Lease Services

DIVERSITY AT SIMON

At Simon we are committed to building a diverse workforce and promoting a culture of inclusiveness. We believe that a diversity of background, experience, and thinking among our employees contributes to our ability to create value for our shareholders, our clients, and the consumers and communities we serve through our retail real estate properties. More gender diversity across the organization promotes increased productivity, greater innovation, better services, better decision making, and higher employee retention and satisfaction. Creating a more inclusive culture and building an environment where women can thrive in leadership roles at Simon is foundational to its success.

Metrics

Total Number of Employees			
	FEMALE	MALE	TOTAL
Corporate Office	689	612	1,301
Field Employees	1,630	1,735	3,365
Total Employees (Full and part time)			4,666

Tenure Distribution		
TENURE DISTRIBUTION	TOTAL FULL TIME EMPLOYEES	% DISTRIBUTION
< 5 Years	1,490	46%
5-10 Years	956	21%
10-15 Years	396	13%
15-20 Years	331	8%
20+ Years	319	11%
Total	3,038	100%

Total Workforce		
	FEMALE	MALE
Manager	447	526
Non-Manager	1,872	1,821
Grand Total	2,319	2,347
		4,666

Data as of December 31, 2017

PROMOTING FLEXIBILITY AND VOLUNTEERISM AT SIMON

Improving the overall workplace experience for employees helps promote a healthy work-life balance for employees at Simon. Flexible work hours, the ability to work remotely, prioritizing a healthy culture, competitive compensation, comfortable office conditions, opportunities for professional and personal growth, wellness benefits, and opportunities for social connections promotes a flexible work environment that appeals across generations of workers.

Companies that create opportunities for employees to engage in positive and meaningful activities inside and outside the office enjoy increased morale, commitment, and performance. Led by a dedicated committee of Simon employees and leaders, the Simon Employee Association (SEA) is an employee-focused program that creates a variety of opportunities and experiences that increase employee engagement and help make Simon a rewarding place to work. Simon also supports activities that enhance, benefit and serve the communities in which we live and work; this aligns with our core values of responsible citizenship.

Corporate and field employees volunteer and participate in a variety of programs and events throughout the year, which typically include but are not limited to:

- Local and national volunteer and philanthropic service and fundraising opportunities
- Community engagement opportunities
- Lunch and learn seminars
- Company picnics and special events
- Employee mix and mingle events
- Corporate challenges and internal Simon sports leagues

LOOKING FORWARD

“Sustainability starts with passionate employees. We are proud of our Simon employees at our 200+ shopping centers and corporate offices that ultimately execute the initiatives that make our properties better on a daily basis.”

Mona Benisi
Vice President of Corporate Sustainability
Simon Property Group
Named Person of the Year by Environmental Leader in 2018

**KEY FOCUS AREAS FOR 2018 INCLUDE:**

- Further foster sustainability thinking and concepts in key redevelopments and new developments in the U.S., as well as in our international projects
- Refresh our sustainability strategy and objectives
- Further evaluate scaling the use of renewable energy at our properties

ANNEX

THIS REPORT

Simon's Sustainability Report 2018 provides updates on the company's ongoing sustainability efforts and achievements. This report includes information from Simon properties in the U.S. which include Malls, Simon Premium Outlets[®] and The Mills[®].

The information disclosed in this report is based on data for the year ending December 31, 2017. The scope of this report is focused on properties directly managed and owned by Simon in the U.S. This report contains Standard Disclosures from the Global Reporting Initiative (GRI) Guidelines and has been prepared in accordance with GRI version G4 core reporting requirements. The GRI content Index is available at the end of this report.

For additional sustainability information, please visit our website at simon.com/sustainability.

Questions can be directed to sustainability@simon.com.

ASSURANCE STATEMENT

Verification of Simon Property Group's 2017 Greenhouse Gas Emissions

In 2016, Lucideon CICS engaged with Simon Property Group to perform an independent, third party limited assurance of Simon Property Group's greenhouse gas (GHG) assertion for calendar year 2017.

Lucideon performed several tasks to provide the limited assurance of the GHG assertion for calendar year 2016 pursuant to the ISO 14064-3 verification standard. These tasks included evaluation of conflict of interest to ensure the risk of verifier bias was low, reviewing scope of verification and boundaries, developing a verification plan pursuant to ISO 14064-3, developing a sampling plan pursuant to ISO 14064-3 and testing of reported data and calculations against underlying data pursuant to the verification and sampling plan.

Lucideon developed the verification and sampling plans based on a risk evaluation of the GHG data per source type considering inherent risks, control risks, and detection risks, such that the plan was designed to minimize the risk of failing to detect material errors. A five percent materiality threshold was established and met.

A positive verification opinion was provided to Simon Property Group.

Andrew Shepherd
Lead Verifier

LUCIDEON
insight creating advantage

METHODOLOGY

Energy

Simon's GHG inventory is consistent with the principles and guidance of the World Resources Institute (WRI) and the World Business Council for Sustainable Development's (WBCSD) Greenhouse Gas Protocol Initiative (GHG Protocol) for corporate GHG accounting and reporting.

Simon defines its organizational boundary conditions consistent with the GHG Protocol according to the "control approach". This means the scope of Simon's organizational boundaries includes locations in the company's ownership or under its control where Simon has responsibility for GHG emissions from these locations. The "control approach" is the most appropriate organizational boundary for Simon because it reflects where Simon can influence decisions that impact GHG emissions. Facilities included in Simon's boundary include retail properties and office buildings.

Simon has established GHG and energy goals that the company tracks over time. As Simon's portfolio changes, the company strives to ensure that disclosure of emissions are both consistent and relevant and therefore, have established accounting rules that help account for changes in emissions over time. As noted in the GHG Protocol, certain structural changes can trigger a recalculation of emissions. These structural changes include the buying and selling of sites within our portfolio and are defined below:

- Acquisition: If Simon were to buy a facility, we estimate consumption back to Simon's baseline in order to maintain consistency over time.
- Divestiture: If Simon were to sell one of their facilities, we would remove consumption information back to Simon's baseline.
- Includes adjustments for both sites that Simon sells and buys to ensure that Simon isn't falsely accounting for energy or emissions reductions that were a result of selling facilities or seeing an increase in emissions due to buying additional facilities.

Emission Factors

All methodologies are based on guidance from the GHG Protocol. Emission factors are from governmental and non-governmental organizations' sources including the U.S. Environmental Protection Agency (EPA), Climate Registry, International Energy Agency (IEA), Department for Environment Food and Rural Affairs (DEFRA), Climate Leaders, and U.S. Energy Information Administration (EIA).

Water

The company's compilation of water data is consistent with the way inventory for energy and GHG emissions are compiled, whereas Simon defines its organizational boundary conditions with the GHG protocol according to the operational control approach. Therefore, the same boundary has been utilized for water data.

The only limitation in the data collection process is related to purchases made directly by the tenant as this information is currently not available for reporting purposes.

Waste

Simon's waste reporting is limited to properties that are only within Simon's operational control, similar to how energy and GHG data are compiled. 15% of our properties were unable to provide solid waste information and 16% of properties were not able to provide recycling data.

Simon's historical recycling figures have changed year over year. This is due to additional data validation and quality assurance checks that have been established as part of Simon's waste and recycling data collection process. As we've received clarity from sites on information that was historically provided, we've worked to update the data to reflect the most current and accurate information. Simon will continue to establish processes and engage stakeholders to increase the comprehensiveness of the waste data.

GLOBAL REPORTING INITIATIVE

CONTENT INDEX

GENERAL STANDARD DISCLOSURE

GLOBAL REPORTING INITIATIVE

CONTENT INDEX

STRATEGY AND ANALYSIS		REFERENCE
G4-1	CEO statement	<i>A Word from Our CEO</i>
G4-2	Description of key impacts, risks, and opportunities	<i>A Word from Our CEO</i>
CRE	Description of approach to the construction of new assets versus retrofits, upgrades, and refurbishments, and the effect this has on impacts, risks, and opportunities	CDP Report 2018
ORGANIZATIONAL PROFILE		REFERENCE
G4-3	Name of the organization	<i>This is Simon</i>
G4-4	Primary brands, products, and services	<i>This is Simon</i>
G4-5	Location of organization's headquarters	<i>This is Simon</i>
G4-6	Number and name of countries where the organization operates	<i>This is Simon</i>
G4-7	Nature of ownership and legal form	<i>This is Simon</i>
G4-8	Nature of markets served	<i>This is Simon</i>
G4-9	Scale of the reporting organization (employees, operations, net sales, capitalization, quantity of products/services)	Simon Annual Report 2017
CRE	Gross lettable area for assets under construction and management and vacancy rate	Occupancy for the U.S. Malls and Premium Outlets at 95.6% as of December 31, 2017. The Mills occupancy ended the year at 98.4%

Under reference, italic print refers to sections within this Report.

ORGANIZATIONAL PROFILE		REFERENCE	COMMITMENTS TO EXTERNAL INITIATIVES	REFERENCE
G4-10	<p>Company info</p> <ul style="list-style-type: none"> • Total number of employees by employment contract and gender • Total number of permanent employees by employment type and gender • Total workforce by employees and supervised workers and by gender • Report the total workforce by region and gender • Report whether a substantial portion of the organization's work is performed by workers who are legally recognized as self-employed, or by individuals other than employees or supervised workers, including employees and supervised employees of contractors • Report any significant variations in employment numbers 	<p><i>Employees</i></p> <p>On December 31, 2017, Simon and its affiliates employed approximately 5,000 persons at various properties and offices throughout the United States, of which about 1,700 were part-time.</p> <p>Approximately 1,100 of these employees were located at our corporate headquarters in Indianapolis, Indiana.</p> <p>No significant variations in employment numbers have occurred.</p>	G4-14	<p>Report how the precautionary approach or principle is addressed by the organization</p>
CRE	Supervised workers include contractors and sub-contractors delivering projects and building services. Report the total workforce by other diversity groups, and contract type	Simon uses a large number of vendors and contractors. A full list of them is beyond the scope of this report.	G4-15	<p>List externally developed economic, environmental and social charters, principles, or other initiatives to which the organization subscribes or which it endorses</p>
G4-11	% of total employees covered by collective bargaining agreements	Simon employees are not unionized. Therefore, no collective bargaining agreements are in place.		<ul style="list-style-type: none"> • Business Round Table (BRT): Simon is a member of BRT and has made public presentations on various sustainability topics such as the benefits of PACE. • Real Estate Round Table (RER): As a member of RER, Simon is leading the discussion in proposing changes to the CBECS process to help ensure a more robust data collection effort. Simon supported efforts to make Section 179D of the Internal Revenue Code tax incentive usable for a broader range of real estate owners and other stakeholders. • International Council of Shopping Centers: Michael McCarty, EVP Development Operations is on the Board of Trustees and Directors. • Member of National Association of Real Estate Investment Trusts (NAREIT) and Sustainability Policy Advisory Committee of the Real Estate Round Table.
G4-12	Describe the organization's supply chain	<p>Simon's purchasing falls into several categories including janitorial, office, materials, repairs, and operations, construction, energy, utilities, and other areas.</p> <p>Simon has over 3,000 suppliers we do business with annually from local to national companies.</p>	G4-16	<p>List memberships of associations (such as industry associations) and national or international advocacy organizations in which the organization:</p> <ul style="list-style-type: none"> • Holds a position on the governance body • Participates in projects or committees • Provides substantive funding beyond routine membership dues • Views membership as strategic
G4-13	Significant changes from the previous report regarding size, structure, ownership, or supply chain	No significant changes during reporting period.		

IDENTIFIED MATERIAL ASPECTS AND BOUNDARIES		REFERENCE
G4-17	All entities included in the organization's consolidated financial statements and if any of these are not covered in the report	Simon defines its organizational boundary conditions consistent with the Greenhouse Gas Protocol, according to the control approach which means the scope of Simon's organizational boundaries includes locations in the company's ownership or under its control. This is the most appropriate organizational boundary for Simon because it reflects where Simon can influence decisions that impact the company's sustainability performance. More under <i>Methodology</i> .
G4-18	Process for defining report content and aspect boundaries	<i>Sustainability Collaboration/ Materiality Assessment</i>
G4-19	List all material aspects identified in the process for defining report content	<i>Sustainability Collaboration/ Materiality Assessment</i>
G4-20	For each material aspect report the boundary within the organization	<i>Sustainability Collaboration/ Materiality Assessment</i>
G4-21	For each material aspect, report the aspect boundary of the report outside the organization	<i>Sustainability Collaboration/ Materiality Assessment</i>
G4-22	Report the effect of any restatements of information provided in previous reports, and the reasons for such restatements	N/A
G4-23	Report significant changes from the previous reporting periods in the scope and aspect boundaries	N/A
STAKEHOLDER ENGAGEMENT		REFERENCE
G4-24	Provide a list of stakeholder groups engaged by the organization	<i>Sustainability Collaboration/ Materiality Assessment</i>
CRE	Identify and report those stakeholder groups that are engaged at the organizational level and those that are engaged in a project or asset level	<i>Sustainability Collaboration/ Materiality Assessment</i>
G4-25	Basis for identification and selection of stakeholders with whom to engage	<i>Sustainability Collaboration/ Materiality Assessment</i>
G4-26	Report the organization's approach to stakeholder engagement, including frequency of engagement by type and by stakeholder group, and an indication of whether any of the engagement was undertaken specifically as part of the report preparation process	<i>Sustainability Collaboration/ Materiality Assessment</i>
G4-27	Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting stakeholder groups that raised each of the key topics and concerns	<i>Sustainability Collaboration/ Materiality Assessment</i> <i>Sustainability Objectives</i>

REPORT PROFILE		REFERENCE
G4-28	Reporting period	<i>This Report</i>
G4-29	Date of most recent previous report	Simon Sustainability Report 2017 available at simon.com/sustainability .
G4-30	Reporting cycle	Biennial
G4-31	Contact point for questions regarding the report or its contents	<i>This Report</i>
G4-32	Report the 'in accordance' option the organization has chosen, the GRI Content Index for the chosen option and report the reference to the External Assurance Report, if the report has been externally assured	<i>This Report</i>
G4-33	Policy and current practice with regard to seeking external assurance for the report	Lucideon CICS Inc. engaged with Simon to perform an independent, third party limited assurance of Simon's greenhouse gas assertion for the calendar year 2017.
GOVERNANCE		REFERENCE
G4-34	Governance structure of the organization, including committees under the highest governance body responsible for specific tasks, such as setting strategy or organizational oversight (Identify any committees responsible for decision making on economic, environmental and social impacts)	<i>Sustainability Management</i> Simon Annual Report 2017
G4-35	Process for delegating authority for economic, environmental and social topics from the highest governance body to senior executives and other employees	<i>Sustainability Management</i>
G4-36	Reporting cycle	<i>Sustainability Management</i>
G4-37	Contact point for questions regarding the report or its contents	<i>Sustainability Management</i> Questions can be directed to sustainability@simon.com .
G4-38	The composition of the highest governance body and its committees by: (e.g. executive or non-executive/independence/tenure on the governance body number of individual's other significant positions and commitments, and the nature of the commitments/gender/membership of under-represented social groups/competencies relating to economic, environmental and social impacts/stakeholder representation)	Simon Annual Report 2017
G4-39	Indicate whether the chair of the highest governance body is also an executive officer (and, if so, his or her function within the organization's management and the reasons for this arrangement)	Simon Annual Report 2017

ETHICS AND INTEGRITY		REFERENCE
G4-56	Describe the organization's values, principles, standards, and norms of behavior such as codes of conduct and codes of ethics	Simon company website for Simon core values: careers.simon.com/corevalues Simon's Code of Business Conduct & Ethics guidelines lay out the ethical principles and policies created to deal with issues such as bribery, investments, political contributions, equal employment opportunity, confidentiality, and proprietary information. Simon is committed to being a responsible and law-abiding corporate citizen and all employees are to abide by these principles.
G4-57	Report the internal and external mechanisms for seeking advice on ethical and lawful behavior, and matters related to organizational integrity	Code of conduct training is completed by all employees. Managers are encouraged to discuss ethics and integrity topics with employees on a regular basis.
G4-58	Report the internal and external mechanisms for reporting concerns about unethical or unlawful behavior, and matters related to organizational integrity, such as escalation through line management, whistleblowing mechanisms or hotlines	Simon's Code of Business Conduct & Ethics guidelines describes the means and methods by which employees are expected to report potential violations. These include reporting to employees' immediate supervisors, or reporting anonymously through a twenty-four-hour, year-round fraud hotline.

SPECIFIC STANDARD DISCLOSURE

Economic		REFERENCE	UNIT OF MEASUREMENT
GRI INDICATOR		DESCRIPTION	
G4-EC1		Direct economic value generated and distributed	Simon Annual Report 2017
G4-EC2		Financial implications and other risks and opportunities for the organization's activities due to climate change	Simon CDP Report 2018
Environment		REFERENCE	UNIT OF MEASUREMENT
Energy		REFERENCE	UNIT OF MEASUREMENT
G4-DMA		Disclosure on management approach	<i>Energy</i>
EN 3 ENERGY CONSUMPTION WITHIN THE ORGANIZATION		REFERENCE	UNIT OF MEASUREMENT
A		Total fuel consumption from non-renewable sources (includes diesel, gasoline, natural gas, and propane)	291,999 GJ
B		Total fuel consumption from renewable fuel sources (includes ethanol blends such as E10 and E85)	4,558 GJ
C		Breakdown of total consumption Electricity consumption Cooling consumption	2,421,023 GJ 165,790 GJ
D		Energy sold	N/A
E		Total energy consumption	2,883,370 GJ
F		Standards, methodologies, and assumptions used	<i>Methodology</i>
G		Source of the conversion factors used	<i>Methodology</i>
EN 4 ENERGY CONSUMPTION OUTSIDE OF THE ORGANIZATION		REFERENCE	UNIT OF MEASUREMENT
A		Energy consumed outside of the organization (Excludes fuels from employee commuting. Available for downstream leased assets and rental vehicles)	3,559,759 GJ
B		Standards, methodologies, and assumptions used	<i>Methodology</i>
C		Source of the conversion factors used	<i>Methodology</i>

Environment			
Energy			
GRI INDICATOR	DESCRIPTION	REFERENCE	UNIT OF MEASUREMENT
EN 5 ENERGY INTENSITY			
A	Energy intensity rates	0.0767	GJ/ft ²
B	Organization-specific metric/ratio denominator chosen to calculate ratio	ft ²	
C	Types of energy included in the intensity ratio (such as fuel, electricity, heating, cooling, steam, or all)	All	
D	Report whether the ratio uses energy consumed within the organization, outside of it or both	Both	
EN 6 REDUCTION OF ENERGY CONSUMPTION			
A	Amount of reduction in energy consumption achieved	-31,085	MWh
B	Types of energy included in the reductions	Electricity	
C	Basis for calculating reductions in energy consumption	This includes year-over-year reductions based on specific efficiency initiatives performed by Simon.	
D	Standards, methodologies, and assumptions used	Excludes portfolio-wide organic growth.	
CRE 1 BUILDING ENERGY INTENSITY			
A	Building energy intensity	0.0768 Square footage includes all square footage within operational control for common areas as well as where Simon provides cooling or plug load energy to tenants. The tenant square footage is calculated in a way so that square footage is not duplicated for areas where Simon provides both cooling and plug load energy to tenants.	GJ/ft ²

Environment			
Water			
GRI INDICATOR	DESCRIPTION	REFERENCE	UNIT OF MEASUREMENT
G4- DMA	Disclosure of management approach	Water	
EN 8 TOTAL WATER WITHDRAWAL BY SOURCE			
A	Total volume of water withdrawn from the following sources Surface water (e.g., wetlands, rivers, lakes, oceans), ground water, rainwater, wastewater from another organization	N/A	
B	Municipal water	13,169,096	m ³
EN 9 WATER SOURCES SIGNIFICANTLY AFFECTED BY WITHDRAWAL OF WATER			
A	<ul style="list-style-type: none"> • Total number of water sources significantly affected by withdrawal by type • Size of water source and whether or not the source is designated as a protected area (nationally or internationally) • Biodiversity value and value or importance of water source to local communities and indigenous people 	The regulatory process requires Simon to grant permission from government authorities to extract water from water bodies. The authorities determine the level of significance based on each development application. If water source is deemed to be significantly affected then developments are unlikely to gain approval.	
B	Standards, methodologies, and assumptions used	Methodology	
EN 10 PERCENTAGE & TOTAL VOLUME OF WATER RECYCLED AND REUSED			
A	Total volume of water recycled and reused by the organization	During construction, water is captured and reused on site; however, this is managed by the civil contractor. Simon does not have control or visibility into the percentage of total volume reused.	
B	Total volume of water recycled and reused as a percentage of the total water withdrawal reported under indicator G4-EN8	During operation, Simon sometimes collects water for reuse in watering public open spaces; however, we do not record the total volume captured.	
C	Standards, methodologies and assumptions used	While we continue to explore the potential of connecting to a sewage recycling facility to provide recycled water to certain projects, we do not have control or visibility of the total volume recycled/reused once plumbing is in place.	
CRE 2 BUILDING WATER INTENSITY			
A	Building water intensity	0.2451 Square footage includes all square footage within operational control for common areas as well as where Simon provides cooling or plug load energy to tenants. The tenant square footage is calculated in a way so that square footage is not duplicated for areas where Simon provides both cooling and plug load energy to tenants.	m ³ /ft ²

Environment			
Greenhouse Gas (GHG) Emissions			
GRI INDICATOR	DESCRIPTION	REFERENCE	UNIT OF MEASUREMENT
G4- DMA	Disclosure of management approach	<i>Energy</i>	
EN 15 DIRECT GHG EMISSIONS (SCOPE 1)			
A	Direct GHG Emissions (Scope 1)	19,262	Metric tons CO ₂ -e
B	Gases included in the calculation	For mobile fuels: CO ₂ ; For all stationary fuels: CO ₂ , CH ₄ , N ₂ O	
C	Biogenic CO ₂ emissions in metric tons of CO ₂ equivalent separately from the gross direct GHG emissions	21	Metric tons CO ₂ -e
D	Base year	2013 - Emissions in base year: 23,165	
E	Standards, methodologies, and assumptions used	<i>Methodology</i>	
F	Source of the emission factors and global warming potentials (GWP) rates used	<i>Methodology</i>	
G	Consolidation approach for emissions	Operational control	
EN 16 ENERGY INDIRECT GHG EMISSIONS (SCOPE 2)			
A	Energy indirect GHG Emissions (Scope 2) Independent of any GHG trades, such as purchases, sales, or transfers of offsets/allowances	291,245	Metric tons CO ₂ -e
B	Gases included in the calculation	CO ₂ , CH ₄ , N ₂ O	
C	Base year	2013 - Emissions in base year: 368,729	
D	Standards, methodologies, and assumptions used	<i>Methodology</i>	
E	Source of emission factors and global warming potential (GWP) rate used	<i>Methodology</i>	
F	Consolidation approach for emissions	Operational control	

EN 17 OTHER INDIRECT GHG EMISSIONS (SCOPE 3)			
A	Other Indirect (Scope 3) GHG emissions Excluding indirect emissions from the generation of purchased or acquired electricity, heating, cooling, and steam consumed by the organization	673,951	Metric tons CO ₂ -e
B	Gases included in the calculation	CO ₂ , CH ₄ , N ₂ O - less mobile fuels and emissions from waste (CO ₂ only)	
C	Biogenic CO ₂ emissions in metric tons of CO ₂ equivalent separately from the gross indirect GHG emissions	1.99	Metric tons CO ₂ -e
D	Base year	2013 - Emissions in base year: 557,542	
E	Standards, methodologies, and assumptions used	<i>Methodology</i>	
F	Source of the emission factors and the global warming potential (GWP) rates used	<i>Methodology</i>	
EN 18 GHG EMISSION INTENSITY FROM BUILDINGS			
A	GHG emission intensity ratio	0.0058	Metric tons CO ₂ -e/ft ²
B	Organization-specific metric/ratio denominator chosen to calculate the ratio	ft ²	
C	Types of GHG emissions included in the intensity ratio	Scope 1 and Scope 2	
D	Gases included in the calculation	Material gases - CO ₂ , CH ₄ , N ₂ O	
EN 19 REDUCTION OF GREENHOUSE GAS (GHG) EMISSION			
A	Amount of GHG emissions reductions achieved as a direct result of initiatives to reduce emissions	14,161	Metric tons CO ₂ -e
B	Gases included in the calculation	Material gases - CO ₂ , CH ₄ , N ₂ O	
C	Base year	2013	
D	Standards, methodologies, and assumptions used	Excludes solid waste, refrigerants, and downstream leased assets ("Additional Sources") including organic growth.	
E	Types of GHG emissions included	Scope 2	

Environment			
Waste			
GRI INDICATOR	DESCRIPTION	REFERENCE	UNIT OF MEASUREMENT
G4- DMA	Disclosure of Management Approach	Waste	
EN 23 TOTAL WEIGHT OF WASTE BY TYPE & DISPOSAL METHOD			
A	Total weight of hazardous and non-hazardous waste, by the following disposal methods		
Reuse:		N/A	
Recycling:		114,300	U.S. tons
Deep well injection:		N/A	
Landfill:		285,001	U.S. tons
On-site storage:		N/A	
Other:		N/A	
B	Report on how the waste disposal method has been determined Disposed of directly by the organization or otherwise directly confirmed Information provided by the waste disposal contractor Organizational defaults of the waste disposal contractor	Waste survey conducted No Yes No	
C	Standards, methodologies, and assumptions used	Methodology	

Social			
Local Communities			
GRI INDICATOR	DESCRIPTION		
G4- DMA	Disclosure on Management Approach	Communities	
G4-SO1	Percentage of operations with implemented local community engagement, impact assessments, and development programs	100%. All Simon properties have specific community involvement plans. Environmental impact assessments for all projects are undertaken to gain development approval.	
G4-SO2	Operations with significant actual or potential negative impacts on local communities	No Simon operation has been identified to have posed a significant actual or potential negative impact on local communities. Potential negative impacts are typically identified in the planning and approval phase and tackled in accordance to local laws and regulations.	
CRE7	Number of persons voluntarily and involuntarily displaced or resettled by development, broken down by project	Simon's developments have not required the displacement or resettlement of people.	
Employment			
G4- DMA	Disclosure on Management Approach	Employees	
G4-LA1	Total number and rates of new employee hires and employee turnover by age group, gender, and region	Employees	
G4-LA2	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by significant locations of operation	Simon's part-time employees are covered by the same benefit policies as full-time employees. Temporary employees are not covered by these policies but receive remuneration and entitlements as specified in their individual employment contracts.	



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Simon is a global leader in retail real estate ownership, management and development and an S&P 100 company (Simon Property Group, NYSE:SPG).