

SIMON SUSTAINABILITY REPORT 2014

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ABOUT THIS REPORT

For more than ten years, we have implemented sustainability objectives across our property portfolio which has resulted in global recognition of our efforts. Simon has consistently disclosed data around its sustainability efforts to the CDP and Global Real Estate Sustainability Benchmark. However, this is our first comprehensive sustainability report. We highlight Simon's ongoing sustainability initiatives and discuss the company's key achievements to date in the areas of environmental and social sustainability. Moving forward we intend to issue comprehensive annual reports on Simon's sustainability initiatives and progress. We expect to issue our full report on calendar year 2014 results in the spring of 2015.

Choice of content areas

Simon's reporting priorities were determined based on the relevance and significance of the environmental and social issues to Simon's business operations, stakeholders, and vision for a sustainable future. This report contains Standard Disclosures from the GRI (Global Reporting Initiative) Sustainability Reporting Guidelines.

Reporting Period and Scope

This report includes information from our properties in the U.S. which include Malls, Simon Premium Outlets®, and The Mills®. The data covers calendar year 2013. We will continue to expand the sustainability content featured on Simon.com and encourage readers to visit our website to receive additional information on our sustainability projects.

Questions?

For more information about our sustainability activities and the content of this report, please contact us at: sustainability@simon.com

LETTER FROM DAVID SIMON

I am pleased that Simon has demonstrated leadership in sustainability for over ten years by implementing a range of programs across our company in areas such as development, operations, and tenant engagement. We have consistently tracked greenhouse gas emissions and climate change data since 2003, demonstrating significant year-over-year improvements. Now we are issuing our first sustainability report that details our sustainability achievements.

Energy consumption is the most significant component of our carbon footprint and, consequently, energy management has and will continue to be a priority area of our sustainability strategy. This strategic focus on reducing our energy use has resulted in a significant decrease in our carbon emissions. Our focus on energy reduction has also significantly decreased our operating costs, which has positively impacted our ability to create outstanding long-term shareholder value.

Simon has been globally recognized for our energy efficiency programs and transparency in disclosure practices. In 2014, the company was named to the CDP Global 500 Climate Disclosure Leadership Index for the sixth time and was also included in the Climate Performance Leadership Index. Additionally, the Global Real Estate Sustainability Benchmark recognized Simon with its highest designation, awarding us with a Green Star rating.

In 2014, we further developed our sustainability governance structure. We established Simon's Sustainability Executive Committee representing a multi-functional team of executives. This committee is supported by our newly appointed Director of Sustainability, who is responsible for developing our company's sustainability strategy. Sustainability programs and initiatives will continue to be implemented at the property level by our Property Management teams.

We recognize that engaging in practices that sustain our business provides important economic and environmental benefits and meet the expectations of our stakeholders. We will continue to focus on improving our overall sustainability performance across our property portfolio. In our future sustainability reporting, we will continue to communicate the actions we are taking to build a sustainable future for all of our stakeholders.



David Simon

Chairman of the Board and Chief Executive Officer
December 2014

SIMON AT A GLANCE

Company Highlights*

- Global leader in retail real estate ownership, management, and development.
- Only retail real estate company in the S&P 100.
- Largest real estate investment trust in the world by equity market capitalization. Total market capitalization of \$87 billion and an equity market capitalization of \$60 billion.
- Generates annual retail sales of more than \$60 billion in our U.S. portfolio alone.
- Named Fortune's Most Admired Real Estate Company five times.
- Headquartered in Indianapolis, Indiana, with approximately 5,700 employees at various properties and offices throughout the United States.
- High-quality portfolio encompassing the entire retail spectrum – Malls, Simon Premium Outlets,[®] and The Mills.[®]

U.S. Properties

- Malls: 112 properties comprising 124 million square feet.
- Simon Premium Outlets: 68 properties comprising 29 million square feet.
- The Mills: 13 properties comprising 20 million square feet.

U.S. Operational Statistics

	OCCUPANCY	TOTAL SALES PER SQ/FT
Malls & Simon Premium Outlets	96.9%	\$613
The Mills	98.2%	\$534

International Portfolio

- Includes 15 properties operating in Canada, Japan, Korea, Malaysia, and Mexico through our Simon Premium Outlets Platform.
- Comprises ownership interests in five Designer Outlet properties in Europe through our joint venture with McArthurGlen.
- 29 percent ownership interest in Klépierre, a public real estate company based in Paris with shopping centers in 13 European countries.

* Information recorded as of 9/30/2014.



SIMON'S SUSTAINABILITY HIGHLIGHTS

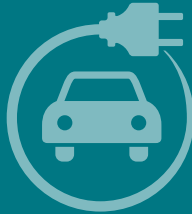


Established sustainability governance:
New Director of Sustainability hired and
Sustainability Executive Committee launched



Achieved
~30% reduction in
energy consumption
(2003-2013)

Installed 175 electric vehicle
charging stations at 60
properties (2011-2014)



Simon Youth Foundation graduated
more than 12,000 students from its
22 Simon Youth Academies (1998-2014)

SUSTAINABILITY RECOGNITION

Simon has consistently earned recognition for our sustainability performance as highlighted below:

CDP



- Received 98 points and recognized as a leader among S&P 500 companies in 2014.
- Awarded position on the *A List: The CDP Climate Performance Index 2014*. This list represents 187 listed companies globally identified as demonstrating a superior approach to climate change mitigation.
- Included on *Climate Performance Leadership Index* ranking in the highest level, *Band A* in 2014.
- Sixth year Simon has been listed on *CDP's Climate Disclosure Leadership Index*.

CDP (formerly known as the Carbon Disclosure Project) is a nonprofit organization that provides the largest collection globally of self-reported climate change data and works with 767 institutional investors holding US\$92 trillion in assets to help reveal the risk in their investment portfolios.

Global Real Estate Sustainability Benchmark (GRESB)



- Received *Green Star* rating, the highest designation awarded by GRESB in 2014.
- Recognized as the *North American Sector Leader in Retail* by GRESB for four consecutive years 2010-2013.

GRESB is an industry-driven organization committed to assessing the sustainability performance of real estate portfolios around the globe. The benchmark is used by institutional investors with the aim to improve the sustainability performance of their investment portfolio.

National Association of Real Estate Investment Trusts (NAREIT)



- Received *NAREIT Leader in the Light Award* eight times in the time period of 2002-2012.

NAREIT is the worldwide voice for REITs and publicly traded real estate companies with an interest in U.S. real estate and capital markets. The *Leader in the Light Award* recognizes member companies that have demonstrated superior energy practices and is watched closely by many of the world's largest institutional investors.

SIMON'S APPROACH TO SUSTAINABILITY

For more than 10 years, we have recognized that our environmental and social objectives enhance the creation of long-term shareholder value and the company's financial performance. For these reasons, we will remain committed to implementing sustainability initiatives across our portfolio of properties.



For Simon, sustainability is a business approach that embraces opportunities and maximizes our performance in three key areas:

- **Economic**
Our properties are used productively and continue to promote business longevity.
- **Environment**
Our actions improve the environmental impacts of our properties and will serve to enhance the environment.
- **Social**
Our community interactions will facilitate an improved quality of life.

SIMON'S SUSTAINABILITY PRIORITIES

Simon incorporates sustainable thinking into all areas of the business. From how we plan, develop and operate our properties, do business with our customers, engage with our communities, and create a productive and positive work environment for our employees.

PROPERTIES

Reduce our environmental footprint by continuously improving our operations and further incorporating sustainability methods into our business practices.



EMPLOYEES

Leverage diverse employee skill sets and capabilities to support Simon's sustainability objectives.



CUSTOMERS

Engage tenants and shoppers to facilitate sustainability efforts through a steady cadence of communication and programs.



COMMUNITIES

Contribute to the social, environmental, and economic well-being of the communities.



PROPERTIES

Our properties are the heart of our business. We consider sustainability aspects across the entire lifecycle of our property portfolio. From property planning and development to operations, and improvements to our properties, Simon strives toward excellence. To achieve this target, we define and implement innovative business measures as part of our sustainability strategy.

Taking into consideration the environmental footprint of our properties, we have primarily focused our efforts on energy conservation and efficiency, as well as waste and water management. We are also enhancing sustainable transportation practices such as promoting the use of electric vehicles. Here are a few examples of sustainable practices implemented within our properties:

ENERGY MANAGEMENT

Simon continuously seeks opportunities to develop, implement, and invest in sustainable practices that further our competitive advantage by minimizing operating costs, maximizing returns, and improving development and operating standards. Reducing our energy consumption is one such opportunity.

Our dedicated Energy Services team manages our energy assets and pursues new solutions for energy efficiency. Key examples of our energy improvement initiatives include:

Technology Upgrades

Simon has reduced its electricity consumption by approximately 30 percent since 2003 via best practices and select capital investments, such as LED lighting technology, Central Plant HVAC replacements, and Energy Management Systems.

LED

Simon recognizes that lighting within our centers is energy-intensive, which is why we have turned to LED lighting technologies. This technology delivers major energy savings and provides excellent illumination with a working life of up to 25 times longer than incandescent lights. Our goal is to continuously reduce our electricity usage at our properties. To achieve this goal, we have made significant investments and built strategic partnerships with leading, global lighting manufacturers to find the best lighting solutions for each property.

OVERVIEW	2013	2014
LED fixtures replaced	3,028	34,485
kWh Savings	1,234,031	13,726,944*

* Estimated

Central Plant HVAC Replacements

Outdated equipment is a significant driver of energy consumption. Simon has focused considerable resources and efforts to improve the energy efficiency and cost effectiveness of HVAC systems and chiller equipment at our properties. We have formed strategic relationships with leading global HVAC manufacturers to find the best systems for our properties. In 2013, Simon replaced equipment at selected properties with upgraded systems through which we have reduced our energy consumption at these properties by approximately 25 to 38 percent. We intend to continue to upgrade our HVAC systems and chiller equipment in the upcoming years.

Energy Management Systems (EMS)

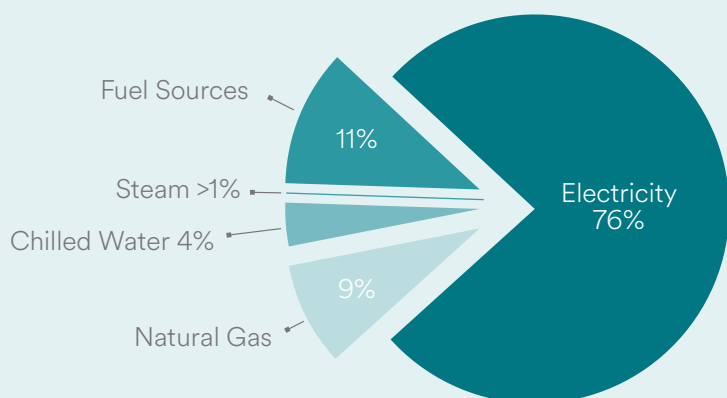
Simon monitors its properties for operational efficiency specifically to save energy while also maintaining a comfortable shopping experience for our customers. We will continue upgrading our EMS systems to include web-enabled monitoring for advanced analytics capabilities.

Demand Response Systems

We have reduced our energy consumption at peak times by implementing demand response systems at approximately 30 properties across 12 states. Simon has been proactively managing and shifting its energy consumption outside of high demand periods since 2009. This has helped us achieve significant savings in operating costs.

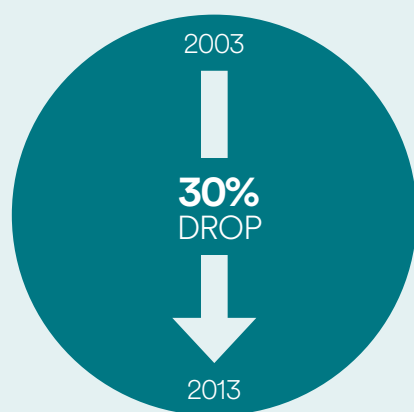
SIMON'S 2013 ENERGY AND GREENHOUSE GAS EMISSIONS

ENERGY CONSUMPTION BY SOURCE OF ENERGY



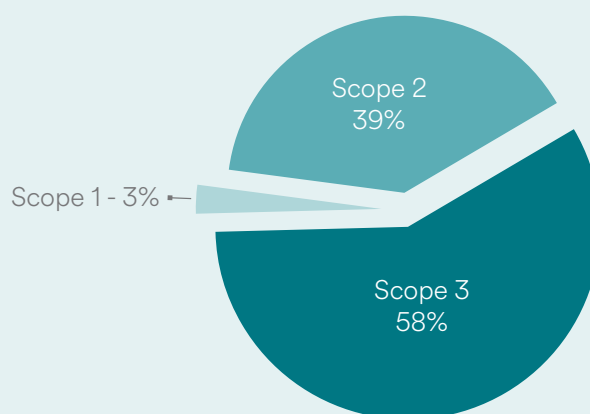
REDUCTION OF ENERGY CONSUMPTION

Electricity is the major source of energy consumption at Simon. Since 2003, Simon has achieved ~30 percent reduction in electricity consumption.



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 transport-related activities in vehicles not owned or controlled by the reporting entity, waste disposal, employee commuting, and business travel.



For more indicators on energy, GHG emissions, and information on methodologies used refer to Appendix I.

Investing in Renewable Energy

Simon's investments in renewable energy help reduce our operational costs and slow the depletion of natural resources. Below are some examples of our investments in renewable energy:

Solar Installations

- The Shops at Mission Viejo in Mission Viejo, California:

We added a 20,000 square foot rooftop solar installation to The Shops at Mission Viejo to create a 173kW solar facility. The output will be enough to cover up to 16 percent of the common area energy requirements.

- Jersey Shore Premium Outlets® in Tinton Falls, New Jersey:

We installed more than 1,300 solar panels at Jersey Shore Premium Outlets. The 335kW system will generate enough energy to power approximately 30 homes for a full year.

- St. Louis Premium Outlets® in Chesterfield, Missouri:

We completed the installation of a 50kW solar array, which is expected to produce over 30,000kW hours of clean power annually. The project will offset the production of approximately 60 barrels of oil annually.



Emerging Technologies

Simon embraces new technologies to source opportunities for energy efficiency, asset improvement, and cost reduction. Through Simon Venture Group – our corporate venture capital arm – we invest in companies and technologies that will increase our energy efficiency as well as other technologies that will enhance our customers' shopping experience.

RENOVATIONS FOR SUSTAINABLE DEVELOPMENT AT DEL AMO FASHION CENTER®

Simon constantly seeks to incorporate sustainable practices into our day-to-day operations and the structure of our shopping centers. For instance, we have implemented a significant redevelopment project at Del Amo Fashion Center in Torrance, California. Through current renovations, we are making use of materials salvaged from the structure's old foundations, and we are installing advanced energy-saving lighting. Additionally, a living green wall has been planted in the center's Patio Café area, and we have installed a high-efficiency HVAC system to optimize energy usage.

"At Del Amo Fashion Center, we understand how important it is to our shoppers to do business with companies that are demonstrating their environmental awareness. Our goal is to take the lead in going green as we progress toward transforming the center." said Lindsay Hermance, Director of Marketing at Del Amo Fashion Center.



WATER MANAGEMENT

Water plays a significant role in Simon's business operations and the health of the communities in which we operate. We employ water management systems to identify opportunities to reduce water consumption and manage the quality of our water.

Key examples of our water management initiatives include:

Reducing Water Consumption and Increasing Recycling

Simon is continuously pursuing innovative ways to conserve water, and we have identified a series of opportunities to reduce our consumption. First, we seek to replace older fixtures within our properties to higher efficiency equipment during renovations, which also reduces operational costs. For instance, we renovated 15 restrooms in 2013 and six in 2014, adding low-flow toilets and sinks that can realize on average a 30 percent reduction in water consumption.

We are taking a proactive approach to identifying water leaks. Also, we are investigating methods to efficiently irrigate our landscape using practices and technologies that will reduce our overall water consumption, such as planting native flora that have adapted to the local ecosystem, installing local drip-irrigation systems, upgrading to more efficient sprinkler heads, and capturing storm water for reuse. Additionally, we are analyzing certain areas in our properties where we could eliminate irrigation completely through xeriscaping.

Water Risk Assessment

In 2014, Simon conducted a water risk assessment to analyze potential water risks at properties from a variety of perspectives including physical risks, quantity and quality of available water, as well as regulatory and reputational risks. We analyzed selected centers using World Resource Institutes's water risk mapping tool Aqueduct. The results of the analysis indicated that the impact that water could have on our overall organization is relatively low, in comparison to other sectors that are more water-intensive. As responsible stewards of the environment, we will continue to track and manage our water usage to mitigate potential risks.

WATER MANAGEMENT AT MAPLEWOOD MALL®

At Maplewood Mall in St. Paul, Minnesota, we partnered with the government and environmental authorities on a water management project testing new technologies and designs to reduce and filter storm water runoff from the 35-acre property. The project included replacing concrete parking islands with 55 rain gardens, using porous pavement materials, planting 375 trees, and installing a cistern and irrigation trenches. The project received the Grand Award from the American Council of Engineering Companies as well as the Project of the Year Award from the Minnesota Association of Watershed Districts.



WASTE MANAGEMENT

We are continuously looking for opportunities to increase recycling and minimize waste. This approach will enable us to strengthen our relationships with our tenants and the communities in which we operate.

Simon's strategy seeks to transform and influence waste further up the waste management hierarchy. This approach emphasizes managing waste in a responsible and eco-friendly manner while also focusing on resource conservation.

The vast majority of the waste disposed at our properties is generated by our tenants. As such, as a landlord, we may not always have the direct ability to require waste reduction and recycling from our tenants; however, we provide our tenants with the necessary means and infrastructure to recycle waste generated within their leased space and we encourage their participation to recycle when possible.

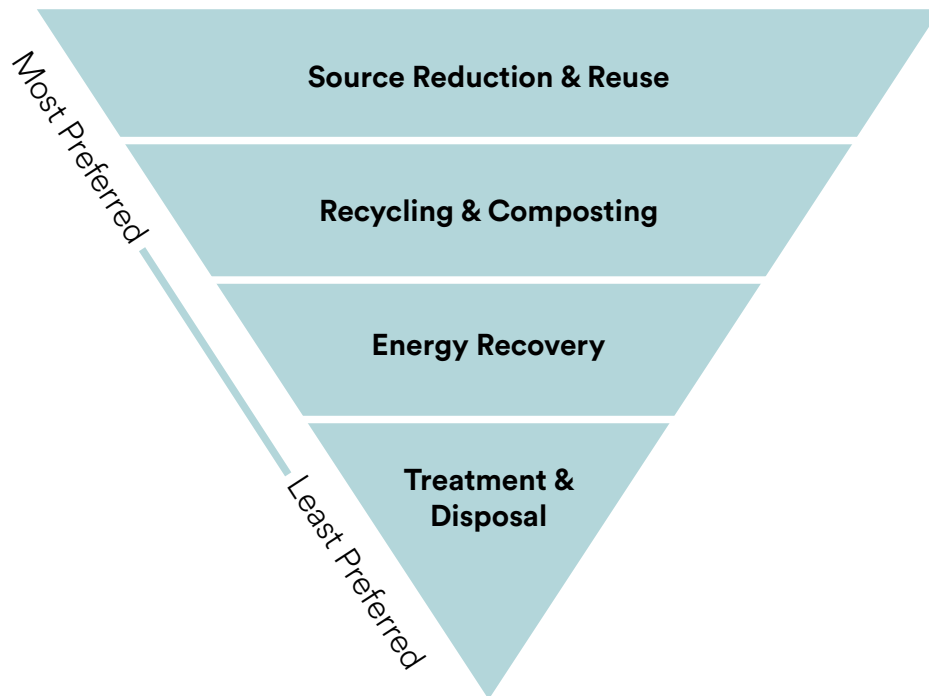
Examples of our waste reduction initiatives include:

Recycling Programs

All Simon properties have recycling programs in place. In 2013, more than 34,000 tons of cardboard were recycled and diverted from landfills or incineration. This is equivalent to conserving 306,000 cubic yards of landfill space or approximately 3.5 Olympic sized swimming pools.

Moving forward, Simon's waste management strategy seeks to expand our recycling efforts to capture additional recyclable waste streams.

Waste Management Hierarchy



Food Diversion Programs

Simon recognizes the need to address food waste at our properties. The dining pavilions located at our mall properties serve a large number of people annually and generate a significant amount of food waste. If placed into landfills, the organic waste will produce methane, which is a GHG with 21 times the global warming potential of carbon dioxide.

To combat this challenge, Simon's short-term goal seeks to expand our food diversion initiatives. We are currently using several food waste diversion tactics at a select number of centers, each of which are analyzed for key learnings to potentially scale to more properties.

For instance, both South Shore Plaza® in Braintree, Massachusetts and Emerald Square in North Attleborough, Massachusetts have full composting programs that divert approximately one ton of food waste weekly. The Shops at Mission Viejo in Mission Viejo, California launched a similar program in the fall of 2014. As we continue to identify opportunities to expand the scope and gain efficiencies within these programs, we expect to increase food diversion rates in the near future.

Construction and Demolition Waste Programs

Waste from construction and demolition projects contributes a large portion to our waste stream. Fortunately, the majority of this waste is recyclable. Simon has embraced this opportunity to reduce our waste generation from construction and demolition. We have recently initiated a corporate construction and demolition waste program. Our vision is to provide a sustainable approach for managing the construction and demolition portion of our waste stream and to reduce waste-to-landfill, where feasible.

MALL RESTAURANTS PARTICIPATE IN FOOD RECYCLING PROGRAM AT THE SHOPS AT MISSION VIEJO

The Shops at Mission Viejo, in Mission Viejo, California has rolled out a restaurant food waste recycling program, working with the city and Waste Management.

Leftovers from food prep and guest plates is collected by Waste Management, transported to its Orange Recycling Facility, and converted into engineered bio slurry. The slurry is then trucked to the Los Angeles County Sanitation Districts Joint Water Pollution Control Plant in Carson, where it is used to create electricity to power the facilities.

So far, The Cheesecake Factory, Charlie's Grilled Subs, SmashBurger, Blaze Pizza, Ruby's, Muscle Beach Hotdogs and Lemonade, Paradise Bakery, and Jamba Juice have joined the program at The Shops at Mission Viejo. The recycling program could collect more than 20 tons of food waste per month.



CUSTOMERS

Best-in-Class Customer Experience

Our business is more than real estate. We are a company focused on people's experiences. For our guests, we provide distinctive shopping, dining, and entertainment. For our retailers, we offer the unique opportunity to thrive in the best real estate in the market. We continuously anticipate our customers' changing needs and evaluate our portfolio to enhance the Simon experience – the place where people choose to shop and retailers want to be.

At all of our centers, we offer various convenient customer amenities to enhance the shopping experience. For example, we offer electric vehicle charging stations, customer soft seating areas, phone charging areas, play areas for kids, nursing rooms, stroller and wheel chair accessibility, and increasingly free Wi-Fi availability within our centers. Also, we transform our properties into lifestyle centers by offering a unique mix of retailers, entertainment, and dining options. Our Guest Services team is available to assist our guests with any inquiries, both in-person as well as online through our corporate website at simon.com.

Tenant Engagement

Our tenants consume the majority of space in our centers, and to increase our centers' overall sustainability, continuous engagement with our tenants will be required. While Simon does not have direct control over tenants' actions inside their leased space, we encourage them to participate in various sustainability activities related to the centers. Simon provides tenants with guidelines (e.g. building guidelines that include requirements to maximize efficiencies in HVAC and electrical systems, including maximum allowed lighting levels and requirements on grease trap maintenance) and tools (e.g. recycling bins and programs on site) to promote the center's overall sustainability.

Electric Vehicle Charging Stations for Customers

Simon is committed to providing sustainable amenities for our customers. As our collective economy looks to decrease our dependence on fossil fuels via more efficient means of transportation, we look to support such decisions by providing more electric vehicle charging stations for our customers.

Our broad geographical presence across the US provides a unique opportunity for Simon to contribute to the development of a national infrastructure for electric vehicle charging stations.

Since 2011, we have installed 175 electric vehicle charging stations at 60 properties. An additional nine properties will install charging stations by the end of 2014.



PLASTIC FILM RECYCLING PROGRAM

Engaging with our retailers to align on sustainability initiatives and to gain an understanding of their concerns is a key component to our tenant engagement strategy. Through our partnership with the Retail Industry Leaders Association, we gained a better understanding of how the retail industry has evolved, specifically in terms of plastic film usage for packaging merchandise and the challenges it brings along for retailers and for us to manage the impact on our waste stream.

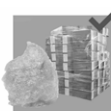
Simon worked with retailers and the American Chemistry Council to pilot a plastic film recycling initiative at five of our centers. Since the launch of the pilot, over 36 tons of plastic have been recycled. Upon successful completion of the pilot, we expect to scale the program and implement it at selected mall properties in 2015.

RECYCLE CLEAN DRY PLASTIC BAGS AND FILM PACKAGING.

Include these items in the plastic film recycling bin.



Retail Bags



Pallet Wrap or Stretch Wrap



Plastic Air Pillows



Bags on Clothing

Do not include these items in the plastic film recycling bin.



No Rigid Plastic: Plastic Food Containers, Plastic Bottles, Hangers



Paper



Degradable Plastic



Tape



Rigid Foam or Peanuts



Silica Packets

Recycled plastic bags and wraps can become new packaging or durable home building products.

plasticfilmrecycling.org



RECYCLE CLEAN, DRY PLASTIC BAGS AND FILM

Include these items in the plastic film recycling bin.

Retail Bags, Pallet Wrap or Stretch Wrap, Plastic Air Pillows and Bags on Clothing.

Do not include these items in the plastic film recycling bin.

No Rigid Plastic: Plastic Food Containers, Plastic Bottles, Hangers. Paper. Degradable Plastic. Tape. Rigid Foam or Peanuts. Silica Packets.

Recycled plastic bags and wraps can become new packaging or durable home building products.

plasticfilmrecycling.org



COMMUNITIES

We are committed to being a responsible corporate citizen and making positive contributions to the communities in which we operate. We are dedicated to facilitating an improved quality of life for the citizens in these communities. Our shopping centers are more than places to shop – they are a source of pride in the community that create jobs and attract shoppers.

We embrace our responsibility to the community in a variety of ways:

Redeveloping Properties

We invest in our malls to enhance the market position of our centers and to increase the overall shopper experience as well as to make our shopping centers the hub of the community. Besides traditional retail space, we want our centers to be lifestyle centers that offer unique dining and entertainment experiences.

Significant projects in 2013 include a complete redevelopment of the Shops at Nanuet® in Nanuet, New York, a 750,000 square foot open-air, state-of-the-art main street center providing customers with shopping, entertainment, dining, and fitness opportunities. The Shops at Nanuet demonstrates our ability to redevelop a troubled shopping center into a vibrant and exciting destination on an accretive basis.

In November 2013, we included an addition of 74,000 square feet of exterior-facing shops as part of the redevelopment of Walt Whitman Shops® in Huntington Station, New York creating an enticing environment offering the best in shopping and dining. The newly renovated center opened a variety of dining establishments, such as the Brio Tuscan Grille, California Pizza Kitchen, The Cheesecake Factory, Legal Sea Foods, P.F. Chang's, Panera Bread, and Zinburger Wine & Burger Bar.

As of the end of September 2014, a total of \$1.9 billion investments in new development, redevelopment, and expansion projects, including the addition of new anchors, are underway at 30 properties in the United States. More details on these projects will be included in our 2015 sustainability report.

Community Engagement

We are an active integral part of the communities in which we operate. To embed ourselves in local culture, we support and engage with local, nonprofit organizations and community members in a broad range of activities throughout the year. Our community engagement focus areas tend to be localized to the specific needs of each community; however, education is a key focus area for all communities in which we operate (See Simon Youth Foundation).

As part of our engagement, we offer monetary donations to local, nonprofit organizations as well as in-kind donations. Throughout the year, we donate one community booth at all of our centers for use by local, nonprofit organizations. During the holiday season, we partner with local organizations on projects such as gift wrapping stations and similar programs that provides a valuable service to our customers and financial support for the partner organizations.

Going forward, we will further measure the impacts of our activities to better assess the efficiency of our corporate citizenship engagements.



Michael Durnil, Bob Guerra, Tim Earnest and Debby Weber celebrate the Northeast Region's highly successful 2013 Bowling for Education event.



At Atlanta-based AmeriPark, the entire team participates in an annual Holiday Valet Program to benefit Simon Youth Foundation.

Simon Youth Foundation

Simon Youth Foundation (SYF) was established in 1998 by a group of Simon employees in Indianapolis, Indiana. Seeing far too many kids in malls instead of classrooms during school hours, Simon employees discussed bringing the classrooms to the mall, which formed the basis of the foundation. SYF's mission is to create a mechanism that helps public school systems reach at-risk kids who have dropped out or are on the verge of dropping out of their traditional high school.

Simon Youth Academies are typically located in Simon Malls and offer flexible schedules and small class sizes that make learning accessible to students who struggle to connect with material in a traditional classroom because of their circumstances, such as homelessness, bullying, serious illness, parenthood, familial difficulties or other challenging personal circumstances.

Since 1998, Simon and its employees have invested more than \$27 million to advance the mission of SYF and further achievements include:

- More than 12,000 students graduated from 22 Simon Youth Academies.
- 90 percent cumulative graduation rate across all Simon Youth Academies.
- Awarded more than \$12 million in scholarships to students in 42 states.





Health

McCain Mall Supports Heart Health with “Paint the Mall Red” Event with the American Heart Association

McCain Mall in North Little Rock, Arkansas hosted “Paint the Mall Red,” an event focused on heart health in a fun and fashion-forward way in March 2014.

In partnership with Arkansas Heart Hospital, the event featured free health screenings, informational displays by several local vendors, door prizes and goodie bags to the first 400 people to attend. The event also showcased a red dress auction with looks provided by JCPenney, Francesca’s Collections, and more. Proceeds from the auction and the money raised at the event benefited Simon Youth Foundation and the local Arkansas Chapter of the American Heart Association.



Women

Katy Mills® Hosts Luncheon for Katy Women’s Leadership Circle

Katy Mills in Katy, Texas, the largest outlet and value retail shopping destination in South Texas, showcased fashions from a selection of designer brands during a fashion show as part of the Katy Women’s Leadership Circle luncheon in September, 2013. Katy Women’s Leadership Circle is a program run by the Katy Area Chamber of Commerce dedicated to helping support and develop the women of Katy into strong leaders. The proceeds from the luncheon benefitted Dress for Success Houston, a nonprofit organization committed to providing appropriate interview suits and career development resources for low-income women seeking employment. The goal of Dress for Success Houston is to help these women to become economically self-sufficient.



Hunger

Livingston Mall® Hosts CANstruction to Fight Hunger

For the fourth consecutive year in October 2014, Livingston Mall in Livingston, New Jersey hosted a food drive program held in conjunction with The New Jersey Chapter of the American Institute of Architects (AIA) and their local AIA Newark and Suburban section. CANstruction's design competition helps fight hunger and benefits local food banks. Architects and designers team up for a "Build Day" to build structures made entirely from canned foods, which are judged and then put on display to the public at Livingston Mall. After the event, the cans are donated to the Community Food Bank of New Jersey where they are distributed to different community food programs.



Environment

Greenwood Park Mall Hosts Recycling Event for the Local Community

Greenwood Park Mall in Indianapolis, Indiana, hosted Central Indiana Crime Stoppers' recycling and document shredding event in October 2014. Shoppers could recycle small electronics, computers, glass TVs, and monitors, benefiting both the environment as well as the safety of the community. Donations go toward Crime Stoppers, an independent organization comprised of diverse and dedicated community representatives with the mission to provide a method for local law enforcement to receive information about crimes which, in turn, can assist in lowering crime rates in the community.

EMPLOYEES

At Simon we believe our employees are our most important asset and the key driver of our success.

Our Human Resources strategy is aligned with our business priorities and core values. We design all our activities and programs around attracting, retaining, developing, engaging, and enabling our employees.

Our employee engagement priorities include:

Talent Acquisition

In order to be a sustainable company, we ensure we have the right talent in place. Our talent acquisition initiatives include campus recruiting efforts for the Mall Management Training Program, REIT Program, and Director of Marketing and Business Development Training Program, as well as our internal Employee Referral Program.

Talent Management and Development

The organizational effectiveness of the company is enhanced through our talent programs that drive performance, development and career progression, such as instructor-led workshops, self-paced e-learning modules, and webinars. To develop our leadership pipeline, we have specialized development programs for incoming college graduates that prepare them for future management roles within our company.

Total Rewards System

Our compensation and benefit programs are designed to be in alignment with the long-term goals of our business. We have created reward programs for many of our employees that we believe offer, these eligible employees, an incentive to achieve outstanding results. In addition to financial benefits, we strive to offer a pleasant work environment and implement initiatives that support our employees' overall well-being. For example, we have various health improvement programs including on-site fitness opportunities and an annual employee health fair.

The Simon Culture

Our culture drives employee engagement and maximizes performance through development and empowerment. Some programs that support our culture include the Employee of the Month Recognition Program and the Simon Employee Association that organizes employee events throughout the year (See Simon Employee Association).

Simon Employee Association

The Simon Employee Association (SEA), active since 1982, is a volunteer, nonprofit committee that is subsidized through Simon. The SEA Committee is comprised of several subcommittees that are tasked with planning various employee events and activities including the Company Picnic, Mix-N-Mingles, the Corporate Challenge, seminars, volunteer opportunities, sporting events and more. Some of our most popular committees and activities include:

- **SEA's Seminar Committee** hosts one hour "Lunch-N-Learn" seminars with topics including health awareness, financial planning, home buyer's education, animal care, cultural events, and community volunteer opportunities.
- **SEA's Sporting Events Committee** provides an opportunity for Simon employees to participate in a variety of sporting events, including weekly basketball games, softball league, euchre tournaments, snow skiing trips, and bowling events.
- **Annual Employee Appreciation Day** hosted by SEA, where a celebratory lunch is provided to employees.

SIMON CORE VALUES

- A Commitment to Excellence
- Entrepreneurial Spirit
- Integrity
- Responsible Citizenship
- Passion

WHY OUR EMPLOYEES LOVE WORKING AT SIMON

“I joined Simon Property Group post-MBA to be in an environment where anything is possible and I continue to be inspired by our diligent pursuit of excellence.”

Nate Mitchell Development Manager, Regional Malls

“I truly enjoy being part of such a dynamic organization with a strong company culture. Joining Simon was the best career choice I could have made! My 15 years with Simon have been very rewarding, both personally and professionally.”

Suzanne Paul Mall Manager at the Shops at North East Mall in Hurst, Texas

“The best part of working at Simon is the entrepreneurial environment that allows me the autonomy to work on high profile, complex projects, while at the same time providing excellent support and expertise in-house.”

Adam Cohen Capital Markets Associate

“Working in Development for Simon is incredibly exciting and rewarding. Every day, I’m faced with interesting new challenges that keep me on my toes and strengthen my knowledge and understanding of our industry. The strong professional relationships I have formed with coworkers at Simon are invaluable as they have been instrumental in helping me determine my career trajectory.”

Jessica Fields Development Manager, Simon Premium Outlets®

“What I love about Simon is that if you want to grow, the sky is the limit! We do a great job of cultivating our people and allow them to reach their career goals within the company.”

Sal Saldana Mall Manager at Town Center Boca Raton® in Boca Raton, Florida

“I enjoy the collaborative and supportive work culture which provides a great learning environment. Also, Simon provides great opportunities for internal mobility and job growth - the company embraced my passion for travel and working in the international space and now I am working in my dream role - developing the next generation of malls across Europe, Asia, and other parts of North America.”

Uchenna Akujuo Director of International Development & Finance

“By focusing on embedding a culture of continuous improvement at every level of our company, we have built a great track record of performance and unmatched expertise in our industry.”

David Simon Chairman of the Board and Chief Executive Officer

Respected Leadership

- Named Fortune’s Most Admired Real Estate Company in 2013, five times.
- Ranked as best CEO in real estate industry by Institutional Investor, five consecutive years.
- Acknowledged as World’s Best 30 CEOs by Barron’s, 2013.
- Best-performing CEO by Harvard Business Review, 2014; fifth in the U.S.
- Best-performing CEOs by Harvard Business Review, 2013; fourth in the U.S.
- Recognized three times by Institutional Investor as the Best Investor Relations program among REITs.

SUSTAINABILITY GOVERNANCE

To further embed Simon's sustainability strategy into all areas of the business, we have undergone significant changes in our sustainability governance in 2014. We created the position of Director of Sustainability to manage sustainability efforts in a more focused way, and we also established a new sustainability governing body representing a cross section of business functions to jointly develop, manage, execute, and report on the company's sustainability programs.

Sustainability Executive Committee

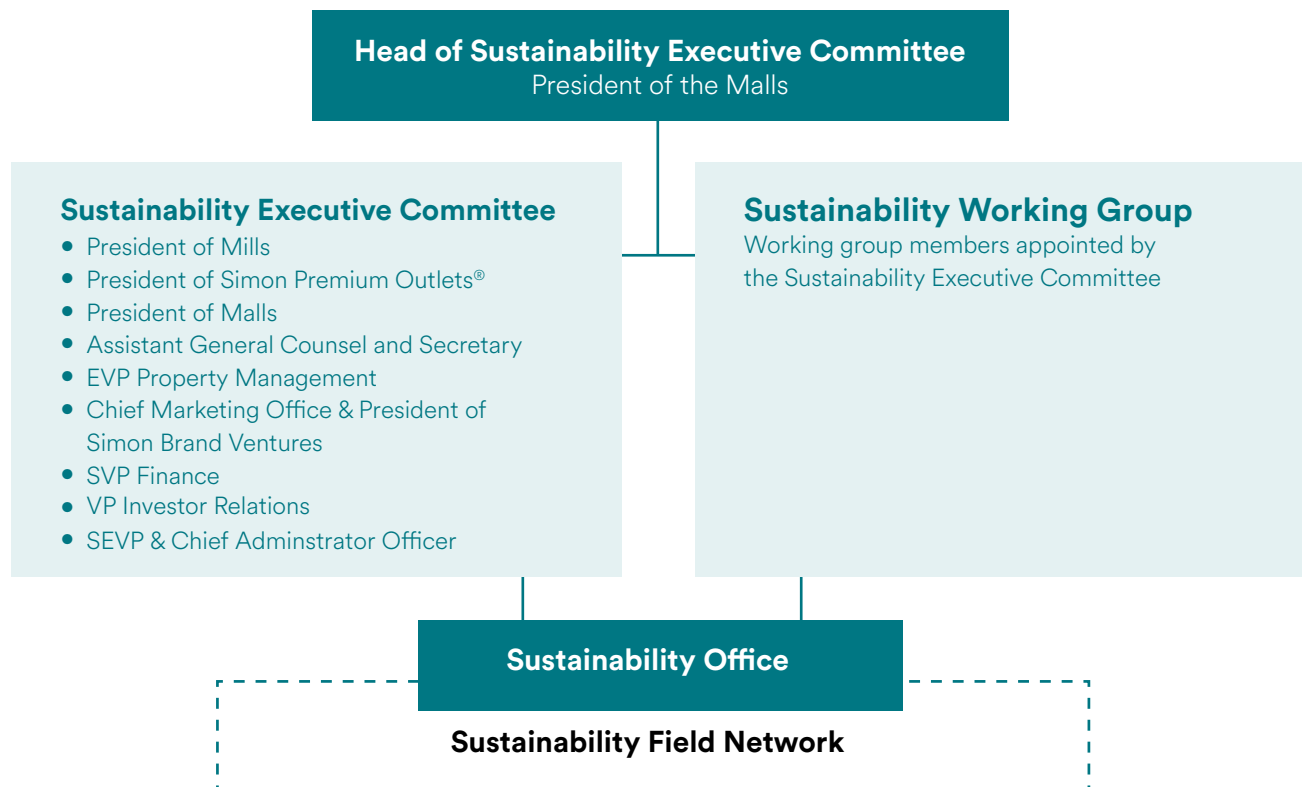
The Sustainability Executive Committee and its Working Group is a team of cross-functional executives from different functions such as Development and Construction, Property Management, Leasing, and Finance. They are responsible for setting the strategic direction for sustainability at Simon, as well as providing counsel and executive oversight of sustainability initiatives.

Sustainability Office

The Sustainability Office develops the company's sustainability strategy, working closely with other functions and teams to prioritize and implement initiatives. The office is also responsible for seeking out business opportunities, conducting outreach to stakeholders, and assisting with sustainability reporting.

Sustainability Field Network

Our Sustainability Field Network, which engages employees at our mall locations, is responsible for creating and implementing action plans to carry out Simon's sustainability ambitions at the local level.



STAKEHOLDER ENGAGEMENT

At Simon, we believe that engaging with our key stakeholders is essential to our success. Working closely with individuals and organizations allows us to better understand and meet societal and environmental needs, while identifying opportunities and potentially addressing business challenges.

In the context of Simon's sustainability initiatives, stakeholder engagement is particularly important because sustainability is a collective effort that is best addressed through consistent dialogue and collaboration. Through engagement, we have been able to share our progress and, more importantly, exchange ideas on how best to address our challenges. Examples of our stakeholder engagement include:

- **Investors**

Communicating with our investors is a top priority for us. In addition to our quarterly earnings calls and annual stockholder meeting, our 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, our Director of Sustainability provides updates on our sustainability progress.

- **Joint Venture Partners**

Being a responsible and responsive business partner is important to us. Our Partnership Relations team is exclusively focused on communicating with our joint venture partners to share information on the performance of jointly owned assets. By request, the team also works with the Director of Sustainability to provide sustainability data on jointly owned properties.

- **Tenants**

We regularly conduct meetings with our tenants to hear their feedback and increase their satisfaction in our facilities. It's important for us to work collaboratively to further both Simon's and our tenants' sustainability goals. We provide tenant guidelines and work cooperatively to pilot projects such as our plastic film recycling program.

- **Shoppers**

To ensure our shoppers have an excellent shopping experience, we actively seek their feedback through Guest Services at the property and the use of online channels.

- **Employees**

Encouraging an ongoing two-way dialogue with our employees is vital to retaining our world-class talent. Simon Employee Association allows us to regularly communicate business priorities, performance results, and new initiatives, while soliciting employee feedback.

- **Suppliers**

Operating sustainably is something we expect not just of ourselves, but also from our suppliers. Third party companies assist us in our supplier selection and qualification process.

- **Communities**

We strive to generate economic value and leave a long lasting positive impact in the communities in which we operate. To achieve this, we work in close partnership with local, nonprofit organizations to provide philanthropic support. In addition, through Simon Youth Foundation we have built classrooms within malls in local public school districts to promote education for at-risk students.

SIMON'S WAY FORWARD



Mona Benisi
Director of Sustainability

“We will continue to advance our sustainability activities in 2015 and beyond. Simon’s sustainability efforts will add value to the organization and create long-term success for our stakeholders.”

Key Sustainability Activities Will Include:

- **Financial Stewardship**
We will focus on the ownership of high quality retail real estate and continue to invest in our properties to meet consumer and retailer demand for popular brands, dining, and entertainment.
- **Sustainability Framework**
We will continue to develop our holistic sustainability framework that highlights Simon’s material sustainability topics, each specified in terms of initiatives and expected impact.
- **Sustainability Reporting**
We will become more transparent on sustainability reporting and meet stakeholder expectations by communicating our sustainability efforts and performance on a regular basis.
- **Leadership in Sustainability**
We will strive to continue to lead the industry in sustainability and continue our efforts to maintain leadership positions in the CDP and GRESB.

APPENDIX

APPENDIX I

ENERGY AND GREENHOUSE GAS EMISSION INDICATORS

The 2013 indicators listed below contain Standard Disclosures from the GRI Sustainability Reporting Guidelines.

EN3 ENERGY CONSUMPTION WITHIN THE ORGANIZATION			
A	Total fuel consumption from non-renewable sources (Includes diesel, gasoline, natural gas, and propane)	471,204	Gigajoule (GJ)
B	Total fuel consumption from renewable fuel sources (Includes ethanol blends such E10 and E85)	4,409	GJ
C	Breakdown of total consumption		
	- Electricity consumption:	3,220,351	GJ
	- Heating consumption:	370,230	GJ
	- Cooling consumption:	152,956	GJ
	- Steam consumption:	955	GJ
E	Total energy consumption	4,220,104	GJ
F	Standards, methodologies, and assumptions used	See Methodology	
G	Source of the conversion factors used	See Methodology	

EN4 ENERGY CONSUMPTION OUTSIDE OF THE ORGANIZATION			
A	Energy consumed outside of the organization (Excludes fuels. Only available for downstream leased assets)	4,094,462	GJ
B	Standards, methodologies, and assumptions used	See Methodology	
C	Source of the conversion factors used	See Methodology	

EN5 ENERGY INTENSITY			
A	Energy intensity rates	0.06	GJ/ft ²
B	Organization-specific metric/ratio denominator chosen to calculate the 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	Within the organization	

EN6 REDUCTION OF ENERGY CONSUMPTION			
A	Amount of reduction in energy consumption achieved (As direct result of conservation and efficiency initiatives. Baseline 2012)	345,400	MWh
B	Types of energy included in the reductions	Electricity	
C	Basis for calculating reductions in energy consumption	Base year: 2003	
D	Standards, methodologies, and assumptions used	Excludes portfolio wide organic growth*	

* Organic growth is defined as newly constructed buildings or operating units. Organic growth does not include acquisitions of facilities that were previously owned or operated by another organization.

EN15	DIRECT GHG EMISSIONS (SCOPE 1)		
A	Direct GHG emissions (Scope 1)	31,561	Metric tons CO ₂ equivalent (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	293	Metric tons CO ₂
D	Base year	2003 - 26,583.05	Metric tons CO ₂
E	Standards, methodologies, and assumptions used	See Methodology	
F	Source of the emission factors and the global warming potential (GWP) rates used	See Methodology	
G	Consolidation approach for emissions	Operational control	

EN16	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 or allowances)	480,172	Metric tons CO ₂ e
B	Gases included in the calculation	Not applicable	
C	Base year	2003 - 619,702	Metric tons CO ₂
D	Standards, methodologies, and assumptions used	See Methodology	
E	Source of the emission factors and the global warming potential (GWP) rate used	See Methodology	
F	Consolidation approach for emissions	Operational control	

EN17 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)	702,273	Metric tons CO ₂ e
B	Gases included in the calculation	CO ₂ , CH ₄ , N ₂ O	
E	Base year	2003	
F	Standards, methodologies, and assumptions used	See Methodology	
G	Source of the emission factors and the global warming potential (GWP) rates used	See Methodology	
EN18 GHG EMISSION INTENSITY FROM BUILDINGS			
A	GHG emission intensity ratio	0.01	Metric tons CO ₂ e
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, scope 2 and other indirect scope 3)	Scope 1, scope 2	
D	Gases included in the calculation	Material gasses include CO ₂ , CH ₄ , N ₂ O	

Methodology

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 include locations in the company's ownership or under its control where Simon has responsibility of 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.

Emission Conversion Factors

All methodologies are based on guidance from the GHG Protocol. Emissions factors are from governmental and non-governmental organizations' sources including the United States Environmental Protection Agency (EPA), Intergovernmental Panel on Climate Change (IPCC), and WRI.

APPENDIX II

ASSURANCE STATEMENT



To: Simon
225 West Washington Street
Indianapolis, IN 46204

RE: Verification of Simon's 2013 Greenhouse Gas Emissions

In 2014, Lucideon CICS Inc. engaged with Simon to perform an independent, third party limited assurance of Simon's greenhouse gas (GHG) assertion for calendar year 2013.

Lucideon performed several tasks to provide the limited assurance of GHG assertion for calendar year 2013 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 (5%) materiality threshold was established and met.

A positive verification opinion was provided to Simon.

Sincerely,

A handwritten signature in blue ink that reads "Keith W. Field".

Keith Field
GHG Scheme Manager, U.S.

Nov 2014

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2204 Timberloch Place, Suite 110 contact@lucideon.com
The Woodlands, TX 77380 www.lucideon.com

Materials Development • Testing • Assurance



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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).