



SIMON SUSTAINABILITY REPORT 2016

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ABOUT THIS REPORT

We are proud to present Simon’s Sustainability Report 2016 which 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®.

Reporting Period and Guidelines

The information disclosed in this report is based on 2015 data for the year ending December 31, 2015. 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. For ease in navigation, the GRI content Index is available at the end of this report.

For additional sustainability information, we invite readers to visit our website, simon.com/sustainability. Questions can be directed to sustainability@simon.com.





LETTER FROM OUR CEO

I am pleased to once again present you with Simon’s annual Sustainability Report. In 2016, we continued to set high standards for ourselves by developing and implementing sustainability programs across all Malls, The Mills and Premium Outlets. With a focus on properties, customers, communities and employees, these programs give us a competitive advantage and deliver long-term value to all of our stakeholders.

With more than 200 properties in our portfolio, operational efficiency is our largest opportunity for improvement and a primary means to reducing our carbon footprint. By implementing a range of energy management practices since 2003, we have reduced electricity consumption by more than 33% while lowering our operational costs.

As active members of our communities, we strive to contribute to local economies across the nation not only through responsible environmental practices, but also through job creation and philanthropy. Simon Youth Foundation has now established 29 academies in 12 states, many located in Simon centers. Simon employees contribute more than \$600,000 annually in support of Simon Youth Foundation, which has graduated more than 14,000 at-risk students and granted \$16 million in scholarships. We also support creating awareness around breast cancer, last year for the first time, Simon joined with Susan G. Komen to raise nearly \$500,000 in support of awareness and finding a cure for breast cancer. Building on the success of that program, we again partnered with Susan G. Komen in 2016, pledging a \$1 million donation each year for the next two years.

The success of our sustainability program continues to be recognized: In 2015, for the seventh year, Simon was listed on CDP’s S&P 500 Climate Disclosure Leadership Index with a score of 100A, the highest recognition. We were also included on CDP’s Climate Disclosure Performance Index, reaching the top ‘Band A’ performance level for the second consecutive year. And in the Global Real Estate Sustainability Benchmark (GRESB) we continue to be a top performer receiving a green star rating for the third consecutive year in 2016.

We are happy to provide this update and pleased with the progress we have made against our sustainability goals. Your comments and thoughts are always welcome and appreciated.

David Simon
Chairman of the Board and Chief Executive Officer

December 2016

simon.com

ABOUT SIMON

Simon is a global leader in retail real estate ownership, management and development and an S&P 100 company (NYSE:SPG). Our industry-leading retail properties and investments across North America, Europe and Asia provide shopping experiences for millions of consumers every day and generate billions in annual retail sales.

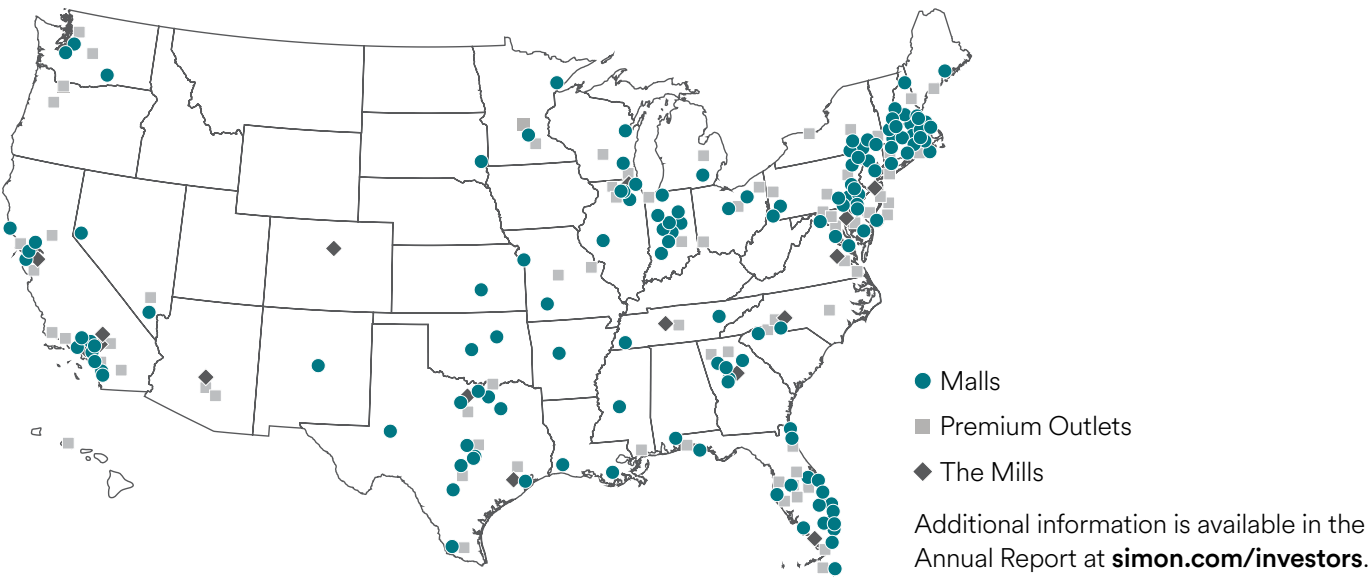
We own, develop and manage retail real estate properties, which consist primarily of Malls, Premium Outlets, and The Mills. As of December 31, 2015, Simon owned or held an interest in 209 income-producing properties in the United States, which consisted of 108 malls, 71 Premium Outlets, 14 Mills, four lifestyle centers, and 12 other retail properties in 37 states and Puerto Rico. We opened four Outlets in 2015. In addition, we have redevelopment and expansion, including the addition of anchors, big box tenants, and restaurants, at 29 properties in the U.S. and Europe. We continue to invest in our properties to enrich the shopping experience for our customers.



Year ended December 31, 2015
(Dollars in millions, except per share figures)

	2015	2014
Consolidated Revenue	\$ 5,266	\$ 4,871
Funds from Operations (FFO)	\$ 3,571	\$ 3,235
FFO Per Share (Diluted)	\$ 9.86	\$ 8.90
New Income Per Share (Diluted)	\$ 5.88	\$ 4.52
Dividends Per Share	\$ 6.05	\$ 5.15
Common Stock Price at Period End	\$ 194.44	\$ 182.11
Total Equity Capitalization	\$ 70,321	\$ 66,303
Total Market Capitalization ¹	\$ 99,426	\$ 93,436

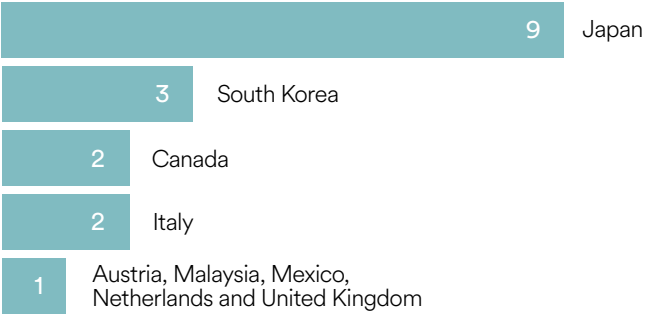
¹ Includes our shares of consolidated and joint venture debt.



INTERNATIONAL PROPERTIES

As of December 31, 2015, Simon has ownership interests in nine Premium Outlets in Japan, three Premium Outlets in South Korea, two Premium Outlets in Canada, one Premium Outlet in Mexico, and one Premium Outlet in Malaysia. As well as a non-controlling ownership interest in a joint venture that holds five outlet properties in Europe and one outlet property in Canada. Of the five properties in Europe, two are located in Italy and one each is located in Austria, the Netherlands, and the United Kingdom. Additionally, in the same time period, Simon owned a 20.3% equity stake in Klépierre, a publicly traded, Paris-based real estate company, which owns, and has an interest in, shopping centers located in 16 countries in Continental Europe.

International Properties by Country



Sustainability in Real Estate Development

In order 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 constructions and major renovations. For most new developments, Simon utilizes a LEED checklist however, the decision to apply for LEED or other environmental certifications is ultimately made on a case by case basis.

DEVELOPMENT HIGHLIGHTS

Key new developments and expansions for 2015 are outlined below:

- **Del Amo Fashion Center® (Torrance, California)**
Opened a dramatic two-level 'Fashion Wing' addition anchored by a new Nordstrom store
- **The Florida Mall® (Orlando, Florida)**
Transformed a former department store into retail shops, restaurants and a dynamic new food pavilion and replaced another former anchor store with Dick’s Sporting Goods and the Crayola Experience
- **Roosevelt Field® (Garden City, New York)**
Completed comprehensive enhancements throughout the mall and the addition of a two-level fashion specialty store expansion with unique, high-quality brands and a spectacular, state-of-the-art Dining District
- **King of Prussia® (King of Prussia, Pennsylvania)**
Added more than 150,000 square foot of retail and restaurant space, unifying The Plaza and The Court at this landmark Philadelphia area center
- **Copley Place (Boston, Massachusetts)**
Began the first phase of a multi-phase project that will include a complete upgrade of the mall, an expansion of the Neiman Marcus store, as well as additional retail shops and restaurants
- **Las Vegas North Premium Outlets® (Las Vegas, Nevada)**
Opened a 25-store, 140,000-square-foot expansion enhancing one of the most productive and well-known Premium Outlet Centers in North America
- **San Francisco Premium Outlets® (Livermore, California)**
Debuted a 185,000-square-foot expansion, significantly increasing the footprint of one of the country’s leading outlet centers, and making it the largest outlet center in California
- **Sawgrass Mills® (Sunrise, Florida)**
Expanded The Colonnade at Sawgrass Mills for the third time, adding 56,000 square feet to the luxury outlet outdoor component of this center



SUSTAINABILITY
RECOGNITION

Simon has consistently earned recognition for its sustainability performance and disclosure, such as shown below:

CDP

- Achieved CDP’s highest “Leadership” recognition for top sustainability performance (2016)
- Named on the Climate Disclosure Leadership Index seven times and named on the Climate Performance Leadership Index two consecutive years (2014-2015)
- Named on the Climate 'A' List for two consecutive years (2014-2015)



CDP provides the largest collection globally of self-reported climate change data and works with 822 institutional investors, holding U.S. \$95 trillion in assets to help reveal the risk in their investment portfolios.

Global Real Estate Sustainability
Benchmark (GRESB)

- Received GRESB Green Star rating for three consecutive years (2014-2016)
- Recognized as North American Sector Leader In Retail for four consecutive years (2010-2013)



GRESB is an industry-driven organization committed to assessing the ESG performance of real assets globally, including real estate portfolios. More than 190 members, of which about 60 are pension funds and their fiduciaries, use the GRESB data in their investment management and engagement process.

National Weather Service - StormReady Program

- Recognized as 'StormReady' by National Weather Service. Simon is the first REIT to achieve this status at all of its shopping center locations



The National Weather Service's StormReady program is a partnership with emergency management that helps reduce risk and increases community resilience to hazards.

Public Safety

- Simon’s proprietary Comprehensive Emergency Response Plan (CEMP) is certified by the Department of Homeland Security



SUSTAINABILITY GOVERNANCE

Simon’s sustainability governance structure is designed in a way that allows connecting the organization vertically and horizontally to guide and manage sustainability within the core functions of the organization.

Simon’s Sustainability Office is led by the Senior Director of Sustainability, who, under the direction of the Sustainability Executive Committee, is responsible for developing Simon’s sustainability strategy, including setting key performance indicators, driving progress through partnerships and working closely with other functions and teams to implement initiatives.

The Sustainability Executive Committee is a team of executives from core functions of the company such as Development and Construction, Property Management, Leasing, Marketing and Finance. The Committee meets bi-annually and is tasked with setting the strategic direction for sustainability framework and provides counsel and executive oversight of these initiatives, on both the corporate and local levels. The Field Network which is comprised of the management teams at all centers across the portfolio is ultimately responsible to implement initiatives at a local level.



“A key driver for the success of our sustainability performance is the dedication and support received from our sustainability executive committee. We are proud to have devoted and passionate employees at our properties across the country that ultimately implement sustainability initiatives - only through their support has Simon been able to reduce it’s environmental impact and add value to the local communities that we are part of.”

Mona Y. Benisi, Senior Director of Sustainability

STAKEHOLDER ENGAGEMENT

Stakeholder engagement allows Simon to better understand societal and environmental needs while identifying opportunities and addressing potential business challenges. Stakeholder engagement is particularly important for Simon’s sustainability initiatives because sustainability is a collective effort that benefits from consistent dialogue and

collaboration. Through engagement, we have been able to exchange ideas and gain improved insight into the needs of various stakeholders. To identify key groups, Simon performed a stakeholder analysis, and discussed procedures for engaging with each group and how that could impact the company’s sustainability strategy. The key groups are listed below.

STAKEHOLDER	LEVEL OF ENGAGEMENT	TYPE OF ENGAGEMENT
Investors	<div><div></div></div>	In addition to quarterly earnings calls and 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	<div><div></div></div>	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.
Tenants	<div><div></div><div></div></div>	Simon regularly conduct 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.
Shoppers	<div><div></div><div></div></div>	To ensure that shoppers have an excellent shopping experience, we actively seek shopper feedback through shopper interviews and encouraging shoppers to complete feedback forms at Guest Service kiosks within the properties.
Communities and NGOs	<div><div></div><div></div><div></div></div>	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	<div><div></div><div></div></div>	Operating sustainably is something we expect not just of ourselves, we assess our suppliers’ sustainability as well.
Employees	<div><div></div></div>	Encouraging ongoing two-way dialogue with our employees is vital to retaining our talents. Simon Employee Association enables us to regularly communicate business priorities, performance results, and new initiatives while soliciting employee feedback.

Organizational level Asset level Project level

MATERIALITY

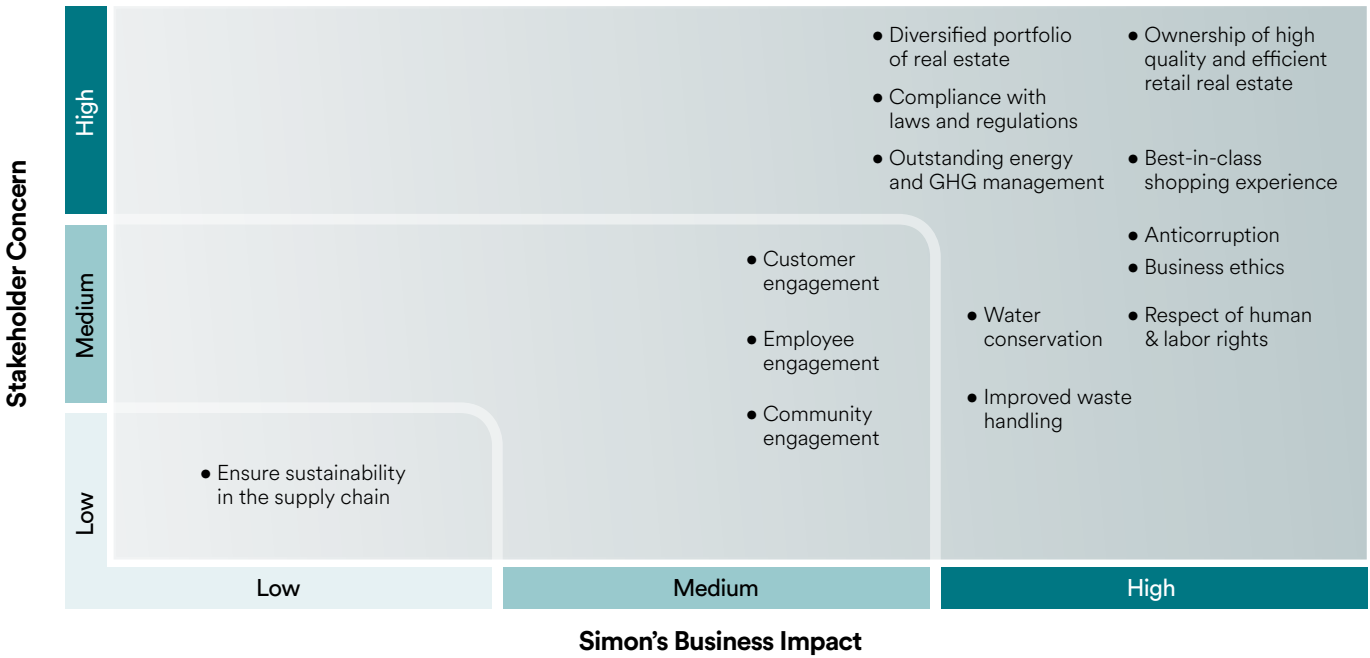
As part of Simon’s efforts to develop a strategic and performance-based approach to managing sustainability and aligning with GRI G4 guidelines, we conducted a materiality assessment to identify key environmental, social and governance risks and opportunities for Simon. Key steps within Simon’s materiality assessment are shown in Chart A.

Chart B summarizes the most material topics Simon has identified during the materiality assessment. Going forward, Simon will update this assessment periodically to ensure potential new 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

Our approach to sustainability includes looking at 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. We continuously look for ways to create value for our stockholders and make a sustainable impact across our portfolio of properties. The four areas of our sustainability framework are centered around properties, customers, communities and employees as outlined below:

			
PROPERTIES	CUSTOMERS	COMMUNITIES	EMPLOYEES
Strive for efficiency in operating our properties with innovation solutions that lower operational and maintenance costs, in addition to reducing the environmental footprint of our activities.	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.	Create meaningful social and economic impact to sustain the communities that allow our business to flourish. We are committed to being a responsible corporate citizen and to building strong communities through development and engagement activities.	Strive for high levels of employee engagement and through talent management, compensation and benefit programs we aim to create a culture to attract and retain the industry's best talents to maximize our performance.

For Simon, sustainability is a business approach that enhances long-term stockholder value by embracing opportunities and minimizing risks in economic, environmental and social areas.

SUSTAINABILITY GOALS

✔ Completed ⌚ On track ⚡ In progress

	GOAL ¹	PROGRESS	
PROPERTIES	Improve GHG efficiency by 5%-10% by 2020 (base year 2013).	On track. More info under <i>Energy</i> .	⌚
	Improve portfolio-wide energy efficiency by 5%-10% by 2020 (base year 2013).	On track. More info under <i>Energy</i> .	⌚
	Improve portfolio-wide water efficiency by 20% by 2025 (base year 2013).	In progress. More info under <i>Water</i> .	⚡
	Expand plastic film recycling at select malls by 2017.	In progress. More info under <i>Waste</i> .	⚡
	Divert pre-consumer food waste from landfills at selected properties by 2020.	On track. More info under <i>Waste</i> .	⌚
	Reuse or recycle 70% of construction waste generated during major renovations.	On track. More info under <i>Water</i> .	⌚
	Assess feasibility of on-site energy generation options for pilot programs in 2015-2016.	Completed. In 2015 Simon conducted a portfolio-wide solar feasibility study. Potential solar sites have been identified, however, at this stage Simon is prioritizing reduction in energy consumption versus on-site energy generation.	✔
	Develop internal energy benchmarking tool to implement across enclosed malls.	Completed. More info under <i>Energy</i> .	✔
CUSTOMERS	Engage with top ten tenants on sustainability issues relevant to our shoppers to improve the overall sustainability performance of properties by 2018.	In progress. More info under <i>Customers</i> .	⚡
	Install Wi-Fi at 90% of our properties by 2025.	On track. Wi-Fi or Hot Spot connections available at about 70% of properties.	⌚
	Introduce loyalty program in select malls by 2016 (base year 2014).	On track. More info under <i>Customers</i> .	⌚
	Provide children's play area in 90% of our properties by 2020.	On track. Children's play areas available at about 70% of properties.	⌚
COMMUNITIES	Provide electric vehicle charging stations for our customers at 100% of our properties by 2020 ²	In progress. More info under <i>Energy</i> .	⚡
	Continue our strong support for the Simon Youth Foundation by donating commercial space and millions of dollars each year to provide scholarships for SYF graduates.	On track. More info under <i>Communities</i> .	⌚
	Continue to participate in community engagement activities at 100% of our properties.	On track. More info under <i>Communities</i> .	⌚
EMPLOYEES	Encourage Simon employees to volunteer in their communities.	On track. More info under <i>Employees</i> .	⌚
	Continue to raise awareness of sustainability topics among all our employees by increasing employee engagement initiatives.	On track. Sustainability information included as part of regular communication and trainings.	⌚
LEADERSHIP IN SUSTAINABILITY	Strive towards sustainability leadership and maintain our leading position with CDP and GRESB.	Completed. More info under <i>Recognition</i> .	✔
	Strengthen communications and disclosure with stakeholders on our sustainability vision, performance and goals.	Completed. More info under <i>Recognition</i> .	✔

¹ All goals apply to locations where Simon has operational control of the property.
² Applicable at locations where Simon has ownership of the parking lot facilities and where suppliers are available.

ENERGY

Approach

Simon is committed to managing climate change risks and reducing carbon emissions. Managing energy use in buildings plays a key role in achieving these commitments. In the U.S., buildings alone account for about 40% of the country’s emissions. As a developer, Simon recognizes the impact improving energy efficiency of 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 best practice sharing around energy efficiency across our portfolio of over 200 shopping centers. As our results demonstrate, we have successfully developed strategies and processes that have enabled us to implement specific action plans to reduce energy consumption across our properties. Looking ahead, we continue to set high standards in the area of energy management: In 2014 we set a goal to further reduce portfolio-wide energy efficiency and GHG efficiency by 5%-10% by 2020. We will continue to seek opportunities to invest in emerging sustainable technologies that provide favorable returns on investment while minimizing operating costs. This will allow us to maximize returns for our shareholders and reduce the company’s environmental impact. Key examples of our energy management initiatives include:

Smaller Footprint with Superior Lighting

Simon has upgraded conventional lighting such as fluorescent and metal halide to energy efficient LED lighting at over 90 properties over the last few years.

Energy Efficiency Upgrades

Equipment upgrades, such as Central Plant and HVAC replacements, and investments in LED lighting as well as intelligent energy pilots of sensor-enabled LEDs and Energy Management Systems. Furthermore, we have reduced energy consumption at peak times by participating in demand response systems and piloting energy battery storage and onsite solar generation at select sites.

Improving Grid’s Reliability

Simon has reduced its energy consumption at peak times by participating in demand response programs. In 2015, demand response were deployed at approximately 34 properties across the portfolio. Simon has been productively managing and shifting its energy consumption outside of high demand periods for over a decade. When alerted by utilities during peak energy use periods, our properties can provide over 16 MW of additional capacity to the grid by reducing local energy consumption by minimizing lighting levels or equipment use such as HVAC, escalators or elevators.

In collaboration with Tesla Energy and Southern California Edison, Simon commissioned an energy storage system using Tesla’s battery storage at Brea Mall in Brea, California. The installation that went live in 2016 was the first of its kind at a Simon shopping center, it is comprised of two Powerpack systems, one 250 kW / 500 kWh system and one 500kW / 1MWh system. The Tesla Powerpack enables Simon to store energy to manage peak power demand and reduce stress on the grid and is projected to save thousands of dollars in energy costs annually. Simon continues to look for other centers and collaborations that enable scaling such initiatives.



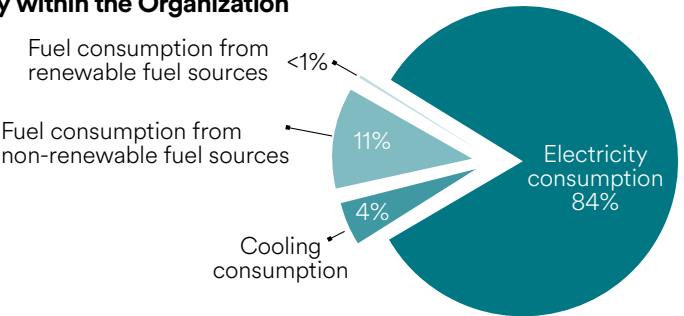
Energy Benchmarking Scorecards for Shopping Malls

Simon has developed a unique sustainability benchmarking tool for enclosed shopping malls that allows Simon to compare the enclosed properties with the goal of improving the shopping centers overall performance. This propitiatory aggregates the energy data and the physical property data, and allows the property’s energy consumption to be compared using an “apples to apples” approach.

The energy benchmark offers an easy 1-100 score for all enclosed shopping centers, providing a reference point for each center’s energy performance. The results of the benchmarking are summarized in the form of a detailed energy score card. At Simon, we use the results internally in different ways including identifying issues, setting energy reduction goals, creating energy management plans and for tracking improvements over time.

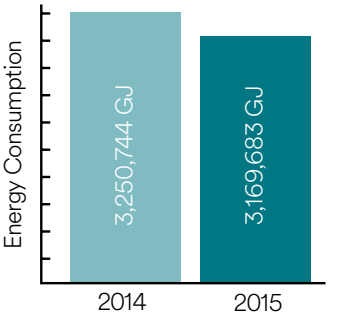
Metrics

Energy Consumption by Source of Energy within the Organization

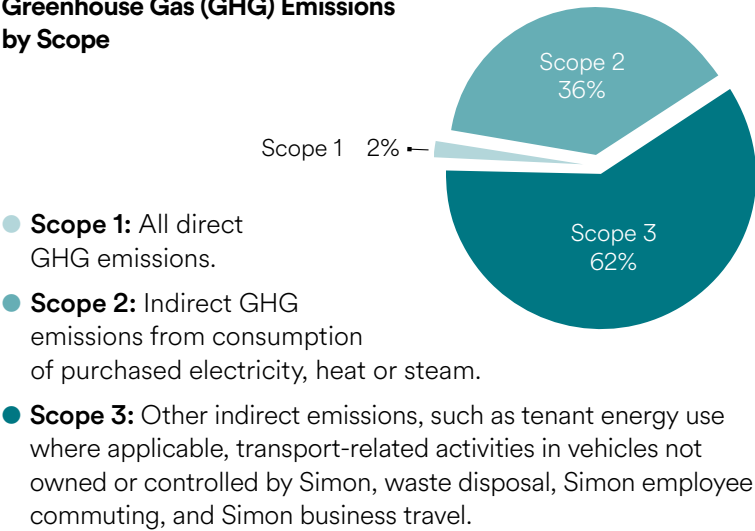


Reduction of Energy Consumption

Electricity is the major source of energy consumption at Simon. Since 2003, Simon has achieved more than 33 percent reduction in electricity consumption. Simon’s total energy consumption figures are shown in the graph to the right (Figures exclude organic growth).



Greenhouse Gas (GHG) Emissions by Scope



For more indicators on energy, GHG emissions, and information on methodologies used, refer to the Global Reporting Initiative Content Index in the appendix.

Smarter Energy Management with Current, powered by GE

Simon continues to cut energy use through efficient lighting with Current, completing 10 parking lot LED upgrades to date which will reduce lighting energy consumption by an estimated 50-70%. Furthermore, the partnership with Current has been expanded beyond lighting, to include intelligent energy pilots of sensor-enabled LEDs and automated demand response.



At Castleton Square Mall in Indianapolis, Indiana, intelligent LED parking lot fixtures have been installed to track the efficiency and effectiveness of snow removal vehicles. These efforts can save us more than 20% in snow removal costs, and can also serve as the platform for future add on features that can direct shoppers to vacant parking spaces, highlight unusual traffic patterns or congestion, and alert facility teams about disabled vehicles.

At The Westchester in White Plains, New York, we piloted a digital demand response system to help shift and optimize energy usage across The Westchester's campus. This connected, real-time view of how, when and where electricity is being used enables Simon mall management team to take informed actions to reduce and shift energy away from the grid during peak periods, saving significant monthly costs and improving the grid's resiliency. Such energy solutions from Current not only reduce our environmental footprint but also are projected to save 50-75% in energy costs in the applications where they're installed, assisting us to meet our energy reduction goals.

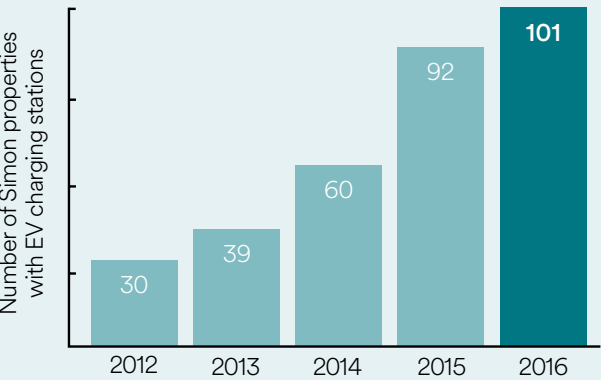
Taking LEDs well beyond energy efficiency with Sensity's Light Sensory Network

Simon has deployed a Light Sensory Network (LSN) at eight US centers and plans to expand this technology to further sites. The benefits of LED luminaires can go far beyond energy efficiency and environmental improvements: The NetSense Light Sensory Network is a new, innovative networking platform that capitalizes on the widespread move toward LED lighting for outdoor uses. Transforming LED light fixtures into sensor-equipped, smart devices capable of capturing and transmitting data in real time, Sensity provides retail customers with an opportunity to deliver a broad array of applications and services, such as real-time parking availability information, operational efficiencies (lighting control and traffic monitoring) and increased public safety and security. This Light Sensory Networks provides us with a new mechanism for creating compelling experiences for our shoppers, while delivering cost savings from increased operational efficiency.



ELECTRIC VEHICLE CHARGING STATIONS – A CUSTOMER AMENITY AT SIMON

In 2011, Simon was one of first retail property owners in the U.S. to offer 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. Simon has installed more than 400 charging stations across more than 100 properties over the last five years.



SECURITY AT SIMON PROPERTIES

Security is crucial for sustainable business success and Simon's approach to safety and security is best in class. Simon takes a holistic approach to protecting people and assets. The company has created its own intelligence-gathering tool, the Intel Portal, empowering all stakeholders around the country by providing them with real-time information. Our security provider companies, all of which are Safety Act Certified, use this intelligence to accurately deploy resources relevant to vulnerabilities. Furthermore, Comprehensive Emergency Response Plans (CEMP) are available at all of our centers for emergency cases. 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.

We have taken the lead in the shopping center sector by fostering private-public partnerships through our annual Law Enforcement Summit that offers significant opportunities for key decision makers to network, share ideas and best practices and provide insight regarding trends facing both the law enforcement world and the realm of real estate security.

WATER

Approach

Water is a constrained resource globally. According to Water Sense (a partnership program by the U.S. Environmental Protection Agency that seeks to protect the future of the country’s water supply through offering water-efficient products), in forty out of fifty U.S. states water managers expect water shortages under average conditions, in some portion of their states over the next decade. In addition to its availability, water costs (including sewer and storm water) are increasing above inflation rates in the U.S. Simon employs leading practices to manage its water footprint. This includes understanding available water sources and water use, collecting and monitoring water data, identifying efficiency measures to reduce consumption as well as assessing methods for water reuse across the portfolio. The impact that water could have on our overall organization is relatively low, in comparison to other sectors that are more water-intensive (See Water Risk Assessment). Nevertheless, our commitment to responsible water management delivers real benefits such as reducing exposure to water shortages at our malls and in our communities, positioning Simon to better respond to potential restrictions or regulations and, finally, providing cost savings. As part of our water management process, we have set an ambitious goal to achieve a 20% reduction in water consumption across the Simon portfolio by 2020.

To achieve Simon’s water reduction objectives, we are continuously pursuing innovative ways to conserve water use at our properties. The key areas of opportunity for water conservation and efficiency include water use for irrigation, cooling towers and restrooms, tenant water use, water leakages and water used in cleaning.

The challenge is finding cost effective technologies that meet our investment criteria and that can be scalable across the company’s portfolio.

Water Risk Assessment

In 2015, Simon conducted a water risk assessment using World Resource Institute’s Aqueduct. Aqueduct is an online mapping tool that lets users combine 12 key indicators of water risk to create global water risk maps. We analyzed more than 90% of Simon centers and 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. We will continue to track and manage our water usage to mitigate potential risks.

Metrics

Total water usage	2014	2015
	m ³	m ³
Municipal Water	13,118,254	13,785,864

For more indicators on water use, and information on methodologies used, refer to the Global Reporting Initiative Content Index in the appendix.

FASHION VALLEY USES SMART IRRIGATION TECHNOLOGY AND ACHIEVES MILLIONS OF GALLONS IN WATER SAVINGS

Smart irrigation control systems have been installed in place of the traditional sprinkler timers at Fashion Valley in San Diego, California. Rather than running for a fixed amount of time, the smart controllers are customized to the mall’s landscape using hundreds of zones precisely programmed for the type of sprinkler, plant, soil and slope. By combining these settings with real-time weather readings from an on-site weather station, the smart controller continually adapts to create a weather-based watering schedule delivering the optimum amount of water for plant health and beauty – without wasting water. Because the smart controls are internet connected devices, mall management teams and landscape service providers perform mobile inspections, receive remote alerts, and can make programming changes from anywhere. Fashion Valley is using this smart system to comply with water restrictions, improve system efficiency, and is saving about 30-40% water, which translates to millions of gallons of water. Simon continues to monitor the performance of this technology at Fashion Valley and will assess scaling smart irrigation at other properties across the portfolio.

To take the program to another level, Simon is participating in the Save Water | Give Life social cause to share its water savings with people in the developing world who have no access to safe drinking water. For every gallon of documented savings generated by Simon’s smart irrigation programs, an equivalent gallon is given through the drilling of clean water wells.



WASTE

Approach

Simon is continuously looking for opportunities to increase recycling and minimize waste sent to landfills. Simon’s objective is to reduce our environmental footprint, improve operational efficiency and reduce waste handling costs. Our ability to recycle depends on various factors, including local policies and regulations, available infrastructure for processing recyclable material, available offtakes of recyclable materials (such as plastic film) and finally tenant collaboration because the staff at the tenant stores are ultimately responsible for waste separation. In 2015, Simon made progress in improving recycling by using improved equipment to increase diversion rates at select centers, introducing food waste and plastic film recycling at select centers and assesing conversion to single stream recycling where available.

Waste Generated During Expansions and Renovations

During major expansions and renovations, Simon encourages general contractors to implement job site recycling programs and divert a project’s waste from landfills. Some examples of recent expansions and renovations where over 80% recycling rates have been achieved include Del Amo Fashion Center, Torrance, California, King of Prussia, King of Prussia, Pennsylvania and The Galleria, Houston, Texas.

Diverting Food Waste from Landfill

When it comes to waste management, keeping food waste out of the landfill is a challenge Simon is taking on, because organic waste produces methane, a greenhouse gas with 21 times the global warming potential of carbon dioxide. Food recycling programs have been established at many Simon centers in California and Massachusetts. In other states, we are piloting different approaches including digesters, dehydrators and composters to find the right technologies that can be scaled. Food waste provides Simon with an opportunity to recycle and be more efficient in our waste handling, however, finding the right solutions is key - a system that works for one mall may not work for another. For example, at The Shops at Mission Viejo in California, leftovers from food prep and guest plates are collected, transported to the local recycling facility and converted into engineered bio slurry. The slurry is then trucked to a county plant, where it is used to create electricity to power the facilities. Whereas in Massachusetts, Emerald Square and Southshore Plaza® centers both have composting programs in place that divert around a ton of food waste weekly.

Metrics

Weight of waste by disposal method	2014	2015
WASTE TYPE	US TONS	US TONS
Landfill	157,536	160,899
Recycling	43,483	105,738

For more indicators on waste handling, and information on methodologies used, refer to the the Global Reporting Initiative Content Index in the appendix.

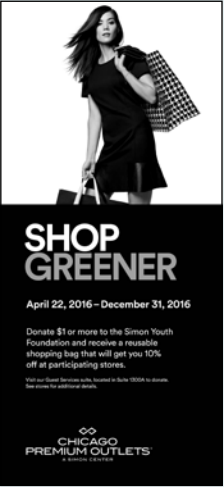
LA PLAZA MALL MAKES GOOD USE OF FORMER SEARS

At La Plaza Mall in McAllen, Texas, the demolition of a Sears building to make way for an expansion of the mall presented many sustainability opportunities. 10,000 cubic tons of recyclable materials, more than 147,000 square feet of flooring and 150 tons of steel were identified for use elsewhere. A local church was given first dibs on cabinets, doors, ceiling tiles and an air conditioning unit for a daycare they were building. “Staying in tune with Simon’s goals, 70 percent of the existing demolition of the Sears building will be reused or recycled,” General Manager for La Plaza Mall Roberto Luciano said.



CHICAGO PREMIUM OUTLETS® LAUNCHES CENTER-WIDE REUSABLE SHOPPING BAG PROGRAM ON EARTH DAY

In an effort to put greater focus on reducing the use of plastic, Chicago Premium Outlets in Chicago, Illinois, rolled out a Shop Greener Program to reduce the amount of waste generated through shopping bags. Shoppers who donate \$1 or more to the Simon Youth Foundation at Simon Guest Services receive a reusable shopping bag and get 10% off at participating stores. Currently, 25 stores are participating. Those stores have noticed that when people bring in their reusable shopping bag they do not want to receive plastic or paper bags. Since the launch of the program on Earth Day in 2016 we have seen a huge increase in SYF donations. “The reduction of plastic waste is a huge environmental issue” said Emily Zimmerman, Director of Marketing and Business Development for Chicago Premium Outlets. “This program allows us to do something good for the environment, our customers, and the community at large – a definite win-win-win.”



Approach

Simon is a real estate company that is focused on creating experiences for our customers and retailers. We continue to improve our product offerings to consumers through a wider variety of dining options, including the addition of healthy choices and local concepts, as well as other enhancements such as comfortable common area seating and gathering places, children’s play areas, Wi-Fi, and exclusive event programming, all contributing to a superior experience that can’t be found anywhere else. For our retailers, we offer the unique opportunity to thrive in the best real estate on the market with high quality properties. Simon brings decades of expertise when it comes to the development and management of shopping centers. We continue to expand the scope of our amenities and deliver compelling programming that builds strong bonds with our consumers.

Best-in-Class Customer Experience with New Simon Loyalty Programs

Simon continues to enhance and expand its loyalty pilot programs with Simon Rewards and Simon Insider. Twelve properties participate in Simon Rewards and eight properties in Simon Insider. Both programs are designed to reward shoppers for all of their mall purchases, and in 2016 this was facilitated through a new technology supplied by Spring Marketplace that enables shoppers to register their existing credit cards and have their purchases automatically registered. The programs differ in their rewards structures, but the one constant is rewards, for example access to reserved parking spaces for top customers. The data derived from the programs also provides Simon with insight into shopping behavior that has not been available before, and this data can be leveraged by retailer partners for targeted marketing campaigns to best meet customer demands. The pilots continue to test different elements of the programs and to gauge consumer response with the goal of defining a nationwide program in 2017.



Teaming Up with Retailers to Meet Sustainability Objectives

Engaging with our tenants is not a new concept for us at Simon. Over the last decade, we have developed processes and a variety of tools to engage with our tenants across our portfolio. The main objective is helping tenants to be successful in their business and achieving their goals, to have the best space and attract customers. Similarly, stakeholder engagement with our tenants is essential for success in achieving sustainability objectives since tenants occupy the majority of a mall’s space. Furthermore, retailer employees play a critical role in the successful implementation of sustainability initiatives. Simon’s strategic approach to tenant engagement on sustainability topics is outlined below:



DOES SHOPPING BEHAVIOR IMPACT SUSTAINABILITY?

Today shoppers have more choices to purchase a wider variety of product than ever before; shoppers now have the ability to shop for “anything, anywhere, anytime”. While the retailers work hard to deliver to our convenience, our shopping behaviors do have environmental and socioeconomic impacts.

At Simon, we took up 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. 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. We looked at a typical basket of customer purchases comprised of a combination of four retail products’ journeys from its manufacturing to its end of life when shopped via mall or online. 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.

So what’s the big picture outcome? If you consider all of the people that come to a mall each year, if 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 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. Read the full study at simon.com/sustainability

Table A: Key Supply Chain Components - Mall and Online Shopping











PHASE	MALL	DIFFERENCE		ONLINE
LOGISTICS & DISTRIBUTION	Fuel consumed in transporting the good from the wholesale warehouse to the mall			Fuel consumed in transporting the good from distribution center to local sorting facility
	Energy consumed in the regional distribution center			
CUSTOMER SHOPPING	Energy consumed in the mall			Energy consumed at the data centers and in using personal devices such as desktop computers required to support customer's online shopping
PRODUCT DELIVERY	Individual product packaging I.E. shopping bags			Individual product packaging used to send products i.e. corrugated boxes, bubble wraps, etc.
	Fuel consumed in customer travel to the mall and back for shopping			Fuel consumed in the last mile delivery
	Fuel consumed in customer travel to return the products bought			Fuel and data center and personal device energy consumed in returning the product using delivery to return to distribution center
<div><div> Fuel Emissions</div><div> Energy Emissions</div><div> Packaging Emissions</div><div>Each symbol represents 1,000 Metric Tonnes of CO2 emissions</div><div>Equivalent to  2.4 Million Miles Driven by an average US passenger car</div></div>				

Table B: Overview of CO2 Emissions - Mall and Online Shopping

PHASE	FUEL EMISSIONS	ENERGY EMISSIONS	PACKAGING EMISSIONS	TOTAL EMISSION	% OF RESPECTIVE TOTALS
LOGISTICS & DISTRIBUTION					
Mall	6,197	1,616		7,814	21%
Online	10,951			10,951	27%
CUSTOMER SHOPPING					
Mall		9,140		10,264	27%
Online		1,976		1,976	5%
PRODUCT DELIVERY					
Mall	19,325		308	19,633	52%
Online	24,847	163	2,359	27,369	68%
Total for Mall	25,523	10,757	308	37,710	100%
Total for Online	35,798	2,139	2,359	40,295	100%
This shows emissions from malls are 7% lesser than online				2,585	<=Difference

All emissions in table above are in metric tons of CO2e

Approach

Simon aims to create positive social and economic impacts in all the communities we are part of. Our shopping centers have evolved into unique, social destinations for family and friends to enjoy dining and entertainment within their community. We understand that engaging with our communities is essential for our business success and are committed to being a responsible corporate citizen, building strong communities through promoting development activities and social initiatives.

We continue to invest in our properties to make them community hubs that enrich the shopping experience and reinforce Simon as the destination of choice for both our shoppers and our retailers. In 2015, in total, we have redevelopment and expansion projects underway at 27 properties in the US and Asia. Also, through social initiatives, we embed ourselves in the local culture of the communities, for example, by supporting nonprofit organizations in a range of activities throughout the year. One key area for our social initiatives is focused around promoting education (See Simon Youth Foundation). Furthermore, we take a localized approach for identifying social initiatives to meet the specific needs of each community, and some examples are listed below:

Jeffrey Fashion Cares at Phipps Plaza Draws Sell-Out Crowds In Support of Breast Cancer and AIDS Awareness

Jeffrey Fashion Cares is a charity event, featuring a high-end runway show that has taken place for the last 24 years and is one of the largest combined AIDS and breast cancer benefits in the country. For the second year in a row, Jeffrey Fashion Cares returned to Phipps Plaza in Atlanta, Georgia. The sold-out event at the mall raised nearly \$700,000 in 2015 and \$800,000 in 2016 for the two organizations.

San Francisco Premium Outlets® Spotlights Work of Local Artist

As part of its ongoing support of community partners, San Francisco Premium Outlets’ management team commissioned local artist, John Osgood, to design and create a mural dedicated to the Livermore Valley Wine Country. The mural, unveiled in September 2016 as a kick

off to California Wine Month, is 22 feet high and 44 feet wide depicting the valley’s rolling hills and vineyards. It is located in the east section of the center. Michele Osgood, Director of Marketing, said, “We really wanted to look for some way to strengthen our relationship with the surrounding community and highlight the amazing resources we have in our backyard. A lot of tourists who come through here may not know that we have over 50 wineries in our area.”

Six Mills Centers Tap Into Shoppers’ Love of Shoes To Help Others

For the Love of Shoes took place at six Mills centers during the month of September, celebrating the love affair shoppers have with shoes while working hand-in-hand with Soles4Souls, a global not-for-profit committed to fighting poverty through the collection and distribution of shoes and clothing. Participating Mills centers featured a large Simon shoe box at their Guest Services booths where customers could donate new and gently used shoes through the Soles4Souls organization. About 5,000 pairs of shoes were collected at participating centers including Arundel Mills,® Grapevine Mills,® Ontario Mills,® The Mills at Jersey Gardens, Philadelphia Mills® and Great Mall.®



Check Presentation with Indiana Pacers player Glenn Robinson III, SYF CEO Michael Durnil, and Donald Cloutier.



Andrew Price at The Mall at Tuttle Crossing in Dublin, Ohio.

Creating Big Opportunities from Big Dreams: Simon Youth Foundation Partners with Public School Districts to Help Curb the Dropout Epidemic

Every 26 seconds, an American student drops out of high school. Each of these decisions has an economic ripple effect on the local community. Eighteen years ago, Simon employees came together to help address the dropout crisis through the Simon Youth Foundation (SYF). SYF partners with public school districts to help them build alternative school settings for the students most at risk of dropping out. Many of these schools are located inside Simon shopping malls. SYF began the 2016-2017 school year with 29 Simon Youth Academies in 12 states. These students, once on path to become a dropout statistic, now graduate from the Academies at a 90 percent rate. Since 1998, more than 14,000 students have received their diplomas through SYF.

One life changed by SYF belonged to a student named Duane in Seattle, Washington. When Duane was 15, his father brought him to a bus stop, gave him some cash and told him it was time to live on his own. For two years, Duane was homeless, sleeping in shelters or on the street when the shelters were full. Eventually, he learned about the Simon Youth Academy at Northgate Mall and decided to go back to school. In June, he turned his graduation tassel as part of the Class of 2016.

The success of students like Duane is heavily dependent on Simon employees. In 2015, Simon employees donated more than \$645,000 to the Foundation as part of the employee giving campaign. The company raised an additional \$2 million through events, collecting change, and asking for donations at Guest Services.

SYF Simon Youth Foundation



Simon Youth Foundation has 29 Academies in 12 states



4,000

SYF has awarded nearly \$16 million in scholarships to nearly 4,500 students



Simon Youth Academies maintain an average graduation rate of 90 percent

Approach

We believe that our people are the key driver of Simon’s business success. Simon’s Human Resources (HR) strategy is aligned with our business priorities and core values. We design all HR activities and programs around attracting, retaining, developing, engaging, and enabling our employees. Key Simon HR priorities include:

- **Talent Acquisition**
Provide exceptional talent acquisition in order to attract top talent for Simon.
- **Talent Management**
Enhance the organizational effectiveness through talent programs that drive performance, development, and engagement.
- **Culture**
Foster a culture that aligns with our core values, drives employee engagement, and maximizes performance through development, empowerment, and recognition.
- **Total Rewards**
Develop and maintain compensation and benefit programs that align with and support the long-term goals of our business and that reward employees for value-added service. We strive for high levels of quality, compliance, and employee satisfaction.

Professional Development at Simon

To ensure we are continuously growing our talent from within, we are committed to providing a variety of ongoing professional development opportunities that will help our employees acquire the skills they need to reach their full potential at Simon, examples include:

- **Advanced Leadership Program**
Designed for high potential managers, Simon’s Advanced Leadership Program (ALP) is an intensive learning experience that broadens the strategic thinking and critical leadership skills of Simon’s next generation of executives, preparing them to assume roles of increased influence and business responsibility. This program focuses on providing the practical skills needed to become a senior leader of a business function, and how to inspire exceptional employee performance at every level.
- **Emerging Leaders Program**

Designed for team members who aspire to one day assume a leadership role, Simon’s Emerging Leaders Program (ELP) equips our high potential employees with the foundational skills needed to make the transition from being a strong individual performer to becoming an effective leader of people. This learning program focuses on personal skill assessment, targeted leadership development, and the acquisition of critical Simon-specific business acumen, which is applied back to the business through experiential action learning projects.

- **Executive Speaker Series**
Throughout the year, Simon’s most senior executives host a series of learning events that help our employees broaden their general grasp of our organizational strategy and operating philosophy in our constantly evolving industry. These engagements are designed to support open communication between our leadership team and employees, while helping each team member see how their work directly influences Simon’s continued success as a global business leader.
- **General development and online learning**
Continuous learning is essential at Simon. We believe in empowering employees to take control of their individual development. To support ongoing professional growth in a variety of skills and competencies, employees are given access to Simon’s online e-learning library as well as the opportunity to attend live, instructor-led training sessions offered throughout the year.

SIMON’S FOCUS ON INCREASING EFFICIENCY FOR EMPLOYEES, MANAGERS AND THE COMPANY

The Simon HR Department places a high priority on increasing the efficiency with which it delivers products and services to the business. Recently, Simon HR has been focusing its efforts on streamlining systems and processes through the implementation of a new human capital management system.

The new HR system will allow employees and managers to perform many HR-related tasks, directly in the system. Employees will have direct online access to request, update, and/or verify personal information (i.e., home address, benefits enrollments, and vacation requests) where and when it is convenient for them. Similarly, managers will have an improved experience by accessing one system for various managerial tasks like requesting a salary change and approving employee vacation requests. In the future, the new HR system will provide a foundation upon which to further integrate and enhance additional talent management processes, such as organizational performance management, talent assessment, and succession planning.

By streamlining many HR processes through the implementation of one new system, Simon will significantly reduce its reliance on manual processes. Also as a result of implementing this new system, Simon expects to see an increase in productivity and improvement in data accuracy. And, over time, as robust data builds in the new system, Simon leaders and managers will enjoy the benefits of having direct access to real-time data and various decision support tools related to people management and associated costs.



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.

Metrics

Total Number of Employees			
	FEMALE	MALE	TOTAL
Home Office	768	655	1,423
Field Employees	1,991	1,979	3,970
Total Employees (Full and part time)			5,393

Tenure Distribution		
TENURE DISTRIBUTION	TOTAL FULL TIME EMPLOYEES	% DISTRIBUTION
< 5 Years	1,490	43%
5-10 Years	956	27%
10-15 Years	396	11%
15-20 Years	331	9%
20+ Years	319	9%
Total	3,492	100%
Information as of 12/31/2015 - includes full time employees only		



Volunteering at Simon

Simon supports activities that enhance, benefit and serve the communities in which we live and work; this is aligned with our core value of Responsible Citizenship. Below are some examples of how our employees make a difference in their communities:

I volunteer as time permits and am most passionate about clean water and invasive species. I have volunteered with the Nature Conservancy to spray invasive species along Lake Alexander in Minnesota; cleaned up area beaches and rivers. I have participated in adopt a highway pickups with the Women of Today. The mall staff has been brainstorming how we could all participate as a group to have more impact.

Katie Kaz, Mall Manager
Miller Hill Mall
Duluth, Minnesota

I participate in the Big Brother Big Sister Program. My little brother and I generally hang out, play basketball, play video games, go outside, and talk about school and life. According to his mom, he's gone through quite the transformation since the start of the program. His mom believes Jesse has really benefitted from having a mentor type person in his life. He talks more about what he wants to do career-wise since. For me, it has definitely been the most rewarding and amazing program I've been a part of.

James Ross, Asst. Mall Manager
Orlando Vineland Premium Outlets®
Orlando, Florida



Coconut Point hosts the Southwest Florida Susan G. Komen Race for the Cure. Along with our race participation, I chair my community team the Pelican Landing Pink Pelicans. Over the last four years, we have raised more than \$90,000 for our local Komen affiliate. Along with our race team, we've hosted pizza parties, bridge tournaments, and Pink Power Happy Hours.

Jamie C. Grofi, Mall Manager
Coconut Point®
Estero, Florida

APPENDIX

Global Reporting Initiative Content Index

Assurance Statement

GLOBAL REPORTING INITIATIVE CONTENT INDEX

GENERAL STANDARD DISCLOSURE

STRATEGY AND ANALYSIS		REFERENCE
G4-1	CEO statement	<i>Letter from Our CEO</i>
G4-2	Description of key impacts, risks, and opportunities	<i>Letter 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 2016

ORGANIZATIONAL PROFILE		REFERENCE
G4-3	Name of the organization	<i>About Simon</i>
G4-4	Primary brands, products, and services	<i>About Simon</i>
G4-5	Location of organization's headquarters	<i>About Simon</i>
G4-6	Number and name of countries where the organization operates	<i>About Simon</i>
G4-7	Nature of ownership and legal form	<i>About Simon</i>
G4-8	Nature of markets served	<i>About Simon</i>
G4-9	Scale of the reporting organization (employees, operations, net sales, capitalization, quantity of products/services)	Simon Annual Report 2015
CRE	Gross lettable area for assets under construction and management and vacancy rate	Occupancy for the U.S. Malls and Premium Outlets at 96.1% as of December 31, 2015.

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

ORGANIZATIONAL PROFILE		REFERENCE
G4-10	Company info <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	<i>Employees</i> At December 31, 2015, Simon and its affiliates employed approximately 5,000 persons at various properties and offices throughout the United States, of which approximately 1,850 were part-time. Approximately 1,100 of these employees were located at our corporate headquarters in Indianapolis, Indiana. No significant variations in employment numbers have occurred.
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.
G4-11	% of total employees covered by collective bargaining agreements	Simon employees are not unionized. Therefore, no collective bargaining agreements in place.
G4-12	Describe the organization's supply chain	Simon's purchasing falls into several categories including janitorial, office, materials, repairs and operations, construction, energy, utilities, and other areas. Simon has over 3,000 suppliers we do business with annually from local to national companies.
G4-13	Significant changes from previous report regarding size, structure, ownership, or supply chain	No significant changes during reporting period.

COMMITMENTS TO EXTERNAL INITIATIVES		REFERENCE
G4-14	Report how the precautionary approach or principle is addressed by the organization	Simon's approach to development is focused on prevention and is rather precautionary. Social and environmental considerations are incorporated into design and development processes to ensure properties are resilient and deliver long-term shareholder value.
G4-15	List externally developed economic, environmental and social charters, principles, or other initiatives to which the organization subscribes or which it endorses	<i>Sustainability Recognition</i>
G4-16	List memberships of associations (such as industry associations) and national or international advocacy organizations in which the organization: <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	<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: Rick Sokolov, Simon President & COO, is on the Board of Trustees and Michael McCarty, EVP Development Operations, is on the Board of Directors.• Member of National Association of Real Estate Investment Trusts (NAREIT) and Sustainability Accounting Standards Board (SASB) working group for Real Estate Owners, Developers & Investment Trusts.

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>Stakeholder Engagement & Materiality</i>
G4-19	List all material aspects identified in the process for defining report content	<i>Stakeholder Engagement & Materiality</i>
G4-20	For each material aspect report the boundary within the organization	<i>Stakeholder Engagement & Materiality</i>
G4-21	For each material aspect, report the aspect boundary of the report outside the organization	<i>Stakeholder Engagement & Materiality</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 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>Stakeholder Engagement & Materiality</i>
CRE	Identify and report those stakeholder groups that are engaged at the organizational level and those that are engaged at a project or asset level	<i>Stakeholder Engagement & Materiality</i>
G4-25	Basis for identification and selection of stakeholders with whom to engage	<i>Stakeholder Engagement & Materiality</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>Stakeholder Engagement & Materiality</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	Simon is in the process of further developing our stakeholder engagement strategy. <i>Sustainability Goals</i>

REPORT PROFILE		REFERENCE
G4-28	Reporting period	<i>About this Report</i>
G4-29	Date of most recent previous report	Simon Sustainability Report 2015 available at simon.com/sustainability .
G4-30	Reporting cycle	Biennial
G4-31	Contact point for questions regarding the report or its contents	<i>About 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>About 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 calendar year 2015.
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 Governance</i> Simon Annual Report 2015 Part III Proxy Statement 2015
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 Governance</i>
G4-36	Reporting cycle	<i>Sustainability Governance</i>
G4-37	Contact point for questions regarding the report or its contents	<i>Sustainability Governance</i> Questions can be directed to sustainability@simon.com .
G4-38	Composition of the highest governance body and its committees by: (e.g. executive or non-executive/independence/tenure on the governance body Number of each individual’s other significant positions and commitments, and the nature of the commitments/gender/membership of under-represented social groups/competences relating to economic, environmental and social impacts/stakeholder representation)	Simon Annual Report 2015 Part III Proxy Statement 2015
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 2015 Part III Proxy Statement 2015

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

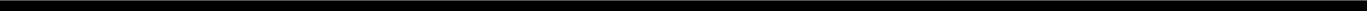
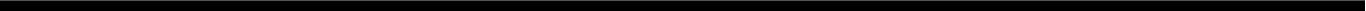
Economic			
GRI INDICATOR	DESCRIPTION	REFERENCE	UNIT OF MEASUREMENT
G4-EC1	Direct economic value generated and distributed	Annual Report 2015	
G4-EC2	Financial implications and other risks and opportunities for the organization's activities due to climate change	Simon CDP Report 2016	
Environment			
Energy			
GRI INDICATOR	DESCRIPTION	REFERENCE	UNIT OF MEASUREMENT
G4-DMA	Disclosure on management approach	Energy	
EN 3 ENERGY CONSUMPTION WITHIN THE ORGANIZATION			
A	Total fuel consumption from non-renewable sources (includes diesel, gasoline, natural gas, and propane)	353,936	GJ
B	Total fuel consumption from renewable fuel sources (includes ethanol blends such as E10 and E85)	3,509	GJ
C	Breakdown of total consumption		
	Electricity consumption	2,666,405	GJ
	Cooling consumption	145,833	GJ
D	Energy sold	N/A	
E	Total energy consumption	3,169,683	GJ
F	Standards, methodologies, and assumptions used	Methodology	
G	Source of the conversion factors used	Methodology	
EN 4 ENERGY CONSUMPTION OUTSIDE OF THE ORGANIZATION			
A	Energy consumed outside of the organization (Excludes fuels from employee commuting. Available for downstream leased assets and rental vehicles)	3,736,526	GJ
B	Standards, methodologies, and assumptions used	Methodology	
C	Source of the conversion factors used	Methodology	

Environment			
Energy			
GRI INDICATOR	DESCRIPTION	REFERENCE	UNIT OF MEASUREMENT
EN 5	ENERGY INTENSITY		
A	Energy intensity rates	0.0550	GJ/ft²
B	Organization-specific metric/ratio denominator chosen to calculate ratio	ft²	
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.	
EN 6	REDUCTION OF ENERGY CONSUMPTION		
A	Amount of reduction in energy consumption achieved	15,043	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	0.0550	GJ/ft²

Environment			
Water			
GRI INDICATOR	DESCRIPTION	REFERENCE	UNIT OF MEASUREMENT
G4- DMA	Disclosure on 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, waste water from another organization Municipal water	N/A 13,785,864	m³
B	Standards, methodologies, and assumptions used	Methodology	
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 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 or 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. 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.	
C	Standards, methodologies and assumptions used		
CRE 2	BUILDING WATER INTENSITY		
A	Building water intensity	0.2390	m³/ft³

Environment			
Greenhouse Gas (GHG) Emissions			
GRI INDICATOR	DESCRIPTION	REFERENCE	UNIT OF MEASUREMENT
G4- DMA	Disclosure on management approach	Energy	
EN 15	DIRECT GHG EMISSIONS (SCOPE 1)		
A	Direct GHG Emissions (Scope 1)	23,000	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	19	Metric tons CO ₂ -e
D	Base year	2003	
E	Standards, methodologies, and assumptions used	Methodology	
F	Source of the emission factors and global warming potentials (GWP) rates used	Methodology	
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	358,862	Metric tons CO ₂ -e
B	Gases included in the calculation	CO ₂ , CH ₄ , N ₂ O	
C	Base year	2003	
D	Standards, methodologies, and assumptions used	Methodology	
E	Source of emission factors and global warming potential (GWP) rate used	Methodology	
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	618,912	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	N/A	Metric tons CO ₂ -e
D	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	N/A	
E	Base year	2005	
F	Standards, methodologies, and assumptions used	Methodology	
G	Source of the emission factors and the global warming potential (GWP) rates used	Methodology	
EN 18	GHG EMISSION INTENSITY FROM BUILDINGS		
A	GHG emission intensity ratio	0.0066	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 & 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	7,792	Metric tons CO ₂ -e
B	Gases included in the calculation	Material gases - CO ₂ , CH ₄ , N ₂ O	
C	Base year	2003	
D	Standards, methodologies, and assumptions used	Methodology	
E	Types of GHG emissions included	Scope 1 and Scope 2	



Environment			
Waste			
GRI INDICATOR	DESCRIPTION	REFERENCE	UNIT OF MEASUREMENT
G4- DMA	Disclosure on 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:	105,738	U.S. tons
	Composting:	N/A	U.S. tons
	Recovery, including energy recovery:	N/A	
	Incineration:	N/A	
	Deep well injection:	N/A	
	Landfill:	160,899	U.S. tons
	On-site storage:	N/A	
	Other:	N/A	
B	Report on how the waste disposal method has been determined	Waste survey conducted	
	Disposed of directly by the organization or otherwise directly confirmed	No	
	Information provided by the waste disposal contractor	Yes	
	Organizational defaults of the waste disposal contractor	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 in order to gain development approval.
G4-SO2	Operations with significant actual or potential negative impacts on local communities	No Simon operation has been identified as having significant actual or potential negative impacts 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 and/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 Real estate required	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.

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.” The scope of Simon’s organizational boundaries includes 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 Simo’ns boundary include retail properties and office buildings.

Simon has established GHG and energy goals that the company will track 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, there are certain structural changes that can trigger a recalculation of emissions. There 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.
- It’s important to include 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 alternatively, 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 United States 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

Simon’s inventory 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 tenants- as this information is currently not available to Simon.

Waste

Simon’s waste reporting is limited to properties that are within Simon’s operational control, similar to the energy and GHG data inventory. Simon’s waste data includes both actual and estimated figures. A small portion of facilities, about <5% were unable to provide solid waste information and <15% of properties were not able to provide Recycling data (corrugate).

Simon’s historical recycling figures may be adjusted year over year. This is due to additional data validation and quality assurance checks that are continuously established as part of Simon’s waste and recycling data collection process. As additional information from facilities is provided we work 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.

ASSURANCE STATEMENT

To the Executive Management Team and Shareholders of Simon Property Group

Verification of Simon Property Group’s 2015 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 2015.

Lucideon performed several tasks to provide the limited assurance of the GHG assertion for calendar year 2015 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 Property Group.

Andrew Shepherd
Lead Verifier





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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).