

SIMON SUSTAINABILITY REPORT 2017





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ON THE COVER:
Stanford Shopping Center in Palo Alto (San Jose), California, one of Simon’s best-performing properties, was recently reinvigorated to entice new generations of young, casually elegant, environmentally aware shoppers.



SUSTAINABILITY AT SIMON

“Thanks to the efforts of our employees, retailers, and shoppers who contributed every day to our sustainability initiatives, we were able to achieve the majority of our sustainability objectives and exceed our ambitious energy and GHG emission reduction goals. We continue to progress on the rest of our sustainability goals detailed in this report. Recognition of our efforts underscore the impact of our programs—once again our sustainability commitment and leadership resulted in recognition by CDP and GRESB.”



DAVID SIMON
Chairman and
Chief Executive Officer
Simon Property Group



A WORD FROM OUR CEO

Sustainability, with our focus on properties, customers, communities, and employees, continues to be a key part of our business. I am happy to provide an update via this year's Sustainability Report. Guided by our commitment to deliver long-term value to all of our stakeholders, we continue to build on the success of long-term sustainability initiatives such as energy efficiency programs. We have reduced our company-wide electricity consumption by 33% since 2003. Energy efficiency projects have saved Simon millions of dollars in operating costs. We continue to explore new projects, such as energy battery storage and on-site energy generation like solar installations as these technologies mature and offer improved financial returns.

Simon actively embraces its role as a responsible corporate citizen. Simon Malls, The Mills, and Simon Premium Outlets are an integral part of the communities we serve. We provide a gathering place for the members of the community and a perfect example of this is Project: OM, a yoga event cosponsored by Manduka and Susan G. Komen that took place over Mother's Day weekend within many of our centers' common space. Proceeds from these events went directly to Susan G. Komen. In 2017, we committed to raising \$1 million in support of Komen's efforts to reduce deaths from breast cancer by 50% in the next ten years. I'm pleased to report that we exceeded our goal of \$1 million in 2017 and have committed to raising another \$1 million in 2018.

Simon Youth Foundation (SYF) continues its legacy of helping at-risk youth graduate from high school through its 30 academies in 12 states, many located in Simon centers. Simon employees actively participate in supporting SYF, donating more than \$500,000 annually and contributing to the \$17 million in scholarships that have been granted to 16,000 students who have graduated from SYF academies since 1998.

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

David Simon
Chairman and Chief Executive Officer
Simon Property Group
December 2017

SIMON.COM

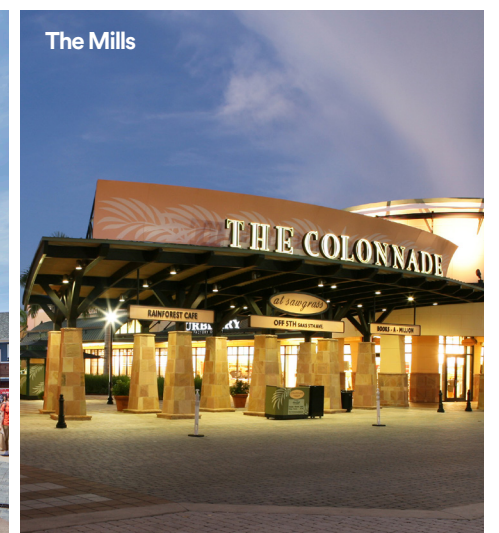
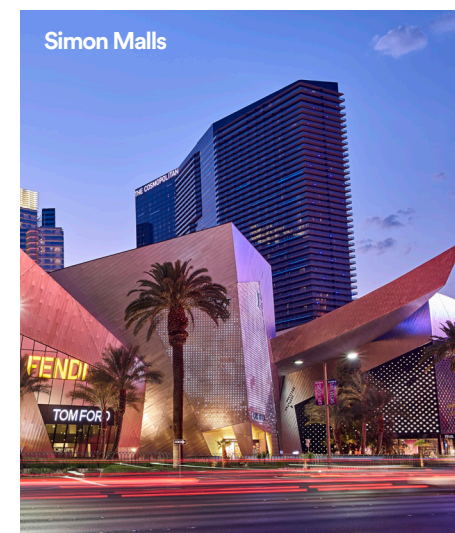
THIS IS SIMON

NOBODY IS CLOSER TO WHAT IS TRENDING THAN SIMON

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

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

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



LEADING
THE INDUSTRY

\$62 Billion

Retail Sales

192 Million

Square Feet of GLA in
North America, Asia and Europe

37

States and Puerto Rico in the U.S.

2,900+

Brands

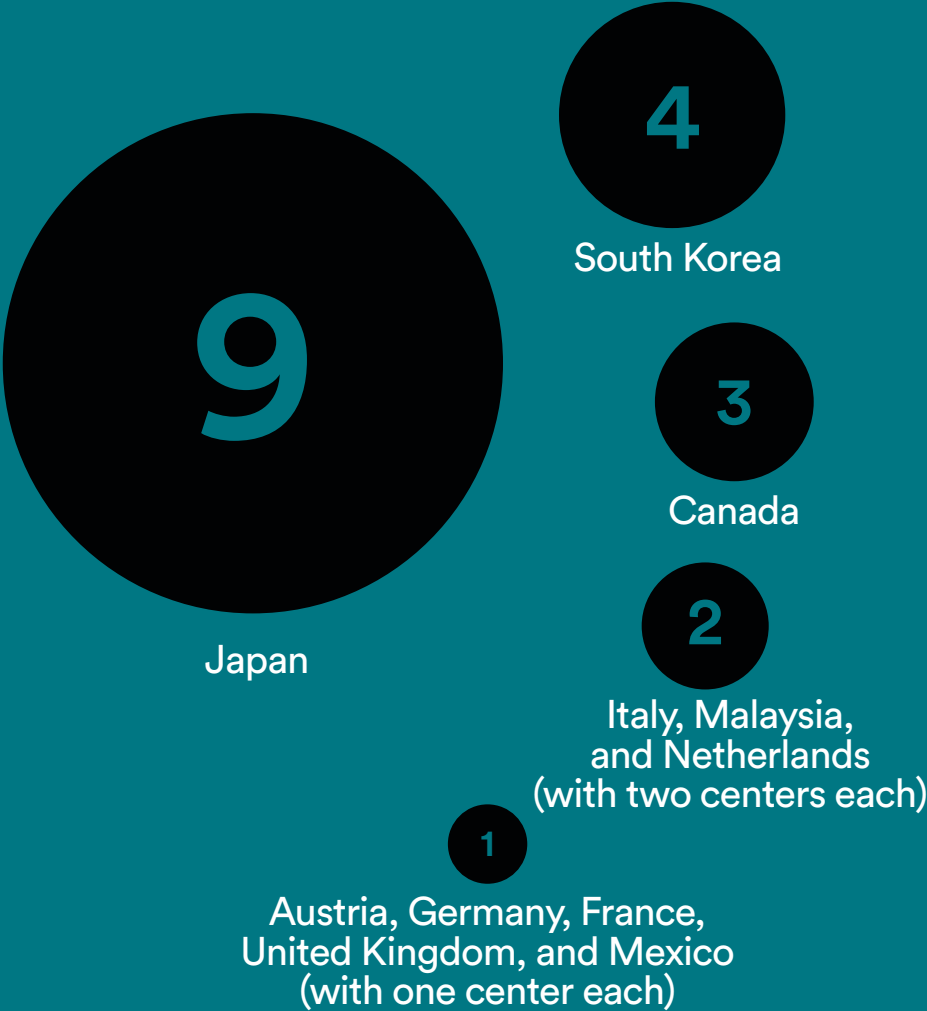
300

New Brands

8X

Named *Fortune's* Most Admired
Real Estate Company

Simon centers around the world:



21.0%  KLEPIERRE

Equity Stake in Klépierre SA

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

FINANCIAL HIGHLIGHTS

Year Ending December 31, 2016
Dollars in millions, except per share figures

	2016	2015
Consolidated Revenue	\$ 5,435	\$ 5,266
Net Income Per Share (Diluted)	\$ 5.87	\$ 5.88
Funds from Operations (FFO)	\$ 3,793	\$ 3,571
FFO Per Share (Diluted)	\$ 10.49	\$ 9.86
Dividends Per Share	\$ 6.50	\$ 6.05
Common Stock Price (at December 31)	\$ 177.67	\$ 194.44
Total Equity Capitalization	\$ 64,103	\$ 70,321
Total Market Capitalization ⁽¹⁾	\$ 93,683	\$ 99,426

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

BUILDING THE SHOPPING DESTINATIONS OF THE FUTURE—SIMON’S REDEVELOPMENT HIGHLIGHTS

SIGNIFICANT REDEVELOPMENT AND EXPANSION PROJECTS

Completed in 2016 & 2017

Roosevelt Field
Garden City, NY
Redevelopment and 50,000 SF small shop expansion
Addition of Neiman Marcus

Stanford Shopping Center
Palo Alto, CA
Redevelopment and 120,000 SF small shop expansion
Relocation of Bloomingdale’s

Chicago Premium Outlets
Aurora, IL
Phase I redevelopment and 260,000 SF expansion

Fashion Centre at Pentagon City
Pentagon City, VA
Redevelopment and 50,000 SF expansion

King of Prussia
King of Prussia, PA
150,000 SF small shop expansion including restaurants to connect The Plaza and The Court

Ontario Mills
Riverside, CA
80,000 SF expansion

The Outlets at Orange
Los Angeles, CA
60,000 SF expansion

La Plaza Mall
McAllen, TX
Redevelopment and 221,000 SF expansion

Woodbury Common Premium Outlets
Central Valley (New York), NY
Redevelopment and 63,000 SF expansion

Allen Premium Outlets
Allen, TX
Redevelopment and 123,000 SF expansion

Significant Redevelopment and Expansion Projects

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

NEW DEVELOPMENT PROJECTS

Opened in 2016 & 2017

Tanger Outlets - Columbus
Columbus, OH
355,000 SF upscale Outlet Center

Clarksburg Premium Outlets
Clarksburg, MD
392,000 SF upscale Premium Outlets Center

Brickell City Centre
Miami, FL
500,000 SF retail development

The Shops at Clearfork
Fort Worth, TX
380,000 SF of luxury and specialty retail, restaurant, and entertainment

Norfolk Premium Outlets
Norfolk, VA
332,000 SF upscale Premium Outlets Center

INTERNATIONAL PROPERTIES

New Developments and Expansions

Genting Highlands Premium Outlets
Kuala Lumpur, Malaysia
274,000 SF upscale Premium Outlets Center

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

Premium Outlet Collection Edmonton International Airport
Edmonton, Canada
428,000 SF upscale Premium Outlets Center
Completion in 2018

Toronto Premium Outlets
Toronto, Canada
Redevelopment and 145,000 SF expansion
Addition of parking deck
Completion in 2018

MATERIALITY

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

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

CHART A: Steps for Simon’s Materiality Assessment

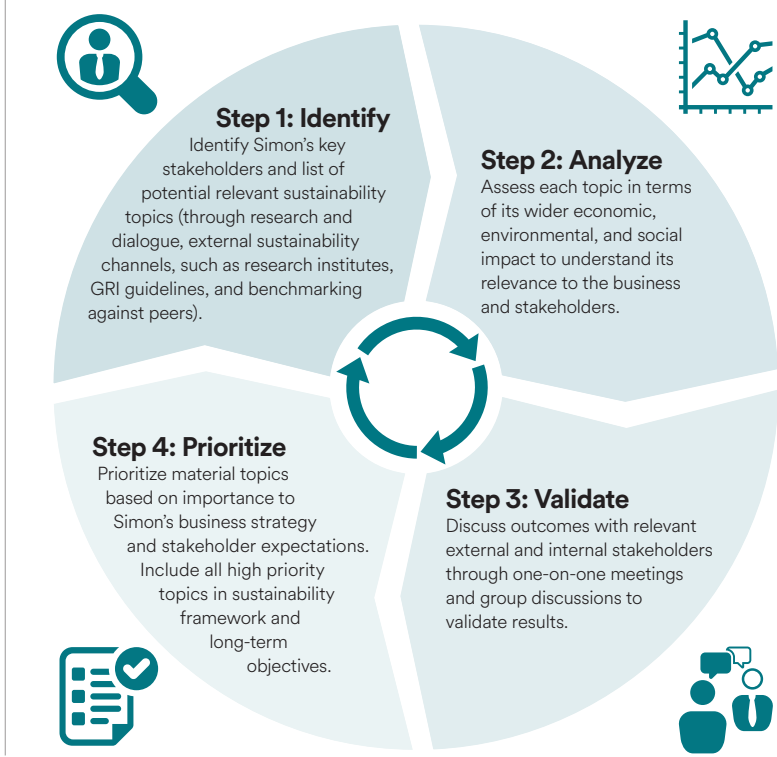
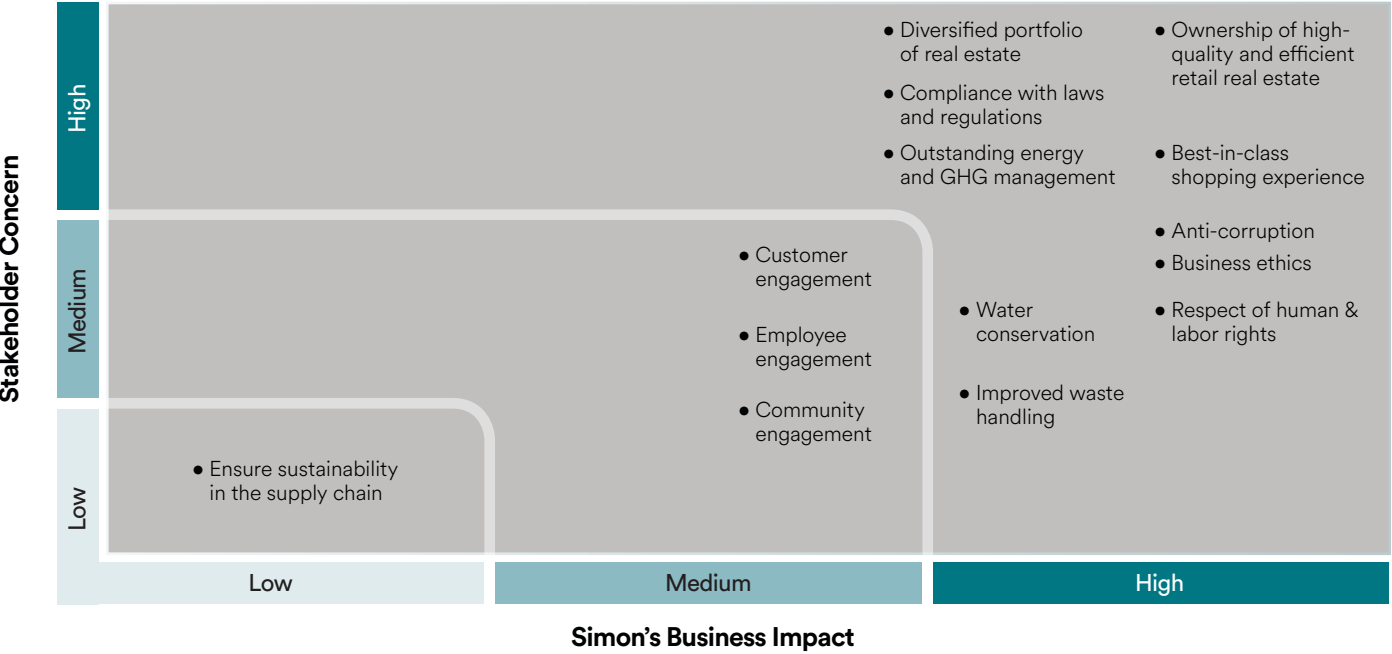


CHART B: Simon’s Key Material Aspects



SUSTAINABILITY FRAMEWORK

We have leveraged our materiality assessment in a strategic manner to derive our sustainability framework at Simon. We have focused on driving impact one issue at a time. Over the last three years, we have acted on these issues by setting goals and measuring our progress to ensure accountability of our commitments.

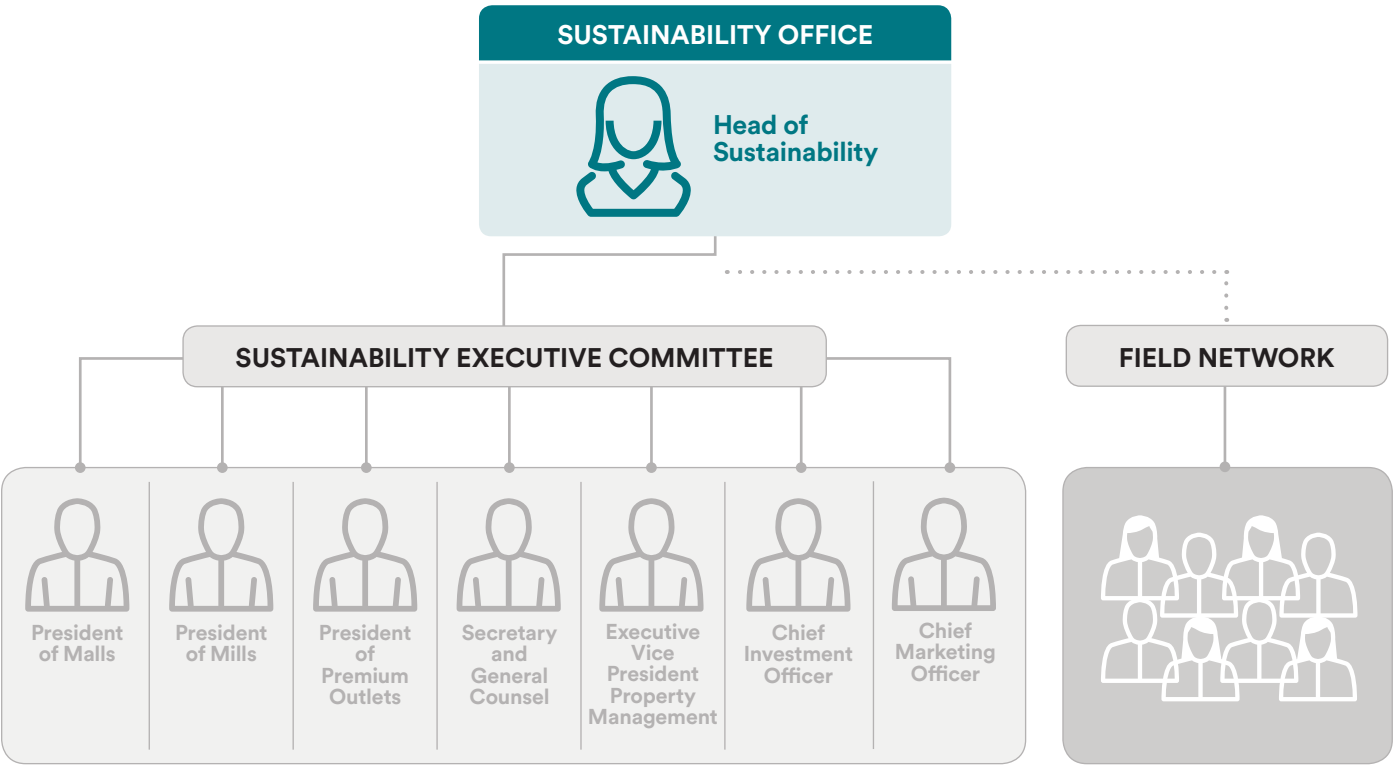
Our approach to sustainability considers all stages of our business, from how we plan, develop, and operate our properties, to how we do business with our customers, engage with our communities, and create a positive work environment for our employees. The four areas of our sustainability framework are centered on properties, customers, communities, and employees as outlined below.

			
PROPERTIES	CUSTOMERS	COMMUNITIES	EMPLOYEES
<ul style="list-style-type: none">— Strive for efficiency in operating our properties with innovative solutions that lower operational costs and reduce environmental footprint, i.e. in the area of energy, water, and waste management— Promote sustainable design and sustainable technologies in new developments and existing centers	<ul style="list-style-type: none">— Anticipate customers' needs and enhance the shopping experience at Simon centers— Assist tenants to be successful in their business and to achieve their goals	<ul style="list-style-type: none">— Create meaningful social and economic impact in the communities we operate— Build strong communities through development and engagement activities	<ul style="list-style-type: none">— Strive for high levels of employee engagement— Create a culture to attract and retain the industry's best talent

SUSTAINABILITY MANAGEMENT

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

CHART C: Sustainability at Simon



SUSTAINABILITY
COLLABORATION

We develop relationships with a range of parties across our business to better understand and respond to our stakeholders’ needs. Stakeholder engagement is particularly important for Simon’s sustainability initiatives because we believe that sustainability is a collective effort that benefits from collaboration. We encourage regular dialogue with key groups. To identify these groups, Simon performed a stakeholder analysis and discussed procedures for engaging with each group. We participate in public policy advocacy on select issues affecting our business, our employees and our consumers. We also continue our engagement with industry organizations.

STAKEHOLDER	LEVEL OF ENGAGEMENT	TYPE OF ENGAGEMENT
Investors	<div><div></div></div>	In addition to quarterly earnings calls and the company’s annual stockholder meeting, Simon’s Investor Relations team meets with existing and potential investors frequently to solicit their feedback and provide updates on business priorities and earnings results. Upon request, the Head of Sustainability provides updates on the company’s sustainability progress.
Joint Venture Partners	<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></div></div>	Simon regularly conducts meetings with tenants to receive feedback and increase customer satisfaction. It’s important to work collaboratively to further both Simon’s and our tenants’ sustainability goals.
Shoppers	<div><div></div><div></div><div></div></div>	To ensure that shoppers have an excellent shopping experience, we actively seek shopper feedback through social media, shopper interviews, and encourage shoppers to complete feedback forms at Simon Guest Services kiosks within the properties.
Communities and NGOs	<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>	Promoting ongoing two-way dialogue with our employees is vital to retaining and developing our talent. The Simon Employee Association, Simon’s open-door policies, and leadership development programs encourage regular communication of business priorities, new corporate initiatives, and performance management, while soliciting employee feedback.

Organizational level Asset level Project level

Select Partnerships with External Groups

National Association of Real Estate Investment Trusts (NAREIT)

Member of Sustainability Committee

Real Estate Roundtable

Member of Sustainability Policy Advisory Committee

International Council of Shopping Centers (ICSC)

Member of Planning Committee for Retail Green Conference

Department of Energy - Better Buildings Alliance

Participant

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

Participant

EXTERNAL
RECOGNITION



ACHIEVED CDP’S “LEADERSHIP” RECOGNITION FOR SUSTAINABILITY PERFORMANCE

2015-2016

NAMED ON THE CLIMATE ‘A’ LIST

2014-2015

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

2008-2013



RECEIVED GRESB GREEN STAR RATING

2014-2017

RECOGNIZED AS NORTH AMERICAN SECTOR LEADER IN RETAIL

2010-2013



RECOGNIZED AS ‘STORMREADY’ BY NATIONAL WEATHER SERVICE

FIRST REIT TO ACHIEVE THIS STATUS AT ALL OF ITS LOCATIONS











SIMON’S PROPRIETARY COMPREHENSIVE EMERGENCY RESPONSE PLAN (CEMP)










CERTIFIED BY THE DEPARTMENT OF HOMELAND SECURITY

SUSTAINABILITY OBJECTIVES

Over the past decade, Simon has established itself as a leader in sustainability. Today we are proud to announce our progress on the company’s sustainability goals.

IN PROGRESS  COMPLETE 

PROPERTIES		
OBJECTIVE	PROGRESS	
Improve GHG efficiency by 5%-10% by 2020 (base year 2013)	Simon has reduced absolute emissions from Scope 1 and Scope 2 by 11.1% since 2013. More info under <i>Energy</i>	
Improve portfolio-wide energy efficiency by 5%-10% by 2020 (base year 2013)	Simon has reduced absolute energy use by 7.5% since 2013. More info under <i>Energy</i>	
Improve portfolio-wide water efficiency by 20% by 2025 (base year 2013)	Simon has reduced water consumption by 7.4% since 2013 (excluding organic growth and acquisitions). More info under <i>Water</i>	
Expand plastic film recycling at select centers by 2017	Introduced plastic film recycling at 10 centers. Going forward, we will continue to assess viability of introducing such programs.	
Divert pre-consumer food waste from landfills at selected properties by 2020	Introduced food waste recycling programs at 9 centers across the portfolio. Going forward we will continue to assess the viability of introducing such programs.	
Reuse or recycle 70% of construction waste generated during major renovations	Encouraged our suppliers to reuse or recycle construction waste during major renovations. Going forward we will continue to pursue this objective.	
Assess feasibility of on-site energy generation options for pilot programs in 2015-2016	Conducted a portfolio-wide solar feasibility study. Potential solar sites have been identified however at this stage Simon has decided to prioritize energy consumption reduction initiatives that are currently financially more viable compared to on-site energy generation. We continue to assess solar installations as technology further matures and project costs decline.	
Develop internal energy benchmarking tool to implement across enclosed centers	Developed a sustainability benchmarking tool for enclosed shopping malls that allows Simon to compare the energy consumption of enclosed properties. Simon has leveraged the results internally to set energy reduction goals and create energy management plans. More info under <i>Energy</i>	

CUSTOMERS		
OBJECTIVE	PROGRESS	
Engage with top 10 tenants on sustainability issues to improve the overall sustainability performance of properties by 2018	Simon kicked off tenant sustainability meetings in 2017. We will share more information as this initiative matures. More info under <i>Customers</i>	
Install Wi-Fi at 90% of our properties by 2025	Approximately 75% of Simon properties have Wi-Fi or Hot Spot connections available.	
Introduce loyalty program in select malls by 2016 (base year 2014)	20 properties participate in Simon Insider and all Premium Outlets offer the Simon Premium Outlets VIP program. More info under <i>Customers</i>	
Provide children's play areas in 90% of our properties by 2020	Approximately 70% of Simon properties offer children's play areas. We will continue to expand play areas in centers where we can find the required space.	
Provide electric vehicle charging stations for our customers at 100% of our properties by 2020 ¹	Installed 446 charging stations across 107 properties. More info under <i>Energy</i>	
COMMUNITIES		
OBJECTIVE	PROGRESS	
Continue our strong support for Simon Youth Foundation (SYF) by donating commercial space and millions of dollars each year to provide scholarships for SYF graduates	Promote SYF's academies in Simon centers. Simon employees have donated over \$6.5 million to SYF that contributes towards scholarships given out by the foundation. More info under <i>Communities</i>	
Continue to participate in community engagement activities at 100% of our properties	Offer community engagement activities at all Simon centers. More info under <i>Communities</i>	
EMPLOYEES		
OBJECTIVE	PROGRESS	
Encourage Simon employees to volunteer in their communities	Simon supports activities that benefit the communities in which we live, work, and where Simon malls serve the public, thus aligning with our core value of Responsible Citizenship.	
Continue to raise awareness of sustainability topics among all our employees by increasing employee engagement initiatives	Included sustainability information as part of regular communication and training for employees.	

¹ Applicable at locations where Simon has ownership of the parking lot facilities and where suppliers are available. Portfolio refers to all platforms Malls, Mills and Premium Outlets, where Simon has operational control of the property.

SUSTAINABILITY FOCUS AREAS

PROPERTIES

ENERGY MANAGEMENT

Simon is committed to managing climate change risks and reducing carbon emissions. Managing energy use in buildings plays a key role in achieving these ambitions. 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 at its properties can have on the environment as well as the overall financial performance of the company. Over the last decade, we have actively focused on understanding Simon's energy use by improving energy benchmarking and promoting energy efficiency best-practice sharing across our portfolio of over 200 shopping centers. As our results demonstrate, we have successfully developed strategies and processes that have enabled us to implement specific action plans to reduce energy consumption and costs across our properties. We continuously 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 are discussed on the next pages.

LED UPDATES

Simon has upgraded conventional lighting such as fluorescent and metal halide to energy efficient LED lighting at over 150 properties over the last few years. As part of our capital update projects alone, in the previous years, we have invested over \$43 million and have achieved 8.6 million kWh electric savings. Additionally, LED updates are regularly assessed and implemented as part of redevelopment work.

LEVERAGING THE INTERNET OF THINGS

We are investing in intelligent energy pilots of sensor-enabled LEDs in partnership with industry-leading companies such as GE and Acuity. Simon will further explore opportunities to install smart networks and sensors to optimize LED lighting for both indoors and out. To date, we have about 50 centers in which we have introduced lighting control technologies and continue to maximize the value these control systems create.

ENERGY EFFICIENCY

Simon continuously assesses our portfolio to upgrade to more efficient equipment, such as Central Plant, Energy Management Systems, and HVAC replacements. Energy audits and retro-commissioning are the foundation of our energy efficiency programs. We completed several ASHRAE Level II and energy audits in 2016.



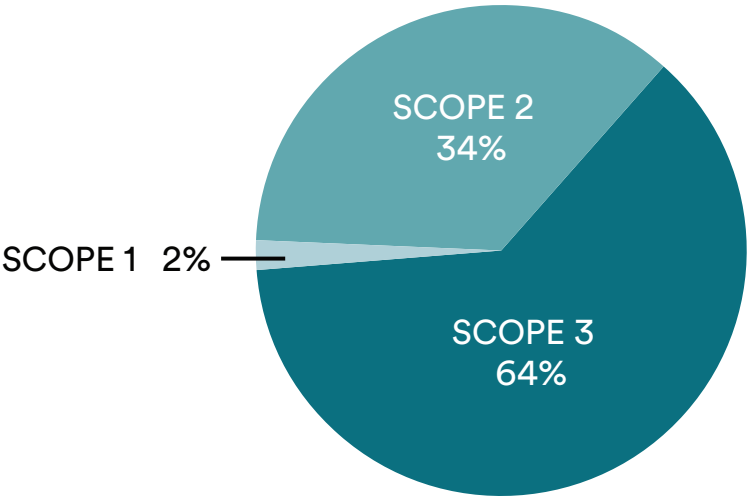
REDUCING PEAK LOADS

We have reduced energy consumption at peak times by participating in demand response systems. In 2016, demand response was deployed at approximately 29 properties across the portfolio. When alerted by utilities during peak energy use periods, our properties can provide over 15 MW of additional capacity to the grid by reducing local energy consumption through minimizing lighting levels or equipment use, such as HVAC, escalators, or elevators. Furthermore, we are piloting energy battery storage and assessing the feasibility of on-site solar generation at select properties.

BENCHMARKING ENERGY USE

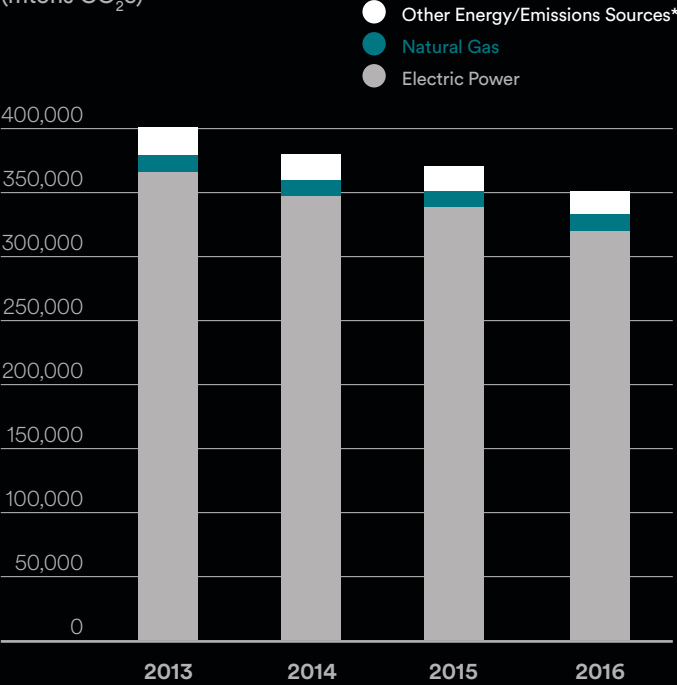
We have developed a proprietary sustainability benchmarking tool for enclosed centers that will allow us to compare better those properties with the goal of improving the shopping center's overall energy use. This benchmarking tool aggregates the center's physical property and energy data and allows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

GREENHOUSE GAS (GHG) EMISSIONS BY SCOPE



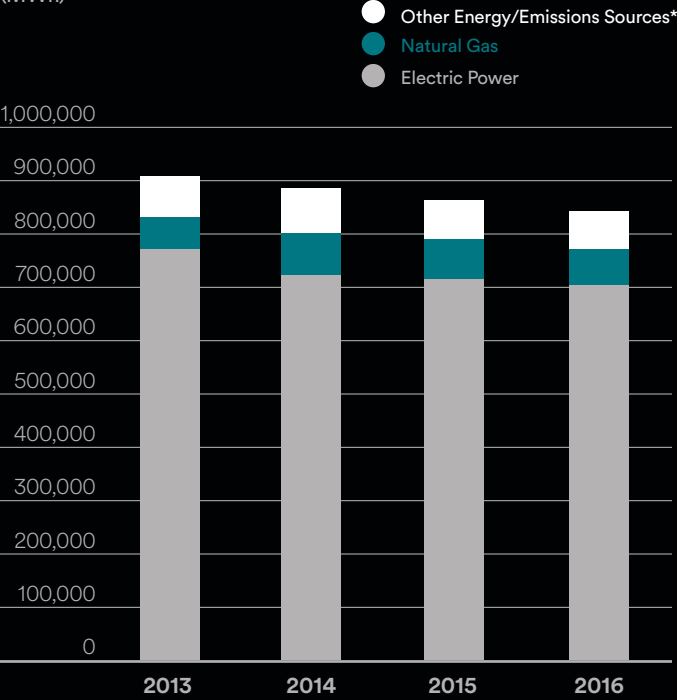
- **Scope 1:** All direct GHG emissions
- **Scope 2:** Indirect GHG emissions from consumption of purchased electricity, heat or steam.
- **Scope 3:** Other indirect emissions, such as tenant energy use where applicable, transport-related activities in vehicles not owned or controlled by Simon, waste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

Emissions 2013-2016
(mtons CO₂e)



11% reduction in overall emissions from 2013-2016

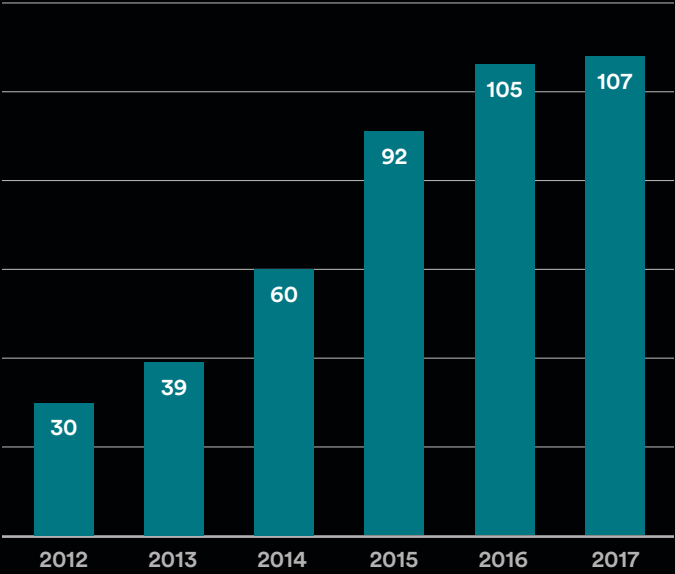
Energy Consumption 2013-2016
(MWh)



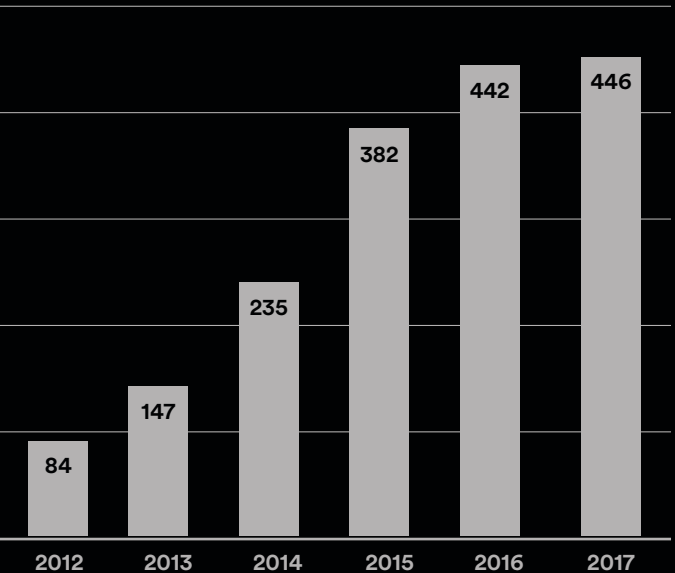
* Other Energy/Emissions Sources includes chilled water, diesel, ethanol blends, gasoline petrol, refrigerants, and propane.

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

Number of Simon Properties with EV Charging Stations



Number of EV Charging Stations at Simon Properties



EXPANDING ELECTRIC VEHICLE (EV) CHARGING STATION INFRASTRUCTURE

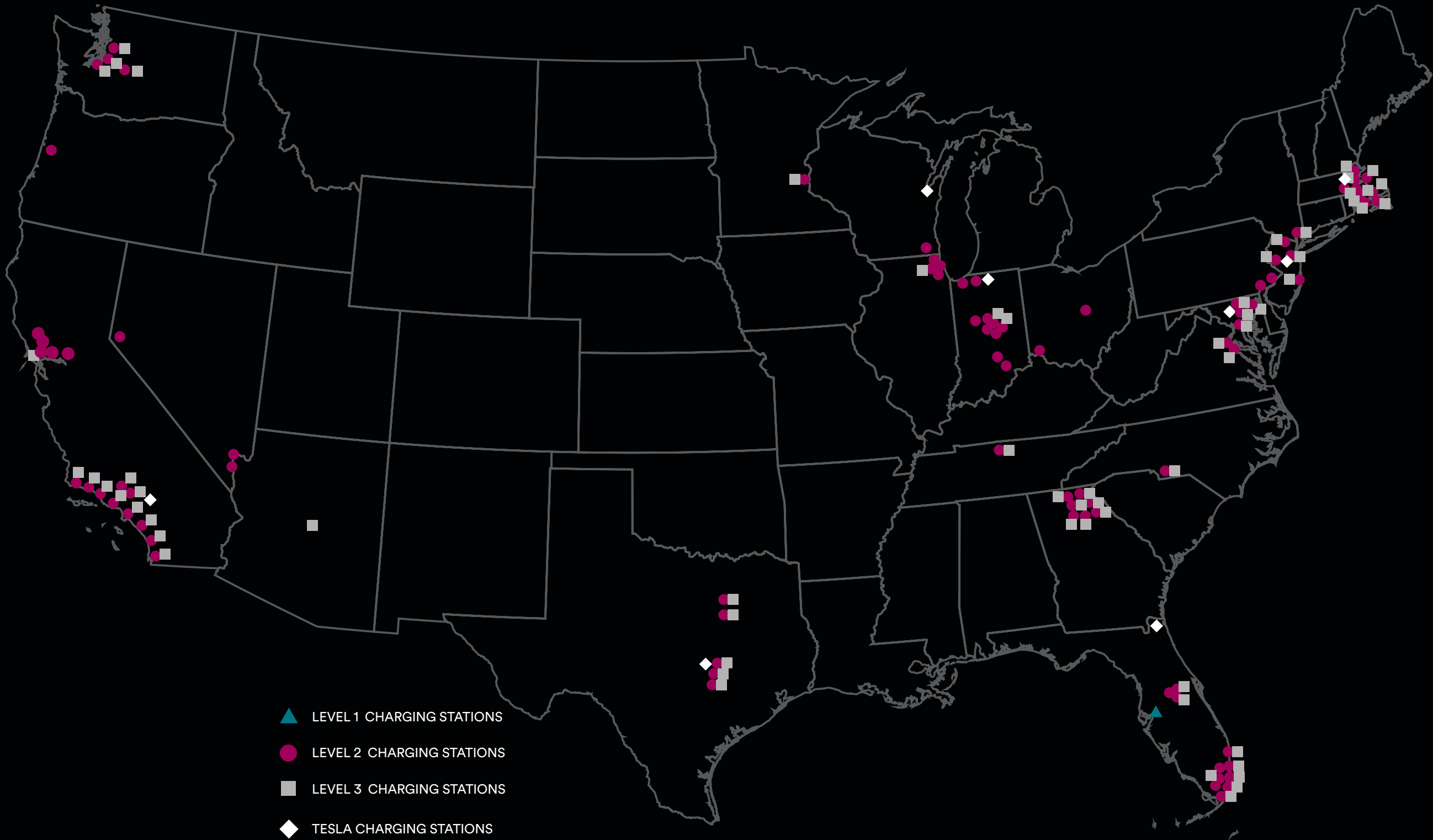
Simon was one of the first retail property owners in the U.S. to offer electric vehicle charging stations to customers. The company's broad geographical presence provides a unique opportunity to contribute to the development of a national infrastructure for EV charging stations. Simon has installed 446 charging stations across 107 properties over the last six years with the highest concentration of stations in the state of California, followed by Massachusetts, Florida, Indiana, and Georgia.

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

446
EV charging stations
installed across
107
properties



OVERVIEW OF ELECTRIC VEHICLE CHARGING INFRASTRUCTURE



▲ LEVEL 1 CHARGING STATIONS

● LEVEL 2 CHARGING STATIONS

■ LEVEL 3 CHARGING STATIONS

◆ TESLA CHARGING STATIONS

WATER

According to the Environmental Protection Agency’s Water Sense program, in the U.S., 40 out of 50 U.S. states’ water managers expect water shortages under average conditions in some portion of their states over the next decade. In addition to water availability, water costs, including sewer and storm water management, fees are increasing above inflation rates in the U.S. Most importantly, more than any other resource, water is essential for the people in the communities we serve. Simon strives for responsible water management and we employ leading practices to manage our water footprint. This includes understanding available water sources and water use, monitoring water data, identifying efficiency measures to reduce consumption, as well as assessing methods for water reuse across the portfolio. The challenge is finding cost-effective technologies that can reduce water use, meet our investment criteria—and be scalable across the company’s portfolio.

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

LANDSCAPING

We investigate methods to irrigate our landscape using efficient technologies and practices that will reduce our overall water consumption, such as planting native flora that has adapted to the local ecosystem, eliminate irrigation through xeriscaping, and installing local drip-irrigation systems and efficient sprinkler heads. We have piloted smart irrigation control systems that are customized to the mall’s landscape type, soil, and weather conditions. At Fashion Valley in San Diego, through the installation of our smart meters, in a period of 17 months we have been able to save 3,149,145 gallons—a 38% savings worth over \$17,000.

RESTROOM RENOVATIONS

We are installing low-flow fixtures, aerators, and automatic shut offs, low-flow toilets, and waterless urinals within the common area restrooms. As part of the renovations completed by the Property Management teams alone, since 2013 we have updated water equipment in 54 restrooms.

COOLING TOWERS AND IDENTIFYING WATER LEAKS

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

WATER USE IN TENANT SPACE

Finally, we continue to look for ways to improve water efficiency in tenants’ spaces to reduce the entire building’s water use. Details of the initiative we rolled out at Stoneridge Shopping Center in Pleasanton, California are shown on the right.

Metrics



Total water usage	2014	2015	2016
	m ³	m ³	m ³
Municipal Water	12,853,736	13,648,105	12,357,840

At Fashion Valley in San Diego, through the installation of smart irrigation technologies, we have been able to save

3,149,145  gallons—a 38% savings worth over \$17,000.

 54  restrooms updated with water efficient equipment, as part of renovations

At Stoneridge Shopping Center in Pleasanton, we saved more than 10,000  gallons of water each year by partnering with

90  tenants to install 128  low-flow faucets

WASTE

Simon is continuously looking for opportunities to increase recycling and minimize waste sent to landfills. We want to reduce our environmental footprint and lower waste handling costs. Our ability to offer recycling options depends on various factors, such as the local recycling infrastructure, the availability of recyclable materials collection services, regulations that encourage recycling, and lastly, tenant participation in recycling programs because the vast majority of the waste produced at our properties is generated by our tenants. The key areas of opportunity for improved waste handling and increased recycling that we continuously evaluate are listed below.

RECYCLING

We have cardboard recycling programs in place at all properties. In 2016, more than 125,000 tons of cardboard were recycled and diverted from landfills or incineration. Recycling 125,000 tons of cardboard saves 1,125,000 cubic yards of landfill space or approximately 340 Olympic-sized swimming pools. In addition to cardboard recycling, on an ongoing basis, we assess the financial and operational feasibility of use of single stream recycling. By offering single-stream recycling we typically achieve higher recycling rates since execution is more convenient for participants. Currently over 70 centers have single stream recycling onsite. We have rolled out plastic film recycling programs at about ten centers across the portfolio.

DIVERTING FOOD WASTE FROM LANDFILL

At select Simon centers, including properties in California and Massachusetts, we have launched programs that divert pre-consumer food waste from landfills. Having the right equipment, tenant education, and participation are essential elements that determine the success of these programs. We continuously assess technologies that can be scaled across our properties.

CONSTRUCTION WASTE PROGRAMS

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

TENANT EDUCATION PROGRAM

No matter what type of recycling program is available, education is the key to its success which is why we have rolled out Simon’s tenant education program. This program includes providing tenants with information packages that outline availability of recycling programs at centers, the use of improved signage at centers, and regularly communicating with tenants to remind and reinforce the proper implementation of recycling programs.

Additionally, throughout the year our local shopping center teams host recycling events at our centers.

Metrics

Weight of waste by disposal method	2014	2015	2016
WASTE TYPE	U.S. TONS	U.S. TONS	U.S. TONS
Landfill	301,426	301,426	295,996
Recycling	140,886	140,886	125,899



125,000+
tons of cardboard recycled in 2016

= OR

1,125,000
cubic yards of
landfill space

340
Olympic-sized
swimming pools



SUSTAINABILITY FOCUS AREAS

CUSTOMERS

PROPERTIES | CUSTOMERS | COMMUNITIES | EMPLOYEES



ENGAGING WITH OUR SHOPPERS

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

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

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

Highlights include:

- More robust omni-channel marketing and sales capabilities
- Customer service chat bots
- Traffic measurement
- Enhanced WiFi and data capabilities
- Mall-wide product search
- Interactive directories
- Digitizing and enhancing VIP Shopper Club
- Augmented reality
- Virtual reality
- Mall mapping/routing
- Best-in-class digital communication

SIMON LOYALTY PROGRAMS

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

The Simon Premium Outlets VIP Shopper Club provides customers with numerous benefits, including the highly sought after Savings Passport featuring the latest retailer offers. On August 31, 2017, the Savings Passport went digital, providing VIP members the flexibility to view the Savings Passport from anywhere at anytime just by logging into the VIP Lounge on their mobile device. The Digital Savings Passport also allows members to start shopping immediately - no waiting in line! Furthermore, the Digital Savings Passport provides retailers the flexibility to update their offers at anytime.



NOTABLE NEW BRANDS

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

The Edit at Roosevelt Field, which opened in November 2017, is one example of our commitment to delivering new retail experiences to our customers and retailers. The Edit is a scalable retail platform for both budding and established brands to pilot new products, new dimensions and new territory. Design-centric, experience driven and completely transitional, The Edit at Roosevelt Field is the place to discover new.

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

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

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

1

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

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

2

We looked at a typical basket of customer purchases.

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

3

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

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

4

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

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

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

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

ENGAGING WITH TENANTS
ON SUSTAINABILITY TOPICS

When we think about our sustainability strategy, we look at what takes place not only within our common areas but also throughout the mall. This broad view is important because the majority of our environmental impacts – as well as our biggest opportunities – occur in operations we do not directly control but can influence. Balancing areas of operational control and influence shapes the ways we can address change in our centers. In 2017, we launched our sustainability tenant engagement program where we partnered with select retailers to collaborate and assess opportunities to assist them in achieving their corporate sustainability objectives. We have kicked off the initial engagements with Simon’s major national tenants and conducted over ten meetings with sustainability teams in 2017 to identify areas of opportunity to progress in the sustainability of centers. We will share potential areas of collaboration as we progress with this initiative.



“At Nike, our focus in our stores has been to minimize our environmental footprint and increase our energy efficiency through a number of innovative approaches. To deliver on our sustainability strategy, we know that external partnerships are critical. With Simon, we have found a partner that assists us in achieving our sustainability objectives for stores in their mall locations.”

Billy Anderson
Nike Direct Real Estate & Store Construction

“We partner with landlords like Simon to ensure that we can achieve our sustainability goals. We can reduce our impact on climate change and drive resource efficiencies through our collaboration.”

Paul Walsh
Apple Retail Preservation

SIMON’S BEST-IN-CLASS APPROACH
TO SAFETY AND SECURITY

Simon takes a holistic approach to protecting people and our properties. We have created our proprietary intelligence-sharing tool, the Simon Operational Intelligence Network, which provides management, security, and key tenant security representatives with real-time information. Simon’s security program has received Safety Act Certification from the Department of Homeland Security (DHS). We require this certification from our security service providers who implement Simon’s comprehensive, best-in-class, security strategies, intelligently deploying resources at our properties. Furthermore, the Simon Comprehensive Emergency Management Plan (CEMP) is employed at all of our centers for emergency response. With the CEMP, Simon is the only real estate company that has received DHS certification as National Incident Management System (NIMS) compliant. Additionally, we have taken the lead in the shopping center sector by fostering private-public partnerships with federal, state, and local law enforcement entities. These relationships are further bolstered through our annual Law Enforcement

Security Summits that offer significant opportunities for key stakeholders to network, share ideas and best practices, and provide insight regarding trends facing both local responders and real estate security. Training side-by-side with first responders in venues such as the Federal Law Enforcement Training Centers in Glynco, Georgia and Charleston, South Carolina, increases all participants’ understanding of expectations and roles each will take in response to a critical incident.

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



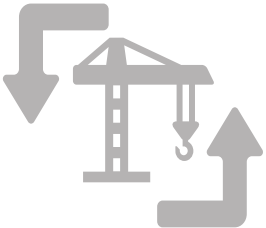
SUSTAINABILITY FOCUS AREAS

COMMUNITIES

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

We understand that engaging with our communities is essential to our business success. We are committed to being a responsible corporate citizen, building strong communities through promoting development activities and social initiatives. Across the country, Simon centers are established as gathering places in the local community, where consumers can shop, dine, and make memories together. We continue to focus on investments in our physical product to enhance the shopping experience. Over the past five years, we have invested more than \$5.0 billion in redevelopment and new development projects and expect to spend approximately \$1.0 billion per year in 2017 and 2018. 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, we take a localized approach for identifying social initiatives to meet the specific needs of each community. 100% of our centers engage with their communities. Select examples are listed on the following page.

Simon has invested over
\$5.0 BILLION
in redevelopment
and new projects
over the past
five years.



We expect to
invest approximately
\$1.0 BILLION
per year in 2017 and 2018

100% of our
centers
offer local
engagement
activities that
better the
communities.



GROVE CITY PREMIUM OUTLETS HOSTS COMPASSION INTERNATIONAL EXPERIENCE

Using more than 2,000 square feet of interactive exhibit space, Grove City Premium Outlets in Grove City, Pennsylvania, was host to a re-enactment of homes, markets, and schools in developing countries to illustrate what life is like for children in those countries. These children's stories told in 15-minute segments, start in poverty but end in hope. Compassion International's goal is to raise awareness and support for children in developing nations through such events.

LITTLE GALLERIA AT THE GALLERIA IN HOUSTON IS A BIG AMENITY FOR FAMILIES

In partnership with The University of Texas MD Anderson Children's Cancer Hospital to raise funds for pediatric research, The Galleria coordinates events at the Little Galleria play area. The events located inside The Galleria promote the children's hospital and the care and support it offers pediatric cancer patients and their families.

The Little Galleria, an indoor playground that includes miniature versions of landmark Galleria retail stores such as Neiman Marcus, Nordstrom, Macy's, and Saks Fifth Avenue, is transformed into a themed destination. The event series includes four family-friendly events themed around Easter, Back to School, Halloween, and Christmas.

Event attendees make a monetary donation to MD Anderson to attend each event and 100% of the donation goes to MD Anderson. Through The Galleria's efforts over \$20,000 is raised for the hospital each year.



THE EMPIRE MALL LEADS SIOUX FALLS STUDENT TO HIGHWAY SAFETY PROGRAM AWARD

As a supporter of the Highway Safety Program's "Lesson Learned SD," The Empire Mall in Sioux Falls, South Dakota, paved the way to a \$10,000 prize for 16-year-old Sioux Falls student Alexa Nelson, with an additional \$10,000 going to her school. The South Dakota Office of Highway Safety designed the program to encourage young people to be safe drivers, creating safe driving videos young people were invited to watch. After watching them, they were asked to answer follow-up safety questions, which automatically entered them in the contest to win the cash prizes.



NATIONAL NIGHT OUT EVENT TAKES PLACE AT LEHIGH VALLEY MALL

A National Night Out event took place for the first time this year at Lehigh Valley Mall in Whitehall, Pennsylvania. An annual community-building campaign that promotes police-community partnerships and neighborhood camaraderie in events taking place across the country, National Night Out mixes fun with education, bringing the community together to heighten knowledge of crime prevention and create safer neighborhoods. More than 20 organizations participated at the Lehigh Valley Mall event, with over 400 people in attendance.

MINNESOTANS OFFERED CHANCE TO DRIVE ELECTRIC VEHICLE AT ALBERTVILLE PREMIUM OUTLETS

Albertville Premium Outlets in Albertville, Minnesota was host to an electric vehicle ride and drive event in June this year. With electric vehicles still relatively new to Minnesota drivers, the event, created by an organization called Midwest EVOLVE, answered people's questions about this new and exciting type of vehicle, giving them firsthand experience with the vehicles. Midwest EVOLVE is overseen by Twin Cities Clean Cities Coalition, a statewide alternative fuel program that helps the U.S. Department of Energy find ways to reduce petroleum consumption and promote cleaner transportation fuels.



POTOMAC MILLS KICKS OFF NEW FARMER'S MARKET, OPEN APRIL THROUGH OCTOBER

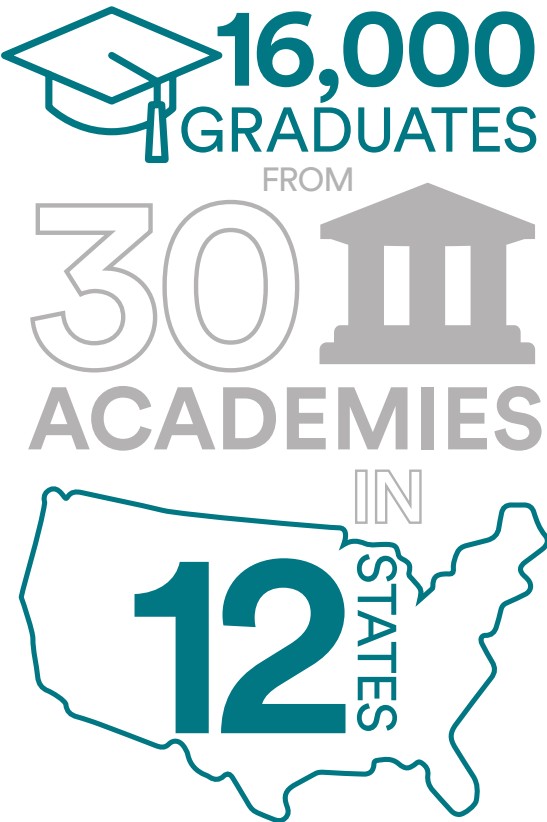
The Market at Potomac Mills, in Woodbridge, Virginia, one of Northern Virginia's newest farmer's markets, opened in April. The market features more than 50 local farmers and artisans each week and is located adjacent to the mall main entrance. "We've experienced a tremendous response from local merchants who are looking to be a part of our weekly market," said Bethany Zorn, Director of Marketing and Business Development for Potomac Mills.

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

Simon Youth Foundation (SYF) was established in 1998 by a group of Simon employees in Indianapolis. 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 the material in a traditional classroom because of their circumstances.

These students, once on the verge of dropping out of school, now graduate from the Academies at a 90 percent rate. To date, SYF has graduated nearly 16,000 students from its 30 academies across 12 states in the U.S. According to self-reported data from our students, 35% of students attending Simon Youth Academies are the first in their family to graduate high school. Since 1998, SYF has awarded nearly \$17 million in scholarships. Since the start, Simon and its employees have invested more than \$27 million to advance the mission of SYF.

Watch students tell their stories on YouTube:
<https://www.youtube.com/channel/UCN1xx411raQSa8GYO1sRgbQ>



Since 1998, SYF has awarded nearly
\$17 MILLION
in scholarships

Read our student stories@
syf.org/blog

\$27 MILLION
to advance the mission of SYF



SUSTAINABILITY FOCUS AREAS

EMPLOYEES

WE VALUE DIVERSITY, INCLUSION AND ACHIEVEMENT

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

— **Effective Talent Management**

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

— **Client Services**

We build and leverage integrated partnerships to maximize organizational performance and provide unmatched HR guidance and expertise. Delivering outstanding client services helps management balance the interests of employees with the needs of the company.

— **Total Rewards**

Our compensation, benefits, work-life benefits, and performance recognition programs reward employees for their value-added service, provide incentives and encourage retention, while at the same time supporting Simon's long-term business goals with high levels of quality and compliance.

— **Positive Culture and Engagement**

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



DEVELOPING SIMON’S FUTURE LEADERS

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

- **The Advanced Leadership Program (ALP)**
Designed for high potential corporate managers, Simon’s Advanced Leadership Program is an intensive learning experience that broadens the strategic thinking and leadership skills of Simon’s future senior leaders, preparing them to assume roles of increased influence and responsibility. This learning program focuses on providing the practical skills needed to become a successful leader of a business function, inspiring exceptional employee performance at every level.
- **The Advanced Management Program (AMP)**
Designed for high potential field managers, Simon’s Advanced Management Program is an experiential learning journey tailored to help elite leaders work more effectively across boundaries and think broadly about their business in order to lead teams at a higher level. Participants learn how to balance tactical concerns with strategic priorities, acquiring critical decision-making skills with an enterprise-wide perspective.
- **The Emerging Leaders Program (ELP)**
Designed for team members who aspire to potentially assume a leadership role, Simon’s Emerging Leaders Program equips our high-potential non-supervisory employees with the foundational skills needed to make the transition from being a strong individual performer to becoming an effective leader. This cohort learning program focuses on personal skill assessment, targeted leadership development, and the acquisition of industry-specific business acumen.

- **Mall Management Training Program (MMT)**
Our Mall Management Training Program is an accelerated leadership training program with a direct path to excellent Property Management. Participants learn all aspects of running a successful shopping center, which includes operations, guest relations, marketing, leasing, and security. Additionally, participants are taught the leadership and management skills that will help them build a high-performing team. Upon successful completion of the program, participants are transitioned to run their own successful Simon property.
- **General Development and On Demand Learning**
We believe in empowering employees to take control of their own individual development. To support ongoing professional growth in a variety of skills and competencies, employees are given access to Simon’s Online Learning Center as well as the opportunity to attend live, instructor-led training sessions offered throughout the year.

“The Advanced Management Program was an extremely beneficial experience for me. The program components provided a leadership foundation I can apply daily and continue to build upon for years to come. Knowing I work for a company that is committed to offering development programs like this for its employees is one of the reasons why I enjoy being part of Simon.”

Brian Hanson
General Manager
The Florida Mall



“The Emerging Leaders Program definitely helped me develop the skills necessary for my leadership role at Simon. Throughout the ELP, I had the opportunity to meet with and engage with a diverse group of people across different platforms of the Simon portfolio, which allowed me to develop many great working relationships and to further expand my internal network.”

Helen Schultz
Vice President, Leasing Counsel
Premium Outlets Legal Leasing

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
Corporate 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%

VOLUNTEERING AT SIMON

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

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

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

LOOKING FORWARD

“We will continue to advance our sustainability activities in 2018 by pursuing new initiatives that promote environmental, social, and economic sustainability in all areas of our operations. We will work together with our partners to build programs that create long-term success for our stakeholders.”

Mona Benisi
Senior Director of Sustainability
Simon Property Group



KEY FOCUS AREAS FOR 2018 INCLUDE:

- Further foster sustainability thinking and concepts in key redevelopments and new developments in the U.S., as well as in our international projects
- Continue to assess ways of reducing our environmental footprint through use of technologies, especially in the area of energy conservation
- Reevaluate our sustainability objectives to ensure we are covering current topics and working with all of our stakeholders

ANNEX

THIS REPORT

Simon's Sustainability Report 2017 provides updates on the company's ongoing sustainability efforts and achievements. This report includes information from Simon properties in the U.S. which include Malls, Simon Premium Outlets®, and The Mills®.

The information disclosed in this report is based on data for the year ending December 31, 2016. The scope of this report is focused on properties directly managed and owned by Simon in the U.S. This report contains Standard Disclosures from the Global Reporting Initiative (GRI) Guidelines and has been prepared in accordance with GRI version G4 core reporting requirements. The GRI content Index is available at the end of this report.

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

Questions can be directed to sustainability@simon.com.

Verification of Simon Property Group’s 2016 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 2016.

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

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

A positive verification opinion was provided to Simon Property Group.

Andrew Shepherd
Lead Verifier

METHODOLOGY

Energy

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

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

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

- Acquisition: If Simon were to buy a facility, we estimate consumption back to Simon’s baseline in order to maintain consistency over time.
- Divestiture: If Simon were to sell one of their facilities, we would remove consumption information back to Simon’s baseline.
- 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 seeing an increase in emissions due to buying additional facilities.

Emission Factors

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

Water

The company’s data compiling 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 was in regards to purchases made directly by the tenant as this information is currently not available for reporting purposes.

Waste

Simon’s waste reporting is limited to properties that are only within Simon’s operational control, similar to how energy and GHG data are compiled. A small portion of our facilities, <5% were unable to provide solid waste information and <15% of properties were not able to provide recycling data.

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

GLOBAL REPORTING INITIATIVE
CONTENT INDEX
GENERAL STANDARD DISCLOSURE

GLOBAL REPORTING INITIATIVE
CONTENT INDEX
GENERAL STANDARD DISCLOSURE

STRATEGY AND ANALYSIS		REFERENCE
G4-1	CEO statement	<i>A Word from Our CEO</i>
G4-2	Description of key impacts, risks, and opportunities	<i>A Word from Our CEO</i>
CRE	Description of approach to the construction of new assets versus retrofits, upgrades, and refurbishments, and the effect this has on impacts, risks, and opportunities	CDP Report 2017

ORGANIZATIONAL PROFILE		REFERENCE
G4-3	Name of the organization	<i>This is Simon</i>
G4-4	Primary brands, products, and services	<i>This is Simon</i>
G4-5	Location of organization's headquarters	<i>This is Simon</i>
G4-6	Number and name of countries where the organization operates	<i>This is Simon</i>
G4-7	Nature of ownership and legal form	<i>This is Simon</i>
G4-8	Nature of markets served	<i>This is Simon</i>
G4-9	Scale of the reporting organization (employees, operations, net sales, capitalization, quantity of products/services)	Simon Annual Report 2016
CRE	Gross lettable area for assets under construction and management and vacancy rate	Occupancy for the U.S. Malls and Premium Outlets at 96.8% as of December 31, 2016. The Mills occupancy ended the year at 98.4%

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

ORGANIZATIONAL PROFILE		REFERENCE
G4-10	<p>Company info</p> <ul style="list-style-type: none"> • Total number of employees by employment contract and gender • Total number of permanent employees by employment type and gender • Total workforce by employees and supervised workers and by gender • Report the total workforce by region and gender • Report whether a substantial portion of the organization's work is performed by workers who are legally recognized as self-employed, or by individuals other than employees or supervised workers, including employees and supervised employees of contractors • Report any significant variations in employment numbers 	<p><i>Employees</i></p> <p>On December 31, 2016, Simon and its affiliates employed approximately 5,000 persons at various properties and offices throughout the United States, of which about 1,900 were part-time.</p> <p>Approximately 1,100 of these employees were located at our corporate headquarters in Indianapolis, Indiana.</p> <p>No significant variations in employment numbers have occurred.</p>
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 are in place.
G4-12	Describe the organization's supply chain	<p>Simon's purchasing falls into several categories including janitorial, office, materials, repairs, and operations, construction, energy, utilities, and other areas.</p> <p>Simon has over 3,000 suppliers we do business with annually from local to national companies.</p>
G4-13	Significant changes from the 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	<p>Simon's approach to development is focused on prevention and is rather precautionary.</p> <p>Social and environmental considerations are incorporated into design and development processes when feasible to ensure properties are resilient and deliver long-term shareholder value.</p>
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	<p>List memberships of associations (such as industry associations) and national or international advocacy organizations in which the organization:</p> <ul style="list-style-type: none"> • Holds a position on the governance body • Participates in projects or committees • Provides substantive funding beyond routine membership dues • Views membership as strategic 	<ul style="list-style-type: none"> • Business Round Table (BRT): Simon is a member of BRT and has made public presentations on various sustainability topics such as the benefits of PACE. • Real Estate Round Table (RER): As a member of RER, Simon is leading the discussion in proposing changes to the CBECS process to help ensure a more robust data collection effort. Simon supported efforts to make Section 179D of the Internal Revenue Code tax incentive usable for a broader range of real estate owners and other stakeholders. • International Council of Shopping Centers: Michael McCarty, EVP Development Operations is on the Board of Trustees and Directors. • Member of National Association of Real Estate Investment Trusts (NAREIT) and Sustainability Policy Advisory Committee of the Real Estate Round Table.

IDENTIFIED MATERIAL ASPECTS AND BOUNDARIES		REFERENCE
G4-17	All entities included in the organization’s consolidated financial statements and if any of these are not covered in the report	Simon defines its organizational boundary conditions consistent with the Greenhouse Gas Protocol, according to the control approach which means the scope of Simon’s organizational boundaries includes locations in the company’s ownership or under its control. This is the most appropriate organizational boundary for Simon because it reflects where Simon can influence decisions that impact the company’s sustainability performance. More under <i>Methodology</i> .
G4-18	Process for defining report content and aspect boundaries	<i>Sustainability Collaboration & Materiality</i>
G4-19	List all material aspects identified in the process for defining report content	<i>Sustainability Collaboration & Materiality</i>
G4-20	For each material aspect report the boundary within the organization	<i>Sustainability Collaboration & Materiality</i>
G4-21	For each material aspect, report the aspect boundary of the report outside the organization	<i>Sustainability Collaboration & 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 the previous reporting periods in the scope and aspect boundaries	N/A

STAKEHOLDER ENGAGEMENT		REFERENCE
G4-24	Provide a list of stakeholder groups engaged by the organization	<i>Sustainability Collaboration & Materiality</i>
CRE	Identify and report those stakeholder groups that are engaged at the organizational level and those that are engaged in a project or asset level	<i>Sustainability Collaboration & Materiality</i>
G4-25	Basis for identification and selection of stakeholders with whom to engage	<i>Sustainability Collaboration & 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>Sustainability Collaboration & 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	<i>Sustainability Collaboration & Materiality</i> <i>Sustainability Objectives</i>

REPORT PROFILE		REFERENCE
G4-28	Reporting period	<i>This Report</i>
G4-29	Date of most recent previous report	Simon Sustainability Report 2016 available at simon.com/sustainability .
G4-30	Reporting cycle	Biennial
G4-31	Contact point for questions regarding the report or its contents	<i>This Report</i>
G4-32	Report the ‘in accordance’ option the organization has chosen, the GRI Content Index for the chosen option and report the reference to the External Assurance Report, if the report has been externally assured	<i>This Report</i>
G4-33	Policy and current practice with regard to seeking external assurance for the report	Lucideon CICS Inc. engaged with Simon to perform an independent, third party limited assurance of Simon’s greenhouse gas assertion for the calendar year 2016.

GOVERNANCE		REFERENCE
G4-34	Governance structure of the organization, including committees under the highest governance body responsible for specific tasks, such as setting strategy or organizational oversight (Identify any committees responsible for decision making on economic, environmental and social impacts)	<i>Sustainability Management</i> Simon Annual Report 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 Management</i>
G4-36	Reporting cycle	<i>Sustainability Management</i>
G4-37	Contact point for questions regarding the report or its contents	<i>Sustainability Management</i> Questions can be directed to sustainability@simon.com .
G4-38	The composition of the highest governance body and its committees by: (e.g. executive or non-executive/independence/tenure on the governance body number of individual’s other significant positions and commitments, and the nature of the commitments/gender/membership of under-represented social groups/competencies relating to economic, environmental and social impacts/stakeholder representation)	Simon Annual Report 2016 Part III Proxy Statement 2016
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 2016 Part III Proxy Statement 2016

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 2016	
G4-EC2	Financial implications and other risks and opportunities for the organization's activities due to climate change	Simon CDP Report 2017	
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)	309,234	GJ
B	Total fuel consumption from renewable fuel sources (includes ethanol blends such as E10 and E85)	5,058	GJ
C	Breakdown of total consumption		
	Electricity consumption	2,548,713	GJ
	Cooling consumption	160,161	GJ
D	Energy sold	N/A	
E	Total energy consumption	3,023,166	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)	3,721,708	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	0.0670	GJ/ft ²
B	Organization-specific metric/ratio denominator chosen to calculate ratio	ft ²	
C	Types of energy included in the intensity ratio (such as fuel, electricity, heating, cooling, steam, or all)	All	
D	Report whether the ratio uses energy consumed within the organization, outside of it or both	Within the organization	
EN 6	REDUCTION OF ENERGY CONSUMPTION		
A	Amount of reduction in energy consumption achieved	14,205	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	0.0670 Note: Square footage includes all areas within operational control as Simon provides cooling to tenants. The square footage is representative of total mall square footage and will not align with GLA.	GJ/ft ²

Environment			
Water			
GRI INDICATOR	DESCRIPTION	REFERENCE	UNIT OF MEASUREMENT
G4- DMA	Disclosure of management approach	<i>Water</i>	
EN 8	TOTAL WATER WITHDRAWAL BY SOURCE		
A	Total volume of water withdrawn from the following sources Surface water (e.g., wetlands, rivers, lakes, oceans), ground water, rainwater, wastewater from another organization Municipal water	N/A 12,357,840	 m ³
B	Standards, methodologies, and assumptions used	<i>Methodology</i>	
EN 9	WATER SOURCES SIGNIFICANTLY AFFECTED BY WITHDRAWAL OF WATER		
A	<ul style="list-style-type: none"> Total number of water sources significantly affected by withdrawal by type Size of water source and whether or not the source is designated as a protected area (nationally or internationally) Biodiversity value and value or importance of water source to local communities and indigenous people 	The regulatory process requires Simon to grant permission from government authorities to extract water from water bodies. The authorities determine the level of significance based on each development application. If water source is deemed to be significantly affected then developments are unlikely to gain approval.	
B	Standards, methodologies, and assumptions used	<i>Methodology</i>	
EN 10	PERCENTAGE & TOTAL VOLUME OF WATER RECYCLED AND REUSED		
A	Total volume of water recycled and reused by the organization	During construction, water is captured and reused on site; however, this is managed by the civil contractor. Simon does not have control or visibility into the percentage of total volume reused.	
B	Total volume of water recycled and reused as a percentage of the total water withdrawal reported under indicator G4-EN8	During operation, Simon sometimes collects water for reuse in watering public open spaces; however, we do not record the total volume captured.	
C	Standards, methodologies and assumptions used	While we continue to explore the potential of connecting to a sewage recycling facility to provide recycled water to certain projects, we do not have control or visibility of the total volume recycled/reused once plumbing is in place.	
CRE 2	BUILDING WATER INTENSITY		
A	Building water intensity	0.2223	m ³ /ft ²

Environment			
Greenhouse Gas (GHG) Emissions			
GRI INDICATOR	DESCRIPTION	REFERENCE	UNIT OF MEASUREMENT
G4- DMA	Disclosure of management approach	<i>Energy</i>	
EN 15 DIRECT GHG EMISSIONS (SCOPE 1)			
A	Direct GHG Emissions (Scope 1)	20,400	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	25	Metric tons CO ₂ -e
D	Base year	2003	
E	Standards, methodologies, and assumptions used	<i>Methodology</i>	
F	Source of the emission factors and global warming potentials (GWP) rates used	<i>Methodology</i>	
G	Consolidation approach for emissions	Operational control	
EN 16 ENERGY INDIRECT GHG EMISSIONS (SCOPE 2)			
A	Energy indirect GHG Emissions (Scope 2) Independent of any GHG trades, such as purchases, sales, or transfers of offsets/allowances	332,521	Metric tons CO ₂ -e
B	Gases included in the calculation	CO ₂ , CH ₄ , N ₂ O	
C	Base year	2003/For reduction goal 2013	
D	Standards, methodologies, and assumptions used	<i>Methodology</i>	
E	Source of emission factors and global warming potential (GWP) rate used	<i>Methodology</i>	
F	Consolidation approach for emissions	Operational control	

EN 17 OTHER INDIRECT GHG EMISSIONS (SCOPE 3)			
A	Other Indirect (Scope 3) GHG emissions Excluding indirect emissions from the generation of purchased or acquired electricity, heating, cooling, and steam consumed by the organization	636,206	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	0.91	Metric tons CO ₂ -e
D	Base year	2005	
E	Standards, methodologies, and assumptions used	<i>Methodology</i>	
F	Source of the emission factors and the global warming potential (GWP) rates used	<i>Methodology</i>	
EN 18 GHG EMISSION INTENSITY FROM BUILDINGS			
A	GHG emission intensity ratio	0.0063	Metric tons CO ₂ -e/ft ²
B	Organization-specific metric/ratio denominator chosen to calculate the ratio	ft ²	
C	Types of GHG emissions included in the intensity ratio	Scope 1 and Scope 2	
D	Gases included in the calculation	Material gases - CO ₂ , CH ₄ , N ₂ O	
EN 19 REDUCTION OF GREENHOUSE GAS (GHG) EMISSION			
A	Amount of GHG emissions reductions achieved as a direct result of initiatives to reduce emissions	7,282	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	Excludes solid waste, refrigerants, and downstream leased assets (“Additional Sources”) including organic growth.	
E	Types of GHG emissions included	Scope 1 and Scope 2	

Environment			
Waste			
GRI INDICATOR	DESCRIPTION	REFERENCE	UNIT OF MEASUREMENT
G4- DMA	Disclosure of Management Approach	<i>Waste</i>	
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:	125,899	U.S. tons
	Deep well injection:	N/A	
	Landfill:	295,996	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	<i>Methodology</i>	

Social		
Local Communities		
GRI INDICATOR	DESCRIPTION	
G4- DMA	Disclosure on Management Approach	<i>Communities</i>
G4-SO1	Percentage of operations with implemented local community engagement, impact assessments, and development programs	100% - All Simon properties have specific community involvement plans. Environmental impact assessments for all projects are undertaken to gain development approval.
G4-SO2	Operations with significant actual or potential negative impacts on local communities	No Simon operation has been identified to have posed a significant actual or potential negative impact on local communities. Potential negative impacts are typically identified in the planning and approval phase and tackled in accordance to local laws and regulations.
CRE7	Number of persons voluntarily and involuntarily displaced or resettled by development, broken down by project	Simon’s developments have not required the displacement or resettlement of people.
Employment		
G4- DMA	Disclosure on Management Approach	<i>Employees</i>
G4-LA1	Total number and rates of new employee hires and employee turnover by age group, gender, and region	<i>Employees</i>
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.



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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).