



2012 Sustainable Development Report





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6. 2012 Sustainable Development Report

Sustainable development is a process that takes into account the environmental and social aspects of development, with the goal of preserving natural resources over the long-term for future generations.

SFL has been renovating and developing urban properties since its creation in 1879, and is therefore a natural participant in the sustainable development process. However, our involvement goes far beyond building a legacy of sustainable structures.

SFL intends to set the industry benchmark in this area, expressing our own vision in our core competencies, in compliance with ISO 26000 corporate social responsibility standards, France's Grenelle II environmental regulations and the best-practice recommendations of the Global Reporting Initiative (GRI), the GRI Construction and Real Estate Sector Supplement (CRESS), and the European Platform of Regulatory Authorities (EPRA).

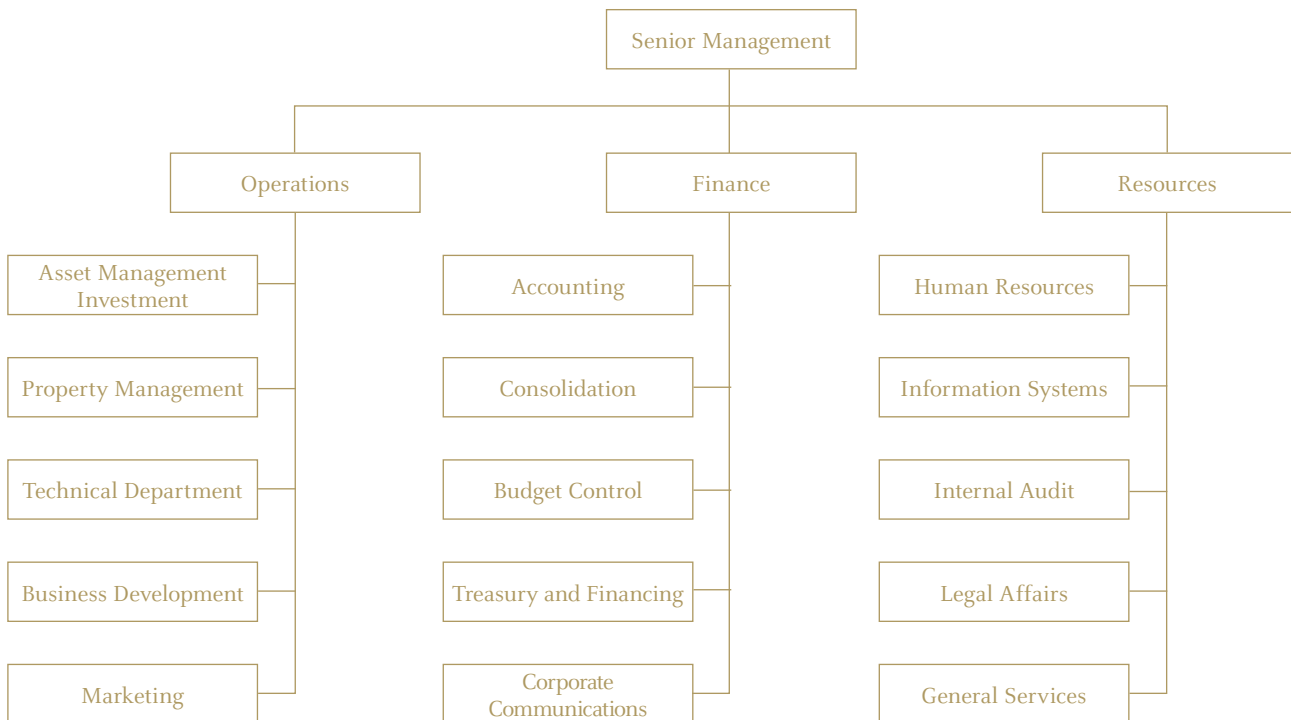
Therefore, as presented in this report, we have implemented an ambitious process guided by clearly defined objectives focusing on the main areas of sustainable development that are relevant to our business. In particular, we aim to reduce greenhouse gas emissions; perform building carbon audits; certify properties in use and development projects to the latest standards; reduce water use and improve waste management; support diversity, equal opportunity and employee training; improve building accessibility for the disabled; survey client/user satisfaction; and pay careful attention to the architectural and cultural aspects of our projects.

This report presents an initial assessment of our initiatives and describes the continuous improvement process to be implemented in the years ahead.

Since the publication of its first sustainable development report in 2011, SFL has consistently demonstrated the powerful impact it can have, as the leader in Paris's prime commercial property market, on improving our living environment and safeguarding all of our resources.

Governance and organisation structure

SFL's organisation structure, which was revamped in 2011, is built around three areas of expertise:



A dedicated corporate team reporting directly to senior management has been set up to support our sustainable development strategy and meet our objectives in this area.

Sustainable development governance and organisation



The Risks & Environment Department ensures that the procedures and initiatives designed to execute senior management’s sustainable development strategy are effectively deployed by the operating teams and continuously tracks their impact and performance.

In particular, the tracking and assessment process is supported by an internal working group tasked with setting up an appropriate policy for SFL’s day-to-day activities, notably by promoting eco-friendly behaviour, responsible purchasing and proper waste management. The group reports to the Managing Director and Chief Sustainable Development Officer, who validates its recommendations.

A “GreenLetter” summarising the initiatives and solutions implemented in the head office to reduce its environmental footprint is regularly distributed to employees and is accessible at any time on the corporate intranet. The newsletter also addresses the broader social responsibility aspects of the environment to raise awareness of the challenges SFL faces in its core business.

In addition, the Risks & Environment Department organises an information meeting for employees of all the operating and corporate units to keep them abreast of the Group’s sustainable development initiatives.

Lastly, as a member of industry federation FSIE, SFL participates in the operational committee set up to examine how to implement the recommendations formulated during France’s Grenelle environmental summit.

Objectives and action plan

Sustainable development is a continuous improvement progress, which is why we have developed a detailed action plan formalising our commitments and timetable, as follows:

	Objectives	Scope of reporting	Target deadline	Status as of 31 December 2012
Governance				
Organisation and procedures	- Structure and formalise the organisation	Head office	2012	100%
Code of Ethics and Information Systems	- Strengthen existing standards	Head office	2013	50%
Employee relations				
Diversity and equal opportunity	- Promote gender equality - Keep older employees in work - Support disabled employees	Head office	Ongoing	
Training and skills management	- Anticipate market trends to improve employee professionalism - Hold regular meetings to train and inform operating staff about our sustainable development strategy and issues and about new legislation	Head office	Ongoing	
Environment				
Energy use	- Track energy use on a quarterly basis - Reduce total energy used by buildings in the portfolio by 15% - Record client energy use	All buildings in the scope of reporting	Ongoing 2014	80%
	- Track energy use on a quarterly basis - Reduce energy used at the head office by 15%	Head office	Ongoing 2014	0%
Water use	- Track water use on a monthly basis - Record client water use - Reduce water use by 10%	All buildings in the scope of reporting	Ongoing Ongoing 2013	100%
	- Track water use on a monthly basis - Reduce water use by 10%	Head office	Ongoing 2013	8%
Waste management	- Set up a waste sorting system	All buildings in the scope of reporting	2012	78%
	- Improve measurement of waste generated by building operation		2013	10%
Carbon footprint	- Perform a carbon audit of each building under renovation	Every building under renovation	Ongoing	
	- Perform carbon audits of all the assets in the portfolio	All buildings in the scope of reporting	2012	100%
	- Perform a carbon audit of the head office	Head office	2012	100%
Certification for buildings in use	- Initiate a process to certify buildings in use to BREEAM In-Use standards (Asset Performance and Building Management)	All buildings in the scope of reporting	2013	42%
	- Initiate a process to certify single-tenant buildings not under management to BREEAM In-Use standards (Asset Performance)	Six buildings in the portfolio	2013	0%
Certification for buildings under renovation	- Initiate an environmental certification process for every building under renovation	All buildings under renovation	Ongoing	
Biodiversity	- Introduce green space management contracts with clauses to limit our impact on biodiversity. Ban the use of pesticides	Buildings with green spaces	2013	0%
	- Earn Ecojardin certification for responsible green space management		2014	0%

	Objectives	Scope of reporting	Target deadline	Status as of 31 December 2012
Paper use	- Increase the amount of recycled paper to 50% of the total - Reduce paper use by 20% per person	Head office	2013	6% 0%
Eco-practices, eco-behaviour and eco-buildings	- Raise employee awareness by distributing the "GreenLetter" twice a quarter	Head office	Ongoing	
Society				
Green leases	- Only sign green leases, regardless of the surface area - Make existing leases greener by July 2013	Entire portfolio Existing leases for properties over 2,000 sq.m	Ongoing July 2013	100% 0%
Customer participation in the process	- Set up "green" committees for all assets in the portfolio	Entire portfolio	2013	15%
Customer surveys	- Conduct annual customer surveys to improve response rates at each site	Entire portfolio	Ongoing	
Building accessibility for people with reduced mobility	- Audit our buildings - Improve building accessibility	All buildings in the scope of reporting	2012 2014	100%
Building accessibility for people with other disabilities	- Audit our buildings - Improve building accessibility for people with other disabilities	All buildings in the scope of reporting	2012 2013	100% 20%
Responsible purchasing	- Extend the responsible purchasing strategy across the organisation - Extend the responsible purchasing strategy by including specifications in building management contracts - Strengthen the responsible purchasing strategy by including specifications in works contracts	Head office All buildings in the scope of reporting All buildings under renovation	2013 2013 2013	10% 100% 50%
Management contracts	- In all new management contracts, include clauses requiring measurable reductions in energy use	All buildings in the scope of reporting	2013	50%

1. Human resources

1.1 Human resources policies

SFL's human resources policies reflect a commitment to i) aligning human resources with the Company's needs; ii) promoting the values of a new corporate culture based on value creation, empowerment, accountability, professional excellence and individual and team performance; and iii) involving employees in the deployment of corporate strategy. Based on these objectives, three avenues for action were pursued in 2012:

- Consolidate the operating structure introduced in 2011.
- Develop a participatory, motivating compensation policy.
- Enhance employee skills and continue to invest in training.

With a core focus on increasing portfolio value and satisfying client/users, the Operations Department comprises more than 55% of all employees, working in property management, asset management, business development, technical and marketing positions. These teams are involved in every aspect of our operations:

- Managing leases and client/user relationships.
- Defining and implementing the asset-enhancement strategy.
- Managing acquisitions and disposals.
- Identifying prospects and negotiating leases.
- Coordinating maintenance work and development projects as the Project Owner.
- Defining and implementing the sustainable development strategy.
- Tracking safety and environmental legislation.

The Finance Department includes around 20 employees in charge of preparing the parent and consolidated financial statements, controlling the budget, arranging and optimising financing and managing corporate communication.

Lastly, the Resources department oversees all of the Company's legal, human resources, information systems, internal audit and administrative services functions.

1.2 Job management

Given employee movements during the year, the workforce remained relatively stable in 2012, at 81 people at year-end compared to 83 at 31 December 2011. Three people were hired in 2012 and four left (not including contracts terminated on the last day of the year). In addition, one employee on payroll at year-end 2011 left the Company on 31 December 2011.

Women make up the majority of the workforce, at 63% of the total, and work mainly in management (two-thirds of employees are classified as managers).

Average seniority is 11 years and the average age is 45, with 55% of employees aged 45 or more.

All but one of the 81 employees on payroll at 31 December 2012 were hired under permanent contracts. The only fixed-term contract, which was signed in 2012, concerns a tax advantaged work-study arrangement specific to France (available to 16 to 25 year-old students or unemployed individuals aged 26 and over, whereby periods of general, technological and vocational courses alternate with periods of on-the-job training).

In 2012, the Company also used the services of three contract employees for outsourced reception work and IT maintenance.

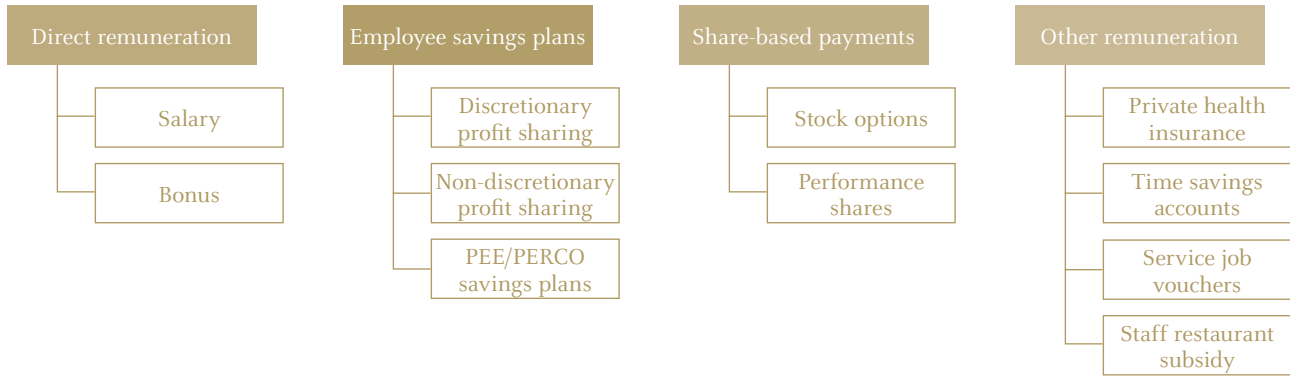
No redundancy plans were implemented by the Group in 2012.

1.3 Remuneration policy

Under our human resources management model, remuneration serves two purposes:

- Reward and recognition,
- Incentive and motivation.

These two objectives have shaped the different forms of remuneration offered at SFL:



All of these schemes, whether individual or collective, immediate or deferred, are managed with the aim of guaranteeing:

- The alignment of employee remuneration with our strategic vision.
- Fair compensation for all employees.
- Our competitiveness in the jobs marketplace.
- Disciplined payroll cost management.

The use of a remuneration system based on both skills (salary) and performance (bonus) also enhances our culture of participatory management and helps to drive our growth by rewarding the employees who make the most significant contributions. Accordingly, the 2012 pay round focused on raising individual salaries based on performance, within an overall payroll budget increase of around 2%.

Coordinated by the Human Resources Department, the raises involved a review of year-on-year variances in regard to:

- Comparable responsibilities in the same or separate position.
- The principle of equal pay for men and women.
- Market salary data from national or industry surveys.

Bonuses, which play a key role in recognising individual performance and commitment, are calculated based on annual performance reviews and the extent to which individual objectives are met during the year.

In turn, individual objectives are assigned to drive continuous improvement and the achievement of measurable and/or qualitative outcomes. Other than for members of the Management Committee, bonuses may vary from 6% to 25% of salary according to the employee's level of responsibility.

In February 2012, a performance share grant plan was set up for all employees. Complementing the non-discretionary and discretionary profit-sharing schemes already in place, the plan reflects SFL's commitment to giving every employee a stake in driving its growth, deploying its strategy and delivering its future performance. Under the plan, employees and corporate officers were granted 49,481 shares that will vest depending on growth in consolidated net asset value per share versus a reference peer group over the three-year vesting period (in line with EPRA recommendations).

Lastly, to encourage employees to save more for retirement, a system was introduced in 2012 that converts vacation days earned in time savings accounts into investments in the PERCO Pension Savings Plan. This tax-advantaged solution optimises employee savings without any additional financial contribution. The new PERCO investment system also led us to broaden the range of corporate mutual funds available under the scheme, which now features five funds suited to different saver profiles:

- Two equity funds.
- A diversified fund.
- A money market fund.
- A bond fund.

In 2012, 50 employees decided to invest in the PERCO plan. The average matching contribution per participant was €2,790.

Compensation awarded under non-discretionary and discretionary profit-sharing agreements totalled €232,780 in 2012. Over the last five years, such compensation averaged 10.5% of total payroll per reference year for which the amounts were distributed.

1.4 Working hours

Total working hours are calculated on an annual basis in accordance with the applicable law and regulations. Pursuant to the Company-level agreement dated 1 July 1999 and subsequent addenda, these employees are granted time off in lieu of hours worked in excess of a thirty-five hour week (calculated on an annual basis) in addition to their statutory holiday entitlements.

Full-time and part-time administrative staff, excluding caretakers, broke down by gender as follows at 31 December 2012:

Working hours	Women	Men	Total
Full-time	42	29	71
Part-time	8		8

The eight part-time contracts correspond to employees who have chosen to work a reduced number of hours; i.e., the contracts have not been imposed by the employer for organisational or operational reasons. All part-time work requests submitted by employees to improve work-life balance have been met.

Employee absences in 2012 are best understood in light of the employee data presented on page 52 of this report.

1.5 Diversity and equal opportunity

Gender equality

Under the Company-level agreement signed on 16 December 2011, SFL reaffirmed its pledge to uphold the principle of non-discrimination on the basis of gender and its commitment to promoting equal opportunity in the workplace. 2012 was therefore the first full year of application for the agreement, which is designed to ensure both equal opportunity in hiring and equal access to career advancement opportunities, supported by professional training.

Accordingly, the recruitment firms regularly used by SFL were informed of the agreement and the need to comply with its provisions with respect to selecting and identifying candidates. For example, job announcements must be gender neutral, systematically state that both men and women are eligible and only refer to availability requirements where the nature of the position makes this absolutely necessary. In the same spirit, the 2012 training plan was prepared with the aim of ensuring that women were at least as represented as men among trainees.

As a result of this commitment, one of the two people hired under permanent contracts in 2012 was a woman and 37 women (73% of all female employees) and 14 men (47% of all male employees) received some form of training during the year.

In addition, line managers are reminded each year about the importance of applying the principle of equal pay when they award the pay rises approved during annual pay rounds. The participants in the 2012 pay round noted that the principle of gender equality was being actively applied to hiring, training and promotion practices.

Keeping older employees in work

At 31 December 2012, the number of employees aged 55 and over totalled 13, representing 16% of the total workforce. This is significantly higher than the 8%-12% target set in the industry-wide agreement signed in December 2009 in favour of keeping older employees in work.

The disabled

As part of its policy of supporting measures to help the disabled to find work, each year the Group allocates a significant proportion of the amount payable under the apprenticeship tax scheme to ADAPT, a not-for-profit organisation working in this area. In 2012, the Group's contribution amounted to €6,260.

In addition, SFL embraced its role as a corporate citizen by participating, from 12 to 18 November 2012, in the 16th annual Disabled Employment Week organised by ADAPT.

Lastly, given the relative stability of its workforce and low hiring volume, SFL contributed €55,140 to Association de Gestion du Fonds pour l'Insertion Professionnelle des Travailleurs Handicapés (AGEFIPH) in fulfilment of its obligations concerning the employment of disabled workers.

1.6 Training and skills management

In 2012, 2.50% of total payroll was allocated to training programmes as part of initiatives designed to promote employee skills acquisition and/or development.

Training programmes for 2012 were selected with the following goals in mind:

- To create and nurture conditions in which every employee has access to continuing education.
- To prepare for emerging technical, legal, environmental and other changes in the market, in order to improve employee professionalism and enable them to do their jobs effectively in the best possible conditions.

Over the course of the year, more than 1,300 hours of training were given to 51 employees in such subjects as asset management, financial management, law, business management, office technology and languages.

1.7 Employee relations

SFL's employee representative bodies include a Unified Employee Delegation (*Délégation Unique du Personnel*) and a Health, Safety and Working Conditions Committee, whose members are regularly informed of and consulted on projects of interest, such as the Group's organisation and operations. In addition to the usual topics falling within its general remit, the Works Council was consulted in 2012 on the performance share grant plan and adjustments to the employee savings scheme.

SFL complies with its obligations under the applicable regulations concerning the mandatory employee representative information and consultation process.

Collective agreements

Four collective agreements concerning the employee savings scheme were signed in 2012, leading to the amendment of certain provisions concerning the PEE and PERCO rules, the time savings account and non-discretionary profit-sharing. In addition to the collective bargaining agreements applicable to site staff, caretakers and building employees, SFL employees were covered by the general provisions of the following collective agreements as of 31 December 2012:

- Company-level agreement dated 1 July 1999 and subsequent addenda.
 - SFL Group Non-Discretionary Profit-Sharing Agreement of 20 June 2002 and addenda dated 5 April 2003, 13 April 2005, 27 September 2005, 2 April 2007, 29 February 2008 and 4 May 2012.
 - SFL Group Discretionary Profit-Sharing Agreement of 30 June 2011.
 - SFL Group PEE Employee Sharesave Plan of 30 September 2002 and addenda dated 21 September 2004, 29 November 2004, 2 April 2007 and 4 May 2012.
 - SFL Group Pension Savings Plan (PERCO) of 31 January 2005 and addenda dated 21 December 2006, 2 April 2007, 12 December 2007 and 3 July 2012.
 - Workplace Gender Equality Agreement dated 16 December 2011.
- No new agreements concerning health and workplace safety were signed in 2012.

1.8 Health and safety

The role of the Health, Safety and Working Conditions Committee, whose membership was refreshed in 2011, is to contribute to improving employee health, safety and working conditions.

In 2012, the unified occupational risks report was updated in cooperation with APAVE, a French provider of prevention, occupational health and safety, and risk management training. Required under French law, the report identifies health and safety threats and the prevention measures to be improved or introduced to eliminate or attenuate each one. More than 70% of potentially dangerous situations identified as part of this process were deemed to present a low level of risk due to prevention measures already in place or simply needing improvement. Presented to the Health, Safety and Working Conditions Committee at year-end, the report's recommendations were incorporated in the occupational risk prevention programme for 2013.

In addition, as is the case every year, employees responsible for coordinating evacuation procedures in the event of a fire attended fire prevention classes and drills in 2012.

1.9 Employee relations indicators

The following employee relations indicators are provided in compliance with the applicable regulations concerning corporate social and environmental responsibility.

In addition to compliance, these indicators reflect our goal of communicating transparently and objectively on the initiatives that most compellingly attest to our on-going commitment to corporate social and environmental responsibility.

GRI 3.1 disclosure		Indicator	Scope	2010	2011	2012
Social: labour practices and decent work						
Employment						
BASE	LA1	Total employee numbers by type of contract (fixed-term/permanent), gender, category, age group and location	Total employees	85	83	81 ✓
			Permanent contract	84	83	80 ✓
			Fixed-term contract	1	0	1 ✓
			Men	32	32	30 ✓
			Women	53	51	51 ✓
			Managers	52	53	54 ✓
			Supervisors	15	14	13 ✓
			Administrative employees	18	16	14 ✓
			Under 45	39	37	36 ✓
			Aged 45 or over	46	46	45 ✓
			Paris	85	83	81 ✓
			Other	0	0	0 ✓
BASE	LA2	New hires by type of contract, gender, category, and age group	New hires			
			Permanent contract	3	4	2 ✓
			Fixed contract	2	0	1 ✓
			Men	4	2	2 ✓
			Women	1	2	1 ✓
			Managers	4	3	3 ✓
			Supervisors	0	0	0 ✓
			Administrative employees	1	1	0 ✓
			Under 45	4	4	3 ✓
			Aged 45 or over	1	0	0 ✓
		Number of terminations by reason	Personal	0	2	3 ✓
			Economic	0	0	0 ✓
SUP	LA3	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by major operations	Total in € thousands	7,258.48	6,757.90	6,493.88
Labour/management relations						
BASE	LA4	Percentage of employees covered by collective bargaining agreements	SFL Group	100%	100%	100%
Occupational health and safety						
BASE	LA7	Number of reported and recognised lost-time workplace accidents		NA	NA	0 ✓
		Number of reported and recognised lost-time commuting accidents		NA	NA	1 ✓
		Number of working days lost as a result of workplace accidents		NA	NA	0 ✓
		Number of working days lost as a result of commuting accidents		NA	NA	13 ✓
		Accident frequency rate	SFL Group	7.29	7.37	7.37 ✓
		Accident severity rate		0.58	0.79	0.09 ✓
		Number of recognised and reported occupational illnesses		0	0	0 ✓
Absenteeism						
		Illness (in number of working days)		620	541	983
		Maternity (in number of working days)		87	79	256
		Child illness (in number of working days)		30	27	30
		Family events (in number of working days)		31	28	49

GRI 3.1 disclosure		Indicator		Scope	2010	2011	2012
Training and education							
BASE	LA10	Total number of training hours	Hours	SFL Group	2,700	1,394	1,337 ✓
SUP	LA12	Percentage of employees receiving regular performance and career development reviews, by gender	Men Women	SFL Group	100% 100%	100% 100%	100% 100%
Societal							
Local communities							
BASE	SO1	Percentage of operations involving local community engagement, impact assessments, and development programmes		SFL Group	0	0	0
BASE	SO9	Operations with significant, potential or actual negative or positive impacts on local communities		SFL Group	0	0	0
Public policy							
SUP	SO6	Total value of financial and in-kind contributions to political parties, politicians and related institutions by country		SFL Group	0	0	0
Anti-competitive behaviour							
SUP	SO7	Total number of legal actions for anti-competitive behaviour, anti-trust, and monopoly practices and their outcomes		SFL Group	0	0	0
Compliance							
BASE	SO8	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations		SFL Group	0	0	0
Customer privacy							
SUP	PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data		SFL Group	0	0	0

Covered by France's Grenelle II environmental recommendations.

✓ Verified by Deloitte.

NA Not Available.

2. Environment

2.1 Environmental strategy

SFL's property portfolio is comprised solely of Paris properties that have the low-carbon advantage of being within easy reach of public transport. Our head office is also in Paris, in the 8th *arrondissement*. This is consistent with our environmental strategy, which is based on the strong belief that **offering properties with the market's smallest environmental footprint is a way of demonstrating our commitment to ensuring the quality of life for present and future generations.**

Our environmental strategy is built around certain core objectives:

- Continue to steadily improve the portfolio's environmental performance over time, leveraging the excellence of the current portfolio and the tracking of environmental indicators.
- Design redevelopment and major renovation projects to meet the highest environmental certification and carbon footprint standards.
- Add climate change risk to the criteria considered prior to deciding on potential property acquisitions.

In 2012, we confirmed the effectiveness and excellence of the portfolio's overall carbon performance, which guarantees one of the smallest carbon footprints per workstation in the world. To further this ambition, we are constantly reinventing the portfolio in response to our clients' CSR expectations and their need to comply with both the Grenelle II environmental recommendations and international standards.

To this end, renovations are carefully planned to ensure that buildings:

- Have a small carbon footprint and meet the market's highest emissions standards.
- Meet high energy efficiency building standards and already comply with future building HVAC regulations.
- Provide work spaces that meet the criteria and objectives of the Grenelle II and Global Reporting Initiative (GRI/CRESS) international guidelines and the recommendations of the European Public Real Estate Association (EPRA).
- Deliver lasting technical and energy performance.
- Re-introduce biodiversity to the urban landscape.
- Limit the use of non-renewable resources.
- Provide waste sorting and recycling solutions.

In line with this strategy, SFL systematically requests certification to benchmark standards for all of its buildings, both under renovation (HQE®, BREEAM and LEED) and in use (HQE® Exploitation, BREEAM In-Use).

To support this process, awareness-raising campaigns and training programmes are helping to change employee attitudes and upgrade their expertise.

Our client partners are also being gradually involved in continuous improvement programmes, with shared work guidelines for addressing such issues as green leases, lease-related environmental audits, integration into their greenhouse gas emissions reduction plans, and training in eco-practices. Such collaboration is designed to share with all our stakeholders the excellence of this strategy, which has positioned our portfolio among the best in Europe in terms of the environmental impact of property use by clients.

To effectively deploy this strategy, SFL identified in 2011 a number of sustainable development issues requiring priority attention. In 2012, the policies and enabling tools were introduced to track the relevant pre-defined indicators and thereby reduce our environmental footprint.

Lastly, in 2012, SFL did not record any provisions or enter into any guarantees for environmental risks.

2.2 Data collection, measurement and reporting procedures

To report data on our buildings' energy use, water use and waste production, proprietary procedures have been developed to standardise the data collection process and to define the contributors and verification methods. They also describe the applicable standards, notably article 225 of the French Act of 12 July 2010 ("Grenelle II"), the Global Reporting Initiative (GRI 3.1) and CRESS supplement, and the EPRA's recommendations. Lastly, they define the scope of reporting.

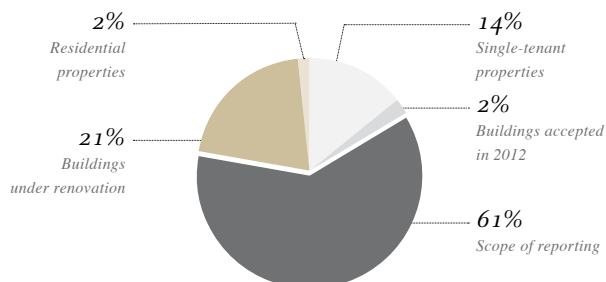
2.2.1 Reporting period

The audit covers the full calendar year, with three years (2010-2012) of comparative data. Note that comparative information for the head office is presented only from 2011, when it was first included in the programme.

2.2.2 Scope of reporting

SFL's portfolio comprises 19 buildings, representing a total non-weighted average useful surface area of 383,000 sq. m. The nine buildings included in the scope of reporting are multi-tenant properties with significantly high occupancy rates (over 60%).

SFL Property Portfolio



The scope of reporting does not include single-tenant buildings, buildings being vacated for future renovation, buildings under renovation and residential space.

The buildings concerned are as follows:

- 1. 176 Charles-de-Gaulle, Neuilly-sur-Seine
- 2. 96 Léna Paris 75016
- 3. Ilôt Édouard VII Paris 75009
- 4. 112 Wagram Paris 75017
- 5. Rives de Seine Paris 75012
- 6. LDE/LDA, 151 rue Saint-Honoré Paris 75001
- 7. 103 Grenelle Paris 75007
- 8. Cézanne Saint-Honoré Paris 75008
- 9. Washington Plaza Paris 75008.

The scope of reporting (excluding residential space) represents 61% of the total surface area of our entire residential, retail and office property portfolio.

2.2.3 Changes in the scope of reporting

The number of buildings covered by our audits may increase as a result of acquisitions and the delivery of renovated buildings that are at least 60% let.

The number may decrease to reflect sales, buildings that are less than 60% let due to tenant departures and buildings scheduled for imminent renovation or under renovation.

2.2.4 Standard surface area measure and occupancy rate

The standard measure used to calculate building energy use intensity is the non-weighted average useful surface area of the property, expressed in square metres. Occupancy rates are reported at the end of the calendar year and reflect the actual occupancy rate of each building spread over the year.

2.2.5 Energy

Energy data from metre readings and property manager invoices (before tax and subscription fees) is collected and consolidated for each building before being included in the overall scope of reporting.

When a building's total energy use is unknown, in particular where private areas are concerned, the total is calculated by estimating energy use per unit based on the type of heating and cooling systems used by the tenant. These estimates, which give a clearer picture of actual use and vary by building, are determined in partnership with an experienced energy analysis agency.

In some cases, tenant energy use may reflect only the electricity used by office equipment because heating and air conditioning systems are centralised, as at 176 Charles-de-Gaulle in Neuilly-sur-Seine.

Our estimates are replaced with actual tenant data as soon they are collected.

However, it is difficult to compare energy use intensity in absolute terms from one year to the next, due to changes in the total surface area included in the scope of reporting and its occupied portion. For this reason, last year's absolute value data have been compared with a similar scope of reporting, in this case 2010 with seven buildings. Energy use intensity ratios for the 2012 scope of reporting (nine buildings) have been presented separately.

2.2.6 Water use

The method used to measure water use is more straightforward, as each property is supplied by a single water source. Data are collected by either reading water metres or consolidating invoices.

2.2.7 Waste

Waste tonnage presented in the report is determined based on waste monitoring reports for the buildings and daily weighings for the head office.

2.3 Environmental footprint

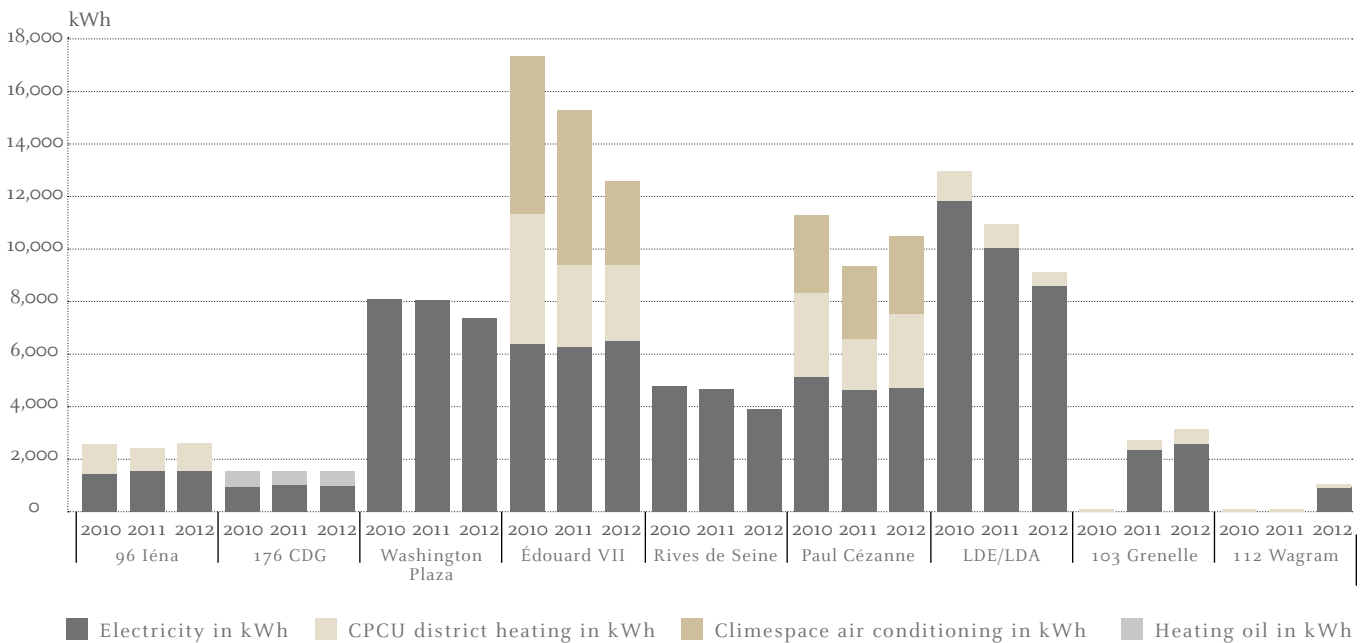
2.3.1 Energy use

An analysis of energy use intensity, based on all sources, shows that at comparable scope of reporting, around 12% less energy was used in 2012 than in 2010. Note that 2010 was a particularly cold year, whereas 2012 saw relatively normal seasonal temperatures.

In 2012, for the nine-building scope of reporting, energy use intensity stood at 227 kWh/sq. m/year, all sources combined.

Once the energy audits of the buildings in the scope of reporting have been analysed, technical solutions will be deployed according to a schedule running until 2014. This commitment will drive continuous improvement in energy use by the property portfolio, with the goal of delivering final savings of 15% by that year.

Building energy use reported in 2010, 2011 and 2012



2.3.2 Water management

Water, a central concern at SFL

France is fortunate to be a country where water is abundantly available and inexpensive, but it would be very narrow-minded not to pay close attention to this non-renewable resource. SFL buildings are supplied exclusively by the Paris water distribution system. Extracted from aquifers and rivers, the water is purified and then transferred as drinking water to end-user locations. None of our sites lift water from vulnerable sources.

Property renovation programmes are required to comply with best global water use practices by applying LEED green building standards.

In 2011, we pledged to reduce water use in the scope of reporting by 10% by 2013. This target has already been exceeded.

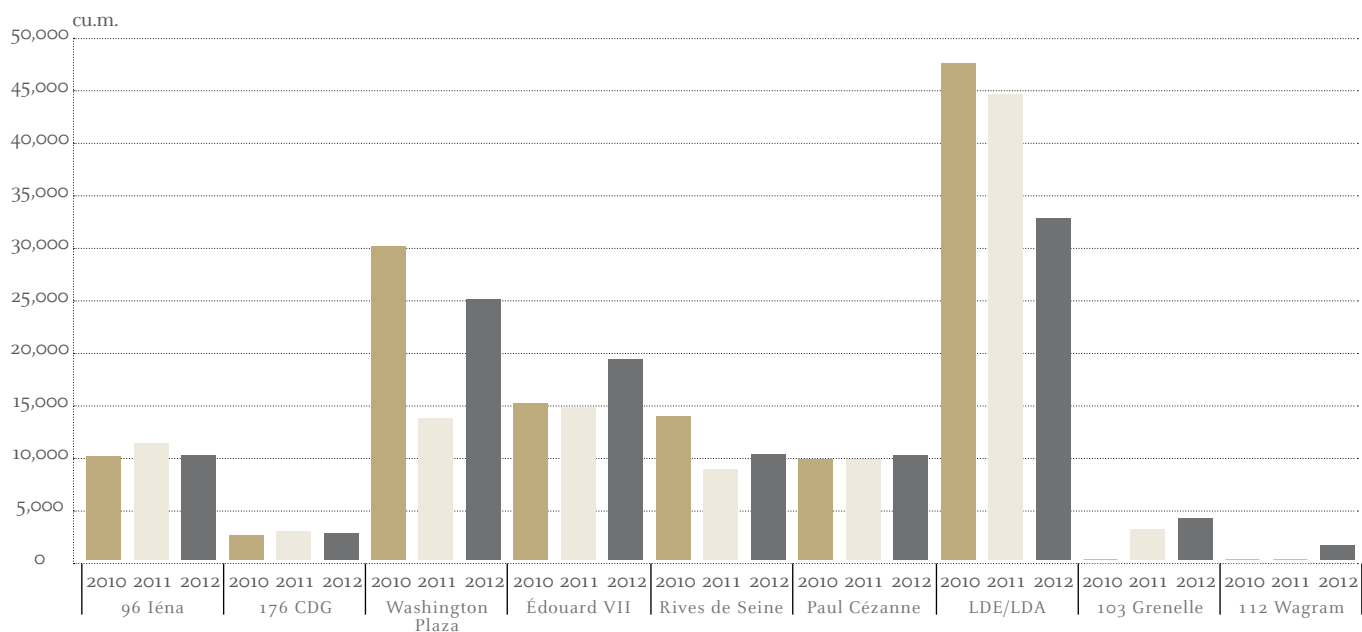
Following their renovation, the In/Out building in Boulogne-Billancourt and the Cardinal property in Paris will harvest rainwater and store the resulting 88,000 litres on-site to water their green spaces. Water harvesting has two advantages: i) it helps to reduce drinking water use and ii) it lowers the cost of primary water treatment prior to network distribution.

Our proactive approach has led to the installation of water-saving technologies on all outlets in both common areas and vacant private units. No fewer than 1,000 outlets in the nine buildings in the scope of reporting were thus equipped in 2012. Since their installation, these solutions have lowered water use by an average 28.5%.

At the same time, water use by properties under management has been monitored monthly since 2010, enabling SFL to respond quickly to any abnormal peaks.

At the head office, all of the water outlets and restrooms have been equipped with the same water-saving technologies installed in portfolio properties, so that water use is expected to decline by roughly 23.5% in 2013.

Building water use reported in 2010, 2011 and 2012



2.3.3 Reducing waste

In the scope of reporting

In 2011, it was decided to begin deploying a waste sorting system across the scope of reporting in 2012. By year-end, 80% of the buildings had been equipped, with the rest scheduled for installation in 2013. Many tenants have embraced the spirit of the initiative by setting up systems for sorting waste at source.

The total amount of waste produced by type and disposal method is still often unknown. In 2013, this indicator will be tracked more closely to develop a clear understanding of how much non-hazardous and recycled waste is generated by each site.

At the head office

Many initiatives are underway to reduce and sort the waste generated by head office activities.

Waste sorting

Each workstation and conference room has a two-compartment waste bin allowing users to sort paper waste to enable its recycling and reuse. Thanks to this system, all of the paper waste was recycled in 2012, representing three tonnes of paper, based on daily weighings. Waste per person totalled roughly 40 kg during the year. The goal is to reduce our contribution to waste by 10% in 2013.

■ Batteries

A used battery collection bin has been installed at the head office to collect batteries for proper disposal. 22 kg of batteries were collected in 2012.

■ Toner cartridges

The head office also has a collection bin for used ink cartridges from individual printers and photocopiers, as well as for the photocopiers' used ink hoppers.

■ Waste electrical and electronic equipment (WEEE)

Waste electrical and electronic equipment collected by SFL includes used cell phones and calculators, as well as any worn-out or defective electronic equipment. Given that our IT hardware is leased, we are not responsible for its recovery or reuse. However, we have now arranged for obsolete hardware to be collected and disassembled by Ecologic-France, an accredited environmental organisation dedicated to WEEE recycling. With this initiative, 220 kg of WEEE was collected in 2012.

2.4 Environmental quality and asset certification and labelling

A programme is now underway to earn environmental certification for all of the buildings in the portfolio by 2013.

2.4.1 Properties in use

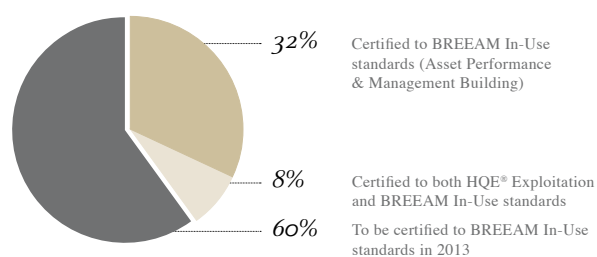
The certification standard for buildings in use is the universally recognised BREEAM In-Use process.

The first certification, for 103 Grenelle in 2009, was earned on the basis of HQE Exploitation® green building management standards. In 2012, the asset was certified compliant with BREEAM In-Use standards, in line with the new strategy. It is the first building in the world that meets the criteria under both in-use certification schemes.

During the year, the Louvre des Entreprises et des Antiquaires and the Cézanne Saint Honoré building were also certified to BREEAM In-Use standards, with satisfactory ratings.

SFL buildings	BREEAM In-Use Certification	
	Asset Performance	Building Management
103 Grenelle Paris 75007	Good with 46.69%	Good with 42.70%
LDE/LDA Paris 75001	Good with 45.29%	Pass with 31.70%
Cézanne St-Honoré Paris 75008	Good with 45.19%	Good with 40.29%

In-Use Certification Status- 2012 Scope of Reporting



2.4.2 Buildings under renovation

Our environmental performance targets are defined in a programme that is regularly adjusted to take into account the latest technologies and construction standards.

This method helps to ensure that redevelopment projects can earn one or more certifications with high ratings, including an HQE® Sustainable Building Passport rating of at least “Excellent”, a BREEAM rating of at least “Very Good” and/or a “Gold” LEED rating.

As the owner of 103 Grenelle, the first freestone building to be awarded HQE® environmental certification, in 2009, SFL has firmly established its credentials as a pioneer and will continue its programmes in this area.

The Mandarin Oriental Hotel on rue Saint Honoré in Paris’s 8th *arrondissement* earned renewed “Construction and Renovation” certification to HQE® standards in 2012. In addition, the project served as a pilot site for the development of Certivéa’s HQE® hotel certification programme.

The extensive In/Out redevelopment project offers the most compelling example of our commitment to sustainable development and our strategy of positioning our assets as global benchmarks by applying international standards right from the planning phase. The project is designed to obtain triple certification, with the HQE® Sustainable Building Passport, a BREEAM “Very Good” rating and a LEED “Gold” rating with the ambition of reaching “Platinum” status. Already, the In/Out planning and design phase has been awarded HQE® certification and the Certivéa sustainable building passport “Exceptional” rating. The project has also earned the HPE (high energy performance) label for complying with Effnergie Rénovation 2009 (formerly BBC) standards.

Multiple certifications are also being sought for the other major redevelopment projects currently under review, such as the 33,200 sq.m. Cardinal project in Paris. It was certified compliant with HQE® planning phase standards in 2012 and is currently seeking a BREEAM “Excellent” rating and a LEED “Gold” rating.

At 31 December 2012, SFL owned six buildings certified to environmental quality standards, as follows:

- 103 Grenelle Paris 75007, HQE®-certified for the planning, design and construction phases.
- 92 Champs-Élysées Paris 75008, HQE®-certified for the planning and design phase.
- 112 Wagram Paris 75017, HQE®-certified for the planning, design and construction phases.
- 247 Saint-Honoré Paris 75001, HQE®-certified for the planning, design and construction phases.
- In/Out Boulogne-Billancourt 92100, HQE®-certified for the planning and design phase and seeking BREEAM and LEED certification for the construction phase.
- Cardinal Paris 75002, HQE®-certified for the planning and design phase and seeking BREEAM and LEED certification for the construction phase.

The two major redevelopment projects, In/Out and Cardinal, are engaged in a triple certification process.

2.5 Greenhouse gas emissions

Aware of today’s energy and climate issues, SFL is deploying extensive resources and its entire organisation to meet the targets set in France’s Grenelle legislation – a 38% reduction in building energy consumption by 2020 and a greenhouse gas emissions target of “Factor 4”, i.e. a division of emissions by four by 2050 – while also affirming its European and global leadership in terms of its portfolio’s carbon footprint.

Abating and adjusting to climate change represents a major challenge for SFL. In managing our assets, we have to take into account the potential medium-term impact of higher water and

energy costs and insurance premiums. While the location of our assets tends to limit the likelihood of their being affected by extreme scenarios, we are proactively managing these risks by improving our buildings' energy efficiency and carbon intensity.

In this way, we are committed to meeting two objectives:

- 1 – Measure our emissions and transparently inform stakeholders about SFL's carbon footprint, measurement methods and results.
- 2 – Reduce our impact and demonstrate the performance of our buildings and the effectiveness of our continuous improvement process. This will offer clients the guarantee that their offices use less energy, with the smallest possible environmental and carbon footprint.

As part of this process, a comprehensive carbon audit was conducted in 2012. Presented below, the audit consisted of assessing the greenhouse gas emissions of:

- Revenue-generating properties, including both common and private areas.
- Renovation and remodelling projects in progress.
- Daily operations at the head office.

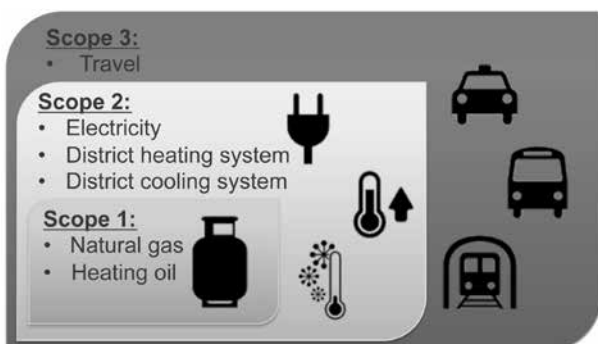
The following section describes in detail how these three categories are comprehensively measured and tracked.

2.5.1 Methodology

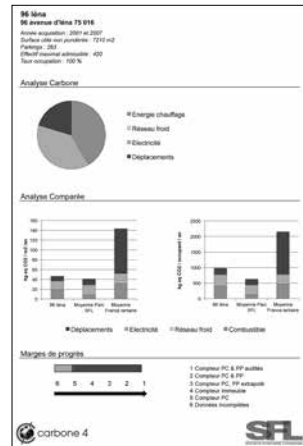
The methodology reflects, across the broadest possible spectrum, the fight against climate change and the integration of energy issues into our strategy. In the case of indirect (Scope 1) and direct (Scope 2) emissions, as defined by the Greenhouse Gas (GHG) Protocol, this naturally entails the systematic monitoring of energy used in both the common and the private areas of our buildings.

The methodology also includes work-related travel emissions (Scope 3 – Other indirect emissions), as our buildings cannot be used without the daily commute of the people working there.

Categories of greenhouse gas emissions from an in-use asset



To measure and manage improvements in performance, SFL has deployed, building by building, an analysis programme based on a detailed, structured and transparent methodology corresponding to Version 7.1 of the Bilan Carbone® carbon audit method developed by France's French Environment and Energy Management Agency (ADEME). The findings have been used to create a "Carbon ID Card" for each asset, which makes it possible to gauge the quality of key reported data and to keep our clients informed about the asset's performance relative to market standards.



Example of a Carbon ID Card

The card shows emissions by category, total volumes emitted, emissions compared with the portfolio average and an indicator of data collection performance.

This methodology has three major strengths:

- It highlights pathways to improvement that allow us to commit to energy and water use reduction targets. To enhance this process, an energy audit is now being performed for all buildings in the 2012 scope of reporting.
- It has enabled the creation of an internal database to identify and apply best practices for reducing energy and water use.
- It is also immediately applicable to each new property added to the portfolio.

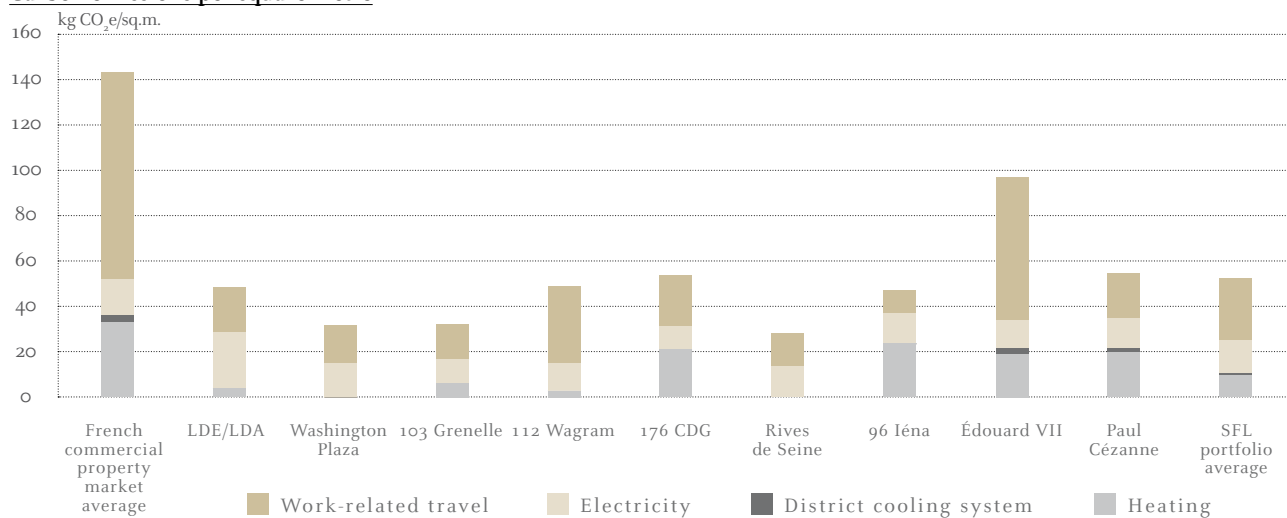
2.5.2 Carbon audits of properties in use

In 2012, a thorough carbon audit was performed on the nine buildings in the scope of reporting. Work-related travel emissions (Scope 3) data were compiled based on a survey of all our clients.

The findings confirmed that SFL's assets offer the world's smallest carbon footprint, with average emissions of 25 kg CO₂e/sq.m./year, excluding work-related travel, and of 52 kg CO₂e/sq.m./year including work-related travel, compared with an average for the French market of around 51 kg CO₂e/sq.m./year excluding work-related travel (Source: ADEME) and a US average that is nearly six times higher excluding work-related travel (Source: University of Strathclyde).

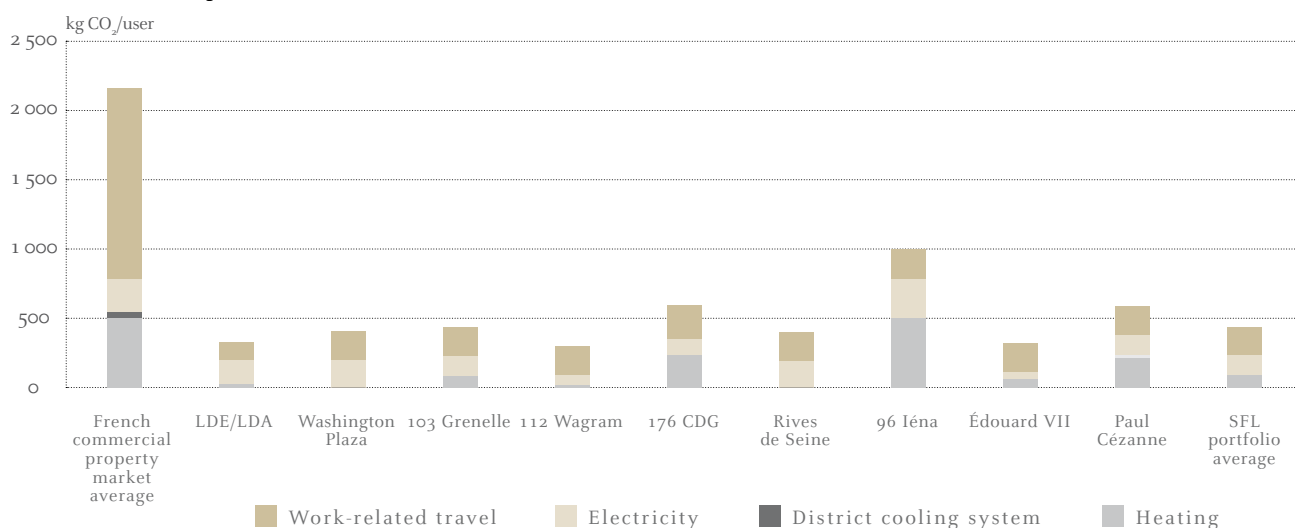
The chart below presents comparative data on each asset alongside data for the French commercial property market. SFL's assets clearly perform very well compared with the national average.

Carbon emissions per square metre



The same data presented on a per-occupant basis confirms the excellent performance of our office buildings.

Carbon emissions per user



2.5.3 Carbon audits of assets under major renovation

Carbon audits are systematically performed on buildings undergoing heavy renovation in order to measure, as early as possible, the project's impact on corporate greenhouse gas emissions, make any positive adjustments and select the right option to minimise the carbon payback period.

Renovation and refurbishment projects inevitably generate greenhouse gas emissions, mainly due to structural work, the replacement of utilities and the use of materials. However, these emissions will ultimately be offset because once the project is completed, the building will be more energy efficient. After a few years, the emissions avoided by the more efficient operation will offset the carbon "spent" in remodelling.

Example of a successful renovation project

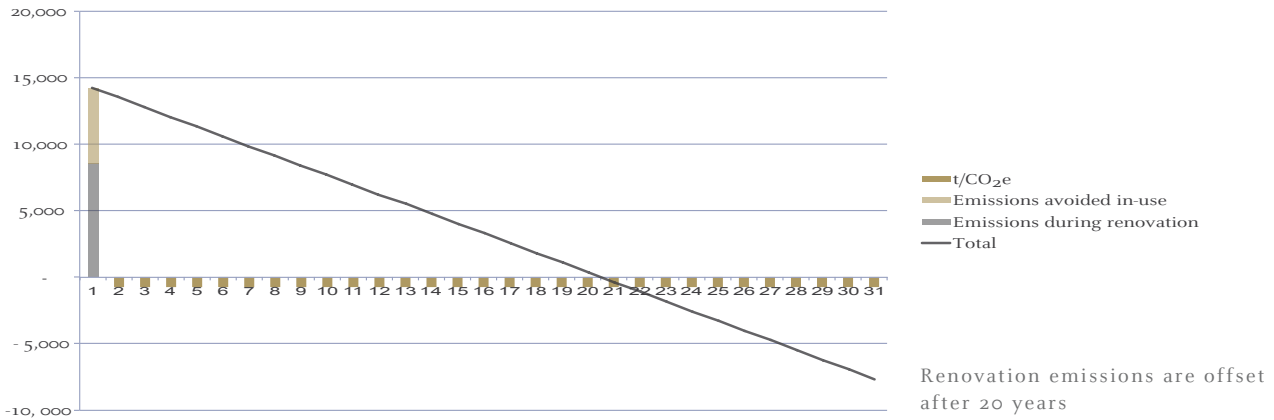
A greenhouse gas emissions audit was performed on the In/Out project in Boulogne-Billancourt during the design phase, taking into account the travel-related emissions of its future occupants, based on French government statistics. It therefore covered all of the project's Scope 1, Scope 2 and Scope 3 emissions.

This innovative approach demonstrated the effectiveness of upstream planning decisions and the carbon performance of a renovation project compared with a new construction.

The audit covered both the construction and in-use performance of the building, including work-related travel data.

It supported our decision to undertake major renovation works on the asset, which are expected to avoid the release of 23 kg CO₂e/sq.m./year once the building is in use.

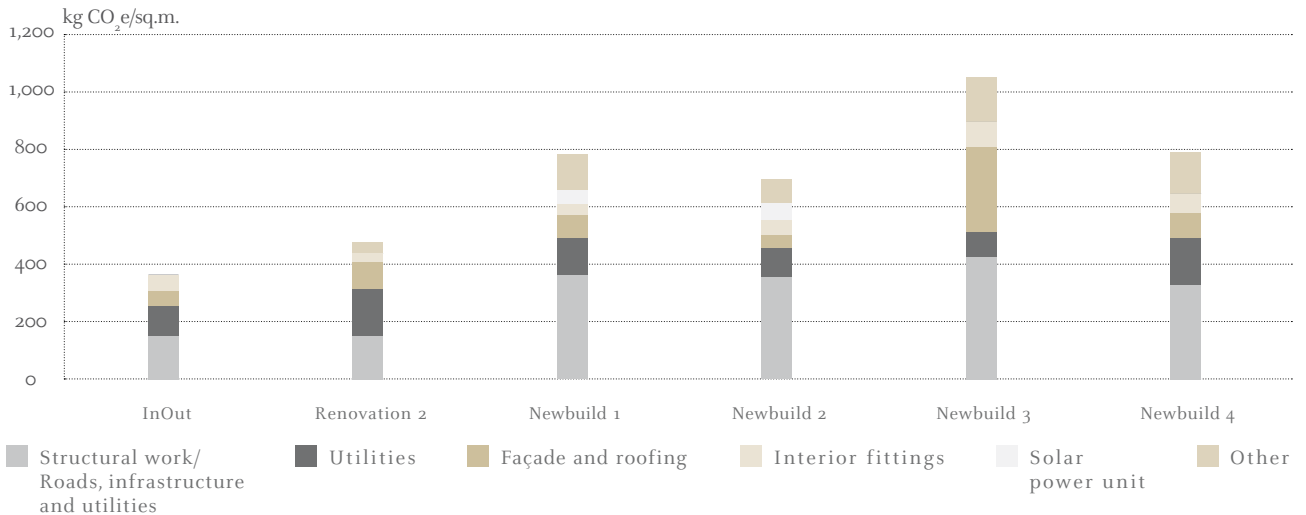
Carbon payback on a renovation project



A comparison between the carbon performance of the In/Out project and other similar renovation or newbuild projects shows that our approach effectively optimises the environmental impact of major projects.

In 2013, the same analysis process will be applied to the project to renovate the 33,000 sq.m. Cardinal building in Paris, with a view to maximising its carbon performance.

Carbon emissions by type of project

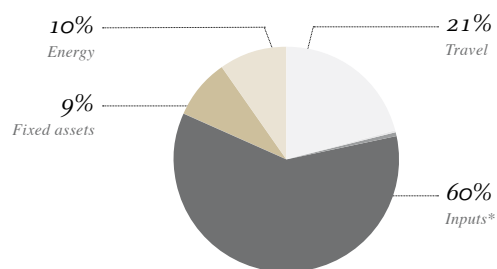


2.5.4 Head office carbon audit

The carbon footprint of SFL's head office has also been analysed, in all three scopes. For Scope 3, the Risks & Environment Department gathered commuting and business travel data by surveying the entire workforce as well as visitors.

In all, the head office carbon footprint amounted to 5.6 t CO₂e/employee/year, or half the per-employee average for the French commercial property market (according to government statistics and ADEME).

Head office carbon footprint by emissions source



* Inputs include: paper, screens, CPUs, switchboards, banking services, fees, expense reports, telephone, Internet, other consumables, advertising/media plan, subscriptions, books, etc.

2.6 Ozone-depleting substances

SFL took early action to eliminate HCFC-22 (R-22) and other potentially ozone-depleting coolants from its air conditioning systems. To date, R-22 has been phased out across 95% of the property portfolio. The only cooling unit still using the chemical (about 130 kg) will be retrofitted in 2013 to meet our zero-R22 target. The rest of the air conditioning units in the portfolio run exclusively on R134a, R407c, R410a and R422D – representing a total of 3,030 kg – or rely on the Climespace district cooling system.

2.7 Biodiversity

SFL's traditional strategy of maintaining a portfolio exclusively comprised of prime properties within Paris proper, is helping to preserve biodiversity by attenuating urban sprawl. To enhance this aspect, in 2011 we decided to incorporate biodiversity into our sustainable development process.

A variety of initiatives were launched in 2012 to demonstrate this commitment, in particular by:

- Installing living roofs and walls whenever possible under applicable regulations and technical conditions.
- Specifying the use of wood from sustainably managed forests and initiating a policy of specifying construction and design materials that have less of an impact on biodiversity, such as recycled products, bio-sourced materials and materials that can be easily recycled and/or integrated into circular economy systems.
- Maintaining existing structures to the extent possible during renovation projects.
- Using materials that can be easily recycled and/or integrated into circular economy systems.

In addition, a holistic process was undertaken in 2012 to assess the direct and indirect impacts of our operations on biodiversity, with corrective actions to effectively attenuate them scheduled for implementation in 2013. These impacts were analysed according to Global Reporting Initiative (GRI) EN11/13/15 and 25 criteria, and supported by a strategic analysis of EN12 and EN14 indicators.

Biodiversity challenges associated with our sites include:

- Direct impacts limited to common plant and animal species and the sustainability of urban habitats.
- Indirect impacts from sourced materials and products, whose manufacture may raise biodiversity issues.

Results of the analysis showed that the nine buildings in the scope of reporting are all more than 2 km away from a protected area or environmental preserve, and do not pose a direct threat to rare species, protected habitats or wetlands.

Effective measures undertaken in the portfolio to support biodiversity

SFL is contributing to Paris's "green corridor" of discontinuous green patches that help wildlife circulate among the larger city parks. For example, the entire surface of the 1,000 square-metre roof terrace of the Champs-Élysées shopping arcade in the 8th *arrondissement* has been planted with a variety of bushes and other perennials.

As well, the Ozone building at 92 Champs-Élysées, also in the 8th *arrondissement*, was fitted in 2012 with a nearly 140 square-metre Végétalis® living wall comprising 3,360 non-allergenic perennials. The plants were chosen for their tolerance to continental Europe's climate conditions.

In 2013, this drive to re-introduce biodiversity in the urban landscape will be extended with In/Out project's roughly 8,000 square metres of open space planted with nearly 120 tree varieties, selected for their non-allergenic properties.

During the year, we also plan to consolidate our biodiversity strategy, guided by the following objectives:

- Increase the ecological potential of our various sites whenever permitted by legislation and land conditions. To this end, we are currently conducting an ecological audit of our main sites.
- Systematically address biodiversity issues in renovation and construction projects.
- Develop a policy of specifying materials and sourced products that reduce our indirect impacts on biodiversity.

To continue enhancing our outdoor sites as part of the biodiversity strategy, clauses prohibiting the use of pesticides in green spaces will be included in every management contract in 2013, well ahead of the recommendations made by the French Environment Ministry under its Ecophyto 2018 Plan.

2.8 Environmental indicators

	GRI 3.1		EPRA	Source/Unit	Scope of reporting	2010	2011	2012	
Environmental									
Energy									
Energy use by source	BASE	EN3	AM03	Heating fuel in kWh	Entire	582,400	551,200	560,000	✓
		EN4	AM01	Power in kWh	Entire	38,597,775	38,485,100	36,991,193	✓
			AM02	Urban heating and cooling system in kWh	Entire	19,417,400	15,922,300	17,162,150	✓
Energy use intensity		CRE1	IM09	kWh/sq.m./year	Entire	317	279	277	✓
			IM10	kWh/user/year	Entire	2,024	1,847	2,036	
Energy saved due to energy efficiency improvements	SUP	EN5		%	Entire	/	/	12%	
Water									
Water use	BASE	EN8	AM06	Cubic metres (cu.m.)	Entire scope	127,414	107,277	133,495	✓
Water resources significantly affected by water withdrawal	SUP	EN9		Unit		0	0	0	
Percentage and total volume of water recycled and reused	SUP	EN10		cu.m.		0	0	0	
Water use intensity		CRE2	IM11	cu.m./sq.m./year	Entire	0.7	0.5	0.7	
			IM12	litres/user/day	Entire	20	16	23	
Emissions, effluents and waste									
Greenhouse gas emissions (based on energy used)	BASE	EN16	AM04 AM05	t CO ₂ e	Entire	5,641	4,741	4,971	✓
Building greenhouse gas emissions intensity		CRE3	IM13	kg CO ₂ e/sq.m./year	Entire	29.5	24	25.2	
			IM14	kg CO ₂ e / user/year	Entire	188.7	159.4	192	
Greenhouse gas emission intensity of new buildings and major renovation projects		CRE4		t CO ₂ e/€'000s spent	In/Out 2012	ND	ND	0.51	
Other relevant indirect greenhouse gas emissions by weight	BASE	EN17		t CO ₂ e (user travel-related emissions)	Entire	ND	ND	5,350	
Total mass of waste by type and disposal method	BASE	EN22	AM07	tonnes/year	Washington Plaza and 96 léna	258	243	297	
			AM08	% waste by type (paper/ordinary industrial waste)	Washington Plaza	41% / 59%	26% / 74%	31% / 69%	
Total number and volume of significant spills	BASE	EN23			Entire	0	0	0	

	GRI 3.1		EPRA	Source/Unit	Scope of reporting	2010	2011	2012	
Transport									
Significant environmental impacts of transporting employees, products and other goods or materials used for the organisation's operations	SUP	EN29		t CO ₂ / full-time equivalent employee	SFL workforce	ND	ND	5.6	
Economic									
Subsidies and other significant financial assistance received from government	BASE	EC4		€'000s	Group share	0	0	0	

 Covered by France's Grenelle II environmental recommendations.
 ✓ Verified by Deloitte.
 ND Not Available.

3. Society

3.1 Stakeholder relations

SFL has identified its stakeholders and included them in the sustainable development process, so as to anticipate their expectations and respond to their concerns, which may vary depending on whether the building is in use or being renovated. Yet our most important stakeholders are our employees, whose actions are governed by a Code of Ethics and Information Systems. It is designed to protect our clients' interests and prevent irregular transactions, at a time of tightening regulations and controls concerning business and financial market activities. It is also helping to build trust in the Company among external partners, such as suppliers, service providers, agents and clients, as well as among employees.

Stakeholders in our buildings in use:

For clients, the main contact point with SFL is our Property Department, which is responsible for coordinating the other departments in responding to client issues and requests. In 2012, we enhanced this dialogue process by inviting clients to participate in newly created client committees to help us to better understand and meet their needs. These committees will remain active in 2013 and, thanks to the green leases, they will provide a forum for discussing the environmental aspects of our clients' business activities. They are intended to become effective round tables for discussion and debate on how to reduce the total environmental footprint of our assets, clients included.

Similarly, meetings are regularly held with the service providers tasked with managing our building utilities, to gauge their quality of service.

Stakeholders in our buildings under renovation:

At the start of any project that we know will have a major impact on a neighbourhood or city, preventive summary proceedings are systematically organised to enable us to meet with stakeholders and explain the resources being deployed to minimise disamenities. Moreover, steps are systematically taken to limit disamenities in compliance with Target 3 of France's HQE® green building management standards, following its "very high performance" criteria. As part of this process, a neighbourhood committee was set up in 2012 on the In/Out project.

Community meetings are therefore held regularly and newsletters distributed. In the project upstream, close relationships are nurtured with the Paris municipal authorities to discuss their respective constraints and find lasting, mutual solutions that limit project planning risks. We systematically meet with Urban Planning, Safety, Labour Inspection and other government agencies in charge of reviewing our permits to explain our projects in detail and present the resources we plan to deploy to minimise risks, overcome constraints and implement solutions that meet their expectations.

In the case of occupied project sites, similar procedures are initiated in advance to inform tenants of our intentions. This is the best way to reassure clients that their concerns are being addressed. Their sole contact at SFL is the head of Property Management.

3.2 Client satisfaction and green leases

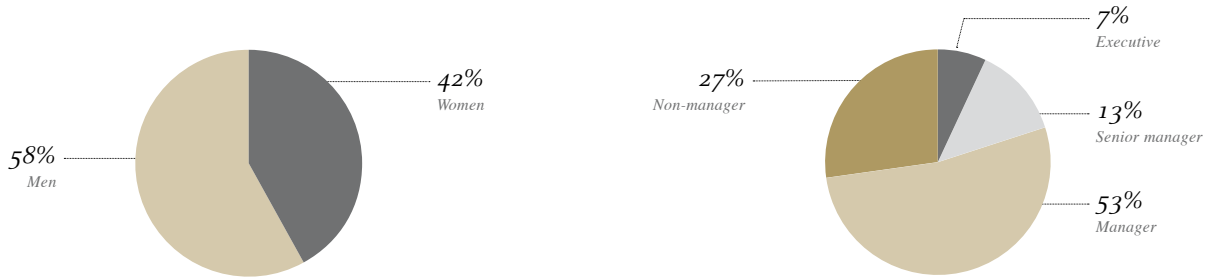
Building client intimacy

Our commitment to understanding clients better so as to offer them superior service and identify avenues for improvement led us to organise a survey in October 2011 to gauge their satisfaction with our properties, based on both the building's

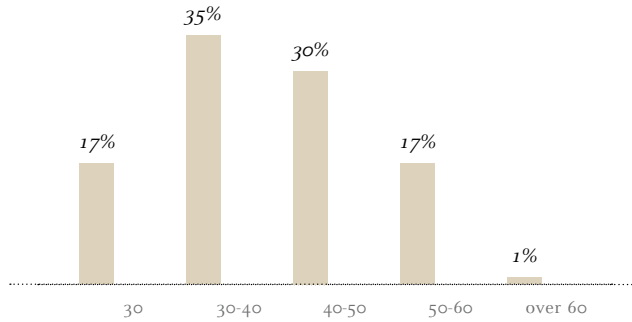
intrinsic qualities and extrinsic factors. The survey was carried out in partnership with HEC Junior Consulting.

Of the 460 respondents, corresponding to 30 companies and eight buildings, around 80% said they were satisfied or very satisfied with the premises and building in which they worked.

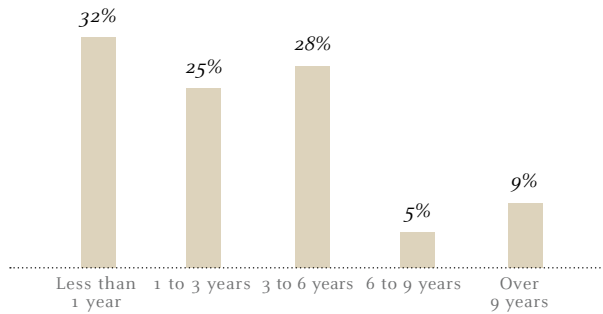
The respondents were very diverse and representative of every corporate level, with a large proportion of managers.



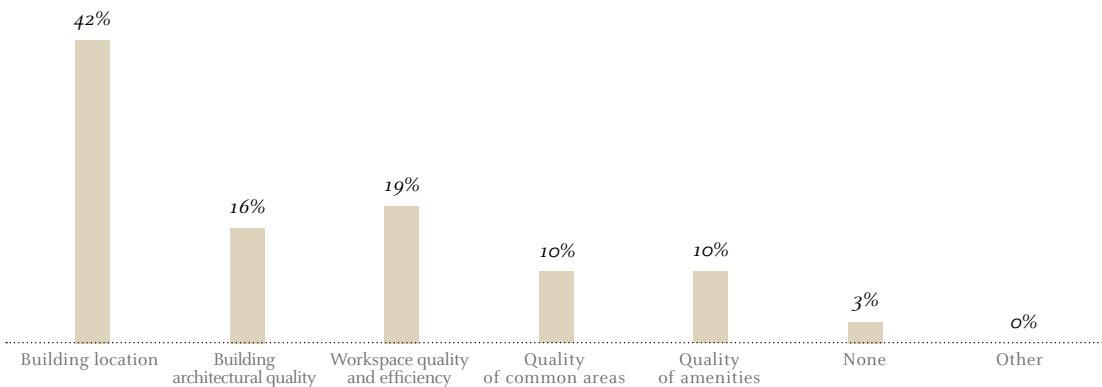
The age pyramid was also fully represented, with the majority of respondents aged 30 to 50.



Some 67% of respondents have worked in their building for more than a year.



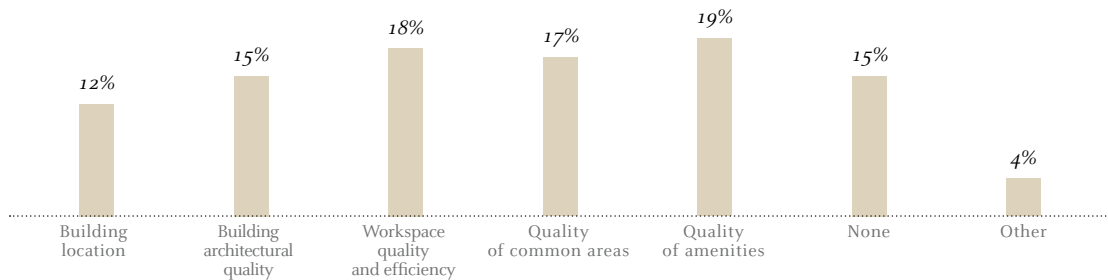
Among the advantages of their workplace, respondents cited location (42%), workspace quality and efficiency (19%), and architectural quality (16%). Areas for improvement may be explored in common area management and user amenities.



For each advantage, respondents were asked to provide further details to enable us to pinpoint the source of satisfaction. Location was mainly appreciated because of its proximity to public transport (for 50% of respondents), its urban setting (36%) and the visibility it offers to the company (13%). Workspaces were appreciated for being bright (31%), functional (27%), comfortable (19%) and pleasant (11%). In terms of architecture, our properties were commended for being well designed (for 47% of respondents), original (25%) and attractive (24%).

Common areas were mainly appreciated for the quality of their maintenance (48%), safety (23%) and design (18%), with their pleasantness being cited as an advantage by just 9% of respondents. Lastly, respondents said that the most appreciated amenities were a company restaurant (45%), a parking garage (32%) and a cafeteria (14%).

Perceptions of building drawbacks were much less clear-cut, with 15% of respondents not mentioning any. However, the main areas for improvement were cited as the quality of amenities (19%) and the efficiency of workspaces (18%).



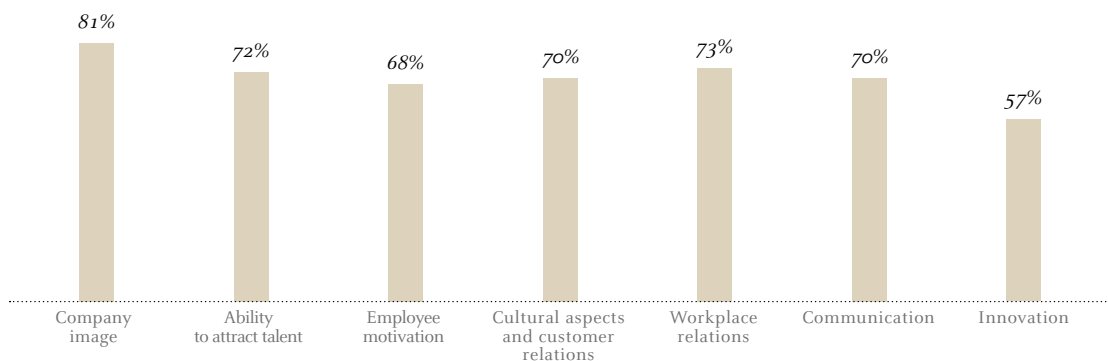
A detailed analysis of these drawbacks points us to possible avenues for improvement.

In terms of amenities, 70% of respondents said that such services were fundamentally important to their workplace satisfaction. 20% regretted the absence of a fitness centre, 14% the absence of a company restaurant, 12% the absence of a terrace and 10% the absence of a child-care facility.

There was very little negative feedback about workspaces. 27% of respondents could cite no drawbacks, 19% noted a lack of brightness and 16% a lack of comfort.

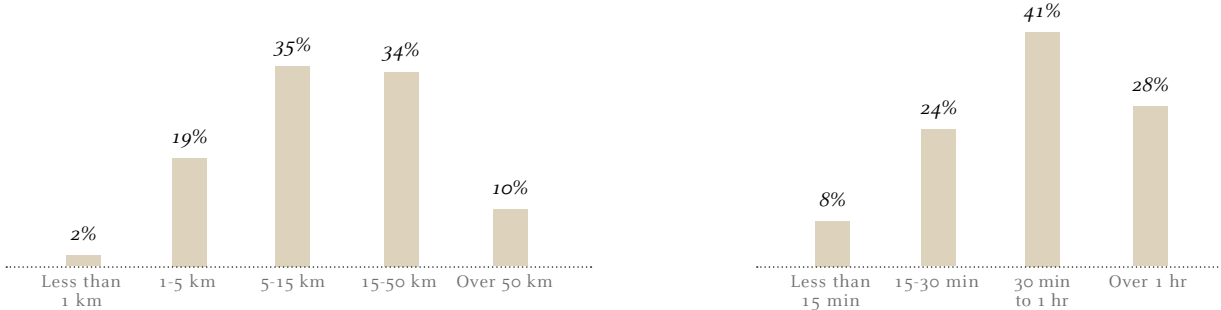
In general, occupants of SFL's buildings said that their offices contributed positively or very positively to:

- Their company's image (81%).
- The ability to attract talent (72%).
- Employee motivation (68%).
- Cultural aspects and customer relations (70%).
- The quality of workplace relations (73%).
- Communication among employees (70%).
- Innovation (57%).

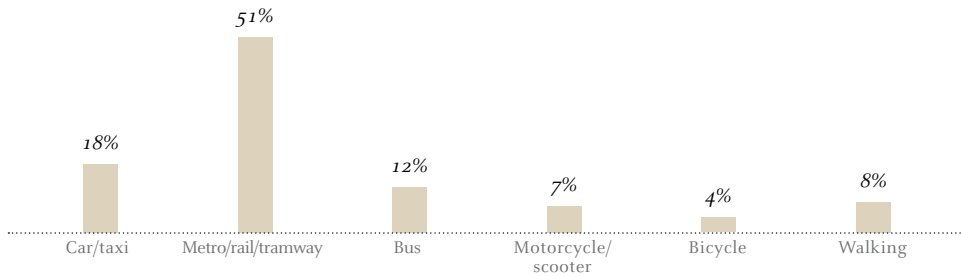


In addition, the survey informed us about the work-related travel habits and expectations of building users, thereby providing additional data for the carbon audits being performed in the scope of reporting.

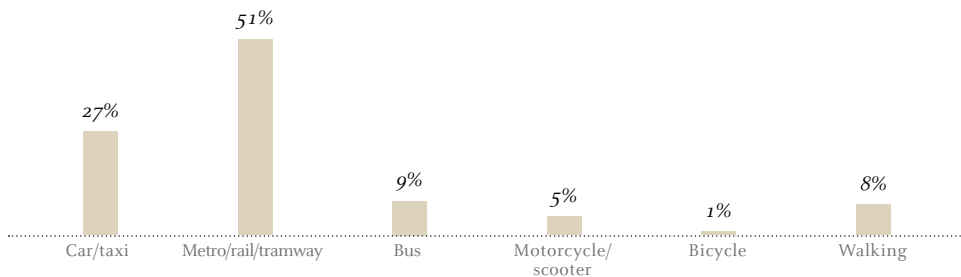
The most important factor for respondents was the distance between home and work and the time spent commuting. From the survey, we learned that 56% of occupants live less than 15 km from their workplace and over one-third are less than 30 minutes away.



Public transport is by far the most frequently used form of transport, for 63% of respondents.



Similarly, 60% of our users' business travel depends on public transport.



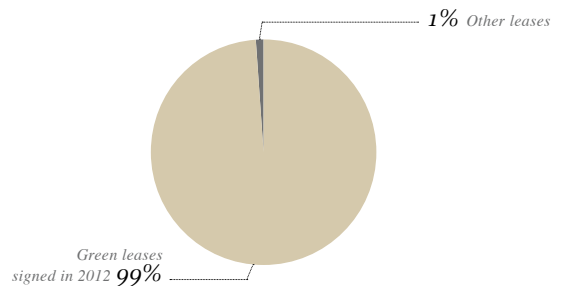
Green leases

To foster client dialogue on environmental issues, SFL properties are now being let under green leases regardless of size, thereby exceeding Grenelle II legislation mandating green leases for any premises exceeding 2,000 sq.m.

Virtually all of the 18 leases signed in 2012, covering more than 37,000 sq.m or around 10% of total portfolio surface area, were green leases.

This commitment is being stepped up in 2013, with the aim of meeting the Grenelle II requirement to convert all existing leases for properties of more than 2,000 sq.m to green leases by July.

SFL property portfolio – Leases signed in 2012



3.3 A commitment to accessibility

Improving access to properties for people with reduced mobility

In line with our commitment to improving access to our properties for people with reduced mobility, this objective has been included in the specifications for every redevelopment project.

Accessibility facts and figures:

53% of buildings in use are accessible by people with reduced mobility.

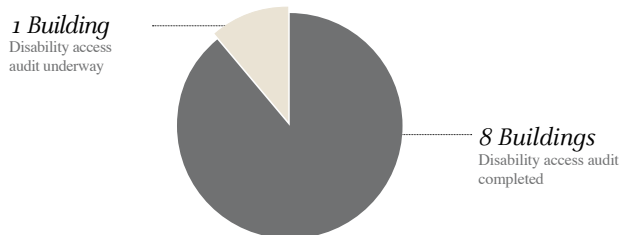
100% of the buildings undergoing redevelopment or in the design phase will be accessible within two years.

By 2014, properties representing around 75% of the portfolio will be accessible for people with temporary or permanent reduced mobility.

Action in favour of other disabilities

In addition to making buildings accessible for people with reduced mobility, we also want to offer exemplary services for people with other disabilities. In 2012, all of our buildings were audited to analyse possible pathways to improvement.

Disability access in the nine buildings in the scope of reporting



Improvement works based on the audit findings have been planned and scheduled until 2014.

In particular, special equipment, such as flashing sirens, elevator cabins with visual and audio information systems, braille call buttons, and contrast strips and tactile ground surface indicators in front of staircases, will be installed to enable people with disabilities to safely navigate the building.

This policy of building in solutions that facilitate life at work for people with disabilities is being showcased by the Washington Plaza remodelling project, which integrated them from the planning and design phase.

3.4 Architecture and culture

Architecture and design form an important part of our strategy. Indeed, this cultural dimension is a core aspect of most of our projects, whether such flagship developments as In/Out in Boulogne-Billancourt and Cardinal in Paris, or smaller projects such as Washington Plaza, the art nouveau building on rue de Hanovre or the Louvre des Antiquaires. For SFL, these projects' visual and cultural impact is as important for their future success as other attributes more directly linked to the property market.

These practices are essential to dealing with companies – leaders in their respective areas – that expect offices and amenities that reflect a high level of professional excellence on the part of the property company.

In 2011, we launched a recurring art event, “Mémoires Contemporaines”, with the goal of quickly enhancing SFL's reputation for cultural awareness. In its first year, the event helped to draw attention to an exceptional site, the former head office of Thomson Multimedia in Boulogne-Billancourt. This was before the In/Out building became the standard bearer for our new ambition. The event was also designed to surprise the market with a more creative, innovative, offbeat image and forge different ties with our clients, stakeholders and the public during a number of open house days. Among those who came to see Norwegian artist Per Barclay's Oil Room, and French artist Alain Bublex's Phantom Pavilion, only a handful were art specialists or regular gallery goers, but all were struck by the unique artistic experience and its impact.

In the same spirit, last year's “Mémoires Contemporaines 2” at the Edouard VII complex, which featured three colourful works by Franco-Swiss artist Felice Varini, was a resounding success with clients, the media and the public, who could view the outdoor installation at any time.

With each event, we have tried to emphasise a theme that is important to our clients – a topic relevant to companies that speaks to management's sensibilities. With Per Barclay and Alain Bublex on the In/Out project, we worked with the theme of “transformation”, the need for companies to constantly reinvent themselves to adapt to change and remain competitive. With Felice Varini, we focused on “perspective”. On the one hand, the artist's perspective, which can bring perfect order to a chaotic mass of lines and shapes, and on the other, the perspective of a business leader who has to give direction to a company, define a vision of the world and the market, and share it with employees and partners.

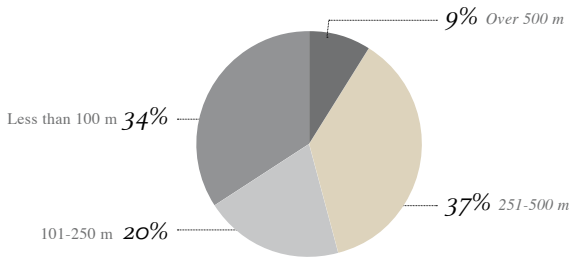
In both cases, we demonstrated our deep commitment to quality and culture by selecting internationally renowned artists and artwork that showcased the site, blending worlds that are usually kept separate and making our properties more soulful.

In addition, at year-end, a magnificent book was published for all of our clients and partners, capturing the exceptional memories we shared with them.

3.5 Buildings close to public transport

SFL has always chosen to invest in properties within convenient reach of public transport. This strategy, in place even before sustainable development became a major issue, has resulted in a particularly low user travel-related carbon footprint. Today, most properties in the portfolio are within 250 metres of public transport, with metro or bus stations at the foot of the building in many cases.

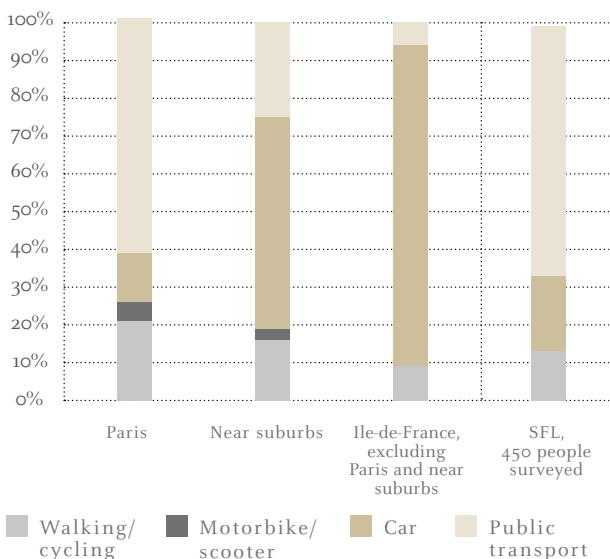
Proximity to public transport



% of the portfolio by surface area

Because it helps to limit user reliance on other modes, proximity to public transport is one of the key factors considered when exploring an acquisition opportunity.

Means of commuting depending on office location (ENTD 2008 Insee data)



3.6 Responsible purchasing

In 2012, policies were implemented to reduce the environmental footprint of our daily operations.

Corporate vehicle fleet

Any replacements or additions to the current 10-car fleet will run on petrol rather than diesel, to eliminate ultrafine exhaust particulates. In 2012, the first vehicle was replaced in line with this policy.

Paper

Paper weight has been reduced from 90 to 80 g/sq.m and documents are now only printed on paper sourced from FSC or PEFC sustainably managed forests. Printers have also been programmed for black and white duplex printing on recycled paper, whose production requires three times less energy and water than conventional paper. In addition, using recycled paper saves trees and fights against deforestation, while avoiding the release of 300 kg CO₂e per tonne used. Reflecting this policy, the percentage of recycled paper in the total used increased by 3.42% compared with 2011, the reference year.

Correspondence

In 2012, SFL began participating in the French Post Office's "green letter" service, an environmentally friendly second-class mail delivery that does not go by air, thereby helping to reduce the postal system's carbon emissions by up to 30% compared with priority mail.

Cafeteria consumables and responsible coffee drinking

All of the plastic cups in the cafeteria have been replaced by recycled paper cups, at an additional cost of two euro cents per cup.

Suppliers and contractors

SFL upholds the eight core conventions of the International Labour Organisation (ILO) on fundamental human rights at work.

In commissioning work performed to increase the value of its portfolio assets, SFL gives priority to companies and contractors based in the greater Paris region. The tenders signed with them provide contractual assurance of verifiable compliance with our standards.

As a rule, the number of levels in the sub-contracting pyramid is limited to guarantee the administrative traceability of all participants.

3.7 Voluntary participation in industry-driven analyses

In 2012, SFL signed up to participate for the first time in the sustainability performance survey conducted by Global Real Estate Sustainability Benchmark (GRESB), an organisation committed to assessing the sustainability performance of public and private real estate portfolios around the globe.

Compared with the panel of 60 peer property companies across Europe, SFL ranked 18th with a total score of 49%, of which 67% for management and policy and 41% for implementation and measurement.



3.8 Managing health and safety risks

At SFL, we strive to anticipate and manage risks effectively. Health and safety issues are addressed according to a formal charter as well as a variety of internal procedures.

To closely track these matters, we have deployed a variety of rigorous resources shaped by a thorough understanding of our property portfolio and compliance obligations. Employees are continuously trained and informed of the latest regulations, and internal procedures are updated as necessary.

Main resources

Health and safety charter

Our health and safety organisation is governed by a charter and a procedure manual, which are both regularly updated to reflect changes in health and safety legislation.

Compliance monitoring

In 2012, the compliance monitoring system was revamped with the installation of AMADEO, a customised application designed by Bureau Veritas that effectively complements the Environmental Safety/Sustainable Development Scorecard developed in partnership with that organisation (see below).

The Risks & Environment Department regularly informs the operating departments (Projects and Operations) of any regulatory changes and ensures that the related procedures are applied in buildings both in use and undergoing redevelopment. For each one, the operating departments provide Risks & Environment with all the necessary information for the administrative monitoring of regulatory issues.

The Risks & Environment Department also monitors health and safety risk issues for all properties in the portfolio.

**The Environmental Safety/
Sustainable Development Scorecard**

In 2011, the Risks & Environment Department launched a project to develop a software application with Bureau Veritas to clearly define its technical assets and improve the monitoring and management of health and safety risk issues associated with our properties. The resulting Environmental Safety/Sustainable Development Scorecard will be deployed as from the first quarter of 2013 across the entire portfolio.

The Scorecard makes it possible to monitor, on a daily basis, any observations issued during compliance inspections and to verify that they have been properly noted by the building management company. It also keeps track of annual inspection dates across the portfolio to prevent any failure to meet regulatory deadlines.

In addition to developing the Scorecard, in 2012 we issued a tender to select a single inspection firm to verify compliance of our building utilities, with the goal of facilitating database updates.

In line with our strategy, we took an innovative approach to the tender by making one of the criteria for selection the carbon impact of inspector travel among the sites. The contract will go to the firm that proposes the smallest footprint and annually updates its carbon emissions data.

4. 3 Index of reporting guidelines
French Commercial Code (art 225 of the Grenelle 2 Act)
GRI/CRESS
Iso 26000

In 2012, SFL had the reliability of the reporting checked by an external auditor (Deloitte), and achieved an application level B+ for the GRI 3.1 guidelines.

GRI 3.1 application level	C	C+	B	B+	A	A+
Self reporting				√		

Index of reporting guidelines

GRI 3.1 index of contents	GRI G3.1	Grenelle II	ISO 26000	Page of the Financial and Legal Report
1 - Strategy and analysis		Sections		
Statement from the most senior decision maker of the organisation.	1.1			44
Description of key impacts, risks and opportunities.	1.2		6.2	24 to 31
Organisational profile				
Name of the organisation.	2.1		7.6	03
Primary brands, products and/or services.	2.2			05
Operational structure of the organisation, including main divisions, operating companies, subsidiaries and joint ventures.	2.3			10 ; 11 44 ; 45
Location of organisation's headquarters.	2.4			54
Number of countries where the organisation operates, and names of countries with either major operations or that are specifically relevant to the sustainability issues covered in the report.	2.5			05
Nature of ownership and legal form.	2.6			10
Markets served (including geographic breakdown, sectors served, and types of customers/beneficiaries).	2.7			05 06
Scale of the reporting organisation (number of employees, net sales, total capitalisation, number of operations).	2.8			07 ; 50 ; 52
Significant changes during the reporting period regarding size, structure or ownership.	2.9			10
Awards received in the reporting period.	2.10			70
3 - Report parameters				
Reporting period for information provided.	3.1			44
Date of first report published.	3.2			44
Reporting cycle (annual, biennial)	3.3			59
Contact point for questions regarding the report or its contents.	3.4			12 ; 45 ; 201
Process for defining report content (determining materiality, prioritising topics within the report, and identifying stakeholders the organisation expects to use the report).	3.5			53 to 55
Boundary of the report.	3.6			
State any specific limitations on the scope or boundary of the report.	3.7			
Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations and other entities that can significantly affect comparability from period to period.	3.8			10 11
Data measurement techniques and the bases of calculations, including assumptions and techniques underlying estimations applied to the compilation of the indicators and other information in the report.	3.9		6.6.6 7.5.3 7.6	
Explanation of the effects of any restatement of information provided in earlier reports and the reasons for such restatements.	3.10			53 to 55
Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report.	3.11			
Table identifying the location of the Standard Disclosures in the report.	3.12			72 to 79
Policy and current practice with regard to seeking external assurance for the report.	3.13			80 ; 81

GRI 3.1 index of contents	GRI G3.1	Grenelle II	ISO 26000	Page of the Financial and Legal Report
4 – Governance, commitments, and engagement				
Governance structure of the organisation, including committees responsible for specific tasks such as setting strategy.	4.1			44 ; 45 ; 95 ; 96
Indicate whether the Chair of the highest governance body is also an executive officer.	4.2			87 to 89
For organisations that have a unitary board structure, state the number of members that are independent and/or non-executive members.	4.3			87 to 89
Mechanisms for shareholders and employees to make recommendations or give direction to the highest governing body.	4.4			
Linkage between compensation for members of the highest governing body, senior managers and executives and the organisation's performance (including social and environmental performance).	4.5			97 to 101
Processes in place for the highest governance body to ensure conflicts of interest are avoided.	4.6			
Process for determining the qualifications and expertise of the members of the highest governance body for guiding the organisation's strategy.	4.7			
Internally developed statements of mission or values, codes of conduct and principles relevant to economic, environmental and social performance, and the status of their implementation.	4.8			54 ; 63 ; 64
Procedures of the highest governance body for overseeing the organisation's identification and management of economic, environmental and social performance, including relevant risks and opportunities and adherence or compliance with internationally agreed standards, codes of conduct and principles. Include frequency with which the highest governance body assesses sustainability performance.	4.9			98 99
Processes for evaluating the highest governance body's own performance, particularly with respect to economic, environmental and social performance.	4.10			
Explanation of whether and how the precautionary approach or principle is addressed by the organisation.	4.11		6.8.9	54
Externally developed economic, environmental and social charters, principles or other initiatives to which the organisation subscribes or endorses.	4.12		6.8.9	37 ; 63 ; 70 ; 101 ; 102
Memberships in associations or national/international advocacy organisations.	4.13		6.8.9	50 ; 51
List of stakeholder groups engaged by the organisation.	4.14			
Basis for identification and selection of stakeholders with whom to engage.	4.15			
Approaches to stakeholder engagement including frequency of engagement by type and by stakeholder group.	4.16		5.3.3	64 ; 65
Key topics and concerns that have been raised through stakeholder engagement, and how the organisation has responded to those key topics and concerns, including through its reporting.	4.17			

GRI 3.1 index of contents	GRI G3.1	Grenelle II	ISO 26000	Page of the Financial and Legal Report
Economy				
Disclosure on management approach			6.2 6.8	06 to 08
Economic performance				
Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings and payments, to capital providers and governments.	EC1		6.8 6.8.3 6.8.7 6.8.9	24 to 31 54 59
Financial implications and other risks and opportunities for the organisation's activities due to climate change.	EC2	section 32	6.5.5 6.4.4	59 63 ; 64
Coverage of the organisation's defined benefit plan obligations.	EC3			63
Significant financial assistance received from the government.	EC4			
Market presence				
Range of ratios of standard entry level wage by gender compared to local minimum wage at significant locations of operation.	EC5		6.4.4 6.8	
Policy, practices and proportion of spending on locally based suppliers at significant locations of operation.	EC6		6.6 6.8.5	48 to 50
Procedures for local hiring and proportion of senior management hired from the local community at significant locations of operation.	EC7			
Indirect economic impacts				
Development and impact of infrastructure investments and services provided primarily for public benefit, through commercial, in-kind or pro-bono engagement.	EC8	section 20	6.8.5	
Understanding and describing significant indirect economic impacts, including the extent of impacts.	EC9			
Environment				
Disclosure on management approach			6.2 6.5	54
Energy				
Direct energy consumption by primary energy source.	EN3			
Indirect energy consumption by primary source.	EN4			
Building energy intensity.	CRE1			
Energy saved due to conservation and efficiency improvements.	EN5		6.5.4	56 ; 57
Initiatives to provide energy-efficient or renewable energy-based products and services, and reductions in energy requirements as a result of these initiatives.	EN6	section 29	6.4.5	63 ; 64
Initiatives to reduce indirect energy consumption and reductions achieved.	EN7			
Water				
Total water withdrawal by source.	EN8	section 27	6.5.4	56
Building water intensity.	CRE2			

GRI 3.1 index of contents	GRI G3.1	Grenelle II	ISO 26000	Page of the Financial and Legal Report
Biodiversity				
Location and size of land owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas.	EN11			
Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas.	EN12	section 33	6.5.6	62
Habitats protected or restored.	EN13			
Strategies, current actions, and future plans for managing impacts on biodiversity.	EN14			
Number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinction risk.	EN15			
Emissions, effluents and waste				
Total direct and indirect greenhouse gas emissions by weight.	EN16			
Greenhouse gas intensity from buildings.	CRE3			
Greenhouse gas emissions intensity from construction and redevelopment activity.	CRE4		6.5.3	57 to 61
Other relevant indirect greenhouse gas emissions by weight.	EN17	sections 24 ; 25 ; 31	6.5.4	
Initiatives to reduce greenhouse gas emissions and reductions achieved.	EN18		6.5.5	
Emissions of ozone depleting substances by weight.	EN19			63 ; 64
Total weight of waste by type and disposal method.	EN22			
Total number and volume of significant spills.	EN23			
Products and services				
Initiatives to mitigate environmental impacts of products and services, and extend the impact of mitigation.	EN26	sections 20 ; 24 ; 38 ; 41	6.5 6.5.4 6.6.6	56 to 62
Compliance				
Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations.	EN28	section 23	6.5.1 6.5.2	
Transport				
Significant environmental impacts of transporting products and other goods and materials used for the organisation's operations and transporting members of the workforce.	EN29	sections 20 ; 24	6.5 6.5.4 6.6.6	69
Overall				
Total environmental protection expenditures and investments by type.	EN30	section 23	6.5	

GRI 3.1 index of contents	GRI G3.1	Grenelle II	ISO 26000	Page of the Financial and Legal Report
Human rights				
Disclosure on management approach			6.2 6.3	48
Investment and procurement practices				
Percentage and total number of significant investment agreements and contracts that include clauses incorporating human rights concerns, or that have undergone human rights screening.	HR1		6.3	
Percentage of suppliers, contractors and other business partners that have undergone human rights screening, and action taken.	HR2	sections 39 ; 42	6.3.5 6.6.6	69
Total hours of employee training on policies and procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained.	HR3			
Non-discrimination.	HR4	15 ; 17 ; 42		50
Freedom of association and collective bargaining.	HR5	16	6.3.10	51
Child labour.	HR6	19		69
Forced and compulsory labour.	HR7	18		
Security practices.	HR8		6.3.5 6.4.3 6.6.6	51
Total number of incidents of violations involving rights of indigenous people and actions taken.	HR9	section 35	6.3.7 6.3	
Percentage and total number of operations that have been subject to human rights reviews and/or impact assessments.	HR10	section 42		
Number of grievances related to human rights filed, addressed and resolved through formal grievance mechanisms.	HR11			

GRI 3.1 index of contents	GRI G3.1	Grenelle II	ISO 26000	Page of the Financial and Legal Report
Labour practices and decent work				
Disclosure on management approach			6.2 6.4	48
Employment				
Total workforce by employment type, employment contract and region.	LA1			
Total number and rate of new workforce hires and employee turnover by age group, gender and region.	LA2	sections 1 ; 2 ; 3	6.4.4	52 ; 53
Benefits provided to full time employees that are not provided to temporary or part-time employees, by significant locations of operation.	LA3			
Return to work and retention rates after parental leave, by gender.	LA15			
Labour/management relations				
Percentage of employees covered by collective bargaining agreements.	LA4	section 6	6.4.3	50 ; 52
Minimum notice period(s) regarding significant operational changes, including whether it is specified in collective agreements.	LA5		6.4.5	
Occupational health and safety				
Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programmes.	LA6			
Rates of injury, occupational diseases, lost days and absenteeism, and total number of work related fatalities by region and by gender.	LA7			
Percentage of the organisation operating in verified compliance with an internationally recognised health and safety management system.	CRE5	sections 5 ; 6 ; 9 ; 10	6.4.6	51 to 53
Education, training, counselling, prevention and risk-control programs in place to assist workforce members, their families or community members, regarding serious diseases.	LA8			
Health and safety topics covered in formal agreements with trade unions.	LA9			
Training and education				
Average hours of training per year per employee by gender and by employee category.	LA10			
Programmes for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings.	LA11	sections 11 ; 12	6.4.7	51 to 53
Percentage of employees receiving regular performance and career development reviews.	LA12			
Diversity and equal opportunity				
Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity.	LA13	sections 13 ; 14	6.3.10 6.4 6.4.3	50 to 52
Equal remuneration for women and men				
Ratio of basic salary and remuneration of women to men by employee category.	LA14	section 13	6.3.10 6.4 6.4.3	

GRI 3.1 index of contents	GRI G3.1	Grenelle II	ISO 26000	Page of the Financial and Legal Report
Product responsibility				
Disclosure on management approach			6.2	
			6.6	48 ; 54
			6.7	
Customer health and safety				
Life cycle stages in which health and safety impacts of products and services are assessed for improvement, and percentage of significant products and services categories subject to such procedures.	PR1	section 20	6.7.4	64
Total number of incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services during their life cycle, by type of outcomes.	PR2			69
Product and service labelling				
Type of product and service information required by procedures, and percentage of significant products and services subject to such information requirements.	PR3		6.7	
Type and number of sustainability certification, rating and labelling schemes for new construction, management, occupation and redevelopment.	CRE6	section 20	6.7.3 6.7.4 6.7.5	
Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labelling, by type of outcomes.	PR4		6.7.6 6.7.8 6.7.9	
Practices related to customer satisfaction, including results of surveys measuring customer satisfaction.	PR5			
Marketing communications				
Programmes for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion, and sponsorship.	PR6		6.7 6.7.3	
Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship by type of outcomes.	PR7		6.7.6 6.7.9	
Customer privacy				
Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data.	PR8		6.7 6.7.7	53
Compliance				
Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services.	PR9		6.7 6.7.6	

GRI 3.1 index of contents	GRI G3.1	Grenelle II	ISO 26000	Page of the Financial and Legal Report
Society				
Disclosure on management approach			6.2 6.6 6.8	64
Local communities				
Percentage of operations with implemented local community engagement, impact assessments, and development programmes.	SO1		6.3.9	
Operations with significant potential or actual negative and positive impacts on local communities.	SO9	sections 34 ; 36 ; 40	6.6.7 6.8 6.8.5 6.8.7	53 ; 64
Prevention and mitigation measures implemented in operations with significant potential or actual negative impacts on local communities.	SO10			
Number of persons voluntarily and involuntarily displaced and/or resettled by development, broken down by project.	CRE7			
Corruption				
Percentage and total number of business units analysed for risks related to corruption.	SO2		6.6	64
Percentage of employees trained in organisation's anti-corruption policies and procedures.	SO3	section 40	6.6.3	
Actions taken in response to incidents of corruption.	SO4			
Public policy				
Public policy positions and participation in public policy development and lobbying.	SO5		6.6 6.6.4	53
Total value of financial and in-kind contributions to political parties, politicians, and related institutions by country.	SO6		6.8.3	
Anti-competitive behaviour				
Total number of legal actions for anti-competitive behaviour, anti-trust, and monopoly practices and their outcomes.	SO7		6.6.3	53
Compliance				
Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations.	SO8	section 23	6.6.3	53

GRI (Global Reporting Initiative): GRI 3.1 and CRESS (Construction and Real Estate Sector Supplement) indicator protocols.
ISO 26000: international standard; guidelines concerning the social responsibility of organisations.
Grenelle II: article 225 of the law for national environmental commitment and its application decree of 24 April 2012.

Statutory Auditors' statement of completeness and limited assurance report on selected social, environmental and societal information

Year ended 31 December 2012

To the Chief Executive Officer,

Further to your request and in our capacity as Statutory Auditors of Société Foncière Lyonnaise, we present below our statement of completeness on the consolidated social, environmental and societal information presented in the Management Report for the year ended 31 December 2012 in accordance with Article L.225-102-1 of the French Commercial Code (*Code de Commerce*) and our limited assurance report on selected information identified by the (✓) symbol.

Responsibility of the Company

The Board of Directors is responsible for preparing a management report containing the consolidated social, environmental and societal information provided for in Article R.225-105-1 of the French Commercial Code ("the Information") compiled in accordance with the guidelines used by the Company ("the Guidelines"). These Guidelines are available on request from the Managing Director and are summarized in part 6 of the 2012 Group Management Report.

Independence and quality control

Our independence is defined by regulatory texts, our professional code of ethics and the provisions of Article L.822-11 of the French Commercial Code. We have also set up a quality control system based on documented policies and procedures to ensure compliance with ethical standards, the standards of our profession and the applicable laws and regulations.

Responsibility of the Statutory Auditors

Our responsibility, on the basis of our procedures, is to:

- Certify that the required Information is presented in the Management Report or, if any information is not presented, that the reasons for the omission are explained, as required by Article R.225-105-3 of the French Commercial Code and Decree no. 2012-557 of 24 April 2012 (Statement of Completeness).

- Provide limited assurance that certain information selected by the Company and identified by the symbol (✓) in part 6 of the 2012 Management Report ("the Data") is presented in all material respects in accordance with the Guidelines (Limited Assurance Report).

We were assisted in our work by our corporate social and environmental responsibility specialists.

1. Statement of completeness

Our procedures, which were performed in accordance with the professional standards applicable in France, consisted of:

- Comparing the Information presented in the Management Report with the list contained in Article R.225-105-1 of the French Commercial Code.
- Checking that the Information covered the scope of consolidation, i.e. the Company, its subsidiaries and controlled entities within the meaning of Articles L.233-1 and L.233-3 of the French Commercial Code, with the restrictions specified in the "Methodology" section of part 6 of the Management Report.
- For any consolidated information not disclosed in the Management Report, checking that the explanations of the omissions complied with the requirements of Decree no.2012-557 dated 24 April 2012.

Based on our procedures, we certify that the required Information is presented in the Management Report.

(1) Social indicators: breakdown of total employee numbers by type of contract (fixed-term/permanent), gender, category, age group and location; breakdown of new hires by type of contract, gender, category, age group; number of terminations by reason; number of reported and recognised lost-time workplace accidents; number of reported and recognised lost-time commuting accidents; number of working days lost as a result of workplace accidents; number of working days lost as a result of commuting accidents; frequency rate; severity rate; number of reported and recognised occupational illnesses; total number of training hours.

Environmental indicators: water use; energy use by source (electricity, heating-oil, urban heating and cooling system); energy intensity; CO₂ emissions (from energy use).

Societal indicators: Neighbourhood committee set up in connection with the In/Out project in 2012.

2012 Management Report self-assessed as corresponding to Level B+ application of Global Reporting Initiative G.31 standards and the Construction and Real Estate Sector (CRESS) supplement.

2. Limited assurance report on selected social, environmental and societal information identified by the (✓) symbol

Nature and scope of our procedures

We performed our procedures in accordance with the International Standard on Assurance Engagements ISAE 3000 and with the professional standards applicable in France.

These limited procedures, as described below, were performed in order to obtain limited assurance that the Data selected by the Company and identified by the (✓) symbol, do not contain any material misstatements that would affect their compliance, in all material respects, with the Guidelines. A higher level of assurance would have required us to carry out more extensive procedures.

Our procedures were as follows:

- We assessed the appropriateness of the Guidelines, in terms of their relevance, completeness, neutrality, clarity and reliability, taking into account industry good practice where available.
- We verified the implementation within the Group of a data reporting, compilation, processing and control process designed to ensure that the selected Information was complete and prepared on a consistent basis. We also reviewed the internal control and risk management procedures covering the preparation of the Data, and made inquiries of the persons responsible for social and environmental reporting processes.

- Concerning the Data selected by the Company:
 - At the level of the Company and the controlled entities, we performed analytical procedures and used sampling techniques to check the calculation and consolidation of the Data.
 - For entities⁽²⁾ that we selected on the basis of their business, their contribution to consolidated indicators, their location and an analysis of risks, we:
 - Made inquiries of concerned persons to check that the procedures had been properly applied and to obtain information on which to base our procedures.
 - Performed detailed tests using sampling techniques, by checking the calculations and reconciling the data to the supporting documents.

Conclusion

Based on our procedures, no material misstatements came to light that would affect the compliance of the Data selected by the Company and identified by the (✓) symbol in part 6 of the 2012 Management Report, in all material respects, with the Guidelines.

(2) Social data: France (the Company and Locaparis): covering 100% of Group employees. Detailed tests performed on 100% of accident data and 19.6% of training data.
Environmental data: three properties (LDE/LDA, Washington Plaza and Rives de Seine), corresponding to 37.3% of energy use.

Neuilly-sur-Seine, 20 March 2013

The Statutory Auditors

Deloitte & Associés

Éric Dugelay

Partner in charge of the Social and Environmental
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Design and execution

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Registered with the Paris Companies Registry
under number 552 040 982

