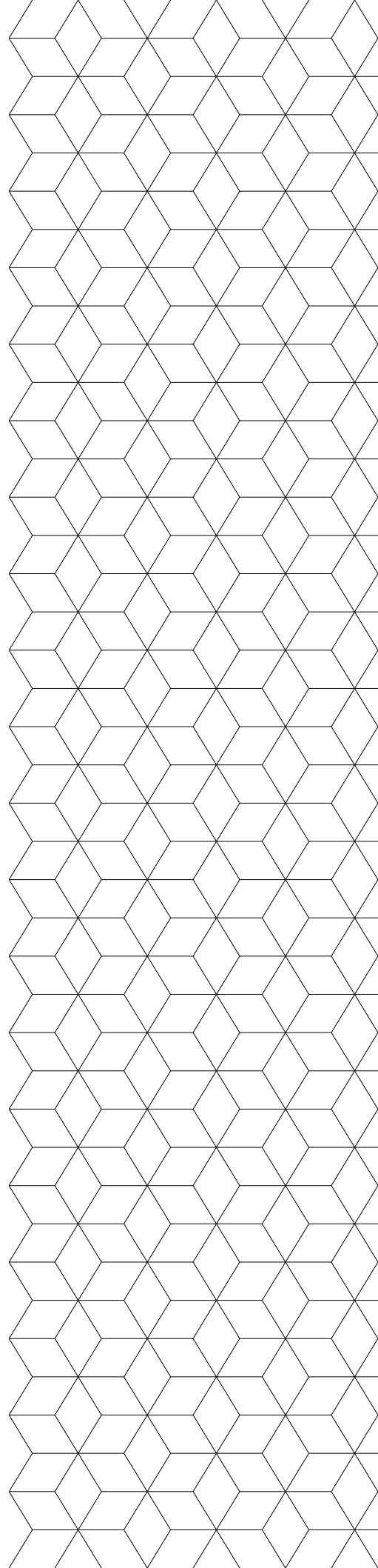


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Corporate Social Responsibility Report





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*GRI : Global Reporting Initiative

The 2015 CSR Report is an excerpt from the 2015 Financial and Legal Report
available at www.fonciere-lyonnaise.com.

Introduction

Sustainability is inherent to SFL, which has been renovating and developing properties since it was founded in 1879. Today, as throughout our history, our major projects are helping to improve the quality of the urban environment. While we are proud of this achievement, there is obviously no question of restricting our CSR vision to sustainability. With our own environment changing constantly, our exploration of CSR issues now extends across a much wider field.

Our strategic focus on prime property incorporates an ambitious CSR commitment ranked at the very top of our concerns. For SFL, this is about much more than complying with disclosure rules or communicating an image. Since 2014, our process has included the ability to measure progress toward ambitious targets in clearly defined, material areas. In 2015, we delivered further gains, as seen in this Corporate Social Responsibility Report for the year.

Presentation

Since 2011, SFL has been deploying a strategy to drive gains in the indicators that track its main corporate social responsibility issues, while also improving their clarity.

The 15 material issues, which are both important to stakeholders and critical to our profitability as a property company, inform all of our policies, from factoring CSR into investment decisions to creating an outstanding user experience, from managing our environmental impact to nurturing biodiversity.

They also play a natural role in the three components of the intangible value of our assets: the value a building creates for its users, its green value and its social responsibility value. The CSR component in our total value, as embodied in the high standards and quality we deliver in every aspect of our business, is a major driver of our social and economic performance.

These values are measured against international benchmarks and other indicators, as well as against the satisfaction and pride our tenants feel when working in our efficient, environmentally virtuous offices.

After identifying our CSR issues and prioritising them according to stakeholder expectations in 2014, we continued to improve our CSR and risk management systems in 2015.

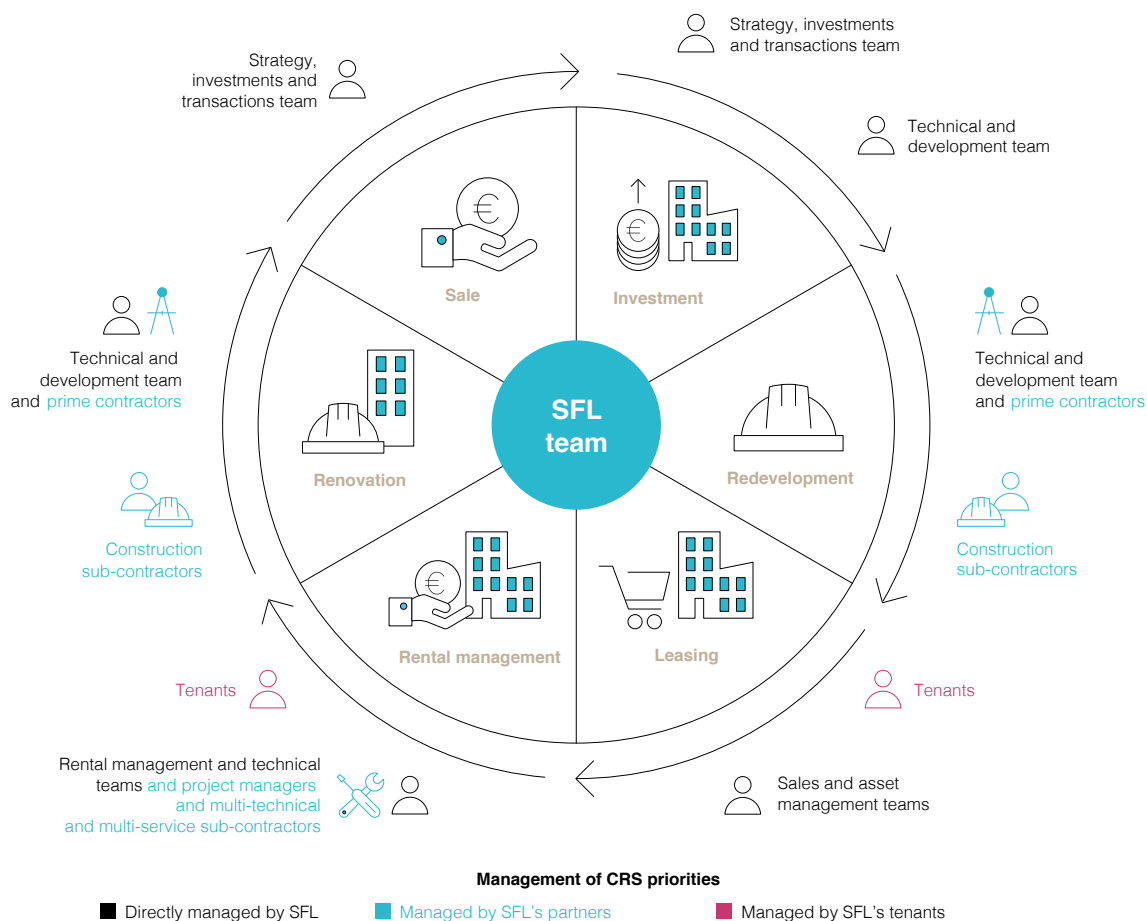
The year also saw the delivery and near-simultaneous leasing of the #cloud.paris building, a stunning demonstration of SFL's ability to transform obsolete premises to next-generation offices.

1. CSR Policies

1. 1. The SFL value chain and its CSR components

Mapping SFL's value chain enabled us to determine our CSR issues and the stakeholders who could have an impact on them. The exercise also identified the six phases in the value chain running through a property asset's life cycle: investment, redevelopment, leasing, rental management, renovation and, if the opportunity is right, sale.

Not every building systematically transitions through each phase in sequence. For example, a property may be redeveloped immediately after a long period of rental, and buildings are generally re-let rather than being sold after a renovation.



1. 2. The CSR expectations of our stakeholders

Dialogue, close relations and constructive interaction with our stakeholders — tenants, shareholders, partners and employees — are enabling us to directly and indirectly manage all of the challenges posed by our business model and to use our organisational efficiency to activate our value-added levers. Guided by our convictions and expertise, we are continually searching for sustainable, intelligent and aesthetically appealing solutions to the potential risk of building obsolescence.

The table below lists the stakeholders having an impact on each of our CSR issues. In the rental management phase, for example, the issue is sustainable building operation and the stakeholders are our partners and tenants.

Phase	Main stakeholders	CSR priorities
Investment	SFL's strategy, investments and transactions team	<ul style="list-style-type: none"> • Location and access • Local urban footprint
	Technical and development team	<ul style="list-style-type: none"> • Managing environmental risks
Redevelopment	Technical and development team and prime contractors	<ul style="list-style-type: none"> • Amenities, layout and organisational efficiency • Certification • Factoring CSR into investment decisions (eco-design) • Carbon efficiency and biodiversity • Sustainable procurement
	Construction sub-contractors	<ul style="list-style-type: none"> • Local urban footprint • Health, safety and risk management
Leasing	Sales and asset management teams	<ul style="list-style-type: none"> • Tenant relations and satisfaction • Governance and ethics
	Tenant	
Rental management	Rental management and technical teams, project managers and multi-technical/multi-service contractors	<ul style="list-style-type: none"> • Certification • Carbon efficiency and biodiversity • Sustainable building operation (energy, water and waste) • Sustainable procurement
	Tenant	<ul style="list-style-type: none"> • Sustainable building operation (energy, water and waste) • Certification
Renovation	Same as for redevelopment	
Sale	SFL's strategy, investments and transactions team	

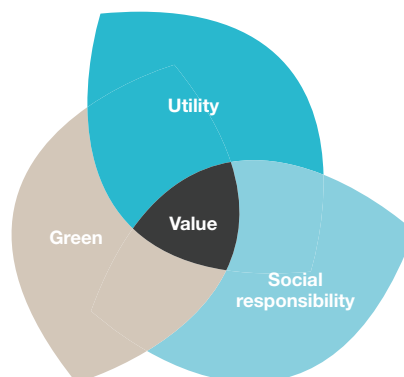
1. 3. CSR issues and objectives

In 2015, the materiality of our CSR issues was assessed in accordance with (i) international standards, (ii) the best practices set out in the G4 Sustainability Reporting Guidelines issued by the Global Reporting Initiative, and (iii) the recommendations of the European Platform of Regulatory Authorities (EPRA). This process is described in more detail in Appendix 5.3. Performed in conjunction with the key area working groups, the Management Committee and the Chief Executive Officer, this analysis led to the formulation of our CSR policies, objectives and action plans.

In 2015, the CSR process was updated around three main themes covering the identified material issues:

- Utility value
- Green value
- Social responsibility value

SFL'S CSR VALUES



Utility value	Green value	Social responsibility value
Tenant relations and satisfaction	Sustainable building operation	Attracting talent and developing skills
Location and access	Carbon efficiency	Health, safety and quality of worklife
Certification	Factoring CSR into capital expenditure projects	Diversity and equal opportunity
Amenities, layout and organisational efficiency	Biodiversity	Sustainable procurement and supplier relations
Safety and environmental risk management		Local urban footprint

■ 4 fundamental issues integral to SFL's core business ■ 5 major CSR issues ■ 5 CSR issues to be tracked

KEY PERFORMANCE INDICATORS (KPIs)

Our key performance indicators and objectives are presented in the following table.

	Objective	2011	2014	2015	Degree of achievement
Utility value of our properties					
Tenant relations and satisfaction					
% of satisfied or very satisfied tenants	>80% always	82%	82%	96%	☺
% of space under green leases	100% always	N/A	51%	69%	☺
Location and access of our properties					
% of space located less than a ten-minute walk from an underground/tram station	100% always	100%	100%	100%	☺
Building certification					
% of buildings in use certified BREEAM In-Use (Part 1 and Part 2)	100% always	N/A	100%	100%	☺
% of BREEAM In-Use certifications with a Very Good or higher rating (Parts 1, 2 and 3 combined)	100% in 2017	N/A	90%	97%	☺
Redevelopment projects aimed at earning triple certification	100% always	N/A	100%	100%	☺
Green value of our properties					
Sustainable building operation (energy, water and waste)					
Energy use per sq.m of buildings managed by SFL (based on 2011 scope, climate adjusted) in kWh/sq.m/year	238 in 2017	280	257	245	☺
Water use per sq.m of the property portfolio (based on 2011 scope) in cu.m/sq.m/year	0.54 in 2017	0.58	0.55	0.55	☺
Carbon efficiency of our properties					
Heat produced by fuel oil-fired boilers (number of facilities)	0/20			1/20	☺
Greenhouse gas emissions per sq.m of buildings managed by SFL (based on 2011 scope, climate adjusted) in kg of CO ₂ equivalent/sq.m/year	21.8 in 2017	24.3	23.4	22.6	☺
Biodiversity in the properties Sq.m of green space/sq.m of built-up land on the sites concerned	1%			14%	☺
Social responsibility value of our properties					
Attracting talent and developing employee skills Training sessions/person/year	Continuous	N/A	N/A	1.8	☺

The **no.1**
office real estate company

in France, no. 2 in Europe, and no. 13 in the world
(versus 132nd in 2013).

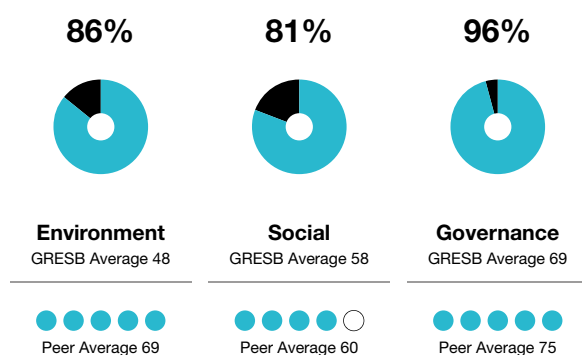
GRESB 2015 global ranking

1. 4. Recognition of SFL's performance

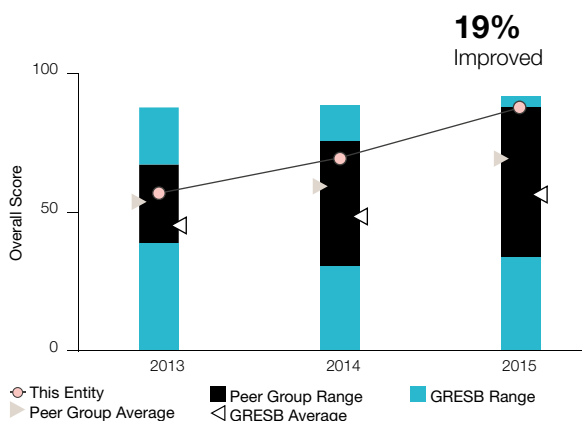
SFL ensures that its CSR reporting processes and performance are aligned with industry practices and recognised by appraisers. In particular, they comply with France's Grenelle II Act and follow the Global Reporting Initiative's G4 Sustainability Reporting Guidelines and the recommendations issued by the European Platform of Regulatory Authorities (EPRA). Moreover, the Company reports information to CSR rating agencies, either in response to requests (Vigeo Rating) or on an unsolicited basis (GRESB).

In 2015, the GRESB world ranking of sustainable office real estate companies lifted SFL to the podium of top performers, ranking it number one in France, number two in Europe and 13th in the world out of 688 peers. This represents an exponential improvement since our first GRESB assessment in 2013, which ranked us 132nd worldwide.

ESG BREAKDOWN as of 29 June 2015



HISTORICAL TREND as of 29 June 2015



G4 Sustainability Reporting Guidelines issued by the Global Reporting Initiative (GRI 4)

SFL applies the guidelines issued by the GRI (core option), with reporting updated since 2014 in line with the G4 version. The update mainly involved applying the materiality principle, identifying stakeholder expectations and defining a CSR policy.

European Platform of Regulatory Authorities (EPRA)

SFL also complies with the recommendations issued by EPRA for its CSR reporting.

The Grenelle II Act

SFL complies with French legislation and applies the enabling decree for Article 225 of the Grenelle II Act. Cross-reference tables between the guidelines and this report can be found in Appendix 5.5.

2. Utility value of our properties

Interview with our shareholder – Pere Viñolas – Chief Executive Officer, Colonial

What were the aspects of SFL's performance that particularly met your expectations?

"Colonial acquired a stake in SFL in 2004. Since then, we've come to appreciate the quality of the company's property assets, especially during the difficult periods of one financial crisis after another that we have experienced since 2008. As the majority shareholder, we can affirm that we've tested the resilience of SFL's business model.

In addition, SFL's teams are capable of deploying extensive expertise in developing properties and increasing their value. In particular, in 2015 we started to reap the benefits of five years of intensive investments designed to raise the quality of several properties to world-class standards of excellence, the most recent examples being In/Out in Boulogne, 90 Champs-Élysées and the #cloud.paris building."

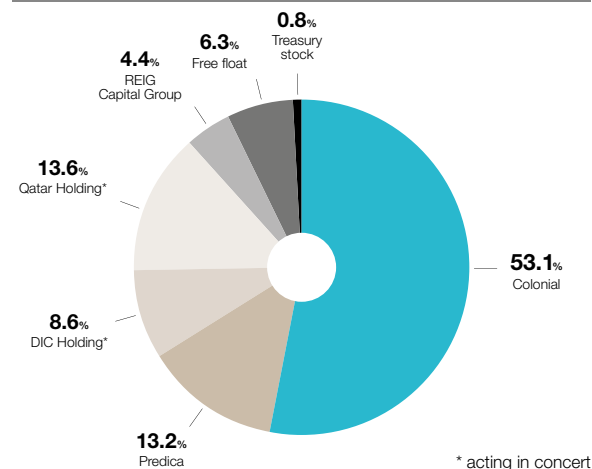
How would you describe SFL's shareholders?

"Demanding. They are shareholders who appreciate SFL's pure player strategy and unique positioning as a specialist in prime Parisian office properties. Given this unrivalled positioning, that strategy has their full support.

Another feature of many of the shareholders is their stability. In addition to Colonial since 2004, certain other investors, like Predica and Reig Capital Group have backed SFL for many years. Here too, the understanding and support for SFL's special positioning is what underpins the enduring bond with these stakeholders."

SFL OWNERSHIP STRUCTURE

at 31 December 2015 (46.5 million shares outstanding)



In using our properties, tenants observe an improvement in the relevant performance indicators for their very high value-added activities, in particular through their general satisfaction, their appreciation of building accessibility, the building certifications and the amenities, efficiency and low risks our properties offer.

7.1/10

the well-being at work score given by occupants of SFL buildings⁽²⁾, versus an average **6.8** by managers in the Greater Paris region⁽³⁾

(2) SFL 2015 tenant satisfaction survey.

(3) Source: ParisWorkPlace 2015.

2. 1. Tenant relations and satisfaction

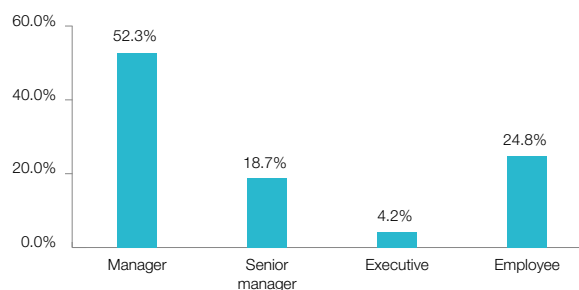
Tenant satisfaction

The ParisWorkPlace surveys and the 2015 satisfaction survey of our office users helped to improve our understanding of tenant expectations (<http://www.parisworkplace.fr/>).

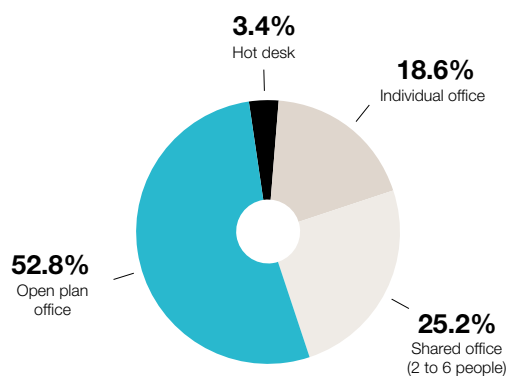
Profile of satisfaction survey respondents

50% men and 50% women

RESPONDENTS BY JOB CATEGORY



OFFICE LAYOUT

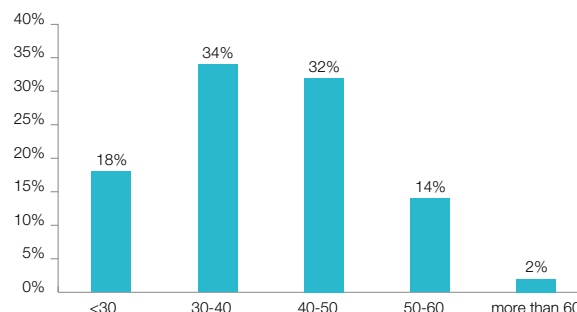


13 minutes

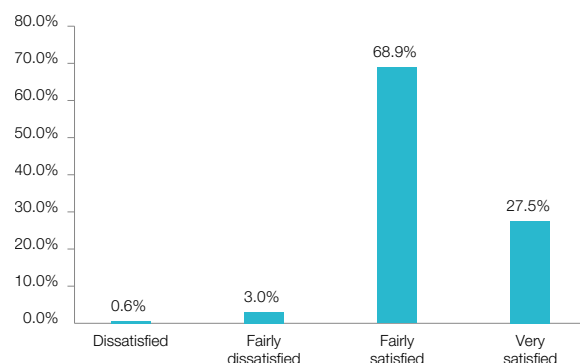
Employees working in an SFL property have a 13-minute shorter commute, on average, than managers in the Greater Paris region⁽¹⁾, the equivalent of seven working days a year.

(1) Source: ParisWorkPlace 2015.

AGE PYRAMID



SATISFACTION RATE OF RESPONDENTS



As of 31 December 2015, the arithmetic average lease term was seven years and five months and more than two-thirds (69.13%) of leases were "green"; i.e., they included an environmental addendum. In addition, two "green committees" met in 2015 in association with Zurich Insurance and Lagardère.

The above statistical data are enabling us to align our offering more closely with expectations and to validate our shift to high value-added products.

User guides

Every SFL building now has a user guide providing a wealth of information on their amenities, services and operation. Topics covered include building history, opening hours, accessibility (pedestrians, persons with reduced mobility, vehicles, public transport, etc.), site safety and security, utilities (energy, water and waste management, etc.) and food services.

2. 2. Location of and access to our properties

Our building locations, which represent one of our major competitive advantages, are also widely acclaimed by users, followed by the quality of their spaces and their architecture.

The acquisition of buildings like Condorcet, on the northern edge of the Paris CBD, is part of a future-facing strategy of extending the district towards these neighbourhoods.

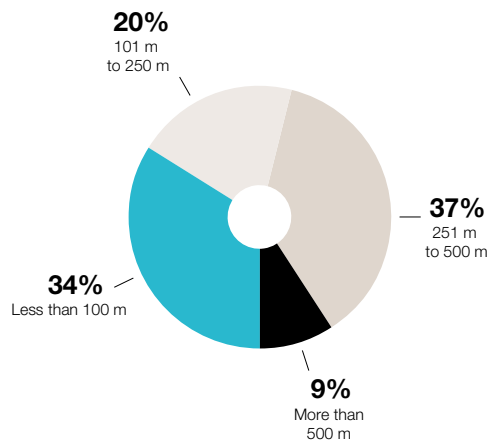
All of our assets are easily accessible by public transport.

100%

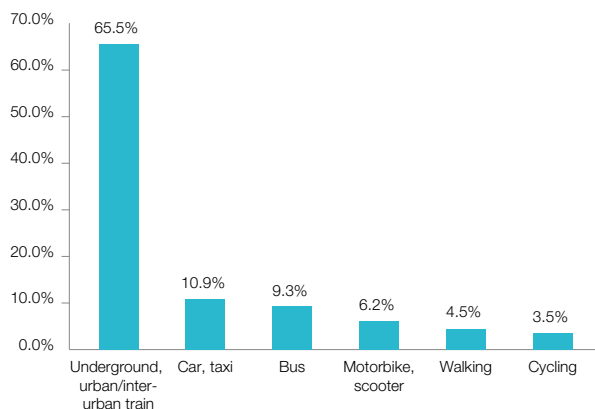
of our offices are located less than a 10-minute walk from an underground station
91% are within 500 metres
34% are within 100 metres
80% of the properties (by value) are located in the prestigious Central Business District.

PROXIMITY TO PUBLIC TRANSPORT

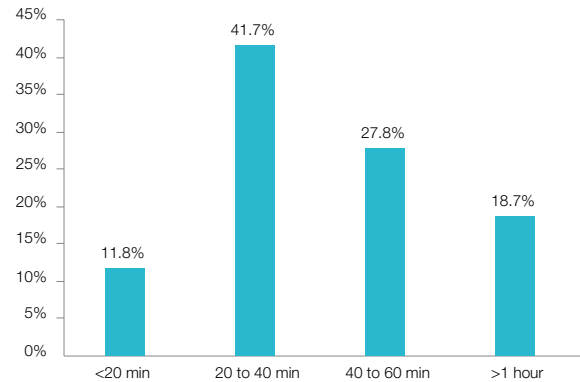
% of the portfolio by surface area



COMMUTING METHOD



AVERAGE COMMUTE



The overriding importance of the employee commute among the criteria for a sustainable location is also reflected in the increasing use of personal transport with low environmental impact. In redeveloping its buildings, SFL proactively adds dedicated spaces for electric vehicles. In the #cloud.paris building, there are more parking spaces reserved for bicycles and motorcycles than for cars.

ADVANTAGES PREFERRED BY USERS



Francis Nappes
 Co-founder, BlaBlaCar

"Naturally, for a company, an office building is a production facility. But at BlaBlaCar, we were looking for more than that. We wanted a building that wasn't boring, that would make people want to join BlaBlaCar and that our teams would be proud to work in. We chose #cloud.paris, because it offers 3,000 sq.m of open office space in the heart of Paris, flexibly laid-out areas for sharing and collaborating – which corresponds to our work style – and lower floors flooded with natural light. But also because the building is rare, spectacular and highly attractive!"

2. 3. Building certification

According to the 2015 satisfaction survey, 69% of tenants feel that environmental certification is important.

SFL initiated the certification process in 2012, based on the following standards:

- BREEAM Construction (Building Research Establishment Environmental Assessment Methodology).
- LEED (Leadership in Energy and Environmental Design).
- HQE.
- BBC-Effinergie Rénovation for vacant buildings being developed or renovated.
- BREEAM In-Use International (BIU) for buildings in use.

In-use certification

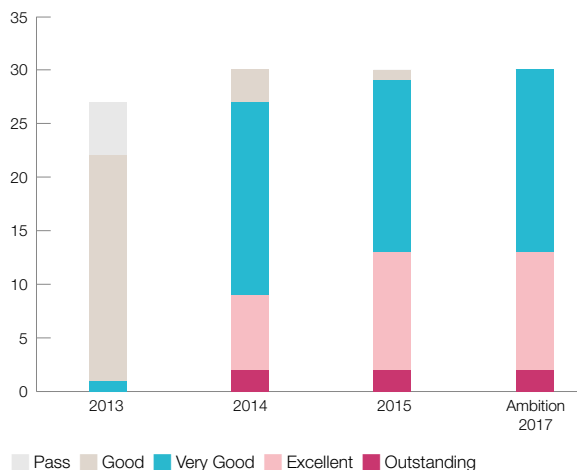
Global standards agency Building Research Establishment has awarded the highest levels of its BREEAM In-Use International certification to the entire SFL portfolio. All of the buildings have been certified in BIU Part 1 (asset) and BIU Part 2 (building management), and constructive discussions are under way with tenants to earn certification in Part 3 (occupier management) as well. The Washington Plaza business centre, already BIU-certified in Part 1, Part 2 and Part 3 (for SFL's head offices), won the 2015 BREEAM Award in the 'BREEAM Offices In-Use' category. Of the total BIU Parts 1, 2 and 3 certifications:

- 3% have a Good rating.
- 53% have a Very Good rating.
- 37% have an Excellent rating.
- 7% have an Outstanding rating.

Three buildings were uprated in 2015: 96 léna and 176 Charles de Gaulle (from Good to Very Good for Part 1 – Asset and from Very Good to Excellent for Part 2 – Building Management), and In/Out (from Very Good to Excellent for Part 1 – Asset).

In all, BREEAM In-Use certification covers 17 in-use buildings (excluding the #cloud.paris, 9 Percier and 90 Champs-Élysées buildings undergoing major renovation work).

BREEAM IN-USE INTERNATIONAL CERTIFICATION RATINGS BY YEAR



BIU certifications by building may be found on the www.fonciere-lyonnaise.com website.

97%

of the asset portfolio has been certified and rated Very Good, Excellent or Outstanding in Part 1 and Part 2.

Certifications earned by buildings under construction or redevelopment

- In/Out in Boulogne-Billancourt: the redevelopment project delivered on 31 July 2013 has been certified HQE Exceptionnel, BREEAM Very Good and LEED Platinum. It was also awarded the BBC-Effinergie Rénovation label.
- #cloud.paris: the project in Paris's 2nd arrondissement delivered on 2 November 2015 has been certified HQE Exceptionnel, BREEAM Excellent and LEED Gold. It was also awarded the BBC-Effinergie Rénovation label and certified in compliance with the City of Paris's Climate Plan (less than 80 kWh primary energy/sq.m/year).
- Louvre Saint-Honoré: We are actively seeking BREEAM Excellent certification for the project's retail space, which has not yet been leased or marketed. This only concerns the lower floors, since the upper levels are leased and occupied as offices. Louvre Saint-Honoré is considered as a development in-use, whose restrictions and impediments make it impractical to seek HQE and LEED certifications.

All of our major redevelopment projects have been triply certified BREEAM New Construction, LEED and HQE, as illustrated by the most recent one, #cloud.paris. It represents the complete transformation of a disparate group of buildings into a business centre perfectly aligned with contemporary and emerging office usage practices.

2. 4. Amenities, layout and organisational efficiency

a) Organisational efficiency and layout

SFL buildings offer maximum flexibility and highly efficient operations, which provide an effective buffer against the risk of obsolescence. Tenants appreciate the myriad of layout options, which allow them to create their own space, with total freedom to be as conventional or innovative as they like.

We take special care over the amenities, layout and organisational efficiency of our assets, in particular through regular renovations and upgrades.

Evolving tenant expectations are accurately integrated into each renovation programme, thanks to the project scheduling process led by our Design Committee (Project Scheduling and Definition Committee).

SFL designs modular, free-flowing and adaptable office spaces, whose highly flexible floor plates can be fitted out in line with tenant specifications. The resulting tenant layouts, which may be partitioned or open plan, ensure that users enjoy the best possible quality of worklife.

Office floor plates are delivered open plan to tenants, who are totally free to arrange them as they like. Ideal depths range from 15 to 18 metres with double exposure, so as to maximise the amount of fixed office space receiving direct sunlight. Meeting rooms, cubicles and common spaces can be laid out in areas receiving indirect daylight.

Most of our buildings offer modern, contiguous 1,000 to 3,000 sq.m floor plates that are highly conducive to organisational efficiency.

Utility installations are sized so that meeting rooms can be positioned anywhere on the floor plate, including in direct sunlight areas. These rooms generally cover 10% of the total floor area. HVAC and lighting installations are generally sized to offer an occupancy ratio of 10 sq.m of gross leasing area (GLA) per person. The ratio for sanitary facilities is 12 sq.m of GLA/person.

The large majority of SFL buildings have raised access floors and a clear ceiling height of usually 2.70 metres.

Frédéric Mazzella
Founder and CEO, BlaBlaCar

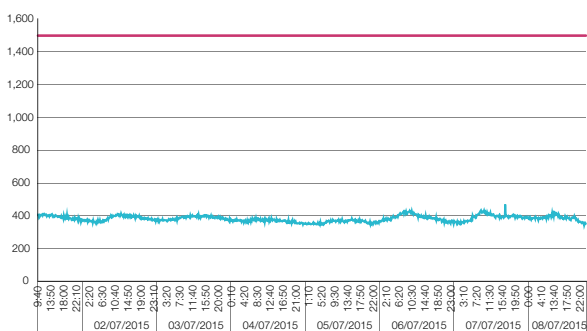
"We were looking for a building in this neighbourhood, in the heart of the new economy, that could offer the contemporary environment and amenities we need to attract new talent and retain current employees. The size of the floor plates and the building's modular flexibility were essential features that are enabling our teams to use the space in a variety of ways and layouts."

b) Occupant well-being

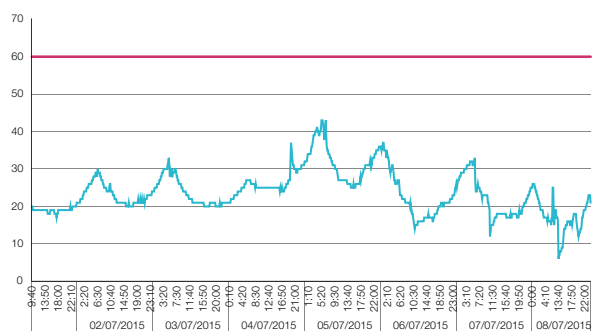
To initiate an objective process, the head office and three buildings – 96 léna, 176 Charles de Gaulle and In/Out – were reviewed for their amenities and health-related aspects.

IN/OUT BUILDING – LOBBY

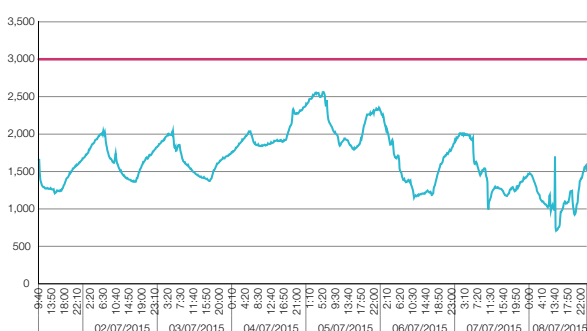
CONTAINMENT (CO₂)



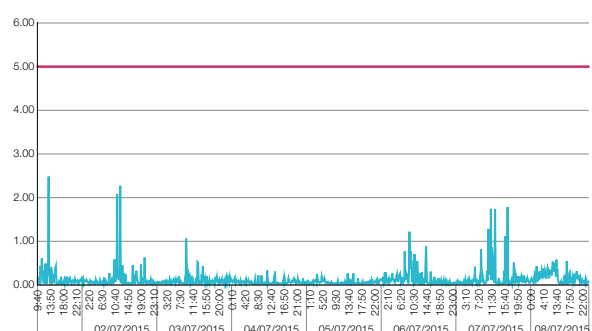
LVOCS



TVOCs

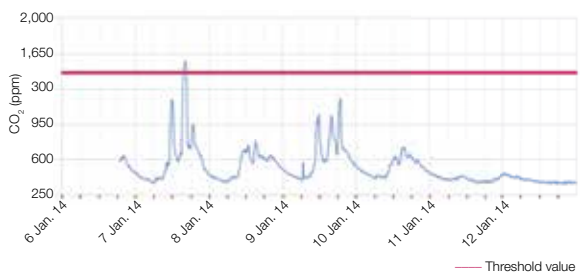


AEROSOLS

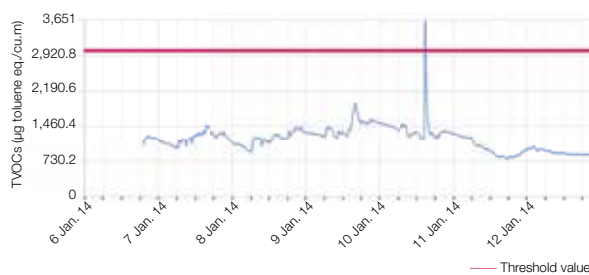


WASHINGTON PLAZA – MEETING ROOM (SFL PREMISES)

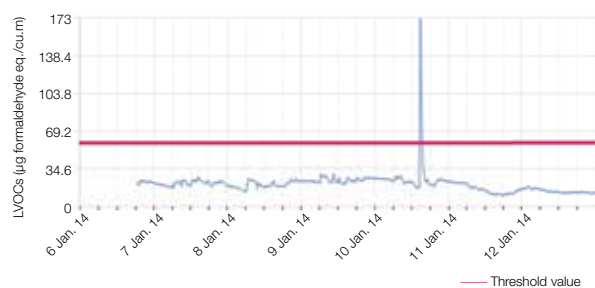
CONTAINMENT (CO₂)



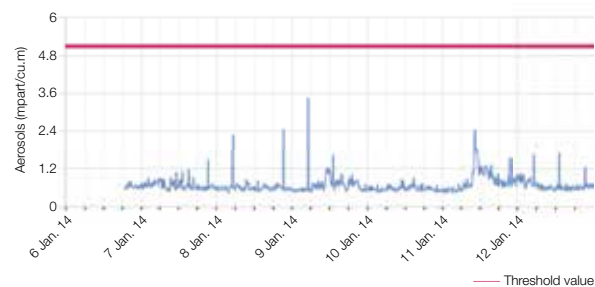
TVOCs



LVOCS



AEROSOLS



LVOCS: light volatile organic compounds (formaldehyde) found in detergents, disinfectants, personal care products and cosmetics.
TVOCs: total volatile organic compounds, such as toluene, ethanol, ether and benzene.

The curves measure, in 10-minute periods, the presence of disamenities in the ambient air and various aerosols.

The results are generally far below the recommended thresholds (horizontal red lines). Certain peaks resulted in requests to service providers to use specified VOC-free cleaning products.

Accessibility for disabled people

SFL is committed to installing special equipment and facilities so that people with motor, hearing or visual impairments can safely get around in our buildings as independently as possible. These include ramps, handrails, flashing and audio sirens, specially adapted areas that can accommodate suitable workstations, and lifts with Braille call buttons.

In 2015, reviews of the accessibility for persons with reduced mobility in the SFL buildings open to the public were performed as part of the French government's Ad'AP scheduled accessibility programme. Based on the findings, an action plan for the publicly accessible areas is now being prepared. In buildings governed by the French Labour Code, an action plan to improve accessibility with signage, tactile guidepaths and handrails is being deployed. The resulting systems will exceed mandated standards.

100%

of major SFL redevelopments and renovations have offered complete accessibility for persons with reduced mobility since 2010.

Support services

After the successful trial of a physical corporate concierge service in the Washington Plaza building, SFL is studying the feasibility of introducing a similar service in the 103 Grenelle and R-1 Cézanne Saint-Honoré properties. In addition, the dedicated "servicesbySFL" website offers personalised information for each of the buildings.

2. 5. Managing health, safety and environmental risks in our properties

SFL manages occupant safety and environmental risks in line with the highest standards, well exceeding regulatory requirements. The primary risks tracked for each facility are as follows.

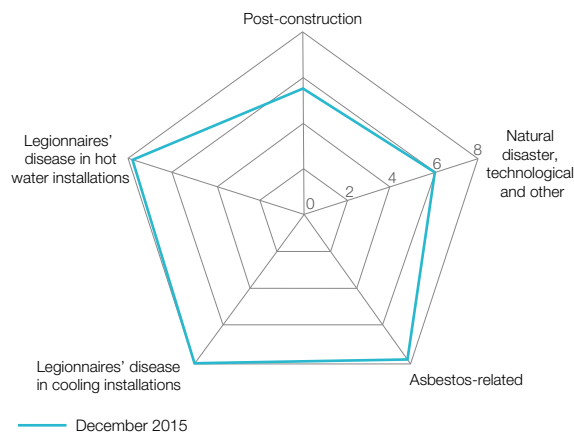
Buildings in use:

- Risks related to post-construction works.
- Natural disaster, technological and other risks covered by the regulatory risk prevention plan.
- Asbestos-related risks.
- Risks related to legionnaires' disease in the cooling installations
- Risks related to legionnaires' disease in the hot water installations.

Redevelopments:

- Soil contamination surveys performed prior to redevelopment projects.
- Use of building products and materials rated A for VOC emissions in major redevelopment works.
- Reviewing environmental and health reference data (FDES) for materials used in redevelopment works.

DOCUMENTARY RISK MANAGEMENT



This diagram presents the average level across the entire portfolio.

0 – Document to be prepared
 4 – Document to be updated or sent
 6 – Document updated and sent (regulatory compliance)
 8 – SFL standard (measurement frequency, heightened vigilance, etc.)

Foreseeing risks

Risks are managed via:

- The MEX web-based operations management platform deployed in 2015 for the 11 SFL-managed buildings in the 20-building portfolio.
- An environmental charter and health and safety risk management procedures guide.

No provisions for environmental or global warming risks were recorded during the year.

3. Green value of our properties

Green value, which has major appeal for the young talents employed by our tenants, primarily stems from the improvement in four environmental performance indicators: energy use, water use, waste production and recycling, and CO₂ emissions. It also reflects biodiversity, to the extent possible in a dense, restricted cityscape, and the CSR content of capital expenditure projects. The energy and carbon indicators have been steadily improving.

Data collection methods are also being upgraded by broadening the scope of both measurement (to determine energy use by destination in the head office) and reporting (by integrating new buildings, exchanging data with clients in single-tenant buildings and metering private-area power use in multi-tenant buildings).

Continuously improving our methods and tools is critical to maintaining the ability to shrink the environmental footprint of our buildings at a time when the margin for gains in our indicators is narrowing.

This commitment to managing and reducing consumption is being supported by our partner building managers and multi-technical service providers, who are contractually obligated to issue monthly and quarterly activity reports.

3. 1. Sustainable building operation

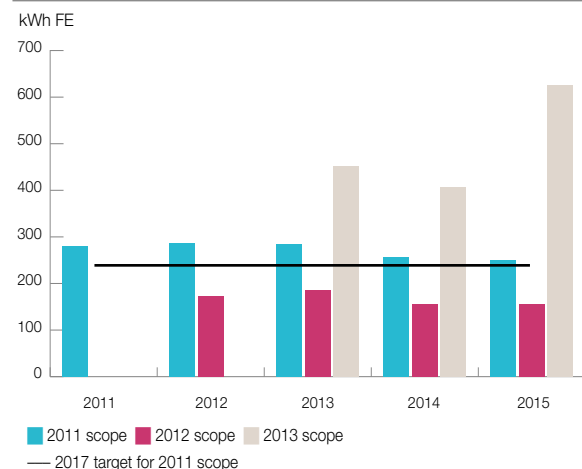
3.1.A Energy use

Energy use is measured according to the method described in the appendix.

Energy used by the eight buildings in the 2011 baseline scope of reporting declined by 12 kWh/sq.m or 4.7% year on year in 2015.

Adjusted for occupancy and climate data, energy used by the eight buildings declined by 23 kWh/sq.m or 8% between 2011 and 2014 and by 35 kWh/sq.m or 12.5% between 2011 and 2015.

ENERGY INTENSITY



a. Improvements in the energy performance of SFL properties

1 - Future initiatives

Following on from the sharp reduction in energy use ratios from 2012 to 2014, master plans are now being reviewed in a commitment to further improving energy performance in the years ahead, particularly in the following areas:

- Revamping building management system (BMS) analyses.
- Optimising air handling unit (AHU) flow rates.
- Managing lighting in car parks and common areas.
- Breaking down energy use by destination.
- Raising occupant awareness.

These master plans, which will help to optimise capital expenditure and upgrade plans for existing assets, will integrate the initiatives already under way:

- The contractual obligation for our building management partners to reduce their energy use.
- Energy audits and action plans.
- Certification upgrading plans.

2 - Initiatives led in 2015

• Louvre Saint-Honoré

Heat pumps turned off in the vacant Louvre des Antiquaires section

Presence detection and lighting control systems installed in the car park

Presence detection system installed on the landings and in the sanitary facilities (underway in 2016)

• Cézanne Saint-Honoré

Exhaust air energy recovery system restarted
System updated and reset
Climespace contract power adjusted (with effect from 1 January 2016, following renegotiation in 2015)

• Rives de Seine

Fresh and exhaust air flows adjusted in the intercompany staff restaurant and on the office floors
Car park lighting and lighting control system replaced (start 2015/end 2016)

• Édouard VII

CPCU district heating system control mechanism replaced
Air handling unit settings optimised
Climespace contract power adjusted (with effect from 1 January 2016, following renegotiation in 2015)

• 103 Grenelle

Office AHU optimised
Domestic hot water production optimised

• Washington Plaza

AHU operating schedule adjusted
Issuance of off commands for the Clivet heat pumps restored
Showers using thermodynamically generated hot water installed
Settings programme for filling the heating hot water tanks adjusted

• 112 Wagram

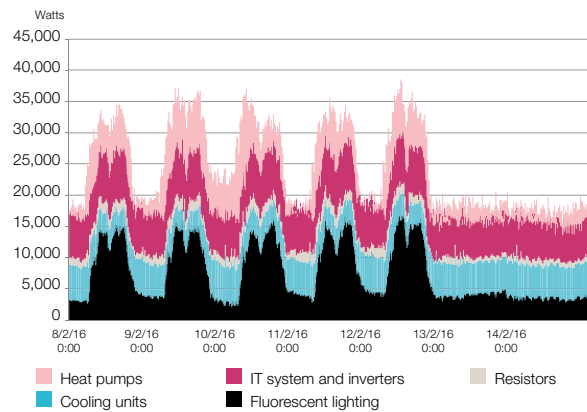
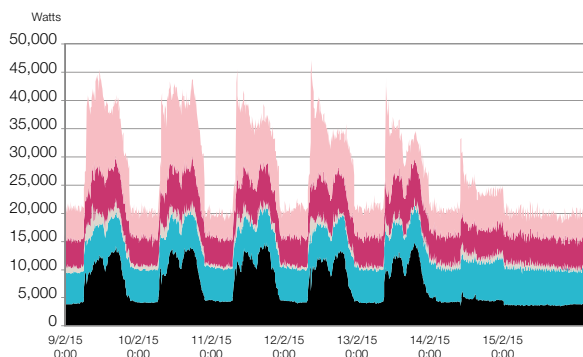
Variable refrigerant flow reprogrammed to reduce it at night
Office floor lighting brightness reduced (one completed)

• 176 Charles de Gaulle (Neuilly-sur-Seine)

Reinforced insulation continued to be installed on the apron and perimeter walls as part of the office floor plate renovation works
Vertical Ethernet link created for the VoIP intercom between the ground and upper floors (preparation for the project to install a BMS link between the floors and the utility control room in 2016).

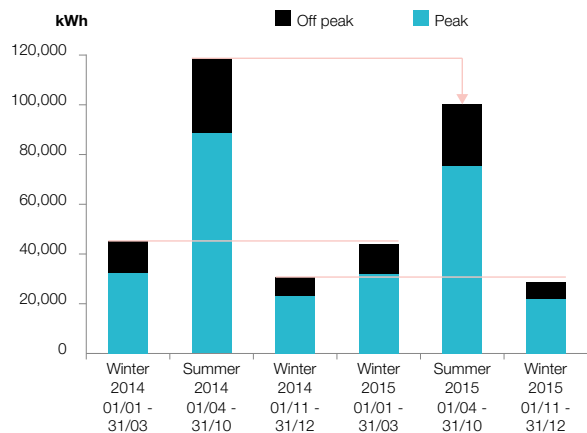
b. Energy use by destination (SFL head office)

The following charts represent one week's actual use by destination at the SFL head office, based on the Smart Impulse solution.



They show that the heat pumps now use virtually no electricity at night, following a request to the maintenance company for corrective action (in pink).

HEAD OFFICE POWER USE



Power use in the private areas of the SFL head office. In 2015, over comparable periods and at the same dates as in 2014, head office power consumption declined by around 10% year on year during the summer and remained virtually unchanged during the winter.

3.1.B Water use

Total water use rose slightly over the year, primarily due to spikes at two buildings, Iéna (2,500 cu.m) and Louvre Saint-Honoré (2,000 cu.m), in connection with office renovation works, façade cleaning and asbestos removal works. The temporary use of a back-up air conditioning system for a tenant's IT rooms in the Iéna building also lifted consumption for the year.

Certain properties made significant progress in 2015:

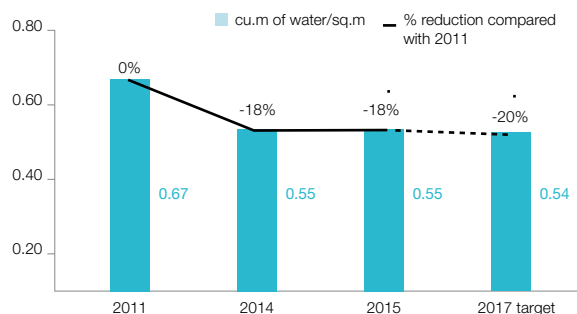
- 176 Charles de Gaulle (Neuilly-sur-Seine): down 12%
- Édouard VII: down 8%

Water used by the eight buildings in the 2011 baseline scope of reporting stood at 112,864 cu.m in 2015, compared with 109,909 cu.m in 2014.

Water used by the 11 buildings in the 2011, 2012 and 2013 scope of reporting stood at 135,056 cu.m in 2015, compared with 127,328 cu.m in 2014.

WATER USE INTENSITY

(in cu.m of water/occupied sq.m).

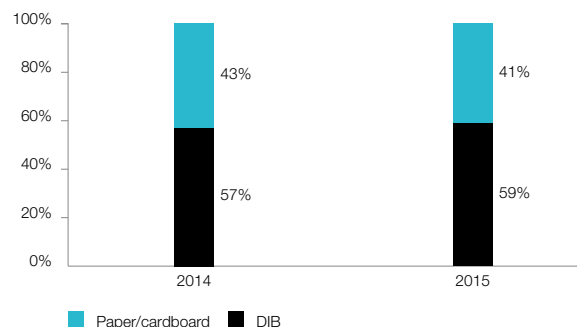


The water-conservation programme continued to be deployed in 2015, with the installation of flow restrictors on taps and shower heads and low-volume flush mechanisms.

Currently, four buildings have rainwater recovery systems: 92 Champs-Élysées, In/Out, Washington Plaza and #cloud.paris (2015). From April to December, for example, the Washington Plaza building collected and recycled 190 cu.m of rainwater. SFL buildings are supplied exclusively by the city water system, which sources water from aquifers and rivers, makes it potable and then distributes it to the buildings' water supply connections.

3.1.C Waste production and recycling

WASTE MANAGEMENT IN 2015



Total non-hazardous industrial waste and cardboard produced by the five reporting buildings rose slightly in 2015, to 433 tonnes from 418 tonnes in 2014, as a direct result of the 4,776 sq.m increase in the occupancy rate in the 130,877 sq.m scope of reporting during the year.

3.315 kg

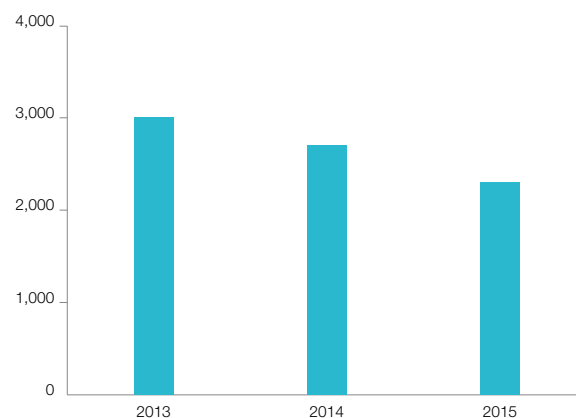
of waste produced/sq.m in 2014

3.308 kg

of waste produced/sq.m in 2015

RECYCLING:

PAPER WASTE COLLECTED AT THE HEAD OFFICE (in kg)



Paper: a decline in head office use

Batteries: 22 kg collected at the head office, versus 5 kg in 2014
Head office printer consumables: 13.4 kg in 2015, versus 80 kg in 2014.

3.2. Carbon efficiency of our properties

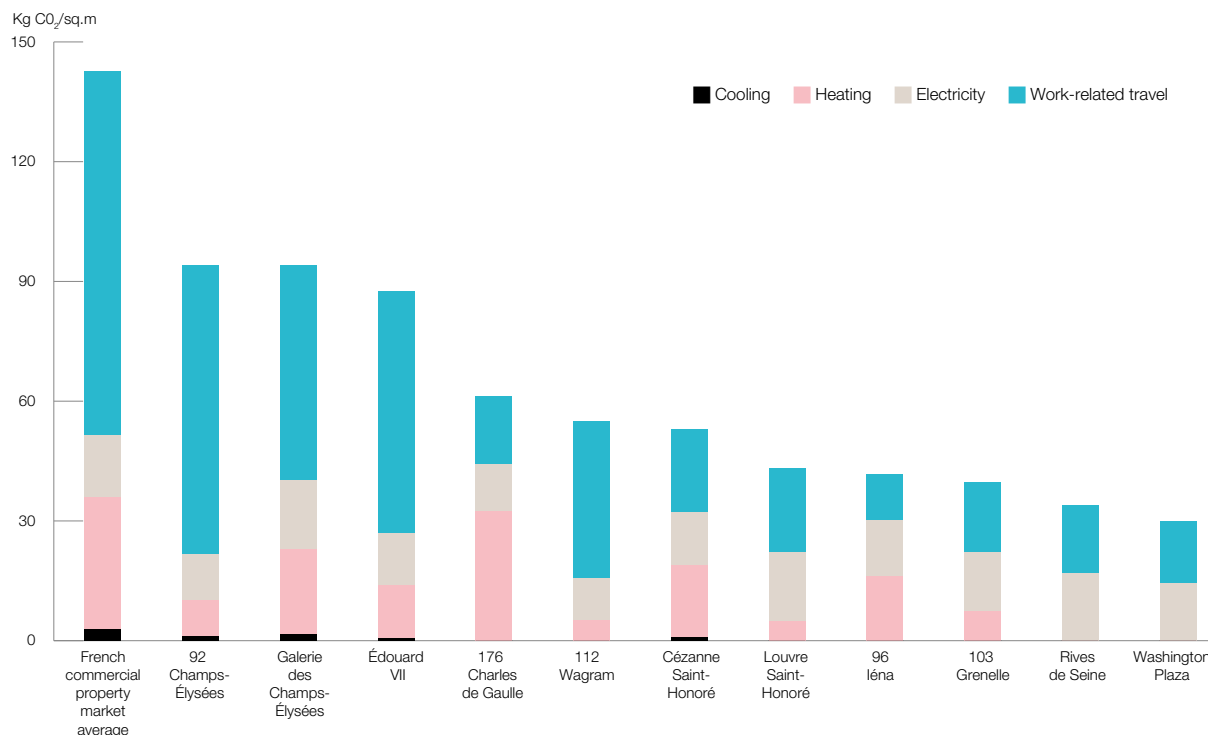
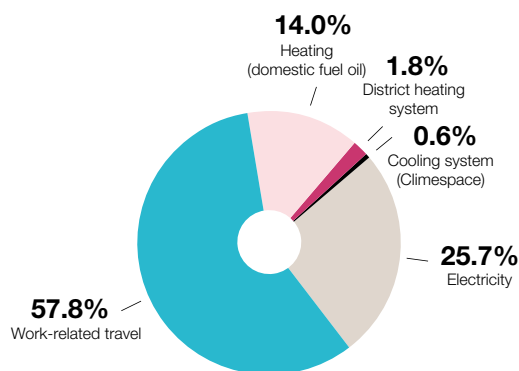
SFL has embraced the worldwide commitment to managing and reducing greenhouse gas emissions, in accordance with the COP21 agreement. Emissions from our assets are measured by carbon audits performed at the head office and our other buildings every two years, as well as by dedicated carbon audits of each redevelopment project.

Emissions are being reduced primarily through action plans designed to improve energy efficiency. The elimination of our last fuel-oil fired boiler and works to suppress coolant leaks are also helping us to meet our emissions target. The feasibility of connecting to district heating and cooling systems is systematically reviewed prior to any capital expenditure project.

Since 2012, the carbon footprint of the 11 SFL-managed buildings has been tracked based on their energy use and their occupants' work-related travel habits, as determined by the 2013 tenant satisfaction survey.

1

carbon audit performed every two years

CO₂ EMISSIONS PER SQ.M BY BUILDINGCO₂ EMISSIONS BY SOURCE (11 buildings)CO₂ emissions by source, as a % of total emissions

In 2015, the last R22-based air-conditioning plant was removed, eliminating 130 kg of refrigerant.

3.3. Factoring CSR into capital expenditure projects

Building sustainability and durability are key issues for SFL, as a long-term investor that generally holds its assets for more than ten years. Decisions to invest in redevelopment projects or acquisitions are therefore made with two objectives in mind – first, to attenuate the risks of obsolescence and second, to enhance the building's alignment with tenant needs through capital projects to upgrade and renovate existing facilities.

Capital project decision support system

SFL is committed to managing the CSR performance of its operating expenditure and its renovation, refurbishment and redevelopment capital expenditure in 2016 by assessing the CSR aspects of each outlay. This process will build upon the sustainable procurement policy applied in every aspect of our business.

Moreover, our teams in the SFL_le_lab and SFL_le_studio workshops carefully track the latest technology trends and innovations to integrate emerging practices – such as the fifth façade (roof) and innovative building materials – as far upstream as possible in our projects.

In 2015, the following initiatives were taken:

- An easily accessible technical data sheet workbook covering innovative, potentially useful products and systems, completed during the year.
- The “Virtuous Head Office” review of ways to improve head office conditions and impacts. Head office data can be found in sections 3.1. (Sustainable building operation) and 4.2. (Health, safety and quality of worklife).

15.4%

of total capital expenditure committed to reducing our environmental impact.

- The “CSR Breakfasts”, short morning conferences open to any employee. Subjects covered in 2015 included eco-citizenship in the office, beehives and bees in the city, and waste management and recycling.
- An easily accessible technical data sheet workbook covering potentially useful architectural concepts and products, completed during the year.
- A visit to remarkable office developments in London by the Management Committee and managers in June.

Clean worksites

Waste materials are recovered and recycled on every SFL-managed worksite.

All of our major redevelopment, upgrade and renovation projects apply a clean worksite charter covering such areas as waste management, choice of materials, and noise, pollution and disamenity abatement.

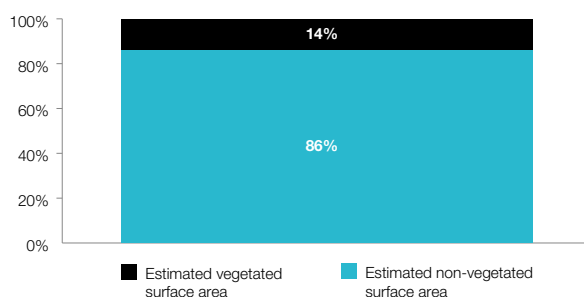
It will be extended to other worksites in the future.

3. 4. Biodiversity in our portfolio

SFL aims to protect and enhance biodiversity in its buildings and continues to contribute to France's Biodiversity Observatory for Corporate Parks and Gardens (OJEVE), which can use our properties to track the presence of wild pollinators. Two tenants have worked with us to install beehives at Condorcet and Washington Plaza. Green space management contracts ban the use of pesticides.

In 2015, new green spaces were created on the roof and terraces of the Cézanne building (accessible to tenants of adjacent offices) and in the interior courtyards and terraces of the #cloud.paris complex (partially accessible). Also at #cloud.paris, a natural pigeon damage control method was introduced, involving the periodic use of falcons to replace the previously installed audio scarers and spikes.

VEGETATED VS. NON-VEGETATED SURFACE AREA



This chart illustrates horizontal and vertical green spaces as a proportion of the entire built-up plot of land on the following sites: 92 Champs-Élysées, Rives de Seine, Cézanne Saint-Honoré, Washington Plaza, 176 Charles de Gaulle, Galerie des Champs-Élysées, Le Vaisseau, In/Out, Condorcet and #cloud.paris.

8.934 sq.m

of total vegetated surface area

4. Social responsibility value

Corporate social responsibility is about a lot more than environmental issues. It also covers such employee relations issues as the quality of worklife, the quality of supplier relations, and the quality of employee appreciation and remuneration.

4. 1. Attracting talent and developing employee skills

In view of SFL's size and the structure of its workforce, developing skills and being able to attract and retain talent is a key challenge.

• Collective agreements

French real estate industry collective agreement: 69 employees at 31 December 2015 (97%). Building caretakers, concierges and employees collective agreement: two employees at 31 December 2015 (3%).

Remuneration and benefits

To encourage our employees' professional growth and engagement, policies are in place to offer them fair, attractive and incentivising remuneration comprising, for each one, a base salary and a performance bonus. In 2015, the target bonus represented an average 15% of the base salary, excluding Management Committee members. Total remuneration for the year, comprising both the base salary and the bonus, averaged €61,545, again excluding Management Committee members.

• Increase in average salary

On a constant headcount basis, the average base salary rose by 1.61% in 2015 (1.51% for men and 1.66% for women).

In 2015, for the fourth year running, free shares were granted to employees, this time to 48 managers and corporate officers, or 65% of the workforce at year-end. During the year, 57 employees invested in the Group Pension Savings Plan (PERCO), in an average amount of €3,600. This gave rise to an average Company matching payment of €2,955, or 82% of the initial investment. Moreover, in a commitment to encouraging employees to save for retirement, management improved the terms of the PERCO system as part of the annual negotiations completed in December:

71 employees,
of which more than 70% were managers
as of 31 December 2015

- The rules determining the amount of the matching contribution to employee investments were optimised.
- An additional contribution is to be granted in a fixed amount, without the employee having to invest beforehand (in compliance with the Macron Act of 6 August 2015).

These two measures will be implemented in 2016.

In addition, employees with at least three months' service are entitled to profit-shares under non-discretionary and discretionary plans, which paid out a total of €685,000 in 2015, or 11% of the year's payroll.

Lastly, remuneration policies cover a number of extra benefits, including a time savings account that converts unused leave entitlement into investments in the PERCO plan, service vouchers fully financed by the Company and the Works Council, and subsidised food services (meal vouchers and/or intercompany staff restaurants). In 2015, 71 employees at year-end plus 10 people who left the Company during the year received meal vouchers representing a total amount of €78,121.

Attracting and retaining talent

There was a significant amount of movement in the workforce during the past year. Eleven people left the company, of which three through resignation and six through contractual termination. At the same time, nine new employees joined our corporate community, of which seven under permanent work contracts and two under fixed-term contracts, one of which was rolled over into a permanent contract at year-end. In this way, headcount remained stable in 2015, with 71 employees at year-end. Likewise, the movement did not have an impact on average seniority, which still stands at 12 years.

Training and skills development

As part of the digitisation of our HR processes, two new modules were added to our human resources management information system, one for training and the other for performance reviews.

Going digital offers a wide range of benefits:

- Elimination of paper forms.
- Simpler interaction between managers and employees.
- Shorter processing times.
- Improved data traceability.

In the case of training, the new digital module supports improved sharing of the sessions on offer, while enabling more accurate needs analysis and the immediate assessment of the courses attended by each trainee.

In 2015, 2.88% of total payroll was allocated to training programmes as part of initiatives designed to promote employee skills acquisition and/or development.

Nearly 1,370 hours of training were offered to 48 employees, representing an average of 28 hours per trainee. The courses were primarily focused on asset management, financial management, law, business management, office technology and languages.

In addition, a total of 210 hours of training in management and communication/working relationships were given during the year.

4. 2. Health, safety and quality of worklife

As key factors in making SFL a great place to work, health, safety and well-being represent major issues not only for employees, but also for the entire corporate community. With this in mind, these criteria have been fully integrated into our human resources policies, independently of any legal obligations. All employees are represented in a Health, Safety and Working Conditions Committee.

Occupational health and safety

In 2015, only one workplace accident occurred, which did not result in any lost time. Consequently, the accident frequency rate and the severity rate were both zero for the year.

Similarly, a single commuting accident was reported and no occupational diseases were observed during the year.

Following on from the awareness-raising programme on workstation ergonomics implemented in 2013, a review process was launched in 2014, in consultation with the Health, Safety and Working Conditions Committee, on introducing a programme to help prevent psychosocial risks and improve the quality of worklife.

It was deployed in 2015 with the support of a specialised consultancy and in collaboration with a working group made up of employees, employee representatives and our occupational physician. It included a survey sent to every employee and individual meetings to explore six issues:

- The attitude of local management.
- Authority as support.
- Corporate discourse: what the company is saying to employees.
- Team projects: sharing the meaning of work every day.
- What makes work worthwhile.
- The sense of corporate community.

The choice of these issues reflects the purpose of the exercise, which was to ensure compliance with the obligation to regularly assess workplace risks, while laying the foundations for a more satisfying quality of worklife.

1.368

hours of training conducted in 2015

3

quality of worklife factors: health, safety
and well-being

A review of the findings, presented to the Management Committee, employee representatives and employees, concluded that there were no situations likely to cause serious psychosocial stress. It also noted the benefits of developing a strong internal culture of management and communication. The action plan scheduled for deployment in 2016 to meet this objective could include training initiatives, workshops or seminars.

Quality of worklife

In addition, SFL is pursuing an active work-life balance policy in support of working parents.

For example, as part of the company-level agreement signed on 18 December 2014 on gender equality in the workplace, one of the improvement objectives for training was to identify and address family-related issues faced by trainees, such as having to take children to and from school or daycare centres.

This particular issue has been resolved by the digitisation of the training module, which enables employees to choose when to attend a course from a list available on the HR information system's portal.

Similarly, our six part-time contracts correspond to employees who have chosen to work fewer hours, as opposed to being forced to for organisational or operational reasons. All part-time work requests submitted by employees to improve work-life balance have been met.

Lastly, with a view to making our supplementary health insurance as competitive as possible and maintaining the same coverage for employees now that the reimbursement of healthcare costs has been legally capped under so-called responsible contracts, a number of measures were successfully negotiated in late 2015:

- The effective reduction in the base contribution rate on healthcare coverage.
- An increase in the employer contribution, to 75% of the total from 66% previously and a corresponding reduction in the employee contribution, to 25% from 33%.
- Introduction of an additional, optional supplementary healthcare plan designed to maintain 2015 reimbursement rates in 2016 for participating employees.

100%

of requests for part-time arrangements
were met.

4. 3. Diversity and gender equality in the workplace

Diversity and gender equality in the workplace is a major issue for employee development and business growth.

That is why we have reaffirmed both our pledge to reject any and all forms of discrimination and our commitment to promoting equal opportunity and diversity in the workplace.

Gender equality

In line with the rest of our industry, SFL has a high proportion of women employees, who accounted for 65% of the total workforce at 31 December 2015. With this in mind, in December 2014, we negotiated and signed a gender equality agreement comprising a certain number of measures backed by improvement targets and indicators in the following areas:

- Hiring and job opportunities.
- Promotion opportunities thanks to ongoing skills development.
- Gender-neutral remuneration.

65%

of employees are women.

In 2015, for example, six of the nine people hired during the year were women and 72% of women employees on payroll at year-end attended training courses, compared with 60% of the men.

As part of the statutory annual pay round in 2015, the opening of negotiations on the gender pay gap was duly minuted. At their conclusion, the parties noted that there was no form of gender discrimination and reaffirmed the need to apply the principle of equal pay when individual salary increases are awarded.

Seniors and young people

SFL also attaches particular importance to combating age-based discrimination.

The average age of employees is 45 and employees aged 45 and over represented more than half of the workforce at 31 December 2015. People under 35 accounted for 18% of employees.

People with disabilities

As part of our policy of supporting employment opportunities for disabled people, each year a significant proportion of the amount payable under France's apprenticeship tax scheme is allocated to ADAPT, a not-for-profit organisation working in this area. In 2015, the amount stood at €6,538.

In addition, we contributed a grant of €15,000 (excl. tax) to ADAPT's operating budget for the year.

Given the stability of its workforce and low hiring volume, SFL paid €5,718 into the AGEFIPH disabled employment fund in fulfilment of its statutory obligations concerning the employment of disabled workers.

4. Sustainable procurement and supplier relations

In recent years, SFL has paid particular attention to the sustainability of its procurement process. A variety of initiatives have been undertaken to support a procurement strategy that reflects sustainability criteria by:

- Demonstrating best-in-class supplier management performance.
 - Integrating CSR into the tender criteria and specifications for building managers and works contractors.
- To lead this aspect, an environment and sustainable procurement unit has been set up and tasked with implementing action plans to i) manage our costs and environmental impacts more effectively, notably for projects carried out by the Technical and Development Department; and ii) meet our CSR performance objectives by:
- Analysing CSR drivers.
 - Selecting materials.
 - Monitoring technical and environmental trends and conducting R&D programmes (SFL_le_lab).
 - Tracking our CSR performance.

Tenders and supplier management

To avoid inappropriate use of sub-contractors, the sub-contracting pyramid is limited to a maximum of two levels.

In addition, when commissioning work, priority is given to local companies and contractors.

For example, in 2015, 83% of our suppliers were based in the Greater Paris region.

Supplier administrative processes are managed mainly via the "e-Attestation" compliance platform, which is used to track all of the suppliers with the selected APE business identifier codes and doing more than €3,000 in business with the Group. This subject is described in more detail in the governance and ethics section.

In accordance with Article L.441-6 of the French Commercial Code, unless agreed otherwise by the parties, supplier invoices are paid by SFL on the thirtieth day following receipt of the goods concerned.

Supplier relations

Suppliers play an extensive role in our processes to drive continuous improvement and performance. Multi-technical maintenance providers, for example, have undertaken to embrace our CSR commitment. We also ensure that their sub-contractors participate in this process. In practice, maintenance providers submit technical recommendations that encourage responsible behaviour, notably in the following areas:

- Optimising energy and fluids use.
- Using eco-friendly cleaning products.
- Reducing the amount of packaging and waste.
- Enhancing the occupant experience.
- Increasing the scores for BREEAM In-Use certifications.

Communicating with worksite personnel

Care is taken to create open communication channels with construction teams during redevelopment and renovation works to ensure that they are carried out safely and smoothly.

The worksite health and safety procedure includes:

- Environmental training/information (for triple certification sites).
- Access passes for workers.
- Risk prevention measures.
- On-site first responders.
- First-aid equipment.
- An incident archive system.

Contractors working on-site are given a handbook containing:

- Information on break schedules.
- Restrictions concerning the use of radios.
- Practical information about site organisation (sanitary facilities, access, opening hours, etc.).
- Instructions for personal protection equipment in compliance with the applicable regulations.

Designed for each worksite's exclusive use, the handbook is translated into the second language most spoken by site workers. In the same way, on-site information notices and signage are also translated into several languages. This ensures that workers can easily find their way around the sites and stay constantly informed.

83%

of SFL suppliers are based in the Greater Paris area.

The circular economy

During the cleaning and dismantling of the showroom installed in the In/Out building, SFL commissioned a service provider that reused the fitting-out materials either directly or in new applications.

This practice, which helps to manage renovation project waste more responsibly, will be deployed more systematically in coming years by using specialised service providers.

Other initiatives being led at the head office

Corporate vehicle fleet

A hybrid car was purchased to replace a diesel-power model and a charging station was installed in the car park that could eventually be used for several vehicles.

Cafeteria consumables

In late 2015, personalised mugs were distributed to employees to reduce the use of plastic or recycled paper cups.

Environmental impact of suppliers

When the messenger service was put out to tender, SFL chose a company that integrates the environmental impact of its services in its financial results. To meet its objectives, the company limits its most carbon-heavy means of transport, preferring instead messengers who use bicycles, scooters and EVs.

4. 5. The local urban footprint of our portfolio

SFL supports Fondation Palladio in its commitment to building the city of tomorrow. The CSR issue concerning our local urban footprint covers the ability to design and manage property assets that meet a city's social needs, such as modern architectural design and blending sites seamlessly into the urban environment. It also involves fostering good-neighbour relations by limiting any disamenities caused by redevelopment works.

Good-neighbour relations and communication during redevelopment works

SFL has deployed a stakeholder dialogue and governance system involving elected officials and local authorities during the project design phase and neighbouring communities during the works phase. Through quarterly meetings, dedicated email addresses, information boards and letters, public hearings and informal presentations, we work closely with stakeholders to build the most appropriate solutions for the maintenance and development of our assets.

Community integration

As a member of the French property industry federation (FSIF), SFL participates in the meetings for France's Sustainable Building Plan.

For each project, interaction in the upstream phase helps to define the worksites with the lowest impact on the urban environment.

Examples of integration into the urban environment include the deployment of a tree protection plan, the pedestrianisation of rue Ménars and the installation of low-impact fitness equipment in the #cloud.paris site's public access area.

Architectural design

SFL pays particular attention to the architectural quality of its assets. To help us meet some of the highest standards in this area, we tend to work in close cooperation with official French government heritage preservation architects (ABFs). Prior to any redevelopment project, in-depth historical reviews are performed to ensure that the buildings blend seamlessly into the high-quality urban environments in our host cities of Paris, Boulogne, Neuilly and Issy-les-Moulineaux.

After several meetings with the Paris urban planning agency and ABF architects, the permit for the Louvre Saint-Honoré redevelopment project was issued in 2015, in a highly sensitive Parisian setting near the Louvre and Palais-Royal monuments along rue de Rivoli, a major thoroughfare.

Also during the year, designers Noé Duchaufour-Lawrance (#cloud.paris) and Matthieu Paillard (90 Champs-Élysées, #cloud.paris) were commissioned to redefine the buildings' interior architecture by creating highly contemporary spaces, while also improving traffic flows and optimising lighting. The #cloud.paris building was honoured with a 2015 SIIC Award in the *Ville et Avenir* category, the 2015 Eco-Construction Grand Prize at the Geste d'Or Awards and a 2016 MIPIM Award in the Best Office & Business Development category.



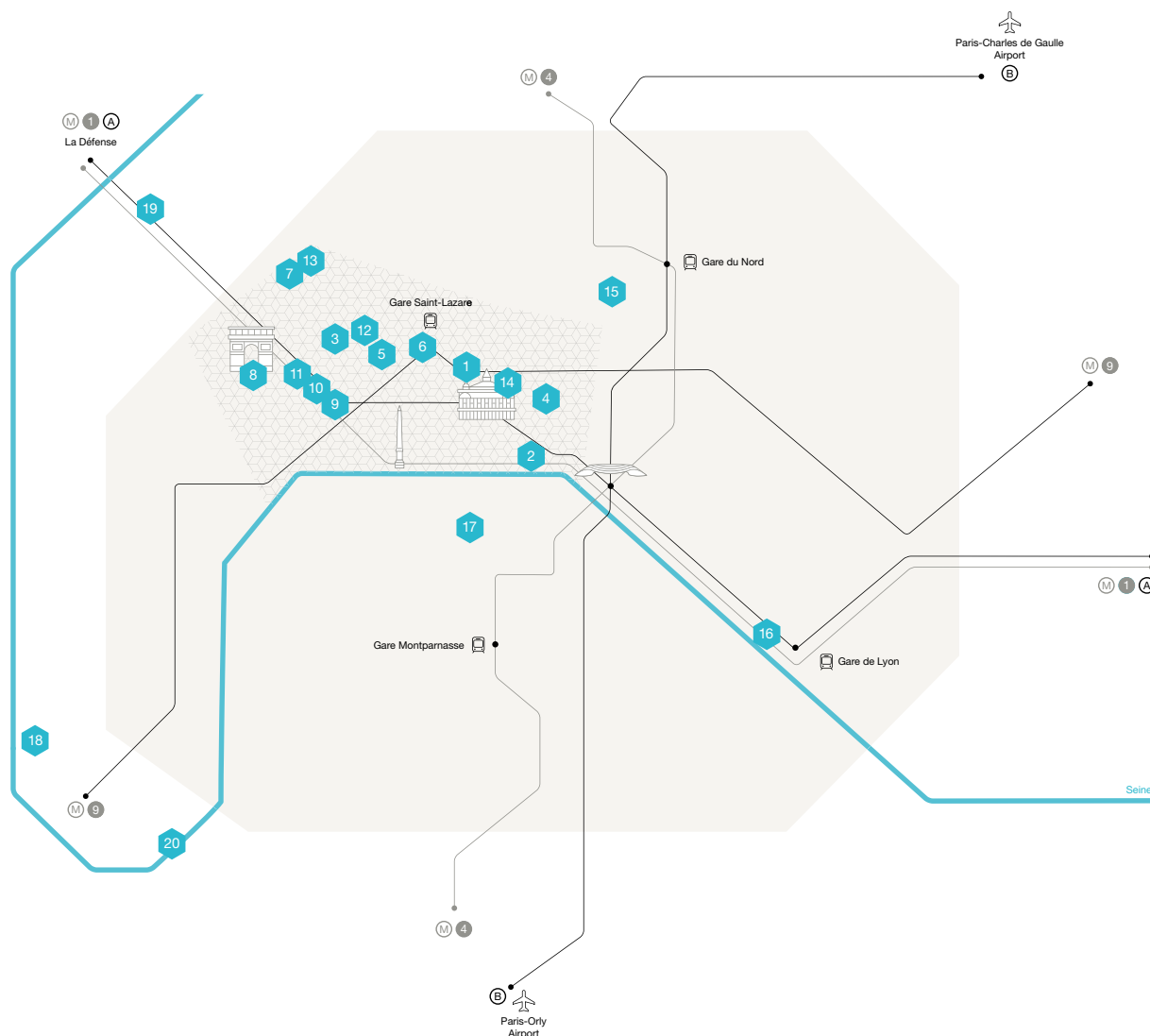
In addition, SFL is a member of France's Architecture and Project Owner Association (AMO), which promotes constructive relations between architects and building owners. In all, our commitment to outstanding architectural design is helping to enhance the quality of urban life in our host cities and neighbourhoods.

5. Appendices

5. 1. Presentation of the Property Portfolio

Our portfolio

SFL is a property company that specialises in the prime commercial real estate market. In value terms, office properties make up 80% of the portfolio, retail units 19%, and residential units 1%. The aggregate revenue generated from the portfolio in 2015 was €168.8 million and the physical occupancy rate at the year-end was 95.6%.



CBD

- | | |
|----------------------------|--------------------------|
| 1 Édouard VII | 8 96 Iéna |
| 2 Louvre Saint-Honoré | 9 Galerie Champs-Élysées |
| 3 Washington Plaza | 10 90 Champs-Élysées |
| 4 #cloud.paris | 11 92 Champs-Élysées |
| 5 Cézanne Saint-Honoré | 12 9 Percier |
| 6 Haussmann Saint-Augustin | 13 112 Wagram |
| 7 131 Wagram | 14 6 Hanovre |

Rest of Paris

- | |
|-------------------|
| 15 Condorcet |
| 16 Rives de Seine |
| 17 103 Grenelle |

Western Crescent

- | |
|--------------------------|
| 18 In/Out |
| 19 176 Charles de Gaulle |
| 20 Le Vaisseau |

OUR PORTFOLIO

	Total surface area*
Paris Central Business District	
Édouard VII	54,100 sq.m
Louvre Saint-Honoré	47,700 sq.m
Washington Plaza	47,000 sq.m
#cloud.paris	35,000 sq.m
Cézanne Saint-Honoré	29,000 sq.m
Hausmann Saint-Augustin	13,400 sq.m
131 Wagram	9,200 sq.m
96 Iéna	8,900 sq.m
90 Champs-Élysées	8,900 sq.m
Galerie Champs-Élysées	8,700 sq.m
92 Champs-Élysées	7,700 sq.m
9 Percier	6,700 sq.m
112 Wagram	6,000 sq.m
Total	286,900 sq.m
Rest of Paris	
Condorcet – Paris 9	24,900 sq.m
Rives de Seine – Paris 12	22,700 sq.m
103 Grenelle – Paris 7	18,900 sq.m
Total	66,500 sq.m
Western Crescent	
In/Out (Boulogne-Billancourt)	36,600 sq.m
176 Charles de Gaulle (Neuilly-sur-Seine)	7,400 sq.m
Le Vaisseau (Issy-les-Moulineaux)	6,300 sq.m
Total	50,300 sq.m

*Including infrastructure and excluding car parks.

Building addresses may be found on our website at www.fonciere-lyonnaise.com.

TENANT CATEGORIES

MEDIA AND DIGITAL
 Finance, Asset management
 and Insurance **LAW FIRMS**
FASHION HOUSES
Manufacturers
Consultancies
REAL ESTATE COMPANIES

403,600 sq.m

of consolidated assets in 20 buildings

5. 2. Reporting scope and procedures

a) Summary description

Energy

Indicator: total energy used per sq.m per year by the buildings in the scope of reporting, adjusted for occupancy and climate data.

Scope

Eight buildings in the 2011 baseline year.

Increase in scope: one additional building in 2012 and two in 2013.

Total use per building

Total invoiced use for the common areas and estimates based on typical ratios for the private areas.

Adjustment for climate data

Annual use adjusted for the climate conditions in the baseline year (unified degree days and sunshine hours).

Adjustment for occupancy data

Total annual use divided by the total surface area of the building, adjusted for the building's occupancy rate (defined as total let area divided by gross leasable area).

Water

Ratio of total use adjusted for occupancy in the increased scope (11 buildings).

Waste

Production of NHIW and cardboard in the five buildings currently reporting waste data (96 Iéna, 103 Grenelle, Louvre Saint-Honoré, Washington Plaza and Rives de Seine).

CO₂

Total emissions per occupied square metre in the increased scope (11 buildings).

Vegetated space

Horizontal or vertical vegetated square metres divided by total registered land area.

b) Detailed description of the methodology

To report data on building energy use, water use and waste production, proprietary procedures have been developed to standardise the data collection process and define the contributors and the verification method.

These procedures also describe the applicable standards, notably Article 225 of France's Grenelle II Act of 12 July 2010, the Global Reporting Initiative (GRI G4) and CRESS supplement, and the EPRA's recommendations. Lastly, they define the scope of reporting.

Scope of reporting

SFL's portfolio comprises 20 buildings, representing a total surface area of 403,600 sq.m.

The 11 buildings included in the scope of reporting are multi-tenant properties with high occupancy rates (over 60%).

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

The buildings concerned are as follows:

Baseline year 2011 (2011 scope)

1. 176 Charles de Gaulle (Neuilly-sur-Seine)
2. 96 Léna (Paris 75016)
3. Édouard VII (Paris 75009)
4. Washington Plaza (Paris 75008)
5. Rives de Seine (Paris 75012)
6. Louvre Saint-Honoré (Paris 75001)
7. 103 Grenelle (Paris 75007)
8. Cézanne Saint-Honoré (Paris 75008)

Baseline year 2012 (2012 scope)

9. 112 Wagram (Paris 75017)

Baseline year 2013 (2013 scope)

10. Galerie des Champs Élysées (Paris 75008)
11. 92 Champs-Élysées (Paris 75008)

Changes in the scope of reporting

The number of buildings in the scope of reporting may increase as a result of:

- Acquisitions.
- The delivery of redeveloped buildings that are at least 60% let and have been in use for at least one full year.

Standard surface area and occupancy rate of buildings in the scope

The standard measure used to calculate building energy intensity is the average useful surface area, expressed in square metres. Occupancy rates are reported at the end of the calendar year and reflect the actual occupancy rate of each property at 31 December.

Energy

Energy data is collected from the following sources and consolidated first for each building and then for the entire scope of reporting:

- Meter readings.
- Property manager invoices (before tax and subscription fees).

When an asset's total energy use is unknown, in particular for the private areas, it is estimated based on the energy typically used by the tenant's HVAC installations.

These estimates, which give a clearer picture of actual use and vary by building, are determined in partnership with an experienced energy analysis agency, based on the energy used in SFL's private areas.

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.

Estimated use figures are replaced with actual tenant data as soon as they are collected.

The increase or decrease in energy used by properties in the scope of reporting is determined in relation to a baseline year set at 2011 for properties reporting since 2011, 2012 for properties added to the scope that year, and so forth.

The comparison between the baseline year and the year considered factors in climate variability using unified degree days (base 18°C), taken from www.meteociel.fr for these two years.

In analysing energy use, the baseline year is determined by the year the property was added to the scope of reporting (see above).

Water use

The method used to measure water use is more straightforward, as each property is supplied from a single source.

Data is collected by:

- Reading water meters.
- Consolidating invoices.

Waste

Waste tonnage is determined based on reports provided by service providers and daily weighings of paper waste at the head office.

5. 3. Identifying, prioritising and managing CSR issues

In 2015, our CSR priorities were identified and their materiality analysed using a process that consisted of:

- Mapping the SFL value chain and identifying the CSR issues at each stage.
- Analysing industry best practices and CSR expectations.
- Structuring the 15 identified priorities into four key areas.
- Precisely defining the CSR issues, including a description, drivers, risks and opportunities and existing initiatives. This situated them on the "business" axis of the CSR issues map, by reference to the seriousness and likelihood of occurrence of each issue's risks and opportunities.
- Identifying stakeholders and their expectations based on detailed documentation and operating staff feedback, to situate each expectation on the "stakeholder" axis of the CSR issues map.

These different stages are described in more detail below.

a. Description of SFL's CSR issues

Utility value of our properties for tenants

- Location and access: the daily commute and business travel by occupants of SFL buildings, in terms of distance travelled and means of transport (underground, bus, municipal bicycle and car-sharing stations, electric vehicle charge points and car pooling). This value proposition also covers the topic of the urban mix.
- Tenant relations and satisfaction: SFL's ability to meet tenant expectations and ensure their satisfaction. This value proposition also entails entering into medium-term agreements with tenants on CSR-related issues so that they can support us in driving our own CSR performance.
- Certification: earning certification for properties.
- Amenities, layout and organisational efficiency: creating utility value with popular amenities, efficient layouts and a safe, healthy working environment (natural light, quiet, indoor air quality, optimised use of space and traffic flows, disabled access, occupant services, etc.).

All of these factors have a direct effect on occupant well-being, while stimulating creativity and improving organisational efficiency for tenants.

Building a sustainable portfolio

- Sustainable building operation: optimising energy and water use and effectively managing waste generated from operations.
- Carbon efficiency: reducing emissions of greenhouse gases (GHGs) from properties by increasing energy efficiency, optimising the energy mix and minimising coolant leaks.
- Factoring CSR into capital expenditure projects: optimising the social and environmental impacts of capital expenditure committed during renovation and redevelopment projects with a view to enhancing the property's overall CSR performance throughout its life cycle.
- Biodiversity: avoiding excessive urbanisation and integrating biodiversity into SFL properties.
- Safety and environmental risk management: managing regulatory and physical risks that could affect the safety of occupants.

Attracting, motivating and retaining employees

- Employer appeal, skills development: attracting and retaining talent and developing capabilities. In response to fast changing legislation, standards and industry practices, we constantly develop the skills of our employees, so as to maintain their expertise, support their employability and strengthen their engagement and trust.
- Health, safety and quality of worklife: workplace health and safety policies and enhancing the quality of worklife.
- Diversity and equal opportunity: combating all forms of discrimination in accordance with the principles of human rights.

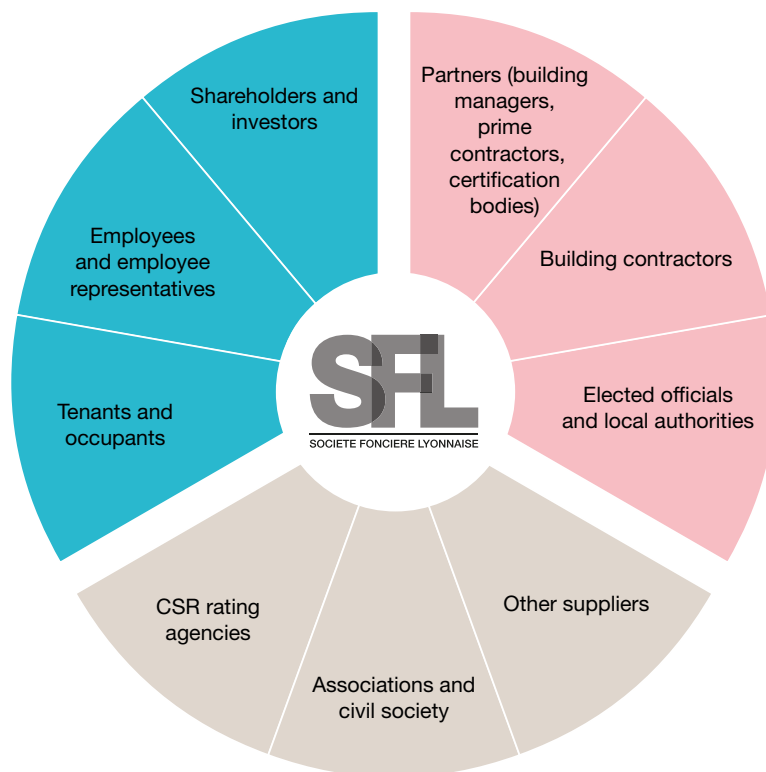
Governance, ethics and society

- Governance and ethics: upholding the principles of good corporate governance and business ethics by demonstrating our ability to deploy robust control systems to prevent any unfair or illegal business practices. This priority is very closely linked to governance and ethics risks.
- Sustainable procurement and supplier relations: integrating CSR criteria into procurement policies to ensure that the practices of our leading suppliers comply with our CSR policies. This issue also involves the fostering of stable supplier relationships and the application of fair payment terms.
- Local urban footprint: the ability to design and manage property assets that meet the city's social needs, such as modern architectural design and blending sites seamlessly into the urban environment. It also involves fostering good-neighbour relations by limiting any disamenities caused by redevelopment works.

During the materiality analysis, each CSR issue was defined in detail, along with its related risks and opportunities. This gave each one a score plotted on the "business" axis of the CSR issues map.

STAKEHOLDERS AND THEIR CSR EXPECTATIONS

SFL's identified stakeholders have been classified into three categories based on the extent of their direct or indirect impact on our revenue and operations.



- Stakeholders with a major direct impact on our revenue and business
- Stakeholders with a significant indirect impact on our revenue and business
- Stakeholders with a moderate indirect impact on our revenue and business

	Stakeholder	Expectations	Dialogue method	Frequency
Major impact on revenue and operations	Tenants and occupants	Building accessibility Occupant well-being, motivation and organisational efficiency Property company's ethical conduct	Dialogue with the property manager (SFL contact) Satisfaction survey	Continuous Every two years
	Employees and employee representatives	Remuneration and benefits Training and career mobility opportunities Occupational health and safety Well-being and quality of worklife Employer's ethical conduct	Information and consultation processes with employee representatives	Monthly
	Shareholders and investors	Overall CSR performance	Board of Directors Investor roadshow Annual General Meeting	Monthly
Significant impact on revenue and operations	Partners (building managers, prime contractors, certification bodies)	Health and safety of service providers Property company's ethical conduct Compliance with contractual clauses Long-term relationships & local jobs	Technical specifications and dialogue with operations and asset management teams	Weekly
	Building contractors and project partners	Health and safety of service providers Property company's ethical conduct Compliance with contractual clauses Long-term relationships & local jobs	Technical specifications and dialogue with teams from the Technical and Development Department Meetings with project managers	Weekly
	Elected officials and local authorities	Health and safety Property company's ethical conduct Integration into the local urban development plan Integration into the architectural environment Urban mix & local jobs	Consultation with local elected officials during the project design phase (administrative permits)	As required
Moderate impact on revenue and operations	Other suppliers	Property company's ethical conduct Compliance with contractual clauses Long-term relationships	Contracts	As required
	Associations and civil society	Occupant safety and health Property company's ethical conduct Compliance with the Grenelle II Act and the Sustainable Building Plan Urban mix & local jobs	Neighbourhood meetings	Quarterly
	CSR rating agencies	CSR transparency and performance CSR initiatives and action plans	Media and communication documents (management report, CSR report, website, etc.) Questionnaire responses	Annual

b. CSR issues map

Based on the findings of the materiality analysis, the following map classifies our CSR issues into three levels of materiality, as follows:

1. Ranking first in materiality are the five fundamental CSR issues integrated into our core business

Location and access; tenant relations and satisfaction; certification; health and safety and environmental risk management; and governance and ethics. These issues form an intrinsic part of our strategic vision.

2. Ranking midway in materiality are the five major CSR issues

Amenities, layout and organisational efficiency; sustainable building operation; factoring CSR into investment decisions; local urban footprint; and attracting talent and developing skills.

These issues contribute to our intangible value and resonate with emerging stakeholder expectations and new impacts on our business.

3. Ranked below the second materiality threshold are five CSR priorities to be tracked

Carbon efficiency; biodiversity; health, safety and quality of work-life; diversity and equal opportunity; and sustainable procurement and supplier relations. These issues do not have much of an impact on our short-term strategy, but they need to be tracked as their materiality could change over time.

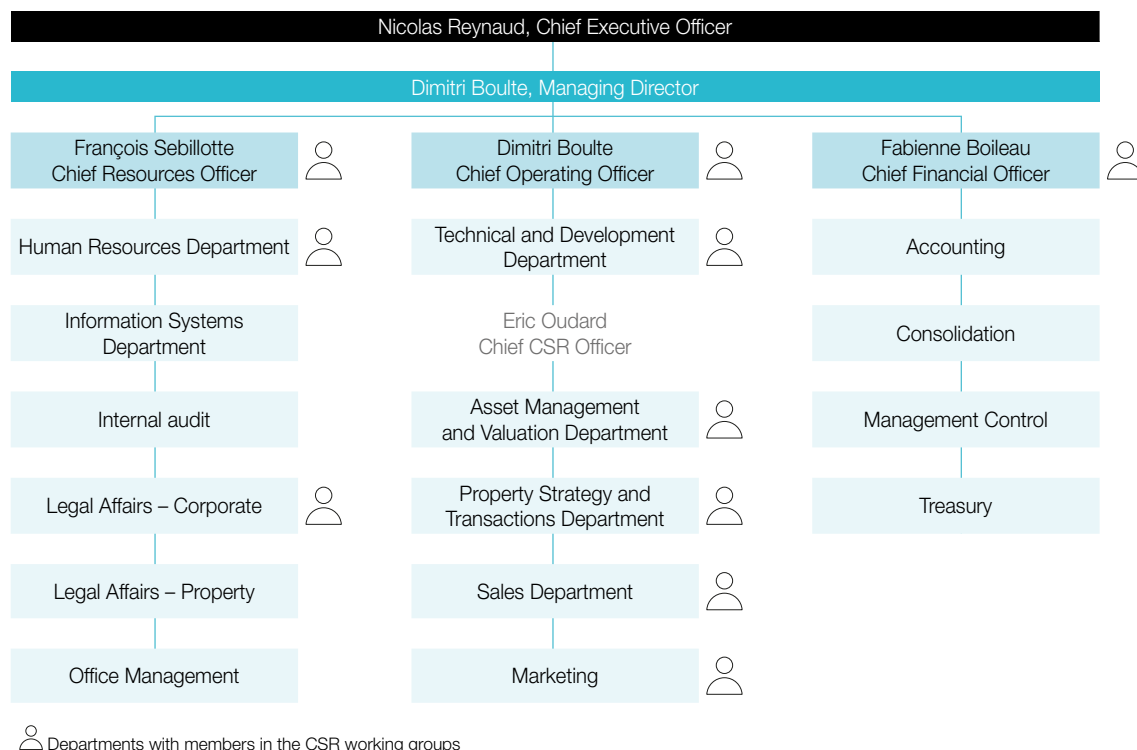
The carbon efficiency issue is primarily addressed through energy performance initiatives.



c. Managing the CSR process

SFL's organisation and the operating procedures of the Management Committee and Board of Directors are described in section 3 of the Registration Document.

CSR is integrated into our business operations on a cross-functional basis. The CSR Department is led by Eric Oudard, Technical and Development Director. The other corporate departments concerned by these issues contributed their input through CSR working groups, which enabled the preparation of this report.



During the year, the CSR working groups met to work on the materiality of our CSR issues and policies, providing invaluable feedback from the front line. Their members also made a major contribution to this report, particularly the Sustainable Procurement and Environment Manager and the Risk Management Officer.

5.4. Additional ethics and compliance information

Every employee's work contract includes a code of conduct which covers issues such as professional integrity, combating fraud, non-discrimination and compliance with tax rules. The Group also complies with the specific code of conduct for SIIcs (real estate investment trusts) which covers topics such as the selection and rotation process used for the independent valuers that value the portfolio.

Employees may also contact the Internal Control Department if they have any questions about professional ethics or conduct. Note that there were no corruption-related incidents or sanctions in 2015 and no political donations were made during the year, in accordance with French legislation.

Measures are also in place to ensure that employees as well as suppliers uphold the Fundamental Conventions of the International Labour Organisation (ILO) in the areas of:

- Freedom of association and collective bargaining.
- Eliminating discrimination in respect of employment and occupation.
- Eliminating forced and compulsory labour.
- Effectively abolishing child labour.

Other than in exceptional cases, every supplier, irrespective of the type of goods or services provided, is subject to a number of obligations under applicable labour legislation, particularly as regards clandestine labour and the employment of foreign workers.

Failure of any supplier to comply with these legal or regulatory obligations could expose SFL to the risk of legal and/or financial sanctions, a situation that has led to a review of our practices in this area.

French legislation prohibits clandestine labour and the employment of undocumented foreign workers.

As a disincentive, liability is assigned at two levels:

- Direct: the company that does not report an employee or employs an undocumented worker is subject to criminal, administrative and financial sanctions.

Indirect: a company may also be held financially liable if, when a contract for the provision of work or services is signed, it does not verify that its co-contractor is in compliance with reporting rules and employer tax payments. This compliance has to be checked every six months throughout the term of the contract.

To avoid any risk of non-compliance and meet our obligations concerning supplier employee documentation, SFL:

- Uses a collaborative, web-based platform on which suppliers submit the necessary documentation.
- Includes a standard contractual clause in every contract worth more than €3,000 (excl. VAT).

The dedicated platform enables suppliers to submit, simply and free of charge, all of their employee and tax-related documentation as well as any required certificates and statements concerning their technical and financial capabilities. It manages all of the administrative documents, verifies that they are complete, and if necessary sends reminders to the suppliers concerned. This enables us to check compliance at any time, both of existing suppliers and potential new suppliers if they are included in the database.

In 2015, an initial list of suppliers was selected based on their APE business code and depending on their exposure to the risk of employing undocumented workers.

Integrating CSR into corporate governance

- Annual review of environmental, social and governance (ESG) performance and CSR issue mapping exercise with the Board of Directors and Audit Committee (regulatory compliance)
- Sharing CSR practices with the primary shareholder
- Integrating material CSR risks into the corporate risk map

The most significant CSR risks are as follows:

- Risk of potential additional costs, e.g., to address obsolescence, energy efficiency, disputes with neighbouring communities, etc.
- Risk of criminal sanctions if suppliers are found to use undocumented workers.
- Risk of delays in obtaining permits or authorisations due to biodiversity issues, local urban impact, etc.
- Human resources risks (inability to attract talent, skills obsolescence, etc.).
- Risk that our CSR performance will deteriorate if tenants do not embrace our CSR commitment.

The main opportunities identified are:

- Opportunity to attract and satisfy tenants (location, amenities, efficient planning of renovations, etc.).
- Opportunity to increase rental and asset values.
- Opportunity to foster innovative tenant relations ("green" leases, etc.).
- Opportunity to nurture the trust of shareholders, tenants, public authorities and investors.

Governance

See Appendix 7.5 (Chairman's Report on Corporate Governance and Internal Control) on pages 84 *et seq.* of the management report, in which the following subjects are explained:

- The roles and responsibilities, membership and independence of the Board of Directors and the Board of Directors' advisors.
- Compliance with the recommendations of the AFEP-MEDEF Corporate Governance Code and analysis of any shortfalls.
- Remuneration of executives and directors, notably the shareholders' say on pay vote.
- The internal control process and the Statutory Auditors' report on the financial statements.

5.5. Cross-reference table for information required under the Grenelle II Act

Article 225 of the Grenelle II Act, in accordance with the enabling decree of 24 April 2012		Page(s) in the 2015 Management Report
LABOUR AND EMPLOYMENT		
1° Labour and employment information		
a) Employment		
1	Total workforce by gender, age group and geographic region	p. 72
2	Hirings and terminations	p. 72
3	Remuneration and changes in remuneration	p. 55
b) Organisation of work		
4	Organisation of working hours	p. 57
5	Absenteeism	p. 72
c) Labour relations		
6	Organisation of social dialogue, particularly employee information, consultation and negotiation procedures	pp. 56; 62
7	Outcome of collective agreements	p. 57
d) Health and safety		
8	Occupational health and safety conditions	pp. 56; 57
9	Outcome of collective agreements signed with trade unions or employee representatives concerning occupational health and safety	p. 57
10	Work-related accidents (notably their frequency and severity) and occupational diseases	p. 72
e) Training		
11	Training policies	p. 56
12	Total number of training hours	pp. 56; 72
f) Equal opportunity		
13	Measures taken to promote gender equality	p. 57
14	Measures taken to promote the hiring and retention of people with disabilities	p. 57
15	Anti-discrimination policies	pp. 57; 67
g) Promotion of and compliance with the fundamental conventions of the International Labour Organisation concerning:		
16	Freedom of association and collective bargaining	p. 67
17	Elimination of discrimination in respect of employment and occupation	p. 67
18	Elimination of forced and compulsory labour	p. 67
19	Effective abolition of child labour	p. 67

ENVIRONMENT

2° Environmental information

a) Environmental policy		
20	Organisation of the Company to take environmental issues into account, and environmental assessment and certification programmes	p. 48
21	Employee training and information on environmental protection	p. 55
22	Total investments and expenditures to prevent environmental risks and pollution	pp. 50; 51
23	Total provisions and guarantees for environmental risks, except where this information is likely to cause serious prejudice to the company in an ongoing dispute	p. 51
b) Pollution and waste management		
24	Measures to prevent, reduce and clean up environmentally harmful emissions and discharges into the air, water and soil	p. 53
25	Measures to prevent, recycle and eliminate waste	p. 53
26	Measures to mitigate noise pollution and all other types of pollution specific to an activity	p. 59
c) Sustainable use of resources		
27	Water use and water withdrawals in relation to local resources	p. 53
28	Consumption of raw materials and measures to improve their efficient use	p. 59
29	Energy use and measures to improve energy efficiency and use renewable energy sources	pp. 51; 52
30	Land use	p. 51
d) Contribution to combating global warming and adapting to its impact		
31	Greenhouse gas emissions	pp. 53; 54
32	Measures to adapt to the impact of climate change	p. 51
e) Protection of biodiversity		
33	Measures taken to preserve or develop biodiversity	p. 55

SOCIAL RESPONSIBILITY

3° Information on social responsibility commitments to promote sustainable development

a) Regional, economic and social impact of the Company's activities		
34	Impact on employment and regional development	p. 58
35	Impact on local and neighbouring communities	p. 59
b) Relations with stakeholders, notably mainstreaming associations, educational institutions, environmental associations, consumer associations and neighbouring communities		
36	Stakeholder dialogue	p. 59
37	Partnership or philanthropic programmes	p. 59
c) Sub-contracting and suppliers		
38	Inclusion of social responsibility and environmental issues in purchasing policy	p. 58
39	Importance of sub-contracting and integration of corporate social responsibility in relationships with suppliers and sub-contractors	p. 58
d) Fair business practices		
40	Measures to prevent corruption	p. 67
41	Measures to preserve consumer health and safety	pp. 49; 50
e) Human rights		
42	Other measures taken to promote human rights	p. 67

5.6. GRI* G4 and EPRA indicators and cross-reference table for the GRI* G4 standard

Disclosures	GRI G4	EPRA	Source/Unit	Scope	2012	2013	2014	2015
ENVIRONMENT								
Energy								
Energy consumption within the organisation	EN3		Electricity in MWh	SFL head office	220	182	192	167
Energy consumption outside of the organisation	EN4	3.3	Fuel oil in MWh	SCOPE	560	552	409	734
		3.1	Electricity in MWh		36,991	41,632	39,184	39,912
		3.2	Urban heating and cooling system in MWh		17,162	20,956	18,438	19,728
Energy intensity	EN5 CRE1	3.4	kWh/sq.m/year		277	294	261	267
			kWh/user/year	2,036	2,023	1,841	1,934	
Water								
Water withdrawn from municipal water supplies or other water utilities	EN8	3.8	cu.m	SCOPE	133,495	125,941	127,328	135,056
Total volume of water recycled and reused	EN10		cu.m	In/Out & WP (2015)	N/A	N/A	2,598	2,296
Building water intensity	CRE2	3.9	cu.m/sq.m/year	SCOPE	0.7	0.6	0.6	0.6
			litres/occupant/day		23	18	18.4	19.7
Emissions								
Direct greenhouse gas (GHG) emissions (Scope 1) (based on energy used)	EN15	3.5	t CO ₂ eq.	SCOPE	150	182	135	239
Energy indirect greenhouse gas (GHG) emissions (Scope 2) (based on energy used)	EN16	3.6	t CO ₂ eq.		4,821	5,804	5,032	5,172
Other indirect greenhouse gas (GHG) emissions (Scope 3) (work-related journeys by building users)	EN17		t CO ₂ eq.		5,350	7,227	7,198	7,524
Greenhouse gas (GHG) emissions intensity from buildings	EN18 CRE3	3.7	kg CO ₂ eq./sq.m/year		25.2	27.9	23	23.95
			kg CO ₂ eq./occupant/year		192	192	164	189
Waste								
Total weight of waste by type	EN23	3.10	NHIW (tonnes)	5 buildings	N/A	367	239	254
			Paper/cardboard (tonnes)		N/A	171	179	179

*GRI: Global Reporting Initiative

Disclosures	Scope	GRI G4	2012	2013	2014	2015
Organisational profile						
Report the percentage of total employees covered by collective bargaining agreements.	SFL Group	G4-11	100%	100%	100%	100%

Social – labour practices and decent work

Employment								
Total number of employees and number of new hires	Total number of employees	SFL Group	LA1	81	74	74	71	
	Permanent contracts			80	73	73	69	
	Fixed-term contracts			1	1	1	2	
	Men			30	30	29	25	
	Women			51	44	45	46	
	Managers			54	52	53	52	
	Supervisors			13	11	11	12	
	Administrative employees			14	11	10	7	
	Under 45			36	34	33	32	
	Aged 45 or over			45	40	41	39	
	Paris			81	74	74	71	
	Other			0	0	0	0	
	New hires							
	Permanent contracts			2	6	4	7	
	Fixed-term contracts			1	1	2	2	
	Men			2	4	2	3	
	Women			1	3	4	6	
	Managers			3	6	5	9	
	Supervisors			0	0	0	0	
	Administrative employees			0	1	1	0	
	Under 45			3	6	5	9	
	Aged 45 or over			0	1	1	0	
	Number of terminations by reason			Personal	3	2	2	1
				Economic	0	0	0	0
	Total payroll			€ '000s (gross)	LA3	6,494	7,115	7,097

Occupational health and safety

Number of reported and recognised lost-time workplace accidents	SFL Group	LA6	0	1	1	1
Number of reported and recognised lost-time commuting accidents			1	6	0	1
Number of working days lost as a result of workplace accidents			0	0	0	0
Number of working days lost as a result of commuting accidents			13	20	0	8
Accident frequency rate			7.37	25.95	0	0
Accident severity rate			0.09	0.17	0	0
Number of reported and recognised occupational diseases			0	0	0	0
Absenteeism (in number of working days)			986	846	978	982
Illness						
Maternity leave			256	173	216	90
Leave to take care of sick children			30	18	33	28
Leave for family events			49	15	51	14

Training

Total number of training hours (excluding hours accrued under the French statutory training entitlement)	in hours	SFL Group	LA9	1,337	840	1,280	1,368
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Cross-reference table for the GRI* G4 standard

		Page(s) in the 2015 Management Report
GRI G4 General Standard Disclosures		
Strategy and Analysis		
G4-1	Provide a statement from the most senior decision-maker of the organisation (such as CEO, chair, or equivalent senior position) about the relevance of sustainability to the organisation and the organisation's strategy for addressing sustainability.	p. 41
Organisational profile		
G4-3	Report the name of the organisation.	p. 41
G4-4	Report the primary brands, products, and services.	p. 7
G4-5	Report the location of the organisation's headquarters.	p. 48
G4-6	Report the number of countries where the organisation operates, and names of countries where either the organisation has significant operations or that are specifically relevant to the sustainability topics covered in the report.	p. 60
G4-7	Report the nature of ownership and legal form.	p. 10
G4-8	Report the markets served (including geographic breakdown, sectors served, and types of customers and beneficiaries).	p. 60
G4-9	Report the scale of the organisation, including: total number of employees; total number of operations; net sales (for private sector organisations) or net revenues (for public sector organisations); total capitalisation broken down in terms of debt and equity (for private sector organisations); and quantity of products or services provided.	pp. 57; 72
G4-10	a. Report the total number of employees by employment contract and gender. b. Report the total number of permanent employees by employment type and gender. c. Report the total workforce by employees and supervised workers and by gender. d. Report the total workforce by region and gender. e. Report whether a substantial portion of the organisation's work is performed by workers who are legally recognised as self-employed, or by individuals other than employees or supervised workers, including employees and supervised employees of contractors. f. Report any significant variations in employment numbers (such as seasonal variations in employment in the tourism or agricultural industries).	p. 72
G4-11	Report the percentage of total employees covered by collective bargaining agreements.	p. 55
G4-12	Describe the organisation's supply chain.	p. 42
G4-13	Report any significant changes during the reporting period regarding the organisation's size, structure, ownership, or its supply chain, including: changes in the location of, or changes in, operations, including facility openings, closings, and expansions; changes in the share capital structure and other capital formation, maintenance, and alteration operations (for private sector organisations); changes in the location of suppliers, the structure of the supply chain, or in relationships with suppliers, including selection and termination.	pp. 7; 8; 31 to 35
G4-14	Report whether and how the precautionary approach or principle is addressed by the organisation.	pp. 24 to 28
G4-15	List externally developed economic, environmental and social charters, principles, or other initiatives to which the organisation subscribes or which it endorses.	pp. 27; 55; 81
G4-16	List memberships of associations (such as industry associations) and national or international advocacy organisations in which the organisation: holds a position on the governance body; participates in projects or committees; provides substantive funding beyond routine membership dues; views membership as strategic. This refers primarily to memberships maintained at the organisational level.	p. 59

*GRI: Global Reporting Initiative

Identified material aspects and boundaries

G4-17	a. List all entities included in the organisation's consolidated financial statements or equivalent documents. b. Report whether any entity included in the organisation's consolidated financial statements or equivalent documents is not covered by the report.	p. 10
G4-18	a. Explain the process for defining the report content and the Aspect Boundaries. b. Explain how the organisation has implemented the Reporting Principles for Defining Report Content.	p. 62
G4-19	List all the material Aspects identified in the process for defining report content.	p. 63
G4-20	For each material Aspect, report the Aspect Boundary within the organisation, as follows: - Report whether the Aspect is material within the organisation. - If the Aspect is not material for all entities within the organisation (as described in G4-17), select one of the following two approaches and report either: - The list of entities or groups of entities included in G4-17 for which the Aspect is not material or - The list of entities or groups of entities included in G4-17 for which the Aspect is material. - Report any specific limitation regarding the Aspect Boundary within the organisation.	p. 63
G4-21	For each material Aspect, report the Aspect Boundary outside the organisation, as follows: - Report whether the Aspect is material outside of the organisation. - If the Aspect is material outside of the organisation, identify the entities, groups of entities or elements for which the Aspect is material. In addition, describe the geographical location where the Aspect is material for the entities identified. - Report any specific limitation regarding the Aspect Boundary outside the organisation.	p. 63
G4-22	Report the effect of any restatements of information provided in previous reports, and the reasons for such restatements.	p. 62
G4-23	Report significant changes from previous reporting periods in the Scope and Aspect Boundaries.	p. 62

Stakeholder engagement

G4-24	Provide a list of stakeholder groups engaged by the organisation.	p. 43
G4-25	Report the basis for identification and selection of stakeholders with whom to engage.	pp. 43; 65
G4-26	Report the organisation's approach to stakeholder engagement, including frequency of engagement by type and by stakeholder group, and an indication of whether any of the engagement was undertaken specifically as part of the report preparation process.	pp. 43; 48; 49
G4-27	Report 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. Report the stakeholder groups that raised each of the key topics and concerns.	p. 43

Report profile

G4-28	Reporting period (such as fiscal or calendar year) for information provided.	p. 7
G4-29	Date of most recent previous report (if any).	p. 41
G4-30	Reporting cycle (such as annual, biennial).	p. 62
G4-31	Provide the contact point for questions regarding the report or its contents.	p. 67
G4-32	a. Report the 'in accordance' option the organisation has chosen. b. Report the GRI Content Index for the chosen option. c. Report the reference to the External Assurance Report, if the report has been externally assured. GRI recommends the use of external assurance but it is not a requirement to be 'in accordance' with the Guidelines.	p. 45
G4-33	a. Report the organisation's policy and current practice with regard to seeking external assurance for the report. b. If not included in the assurance report accompanying the sustainability report, report the scope and basis of any external assurance provided. c. Report the relationship between the organisation and the assurance providers. d. Report whether the highest governance body or senior executives are involved in seeking assurance for the organisation's sustainability report.	pp. 44; 77

Governance

G4-34	Report the governance structure of the organisation, including committees of the highest governance body. Identify any committees responsible for decision-making on economic, environmental and social impacts.	p. 67
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Ethics and integrity

G4-56	Describe the organisation's values, principles, standards and norms of behaviour such as codes of conduct and codes of ethics.	p. 67
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GRI G4 Specific Standard Disclosures

Economic

Economic performance

G4-EC1	Direct economic value generated and distributed	p. 82
G4-EC2	Financial implications and other risks and opportunities for the organisation's activities due to climate change	pp. 50; 51

Environment

Energy

G4-EN3	Energy consumption within the organisation	p. 71
G4-EN5	Energy intensity	p. 71
G4-EN6	Reduction of energy consumption	pp. 51; 52

CRE1 BUILDING ENERGY INTENSITY

Water

G4-EN8	Total water withdrawal by source	pp. 52; 71
G4-EN10	Percentage and total volume of water recycled and reused	pp. 53; 71

CRE2 BUILDING WATER INTENSITY

Emissions

G4-EN15	Direct greenhouse gas (GHG) emissions (Scope 1)	p. 71
G4-EN16	Energy indirect greenhouse gas (GHG) emissions (Scope 2)	p. 71
G4-EN17	Other indirect greenhouse gas (GHG) emissions (Scope 3)	p. 71
G4-EN18	Greenhouse gas (GHG) emissions intensity	pp. 54; 71
G4-EN19	Reduction of greenhouse gas (GHG) emissions	pp. 53; 54
G4-EN20	Emissions of ozone-depleting substances (ODS)	p. 54

CRE 3 GREENHOUSE GAS EMISSIONS INTENSITY FROM BUILDINGS

Effluents and waste

G4-EN23	Total weight of waste by type and disposal method	pp. 53; 71
G4-EN26	Identity, size, protected status, and biodiversity value of water bodies and related habitats significantly affected by the organisation's discharges of water and run-off	p. 55

Social – Labour practices and decent work

Employment

G4-LA1	Total number and rates of new employee hires and employee turnover by age group, gender and region	p. 72
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Occupational health and safety

G4-LA5	Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs	pp. 56; 72
G4-LA6	Type of injury and rates of injury, occupational diseases, lost days, and absenteeism, and total number of work-related fatalities, by region and by gender	p. 72
G4-LA8	Health and safety topics covered in formal agreements with trade unions	pp. 56; 57

Training and education

G4-LA9	Average hours of training per year per employee by gender, and by employee category	p. 56
G4-LA10	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings	p. 56
G4-LA11	Percentage of employees receiving regular performance and career development reviews, by gender and by employee category	p. 56

Diversity and equal opportunity

G4-LA12	Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity	pp. 11; 56
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Supplier assessment for labour practices

G4-LA14	Percentage of new suppliers that were screened using labour practices criteria	p. 58
G4-LA15	Significant actual and potential negative impacts for labour practices in the supply chain and actions taken	p. 42

Social – Human rights

Freedom of association and collective bargaining		
G4-HR4	Operations and suppliers identified in which the right to exercise freedom of association and collective bargaining may be violated or at significant risk, and measures taken to support these rights	pp. 67; 68
Child labour		
G4-HR5	Operations and suppliers identified as having significant risk for incidents of child labour, and measures taken to contribute to the effective abolition of child labour	pp. 67; 68
Forced or compulsory labour		
G4-HR6	Operations and suppliers identified as having significant risk for incidents of forced or compulsory labour, and measures to contribute to the elimination of all forms of forced or compulsory labour	pp. 67; 68
Assessment		
G4-HR9	Total number and percentage of operations that have been subject to human rights reviews or impact assessments.	pp. 67; 68

Social – Society

Anti-corruption		
G4-SO4	Communication and training on anti-corruption policies and procedures	pp. 67; 68
G4-SO5	Confirmed incidents of corruption and actions taken	pp. 67; 68
Supplier assessment for impacts on society		
G4-SO9	Percentage of new suppliers that were screened using criteria for impacts on society	pp. 67; 68

Social – Product responsibility

Customer health and safety		
G4-PR1	Percentage of significant product and service categories for which health and safety impacts are assessed for improvement	pp. 54; 55
Product and service labelling		
G4-PR3	Type of product and service information required by the organisation's procedures for product and service information and labelling, and percentage of significant product and service categories subject to such information requirements	pp. 48; 49
G4-PR5	Results of surveys measuring customer satisfaction	p. 46
CRE 8	TYPE AND NUMBER OF SUSTAINABILITY CERTIFICATION, RATING AND LABELLING SCHEMES FOR NEW CONSTRUCTION, MANAGEMENT, OCCUPATION AND REDEVELOPMENT	p. 48

5.7. Statutory Auditors' Report

Report of one of the Statutory Auditors, appointed as independent third party, on the consolidated social, environmental and societal information published in the Management Report for the year ended 31 December 2015

This is a free translation into English of the Statutory Auditors' report issued in French and is provided solely for the convenience of English speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the shareholders,

In our capacity as Statutory Auditor of Société Foncière Lyonnaise, and appointed as independent third party, for whom the certification request has been approved by the French National Accreditation Body (COFRAC) under the number 3-1048⁽¹⁾, we hereby present you with our report on the consolidated social, environmental and societal information prepared for the year ended 31 December 2015 (hereinafter the "CSR Information"), presented in the Management Report pursuant to Article L.225-102-1 of the French Commercial Code (*Code de commerce*).

Responsibility of the Company

The Board of Directors of Société Foncière Lyonnaise is responsible for preparing a Management Report including CSR Information in accordance with the provisions of Article R.225-105-1 of the French Commercial Code, prepared in accordance with the reporting protocols and guidelines used by Société Foncière Lyonnaise (hereinafter the "Reporting Guidelines"), which are available for consultation at the headquarters of the Company and for which a summary is presented in the Management Report.

Independence and quality control

Our independence is defined by regulatory texts, the profession's Code of Ethics as well as by the provisions set forth in Article L.822-11 of the French Commercial Code. Furthermore, we have set up a quality control system that includes the documented policies and procedures designed to ensure compliance with rules of ethics, professional auditing standards and the applicable legal texts and regulations.

Responsibility of the Statutory Auditor

Based on our work, our responsibility is:

- To attest that the required CSR Information is presented in the Management Report or, in the event of omission, is explained pursuant to the third paragraph of Article R.225-105 of the French Commercial Code (Statement of completeness of CSR information).
- To express limited assurance on the fact that, taken as a whole, CSR Information is presented fairly, in all material aspects, in accordance with the adopted Reporting Guidelines (Formed opinion on the fair presentation of CSR Information).

Our work was carried out by a team of four people between February and March 2016. To assist us in conducting our work, we referred to our corporate social responsibility experts.

We conducted the following procedures in accordance with professional auditing standards applicable in France, with the order of 13 May 2013 determining the methodology according to which the independent third party entity conducts its assignment and, concerning the formed opinion on the fair presentation of CSR Information, with the international standard ISAE 3000.

1. Statement of completeness of CSR Information

Nature and scope of procedures

Based on interviews with management, we familiarised ourselves with the Group's sustainable development strategy, with regard to the social and environmental impacts of the Company's business and its societal commitments and, where appropriate, any resulting actions or programmes.

We compared the CSR Information presented in the Management Report with the list set forth in Article R.225-105-1 of the French Commercial Code.

In the event of omission of certain consolidated information, we verified that explanations were provided in accordance with the third paragraph of Article R.225-105 of the French Commercial Code.

We verified that the CSR Information covered the consolidated scope, i.e., the Company and its subsidiaries within the meaning of Article L.233-1 of the French Commercial Code and the companies that it controls within the meaning of Article L.233-3 of the French Commercial Code, subject to the limitations presented in the methodological note presented in the "Reporting scope and procedures" paragraph in part 6 of the Management Report.

Conclusion

Based on these procedures and considering the limitations mentioned above, we attest that the required CSR Information is presented in the Management Report.

(1) Whose scope may be found on www.cofrac.fr

2. Formed opinion on the fair presentation of CSR Information

Nature and scope of procedures

We conducted interviews with five people responsible for preparing the CSR Information in the departments in charge of the data collection process and, when appropriate, those responsible for internal control and risk management procedures, in order to:

- Assess the suitability of the Reporting Guidelines with respect to their relevance, completeness, reliability, neutrality and understandability, taking into consideration, when relevant, the sector's best practices.
- Verify that a data collection, compilation, processing and control procedure has been implemented to ensure the completeness and consistency of the CSR Information and review the internal control and risk management procedures used to prepare the CSR Information.

We determined the nature and scope of the tests and controls according to the nature and significance of the CSR Information with regard to the Company's characteristics, the social and environmental challenges of its activities, its sustainable development strategies and the sector's best practices.

Concerning the CSR Information that we have considered to be most important⁽²⁾:

- For the consolidating entity, we consulted the documentary sources and conducted interviews to corroborate the qualitative information (organisation, policies, actions), we performed analytical procedures on the quantitative information and verified, using sampling techniques, the calculations and the data consolidation, and we verified their consistency with the other information presented in the Management Report.
- For a representative sample of sites and entities⁽³⁾ that we have selected according to their activity, their contribution to

the consolidated indicators, their location and a risk analysis, we held interviews to verify the correct application of the procedures and performed substantive tests using sampling techniques, consisting in verifying the calculations made and reconciling the data with supporting evidence. The selected sample represented all of the employees and 37% of the surface area of buildings reporting the presented quantitative environmental information.

Regarding the other CSR information, we have assessed its consistency in relation to our understanding of the Group.

Lastly, we assessed the relevance of the explanations relating to, where necessary, the total or partial omission of certain information.

We believe that the sampling methods and sizes of the samples we have used in exercising our professional judgement enable us to express limited assurance; a higher level of assurance would have required more in-depth verifications. Due to the use of sampling techniques and the other limits inherent to the operations of any information and internal control system, the risk that a material anomaly be identified in the CSR Information cannot be totally eliminated.

Conclusion

Based on our work, we did not identify any material anomaly likely to call into question the fact that the CSR Information, taken as a whole, is presented fairly, in accordance with the Reporting Guidelines.

Neuilly-sur-Seine, 21 March 2016
French original signed by one of the Statutory Auditors,

Deloitte & Associés



Christophe Postel-Vinay
Partner




Julien Rivals
Partner, Sustainable Services

(2) Please refer to Appendix 1.

(3) Please refer to Appendix 2.

Appendix 1: Selected CSR information

Important labour and employment data

- Total employees by type of contract (fixed-term/permanent), gender, age group and location
- New hires by type of contract, gender, category, and age group
- Number of terminations by reason
- Total number of training hours
- Number of reported and recognised lost-time occupational 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
- Accident frequency rate
- Accident severity rate

Important environmental data

- BREEAM and BREEAM In-Use certifications
- Municipal water used
- Energy used outside the organisation (power, fuel-oil, district heating and cooling systems)
- Energy use intensity
- Direct and indirect greenhouse gas emissions (Scope 1, 2 and 3)

Qualitative information reviewed at Group level

- Remuneration policy
- Gender equality
- Findings of the psychosocial risks working group
- Clean worksites
- Sustainable procurement and supplier relations
- Good-neighbour relations and communication during redevelopment works

Appendix 2: Selected units

Assets subjected to detailed tests of important environmental data

- Paul Cézanne
- Washington Plaza
- 103 Grenelle

Units selected for a review of important labour and employment information

- SFL SA and Locaparis SAS



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Design and execution | 