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The Parisian Spirit

2017 CORPORATE
SOCIAL RESPONSIBILITY REPORT

SFL
SOCIÉTÉ FONCIÈRE LYONNAISE



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*GRI: Global Reporting Initiative

Introduction

France's oldest property company, founded in 1879, SFL has also acted as a developer-contractor to build, maintain and transform its real estate assets over the course of its long history.

As a constantly engaged participant in the major projects that have transformed the urban landscape and economy of Paris, SFL has consistently foreseen and embraced the sweeping changes that have kept the city vibrant and modern.

Currently the leader in the prime Parisian office segment, SFL is enhancing its vision by integrating the world's latest sustainable urban development standards, as well as the expectations of its increasingly demanding, responsible tenants, in line with international agreements on climate and social responsibility issues.

In deploying our prime property strategy, our social responsibility policies rank at the very top of our concerns.

They are informed by some 20 CSR issues that have been deemed material to our stakeholders and critical to our profitability as a property company. Based on their materiality and how well they are managed, these issues have been organised into three components of the intangible value of our assets: utility value, green value and social value.

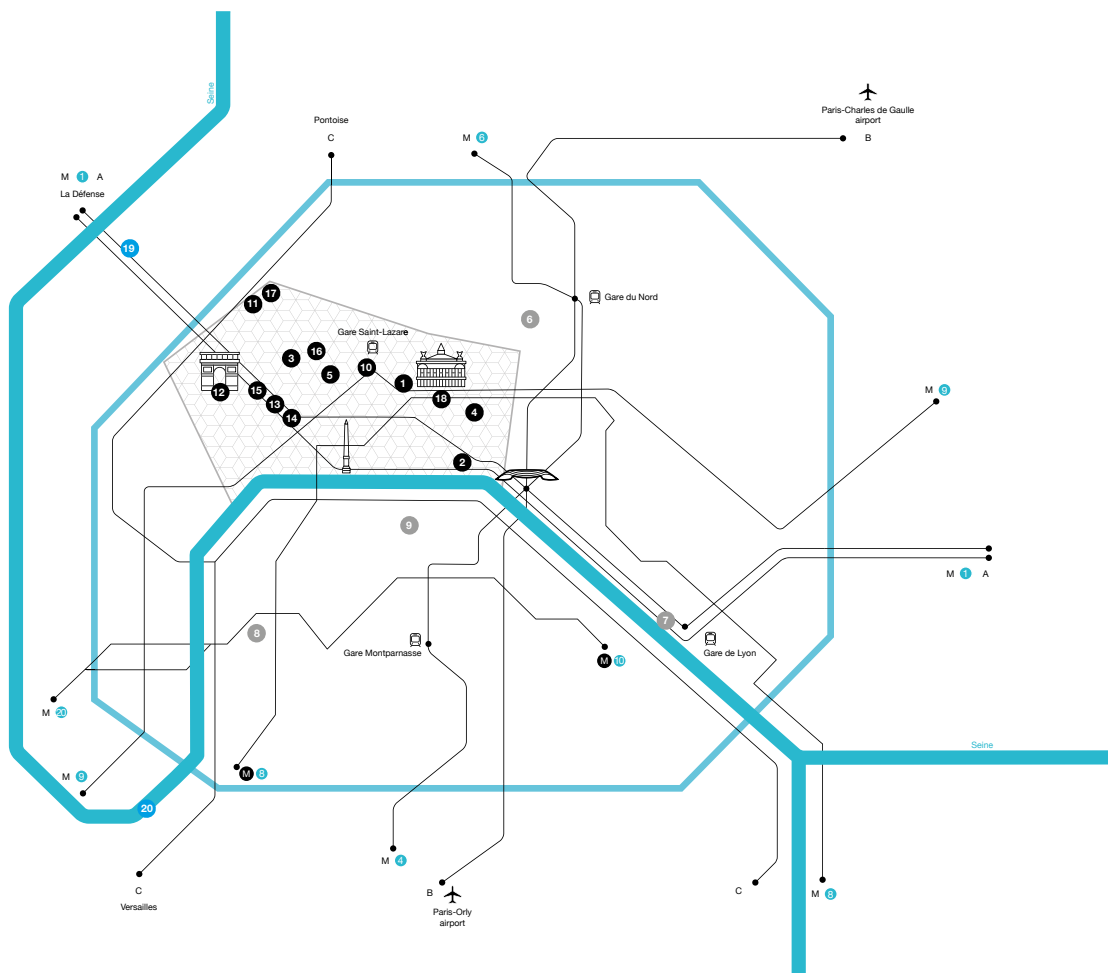
After improving our reporting tools and risk management systems, the scope of data reporting was further expanded in 2017. Moreover, the reporting process was automated in part of the scope during the year, illustrating the convergence of digital technology and real estate business processes.

The year also saw the acquisition of the 112 Zola building and the sale of the In/Out complex in Boulogne.

Leveraging the momentum created by France's new Energy Transition for Green Growth (LTECV) Act and the latest version of the Grenelle II environmental legislation, programmes were pursued in 2017 to further reduce our greenhouse gas (GHG) emissions, in particular by improving building energy efficiency.

The SFL property portfolio

SFL is a property company specialised in prime commercial real estate with a strong focus on offices, which account for 78% of its asset portfolio value. Retail units account for a further 21% and residential units for 1%. In all, the portfolio generated aggregate rental income of €195.8 million in 2017. The physical occupancy rate of portfolio assets stood at 96.4% at 31 December 2017.



- | | | | |
|------------------------|-----------------------------|---------------------------|--------------------------|
| 1 Édouard VII | 6 Condorcet | 11 131 Wagram | 16 9 Percier |
| 2 Louvre Saint-Honoré | 7 Rives de Seine | 12 96 Iéna | 17 112 Wagram |
| 3 Washington Plaza | 8 112 Zola | 13 90 Champs-Élysées | 18 6 Hanovre |
| 4 #cloud.paris | 9 103 Grenelle | 14 Galerie Champs-Élysées | 19 176 Charles de Gaulle |
| 5 Cézanne Saint-Honoré | 10 Haussmann Saint-Augustin | 15 92 Champs-Élysées | 20 Le Vaisseau |

THE SFL PORTFOLIO

| Paris | Total surface area (sq.m) ⁽¹⁾ |
|-----------------------------|--|
| 1 Édouard VII | 54,100 |
| 2 Louvre Saint-Honoré | 47,700 |
| 3 Washington Plaza | 47,000 |
| 4 #cloud.paris | 35,000 |
| 5 Cézanne Saint-Honoré | 29,000 |
| 6 Condorcet – Paris 9 | 24,900 |
| 7 Rives de Seine – Paris 12 | 22,700 |
| 8 112 Zola – Paris 15 | 21,000* |
| 9 103 Grenelle – Paris 7 | 18,900 |
| 10 Haussmann Saint-Augustin | 13,400 |
| 11 131 Wagram | 9,200 |
| 12 96 Léna | 8,900 |
| 13 90 Champs-Élysées | 8,900 |
| 14 Galerie Champs-Élysées | 8,700 |
| 15 92 Champs-Élysées | 7,700 |
| 16 9 Percier | 6,700 |
| 17 112 Wagram | 6,000 |
| 18 6 Hanovre | 4,600 |
| TOTAL | 374,400 |

| Western Crescent | Total surface area (sq.m) ⁽¹⁾ |
|--|--|
| 19 176 Charles de Gaulle <i>Neuilly-sur-Seine</i> | 7,400 |
| 20 Le Vaisseau <i>Issy-les-Moulineaux</i> | 6,300 |
| TOTAL | 13,700 |

● Paris Central Business District

● Rest of Paris

● Western Crescent

(1) Including infrastructure and excluding car parks.

* Planned surface area: 24,000 sq.m.

Head office

As part of its environmental performance management process, SFL pursued the initiatives undertaken to reduce its impact in this area.

The amount of waste produced declined somewhat in 2017, to just under the levels observed in 2015. That was a year of more normal operations, as opposed to 2016, when some of the offices were refurbished. The measures taken to more effectively track paper use and therefore waste production continued to have a positive impact.

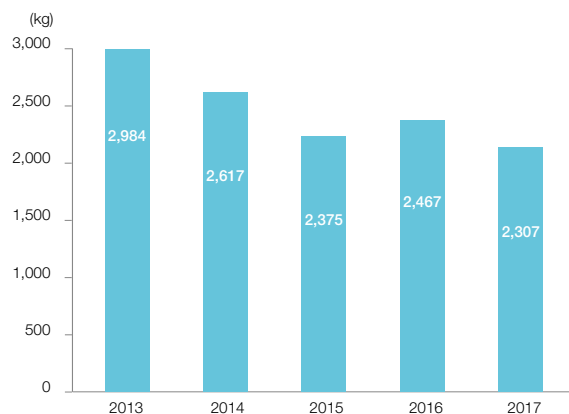
The amount of power used in the private office areas of the SFL head office has steadily declined since 2014. The sustained tracking of electricity consumption by type of use has helped to significantly improve building energy intensity.

A 2016 survey of 72 SFL employees concerning their daily commute revealed that around half of SFL employees take less than 40 minutes to get to work.

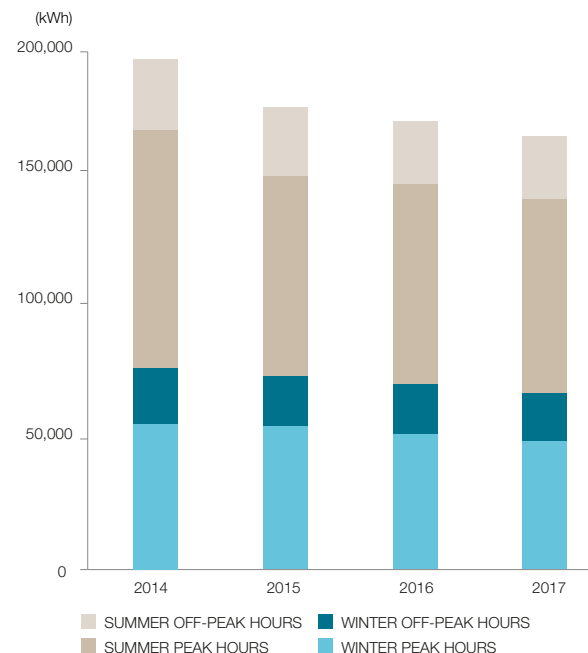
The 2017 ParisWorkPlace survey showed that users of French Tech offices in the greater Paris area take 37 minutes, as opposed to 48 minutes for the average commuter.

The average commute was around 19 kilometres each way. Every year, the average employee travelled a total of nearly 2,700 kilometres.

HEAD OFFICE WASTE PRODUCTION (PAPER)



HEAD OFFICE POWER USE

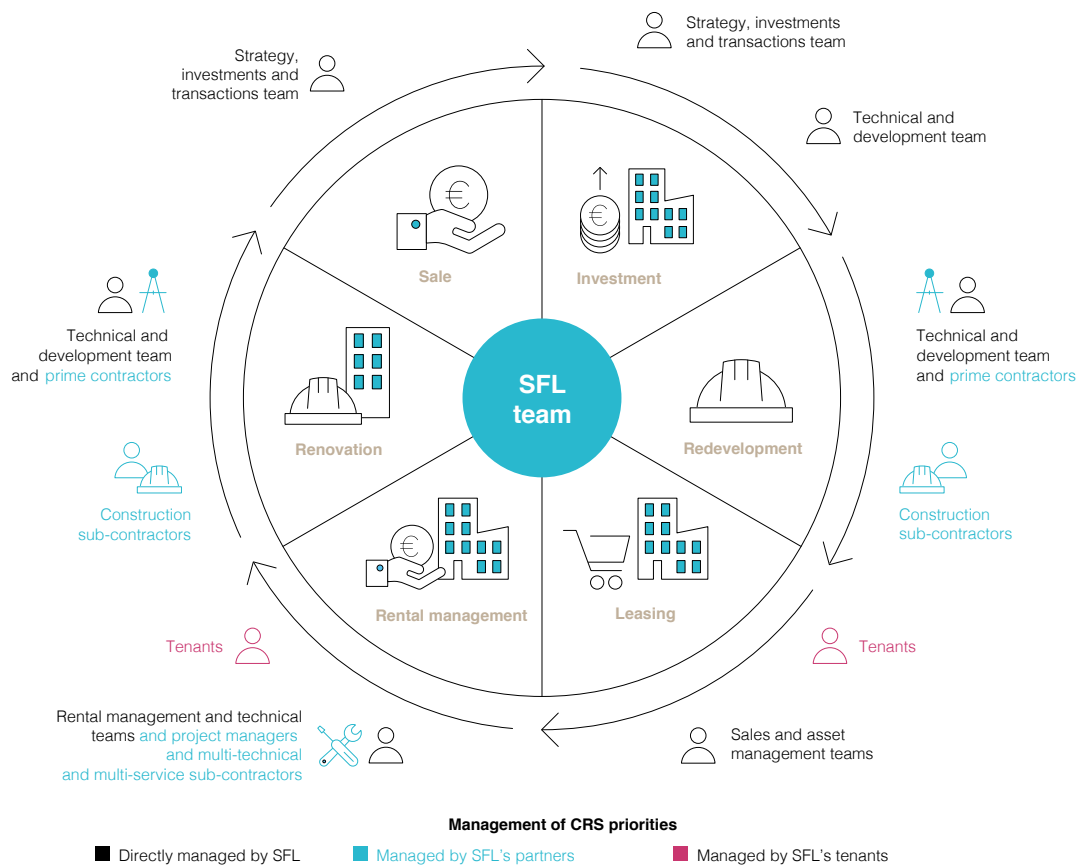


1. CSR policies

1.1 The value chain of SFL and its stakeholders

Mapping SFL's value chain helped to determine our CSR issues and the stakeholders who could have an impact on them.

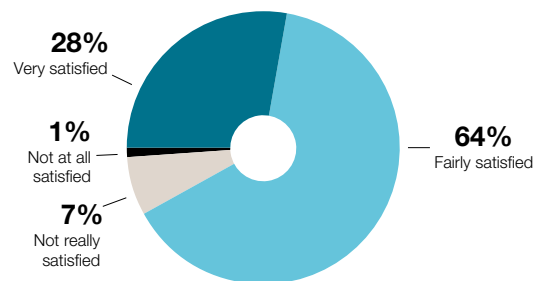
The exercise also identified the six phases in the value chain running through a property asset's life cycle: investment, redevelopment, leasing, rental management, renovation and, if the opportunity is right, sale.



Key indicators for each phase of the value chain include:

- Renovation:
 - Number of urban planning permits obtained in 2017: 12 permits.
 - Number of private area renovation projects delivered in 2017: 15 projects delivered.
 - Number of common area renovation projects delivered in 2017: 17 projects delivered.
- Rental management:
 - Tenant satisfaction: 92% (2017 tenant satisfaction survey).
- Investment/Divestment
 - In 2017: one acquisition (112 Zola).
 - In 2017: one divestment (In/Out).
- Leasing:
 - In 2017: 21,000 sq.m.
- Redevelopment:
 - Two new redevelopment projects were in the planning phase at end-2017: Le Louvre Saint-Honoré and the latest acquisition, 112 Zola.
 - One redevelopment project (96 léna) obtained its building permit.

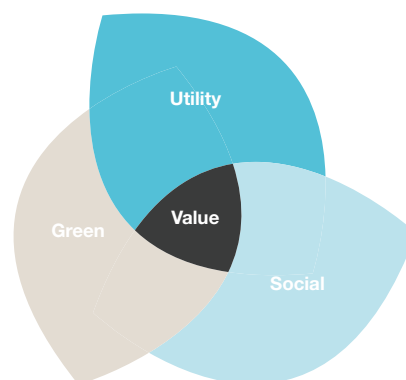
OVERALL SATISFACTION SCORE



1.2 CSR issues and objectives

The materiality of our CSR issues has been 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 5.2. Performed jointly with the working groups set up to examine specific issues, the Management Committee and the Chief Executive Officer, this materiality assessment helped to shape our CSR policies, objectives and action plans. In 2017, these issues and their materiality levels were updated by the CSR Committee, as indicated in the following table.

SFL'S CSR VALUES



| Utility value | Green value | Social value |
|--|--|---|
| Tenant relations and satisfaction | Sustainable building operation | Business ethics and governance |
| Location and access | Carbon efficiency | Attracting talent and developing skills |
| Certification | Sustainable capital expenditure | Employee health, safety and QWE* |
| Convenience and amenities | Biodiversity | Diversity and equal opportunity |
| Health, safety and environmental risk management | Sustainable procurement and supplier relations | Corporate sponsorship and philanthropy |
| Community integration | | |

■ 6 fundamental issues integral to SFL's core business ■ 6 major CSR issues ■ 4 CSR issues to be tracked

* Quality of Working Environment.

In 2017, the measurable targets initially set and tracked over the 2014-2017 period were reviewed and extended to include nine additional targets. All of the CSR targets for the 2017-2020 period are presented in the following table.

| | Target until 31 Dec. 2017 | 2016 | 2017 | 2020 target | Degree achieved |
|--|-----------------------------------|-------------|---------------------------|------------------|--------------------|
| Utility value of our properties | | | | | |
| Tenant relations and satisfaction | | | | | |
| % of satisfied or very satisfied tenants | > 80% continuous | 96% | 92% | > 80% continuous | ☺ |
| % of space under new green leases | 100% continuous | 100% | 100% | 100% continuous | ☺ |
| % of leases comprising an environmental appendix (offices > 1,000 sq.m) | | 71% | 79% | 100% | |
| Property location and access | | | | | |
| % of space located less than a ten-minute walk from an underground/tram station | 100% continuous | 100% | 100% | 100% | ☺ |
| % of PRM-accessible ⁽¹⁾ redevelopment projects (excluding PABs ⁽²⁾) | | 100% | 100% | 100% continuous | ☺ |
| % of wheelchair-accessible properties | | 80% | 80% | 100% | |
| Building certification | | | | | |
| % of buildings in use certified BREEAM In-Use (Part 1 and 2) | 100% continuous | 100% | 100% | 100% continuous | ☺ |
| % of BREEAM In-Use certifications with a Very Good or higher level (Part 1 and 2) | 100% | 100% | 100% | 90% continuous | ☺ |
| % of redevelopment projects aimed at earning triple certification (replacing a certification with the BiodiverCity or smart-building label) | 100% continuous | 100% | 100% | 100% continuous | ☺ |
| Health, safety and environmental risk management | | | | | |
| % satisfactory risk management | | N/A | N/A | 90% | |
| % of SFL assets (excluding assets under outsourced management) operated with the MEX web-based operations management platform | | 100% | 100% | 80% | ☺ |
| Green value of our properties | | | | | |
| Sustainable building operation (energy, water and waste) | | | | | |
| Energy use per sq.m of buildings managed by SFL (eight buildings included in 2011 baseline, climate adjusted) in kWh/ sq.m/year | 238 in 2017 (down 15%) | 234 | 234 | 224 (down 20%) | ☺ |
| Water use per sq.m of the property portfolio (eight buildings included in 2011 baseline) in m ³ /sq.m/year | 0.54 in 2017 | 0.57 | 0.54 | 0.54 | ☺ |
| Carbon efficiency of our properties | 0 oil-fired boilers/20 | 1/20 | 1/20⁽³⁾ | 0/20 | ☺ |
| Greenhouse gas emissions per sq.m of buildings managed by SFL (eight buildings included in 2011 baseline, climate adjusted) in kg CO ₂ e/sq.m/year | 21.8 in 2017 | 21.3 | 19.3 | ⁽⁴⁾ | ☺ |
| % of energy used from renewable sources (incl. green electricity) 2017 scope of reporting | N/A | N/A | N/A | 30% | |
| Sustainable capital expenditure | | | | | |
| % of new redevelopments using BIM ⁽⁵⁾ software | | N/A | N/A | 100% | |
| Set maximum energy use, carbon emissions and water use targets for new acquisition redevelopment projects, in line with corporate targets. 20% under RT2012 energy efficiency standards, Effinergie | | N/A | N/A | 100% | |
| Biodiversity in our properties | | | | | |
| Sq.m of green space per sq.m of built-up land on the sites concerned | 1% | N/A | 9% | 11% | ☺ |
| Social value of our properties | | | | | |
| Attracting talent and developing employee skills | | | | | |
| % of payroll spent on training | Continuous | N/A | N/A | 2.5% | |
| Employee survey to measure the quality of working environment | N/A | 1 | N/A | Every two years | |

(1) Persons with reduced mobility.

(2) Public access building.

(3) The last oil-fired boiler will be completely dismantled by the end of April 2018.

(4) A new method is being prepared to assess the carbon footprint of SFL buildings over the 2018-2020 period. The targets for this period will be set during 2018 in order to better take into account changes in energy suppliers' emissions factors and the buildings' intrinsic and operational performance (choice of energy, future performance improvement measures).

(5) Building Image Modelling.

The targets for this period will be set during 2018 in order to better take into account changes in energy suppliers' emissions factors and the buildings' intrinsic and operational performance (choice of energy, future performance improvement measures).

1.3 Recognition of SFL's performance

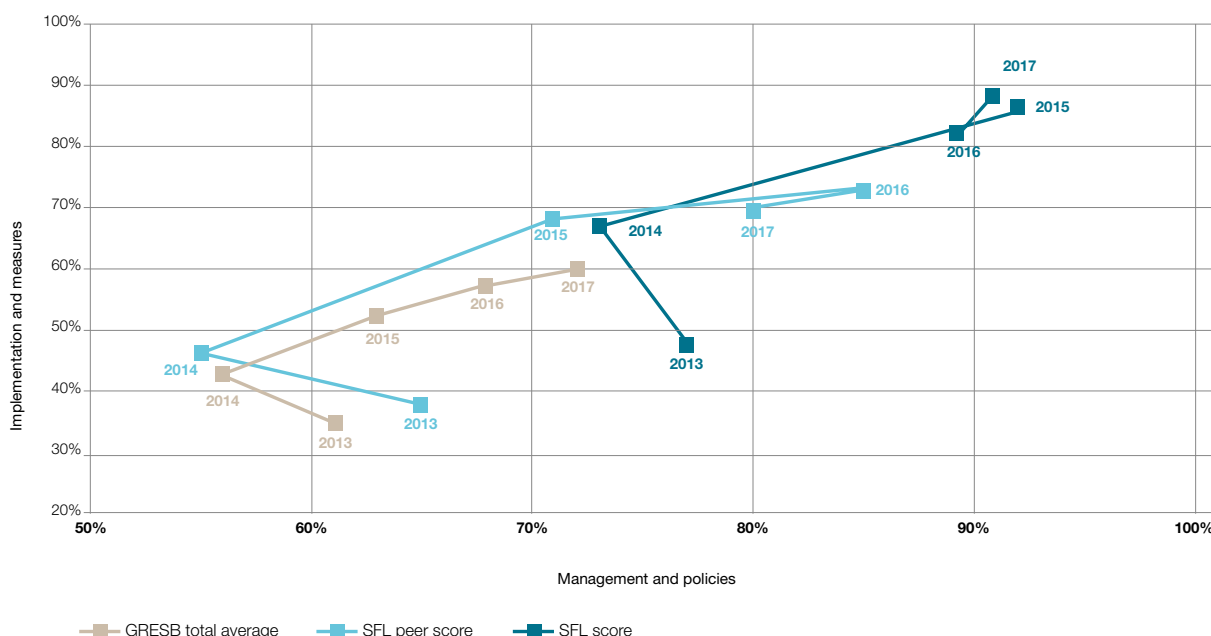
SFL ensures that its CSR reporting processes and performance are aligned with industry practices and recognised by appraisers. The Company also reports information to CSR rating agencies,

either in response to requests or on an unsolicited basis (Global Real Estate Sustainability Benchmark – GRESB).

In 2017, representing the fifth time the Group had been included in the GRESB benchmark, SFL was ranked 33rd among the 823 companies worldwide covered by the survey, versus 132nd out of 543 companies in 2013.

The GRESB confirmed SFL's position among the top "Green Star" performers, ranking it number three in Europe.

CHANGES IN SFL'S SCORE VERSUS PEERS



The BREEAM award and GRESB ranking both recognise SFL's broad-based commitment to sustainably managing the portfolio and there is even a dedicated ceremony for BREEAM award winners.

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 Public Real Estate Association (EPRA)

SFL also complies with the recommendations issued by EPRA for its CSR reporting. EPRA-format indicators are presented in the relevant sections of this report.

The Grenelle II Act

SFL complies with French legislation and applies the enabling decree for Article 225 of the Grenelle II Act.

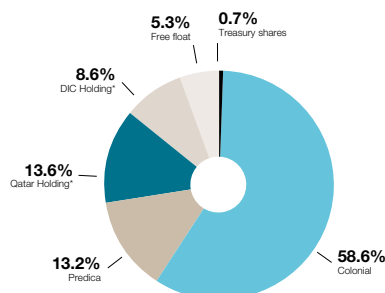
The requirements of France's new Energy Transition for Green Growth (LTECV) Act have also been taken into account in the Group's carbon reporting process since 2016.

Cross-reference tables between the guidelines and this report can be found in Appendix 5.3.

2. Utility value of our properties

In recent years, tenants have observed an improvement in our properties' performance, reflected in their high utility value. Our positioning in the prime segment of the property market has been a key factor in securing the long-term backing of our shareholders. Our shareholders are both demanding and stable. Utility value is central to the strategy to increase the value of our portfolio. This intangible value was defined and measured in 2013 in a survey conducted jointly with the consultancy Quartier Libre (see www.fonciere-lyonnaise.com, in French only).

SFL'S OWNERSHIP STRUCTURE AT 31 DECEMBER 2017 (46.5 MILLION SHARES)



The following examples illustrate the high level of SFL tenant satisfaction:

Cézanne Saint-Honoré



BREEAM In-Use Certification

Part 1 ★★★★★ – Part 2 ★★★★★

Floor plate: 800 to 1,500 sq.m contiguous open space

Garden/paved seating area/green walls/private outside space: 190 sq.m plus a tree-lined private street

Tenant satisfaction: 81% of tenants are satisfied

Accessibility: full wheelchair access

Vélib' public bike hire station: 220-metre walk

Autolib' public car hire station: 220-metre walk

103 Grenelle



BREEAM In-Use Certification

Part 1 ★★★★★ – Part 2 ★★★★★

Floor plate: up to 1,600 sq.m contiguous space

Garden/paved seating area/private outside space: Paved courtyard, architectural features preserved

Tenant satisfaction: 100% of tenants are satisfied

Accessibility: full wheelchair access

Vélib' public bike hire station: 400-metre walk

Autolib' public car hire station: 300-metre walk

#cloud.paris



BREEAM In-Use Certification

Part 1 ★★★★★

Floor plate: 800 to 3,000 sq.m contiguous open space

Garden/paved seating area/private outside space: 858 sq.m of planted areas plus two paved seating areas with disabled access, representing in total 2,500 sq.m.

Tenant satisfaction: 100% of tenants are satisfied

Parking space: spaces for 100 bikes, 100 motorbikes and 99 cars.

Accessibility: full wheelchair access

Vélib' public bike hire station: 290-metre walk

Autolib' public car hire station: 40-metre walk

2.1 Tenant relations and satisfaction

Tenant satisfaction

The 2017 ParisWorkPlace survey and the 2017 satisfaction survey of our office users helped to improve our understanding of tenant expectations (<http://www.parisworkplace.fr/> – <http://www.fonciere-lyonnaise.com>, in French only).

Tenant satisfaction and building performance indicators are tracked using the MEX web-based operations management platform developed with our partners.

MEX may ultimately be shared with tenants, providing an additional resource alongside the system already available to tenants in each building to manage service intervention requests. Statistical data from the ParisWorkPlace survey are enabling us to align our offering more closely with expectations and to validate our strategic focus on properties with a high utility value.

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 Property location and access

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 properties, such as the one on avenue Émile Zola in the south-west of Paris, reflects our forward-looking strategy to offer solutions to demanding clients interested in moving to emerging prime business districts. All of our assets are easily accessible by public and alternative transport. They are all located less than a ten-minute walk from an underground station, and 80% of the properties (by value) are located in the prestigious Central Business District.

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 a low environmental impact (for more information on the portfolio's carbon efficiency, see section 3.2).

In redeveloping its buildings, SFL proactively adds dedicated spaces for electric vehicles. In the #cloud.paris building, there are more parking spaces reserved for bikes and motorbikes than for cars. The 96 léna redevelopment project includes the creation of 112 spaces for bikes on the ground floor.

2.3 Building certification

| | Results | | | Target | | |
|---|---------|------|------|-------------|-----------------|--------------|
| | 2015 | 2016 | 2017 | 2017 | Degree achieved | 2020 |
| % of buildings in use certified BREEAM In-Use | 100% | 100% | 100% | 100% always | ☺ | 100% always |
| % of BREEAM In-Use certifications with a Very Good or higher level (Part 1 and 2) | 97% | 100% | 100% | 100% | ☺ | > 90% always |
| Redevelopment projects aimed at earning triple certification | 100% | 100% | 100% | 100% always | ☺ | 100% always |

Since 2012, we have sought very high level environmental certification of the properties in our portfolio and of our redevelopment projects. The certification programme is based on the following leading industry standards:

- Buildings in use:
 - BREEAM⁽¹⁾ In-Use International.
- Empty buildings being redeveloped or renovated:
 - BREEAM New Construction.
 - LEED⁽²⁾.
 - HQE⁽³⁾.
 - BBC Efficacité Renovation label.

100%

of buildings in use are certified to the BREEAM In-Use standard and rated Very Good or higher.

In 2012, SFL became one of Europe's leading property companies by obtaining BREEAM In-Use certification for all the properties in the portfolio.

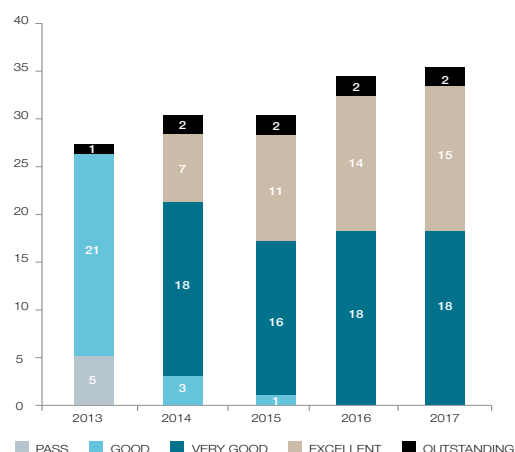
As of end-2017, 19 buildings representing 367,100 sq.m of total surface area were certified.

Our objective is for each successive audit to result in a rating upgrade. For all certifications (Part 1, 2 and/or 3), we have earned a rating of Very Good or higher since 2016. In 2017, the Cézanne Saint-Honoré building's Part 1 and 2 certifications were upgraded from Very Good to Excellent.

Of the total certifications (Part 1, 2 and 3) earned as of end-2017:

- 51% have a Very Good rating;
- 43% have an Excellent rating; and
- 6% have an Outstanding rating.

Number of BREEAM In-Use certifications (Part 1, 2 and/or 3) by level



Note: in the case of buildings for which the certification audit was still in progress at the year end, the published rating is that obtained after the last audit.

The unique scale of the certification exercise and the high ratings earned by the properties were recognised by the BREEAM and GRESB in 2016 and 2017.

In 2017, SFL was one of five nominees for the GRESB-BREEAM Award for Responsible Investment in the Large Portfolios (over €1 billion) category.

Our major redevelopment projects in empty buildings have all earned triple BREEAM New Construction, LEED and HQE certification.

The most recent project, #cloud.paris, is a prime example. The project consisted of completely reconfiguring a disparate group of buildings to create a business centre perfectly aligned with contemporary and emerging office use practices.

(1) BREEAM: Building Research Establishment Environmental Assessment Methodology.

(2) LEED: Leadership in Energy and Environmental Design.

(3) HQE: High Environmental Quality.

The property, located in the 2nd *arrondissement* of Paris, has earned the following certifications:

- BREEAM New Construction, Excellent.
- HQE, Exceptional.
- LEED, Gold.
- BBC Effinergie Rénovation label.
- Certificate of Compliance with the Paris City Climate Plan (less than 80 kWh primary energy/sq.m/year).

The certification targets for our three major redevelopment projects in progress also reflect our commitment to creating properties that meet very high environmental quality standards.

These targets are as follows:

- 96 Iéna
- HQE Rénovation 2015 Passport – Exceptional rating.
- BREEAM Europe Commercial Refurbishment 2015 – Excellent rating.
- LEED V4 Core and Shell – Gold rating.

- BBC Effinergie Rénovation label (given to buildings that use 40% less energy than a regulatory benchmark “RT”).
- RT2012 – 10%.

- 112 Zola
- HQE Rénovation 2015 Passport – Exceptional rating.
- BREEAM Europe Commercial Refurbishment 2015 – Excellent rating.
- LEED V4 Core and Shell – Gold rating.
- BBC Effinergie Rénovation label (given to buildings that use 40% less energy than a regulatory benchmark “RT”).
- RT2012 – 10%.

- Louvre Saint-Honoré
- BREEAM Europe Commercial Refurbishment 2015 – Excellent rating.
- LEED and HQE not applicable because the properties are developments in-use.

NUMBER OF ASSETS AND % OF PORTFOLIO (IN SQ.M) CERTIFIED, BY TYPE AND LEVEL OF CERTIFICATION

EPRA code: CERT-TOT

| | | | 2016 | | 2017 | |
|-------------------------------------|----------------------------|-------------|------------------|-----------|------------------|-----------|
| | | | Number of assets | % of sq.m | Number of assets | % of sq.m |
| Properties in use | BREEAM In-Use | Total | 19 | 100% | 19 | 100% |
| | | ≥ Very Good | 19 | 100% | 19 | 100% |
| | | ≥ Excellent | 6 | 47% | 7 | 53% |
| Properties undergoing redevelopment | BREEAM New Construction | | 3 | 21% | 2 | 12% |
| | LEED | | 2 | 18% | 1 | 9% |
| | HQE | | 5 | 27% | 5 | 21% |
| | At least one certification | | 6 | 29% | 6 | 23% |
| Scope | Number of assets | | 19/19 | | 19/19 | |
| | Coverage rate (in sq.m) | | 100% | | 100% | |

2.4 Amenities, layout and organisational efficiency

Commitment: offer high quality space and amenities, in line with tenant expectations.

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 Outcomes 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 a very high quality working environment.

Office space

Office floor plates are delivered open plan to tenants, who are free to arrange them as they like. Ideal depths range from 13 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 direct or indirect sunlight.

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

Our 2017 ParisWorkPlace survey of a representative sample of office users in the Greater Paris region found that in the French Tech sector (a leading driver of office demand in the region), 86% of companies choose an open plan layout versus just 44% for all sectors combined (75% for the SFL head office).

Utility installations are sized so that meeting rooms can be positioned anywhere on the floor plate, including in areas exposed to direct sunlight. These rooms generally cover 10% to 15% of the total floor area. HVAC and lighting installations are generally sized to offer an occupancy ratio of 12 sq.m of gross leasing area (GLA) per person.

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

b) Occupant well-being and operational efficiency

Innovative services and new office use practices

Redevelopment projects include solutions developed by SFL_le_studio to enhance the practical and environmental value of flat roofs, such as those used in the 112 Zola redevelopment project:

- Maintaining urban biodiversity through green walls and other vegetation, rooftop vegetable gardens, etc.
- Creating a space for relaxation and events.
- Using renewable energy sources: solar or photovoltaic panels, urban wind turbines, etc.

Scheduled expenditure on buildings in use includes solutions developed by SFL_le_studio to enhance the value of underground levels. These include:

- Creating collaborative workspaces: meeting rooms, co-working spaces, business centre, for use by people based in the building or outside.
- Creating foodservice areas, with diversified and innovative product offers.
- Creating user amenities such as fitness centres, concierge services, treatment and relaxation rooms.

For example, a fitness centre and a herbal tea room have been created in 103 Grenelle, and the Washington Plaza complex now boasts a wellness zone and a lounge-café.

Certain uses that require natural light can be envisaged by installing glass roofs, light wells or patios. This is consistent with the Paris City Authorities' new PLU urban planning scheme applicable since September 2016 which encourages excavation of underground levels.

Our ParisWorkPlace survey showed that a growing number of French Tech employees appreciate having a dedicated workplace rest area or relaxation area (66% and 50% respectively versus 41% and 30% respectively for all sectors combined). For 82% of them, the office is a place to socialise, a percentage that falls to 43% when employees from other sectors are included.

Workshops have been organised to assess building use quality, initially focused on accessibility.

100%

of major SFL redevelopments and renovations completed since 2010 offer complete accessibility for wheelchair users.

Support services

After the successful trial of a physical corporate concierge service in the Washington Plaza building, a similar service was included in the 103 Grenelle and Cézanne Saint-Honoré properties. In addition, the dedicated Services by SFL website offers personalised information for each of the buildings.

Connectivity: all redeveloped properties offer exceptional connectivity. Mobile phone access is available throughout each building, even in the least accessible areas, with maximum exposure to electromagnetic fields significantly below the limit set in European Directive 2013-35 dated 26 June 2013.

2.5 Health, safety and environmental risk management

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

Buildings in use:

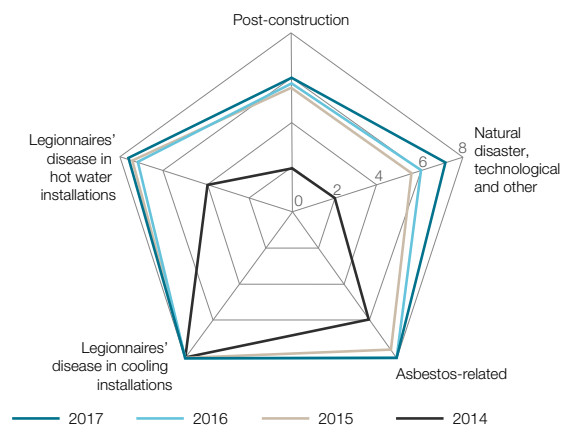
- Risks related to post-construction works.
- Natural disaster, technological and other risks covered by the regulatory risk prevention plan.
- Asbestos-related risks.
- Risks related to legionnaires' disease in the cooling installations.
- Risks related to legionnaires' disease in the hot water installations.

Redevelopments:

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

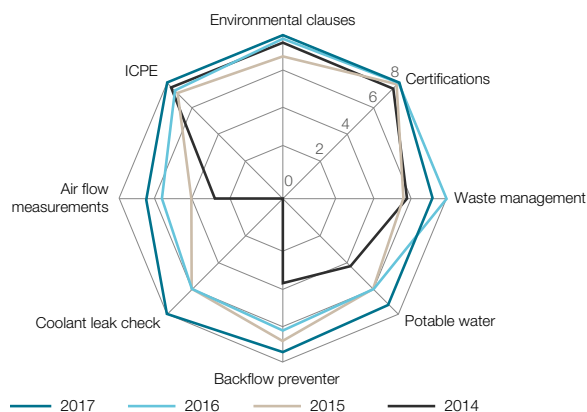
RISK DOCUMENTATION MANAGEMENT

2014 - 2015 - 2016 - 2017



This diagram presents the average level across the entire portfolio.
 0 – Document to be prepared
 4 – Document to be updated or sent
 8 – Document updated and sent

Other environmental and health risks

**ENVIRONMENTAL AND HEALTH RISK MONITORING
2014 - 2015 - 2016 - 2017**

This diagram presents the average level across the entire portfolio.
 0 – Document to be prepared
 4 – Document to be updated or sent
 8 – Document updated and sent

Anticipating risks

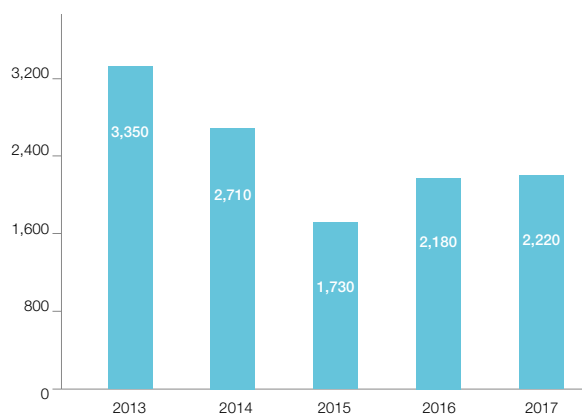
Risks are managed via:

- The MEX web-based operations management platform developed in 2015, which covers all of the properties managed by SFL (12 of the 20 properties in the portfolio).
- An environmental charter and health and safety risk management guidelines.

No provisions for environmental or climate change risks were recorded during the year.

Since the regulatory compliance framework agreement was set up, there has been a marked reduction in the number of observations by the health and safety auditors. In 2017, they were on a par with 2016.

The MEX scorecard includes details of all regulatory audits.

NUMBER OF OBSERVATIONS (IN THOUSANDS)**2.6 Community integration****Assess the local impact**

For each operation, we perform a detailed audit and engage in discussions with all stakeholders as early as possible in order to clearly define the programme objectives and related benefits.

A stakeholder dialogue and governance system is deployed, 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.

For example, in connection with the redevelopment of the 112 Zola complex in the 15th *arrondissement* and with the participation of local council members, we organised question and answer sessions about the project during community meetings attended by the *arrondissement*'s mayor and created an information website. This process enables everyone living or working in the neighbourhood to express their opinion and put their questions to the teams involved in the operation, especially during the design phase and execution/works phase. In each case, particular care is taken to limit any neighbourhood disamenities caused by redevelopment works. We endeavour to communicate as early as possible about the measures that will be taken to reduce these disamenities.

Each operation's environmental footprint (energy use, amenities, natural light, vegetation, access) is assessed during the engineering studies phase.

Seamlessly integrating in the cityscape

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 projects that have the least impact on the urban environment.

In 2017, we obtained a permit to plant trees and greenery in the Édouard VII courtyards and shopping street. Work on this project is due to start in 2018. We also applied for various administrative permits, concerning renovation of the 96 Léna building and reconfiguration and redevelopment of the former SMA headquarters building at 114 avenue Émile Zola in the 15th *arrondissement*.

In parallel with these initiatives, we are continuing to promote the local neighbourhood economy by listing on the Services by SFL dedicated web platform all the local shops and service outlets located around our properties that may be of interest to the buildings' users. We are also launching local papers for our buildings' users, starting with "42", the paper for users of the Washington Plaza complex located at 42 rue Washington, with a print-run of 2,000 copies.

SFL is a constantly engaged participant in the major projects that have transformed the urban landscape and economy of Paris. In 2017, with the help of a prominent academic, Simon Texier, we published a book recounting the Company's history since 1879 and its relationship with the city. *"Du Paris haussmannien à la ville connectée"* (Paris: from Haussmann to the connected city) describes SFL's contribution to the capital's urban landscape and economy since the Company's creation.

Using space more efficiently

SFL pays particular attention to the utility value of its assets. We work closely with the architects employed by the State to protect the country's architectural heritage (*Architectes des Bâtiments de France* – ABF), with the aim of redeveloping old buildings to the highest possible standards while preserving their architectural value. Prior to launching redevelopment projects, we routinely perform in-depth historical reviews to ensure that the buildings blend seamlessly into the high-quality urban environments in our host cities of Paris, Neuilly and Issy-les-Moulineaux. We continuously endeavour to maintain and promote constant dialogue with the stakeholders involved in developing the Paris cityscape (City of Paris authorities, ABF architects and the *Pavillon de l'Arсенal* urban planning and architecture information and documentation centre).

In line with our renewed architectural ambition, we work with highly respected architects (Dominique Perrault for 96 léna), as well as architects representing the new generation (Yrieix Martineau for 112 Zola) and designers (Jouin/Manku for 112 Zola). We are also interested in coming up with new ways to

use available space. Our latest redevelopment projects promote new uses of infrastructure to reduce the place taken up by cars and car parks (for example, through the creation of a business centre in the Cézanne-Saint Honoré complex, installation of sports equipment in 103 Grenelle, creation of dedicated bike parking areas in #cloud.paris and Washington Plaza, conversion into a garden of the interior courtyard at 96 léna). Each project also includes a review of the opportunities to create a planted roof terrace by relocating rooftop technical installations, as has been done on the top floor of the Cézanne Saint-Honoré complex.

SFL is a member of France's Architecture and Contracting Authority 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.

3. Green value of our properties

Sustainable occupancy of our properties through efficient energy and water use, measures to combat climate change, capital expenditure projects that promote biodiversity and address CSR issues. These are some of the main factors that enhance the value of our assets.

The green value of our properties is an important argument in our discussions with stakeholders, especially the young talents employed by our tenants. It is assessed based on the buildings' occupation density, the quality of building amenities and the value added for occupants.

To maximise green value, we set ambitious targets for reducing energy and water use and greenhouse gas emissions by 2017 compared to the 2011 baseline. These targets were comfortably exceeded, with energy use intensity reduced by over 16% and carbon intensity by more than 20% over the six-year period on a comparable portfolio basis. Building on this success, we have set new targets for 2020.

| | Results | | | Target | | |
|---|----------------------------------|--------------------------------|--------------------------------|--------------------------------|-----------------|------------------------|
| | 2015 | 2016 | 2017 | 2017 | Degree achieved | 2020 |
| Energy intensity in kWh/sq.m (comparable portfolio, climate adjusted, 2011 baseline) | -12.4% (245 kWh/sq.m) | -16.3% (234 kWh/sq.m) | -16.3% (234 kWh/sq.m) | -15% (238 kWh/sq.m) | ☉ | -20% (224 kWh/sq.m) |
| Water intensity in m³/sq.m/year (comparable portfolio, 2011 baseline) | -15% (0.57 m³/sq.m) | -15% (0.57 m³/sq.m) | -20% (0.54 m³/sq.m) | -20% (0.54 m³/sq.m) | ☉ | -20% 0.54 m³/sq.m |
| Carbon intensity in kg CO₂e/sq.m/year (comparable portfolio, climate adjusted, 2011 baseline) | -11.5% 22.7 kg CO₂e/sq.m/year | -17% 21.3 kg CO₂e/sq.m/year | -25% 19.3 kg CO₂e/sq.m/year | -15% 21.8 kg CO₂e/sq.m/year | ☉ | * |

* A new method is being prepared to assess the carbon footprint of SFL buildings over the 2018-2020 period.

The objectives for this period will be set during 2018 in order to better take into account changes in energy suppliers' emissions factors and the buildings' intrinsic and operational performance (choice of energy, future performance improvement measures).

3.1 Sustainable building operation

3.1.1 Energy efficiency

Final energy use by the properties owned and managed by SFL in 2017 represented some 72 GWh, of which 47 GWh concerned common areas and heating and air-conditioning delivered to private areas.

Electricity accounted for over two-thirds of final energy while fossil fuel use was marginal, accounting for less than 0.8% of the total.

Based on a comparable portfolio between 2015 and 2017, total energy use (all sources combined) declined by 2.4%, representing a saving of more than 1.4 GWh.

Energy use in common areas and for HVAC systems fell steadily between 2015 and 2017 on a comparable portfolio basis, with a reduction of 2.9% in 2017 alone.

Due to a prolonged spell of very cold weather in the Paris region at the start of 2017, energy use for heating networks rose by 8.4% on a comparable portfolio basis, while energy use for other purposes declined year on year.

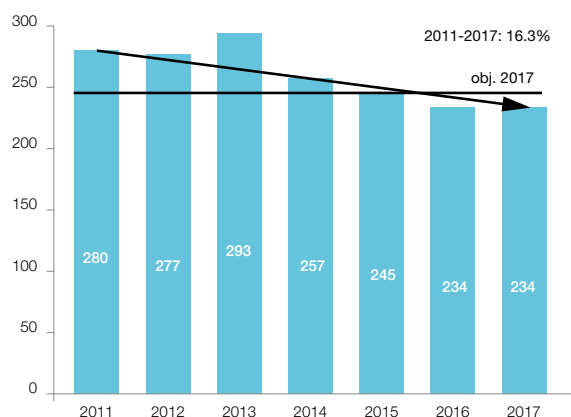
ENERGY USE BY TYPE OF ENERGY IN MWH OF FINAL ENERGY, ABSOLUTE AND LIKE-FOR-LIKE, AND ENERGY INTENSITY IN KWH/SQ.M (not climate adjusted)

EPRA code: Elec-Abs, DH&C-Abs, Fuels-Abs, Elec-LfL, DH&C-LfL, Fuels-LfL, Energy-Int

| | | Common areas and shared services | | | Private areas | | | Total | | | | | EPRA code |
|---------------|--------------------------------|----------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|--------------|--------------|-----------------|
| | | 2015 | 2016 | 2017 | 2015 | 2016 | 2017 | 2015 | 2016 | 2017 | % 16/17 | % 15/17 | |
| Absolute | Electricity | 19,778 | 20,751 | 23,943 | 18,596 | 17,916 | 24,896 | 38,374 | 38,667 | 48,840 | | | Elec-Abs |
| | Heating networks | 9,327 | 10,162 | 12,659 | 0 | 0 | 0 | 9,327 | 10,162 | 12,659 | | | DH&C-Abs |
| | Cooling networks | 10,401 | 10,555 | 10,197 | 0 | 0 | 0 | 10,401 | 10,555 | 10,197 | | | |
| | Natural gas | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | | | Fuels-Abs |
| | Fuel oil | 739 | 749 | 571 | 0 | 0 | 0 | 739 | 749 | 571 | | | |
| | Total energy use in MWh | 40,245 | 42,217 | 47,371 | 18,596 | 17,916 | 24,896 | 58,841 | 60,134 | 72,267 | | | |
| | Intensity in kWh/sq.m | | | | | | | 267.6 | 260.5 | 256.1 | -1.7% | -4.3% | Energy-Int |
| | Coverage rate | Number of assets | | | | | | 11/11 | 12/12 | 15/15 | | | |
| | | % of surface area (sq.m) | | | | | | 100% | 100% | 100% | | | |
| | | | | | | | | | | | | | |
| Like-for-like | Electricity | 19,778 | 20,218 | 19,267 | 18,596 | 17,505 | 18,206 | 38,374 | 37,724 | 37,474 | -0.7% | -2.3% | Electricity-LfL |
| | Heating networks | 9,327 | 9,244 | 10,019 | 0 | 0 | 0 | 9,327 | 9,244 | 10,019 | 8.4% | 7.4% | DH&C-LfL |
| | Cooling networks | 10,401 | 9,663 | 9,343 | 0 | 0 | 0 | 10,401 | 9,663 | 9,343 | 3.3% | -10.2% | |
| | Natural gas | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0.0% | 0.0% | Fuels-LfL |
| | Fuel oil | 739 | 749 | 571 | 0 | 0 | 0 | 739 | 749 | 571 | -23.8% | -22.7% | |
| | Total energy use in MWh | 40,245 | 39,875 | 39,201 | 18,596 | 17,505 | 18,206 | 58,841 | 57,380 | 57,407 | 0.0% | -2.4% | |
| | Intensity in kWh/sq.m | | | | | | | 267.6 | 258.0 | 256.3 | -0.7% | -4.2% | Energy-Int |
| | Coverage rate | Number of assets | | | | | | 11/11 | | | | | |
| | | % of surface area (sq.m) | | | | | | 100% | | | | | |

ANNUAL DECREASE IN ENERGY USE INTENSITY BETWEEN 2011 AND 2017 ON A LIKE-FOR-LIKE PORTFOLIO BASIS

(in kWh/sq.m, adjusted for occupancy rates and climate)



Energy use intensity in kWh/sq.m fell by a significant 16.3% between 2011 and 2017 on a comparable portfolio basis. This was comfortably in excess of our 15% target for the period.

Climate-adjusted energy use fell for all eight properties owned since 2011 that constitute the comparable portfolio. This systematic reduction attests to the effectiveness of the measures taken by our team to optimise energy use.

Improving the energy performance of SFL properties

We have several levers for improving our portfolio's energy efficiency. The first step, however, is to better understand each building's energy use profile and specific features. We have developed a structured approach to acquiring this understanding, based notably on the following:

- Automatic transmission of information about energy bills. A computer application has been developed to automatically transmit information about energy bills. The purpose of the application is to facilitate the consolidation process and leave more time for the collection and analysis of data at lower metering levels.
- Analysis of energy data in relation to its use. Critical review of the volume and relevance of reported data in relation to its use (private use broken down between non-food retail, restaurants, showrooms, offices, trading rooms, auditoriums, private or shared conference centres).
- Measurement of overall energy performance, including energy use in private areas.

To gain better insight into our portfolio's overall energy performance, we maintain close relations with tenants and include an environmental appendix in all of our leases ("green leases"). The work undertaken in recent years has enabled us to collect a vast quantity of data on private energy use in buildings where the contracts are not managed directly by SFL (private office areas of multi-tenant properties, single-tenant properties, intercompany staff restaurants, etc.).

- As of end-2017, tenants representing 52% of the surface area of multi-tenant buildings managed directly by SFL reported details of their actual energy use. This percentage has increased sharply over the last two years.
- We are also endeavouring to obtain detailed information about energy use in buildings not managed directly by SFL (single-tenant buildings). Since 2015, we have been working with tenants and outside managers to set up appropriate reporting systems and as of end-2017, we had information about energy use for 71% of these buildings (based on sq.m).

Including buildings not directly managed by SFL (i.e., private use in single-tenant buildings not managed directly by SFL), total annual energy use for the entire portfolio is estimated at some 90 GWh (excluding In/Out and Le Vaisseau, which is currently empty).

– Development of Energy Performance Improvement Master Plans

Energy use per sq.m has declined significantly since 2011. We are currently planning to introduce Energy Performance Improvement Master Plans in order to drive further reductions, with the development of a pilot plan for the Washington Plaza site. These master plans should help to optimise our capital expenditure and asset modernisation plans.

– Requirement for partner building managers to seek out ways to reduce energy use

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 regular activity reports describing their efforts in this area.

Thanks to this approach, our more detailed understanding of each building's sources of energy use and the involvement of stakeholders, we are equipped to go further in improving our portfolio's energy efficiency.

The following initiatives have been carried out:

Initiatives carried out in 2017

We are continuing to undertake initiatives to reduce energy use through our renovation and redevelopment projects:

- 176 Charles de Gaulle – Neuilly-sur-Seine: replacement of oil-fired boilers with condensing gas boilers carried out in 2017/2018.
- #cloud.paris: development of an enhanced strategy for the use of dual source cooling systems (CLIMESPACE district cooling system and on-site cooling units) undertaken in late 2016.
- Washington Plaza: plan to help prevent peak loads on the electricity network.

Each initiative is an opportunity to raise awareness of the related issues among SFL employees, building managers and facility managers, provide training and improve their skills in the areas concerned.

Initiatives planned for 2018

Following on from the sharp reduction in energy use ratios between 2011 and 2016, we are now planning to introduce Energy Performance Improvement Master Plans in a commitment to further improving energy performance in the years ahead, beyond the 2017 target met a year early in 2016. The plans will focus on the following areas:

- Revamping building management system (BMS) functional 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.
- Setting up a multi-site agreement with the urban cooling system operator.

3.1.2 Managing water use

The buildings owned and managed by SFL used some 150,000 m³ of water in 2017, representing less than 20 litres per user per day.

On a comparable portfolio basis, water use was down 1.6% in 2017 and 5.7% over the past two years, reflecting improved management of exceptional events such as works or leaks.

WATER USE AND WATER INTENSITY (COMMON AND PRIVATE AREAS COMBINED)

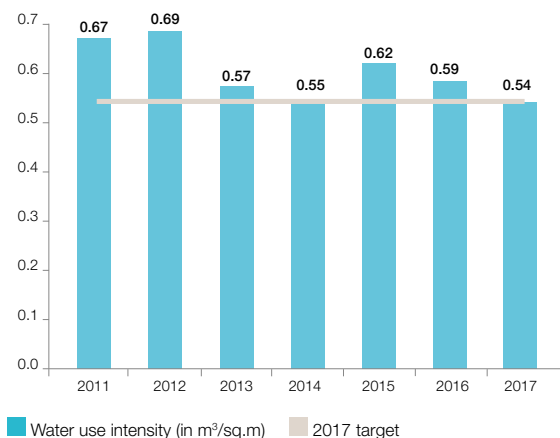
in m³, m³/sq.m, and litres/user/day, absolute and like-for-like

EPRA code: Water-Abs, Water-LfL, Water-Int

| | | 2015 | 2016 | 2017 | % 16/17 | % 15/17 | EPRA code |
|---------------|---|--------------------------|---------|---------|---------|---------|-----------|
| Absolute | Total water use in m³ | 135,496 | 135,404 | 152,770 | | | Water-Abs |
| | Intensity | in m ³ /sq.m | 0.616 | 0.586 | 0.541 | -7.7% | -12.2% |
| | | in litres/user/day | 19.7 | 19.3 | 19.2 | -0.5% | -2.7% |
| | Coverage rate | Number of assets | 11/11 | 12/12 | 15/15 | | |
| | | % of surface area (sq.m) | 100% | 100% | 100% | | |
| | | | | | | | |
| Like-for-like | Total water use in m³ | 135,496 | 131,036 | 129,002 | -1.6% | -4.8% | Water-LfL |
| | Intensity | in m ³ /sq.m | 0.616 | 0.589 | 0.576 | -2.2% | -6.5% |
| | | in litres/user/day | 19.7 | 19.1 | 18.9 | -1.2% | -4.4% |
| | Coverage rate | Number of assets | 11/11 | | | | |
| | | % of surface area (sq.m) | 100% | | | | |
| | | | | | | | |

ANNUAL REDUCTION IN WATER USE INTENSITY BETWEEN 2011 AND 2017, ON A LIKE-FOR-LIKE PORTFOLIO BASIS

(in m³/sq.m, adjusted for occupancy)



We set an ambitious target of reducing water use intensity by 20% in 2017 compared to the 2011 baseline, on a comparable portfolio basis (2011 scope – eight buildings). This target was met.

Users in all of our buildings are offered a range of sorting solutions, primarily for paper and cardboard.

We then ensure that the sorted waste is recycled or re-used, as appropriate, by the contractors responsible for its collection. In 2017, the recycling rate stood at 42%.

WASTE MANAGEMENT IN TONNES AND % BY TYPE OF DISPOSAL METHOD, ABSOLUTE AND LIKE-FOR-LIKE

EPRA code: Waste-Abs and Waste-LfL

| 2016 | | | | | | | 2017 | | | | | |
|---------------|---------------|--------------------------|------|------------------|-------|---|------|------------------|-------|---|-----------|--|
| | | | NHIW | Paper, cardboard | Total | Recycled waste and waste incinerated with energy recovery | NHIW | Paper, cardboard | Total | Recycled waste and waste incinerated with energy recovery | EPRA code | |
| Absolute | Waste | in tonnes | 508 | 270 | 778 | 493 | 673 | 278 | 951 | 404 | Waste-Abs | |
| | | in % | 65% | 35% | 100% | 63% | 71% | 29% | 100% | 42% | | |
| | Coverage rate | Number of assets | 8/12 | | | | 9/15 | | | | | |
| | | % of surface area (sq.m) | 87% | | | | 82% | | | | | |
| Like-for-like | Waste | in tonnes | 508 | 270 | 778 | 493 | 593 | 228 | 821 | 354 | Waste-LfL | |
| | | in % | 65% | 35% | 100% | 63% | 72% | 28% | 100% | 43% | | |
| | Coverage rate | Number of assets | 8/12 | | | | 8/12 | | | | | |
| | | % of surface area (sq.m) | 87% | | | | 81% | | | | | |

The coverage rate of waste production reporting systems has improved significantly in the last two years, through the joint efforts of SFL and the contractors responsible for collecting and sorting the waste. All buildings managed by SFL for which private waste management contracts have been signed (excluding municipal waste collection services) are now included in the reporting scope.

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.

We are endeavouring to improve rainwater recovery at our various sites, when this is technically feasible and the costs do not outweigh the benefits. Currently, three buildings have rainwater recovery systems: 92 Champs-Élysées, Washington Plaza and, since its redevelopment in 2015, #cloud.paris. At Washington Plaza, some 1,340 m³ of rainwater were recovered in 2017 versus 800 m³ in 2016 and 190 m³ for the three months that the system was in operation in 2015.

All of our buildings are located in Paris or the Paris region and are not exposed to water stress risk as defined by the World Resources Institute.

3.1.3 Waste sorting and recycling

Tenant activities in the buildings owned and managed by SFL in 2017 generated 951 tonnes of waste.

Waste production per person and per year declined slightly, to 32 kg in 2017 from 34 kg the previous year.

However, in the absence of data on the processing method for non-hazardous waste, we have assumed that it is sent to landfill, which is the least favourable solution. This is the main reason for the low rate of recycling and incineration with energy recovery for 2017.

Food waste

We are not responsible for managing foodservices in our buildings and are therefore unable to measure and analyse the causes of food waste (which may result from such issues as poorly planned menus, inefficient production or bad management of unsold food).

As a user of intercompany staff restaurants, we will nevertheless seek assurance that in buildings with such a restaurant, Article 102 of France's Energy Transition for Green Growth Act is complied with and that steps are taken to prevent food waste.

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. Our ambitious objectives are fully aligned with the international commitments given at the Paris climate conference and the trajectory to keep global warming below 2°C.

On a comparable portfolio basis, carbon intensity due to energy use has been falling sharply in recent years. We intend to expand our strategy in this area by extending carbon footprint measurements to include emissions from visitor travel and from our redevelopment sites.

We have also performed a detailed analysis of our buildings' resilience and ability to adapt to climate change, in order to anticipate a possible increase in the incidence of exceptional weather events.

Reducing Scope 1 & 2 greenhouse gas emissions

Carbon emissions by the buildings managed by SFL represented 6,449 tCO₂e in 2017, reflecting energy use for the year. The increase was mainly due to the inclusion of three buildings following their redevelopment. On a comparable portfolio basis, CO₂ emissions were slightly higher year on year mainly due to increased energy use by heating networks (which also emit greater quantities of CO₂).

Carbon emissions intensity declined on a like-for-like basis (i.e., for the eight buildings included in the 2011 scope) to 19.3 kg CO₂e/sq.m/year from 21.3 kg CO₂e/sq.m/year.

GREENHOUSE GAS EMISSIONS FROM ENERGY USE

in tCO₂e, absolute and like-for-like, and greenhouse gas emissions intensity in kg CO₂e/sq.m (not climate adjusted)

EPRA code: GHG-Dir-Abs, GHG-Indir-Abs, GHG-Int

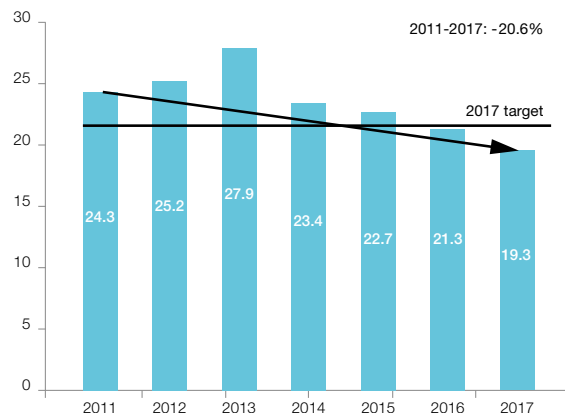
| | Common areas and shared services | | | Private areas | | | Total | | | | | EPRA code | |
|---------------|---|------------------------------|-------|---------------|-------|-------|-------|-------|-------|---------|---------|-----------|------------------|
| | 2015 | 2016 | 2017 | 2015 | 2016 | 2017 | 2015 | 2016 | 2017 | % 16/17 | % 15/17 | | |
| Absolute | Scope 1 | 201 | 204 | 155 | 0 | 0 | 0 | 201 | 204 | 155 | | | GHG-Dir-Abs |
| | Scope 2 | 2,911 | 3,024 | 3,929 | 0 | 0 | 0 | 2,911 | 3,024 | 3,929 | | | GHG-Indir-Abs |
| | Scope 3 | 609 | 628 | 753 | 1,309 | 1,159 | 1,611 | 1,918 | 1,787 | 2,364 | | | |
| | Total GHG emissions in tCO ₂ e | 3,721 | 3,855 | 4,838 | 1,309 | 1,159 | 1,611 | 5,030 | 5,015 | 6,449 | | | GHG-Int |
| | Intensity | in kg CO ₂ e/sq.m | | | | | | 22.9 | 21.7 | 22.9 | 5.2% | 0.1% | |
| | Coverage rate | Number of assets | | | | | | 11/11 | 12/12 | 15/15 | | | |
| | | % of surface area (sq.m) | | | | | | 100% | 100% | 100% | | | |
| Like-for-like | Scope 1 | 201 | 204 | 155 | 0 | 0 | 0 | 201 | 204 | 155 | -23.8% | -22.7% | GHG-Dir-LfL |
| | Scope 2 | 2,911 | 2,813 | 3,132 | 0 | 0 | 0 | 2,911 | 2,813 | 3,132 | 11.3% | 7.6% | GHG-Indirect-LfL |
| | Scope 3 | 609 | 599 | 609 | 1,309 | 1,133 | 1,178 | 1,918 | 1,732 | 1,787 | 3.2% | -6.8% | |
| | Total GHG emissions in tCO ₂ e | 3,721 | 3,616 | 3,897 | 1,309 | 1,133 | 1,178 | 5,030 | 4,749 | 5,075 | 6.9% | 0.9% | |
| | Intensity | in kg CO ₂ e/sq.m | | | | | | 22.9 | 21.4 | 22.7 | 6.1% | -1.0% | GHG-Int |
| | Coverage rate | Number of assets | | | | | | 11/11 | | | | | |
| | | % of surface area (sq.m) | | | | | | 100% | | | | | |

Carbon emissions intensity down 22% since 2011

Carbon emissions intensity in kg CO₂e/sq.m (adjusted for occupancy) was down by 22% in 2017 compared to the 2011 baseline on a comparable portfolio basis.

The sharp fall was due to several factors, including improved energy management, the transition to low-carbon energy and an improvement in suppliers' emissions factors.

ANNUAL REDUCTION IN CARBON EMISSIONS INTENSITY BETWEEN 2011 AND 2017, ON A LIKE-FOR-LIKE PORTFOLIO BASIS
(in kg CO₂e/sq.m, adjusted for occupancy and climate)



The biggest reduction in greenhouse gas emissions from energy use will be achieved by using low carbon energy. In this regard, the last oil-fired boiler will be removed in 2018, after which none of the properties in the portfolio will have direct combustion energy sources. The feasibility of connecting to district heating and cooling systems is systematically reviewed prior to any capital expenditure project. Lastly, we are also endeavouring to increase the proportion of energy from renewable sources supplied under our electricity contracts. Since 1 January 2018, the proportion stands at 30%.

Measuring and managing the carbon footprint on an expanded basis

Since 2012, the carbon footprint of our buildings has been tracked based on their energy use and their occupants' work-related travel habits, as determined most recently by the 2015 tenant satisfaction survey.

As part of the process for reporting significant sources of greenhouse gas emissions in compliance with France's Grenelle II Act (Article 75), we have identified two Scope 3 sources – user travel and emissions caused by renovation work. Concerning renovation work-related emissions, in 2016 we performed a lifecycle analysis of a floor plate renovation project at 9 Percier, to assess the impact of a smaller scale project. The results of the analysis are currently being examined. The total is considerably less than the average for the office sector in France.

Making properties more climate resistant

The portfolio is exposed to climate risk. These risks were analysed in response to a recommendation by the ADEME (an agency responsible for implementing government policies in the areas of the environment and energy management) to comply with regulatory requirements, prepare for the properties' technical obsolescence and, in this way, guarantee the quality of the occupant experience.

3.3 Sustainable capital expenditure

As a long-term investor in real estate and a corporate citizen, SFL uses its capital expenditure strategy to improve the quality of its properties and also to guarantee their durability. This strategy extends the properties' useful lives and guarantees their alignment not only with tenant needs but also with the urban fabric, as well as with the long-term outlook in terms of accessibility, energy use, etc.

The starting point for our sustainable capital expenditure strategy consists of investing in properties with excellent fundamentals that can be adapted to the needs of different types of users and different working practices that are likely to change over time. We work with each new team of prime contractors, design engineers and designers to invent buildings that will stand the test of time.

Acquisitions

The choice of properties to be added to the portfolio is viewed from different angles, with the overriding aim of assessing their long-term viability. We examine the properties' intrinsic qualities, their integration in the urban fabric, their ability to keep pace with changing tenant needs (convertibility to partitioned offices/open plan, limited structural obstacles, etc.), their proximity to public transport, etc. For each proposed acquisition, projections are prepared concerning future improvements to their environmental performance, with financial objectives for the investment backed up by short, medium and long-term environmental certification objectives (new construction, renovation or in-use, as applicable).

Managing the CSR aspects of capital expenditure projects

We are committed to managing the CSR performance of operating expenditure and renovation, refurbishment and redevelopment capital expenditure by assessing the CSR aspects of each outlay. This process builds upon the sustainable procurement policy applied in every aspect of our business.

25%

of total capital expenditure has a sustainable development dimension and contributes to reducing our environmental impact.

37%

of our operating and maintenance expenditure contributes directly to improving our CSR performance.

A technical and innovation watch is organised by SFL_le_lab and SFL_le_studio in order to embrace the most innovative practices as early as possible. In 2017, study topics mainly concerned the creation of planted roof terraces, solutions to enhance the value of underground levels and the creation of models using 3-D BIM software.

Promoting the circular economy at worksites

Waste materials are recovered and recycled on every SFL-managed worksite. Contractors working on renovation and redevelopment projects are very actively encouraged to recycle waste materials and the recycling/re-use rate is more than 80% in some cases.

We also deploy a site charter at all redevelopment, modernisation and renovation worksites, covering waste management processes, the choice of materials, disamenity tracking and pollution limitation.

3.4 Biodiversity in our portfolio

SFL aims to protect and enhance biodiversity in its buildings. By offering users the opportunity to reconnect with nature in quiet and peaceful gardens combining greenery and water features that attract insect and bird life, biodiversity helps to increase our buildings' utility value.

Green walls and roof gardens are among the preferred ways of developing this approach. Landscaping is also a key component of the redevelopment projects currently in preparation (112 Zola and Léna).

In 2016, a plant and water-based landscape was recreated around the Le Vaisseau building in Issy-les-Moulineaux. The building's wide terraces extending out across the "moat" with views of the Seine river allow users to enjoy the beauty of a garden and the calming presence of water. In the 9 Percier paved seating areas, the original art deco mosaics have been given a facelift and the fountain in the main patio has been restored. Our tenants have the use of these paved areas, which feature plants, trees and garden furniture.

We are also planning to plant trees and greenery in the interior courtyards of the Cézanne Saint-Honoré and Édouard VII properties.

As of end-2017, green walls and other planted areas represented some 8,500 sq.m or over 9% of the portfolio's total footprint, including close to 1,700 sq.m at Washington Plaza and 1,300 sq.m at 176 Charles de Gaulle.

We plan to increase planted areas to 11% of the portfolio's footprint by the end of 2020.

Planted areas will also provide protected habitats for animal species used to living in an urban environment.

We systematically apply the Paris city authorities' biodiversity recommendations (by providing nesting areas for birds, insect hotels, etc.) and plan to conduct an audit of our properties with France's bird protection league (LPO).

Lastly, our green space operating contracts include a "zero pesticides" approach to ensure that these areas do not generate any health risk.

3.5 Sustainable procurement and supplier relations

We pay particular attention to applying sustainable and responsible procurement processes and to maintaining sustainable and responsible relations with service and goods suppliers.

Our strategy in this area is led by the Environment and Sustainable Procurement Manager. It includes measuring the total cost of purchases and aims to manage environmental impacts throughout the value chain.

Key aspects of the strategy include:

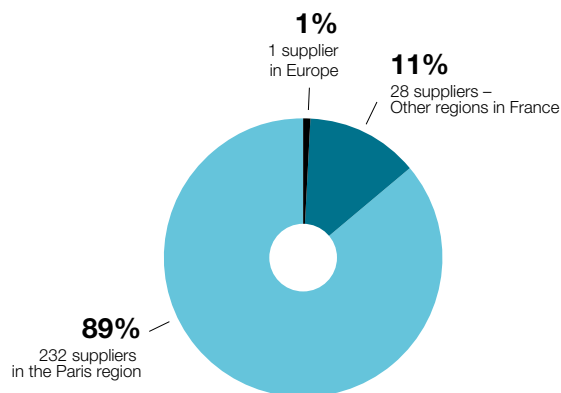
- Integrating CSR criteria in the supplier selection process.
- Updating operator and contractor specifications to include CSR performance indicators.
- Demonstrating best-in-class supplier management performance.
- Analysing opportunities for improvement.
- CSR performance tracking.
- Monitoring technical and environmental developments.

Best-in-class supplier selection and monitoring processes

Strict rules apply to the selection and approval of suppliers. To avoid inappropriate use of sub-contractors, the sub-contracting pyramid is limited to a maximum of two levels.

Special attention is also paid to suppliers' country of origin, with priority given to local companies and contractors. For example, in 2017, 86% of our suppliers were based in the Greater Paris region.

SUPPLIER LOCATION – 2017



Involving service and goods suppliers in a process of continuous improvement

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.

For redevelopment projects, enhanced communication channels have been deployed to ensure that the work is carried out safely and smoothly. Health and safety procedures include:

- Environmental training and information.
- The use of badges to identify employees of SFL and its contractors.
- Risk prevention measures.
- On-site presence of first-aiders and first-aid equipment.
- An incident archiving system.

Specific handbooks are distributed to contractors, containing:

- Information on staggered breaks.
- 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.

These documents are translated into the second most commonly used language on the site in order to ensure a high level of understanding. In the same way, on-site information notices and signage are also translated into several languages.

4. Social value

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

The Group had 73 employees as of 31 December 2017, of which more than 70% were managers.

4.1 Business ethics and governance

SFL's employment contracts include a code of ethics covering such issues as professional integrity, combating fraud, non-discrimination and legal and regulatory compliance. The Group also complies with the specific code of ethics for SIICs (real estate investment trusts) which covers topics such as the selection and rotation of the independent valuers retained to value the portfolio.

Employees may contact the Internal Control Department if they have any questions about professional ethics or conduct. No cases of bribery came to light in 2017 and the Group was not subject to any disciplinary measures. No political donations were made, in accordance with French legislation which bans such practices.

Ethics in the SFL value chain

SFL upholds the Fundamental Conventions of the International Labour Organization (ILO) and ensures that suppliers do the same. The conventions cover:

- 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, legal liability is assigned at two levels:

- The company that fails to report an employee or employs an undocumented worker is subject to criminal, administrative and financial sanctions.

Co-contractors can also be held financially liable, i.e., any co-contractor which, when a contract for the provision of work or services is signed, does not verify that the other contractor has made all the applicable declarations and is up to date with its social security contributions. Compliance checks have to be performed 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 capabilities and financial condition. 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 2017, we pursued the supplier selection process based on their APE business code which provides an indicator of their potential 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 Group's main shareholder.
- Integrating material CSR risks into the corporate risk map.

The most significant CSR risks are as follows:

- Risk of potential additional costs (to address such issues as obsolescence, energy efficiency, disputes with neighbouring communities).
- 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 identified opportunities 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 12.4 (Board of Directors' Corporate Governance Report), on pages 83 *et seq.* of the Management Report and section 6.3 of the Management Report (pages 22 *et seq.*), in which the following issues are discussed:

- The roles and responsibilities, membership and independence of the Board of Directors and the Committees of the Board.
- Compliance with the recommendations of the AFEP-MEDEF Corporate Governance Code and explanation of any instances of non-compliance ("comply or explain" principle).
- 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.

4.2 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.

That's why we aim to spend the equivalent of over 2% of the total payroll on training each year.

- Collective agreements

French real estate industry collective agreement: covering 71 employees at 31 December 2017 (97%). Building caretakers, concierges and employees collective agreement: covering two employees at 31 December 2017 (3%).

A total of 71 employees work at the Group's head office at 42 rue Washington in Paris and two employees are based in the building at 176, avenue Charles de Gaulle in Neuilly.

Remuneration and benefits

To encourage our employees' professional growth and engagement, policies are in place to offer them fair, attractive and incentivising remuneration.

Direct remuneration

Each employee is paid a salary and a variable performance-based bonus. The 2017 target bonus represented on average 15.3% of the employee's salary (excluding Management Committee members).

Total remuneration for the year (salary and bonus) averaged €62,610, again excluding Management Committee members.

On a constant headcount basis, the average salary rose by 2.77% in 2017 (1.91% for men and 3.24% for women).

Indirect remuneration

A total of €840,720 was paid out to employees in 2017 (€826,680 in 2016) under discretionary and non-discretionary profit-sharing plans, representing the equivalent of over 12% of payroll for the year.

Negotiations concerning employee savings undertaken in 2017 led to the signature of two agreements with employee representatives:

- An agreement renewing the discretionary profit-sharing plan for three years (2017, 2018 and 2019).
- An agreement allowing employees to monetise the rights accumulated in their Time Savings Account ("CET") and invest the amount in the PEE Employee Share Ownership Plan.

During the year, 58 employees chose to make voluntary contributions to the PERCO pension savings plan, entitling them to a matching contribution by SFL representing an average of €3,170.

In line with our commitment to helping employees save for their retirement, we also continued the practice adopted in 2016 of making a flat payment into the PERCO on behalf of each employee without any initial contribution on their part.

In 2017, €400 was paid into the PERCO on behalf of each of the Group's 76 employees.

All told, SFL's financial support for employees seeking to save for their retirement amounted to €214,252 in 2017.

Lastly, under an agreement signed with employee representatives in December 2017, the maximum matching payment in respect of employees' voluntary contributions to the PERCO has been raised from €3,900 to €4,500.

In 2017, for the sixth year running, free shares were granted to employees, this time to 56 managers and corporate officers representing three-quarters of the workforce at year-end.

Remuneration policies also 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).

All of these various benefits are presented in the Personal Remuneration and Benefit Review prepared for each employee since 2016.

The reviews meet several objectives: to inform employees as clearly as possible about the Company's various remuneration systems and also to present the value of their total package (salary, bonus, other remuneration and benefits).

In 2017, we continued to digitize our human resources processes, deploying a digital salary adjustment module, replacing paper pay slips with electronic versions and giving all employees free access to a digital safe.

Attracting and retaining talent

Six new employees were hired during the year, four under permanent contracts and two under fixed-term contracts. Employee numbers remained relatively stable in 2017, with 73 employees at year-end versus 75 a year earlier.

Of the nine employees who left during the year, six negotiated their departure, two left at the end of their fixed-term contract (one of which ended on 31 December 2017) and one resigned.

Based on the average number of employees in 2017 (74.5) and the number of employees under permanent contracts who were hired or left during the year, the turnover rate was 7.38%, calculated using the following formula: (number of employees who left during the period + number of employees hired during the period)/2 divided by the average number of employees for the period.

The average seniority of employees on the payroll at 31 December 2017 was 11 years.

Training and skills development

The equivalent of 3.60% of total payroll was allocated to training programmes in 2017 as part of the drive to promote employee skills acquisition and/or development.

Nearly 1,870 hours of training were offered to 69 employees, representing an average of 27 hours per trainee. The courses were primarily focused on asset management, financial management, law, business management, office technology, languages, security and safety.

In addition, a total of 115 hours of training in management and personal development skills were given during the year.

1,870 hours
of training conducted in 2017.

96%

of employees trained in 2017 (number of employees trained as a % of the average number of employees for the year).

4.3 Health, safety and quality of working environment

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.

100%

of employees are represented by a Health, Safety and Working Conditions Committee.

Occupational health and safety

As was the case in 2015 and 2016, there were no workplace accidents in 2017 and consequently, the accident frequency rate and severity rate were both zero for the year. As was the case in 2016, a single commuting accident was reported in 2017 and no occupational diseases were observed during the year.

In 2017, our employee health and safety policies were actively pursued, with:

- Participation of seven employees in the Workplace First Responder training programme.
- Organisation of a new series of fire prevention training sessions in coordination with APAVE, a risk management consultancy.
- Renewal of authorisations for qualified employees to work on electrical installations and equipment.

Quality of working environment

Initiated in 2015, the programme to help prevent psychosocial risks (PSR) and improve the quality of working environment (QWE) led to the preparation in 2016 of an action plan with the following outcomes:

- Managers and supervisors were given specific training in management techniques that avoid generating stress and psychosocial risks.
- A seminar was organised for all employees on the topics of communication and collaborative working.
- A QWE working group was set up to consider ways of improving the quality of working environment.

Made up of employees from the various departments within the Company, the group met three times in 2017 with several aims:

- Define what constitutes a good quality of working environment at SFL and identify QWE strategies.
- Suggest ways to improve the quality of working environment and select the best proposals based on their feasibility and the level of support from members of the group.
- Prepare an executive summary of proposals to be included in a QWE agreement.

The group's work led to the signature, in December 2017, of a QWE agreement between the Company and employee representatives, comprising the following main initiatives:

- Deployment of a specific induction process for new hires.
- Organisation of periodic meetings of all employees to inform them about significant events in the life of the Company.
- Initiatives to improve employees' comfort and well-being, for example by adding new amenities and equipment at the Company's head office, introducing rules governing the use of digital devices, and conducting surveys to assess the atmosphere in the workplace.

The choice of these initiatives 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 better quality of working environment. To this end, we have chosen to track and report various indicators, especially the short-term absence rate which is a valuable indicator of employee well-being and engagement.

In 2017, short-term absences (less than four days, excluding authorised leave) represented 182 days.

0.98%

short-term absence rate (one to three days).

4.4 Diversity and equal opportunity

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

That's why we have reaffirmed our pledge to reject any and all forms of discrimination and our action to promote equal opportunity and diversity in the workplace.

In 2017, we undertook a certain number of initiatives to:

- Fulfil the commitments given in the gender equality agreement between the Company and employee representatives.
- Lock in our financial support for the disabled, which includes the grant made to the ADAPT non-profit organisation and our practice of buying goods and services from companies specialised in employing people with disabilities.

Gender equality

In December 2017, a new gender equality agreement was signed, 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.

In 2017, for example, four of the six people hired during the year were women and 97% of women employees attended training courses, compared with 91% of the men (percentages based on the average number of employees in 2017).

As part of the statutory annual pay round in 2017, 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 43. As of 31 December 2017, employees aged 45 or older represented half of the workforce and under-35s represented less than a quarter (22%).

People with disabilities

As part of our policy of supporting employment opportunities for people with disabilities, in 2017 we made a grant of €15,000 (excl. VAT) to the operating budget of ADAPT, a non-profit organisation working in this area, together with an amount of €3,240 set off against the apprenticeship tax due by the Company.

We also paid €4,740 (excl. VAT) for services provided by Les Papillons de Jour, a communication agency staffed by people with disabilities.

Given the stability of our workforce and low hiring volume, opportunities to hire employees with disabilities are limited and we therefore paid in 2017 €10,444 into the AGEFIPH disabled employment fund in fulfilment of our statutory obligations in this area.

Work/life balance

Two work/life balance agreements were signed with employee representatives in December 2017:

- An agreement relaxing the conditions for accumulating unused rights to paid leave in a Time Savings Account and for using the rights, to enable employees to transfer unused rest days to the account when their holidays are deferred for personal and family reasons.
- An agreement regulating professional use of digital devices and limiting employees' exposure to the risks of information overload, hyperconnectivity, and poor work/life balance.

Organisation of working hours

As of 31 December 2017, SFL had 71 full-time employees and two part-time employees both of whom are women.

Internal agreements with employee representatives signed in 2017:

- Discretionary Profit-Sharing Agreement dated 14 June 2017.
- Time Savings Account Agreement dated 28 June 2017.
- Addendum 7 dated 28 June 2017 to the PEE Employee Share Ownership Plan.
- Agreement dated 7 December 2017 on Remunerations, Working Hours and the Sharing of the Value-Added created by the Company.
- Agreement dated 7 December 2017 on Gender Equality and Quality of Working Environment.
- Addendum 7 dated 7 December 2017 to the PERCO Pension Savings Plan.
- Agreement dated 7 December 2017 on the Right to Disconnect.
- Addendum 1 dated 7 December 2017 to the Agreement on the Preservation of the SFL Business and Employee Unit ("UES", corresponding to the level at which certain employee benefit plans are organised).

4.5 Corporate sponsorship and philanthropy

Fondation Palladio: building the City of Tomorrow.

For several years, SFL has been a funding partner of the Fondation Palladio, which brings together real estate industry stakeholders engaged in discussions about the construction of future cities and their living environments.

Initiatives supported in 2017 included:

- The Institut Palladio des Hautes Études' 6th Annual Cycle of debates, on the topic of "Real Estate and the City".
- The creation of tools for students by the Palladio "Pôle Avenir" future development division.

ADAPT, helping people with disabilities to take up their rightful place in society and find work.

We have been supporting ADAPT for many years as part of our policy of promoting employment opportunities for people with disabilities.

For example, we contribute to the European Disability Employment Week organised by ADAPT since 1997, which took place last year from 13 to 19 November. This annual event aims to raise awareness among companies and the public about the lack of work opportunities for people with disabilities.

Pavillon de l'Arsenal, the Paris architecture and urban planning centre

We regularly support Pavillon de l'Arsenal, the architecture and urban planning information, documentation and exhibition centre for the Paris metropolitan area.

Pavillon de l'Arsenal is a non-profit organisation, set up to promote information and knowledge among specialists and the general public about the capital and the surrounding area's architectural heritage and urban landscape and to help promote the city's architectural landmarks.

We are naturally motivated to contribute to these objectives which represent a perfect fit with our deep roots in the development of the capital's urban landscape at the end of the 19th century and our current positioning as a pure player in Paris real estate.

City of Paris Authorities: Nuit Blanche

SFL supports the Paris City Authorities' "Staying Up All Night" event, organised for the 16th time in 2017, which offers the public free access to an array of artistic events in the capital, for one night only.

In this way, we contribute to promoting Paris's cultural outreach, sometimes by organising events in our own properties, while supporting the creative arts and making them accessible to everyone, whatever their budget.

5. Appendices

5.1 Reporting scope and procedures

To report data on building energy use, water use and waste production, SFL has developed proprietary procedures 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.

Reporting scope

SFL's portfolio comprises 20 buildings, representing a total surface area of 388,100 square metres.

The reporting scope does not include single tenant buildings, buildings that have been vacated prior to redevelopment or that are currently being redeveloped, and residential units.

Buildings included in the 2017 reporting scope were as follows:

Baseline year 2011:

1. 176 Charles de Gaulle (Neuilly-sur-Seine)
2. 96 Iéna (Paris 16th *arrondissement*)
3. Édouard VII (Paris 9th *arrondissement*)
4. Washington Plaza (Paris 8th *arrondissement*)
5. Rives de Seine (Paris 12th *arrondissement*)
6. Louvre Saint-Honoré (Paris 1st *arrondissement*)
7. 103 Grenelle (Paris 7th *arrondissement*)
8. Cézanne Saint-Honoré (Paris 8th *arrondissement*)

Baseline year 2015: the above properties plus:

9. 112 Wagram (Paris 17th *arrondissement*)
10. Galerie des Champs Élysées (Paris 8th *arrondissement*)
11. 92 Champs-Élysées (Paris 8th *arrondissement*)

Baseline year 2016: the above properties plus:

12. 90 Champs-Élysées (Paris 8th *arrondissement*)

Baseline year 2017: the above properties plus:

13. 9 Percier (Paris 8th *arrondissement*)
14. #cloud.paris (Paris 2nd *arrondissement*)
15. 131 Wagram (Paris 17th *arrondissement*)

Changes in reporting scope

The number of buildings in the reporting scope 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

The standard measure used to calculate building energy intensity is the average useful surface area, expressed in square metres (sq.m). The occupancy rate used to adjust indicators corresponds to the average occupancy rate for the reporting year.

Energy

Energy data is collected from the following sources and consolidated for each building:

- Meter readings.
- Property manager invoices (before tax and utility subscription fees).
- Data extracted from the property managers' databases via the client interface.

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 and those of other occupants, depending on the building.

The comparison between the baseline year and the reporting year factors in climate variability using unified degree days (baseline 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.

Water use

Data is collected from the following sources:

- Meter readings.
- Consolidated invoice data.
- Data extracted from the property managers' databases via the client interface.

Waste

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

5.2 Identifying, prioritising and managing CSR issues

In 2017, 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. Structure of SFL's CSR issues in four key areas

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 (proximity of underground station, bus stop, public bike and car hire stations, electric vehicle charging stations, and car sharing drop-off points). 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 working environment: workplace health and safety policies and enhancing the quality of working environment.
- 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 Occupants' 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 internal mobility Occupational health and safety Well-being and quality of working environment 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) | Service providers' health and safety procedures 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 | Service providers' health and safety procedures 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 structuring phase (administrative permits) | As required |
| Moderate impact on revenue and operations | Other suppliers | Property company's ethics Compliance with contractual clauses Long-term relationships | Contracts | As required |
| | Non-profit organisations and civil society | Health and safety of occupants Compliance with the Grenelle II Act and France's Sustainable Building Plan Urban mix & local jobs | Neighbourhood meetings | Quarterly |
| | CSR rating agencies | CSR transparency and performance CSR initiatives and action plans | Communication media and materials (Management Report, CSR report, website, etc.) Questionnaire responses | Annually |

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 top 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.

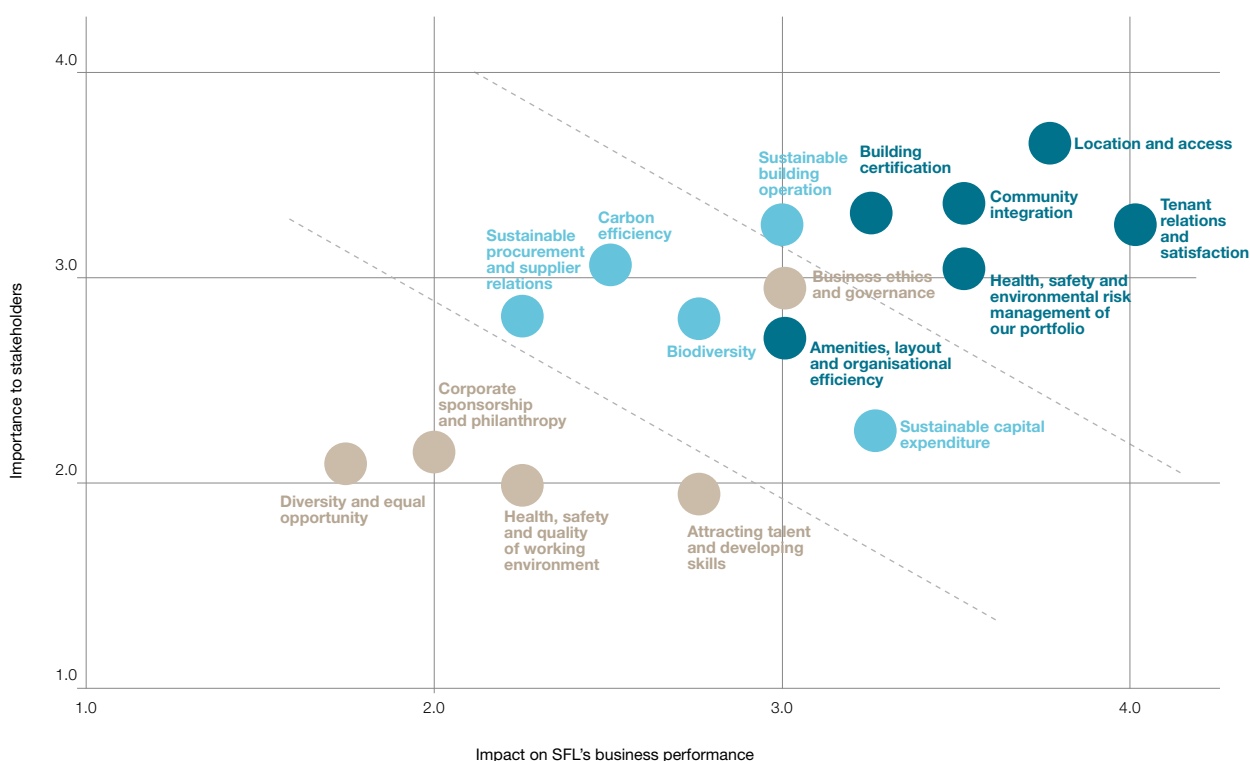
2. Ranking midway in materiality are five major CSR issues: Amenities, layout and organisational efficiency; sustainable building operation; factoring CSR into investment decisions; local urban footprint; and attracting talent and developing skills.

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 issues to be tracked:

Carbon efficiency; biodiversity; health, safety and quality of working environment; diversity and equal opportunity; and sustainable procurement and supplier relations. These issues do not have as 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.



- Utility value
- Green value
- Social responsibility value

Our CSR issues can be combined in several different ways:

- Based on the three materiality levels (see graph).
- By key area (see section 5.3a).

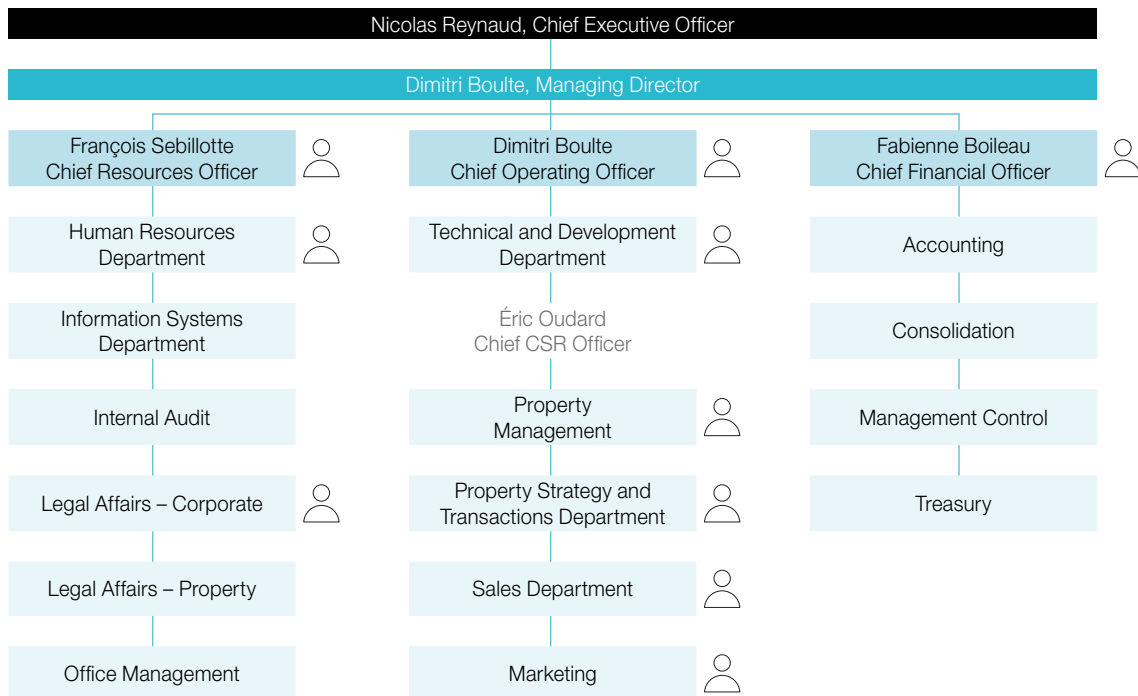
To organise this report in line with our strategy for improving our CSR performance as a prime property company, CSR issues are split into three topics:

- Utility value.
- Green value.
- Social value

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.



 Departments represented in the CSR working groups

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.

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

| Article 225 of the Grenelle II Act – Disclosures required by the enabling decree of 24 April 2012 | | Page(s) in the 2017 Management Report |
|---|---|---------------------------------------|
| LABOUR AND EMPLOYMENT | | |
| 1° Labour and employment information | | |
| a) Employment | | |
| 1 | Total workforce by gender, age group and geographic region | p 27 |
| 2 | Hirings and terminations | p 28 |
| 3 | Remuneration and changes in remuneration | p 27 |
| b) Organisation of work | | |
| 4 | Organisation of working hours | p 29 |
| 5 | Absenteeism | p 29 |
| c) Labour relations | | |
| 6 | Organisation of social dialogue, particularly employee information, consultation and negotiation procedures | p 33 |
| 7 | Outcome of collective agreements | p 30 |
| d) Health and safety | | |
| 8 | Occupational health and safety conditions | p 28 |
| 9 | Outcome of collective agreements signed with trade unions or employee representatives concerning occupational health and safety | p 28 |
| 10 | Work-related accidents (notably their frequency and severity) and occupational diseases | p 39 |
| e) Training | | |
| 11 | Training policies | p 28 |
| 12 | Total number of training hours | p 28 |
| f) Equal opportunity | | |
| 13 | Measures taken to promote gender equality | p 29 |
| 14 | Measures taken to promote the hiring and retention of people with disabilities | p 29 |
| 15 | Anti-discrimination policies | p 29 |
| g) Promotion of and compliance with the fundamental conventions of the International Labour Organization concerning: | | |
| 16 | Freedom of association and collective bargaining | p 26 |
| 17 | Elimination of discrimination in respect of employment and occupation | p 26 |
| 18 | Elimination of forced and compulsory labour | p 26 |
| 19 | Effectively abolishing child labour | p 26 |

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 14 |
| 21 | Employee training and information on environmental protection | p 21 |
| 22 | Total investments and expenditures to prevent environmental risks and pollution | p 17 |
| 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 17 |
| b) Pollution and waste management | | |
| 24 | Measures to prevent, reduce and clean up environmentally harmful emissions and discharges in the air, water and soil | p 23 |
| 25 | Measures to prevent, recycle and eliminate waste | p 22 |
| 26 | Measures to mitigate noise pollution and all other types of pollution specific to an activity | p 25 |
| c) Sustainable use of resources | | |
| 27 | Water use and water withdrawals in relation to local resources | p 21 |
| 28 | Consumption of raw materials and measures to improve their efficient use | p 17 |
| 29 | Energy use and measures to improve energy efficiency and use renewable energy sources | p 17, 20 |
| 30 | Land use | p 22 |
| d) Contribution to combating global warming and adapting to its impact | | |
| 31 | Greenhouse gas emissions | p 23 |
| 32 | Measures to adapt to the impact of climate change | p 24 |
| e) Protection of biodiversity | | |
| 33 | Measures taken to preserve or develop biodiversity | p 25 |

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 25 |
| 35 | Impact on local and neighbouring communities | p 17 |
| b) Relations with stakeholders, notably mainstreaming non-profit organisations, educational institutions, environmental organisations, consumer organisations and neighbouring communities | | |
| 36 | Stakeholder dialogue | p 30 |
| 37 | Partnership or philanthropic programmes | p 30 |
| c) Sub-contracting and suppliers | | |
| 38 | Inclusion of social responsibility and environmental issues in purchasing policy | p 25 |
| 39 | Importance of sub-contracting and integration of corporate social responsibility in relationships with suppliers and sub-contractors | p 25 |
| d) Fair business practices | | |
| 40 | Measures to prevent corruption | p 26 |
| 41 | Measures to preserve consumer health and safety | p 16, 17 |
| e) Human rights | | |
| 42 | Other measures taken to promote human rights | p 26 |

5.4 GRI* G4 indicators and cross-reference table for the GRI* G4 standard

| Disclosure | GRI G4 | Source/Unit | Scope | 2015 | 2016 | 2017 |
|---|--------|---|-------------------------|---------|---------|---------|
| ENVIRONMENT | | | | | | |
| Energy | | | | | | |
| Energy use within the organisation | EN3 | Electricity in MWh | SFL head office | 167 | 165 | 162 |
| Energy use outside of the organisation | EN4 | Fuel oil in MWh | like-for-like | 739 | 749 | 571 |
| | | Electricity in MWh | | 39,912 | 37,723 | 37,473 |
| | | District cooling and heating systems in MWh | | 19,728 | 18,605 | 19,362 |
| Energy intensity | EN5 | kWh/sq.m/year | | 267 | 257 | 256 |
| | CRE1 | kWh/user/year | | 1,934 | 1,835 | 1,846 |
| Water | | | | | | |
| Water withdrawn from municipal water supplies or other water utilities | EN8 | m³ | like-for-like | 135,496 | 131,036 | 129,022 |
| Total volume of water recycled and reused | EN10 | m³ | Washington Plaza (only) | 190** | 800 | 1,340 |
| Building water intensity | CRE2 | m³/sq.m/year | like-for-like | 0.62 | 0.59 | 0.58 |
| | | litres/occupant/day | | 19.7 | 19.1 | 18.9 |
| Emissions | | | | | | |
| Direct greenhouse gas (GHG) emissions (Scope 1) (from energy use) | EN15 | tCO ₂ e | like-for-like | 201 | 204 | 155 |
| Indirect greenhouse gas (GHG) emissions (Scope 2) (from energy use) | EN16 | tCO ₂ e | | 2,912 | 2,813 | 3,132 |
| Other indirect greenhouse gas (GHG) emissions (Scope 3) (excluding user travel) | EN17 | tCO ₂ e | | 1,918 | 1,732 | 1,787 |
| Greenhouse gas (GHG) emissions intensity from buildings | EN18 | kg/CO ₂ e/sq.m/year | | 22.9 | 21.4 | 22.7 |
| | CRE3 | kg/CO ₂ e/occupant/year | 180 | 167 | 182 | |
| Waste | | | | | | |
| Total weight of waste by type | EN23 | NHIW (tonnes)*** | like-for-like | 470 | 508 | 673 |
| | | Paper/cardboard (tonnes)*** | | 301 | 270 | 278 |

Like-for-like = the 11 buildings whose baseline year is 2011, 2012 or 2013 - see detailed list in Appendix 5.1.

* GRI: Global Reporting Initiative.

** Washington Plaza only: 3 months' recovery in 2015

*** Values for 5 assets in 2015
 Values for 8 assets in 2016
 Values for 9 assets in 2017

| Disclosures | | 2014 | 2015 | 2016 | 2017 |
|--|---------------------------|-----------|-----------|-----------|-----------|
| Organisational profile | | | | | |
| Percentage of total employees covered by collective bargaining agreements. | | 100% | 100% | 100% | 100% |
| Employment | | | | | |
| Total workforce by gender, age group and geographic region | Total number of employees | 74 | 71 | 75 | 73 |
| | Permanent contracts | 73 | 69 | 72 | 69 |
| | Fixed-term contracts | 1 | 2 | 3 | 4 |
| | Men | 29 | 25 | 29 | 27 |
| | Women | 45 | 46 | 46 | 46 |
| | Managers | 53 | 52 | 58 | 56 |
| | Supervisors | 11 | 12 | 10 | 11 |
| | Administrative staff | 10 | 7 | 7 | 6 |
| | Under 45 | 33 | 32 | 37 | 37 |
| | 45 or older | 41 | 39 | 38 | 36 |
| | Paris | 74 | 71 | 72 | 73 |
| | Other | 0 | 0 | 3 | 0 |
| | Permanent contracts | 4 | 7 | 10 | 4 |
| | Fixed-term contracts | 2 | 2 | 4 | 2 |
| New hires | Men | 2 | 3 | 6 | 2 |
| | Women | 4 | 6 | 8 | 4 |
| | Managers | 5 | 9 | 12 | 5 |
| | Supervisors | 0 | 0 | 1 | |
| | Administrative staff | 1 | 0 | 1 | 1 |
| | Under 45 | 5 | 9 | 12 | 6 |
| | 45 or older | 1 | 0 | 2 | 0 |
| Number of terminations by reason | Personal | 2 | 1 | 2 | 0 |
| | Economic | 0 | 0 | 0 | 0 |
| Remuneration and changes in remuneration | Total payroll | 7,097,161 | 6,111,982 | 6,299,296 | 6,661,171 |
| Organisation of work | | | | | |
| Organisation of working hours | | | | | |
| Standard working hours | | 151.67 | 151.67 | 151.67 | 151.67 |
| Employees who work standard hours | | 72 | 71 | 75 | 73 |
| Full-time employees | | 64 | 64 | 71 | 71 |
| Part-time employees | | 8 | 7 | 4 | 2 |
| o/w Men | | 0 | 1 | 0 | 0 |
| o/w Women | | 8 | 6 | 4 | 2 |
| Absenteeism (number of working days) | | | | | |
| Illness | | 978 | 982 | 716 | 452 |
| Maternity leave | | 216 | 90 | 209 | 52 |
| Occupational and commuting accidents | | 0 | 8 | 7 | 0 |
| Leave to take care of sick children | | 33 | 28 | 24 | 20 |
| Leave for family events | | 51 | 14 | 35 | 20 |
| c) Labour relations | | | | | |
| Collective agreements | | 5 | 9 | 12 | 6 |
| Health and safety | | | | | |
| Collective agreements signed with trade unions or employee representatives concerning occupational health and safety | | | | | |
| Work-related accidents (notably their frequency and severity) and occupational diseases | | | | | |
| Number of reported work-related accidents | | 1 | 1 | 0 | 0 |
| Number of reported commuting accidents | | 0 | 1 | 1 | 1 |
| Number of recognised work-related/commuting accidents | | 1 | 2 | 1 | 1 |
| Accident frequency rate | | 0 | 0 | 0 | 0 |
| Accident severity rate | | 0 | 0 | 0 | 0 |
| Number of occupational diseases | | 0 | 0 | 0 | 0 |
| Total number of training hours | | 1,280 | 1,370 | 1,676 | 1,870 |

Cross-reference table for the GRI* G4 standard

GRI G4 General Standard Disclosures

| | | Page(s) in the 2017 CSR Report | Page(s) in the 2017 Financial and Legal Report |
|-------------------------------|--|---|---|
| Strategy and Analysis | | | |
| G4-1 | Provide a statement from the most senior decision-maker of the organisation (such as Chief Executive Officer, Chair, or equivalent senior executive) about the relevance of sustainability to the organisation and the organisation's strategy for addressing sustainability | p 5 | |
| Organisational profile | | | |
| G4-3 | Report the name of the organisation | p 5 | |
| G4-4 | Report the primary brands, products, and services | | p 7 |
| G4-5 | Report the location of the organisation's headquarters | | p 11 |
| G4-6 | Report the number of countries in which the organisation operates, and names of countries in which either the organisation has significant operations or that are specifically relevant to the sustainability topics covered in the report | p 6 | |
| G4-7 | Report the nature of ownership and legal form | | p 11 |
| G4-8 | Report the markets served (including geographic breakdown, sectors served, and types of customers and beneficiaries) | p 6, 7 | |
| 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 | p 6 | p 83 |
| G4-10 | a. Report the total number of employees by type of 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 39 | |
| G4-11 | Report the percentage of total employees covered by collective bargaining agreements | p 39 | |
| G4-12 | Describe the organisation's supply chain | p 9 | |
| 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 | | p 7, 8, 14 |
| G4-14 | Report whether and how the precautionary approach or principle is addressed by the organisation | | p 12 to 17 |
| G4-15 | List externally developed economic, environmental and social charters, principles, or other initiatives to which the organisation subscribes or which it endorses | p 30 | |
| 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 fees; views membership as strategic This refers primarily to memberships maintained at the organisational level | p 30 | |

* 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 11 |
| 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 10 |
| G4-19 | List all the material Aspects identified in the process for defining report content | p 10 |
| 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 10 |
| 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 10 |
| G4-22 | Report the effect of any restatements of information provided in previous reports, and the reasons for such restatements | p 10 |
| G4-23 | Report significant changes from previous reporting periods in the Scope and Aspect Boundaries | p 10 |

Stakeholder engagement

| | | |
|-------|---|----------------------|
| G4-24 | Provide a list of stakeholder groups involved with the organisation | p 10, 13, 17, 25, 32 |
| G4-25 | Report the basis for identification and selection of stakeholders with whom to engage | p 10 |
| 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 | p 10 |
| 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 10 |

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 5 |
| G4-30 | Reporting cycle (such as annual, biennial) | p 5 |
| G4-31 | Provide the contact point for questions regarding the report or its contents | p 35 |
| 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 46 |
| 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 | p 46 |

| | | Page(s) in the 2017 CSR Report | Page(s) in the 2017 Financial and Legal Report |
|-----------------------------|---|---|---|
| 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 35 | |
| 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 26, 32 | |

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 | p 23 | |

Environment

Energy

| | | | |
|-------------|--|---------------------|--|
| G4-EN3 | Energy consumption within the organisation | p 38 | |
| G4-EN5 | Energy intensity | p 38 | |
| G4-EN6 | Reduction of energy consumption | p 20 | |
| CRE1 | BUILDING ENERGY INTENSITY | p 19, 20, 38, 44 | |

Water

| | | | |
|-------------|--|----------|--|
| G4-EN8 | Total water withdrawal by source | p 22, 44 | |
| G4-EN10 | Percentage and total volume of water recycled and reused | p 22 | |
| CRE2 | BUILDING WATER INTENSITY | p 22, 44 | |

Emissions

| | | | |
|--------------|--|----------|--|
| G4-EN15 | Direct greenhouse gas (GHG) emissions (Scope 1) | p 23, 38 | |
| G4-EN16 | Energy indirect greenhouse gas (GHG) emissions (Scope 2) | p 23, 38 | |
| G4-EN17 | Other indirect greenhouse gas (GHG) emissions (Scope 3) | p 23, 38 | |
| G4-EN18 | Greenhouse gas (GHG) emissions intensity | p 23, 38 | |
| G4-EN19 | Reduction of greenhouse gas (GHG) emissions | p 23, 24 | |
| G4-EN20 | Emissions of ozone-depleting substances (ODS) | p 23, 24 | |
| CRE 3 | GREENHOUSE GAS EMISSIONS INTENSITY FROM BUILDINGS | p 17 | |

Effluents and waste

| | | | |
|---------|--|----------|--|
| G4-EN23 | Total weight of waste by type and disposal method | p 22, 38 | |
| 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 25 | |

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 39 | |
|--------|--|------|--|

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 programmes | p 28 | |
|--------|--|------|--|

| | | |
|--------------|--|----------|
| 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 39 |
| G4-LA8 | Health and safety topics covered in formal agreements with trade unions | p 28, 29 |
| | Training and education | |
| G4-LA9 | Average hours of training per year per employee by gender, and by employee category | p 28, 39 |
| G4-LA10 | Programmes for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings | p 28 |
| G4-LA11 | Percentage of employees receiving regular performance and career development reviews, by gender and by employee category | p 28 |
| | 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 | p 28 |
| | Supplier assessment for labour practices | |
| G4-LA14 | Percentage of new suppliers that were screened using labour practices criteria | p 25 |
| G4-LA15 | Significant actual and potential negative impacts for labour practices in the supply chain and actions taken | p 9 |
| | 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 | p 26 |
| | 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 | p 26 |
| | 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 | p 26 |
| | Assessment | |
| G4-HR9 | Total number and percentage of operations that have been subject to human rights reviews or impact assessments | p 26 |
| | Social – Society | |
| | Anti-corruption | |
| G4-SO4 | Communication and training on anti-corruption policies and procedures | p 26 |
| G4-SO5 | Confirmed incidents of corruption and actions taken | p 26 |
| | Supplier assessment for impacts on society | |
| G4-SO9 | Percentage of new suppliers that were screened using criteria for impacts on society | p 25 |
| | 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 | p 16 |
| | 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 | p 14, 32 |
| G4-PR5 | Results of surveys measuring customer satisfaction | p 10 |
| CRE 8 | TYPE AND NUMBER OF SUSTAINABILITY CERTIFICATION, RATING AND LABELLING SCHEMES FOR NEW CONSTRUCTION, MANAGEMENT, OCCUPATION AND REDEVELOPMENT | p 14 |

5.5 EPRA indicators

Buildings in operation

| Topic | Indicator | EPRA code | Unit | 2015 | 2016 | 2017 | Change, 17vs15 | Coverage rate |
|--------------------------|---|---------------|---------------------------------------|---------|---------|---------|-------------------|------------------|
| Certifications | | | | | | | | |
| | Number of assets BREEAM In-Use-certified assets | Cert-Tot | Number of assets | 19 | 19 | 19 | | 100% |
| | % of portfolio certified by value | | % of portfolio | 100% | 100% | 100% | | 100% |
| Energy | | | | | | | | |
| | Total electricity use | Elec-Abs | MWh | 19,778 | 20,751 | 23,943 | | 100% |
| | Total electricity use – like-for-like | Elec-LfL | MWh | 19,778 | 20,218 | 19,267 | -2.6% | 100% |
| | Total energy use, district heating and cooling networks | DH&C-Abs | MWh | 19,728 | 20,717 | 22,856 | | 100% |
| | Total energy use, district heating and cooling networks – like-for-like | DH&C-LfL | MWh | 19,728 | 18,907 | 19,362 | -1.9% | 100% |
| | Total fuel use | Fuels-Abs | MWh | 739 | 749 | 571 | | 100% |
| | Total fuel use – like-for-like | Fuels-LfL | MWh | 739 | 749 | 571 | -22.7% | 100% |
| | Energy use intensity | Energy-Int | kWh/sq.m | 268 | 260 | 256 | -4.3% | 100% |
| | Energy use intensity – like-for-like | | kWh/sq.m | 268 | 258 | 256 | -4.2% | 100% |
| Greenhouse gas emissions | | | | | | | | |
| | Total direct greenhouse gas (GHG) emissions (Scope 1) | GHG-Dir-Abs | tCO ₂ e | 201 | 204 | 155 | -22.9% | 100% |
| | Total indirect greenhouse gas (GHG) emissions (Scope 2) | GHG-Indir-Abs | tCO ₂ e | 2,912 | 3,025 | 3,929 | 29.9% | 100% |
| | Carbon intensity | GHG-Int | kg CO ₂ e/ sq.m | 22.9 | 21.7 | 22.9 | -0.1% | 100% |
| | Carbon intensity – like-for-like | | kg CO ₂ e/ sq.m | 22.9 | 21.4 | 22.7 | -1.0% | 100% |
| Water | | | | | | | | |
| | Total water use | Water-Abs | m ³ | 135,496 | 135,404 | 152,770 | | 100% |
| | Total water use – like-for-like | Water-LfL | m ³ | 135,496 | 131,036 | 129,022 | -5.7% | 100% |
| | Water use intensity | Water-Int | m ³ /sq.m | 0.62 | 0.59 | 0.54 | -12.2% | 100% |
| | Water use intensity – like-for-like | | m ³ /sq.m | 0.62 | 0.59 | 0.58 | -6.5% | 100% |
| Waste | | | | | | | | |
| | | Waste-Abs | tonnes | 771 | 778 | 951 | 23.3% | 82% |
| | | | % recycled | - | 35% | 29% | | |
| | | | % re-used | - | 0% | 0% | - | |
| | | | % composted | - | 0% | 0% | - | |
| | Total waste produced, by disposal method – full scope | | % incinerated without energy recovery | - | 16% | 16% | 0% | |
| | | | incinerated with energy recovery | 0 | 0% | 13% | | |
| | | | % sent to landfill | | 49% | 42% | | |
| | | | tonnes | 771 | 778 | 821 | 6.5% | 81% |
| | | | % recycled | | 35% | 28% | | |
| | | | % re-used | | 0% | 0% | | |
| | | Waste-LfL | % composted | | 0% | 0% | | |
| | Total waste produced, by disposal method – like-for-like | | % incinerated without energy recovery | | 16% | 9% | | |
| | | | % incinerated with energy recovery | 0 | 0% | 15% | 0% | |
| | | | % sent to landfill | | 49% | 48% | | |
| | | | tonnes | | | | | |

Head office occupied by SFL

| Topic | Indicator | EPRA code | Unit | 2015 | 2016 | 2017 | Change, 17vs15 |
|--------------------------|---|---------------|---------------------------------|-------|-------|-------|----------------|
| Certifications | | | | | | | |
| | % of headquarters certified | Cert-Tot | % of headquarters | 100% | 100% | 100% | 0.0% |
| Energy | | | | | | | |
| | Total electricity use | Elec-Abs | MWh | 173 | 168 | 162 | -6.1% |
| | Total electricity use – like-for-like | Elec-LfL | MWh | 173 | 168 | 162 | -6.1% |
| | Total energy use, district heating and cooling networks | DH&C-Abs | MWh | 0 | 0 | 0 | N/A |
| | Total energy use, district heating and cooling networks – like-for-like | DH&C-LfL | MWh | 0 | 0 | 0 | N/A |
| | Total fuel use | Fuels-Abs | MWh | 0 | 0 | 0 | N/A |
| | Total fuel use – like-for-like | Fuels-LfL | MWh | 0 | 0 | 0 | N/A |
| | Energy use intensity | Energy-Int | kWh/sq.m | 86.5 | 84 | 81 | -6.3% |
| | Energy use intensity – like-for-like | | kWh/sq.m | 86.5 | 84 | 81 | -6.3% |
| Greenhouse gas emissions | | | | | | | |
| | Total direct greenhouse gas (GHG) emissions (Scope 1) | GHG-Dir-Abs | tCO ₂ e | | | | |
| | Total indirect greenhouse gas (GHG) emissions (Scope 2) | GHG-Indir-Abs | tCO ₂ e | 12.18 | 10.87 | 10.48 | -13.9% |
| | Carbon intensity | GHG-Int | kg CO ₂ e/sq.m | 6.09 | 5.43 | 5.24 | -13.9% |
| Water | | | | | | | |
| | Total water use | Water-Abs | m ³ | N/A | 429.2 | 414.9 | N/A |
| | Total water use – like-for-like | Water-LfL | m ³ | N/A | 429.2 | 414.9 | N/A |
| | Water use intensity | Water-Int | m ³ /sq.m | | 0.214 | 0.202 | N/A |
| | Water use intensity – like-for-like | | m ³ /sq.m | | 0.214 | 0.202 | N/A |
| Waste | | | | | | | |
| | | | tonnes | 2,375 | 2.54 | 2.31 | -2.74% |
| | | | % recycled | 100% | 100% | 100% | |
| | | | % re-used | 0% | 0% | 0% | |
| | | | % composted | 0% | 0% | 0% | |
| | Total waste produced, by disposal method | Waste-Abs | % incinerated | 0% | 0% | 0% | |
| | | Waste-LfL | % disposed of by another method | 0% | 0% | 0% | |
| | | | % sent to landfill | 0% | 0% | 0% | |
| | | | | | | | |

Coverage rate: 100%

Details concerning the method used

- Boundaries: the data entered in the above tables are based on the principle of operational control. Energy use data only concern energy use in common areas and by shared heating and air conditioning systems managed by SFL. Greenhouse gas emissions are calculated based on this use and water use data corresponds to water use directly managed by SFL for which the data are obtained by SFL.
- Segmental analysis: SFL's buildings in use consist of office buildings located exclusively in Paris and the Paris region. The segmental analysis proposed by EPRA is therefore not applicable.
- Normalisation: the square metres used to calculate intensities by surface area correspond to the buildings' usable surface area because, for the properties included in the reporting scope, SFL provides heating and air-conditioning for the entire building.
- Estimates: the data in the EPRA tables are calculated based on actual, invoiced use.
- Coverage rate: for each EPRA performance indicator, the coverage rate is calculated as a percentage of the total surface area.
- Verification: the reported data are verified by an independent third party with a moderate level of assurance. The independent third party's full opinion is available on pages 76 and 77.
- Headquarters: The information about offices occupied by SFL is reported in a separate table, as recommended by EPRA.
- Narrative on performance: period-on-period changes are reported for each indicator on pages 46 to 52.

5.6 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
Year ended 31 December 2017

This is a free translation into English of the Statutory Auditor's 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 2017 (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"), summarised in the Management Report and available on request from the headquarters of the Company.

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).

It is however, on occasion, not our responsibility to comment on compliance with other applicable legal provisions.

Our work was carried out by a team of five people between February and March 2018 and took around two weeks. To assist us in conducting our work, we referred to our corporate social responsibility experts.

Our work described below was performed in accordance with the professional auditing standards applicable in France and the decree of 13 May 2013 determining the conditions in which the independent third party performs its engagement and, for the reasoned opinion on fairness, with ISAE 3000⁽²⁾.

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) ISAE 3000 – Assurance engagements other than audits or reviews of historical financial information.

2. Formed opinion on the fair presentation of CSR Information

Nature and scope of procedures

– We conducted interviews with six 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⁽³⁾:

– 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 ⁽⁴⁾ 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 33% of the surface area of buildings reporting the presented quantitative environmental information.

For the remaining consolidated CSR Information, we assessed its consistency based on our understanding of the Company.

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, 16 March 2018
French original signed by one of the Statutory Auditors
Deloitte & Associés

Laure Silvestre-Siaz
Partner

Julien Rivals
Partner, Sustainable Services

(3) Please refer to Appendix 1.

(4) Please refer to Appendix 2.

Appendix 1: Selected CSR information

Important labour and employment data

- Number of employees by gender and type of employment contract (permanent/fixed term)
- Average age
- Number of new hires during the year by gender and type of employment contract (permanent/fixed term)
- Number of separations during the year by reason
- Total number of training hours
- Number of commuting accidents
- Accident frequency rate
- Accident severity rate

Important environmental data

- BREEAM and BREEAM In-Use certifications
- Amount of capital and operating expenditure committed to reducing environmental impact
- Total weight of waste produced (in tonnes)
- Water use and water intensity, total portfolio (in cu.m, cu.m/sq.m occupied and litres/user/day)
- Energy use by type of energy in MWh of final energy and energy intensity in kWh/sq.m (not climate adjusted)
- Greenhouse gas emissions from energy use in tCO₂e, and greenhouse gas emissions intensity in kg CO₂e/sq.m (not climate adjusted) EPRA code
- Total planted surface area (in sq.m)
- Horizontal and vertical green spaces as a proportion of the entire built-up plot of land, all properties

Qualitative information reviewed at Group level

- Automatic transmission of information about energy bills and analysis of energy use by destination
- Gender equality agreement
- Measures taken to prevent psychosocial risks and improve quality of working environment
- Local footprint and dialogue with stakeholders during the project structuring phase
- Sustainable procurement strategy – Supplier selection and management
- Security and management of environmental and health risks across the portfolio

Appendix 2: Selected units

Assets subjected to detailed tests of important environmental data

- Édouard VII (Paris 9th *arrondissement*)
- 131 Wagram (Paris 17th *arrondissement*)
- #cloud.paris (Paris 2nd *arrondissement*)
- 112 Wagram (Paris 17th *arrondissement*) (waste only)

Units selected for a review of important labour and employment information

SFL SA and Locaparis SAS

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