



## THE ART OF TRANSFORMATION

CREATING UNIQUE WORKING ENVIRONMENTS



# **2021 Non-Financial Information Statement**

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The Non-Financial Information Statement is an extract from the 2021 Universal Registration Document, which can be found at [www.fonciere-lyonnaise.com](http://www.fonciere-lyonnaise.com)

### 13. 2021 Non-Financial Information Statement

#### Introduction

Since its founding, SFL has demonstrated its expertise as a property owner and developer to build, maintain and transform its assets. By combining a long-term vision with agile responsiveness, it has managed both times of growth and times of crisis with the same spirit of resilience and innovation.

The global health crisis that emerged in 2020 and persisted throughout 2021 impacted the use of offices and continued to raise questions about their role, while spurring faster development of certain technologies and the recognition of rapidly shifting property user expectations.

Today, SFL is reaffirming its positioning in the prime segment of the Parisian office market. In an environment that has accelerated a certain number of social and urban trends, SFL is instilling its business with fresh meaning by setting it on an ambitious course, guided by a renewed commitment to high-quality, results-oriented performance. Faithful to its traditional core competencies and seasoned experience, SFL is strategically focusing on its role as an engaged artisan of the Paris cityscape, which is reflected in the assertive corporate social responsibility (CSR) policies that have been in place for ten years now.

Today, a new policy has been defined, shaped by our active attention to the emerging expectations of our tenants, our employees, our shareholders and our partners. Its meaning is further informed by the four core pillars that structure our pragmatic, highly effective action plans.

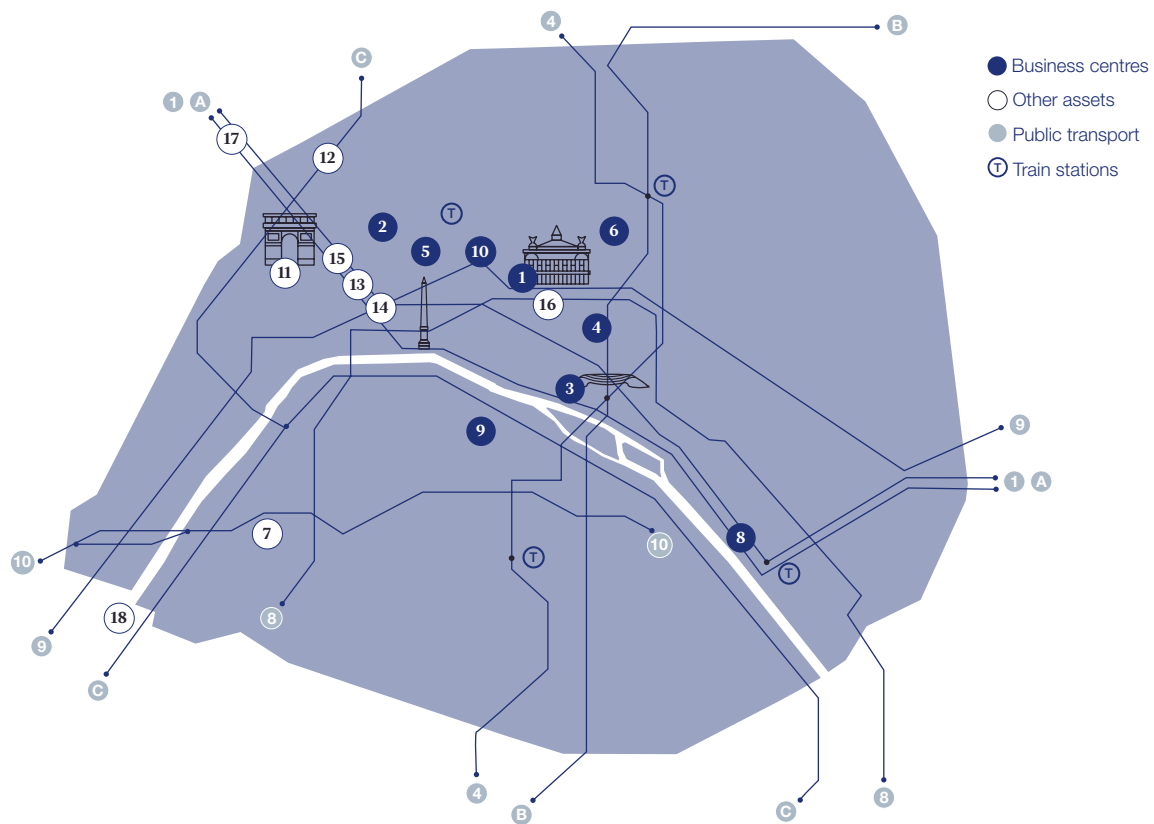
SFL is a property company focused on prime office real estate. At 31 December 2021, our portfolio comprised 18 assets (79% offices, 20% retail units and a hotel and 1% residential units by value), whose physical occupancy ratio stood at 98%. Our tenants represent the highest value-added per employee in their industries.

This clear positioning in the prime Parisian office property market and our organisation by core competency provide a robust foundation for our value creation strategy.

All of the buildings are located a few minutes walk from a public transport station, in the thriving business districts of Paris, Neuilly-sur-Seine and Issy-les-Moulineaux. The consistently seamless functionality and architectural beauty of these assets stem from regular commitment of major capital investments to meet the expectations of the market's most demanding tenants, as evidenced by the renovations and redevelopments currently under way or completed over the past ten years.

These works reflect the true meaning of our business model, which is to foster the desire to work together.

In pursuing our prime property strategy, CSR policies rank at the very top of our concerns. These policies are rooted in the CSR issues whose risks and opportunities have been deemed material to our stakeholders and critical to our profitability as a property company. Analysed in terms of risks and opportunities, 12 issues are being addressed through the four pillars of the intangible value of our assets.



### THE SFL PORTFOLIO: 380,800 SQ.M.

Paris	Total surface area <sup>(1)</sup>
1 Édouard VII	54,100 sq.m.
2 Washington Plaza	48,200 sq.m.
3 Louvre Saint-Honoré	47,700 sq.m.
4 #cloud.paris	35,000 sq.m.
5 Cézanne Saint-Honoré	29,000 sq.m.
6 Condorcet	24,900 sq.m.
7 Biome	24,500 sq.m.*
8 Rives de Seine	22,700 sq.m.
9 103 Grenelle	18,900 sq.m.
10 106 Haussmann	13,400 sq.m.
11 83 Marceau	9,600 sq.m.*
12 131 Wagram	9,200 sq.m.

13 90 Champs-Élysées	8,900 sq.m.
14 Galerie Champs-Élysées	8,700 sq.m.
15 92 Champs-Élysées	7,700 sq.m.
16 6 Hanovre	4,600 sq.m.
<b>Total</b>	<b>367,100 sq.m.</b>

Western Crescent	Total surface area <sup>(1)</sup>
17 176 Charles de Gaulle Neuilly-sur-Seine	7,400 sq.m.
18 Le Vaisseau Issy-les-Moulineaux	6,300 sq.m.
<b>Total</b>	<b>13,700 sq.m.</b>

● Paris Central Business District  
 ○ Rest of Paris  
 ● Western Crescent

(1) Including infrastructure and excluding car parks.  
 Surface areas rounded to the nearest hundred.



## 1. Our ambition: fostering the desire to work together

As Europe's oldest property company, with a rich history spanning more than 140 years, SFL has learned that real estate and its projects are a long-term process, with timelines of up to five or ten years from design engineering to tenant delivery. While the immutable goal is to create spaces that embody the desire to work together, the ways to achieve this can be adjusted, enhanced and realigned in response to societal and sociological change.

This is why it is critically important to set up innovation and planning platforms that enable real estate industry professionals to identify emerging trends. One example is our annual Paris Workplace survey, which reveals that the office is no longer just a place to work, but rather a place to connect, share and create, where corporate culture and collective intelligence is nurtured, and where employee engagement is fostered.

While employees can now work almost anywhere, thanks to new technologies and the flexibility offered by more widespread work-from-home arrangements, only a physical office enables companies to project their image to customers and employees, thereby acting as a catalyst in creating employer appeal and a key asset for retaining talent.

One of the major findings of the eighth annual Paris Workplace survey was that employees want to feel that the quality of their offices is aligned with their personal commitments. In particular, awareness of CSR issues has increased significantly in recent years, as seen in a clear concern for waste sorting, energy efficiency, soft mobility options, etc. Employees now expect their offices to have the same positive impact on the environment and society as they hope to have as individuals. This means

that an office building's CSR features are no longer minor or anecdotal considerations, and that "offices with impact" are being embraced by a growing number of employees.

While the younger generations are the most conscious of the matter, employees of all ages are becoming more demanding of their employers and want to see tangible proof of sustainable practices, particularly with regard to their offices. When employees are proud of their offices and of the commitments upheld, their engagement and well-being increase.





SFL has been working in this direction for many years, while creating a large community of like-minded construction companies, utilities and amenities operators, and other partners.

In liaison with its tenants, its external stakeholders (municipal and national authorities, residents), its employees and its shareholders, SFL is deeply committed to fostering the desire to work together, by adopting a responsible vision of the future in the development and management of its office buildings. In this way, we hope to:

- **Revitalise and reinvent the city**
- **Offer our users comfortable, flexible, convivial working environments**
- **Project ourselves into a low-carbon future**
- **Encourage engagement by our employees and partners**

### 1.1. Our four pillars

This ambition has been translated into four pillars, each addressing three specific issues. In this way, they cover all of our most material environmental, social and governance (ESG) issues and correlate them with the main risks and opportunities impacting our business model.

			
REVITALISE AND REINVENT THE CITY	OFFER OUR USERS COMFORTABLE, FLEXIBLE, CONVIVIAL WORKING ENVIRONMENTS	PROJECT OURSELVES INTO A LOW-CARBON FUTURE	ENCOURAGE ENGAGEMENT BY OUR EMPLOYEES AND PARTNERS
<p><b>We want to do our part in defining the new geography of work.</b></p> <p>We get local stakeholders involved in the design and execution of our urban development projects and focus our capital programs on buildings that are located in vibrant communities and offer excellent real estate fundamentals.</p>	<p><b>The world of work is radically changing.</b></p> <p>We want our users to look forward to coming to the office and working together, by offering comfortable, flexible spaces, serviced by prime amenities and meeting the highest standards of quality and performance.</p>	<p><b>The development and use of property assets is a significant source of greenhouse gas emissions.</b></p> <p>It is our responsibility to propose an ambitious low-carbon strategy, pay careful attention to the judicious use of resources and consistently include green spaces and vegetation in our projects.</p>	<p><b>Our commitment to working together is supported by a strong desire for transformation and bold thinking outside the box.</b></p> <p>Our team, which is entirely in-house, comprises talented people who know how to address these demanding issues. We can also count on our partners, with whom we nurture robust, enduring relationships.</p>
<ul style="list-style-type: none"> <li>• Urban footprint</li> <li>• Location &amp; accessibility</li> <li>• Building resilience</li> </ul>	<ul style="list-style-type: none"> <li>• Convenience &amp; amenities</li> <li>• Certifications &amp; labels</li> <li>• Tenant relations &amp; satisfaction</li> </ul>	<ul style="list-style-type: none"> <li>• Low-carbon strategy</li> <li>• Circular economy</li> <li>• Biophilia</li> </ul>	<ul style="list-style-type: none"> <li>• Employer appeal, skills development &amp; diversity</li> <li>• Health, safety &amp; quality of worklife</li> <li>• Ethics in the value chain</li> </ul>

## 1.2. Main non-financial risks and opportunities

In line with the risk and opportunity approach recommended for non-financial information statements, SFL addresses the risks inherent in its business and optimises the related opportunities through these CSR issues.

Analysing the risks and opportunities posed by the business model is a core component of our total value creation process.

In 2021, the worldwide business environment was shaped

by the same deep uncertainty as in 2020, as well as by the quickening pace of change in building usage and municipal services. However, it also revealed the strengths of SFL's resilient property portfolio, capable of effectively responding to new expectations even as they emerged and evolved with increasing speed. Our deep-rooted ties to the city, our constant efforts to deliver well-being and efficiency, and everyone's commitment to a responsible future have been expressed in 12 pathways to improvement, based on the above-mentioned four pillars. This holistic approach is presented and described in the sections below.

Pillar	Main risks	Value created	Find out more about our initiatives
Reinvent the city	Risks related to a building's integration into the urban landscape may arise from possible objections or obstacles to completing a development project or from delays in obtaining administrative permits. A property's location and accessibility could also have an impact on its attractiveness and occupancy rate. Lastly, a building's sustainability has to be improved to limit the physical risks that climate change and obsolescence may entail.	Our properties are located in a dense urban environment and in a city and a region that have made strong commitments to sustainability. As such, we must set an outstanding example. The high expectations expressed by our local stakeholders in terms of urban planning, building use, convenience and environmental excellence are all powerful drivers, encouraging us to propose urban development projects that are seamlessly integrated into their neighbourhoods, perfectly accessible and resilient.	Urban footprint, in section 3.1. Location & accessibility, in section 3.2. Building resilience, in section 3.3.
Comfortable, flexible, convivial environment	In the highly competitive Paris office market, a property company has to deliver real value to attract the most prestigious tenants. This means constantly enhancing building amenities, flexibility and service levels to attenuate the risk of rising vacancy rates and gradual obsolescence of our buildings.	Carefully monitoring changes in the ever-evolving world of work, the latest innovations in amenities, flexibility and well-being, and shifting user expectations offers a myriad of opportunities to improve relationships with our tenants. In turn, this helps to increase tenant retention, facilitate tenant negotiations and secure our rental income stream by maintaining maximum occupancy in our properties.	Amenities & layout, in section 4.1. Certifications & labels, in section 4.2. Tenant relations & satisfaction, in section 4.3.
Low-carbon future	The risks posed by environmental issues are primarily transition risks, reflecting the possible tightening of industry regulations and the emergence of higher stakeholder expectations. This could lead to an increase in property operating and/or construction costs or, to a lesser extent, give rise to reputational and market risks.	Implementing a plan to drive continuous improvement in the environmental performance of our assets, constantly enhancing each building's environmental and health quality, and diligently keeping service charges and capital expenditure under control are all enabling us to pro-actively prepare for future regulations, while continuing to attract and retain our tenants. Similarly, digitizing building management systems (with Facility Management BIM, smart metering, etc.) makes our processes more efficient.	Low-carbon strategy, in section 5.1. Circular economy, in section 5.2. Biophilia, in section 5.3.
Engaged employees and partners	SFL could encounter difficulties hiring for strategic positions if its employer appeal were to decline. In the event of an ethics violation, it could face legal or financial consequences. Its reputation could be negatively impacted and its executives could be held liable.	Competitive, motivating compensation packages and policies governing skills development, quality of worklife and gender equality are helping to enhance our employer appeal. Similarly, the inclusion of social and environmental criteria across our value chain and the engagement and commitment of our stakeholders are helping to forge strong, healthy relationships and maximise the impact of our initiatives. Introducing good governance practices provides an additional guarantee of performance and stability.	Employer appeal, skills development & diversity, in section 6.1. Health, safety & quality of working environment, in section 6.2. Ethics in the value chain, in section 6.3.



## 2. Key performance indicators

Equally divided among the four pillars of our CSR commitment, the 12 objectives for 2030 align our initiatives with the global objectives being pursued by leading sustainability organisations.

They are also the pragmatic, yet ambitious goals that are guiding the management of our initiatives over the shorter and medium terms.

Performance towards these objectives is regularly monitored by the Management Committee and the Board of Directors and guided by dedicated action plans.

Pillar	Issue	Primary 2030 objective	2021 outcomes
Revitalise and reinvent the city	Urban footprint	100% of projects subject to in-depth historical heritage impact assessments	100%
	Location & accessibility	100% of office assets located less than a ten-minute walk from a metro/tram station	100%
	Building resilience	100% of assets subject to vulnerability assessments and having the necessary prevention and compliance measures in place	<ul style="list-style-type: none"> <li>• Vulnerability assessments completed</li> <li>• Prevention and compliance measures to be defined and quantified</li> </ul>
Offer our users comfortable, flexible, convivial working environments	Convenience & amenities	100% of business centres served by prime amenities	100%
	Certifications & labels	100% of projects and office assets in-use certified	100%
	Tenant relations & satisfaction	>85% of tenants satisfied	95%
Project ourselves into a low-carbon future	Low-carbon strategy	70% reduction in kgCO <sub>2</sub> e/sq.m. (Scopes 1 & 2) in 2030 vs. 2017	22% reduction from 2017 to 2021
		40% reduction in kWh/sq.m. in 2030 vs. 2015	17% reduction from 2017 to 2021
	Circular economy	Zero final waste from buildings in-use or under development	Percentage of waste recovered <ul style="list-style-type: none"> <li>• Buildings in use: 87%</li> <li>• Redevelopment projects: 98%</li> </ul>
Encourage engagement by our employees and partners	Employer appeal, skills development & diversity	>2.5% of payroll spent on training	2.3% Many training sessions were postponed due to the health situation
	Health, safety & quality of worklife	100% of employees surveyed on the quality of worklife every year	100%
	Ethics in the value chain	100% of employees, contractors and suppliers covered by an Ethics Code of Conduct	Ethical commitments to be shared more formally with our partners

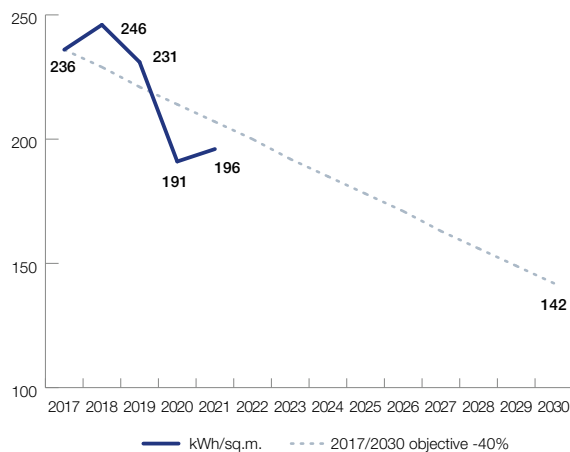
## 2.1. Significant events of the year

- The prime office model demonstrated its resilience and the “Paris Workplace 2021, Offices with Impact” survey strengthened our belief that offices have a role to play in ESG performance.
- We continued to define an increasingly ambitious carbon pathway for each asset, improved our knowledge of our overall carbon footprint and earned SBTi certification for our 1.5°C objective.
- Mobility-related initiatives included adding soft mobility service areas.
- All of the assets in-use were certified.
- The environmental data processing platform, where the digital transition converges with the real estate business, is being successfully used to collect data on water and energy usage.
- Led by its long-term vision for its business, SFL also laid the foundations for managing its energy and low-carbon action plan for the coming decade.

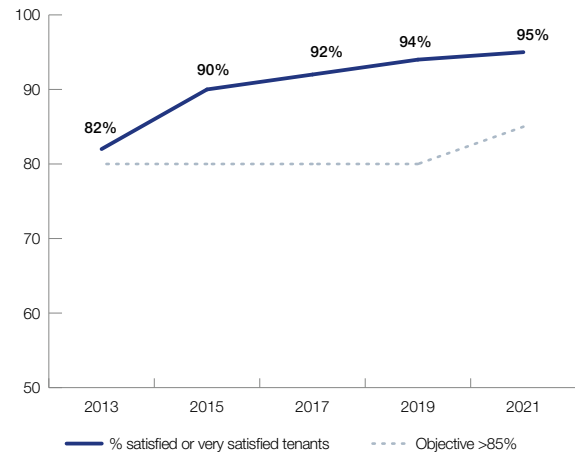
These achievements helped to drive progress towards the main objectives during the year.

- Energy use intensity and carbon intensity saw like-for-like reductions of 17% and 22% respectively from 2017 to 2021. The new target of reducing carbon intensity by 70% between 2017 and 2030, in absolute terms, is a compelling example of SFL's bold ambition.
- SFL office user satisfaction has improved steadily since 2013, with 95% of users satisfied or very satisfied with their experience in an SFL office.
- Lastly, the percentage of payroll dedicated to training exceeded the target from 2015 to 2019, attesting to the attention paid to developing the skills of all our employees, as well as their taste for innovation. Due to the health crisis, the percentage was 2.3% in 2021, as certain sessions had to be cancelled while others were held online.

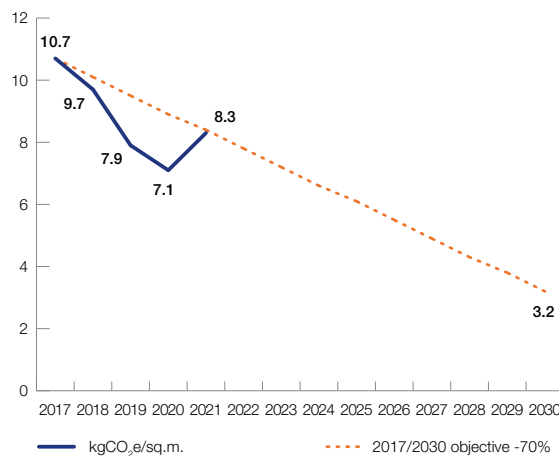
### ENERGY INTENSITY IN KWH/SQ.M. – ABSOLUTE



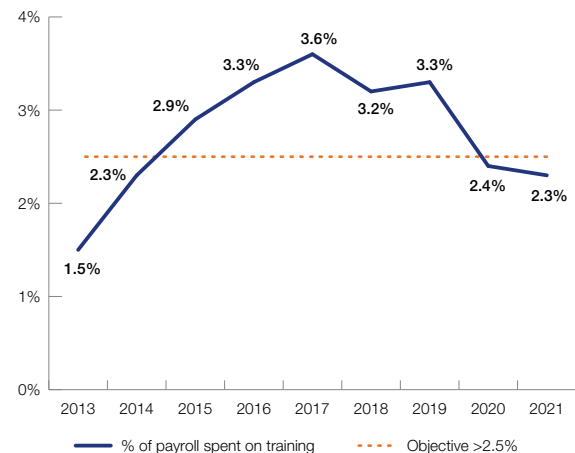
### % OF TENANTS SATISFIED



### CARBON INTENSITY IN KGCO<sub>2</sub>E/SQ.M. – ABSOLUTE



### % OF PAYROLL SPENT ON TRAINING



### Recognised performance




SFL ensures that all its reporting processes are aligned with the strictest standards. In addition, we seek assessments of our performance to be carried out transparently and regularly respond to surveys from GRESB and other ESG rating agencies. The recent distinctions and awards from BREEAM, GRESB and the EPRA offer compelling proof of this commitment to continuous improvement and transparent disclosure.

BREEAM	GRESB	EPRA
 <p>Very early adoption of Building Research Establishment Environmental Assessment Method (BREEAM) certification for redevelopment projects and BREEAM In-Use certification for properties in-use: 100% of projects and assets in-use certified since 2012.</p>	 <p>In 2021, the Global Real Estate Sustainability Benchmark (GRESB) awarded SFL the Green Star designation for the tenth year in a row, with scores of:</p> <ul style="list-style-type: none"> <li>- 92/100 in the Standing Investments benchmark;</li> <li>- 95/100 in the Development benchmark.</li> </ul>	 <p>SFL complies with the recommendations issued by the European Public Real Estate Association (EPRA) for its CSR reporting. Two Gold Awards, in Sustainability and Finance Best Practices Recommendations, were received in 2021. Sustainability and Finance Best Practice Recommendations. EPRA-format indicators are presented in each of the relevant sections of this report and in section 7.5.</p>

## 3. Revitalise and reinvent the city

Revitalising and reinventing the city is a core driver of the strategy to increase the value of our portfolio. To create value in our properties, we have to address the expectations of our stakeholders and the fact that our buildings are an integral part of the cityscape. One of the value creation strategy's fundamental strengths is the ability to capitalise on each asset's urban footprint, derived from its history, location, easy access and resilience.

Half of the portfolio assets have been redeveloped over the past decade, with several iconic projects initiated or completed in recent years, attesting to our deep commitment to offering products that are increasingly in phase with an ever-changing society.

Our 2020-2030 commitments		
<p>100% of projects subject to in-depth historical heritage impact assessments</p> 	<p>100% of office assets located less than a ten-minute walk from a metro/ tram station</p> 	<p>100% of assets subject to vulnerability assessments and having the necessary prevention and compliance measures in place</p> 

### 3.1. Urban footprint

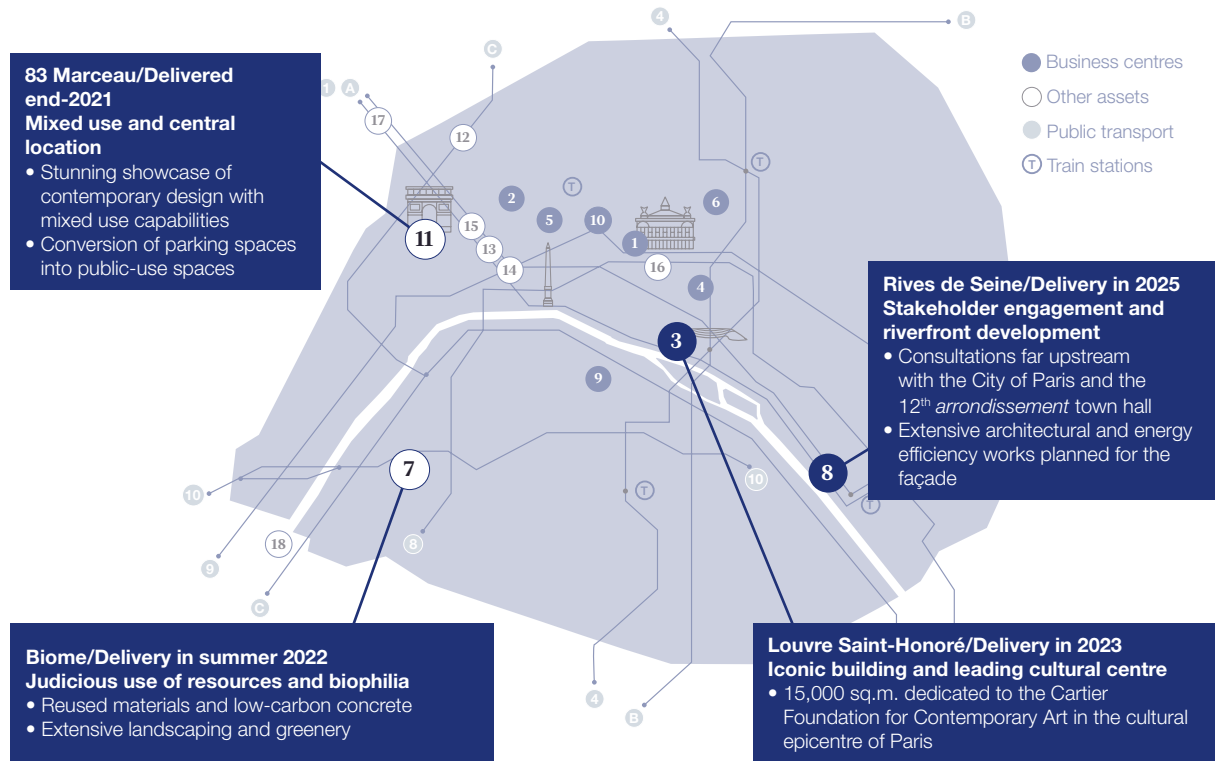
Given its strategic positioning in Paris and the inner suburbs, SFL is committed to reinventing its existing assets and developing new properties by, on the one hand, embracing their history and original architecture, and on the other, by taking a very ambitious approach to improving their sustainability and reducing their carbon footprint, while encouraging the use of new architectural forms and contemporary design codes.

When defining an asset redevelopment programme, in-house teams work closely with the above-mentioned architects and stakeholders to preserve as much of the existing structure as possible, in a commitment to safeguarding the transformed

building's surroundings by minimizing demolition and new construction. Retaining suitable structural works avoids the environmental impact of the demolition and new construction works that until recently were standard practice in Parisian real estate projects. In the same way, revealing the existing structure's underlying quality and ensuring that it can accommodate new uses enables SFL to minimise environmental impacts while enhancing the multi-use flexibility of the transformed buildings.

By engaging with local authorities and municipal stakeholders, SFL gets local residents and public officials involved in the design and execution of its urban projects in ways that build buy-in and foster the project's successful integration into the neighbourhood and the local cityscape.

## Four redevelopment projects emblematic of SFL's urban planning expertise



### 3.1.1. Heritage and architectural quality

Given its unique history with Paris, spanning more than 140 years, SFL is proud to uphold the highest standards in preserving and showcasing the city's architectural heritage. What's more, these demanding standards are constantly being reaffirmed in our most iconic projects.

This is why before any project gets under way, an in-depth heritage impact assessment is conducted in partnership with the Grahall consultancy to reveal the building's architectural history, determine its heritage or monumental importance and offer a clearer picture of the asset to the project owner and prime contractor.

To properly design an architecturally ambitious yet heritage-sensitive project, our development teams, project architects and design engineers interact with a variety of public stakeholders, such as the French government heritage preservation architects (*architectes des bâtiments de France* – ABFs), municipal building permit and landscaping departments, *arrondissement* elected officials, and neighbourhood and community associations.

We are also sensitive to all the urban planning and architectural issues arising from Paris's status as a city of the world, which is why we work with the biggest names in architecture and design, including Dominique Perrault, Ateliers Jean Nouvel, Jouin Manku, Ana Moussinet and Philippe Chiambaretta.

In this way, we strive to promote rewarding collaborations between renowned architects, engineers and designers, so that a distinctive aesthetic vision, resonant with each building's

space, use and size can emerge from their mutually enriching contributions. This collaborative interaction may be illustrated by the three leading SFL works projects currently under way:

- The reinvention of the **Louvre Saint-Honoré** building, a legendary Paris property that has been successively home to the Grand Hôtel du Louvre, built for the Paris Exposition Universelle in 1855, then the Grands Magasins du Louvre department store, the Louvre des Antiquaires mall. It will soon emerge in a new incarnation with the letting of 15,000 sq.m. (of which 7,000 sq.m. of exhibition space) to the Cartier Foundation for Contemporary Art. Designed by Ateliers Jean Nouvel, the project is rejuvenating the entire lower part of the building and the 70s-era concrete pillars with a new cut-stone façade that reinterprets the façades of an emblematic Parisian building with clear, pure lines, enhanced by a contemporary canopy opening onto large, full-length bay windows.
- The revival of **83 Marceau** near Place de l'Étoile, led by the highly meticulous vision of French architect Dominique Perrault, in association with French designer Ana Moussinet for the interior design of the amenity spaces. Together, they are recreating a contemporary façade decorated in light-toned Burgundy stone, typical of so many Parisian properties, that surrounds large shadow windows projecting a new image of an iconic building.
- The comprehensive redevelopment and construction of a new building in the **Biome** project on avenue Émile Zola (Paris 15), has been commissioned to a pair of designer-developers, Yrieix Martineau and Jouin Manku et Associés. The project notably includes the landscaping of 3,100 sq.m. of green spaces and outdoor terraces, BBKA certification as a low-carbon building

and the introduction of new building programmes and uses, with 700 sq.m. of housing space, 400 sq.m. of co-working space and a 1,000 sq.m. business centre open to the public.

SFL is also committed to aligning its project development and execution strategy with the concept of “urban renewal,” by making a concerted, enlightened effort to increase the density of spaces and integrate green, landscaped areas into its building lots and projects. In this way, SFL is seeking to promote new uses for the underground floors or rooftops in its buildings, made possible by:

- The ability to bring natural light into previously artificially lit areas: 92% more naturally lit space in Biome.
- The emergence of new mobility systems and the correlative decrease in the need for parking spaces: 65% fewer car parking spaces and 120 additional bicycle racks at 83 Marceau.
- Recovering and repurposing the roof by landscaping areas, relocating rooftop utility installations and introducing terraces accessible to tenants and the public: 83 Marceau now offers an outstanding terrace overlooking Place de l'Étoile, and Biome's existing rooftop utility areas will be transformed into accessible landscaped terraces.

### 3.1.2. An engaged citizen of the city

Dialogue and engagement lie at the heart of our strategy. SFL supports a project governance system involving elected officials and local authorities during the project design phase and neighbouring communities during the works phase.

Local residents can follow project updates and works progress through a variety of dedicated information and communication media, such as a website, an on-site project information office and regular newsletters.

SFL is also committed to creating local jobs, in particular through agreements with building contractors to maximise local hiring. Each project's environmental footprint (energy use, amenities, natural light, vegetation, access) is assessed during the engineering studies phase. Moreover, interaction in the upstream also helps to more effectively define and attenuate the project's impact on the urban environment.

These multifarious interactions enable our projects to evolve naturally in increasingly harmonious alignment with their environment and the cityscape.

- Local residents were engaged far upstream in the Biome redevelopment project, even before the administrative permits were obtained. Since the project broke ground, around fifteen information meetings have been organised, despite the health crisis, in conjunction with local 15<sup>th</sup> *arrondissement* council members, the City of Paris and community associations. During each one, the architects and SFL development teams presented the project and the changes made in response to the clearly expressed expectations of residents (creation of housing and additional landscaped areas).
- For the Louvre Saint-Honoré project, SFL and the town hall of the first *arrondissement* organised an initial neighbourhood meeting to discuss construction-related impacts with local residents. The installation of one of the world's largest contemporary art foundations, covering more than 15,000 sq.m, will reassert the building's central position in the cultural epicentre of Paris.
- At 83 Marceau, SFL continued to enhance and repurpose spaces by installing a brand-new public-access conference hall and meeting room area covering nearly 2,000 sq.m.

- At Rives de Seine, an architectural design competition based on mutually agreed specifications was organised with the City of Paris, the 12<sup>th</sup> *arrondissement* town hall, the Urban Planning Department and the Pavillon de l'Arsenal association. These stakeholders chose the winning team together, ensuring that its design offered the best response to the expressed needs.

## 3.2. Location and access

Employees feel that the primary criterion for their well-being is the location of their workplace and with it their commute time. In fact, workplace location has increasingly become a criterion as important as salary when considering a job offer. As a result, high value-added companies, for whom attracting and retaining talent is a performance-critical issue, have to offer employees workspaces in the capital's most desirable neighbourhoods, that are equipped with a diversified array of high-quality amenities and are within walking or cycling distance, or else accessible via the widest possible range of public transport options.

By steadily concentrating the portfolio in the most popular neighbourhoods, SFL's investment strategy has been historically aligned with this aspiration, frequently voiced by its tenant companies. SFL's assets are located in the Central Business District, near the major Paris train stations and hubs (#cloud.paris and Rives de Seine, for example) and in the new mixed-use neighbourhoods such as the 9<sup>th</sup> *arrondissement* (Condorcet) the 7<sup>th</sup> *arrondissement* (103 Grenelle) and the 15<sup>th</sup> *arrondissement* (Biome). These neighbourhoods are highly mixed-use (shops, cultural venues, housing) and enjoy top-quality transit access via metro, RER or bus.

SFL also takes great care to ensure that its buildings are accessible to everyone, with upgrades in recent years making 98% of in-use space wheelchair-accessible. In addition, every new redevelopment project is designed in compliance with the latest accessibility standards.

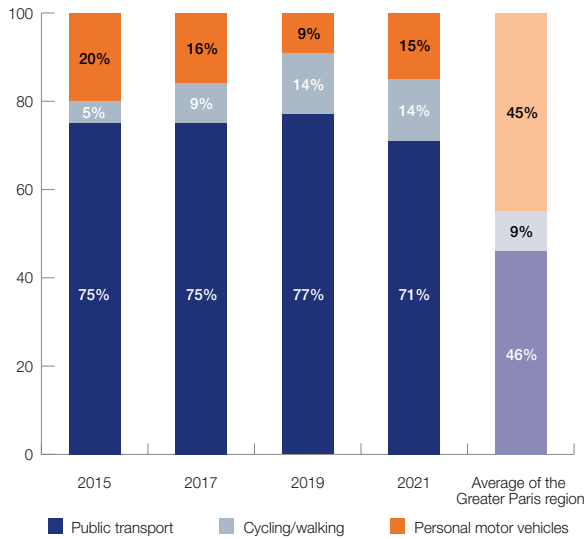
### 3.2.1. Offices that are exceptionally well served by public transport

All of SFL's assets are easily accessible by public and alternative transport, and all are located less than a 10-minute walk from a metro or tram station.

This outstanding proximity is directly reflected in the ways in which office users commute to and from work. In late 2021, for example, the latest satisfaction survey showed that 71% of them commute by metro, tram, train or RER, and 14% drive in by car, motorcycle or scooter, or take a taxi. Lastly, 15% of users cycle or walk to work, a percentage that has risen sharply since 2015.

The latest satisfaction survey shows that, thanks to our strategic focus on asset location, our tenants and users have an average commute of 5 to 45 minutes, which is much shorter than the average in the Greater Paris region as a whole. More importantly, according to the Paris Workplace survey, it is shorter than the maximum time that could have a negative impact on employee motivation. It is for this reason that 87% of respondents felt that location is the main advantage of SFL properties.

### HOW SFL OFFICE USERS COMMUTE TO AND FROM WORK



#### 3.2.2. New forms of urban mobility

Driven by the growing awareness of the environmental impact of travel, the prevailing health situation, the expanding range of transport options and the transit-related policies being pursued by the City of Paris and the Greater Paris regional authorities, new forms of mobility have emerged in recent years, which are gradually changing the way office users commute and get around the city. SFL pays particular attention to these emerging forms of urban mobility and listens carefully to what tenants have to say about their mobility needs.

On the Biome and 83 Marceau redevelopment projects, for example, outstanding public transit access meant that the number of car parking spaces could be significantly reduced, by 60% at Biome and 65% at 83 Marceau. In turn, this enabled the creation of bicycle racks (120 at 83 Marceau and 270 at Biome) and the installation of EV charging points.

This strategy is also being deployed in the in-use properties. Five assets have already installed EV charging infrastructure and three others are scheduled to be equipped.

At Washington Plaza, a works programme has been undertaken to design a service area dedicated to soft mobility. In particular, several hundred bicycle racks are planned, along with all the facilities needed to encourage their use (showers, changing rooms, repair stations, etc.). Similar installations will be deployed in other properties in the future.

### 3.3. Building resilience

As a leading property company with a long-term vision, SFL uses its sustainable capital expenditure strategy to improve the resilience of its assets to ensure their sustainability.

Resilience extends the properties' useful lives and guarantees their alignment not only with tenant needs but also with the urban fabric, as well as with their long-term outlook in terms of accessibility, the judicious use of resources and adaptability in the face of climate change.

This process demands granular understanding of the physical, environmental and health risks that can impact the assets and the deployment of carefully calibrated tracking systems and any necessary prevention and response measures.

#### 3.3.1. Sustainable capital expenditure

2021 brought into sharp focus the importance of an investment's location and the quality of its underlying real estate asset. The increasing prevalence of working from home one or two days a week is prompting companies to review their office organisation and facilities. Consequently, there is a critical need to invest in projects that are adaptable, flexible and scalable in response to the needs or demands of our tenants and prospects, while also offering solutions to mobility issues.

Tenants and prospects are looking for a number of features:

- very well located premises, close to transport hubs;
- floorplates with few structural obstacles, so that a variety of working organisations can be deployed, then upgraded and adjusted throughout the lease; a comfortable user experience and natural light are both highly sought after;
- the ability to fit out convertible or shareable meeting, co-working, socializing or discussion spaces, to avoid restricting them to a single purpose only for occasional use;
- a broad array of suitable amenities, in particular to create shared spaces and avoid multiple amenities of the same kind in the tenant areas;
- the proven ability to meet the highest technical and environmental standards.

More than ever, our strategy of consistently investing in sustainable buildings is proving its worth. The hierarchy of decision-making criteria among large tenants in the Paris office market has shifted towards more demanding standards, particularly for environmental and technical performance.

The office is becoming a powerful hub for acculturation that has to reflect the values of the company and the image it wishes to convey to customers and employees. But it also enables a company to reduce inequalities, particularly as regards an employee's residence and personal situation, and respond to the expectations of younger employees (under 35), who express a strong need for social connections and a sense of belonging. For example, 49% of under 35s say that they go to the office primarily to socialize with their co-workers, 42% to work more efficiently and 33% to work together on projects (IFOP study - Paris Workplace - 2021 survey).

Location and easy access via public transport (good quality metro and bus lines) remain by far the most important criteria, especially since the health crisis has shown that employees no longer accept overly long or unpleasant commutes. In addition, 71% of employees say that, if they had the choice, they would prefer a mixed-use neighbourhood with offices and housing to a business district comprising mainly offices (IFOP study - Paris Workplace - 2021 survey).

The quality of a building is increasingly judged by its ability to be upgraded to meet more demanding tenant requirements and tighter regulatory and environmental standards.

This sustainability will be a source of value creation in the medium- to long-term. A building's specific technical and architectural features are major vectors of transformation analysed in all our acquisition projects, as is the medium-term possibility of



earning the environmental certifications that now underpin most relocation decisions by companies based in the Greater Paris region and our own commitment to meeting the objectives set in France's commercial real estate energy savings decree.

Our investments and research are also very much focused on the tenant journey, the user experience and the satisfaction they give. The bar has therefore been set very high at every level to meet these expectations, and investment campaigns are regularly implemented to stave off obsolescence and revitalize facilities. Our annual opinion poll and biannual tenant survey are invaluable sources of inspiration not only for improving our managed properties and our refurbishment projects, but also for guiding our investment choices. For example, a building's critical mass and potential for expansion can be leveraged to integrate new practices that encourage facilities sharing and mixed use, which will ultimately enhance the tenant experience.

The deal origination process, followed by careful asset management, enables us to grow the revenue and value of our assets until they reach maturity. Early in the year, two liquid, mature assets (112 Wagram and 9 Percier) were sold to capitalise on a buoyant market and lock in all the value created by our teams. The disposals will enable us eventually to reinvest the proceeds in market opportunities as they arise.

### 3.3.2. Monitoring climate risks

The resilience of SFL's assets also includes their ability to cope with the effects of climate change, particularly the gradual rise in temperatures and the resulting increase in the number of extreme weather events.

In 2018, these physical climate change risks were analysed according to ADEME recommendations to measure possible vulnerabilities in the asset portfolio, proactively plan for the potential impacts on operations and, in this way, guarantee the quality of the tenant experience.

As part of this process, SFL's buildings were reviewed to determine their resilience to floods, heat waves, storms and other weather events, by identifying the possible impacts on each one's superstructure and shell, plumbing, electricals, HVAC, landscaping and exterior fixtures. This vulnerability assessment, which was performed on all the assets whose operations are directly managed by SFL, may lead to the implementation, on an asset-by-asset basis, of additional adjustment measures integrated into their capital expenditure plans.

The average increase in the Earth's temperature has been identified as one of the main risk factors. In particular, it could lead to higher energy use in HVAC systems and possible new capital projects to ensure building utilities are appropriately sized.

Recent years, and particularly 2020, have been the hottest on record in France and 2018 and 2019 saw serious summer heatwaves in the Paris region. Managing these weather events demonstrated that building utilities were appropriately sized and efficiently operated, with no reported malfunctions. Tenants and users were warned of the heat waves beforehand and reminded of the proper precautions and practices. This process seems to have been successful, as there were no reports of negative feedback.

### 3.3.3. Risk management systems and response measures

Every day, 20,000 employees can come to work in our assets in-use. With this in mind, highly disciplined environmental and health risk management policies have been deployed to drive continuous improvement in the quality of our assets by attenuating the risks to the health and safety of their occupants.

Over the past two years, SFL has obviously focused on the health and sanitary quality of its buildings, with strong initiatives to ensure a safe, healthy working environment by, for example, differentiating cross-ventilation airflows and optimising air change rates. Preventive actions were deployed and building operations were maintained in accordance with the strictest health standards without any difficulty, demonstrating the resilience of our assets in fast-evolving circumstances and the sound design and operation of their utilities.

More generally, SFL has long pursued a policy of managing environmental and health risks.

This process is organised around the following steps:

- identifying the risks and issues to address;
- recording inventory for all the utility installations;
- defining measurable targets;
- preparing a methodology to track and meet these targets;
- recording the results.

The introduction of health and safety risk management guidelines is supporting highly precise tracking and driving a steady improvement in outcomes. As part of this process, periodically and at least once a year, a technical review is conducted of the actions undertaken or planned in each asset, with the results reported to Executive Management.

A wide range of initiatives are under way to make our buildings healthier and mitigate the risks of pollution, in particular by:

- eliminating asbestos-containing materials and products whenever possible;
- testing for lead exposure before works begin;
- replacing fuel oil-fired boilers, the source of major sulphur dioxide and nitrogen oxide emissions;
- studying the replacement of open cooling towers as soon as possible to prevent the risk of legionnaires' disease;
- analysing hot water samples every six months for Legionella bacteria content.

As part of its culture of excellence in managing risks, SFL has chosen to form an effective partnership with a single Audit Bureau, which performs the full range of regulatory audits and reviews for all of the SFL-managed assets. Since the regulatory compliance framework agreement was set up, there has been a sharp reduction in the number of observations.

In recent years, systems have also been deployed to track and manage the operations of every SFL-managed property, with a focus on securing compliance with regulatory obligations and developing accurate indicators.

To continuously track the proper development of risk management procedures, an online platform, known as MEX, has been set up to enable the buildings to report all of the Audit Bureau's observations by issue and by degree of criticality, along with any remedial actions taken. As of 31 December 2021, 13 of the 14 directly managed assets in-use, representing 93% of total square metres, were tracked via the platform.

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

#### 4. Offer our users comfortable, flexible, convivial working environments

The organisation of our in-house teams and contractors is helping us to optimise our tenant intelligence and align our offering more closely with expectations, thereby validating our strategic focus on properties with a high utility value. Tenant relationships are always top-of-mind at SFL, and a central focus of its organisation. Knowing and understanding current and future needs is a major advantage as we manage our buildings in-use and design new redevelopments and renovations.

The objective is to define just the right way to use the space, depending on the tenant and the specific features of the building and the surrounding neighbourhood. In addition to designing maximum floor plate flexibility compatible with a vast array of organisational layouts, we strive to develop highly user-friendly common spaces that foster creativity in our multi-tenant buildings so that we can serve a full range of tenant communities.

In 2021, the lockdowns sparked significant debate about the role of workspaces. In response, we commissioned two surveys as part of the Paris Workplace campaign to specifically assess the impact of lockdown on office users and their expectations for working from home. Involving a total of 1,600 respondents, these urban workplace surveys revealed important information that is helping to shape how we look at employee expectations. In the case of working practices, for example, it is clear that the crisis brought to the surface some deep-rooted employee demands, for empowerment and self-management first of all, but also for trust. There is also a demand for spaces that are more aligned with emerging workstyles and a real desire to connect after months of uncertainty and a hit and miss social life.

In this way, the office has a social impact, in that it is no longer just a place to work but rather a place with a much broader meaning. In addressing the trends and data found in these surveys and studies, SFL is endeavouring to make people and their satisfaction the true focus of its investments, in addition to constantly improving building performance, amenities and features.

#### Our 2020-2030 commitments

100% of business centres served by prime amenities



100% of projects and office assets in-use certified



>85% of tenants satisfied



#### 4.1. Amenities, layout and organisational efficiency

The office remains a major, direct contributor to an employer's brand, an observation that has been increasingly noted with every new survey. Whereas in 2017 only 34% of young people said that the office was an important factor in their decision to join a given company, today 68% – twice as many – feel this way.

Clearly the office is becoming the new corporate manifesto, to the extent that, to paraphrase a well-known saying, "show me your offices and I'll tell you who you are" holds true.

Moreover, the health crisis has prompted the emergence of a number of underlying trends. After noticing that people brought their working habits home, we are now observing a movement in the opposite direction, as employees bring their personal beliefs and commitments (particularly societal and environmental convictions) back to the office. This is particularly true of the more engaged under-35 generation, which is often described as being "in search of meaning." Because they lie at the heart of this "war for talent", and their habits, expectations and demands will shape medium-term trends, these younger employees deserve special attention.

SFL endeavours to build and develop connections within its buildings by creating porous boundaries between tenant and common areas, which enables multi-tenant properties to offer the amenity spaces actively sought after by the under-35s. In conclusion, during our renovations and refurbishments, we invest to deliver maximum flexibility and operating efficiency in the tenant areas, so that tenants can then use these spaces as they see fit, and we revamp the common areas to foster user well-being and pave the way for the installation of new amenities.

#### 4.1.1. High operating efficiency and maximum flexibility

We take special care over the amenities, layout and organisational efficiency of our assets. Work time is not governed by a single, finite, compartmentalised space, but by the diversity of places, indoors and out, where we go to work alone or to meet with colleagues. SFL addresses the container, so that companies can eloquently express the content. This organisational efficiency, which can be likened to a building's frame, is a primary objective in every major redevelopment project. Once it is in place, subsequent redevelopments can be completed using fewer resources.

The comparison between the 83 Marceau and Cézanne Saint Honoré projects offers a compelling example. At 83 Marceau, the largely out-of-date 1970s-era frame was thoroughly redesigned, to open up the floor plates with pleasant, easily identifiable stair and lift wells. At Cézanne Saint Honoré, on the other hand, the floorplates already had these major structural advantages, so that the project could simply focus on upgrading the utilities and interior architecture twenty years after the previous renovation.

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. In the Biome complex, for example, the size and variety of the floor plates support all types of workstyles, from the most collaborative to the most reflective.

With this in mind, all of our buildings are renovated regularly. 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). Over the past 10 years, 60% of the floor spaces have been renovated or redeveloped.

SFL designs modular, free-flowing and adaptable office spaces and common areas, with stunning natural light, magnificently restored grand staircases, an attention to biophilia and tenant services, easy access to public transport, and highly flexible floor plates that can be fitted out to tenant specifications. The resulting tenant layouts, which may be partitioned or open plan, ensure that users enjoy a very high quality working environment.

Most of our buildings offer modern, contiguous 1,000 to 3,000 sq.m. floor plates that are highly conducive to organisational efficiency. Ideal depths range from 13 to 18 metres with double exposure, so as to maximise the amount of fixed office space receiving direct sunlight. On the renovated floor plates in the Cézanne Saint-Honoré complex, for example, direct sunlight reaches more than 75% of the surface area, including hallways and restrooms.

Utility installations are sized so that meeting rooms can be positioned anywhere on the floor plate, including in areas exposed to direct sunlight. On average, these rooms account for between 10% and 20% of total floor plate space. The 83 Marceau, Biome and Cézanne Saint Honoré redevelopments top the ranking in this regard, with meeting space representing nearly 20% of their floorplates – and even up to 35% on certain Cézanne Saint-Honoré floors following the addition of a public access facility.

HVAC and lighting installations are generally sized to offer an occupancy ratio of 10 to 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. Air flows are also carefully calibrated to run at peak capacity and exceed regulatory requirements (by 50% in Biome, for example). Indoor ventilation is also supported by the increasing installation of windows in every office, enabling occupants to adjust their comfort levels and ensure healthy air circulation.

Connection to outdoor spaces is a core aspect of both tenant well-being and our project development process, evidenced by the large sixth floor terrace and courtyard garden at 83 Marceau, the 300 sq.m. rooftop at Cézanne Saint-Honoré, the 1,600 sq.m. of landscaped grounds and 1,500 sq.m. of accessible terraces and balconies on every floor at Biome.

All redeveloped properties offer exceptional connectivity. Wireless networks are available throughout the building, even in the least accessible areas, with maximum exposure to electromagnetic fields kept significantly below regulatory limits<sup>(1)</sup>.

In this regard, 83 Marceau has earned Ready To Services (R2S) certification, enabling it to:

- offer tenants broadband internet connections to improve employee productivity;
- protect building networks and systems from cyber attacks;
- support the scalability of installed solutions, thereby increasing their useful lives;
- facilitate the seamless integration of the buildings into the smart city, so that they benefit from innovations and can help to pool equipment and resources.

(1) European Directive 2013-35 of 26 June 2013.

#### 4.1.2. Occupants' well-being

The Paris Workplace survey was conducted before and after Covid, so the findings give an idea of future trends and how society has changed. One might have expected the lockdowns to have dramatically altered people's relationship with the office and working from home. Surprisingly, this was not the case. The number one reason why Parisian employees come to the office is to socialise with co-workers, ahead of working more efficiently or being able to work as a team.

The office is now expected to have a positive impact on its environment in the broadest sense, on both society as a whole and the entire planet, and this trend is becoming more prominent. The vast majority of employees surveyed said they were more aware of such issues as waste sorting (86%), less printing (84%) and the use of soft mobility options (63%) than ten years ago. However, the office is not yet considered the primary focal point for the environmental transition, with 78% of employees (of all ages) saying that they are more environmentally responsible at home than at work.

Moreover, the more a company's commitment to the environment is perceived as lasting, the greater the positive impact on employee well-being. Employees who work for a company that supports non-profits rate their well-being at 7.1/10, compared to 6.2/10 for people working for a company that does not support non-profits. This real-world example is perfectly encapsulated by Yann Bucaille-Lanrezac, founder of the Café Joyeux chain of socially responsible cafés: "if we care about the earth, we also care about people."

To feel good at work, people need to see each other in person, to nurture the positive workplace relationships that are the most decisive factor in fostering well-being and performance. Since people were "deprived," for a period, of the possibility of going to the office, there has never been so much media debate surrounding this issue.

Nevertheless, a new geography of work is emerging. An office building has to be a locus of identity, events and togetherness, an interface with society, in which its full meaning is expressed. When its purpose is perfectly defined, a building really comes to life. It will also be shaped by its community of occupants, in the sense that the spaces will be "inhabited" by the various working, creative, convivial and discussion ecosystems that they nurture. In this way, the premises become a personal space.

Using the spaces to the fullest also demands a flawless understanding of their volumes, physical features and aesthetic qualities. A workplace has to embody what people expect from a workspace, in its design codes, its needs and how it is used. The current Biome redevelopment represents a culmination of SFL's expertise and a remarkable blend of tenant expectations. It has been designed to provide a number of spaces where tenants will be able to:

- meet and talk to each other in quiet, beautifully well-kept spaces, such as modular, private, light-filled office floors capable of accommodating large meeting rooms, co-working areas, a public-access business centre with an auditorium and meeting rooms, common areas (lobby, cafeteria, company restaurant) envisioned by leading designers, a vast garden and a large number of accessible landscaped terraces;
- maintain their health and well-being in a fitness centre, company restaurant and garden;
- rest, recuperate and reconnect with nature (see section 5.3. Biophilia for more details).

These spaces and amenities are also being developed on the 83 Marceau project, which features a business centre that is open to the public, with an auditorium and shared meeting rooms, a staff cafeteria, a garden and other common areas.

#### 4.1.3. New amenities and services

SFL's approach to amenities and services is informed by a granular analysis of each building, according to its size, location and tenant base. This enables us to create compelling new uses for common areas that make life easier for employees and nurture closer relationships.

Amenity installations and upgrades are scheduled based on a thorough knowledge of the buildings and how they are used by tenants. When the decision is made to invest in a new building amenity, the space, its design and the operator who will optimise its use are all carefully selected. Users want amenities that deliver the right benefits for everyone. The range of amenities is being expanded from an increasingly well-understood foundation of core services. For example, the following new amenities have been or are being installed in our buildings:

- community managers, who play a key role in communicating with tenant employees and facilitating a wide range of services;
- food services, which are still the number one expectation in user surveys – subsidized food services have also been added to meet new expectations emerging from the health crisis;
- café areas, which are beautifully and functionally designed by interior architects to offer a variety of spaces for convivial interaction;
- sports facilities, either through multi-purpose health and fitness rooms, or when possible, full sports clubs managed by a dedicated service provider;
- large shared meeting spaces and auditoriums, enabling tenants to free up space in their own areas;
- spaces dedicated to new forms of mobility, such as bike racks and charging stations for electric vehicles, in response to emerging expectations of both the Paris municipality and our tenants;
- new digital and print media, with an application and a newsletter to facilitate communication and dialogue with users.

All these amenities have proven very popular and illustrate what SFL is doing to address the issues discussed in the Paris Workplace surveys.

Certain uses that require natural light can be supported 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.

The 83 Marceau redevelopment delivered in late 2021 amply incorporates these features by bringing natural light to three former car park levels and utility rooms and by offering future occupants not only a vast 180-seat auditorium, but also sunlit spaces, meeting rooms and a café-lounge suitable for informal meetings and collaborative working.

## PRIME AMENITIES BY BUSINESS CENTRE AS OF END-2021

	Staffed security command centre	Building manager	Auditorium	Shared meeting rooms	Reception desk/ Cafeteria	Concierge services	Restaurant	Fitness room	Application	Electric charging stations
Washington Plaza	x	x	x	x	x	x	x	x	in progress	x
103 Grenelle	x	x	x	x	x	x	x	x	x	in progress
#cloud.paris	x	x	x	x	x	x	x	x		x
Édouard VII	x	x	x	x	x	in progress	x	x		
Louvre St-H.	x	x	x	x	x	in progress	x		in progress	in progress
Cézanne Saint-H.	x	x	x	x	x					in progress
83 Marceau	x	x	x	x	in progress			x		x
Biome (delivery in 2022)	in progress	in progress	in progress	in progress	in progress	in progress	in progress	in progress	in progress	in progress

### 4.2. Certifications and labels

SFL's tenant portfolio includes world-class companies who insist that their head offices demonstrate superior environmental and social responsibility performance, in line with their own commitments.

For them, environmental certification is now a critical prerequisite, an effective, third-party-validated way for SFL to guarantee tenants, investors and other stakeholders that superior performance will be delivered.

To proactively address this major challenge, since 2012, we have ambitiously sought very high level environmental certification for all of our assets in-use and for each refurbishment and development project.

#### 4.2.1 All properties in-use certified to the BREEAM In-Use standard

In 2012, SFL set the standard for European property companies in pioneering BREEAM In-Use certification for all its assets in-use<sup>(1)</sup>, i.e., for 13 properties representing nearly 260,000 sq.m. of leasing area as of end-2021.

Our objective is for each successive audit to result in a rating upgrade. Since 2016, all of the certifications, in both parts 1 and 2, have been rated Very Good or higher.

100% of assets in-use certified since 2012

>50% of square metres in-use rated Excellent

#### 4.2.2. Earning triple certification and/or labelling for redevelopments

Certifications and labels are chosen to meet specific building characteristics as closely as possible. In this way, they support the building's market positioning, while challenging its management teams and demonstrating its most innovative features.

SFL's major redevelopment projects on empty buildings (Biome and 83 Marceau under construction in 2021) have all earned triple certification and/or labelling.

One prime example is Biome, which will be certified BiodiverCity® Excellent, highlighting its extensive landscaping and greenery. It has also earned the BBCA Rénovation low-carbon building label, reflecting the ambitious vision that guided the SFL greenhouse gas emissions experts when working on the project.

#### Biome

- BREEAM Refurbishment: Excellent
- LEED Core and Shell: Gold
- HQE Rénovation: Exceptional
- BBC-Effinergie: Renovation
- BBCA: Renovation
- Biodivercity: Excellent
- Wired score: Gold



#### 83 Marceau

- BREEAM Refurbishment: Excellent
- LEED Core and Shell: Gold
- HQE Rénovation: Exceptional
- BBC-Effinergie: Renovation
- Ready 2 Services



(1) "Certifiable" buildings, excluding major redevelopments and renovations, but including buildings whose renewal applications are being reviewed by the BRE.

#### 4.3. Tenant relations and satisfaction

With a portfolio that is highly consistent in terms of quality and location, it is essential for all our teams to gain a thorough understanding of the expectations of our tenants and their employees, so that we can address their needs by designing just the right products and solutions.

##### 4.3.1. Constant dialogue with tenants

Dialogue is an integral part of our corporate DNA, it plays a critical role in our ability to satisfy our tenants, meet their expectations

This can be seen in the following examples of ongoing initiatives.

	Examples of dialogue channels
Leasing	<b>Green leases:</b> Every new office lease signed since 2016 has included an environmental appendix, even for spaces of less than 2,000 sq.m.
	<b>User guides:</b> Every SFL building now has a user guide providing a wealth of information on its amenities, services and operations. Topics covered include building history, opening hours, accessibility (pedestrians, persons with reduced mobility, vehicles, public transport, etc.), safety and security, utilities (energy, water and waste management, etc.), and food services, among others.
Buildings in use	<b>Tenant committees:</b> Tenant committees are aligned with the size of the building and how it is used, with particular attention focused on business centres. In the case of “major users”, meetings are organised at least once a month to discuss such issues as usage patterns, accessibility, capital improvements and environmental impacts (certifications, energy and water use, waste treatment, etc.)
	<b>Tenant newsletters:</b> SFL fosters a sense of community in a number of its buildings by publishing building-specific tenant and user newsletters, such as <i>Le journal le 42</i> for the Washington Plaza building. With each issue focused on a single over-arching theme, these newsletters offer tenant employees the latest news about the building and the neighbourhood, including cultural events, new restaurant openings and shopping opportunities. They also keep users informed of the green initiatives being undertaken in the building.
	<b>Events:</b> To nurture long-term relationships with our contacts, we bring tenants together twice a year in a different setting, with a preference for one of our properties to share progress on our projects and demonstrate the expertise of our teams.
	<b>Activities:</b> Activities are increasingly popular and widely attended by building users. Examples include inter-company competitions in the fitness and sports facilities, pétanque tournaments in the outdoor areas and green food tastings.
Renovation	<b>Special worksite media:</b> During major renovation projects, SFL publishes a variety of media carefully adapted to each situation. For the Louvre Saint-Honoré renovation, for example, employees using the building are being kept regularly informed of the works through a variety of purpose-designed resources, including a team of communication officers and dedicated communication systems and media. The most common impacts are addressed in a proactive commitment to minimising any inconvenience during the works phase.

##### 4.3.2. Tenant satisfaction, the cardinal direction of everything we do

Every two years, SFL carries out a survey of all its tenant employees to measure their satisfaction and expectations in terms of workstyles, amenities and environmental performance.

In all, nearly 1,000 people responded to the latest satisfaction survey conducted in 2021.

and capture their feedback and perceptions of our properties, amenities and services.

Our Asset Management and Tenant Management Department interacts with tenants every day and, through a variety of initiatives, gets them involved in:

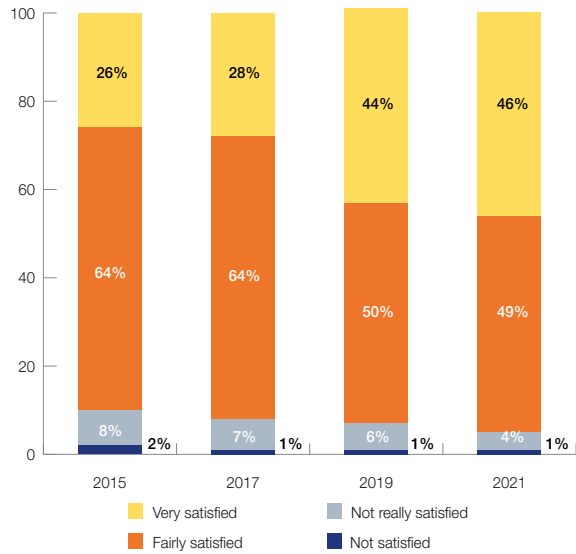
- our environmental initiatives;
- expressing their feedback and their service and amenity needs;
- and more recently the health measures.

The typical employee working in an SFL building is a 40-something manager who lives in central Paris, has a 30 minute commute by public transport and gives their well-being at work a score of 8/10 (compared to 6.8/10 for the managers in the Greater Paris region surveyed in our Paris Workplace benchmark). They work in an open space office, consider on-site amenities to be fundamental and would opt for better waste management if they had to choose an environmental or social programme.

More than 95% of survey respondents said that they were satisfied with their offices, amply exceeding the targeted 85%, while the percentage of highly satisfied users rose to 46% from 26% in 2015.



## TENANT SATISFACTION



### Our 2020-2030 commitments

70% reduction in kgCO<sub>2</sub>e/sq.m. (Scopes 1 & 2 in tCO<sub>2</sub>e) in 2030 vs. 2017



40% reduction in kWh/sq.m. in 2030 vs. 2017



Zero final waste from buildings in-use or under development



## 5.1. Low-carbon strategy

SFL is deploying an ambitious low-carbon strategy built on five pillars:

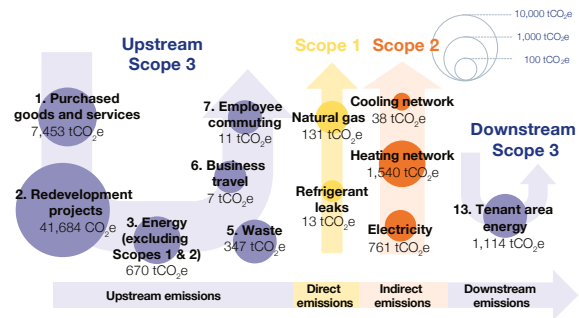
- increasingly broadening the measurement and management of greenhouse gas emissions across the SFL value chain;
- pursuing an ambitious direct emissions reduction pathway, led by improvements in energy efficiency;
- earning certification of the reduction pathway, by the Science-Based Targets initiative (SBTi), in line with the 1.5°C target (since August 2021);
- using less carbon-intensive sources;
- embedding carbon considerations more deeply into investment decisions.

### 5.1.1. Measuring and managing the broader carbon footprint

Measuring the carbon footprint of SFL's entire value chain helps to identify the main sources of greenhouse gas emissions and understand their impact.

The measurement exercise revealed the impact of our activities on Scopes 1 & 2 emissions and on seven of the Scope 3 categories defined in the GHG Protocol<sup>(2)</sup>.

## SFL'S BROADER CARBON FOOTPRINT IN TCO<sub>2</sub>e (SCOPES 1, 2 AND 3)



Since greenhouse gases are emitted across the SFL value chain, measuring and reducing them requires a significant collective effort involving a wide range of stakeholders, particularly for the main sources described in the following table.

(1) The building sector released 89 million tCO<sub>2</sub>e in 2016, or 20% of national Scope 1 emissions and 26% of Scope 2 emissions (i.e., from the generation of purchased electricity used in the buildings). Cited in France's National Low Carbon Strategy, revised on 6 December 2018.

(2) The reported seven categories are identified by their numbering in the GHG Protocol.

The other Scope 3 categories in the Protocol (i.e. Upstream Transportation and Distribution, Upstream Leased Assets, Downstream Transportation and Distribution, Processing of Sold Products, Use of Sold Products, End-of-Life Treatment of Sold Products, Franchises and Investments) have been deemed immaterial to SFL's business.

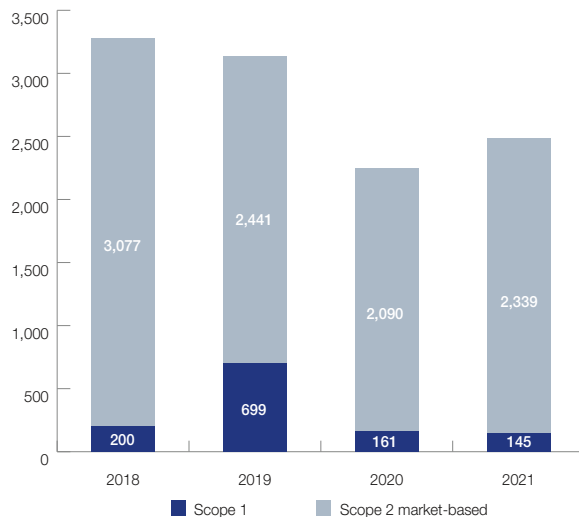
Scope	Emission source	tCO <sub>2</sub> e in 2021	Leading stakeholders involved	Required resources
Buildings in use	1 & 2 Energy used in common areas and shared services and refrigerant leaks	2,484	<ul style="list-style-type: none"> <li>Office users</li> <li>Multi-technical service providers</li> <li>Design offices</li> <li>Energy suppliers</li> <li>Waste collection service providers</li> </ul>	<ul style="list-style-type: none"> <li>More precise measurement of usage profiles per building</li> <li>Energy master plan and capital expenditure plan per asset</li> <li>Use of less carbon-intensive energy sources</li> </ul>
	Energy used in tenant areas (13. Downstream leased assets)	1,114		
	Waste (5. Waste generated in operations)	347		<ul style="list-style-type: none"> <li>Raising user awareness to reduce the amount of waste produced</li> <li>Offering more waste sorting opportunities</li> <li>Paying close attention to disposal methods</li> </ul>
Projects	3 Redevelopment projects (2. Capital goods)	41,684	<ul style="list-style-type: none"> <li>Architects</li> <li>Design offices</li> <li>Construction companies</li> <li>Building managers</li> </ul>	<ul style="list-style-type: none"> <li>Architectural design reusing existing structures</li> <li>Widespread use of life cycle assessments (LCAs)</li> <li>Low-carbon construction processes (reuse of materials, low-emissive materials, etc.)</li> </ul> <p><i>This was a particularly important source in 2021 because of the works being carried out simultaneously on three major redevelopment projects (see sections 3.1. and 5.2.).</i></p>

### Scopes 1 & 2 greenhouse gas emissions

Scope 1 and market-based Scope 2 carbon emissions from energy use and refrigerant leaks in SFL-managed assets represented 2,484 tCO<sub>2</sub>e in 2021, of which:

- 145 tCO<sub>2</sub>e in direct Scope 1 emissions;
- 2,339 tCO<sub>2</sub>e in indirect market-based Scope 2 emissions.

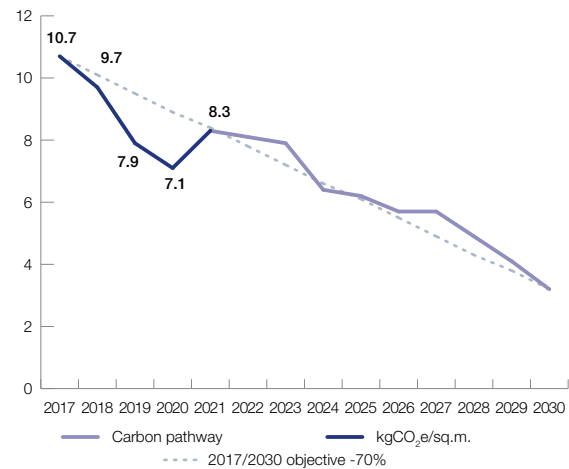
### REDUCTION IN SCOPES 1 & 2 GHG EMISSIONS



In absolute terms, Scopes 1 & 2 emissions fell sharply between 2018 and 2021, with an almost 793 tCO<sub>2</sub>e reduction corresponding to declines of 27% in Scope 1 and of 24% in Scope 2. The year-on-year upturn in 2021 was driven by the increased need for ventilation in the current health situation and a rise in energy consumption for heating.

SFL's new carbon target is to reduce energy-related greenhouse gas emissions<sup>(1)</sup> by 70% in kgCO<sub>2</sub>e/sq.m. between 2017 and 2030. Emissions were reduced by 22% between 2017 and 2021.

### CARBON INTENSITY IN KGCO<sub>2</sub>E/SQ.M. – ABSOLUTE



#### 5.1.2. Improving energy efficiency

Residential and commercial buildings are by far the largest energy users in France, accounting for 44% of the total energy consumed<sup>(2)</sup>. As a result, improving energy efficiency is certainly our biggest challenge. Its importance was further confirmed by the decree mandating actions to improve the energy performance of commercial buildings, which stipulates that energy use must be reduced by 40% by 2030, 50% by 2040 and 60% by 2050.

Meeting these ambitious national objectives will require targeted investments and continuous improvement in building management systems. It will also involve addressing emerging tenant needs, which could impact intensity of use in our buildings (digital technologies, amenities, food services, etc.).

To this end, SFL has undertaken a broad-based dialogue and emulation process with its tenants to gain insight into energy use in its buildings and then to reduce overall consumption by integrating the energy used in the tenant areas, with energy sharing agreements, discussions on energy use profiles during tenant committee meetings, etc.

(1) Excluding refrigerant leaks.

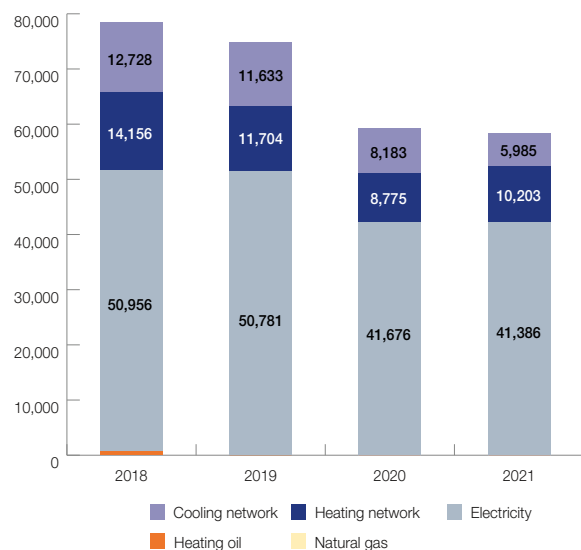
(2) 2015 figures from ADEME.

After ten years of major capital investments in its buildings, SFL is also endeavouring to foster a holistic ecosystem of processes and partners to improve its energy efficiency.

In particular, it has joined with two recognised, complementary partners to build a new strategic plan, which should drive a 40% reduction in energy use by the end of 2030. After an initial programme aimed at increasing the amount of collected data by installing more sub-metering systems, a comprehensive technical master plan was developed for the entire asset portfolio. In turn, this was broken down into dedicated energy and carbon pathways to 2030 for each asset, supported by a capital expenditure plan.

In 2021, properties owned and managed by SFL used 58,352 MWh of final energy, of which 42,182 MWh (72%) in the common areas and for the heating and air-conditioning used in tenant areas.

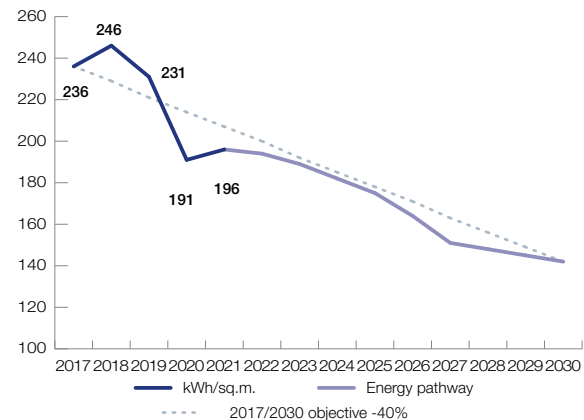
### ENERGY USE BY TYPE, IN MWH



In absolute terms, total energy use from all sources declined by 25% from 2018 to 2021.

SFL's operational objective is to reduce energy use intensity in kWh/sq.m. by 40% between 2017 and 2030, in full compliance with France's commercial real estate energy savings decree. By the end of 2021, the reduction already stood at 17%.

### ENERGY INTENSITY IN KWH/SQ.M. – ABSOLUTE



### 5.1.3. Transitioning to lower carbon energy sources

Another way to reduce energy consumption and shrink the carbon footprint is to optimise the energy mix with less carbon-intensive energy sources.

Already, nearly 71% of the energy used across the portfolio is from electricity, which is very low-carbon in France. The use of fossil fuels, on the other hand, is marginal, with the only such fuel, natural gas, representing 1.3% of the total energy mix. The remaining energy used comes from district heating (17.5%) and cooling (10.3%) systems, which account for diametrically opposed proportions of the related carbon impact, at 49.3% and 1.2% respectively.

### ENERGY MIX AND RELATED CARBON IMPACT AS A % IN 2021<sup>(1)</sup>

	Energy mix	Related carbon impact
Electricity	70.9%	45.3%
District cooling network	10.3%	1.2%
District heating network	17.5%	49.3%
Natural gas	1.3%	4.2%

(1) Energy used in and related carbon emissions from the common and the tenant areas of the 13 in-use buildings owned and managed by SFL in 2021.

SFL is striving to further improve this energy mix, led by the following initiatives:

- Gradually reducing the use of the most carbon-intensive energy sources, particularly for heating:
  - replacing the last fuel oil-fired boiler with a natural gas-fired installation in the spring of 2018;
  - installing heat pumps, notably in the Galerie des Champs-Élysées in November 2020, which has since resulted in a 36% reduction in energy use.
- Opting for energies with the lowest emission factors:
  - gradually connecting eligible assets to the district cooling network (which has a low emissions factor);
  - negotiating with suppliers to steadily increase the proportion of energy from renewable sources, particularly for electricity and district heating (CPCU).

## 5.2. Circular economy

SFL supports the circular economy by developing and managing real estate assets in ways that limit the use of natural resources and the production of waste.

This commitment addresses three main issues:

- the judicious use of resources during the works phase;
- the recovery, recycling and reuse of building waste;
- managing water use in properties in-use.

It is reflected in our approach to redevelopment projects, which are shaped by in-depth historical heritage impact assessments, reuse of existing structures and close attention to the original building architecture.

This also helps to limit the amount of demolition and therefore the use of natural resources when new structures are built. By nature, redeveloping or renovating an existing building is much more carbon efficient than putting up a new building, since most of the structure, and sometimes even the roof, windows and doors, are retained. Moreover, unlike new construction, redevelopment projects do not seal any additional soil space.

### 5.2.1. Using resources judiciously

The French construction industry produces some 50 million tonnes of waste a year, far more than the approximately 30 million tonnes thrown away by households<sup>(1)</sup>.

In its redevelopment projects, SFL seeks to mitigate this impact on the buildings it owns and renovates by implementing clearly defined policies to reduce the worksites' environmental footprints and by demanding and monitoring contractor compliance. These policies systematically cover four main solutions:

- reusing materials from the existing building on-site;
- reusing salvaged materials on-site or selling them for reuse via online marketplaces when they cannot be used on-site;
- using bio-sourced materials or less carbon-intensive alternatives;
- recovering and/or diverting demolition or salvaged waste.

In 2021, work was underway on two redevelopment projects in empty buildings: 83 Marceau, which was delivered at year-end, and Biome, scheduled for delivery in summer 2022. Both are covered by clearly defined worksite guidelines designed to earn certification according to industry standards, with a strong focus on materials reuse and disposal.

**400 sq.m.** of stonework and **11,000 sq.m.** of raised access floors reused on Biome

**4,000 cu.m.** of low-carbon concrete used on Biome

More than **99% of site clearance waste** and more than **98% of construction waste has been recovered and reused** from the 83 Marceau and Biome worksites

Biome, in the 15<sup>th</sup> *arrondissement* of Paris, has been awarded the Bâtiment Bas Carbone renovation label for low-carbon buildings. In designing its redevelopment, particular attention was paid to the possibility of reusing materials from the existing building on-site. More than 400 sq.m. of stonework will be cleaned and reused, and salvaged marble will be reused as terrazzo in the new restrooms.

More than 60% (4,000 cu.m.) of the poured concrete will come from less carbon-intensive alternatives and 86% (more than 11,000 sq.m.) of the raised access floor slabs will be reused. These two initiatives alone represent more than 2,500 tCO<sub>2</sub>e of avoided emissions.

On the worksite of 83 Marceau, delivered at year-end 2021, more than 7.4 tonnes of materials were salvaged early in the project and sold on online marketplaces, giving plant and flower boxes, doors, stair steps, raised flooring, air extract units and lighting fixtures a second life.

Construction and worksite waste is also recovered and reused:

- For site clearance works: 99.9% of 83 Marceau's waste and 99.6% of Biome's waste was recovered and reused.
- For redevelopment works: 98.2% of 83 Marceau's waste (nearly 7,300 tonnes) and 98.7% of Biome's waste (nearly 20,720 tonnes to date) has been recovered and reused as materials or fuel. On the Biome worksite, a mini waste collection facility has been installed to support a highly precise sorting process, while a compacting system is reducing the space needed for packaging waste.

The ultimate goal is to produce zero final waste during both the development and in-use phases.

### 5.2.2. Building waste recycling, recovery and reuse

In 2021, some 538 tonnes of waste were produced by tenant activities in the seven buildings owned and managed by SFL whose waste is not collected directly by the City of Paris<sup>(2)</sup>.

On a comparable portfolio basis, the amount of waste has been sharply reduced in recent years, with a 29% decline since 2017 to 18 kg per user per year.

The reduction has been led by the efforts of SFL teams to raise tenant sensitivity and by the steady shift to paperless office practices. It has gained momentum in the past two years due to the health situation and the steep fall-off in office use over the period.

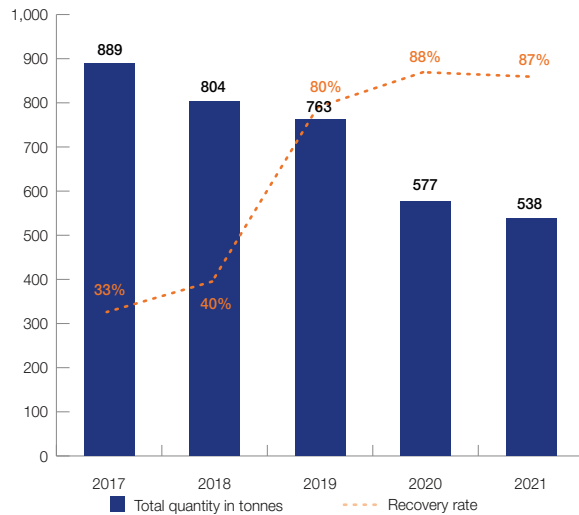
To manage building waste more effectively a wider selection of sorting solutions has been deployed for tenants. As of year-end 2021, 13 different types of waste were collected in our assets, including cardboard, paper, plastics, wood, glass, metals and waste electrical and electronic equipment.

Effective management also includes ensuring that the waste collected by service providers is treated in the most appropriate way possible, depending on locally available recycling or reuse solutions.

(1) According to a study by the French Building Federation, *Étude de scénarii pour la mise en place d'une organisation permettant une gestion efficace des déchets du bâtiment dans le cadre d'une économie circulaire*, published in May 2019.

(2) The seven SFL-managed buildings for which private waste management contracts have been signed are now included in the scope of reporting. Nevertheless, the overall coverage rate stands at 84% of the managed buildings, because waste from six of them is collected directly by the City of Paris, leaving SFL without any data on the amount of waste or its disposal.

### AMOUNT OF BUILDING WASTE IN TONNES AND RECOVERY RATE IN % – ABSOLUTE



In 2021, 87% of waste was recovered and reused (mainly through recycling or burning as fuel). This percentage has more than doubled since 2017. SFL is committed to continuing to work with waste collection service providers to improve their feedback on disposal methods and to ensure that no waste is landfilled, in line with the goal of zero final waste by 2030.

#### 5.2.3. Managing water use

SFL buildings are supplied by city water systems, which withdraw water from aquifers and rivers in the Greater Paris region, make it potable and then distribute it to the buildings' supply connections. All of our buildings are located in Paris or the inner suburbs, which means that they are only moderately exposed to water stress risk<sup>(1)</sup>.

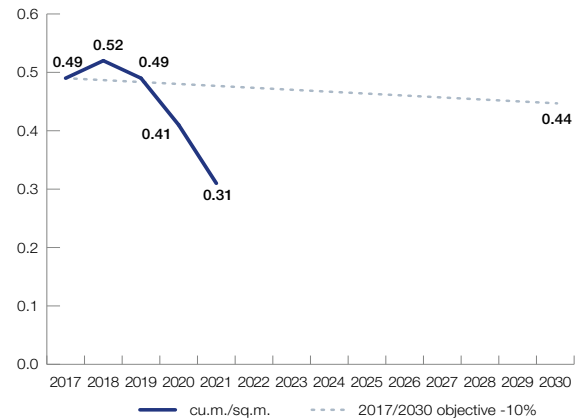
We are nevertheless endeavouring to improve rainwater recovery at our various sites, when such a solution is technically feasible, environmentally beneficial and cost effective. Currently, three assets have rainwater recovery systems: 92 Champs-Élysées, Washington Plaza and #cloud.paris.

The buildings owned and managed by SFL used some 92,835 cu.m. of water in 2021, or 0.31 cu.m. per sq.m.

In absolute terms, water use intensity declined by 36% between 2017 and 2021, the result of successful initiatives but also, since March 2020, of the major impact of the steep fall-off in office use during the health crisis.

SFL is hoping to reduce this intensity by 10% in cu.m./sq.m. between 2017 and 2030, but this target may be reassessed in the years ahead.

### ANNUAL CHANGE IN WATER USE INTENSITY IN CU.M./SQ.M. – ABSOLUTE



#### 5.3. Biophilia

SFL understands biophilia as the opportunity to reconnect with nature thanks to a building's architecture.

Our properties are located in Paris or the inner suburbs, in a dense and often restrictive urban environment. As a result, the presence of landscaping and water features that attract insect and bird life helps to improve the well-being of our users, especially when they can reconnect with their surroundings in such quiet, peaceful, healthy spaces.

Among the preferred ways to deliver this experience is to increase the use of green walls and landscaped roofs, terraces and courtyards, which enable us to meet the rising expectations of our tenants and their employees, adapt our buildings to climate change and preserve urban biodiversity.

##### 5.3.1. Increasing planted and landscaped areas in properties

Landscaping and greenery are an essential part of every redevelopment project.

Green spaces, plants and landscaping are a distinguishing feature of the current Biome redevelopment project. By the time it is delivered in 2022, the weighted landscaped area will have almost doubled, to 1,500 sq.m. and more than 35 trees and 25 shrubs. In addition, the project is seeking BiodiverCity® Excellent certification.

As of end-2021, green walls and other planted areas represented nearly 8,822 sq.m. or 10% of the portfolio's total footprint. This total has steadily risen over the past three years, reflecting SFL's commitment to further extending planted and landscaped areas across its portfolio. For example, two green walls have been installed in the interior courtyards of the Cézanne Saint-Honoré complex and trees have been planted in the stony courtyard of the Édouard VII complex.

Previously, a plant and water-based landscape had been recreated around the Le Vaisseau building in Issy-les-Moulineaux, with wide pontoon terraces near the Seine, as well as in the paved seating areas at 9 Percier, where the fountain in the main patio has been restored.

(1) Low-Medium Risk, according to the latest Aqueduct Water Risk Atlas published by the World Resources Institute.

The equivalent of 10% of the portfolio's footprint is planted and landscaped

0 sq.m. of additional soil space sealed over the past 10 years

#### Biodiversity

Excellent certification for the Biome project

#### 5.3.2. Avoiding excessive urbanisation and loss of biodiversity

Rising occupation density in SFL assets is helping us to resist creeping urbanisation by concentrating new uses and amenities in previously built-up spaces. No additional soil space has been sealed during the redevelopment projects completed over the past 10 years.

As part of its commitment to preserving and enhancing biodiversity in its buildings, SFL systematically applies City of Paris biodiversity recommendations and includes a "zero pesticides" clause in its groundskeeping contracts to ensure that these areas do not generate any health risk.

#### 6. Encourage employee engagement across the value chain

The value chain covering a property asset's life cycle comprises six links: investment, redevelopment, leasing, rental management, renovation and, where applicable, sale.

SFL has fully integrated, in-house capabilities across the value chain, giving it a significant competitive advantage in a commercial property market where such an approach is far from systematic. By bringing all the necessary expertise and capabilities in-house, SFL is not only more agile and responsive, it can also take a holistic view of each project.

Our property development and management businesses require close coordination in a spirit of cooperation with a wide variety of stakeholders, including local residents, public authorities, prime contractors, architects, multi-technical contractors and shareholders.

That is why we constantly strive to deepen engagement among all our employees and partners across the value chain, thereby fostering a desire to work together.



	Investment	Redevelopment	Leasing	Rental management	Renovation	Portfolio management
SFL teams	<ul style="list-style-type: none"> <li>Strategy, investments and transactions team</li> </ul>	<ul style="list-style-type: none"> <li>Technical and development team</li> </ul>	<ul style="list-style-type: none"> <li>Leasing and asset management teams</li> </ul>	<ul style="list-style-type: none"> <li>Rental management and technical teams</li> </ul>	<ul style="list-style-type: none"> <li>Technical and development team</li> </ul>	<ul style="list-style-type: none"> <li>Strategy, investments and transactions team</li> </ul>
Leading stakeholders	<ul style="list-style-type: none"> <li>Shareholders</li> <li>Financial community</li> </ul>	<ul style="list-style-type: none"> <li>Local residents</li> <li>Elected officials</li> <li>Prime contractors</li> <li>Construction contractors</li> </ul>	<ul style="list-style-type: none"> <li>Tenants</li> <li>Brokers</li> </ul>	<ul style="list-style-type: none"> <li>Tenants</li> <li>Building managers and multi-technical service providers</li> </ul>	<ul style="list-style-type: none"> <li>Prime contractors</li> <li>Construction contractors</li> </ul>	<ul style="list-style-type: none"> <li>Shareholders</li> <li>Financial community</li> </ul>



### Our 2020-2030 commitments

>2.5% of payroll spent on training



100% of employees surveyed on the quality of worklife every year



100% of employees, contractors and suppliers covered by an Ethics Code of Conduct



### 6.1. Employer appeal, skills development & diversity

Developing employee skills, attracting and retaining talent and promoting diversity and gender equality in the workplace are real challenges for SFL, given the size and structure of its workforce (fewer than 100 employees, mainly managers) and internal organisation (based on integrated teams interacting with each other and active across the value creation chain).

SFL had 69 employees at 31 December 2021, of whom 67 work in the head office at 42 rue Washington in Paris and two are based in the building at 176, avenue Charles de Gaulle in Neuilly-sur-Seine. Women make up the majority of the workforce, at 62% of the total, and 78% of employees are classified as managers.

With this in mind, our ongoing objective is to dedicate more than 2.5% of total payroll to training each year and to offer competitive, incentive-based compensation packages that uphold our gender equality principles and commitments.

In addition to company agreements, employees are covered by two collective bargaining agreements: the National Collective Agreement for the Property Industry and the National Collective Agreement for Building Caretakers, Concierges and Employees.

#### 6.1.1. Attracting and retaining talent

In 2021, six new employees joined the SFL corporate community under permanent contracts and nine people left during the year.<sup>(1)</sup> Seven of the nine people who left were replaced through new hires or transfers.

Working from home, an important aspect of employer appeal and work-life balance, was introduced in January 2020 in accordance with the agreement signed on an experimental basis in December 2019.

After being expanded in response to the health crisis, these arrangements were formally instated by a charter signed in September 2021, giving employees the opportunity to work from home for five days a month.

As part of our employee skills development commitment, performance reviews are conducted with each employee every year to assess their achievements and abilities and to identify their training needs. In addition, every two years, a career development review helps employees map out a more personal growth path, with milestones and outcomes assessed every six years.

The review process has been facilitated by digitalisation, which also ensures the traceability of these discussions and their follow-up.

In keeping with the objective of nurturing and instilling SFL's management culture, the training curriculum offered to managers in 2020 were expanded in 2021 with a session for the Management Committee dedicated to management issues and the role of managers in a fast evolving environment, impelled in particular by the emergence of new working practices.

Based on the average number of employees in 2021 (71) and the number of employees under permanent contracts who were hired or left during the period, the turnover rate was 10.61%, versus 6.24% in 2020<sup>(2)</sup>.

On the same basis, the average seniority of employees on payroll remained unchanged, at 10.8 years versus 10.5 in 2020.

### Remuneration and benefits

To encourage our employees' professional advancement and engagement, policies are in place to offer them fair, attractive and incentive-based remuneration.

#### Direct remuneration

Each employee is paid a salary and a variable performance-based bonus. In 2021, the target bonus represented on average 16.75% of the employee's base salary (excluding Management Committee members).

For employees on payroll at 31 December 2021, total remuneration for the year (salary and bonus) averaged €68,214 again excluding Management Committee members.

In addition, to recognize their commitment during the special circumstances created by the epidemic, all employees on payroll for at least three months prior to 31 December 2020 (other than Management Committee members) were paid an exceptional €500 bonus in January 2021.

#### Indirect remuneration

A total of €360,450 was paid out to employees in 2021 under discretionary and non-discretionary profit-sharing plans.

To optimise their savings and pension schemes, employees can invest in a wide range of securities through two successful vehicles, an Employee Sharesave Plan (PEE) and a Group Pension Savings Plan (PERECO). To further encourage employees to save for retirement, their personal investments in the PERECO plan are matched by a company contribution of up to €4,860. In 2021, an additional company contribution of €200 was paid to every employee, regardless of how much they invested, if applicable.

(1) Hiring, separation and workforce data at 31 December 2021 are presented in detail in the table of EPRA employee indicators in section 7.5.3. below.

(2) Turnover calculation formula: (Number of departures during the period + number of new hires during the period)/2/average number of employees over the period.

As a result, SFL's financial support for employees saving for retirement amounted to €260,742 in 2021, versus €223,310 the year before, with 74 employees receiving an average matching contribution of €3,523.

In 2021, bonus shares were again granted to officers and employees, this time to 57 people (of whom 54 employees) representing 82% of the workforce on payroll 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 PERECO 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.

These annually issued 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).

## 6.1.2. Training and skills development

Every year, SFL defines objectives for its employee training programmes, in a constant commitment to:

- create and nurture conditions in which every employee has access to training and skills development;
- prepare for emerging technical, legal, environmental and other changes in the industry, in order to improve the professionalism of our employees and enable them to do their jobs effectively in the best possible conditions.

Every year, during the annual and/or career development reviews, the actions specified in the skills development plan are discussed by managers and employees, who mutually agree on the best solutions for meeting both the employee's aspirations and the needs expressed by the department and/or the Company.

In 2021, for example, training sessions primarily focused on asset management, financial management, law, business management, office technology and improving language skills in English and Spanish.

In addition, as part of the occupational risk prevention policy, new hires were trained in first aid and fire extinguisher operation.

To encourage employees to develop their existing skills and acquire new ones, SFL has set a target of dedicating 2.5% of payroll to training and skills development.

In line with this goal, training expenditure amounted to 3.2% of payroll in 2018 and 3.3% in 2019, but declined to 2.3% in 2020 and 2021 after the health crisis forced certain sessions to be cancelled and others to move online.

Nevertheless, more than 1,320 hours of training were offered to 51 employees, representing an average of 26 hours per trainee<sup>(1)</sup>.

## 6.1.3. Diversity and equal opportunity

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

We have therefore 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 undertakings in the gender equality in the workplace agreement (described in more detail below);
- secure our support for the disabled, which includes the grant made to the LADAPT non-profit organisation, the agreement with the ARPEJEH (which supports students with disabilities in their studies), and our practice of buying goods and services from companies specialised in employing people with disabilities.

## Gender equality

After the previous agreement expired in December 2020, a new three-year gender equality in the workplace agreement was negotiated and 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;
- actual remuneration packages.

## Recruitment

### Objectives:

- endeavour to obtain, as far as possible, an equal number of male and female candidates;
- drive greater gender balance in the job classification grid.

At 31 December 2021, 56% of SFL managers were women. Three of the six employees hired during the year were women. Similarly, two of the four people promoted as of 1 January 2021 were women.

## Training

### Objectives:

- ensure that men and women have equal access to training opportunities;
- define with each employee returning from maternity, adoption or parental leave training courses to ease their transition back into the workforce;
- identify and address any family-related issues employees may face while in training.

In 2021, women who participated in at least one training session or event during the year accounted for more than 60% of trainees and spent an average 28 hours in training (22 hours for men). Out of the average number of employees in 2021, 66% of men and 74% of women attended training sessions during the year.

(1) Training data at 31 December 2021 are presented in detail in the table of EPRA employee indicators on page 81 of this report.

### Remuneration

#### Objectives:

- guarantee that women and men who are hired for equivalent jobs are offered the same initial pay and that they continue to receive equal pay throughout their careers with the Group;
- eliminate any distortions in remuneration resulting from parental-related leave.

As part of the statutory annual pay round in 2021, 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.

### Other diversity indicators

#### Seniors and young people

SFL also attaches particular importance to combating age-based discrimination. The average age of employees is 45. As of 31 December 2021, employees aged 45 or older represented 51% of the workforce and people under 35 represented 22%.

#### People with disabilities

As part of its policy of supporting employment opportunities for people with disabilities, in 2021 SFL once again helped to finance the operating budget of LADAPT, a non-profit organisation working in this area, through an annual grant and the allocation of a portion of its apprenticeship tax due for the year.

During the year, we also commissioned services from ANRH, a company staffed by people with disabilities.

In 2021, SFL also renewed its membership of the ARPEJEH association, which promotes the training, qualification and employment of people with disabilities by supporting students between 15 and 30 in their studies and career development. To help finance these programs, SFL allocated a portion of its apprenticeship tax due for the year to ARPEJEH.

### 6.2. Health, safety and quality of worklife

As key factors in making SFL a great place to work, health, safety and well-being represent major issues not only for employees, but also for the entire corporate community. With this in mind, these criteria have been fully integrated into our human resources policies, independently of any legal obligations. In addition, the workplace atmosphere is regularly measured with a quality of worklife (QWL) survey, in line with SFL's goal of complying with the obligation to regularly assess workplace risks, while laying the foundation for the continuous improvement in the working environment.

The survey is conducted using an online questionnaire sent to every employee and covers seven issues: the sense of corporate community, management, job fulfilment, working conditions, corporate discourse, authority as support and team projects. It may be supported by personal interviews with employees who request one, and the findings are reported in full.

In 2021, 76.5% of employees responded to the survey, which was followed by departmental meetings to present the findings and jointly define any necessary action plans.

#### 6.2.1. Health and safety

In 2021, our employee health and safety policies were actively pursued, with:

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

No occupational diseases or workplace accidents were reported in 2021 and only two commuting accidents, without any lost time, were reported during the year.

As the health crisis persisted in 2021, the deployment and tracking of prevention and protection procedures were facilitated by regular discussions with SFL's occupational health services and the support they provided to the company.

#### 6.2.2. Quality of worklife

Negotiations were initiated in 2021 with a view to pursuing work-from-home arrangements on the same basis as the trial agreement signed in 2019. After these talks fell through, a charter was signed giving employees the possibility to work from home five days a month.

For the purposes of this report, SFL has chosen to measure employee well-being and engagement primarily by tracking the short-term absenteeism rate, which is based on the number of days lost to unauthorised absences of up to four days. In 2021, the rate stood at 0.40%, down from 0.78% in 2020.

#### 6.2.3. Work-life balance

The 2021 agreement instating a work-from-home option reflects the commitment of SFL management and employee representatives to propose arrangements capable of improving both job performance and quality of worklife by encouraging a more fulfilling work-life balance, while preserving the current work organisation and sense of corporate community.

In the same spirit, in July 2021 another agreement was signed, setting out the conditions in which an employee may donate his or her leave or compensatory time to another employee in certain situations (caring for a child under 20 years of age who is ill, disabled or the victim of an accident, assisting a disabled or dependent person, etc.).

As of 31 December 2021, SFL had 65 full-time employees and four part-time employees. Three of the four part-time contracts correspond to employees who have chosen to work fewer hours, as opposed to being forced to for organisational or operational reasons.

### 6.3. Ethics in the value chain

#### 6.3.1. Ethical principles

Every new hire receives a copy of the SFL code of conduct, attached to his or her employment contract. The code specifies the principles and practices that employees are expected to demonstrate in our business activities, in such areas as transparency, professional integrity, fraud prevention, non-discrimination and legal and regulatory compliance.

If they have any questions about these issues or about professional ethics or conduct in general, employees may contact the Internal Control Department.

SFL also complies with the provisions of the code of conduct for SIIC real estate companies, which covers issues like the selection and rotation process used for the independent portfolio appraisers.

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

- freedom of association and collective bargaining;
- eliminating discrimination in respect of employment and occupation;
- eliminating forced and compulsory labour;
- effectively abolishing child labour;
- fighting clandestine and undeclared 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. Control systems are also in place to ensure that the submitted documents are updated every six months.

Over the past few years, we have 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. This exercise revealed that for SFL, the most exposed sectors were construction and public works, cleaning and security services, and IT services.

From June to September 2021, an audit was performed with KPMG to assess the contract tendering procedure for the purchase of works, supplies or services, and to check the reliability of the existing process. It found that there is a clear, written procedure, updated in June 2019, and that the controls were appropriate (see section 8.3.2. of the Management Report).

No cases of bribery came to light in 2021 and the Group was not subject to any disciplinary measures. No political donations were made, in accordance with French legislation, which bans such practices.

In addition, members of the Board of Directors and senior executives, as well as any persons with regular or occasional access to insider information, are prohibited from trading in SFL shares, directly or indirectly, on their own behalf or on behalf of third parties, during periods designated as black-out periods. These persons are sent a reminder of the black-out by an email from the Legal Director a few days before the beginning of each period (30 days before the publication of the annual and interim financial statements).

### 6.3.2. Engaging with our partners and continuous improvement programmes

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

Our continuous improvement strategy is led by the Environment and Sustainable Procurement Manager and includes measuring the total cost of purchases and managing environmental and societal impacts across the value chain.

Key aspects of the strategy include:

- integrating CSR criteria into the supplier selection process;
- updating operator and contractor specifications to include CSR performance indicators;
- fostering best-in-class supplier relationships;
- analysing opportunities for improvement;
- tracking overall CSR performance;
- monitoring technical and environmental developments.

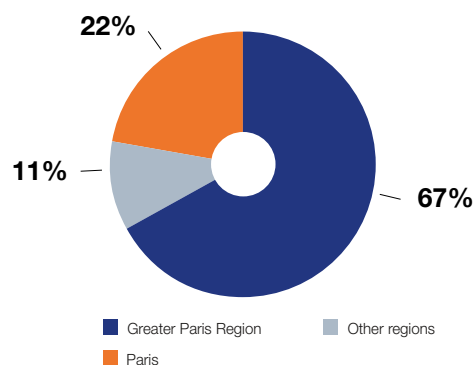
#### Delivering best-in-class selection and tracking performance across the value chain

Strict rules apply to the selection and approval of suppliers. Standard service procurement contracts, for example, include a variety of environmental and labour clauses.

SFL also combats abusive subcontracting by limiting the sub-contracting pyramid to a maximum of two levels, thereby maintaining tighter control over the companies that work on its projects and assets.

Special attention is also paid to a supplier's country of origin, with priority given to local contractors when commissioning work. In 2021, for example, 89% of suppliers were based in Paris or the Greater Paris region, within around 100 kilometres of the city centre.

#### SUPPLIER LOCATION



These two criteria should help to ensure that the delivered service quality meets SFL standards. SFL contractors and suppliers play an extensive role in processes and initiatives to drive continuous improvement in both the management of buildings in-use and in redevelopment projects.

#### Example of a continuous improvement initiative in managing a building in-use

As key partners in fulfilling the environmental commitments in our assets, multi-technical maintenance contractors and building managers have fully embraced our CSR policies and 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 water use;
- using eco-friendly cleaning products;
- reducing packaging and waste;
- enhancing the occupant experience;
- increasing the scores for BREEAM In-Use certifications.

In particular, these recommendations can be incorporated into energy performance contracts like the one for #cloud.paris, whose multi-technical service contract includes energy efficiency improvement targets in terms of MWh and euros. This particular contract expired during the year, but was renewed in light of its positive impact on environmental performance and cost savings.

#### Example of a continuous improvement initiative in a project

For new projects, clauses to encourage local hiring are included in the contracts signed with site contractors, whereby they undertake to make a special effort to hire unemployed people, corresponding to 5% of the total budgeted working hours.

For these 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;
- risk prevention measures;
- on-site presence of first-aiders and first-aid equipment;
- an incident archiving system.

Contractors are also issued dedicated handbooks 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.

## 7. Additional information

### 7.1. Materiality of issues

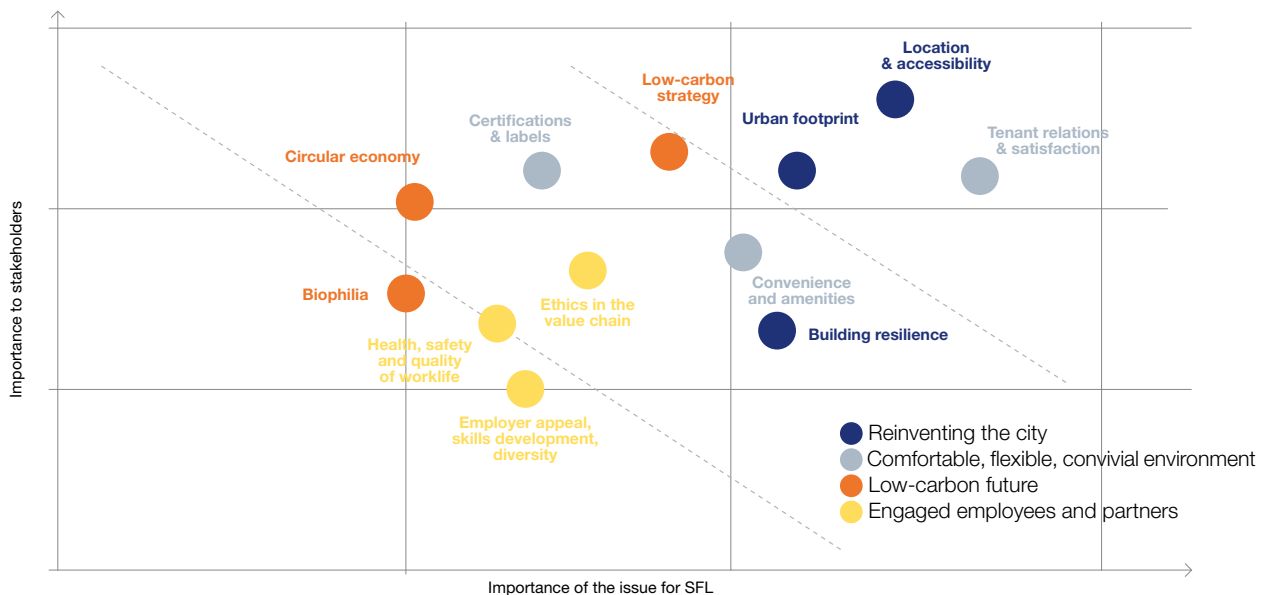
SFL has analysed the materiality of its CSR issues in accordance with international standards and industry best practices, as set out in the G4 Sustainability Reporting Guidelines issued by the Global Reporting Initiative and recommended by the European Public Real Estate Association (EPRA).

Performed jointly with the Management Committee, the Chief Executive Officer and the working groups set up to examine specific issues, this analysis helped to shape our CSR policies,

objectives and action plans. In 2017 and 2020, these issues and their materiality were updated by the CSR Committee and reviewed in light of the new regulatory framework concerning non-financial information statements.

The analysis revealed 12 material issues for SFL's business and its stakeholders, which were consolidated into four pillars and used to structure our CSR approach and this non-financial information statement.

### MATERIALITY MATRIX OF CSR ISSUES



### 7.2. ESG governance

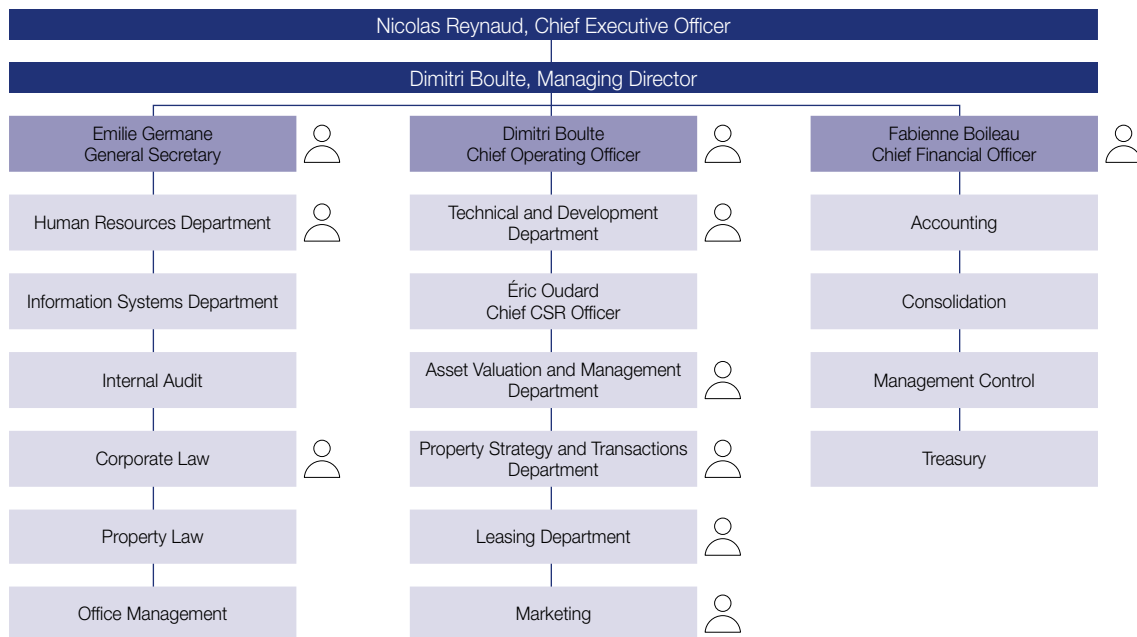
#### An ESG process embedded in the heart of every core competency

To define, execute and manage its strategy, SFL has organised its governance as follows:

- The Board of Directors, and particularly the representatives of our main shareholder Colonial, pay careful attention to the Group's ESG issues.
- The CSR Committee, comprising the Management Committee and representatives of the main departments concerned, meets twice a year and defines the main strategic guidelines for each CSR issue.
- These guidelines are then shared with the operating teams.

- The Chief CSR Officer (Éric Oudard), in charge of the Technical and Development Department, manages these issues in close collaboration with the Human Resources Department.
- Various working groups (asset management committees, ESG workshops) are integrating CSR aspects by developing operating procedures, issues of interest and outcomes and then discussing them with tenants, service providers, suppliers and other stakeholders directly on-site, particularly during tenant committee meetings.
- SFL employees and the Social and Economic Committee (CSE) participate in the process to address employee related aspects through issue-specific awareness-building sessions.





### 7.3. Initiatives supported by SFL

#### GRESB

The Global Real Estate Sustainability Benchmark (GRESB) is the leading source of assessment benchmarks for the environmental, social and governance performance of real estate companies.

SFL has participated in GRESB assessments since the organisation was founded ten years ago and has been awarded the Green Star designation every year.

#### EPRA

The European Public Real Estate Association (EPRA) is the voice of nearly 200 publicly traded real estate companies in Europe. It seeks to harmonise the financial and non-financial communications of its members, in line with its Best Practice Recommendations and Sustainability Best Practice Recommendations.

In 2020, SFL received two EPRA Golds Awards for optimal compliance with disclosure best practices.

#### Science Based Targets initiative

The Science-Based Targets initiative (SBTi) seeks to encourage companies to help limit the increase in global warming by setting greenhouse gas emission reduction targets based on the latest scientific findings.

Launched in June 2015, the initiative is a partnership between CDP, the United Nations Global Compact, World Resources Institute (WRI) and the World Wide Fund for Nature (WWF).

#### OID

The *Observatoire de l'Immobilier Durable* (OID) is an independent forum where stakeholders in the French commercial real estate industry can discuss sustainable development and innovation issues. Created in 2012, it is committed to supporting the environmental and social performance of French property companies and to sharing all the practices that help move it forward.

It comprises around 60 members and partners, including leaders across the French commercial real estate value chain.

#### C3D

The Sustainability and CSR Officers play a key role in the transformation of our organisations and ultimately our entire society.

To accelerate, facilitate and promote this transformation in the public sphere, the C3D association brings together 200 of France's leading sustainability and CSR officers of private and public-sector companies and non-profit organisations into a single network.

#### BBCA Association

Created in 2015, the Association for the Development of Low-Carbon Buildings (BBCA) brings together the leading players in the construction process, including property developers, investors, local authorities, urban planners, renowned architects, design offices and builders.

It is dedicated to deepening our knowledge of low-carbon buildings, promoting best practices with the BBCA label and encouraging low-carbon construction.

The first BBCA label was introduced in 2016, followed by the BBCA Rénovation label in 2018. SFL was awarded the BBCA Rénovation label for the Biome project, which will be delivered in 2022 in the 15<sup>th</sup> *arrondissement* of Paris.

### "Booster du réemploi" alliance

A4MT designs and implements a variety of engagement programmes for its clients, in particular to encourage the reuse of materials from construction worksites. SFL has joined the "Booster" community, affirming its commitment to recovering and reusing materials.

### AMO

SFL is a member of AMO, an association that promotes effective, inspired cooperation between project owners and prime contractors, as well as between all the other stakeholders in the construction process.

### Fondation Palladio: Building the City of Tomorrow

Fondation Palladio was set up in 2008 under the aegis of the Fondation de France to address a major challenge of the 21<sup>st</sup> century, that of developing urban areas and building communities. For the eighth straight year, SFL was a sponsoring partner of Fondation Palladio.

By comparing the perspectives of business and political decision-makers, managers and experts, students and professionals, academics and people working in the field, each of the Foundation's initiatives helps to nurture a process of challenging preconceived ideas, embracing new ones and learning from one another. SFL supports the Foundation's commitment to creating the conditions that will further improve every property and urban development stakeholder's ability to respond to the major economic, environmental, human and societal challenges facing our world today and far into the future.

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

SFL regularly supports 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.

Its objectives are seamlessly aligned with SFL's history, which has been deeply rooted in the development of the Parisian urban landscape since the end of the 19<sup>th</sup> century. SFL also organises employee-only tours of the Pavillon de l'Arsenal.

### Emmaüs

Premises in the Galerie des Champs Élysées (Paris 8<sup>th</sup> *arrondissement*) were offered free of charge to the Emmaüs charitable association for use as a training centre.

### City of Paris – Nuit Blanche

SFL supports the City of Paris' *Nuit Blanche* all-night performance festival organised for the 20<sup>th</sup> time in 2021, 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' cultural outreach, sometimes by organising events in our own properties, while supporting the creative arts and making them accessible to everyone.

### 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 from 15 to 21 November 2021. The annual event aims to raise awareness among recruiters and facilitate access to jobs for people with disabilities.

### 7.4. Methodological note

#### 7.4.1. Methodology for calculating environmental and societal indicators

SFL has developed an internal reporting methodology that has standardised the data collection process, identified contributors and defined the verification method.

It also describes the applicable standards, particularly as found in the non-financial information regulatory framework and the EPRA's recommendations.

Lastly, it defines the scope of reporting.

#### Scopes of reporting

SFL's portfolio comprises 18 buildings, representing a total surface area of 374,705 sq.m.

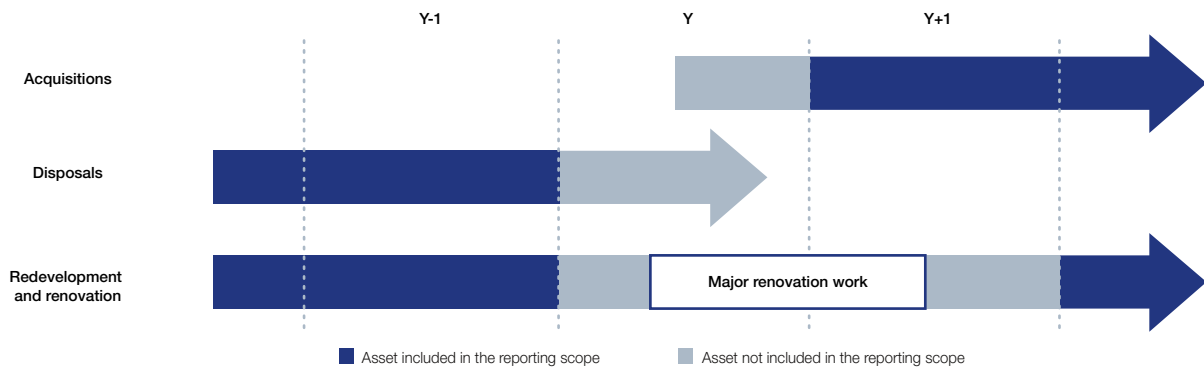
Societal and environmental indicators and their related objectives may cover different scopes of reporting. In all cases, however, the scopes have been defined in line with industry best practices, particularly the guidelines for implementing the EPRA Sustainability Best Practice Recommendations. They are organised according to two main features:

- the fact that the buildings are operationally managed by SFL;
- the fact that the assets have been acquired, sold or are under development.

#### Changes in scope of reporting

Scopes of reporting may change as a result of:

- acquisitions: properties acquired are included in the scope only after a full year in use;
- disposals: buildings sold during the year are removed from that year's scope of reporting;
- redevelopments or renovations: major projects are included in the scope of reporting once they have been delivered, are at least 60% let and have been in use for at least a year.



### Main 2021 environmental indicator scopes of reporting

As of end-2021, assets may be classified into four categories, each with a different scope for reporting data on carbon emissions, energy use, water use, waste production and certifications.

– 13 multi-tenant or single-tenant assets for which SFL directly

- manages their energy use, water use and waste production;
- 1 single-tenant asset undergoing major renovation work during the reporting period;
- 1 single-tenant asset whose in-use operations are not directly managed by SFL;
- 3 assets being redeveloped in 2021.

Asset	Carbon		Energy	Water	Waste	BREEAM In-Use
	Scope 3	Scopes 1 & 2				
Washington Plaza	•	•	•	•	•	•
Édouard VII	•	•	•	•	•	•
103 Grenelle	•	•	•	•	•	•
#cloud.paris	•	•	•	•	•	•
Rives de Seine	•	•	•	•	•	•
Louvre Saint-Honoré	•	•	•	•	•	Properties under renovation
Cézanne Saint-Honoré	•	•	•	•	•	
176 Charles de Gaulle	•	•	•	•	Waste directly collected by the City of Paris, with no data on amounts or methods.	•
92 Champs-Élysées	•	•	•	•		•
Galerie des Champs-Élysées	•	•	•	•		•
90 Champs-Élysées	•	•	•	•		•
131 Wagram	•	•	•	•		•
6 Hanovre	•	•	•	•		•
106 Haussmann	•	Building undergoing major renovation work during the reporting period				•
Condorcet	•	Single-tenant buildings whose in-use energy, water and waste operations are not managed by SFL				•
Le Vaisseau	•	Vacant buildings being redeveloped				
83 Marceau	•					
Biome	•					

### Reporting period

To enable data to be collected early enough to calculate the indicators in a timely manner and minimize the use of estimates, the reporting period for the indicators measuring energy and water use, GHG emissions and waste production is now the rolling 12 months from 1 October to 30 September.

This period was applied to data reported since 2017. The scopes of reporting for these indicators have therefore been adjusted to exclude assets acquired, sold or under construction between 1 October and 31 December of the reporting year.

All of the other environmental and societal indicators are reported for the calendar year.

### Standardized surface areas

The standard measure used to calculate building energy use intensity is the average useful surface area, expressed in square metres (sq.m.).

### Energy

Energy data are collected from:

- meter readings by property managers and on-site submeter readings by facilities maintenance contractors;
- property manager invoices excluding VAT;
- data extracted from the property managers' databases via the client interface.

Energy data are expressed in units of final energy.

SFL differentiates between energy used in common areas and shared services, which are managed and metered by SFL, and energy used in tenant areas, for which SFL works with tenants to collect and discuss usage data.

When the tenant areas' energy use is unknown, total energy use 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 consumed in the areas used by SFL and other occupants, depending on the building.

## ENERGY USE BY ASSET IN THE 2021 ENERGY DATA SCOPE OF REPORTING

	Type of energy				
	Natural gas	District heating systems	District cooling network	Electricity	
				Common areas and shared services	Tenant areas/ Offices Tenant areas Retail
176 Charles de Gaulle					
Washington Plaza					
Édouard VII					
Rives de Seine					
Cézanne Saint-Honoré					
Louvre Saint-Honoré					
103 Grenelle					
92 Champs-Élysées					
Galerie des Champs-Élysées					
#cloud.paris					
131 Wagram					
90 Champs-Élysées					
6 Hanovre					

Common areas and shared services  
 Tenant areas – actual  
 Tenant areas – estimated  
 Energy use managed and paid by SFL and then rebilled to tenants

## GHG emissions

GHG emissions are calculated using the GHG Protocol methodology.

Scopes 1 & 2 emissions are calculated based on energy use and refrigerant leak data from the managed assets. Scope 2 emissions are primarily calculated using the market-based method, to reflect SFL's energy mix.

Scope 3 emissions are calculated for the categories relevant to SFL's business activities, namely:

- Category 1: Purchased goods and services (OpEx).
- Category 2: Capital goods: redevelopment, renovation and tenant area works (CapEx).
- Category 3: Fuel- and energy-related activities (not included in Scope 1 or Scope 2): production of fuels and energy purchased and consumed.
- Category 5: Waste generated in operations: amount and treatment of waste produced by assets in-use.
- Category 6: Employee business travel.
- Category 7: Employee commuting.
- Category 13: Downstream leased assets: energy used in the tenant areas.

Data from SFL activities are converted into greenhouse gas emissions using emission factors from suppliers and the ADEME carbon database and global warming potentials from IPCC reports. These sources are consulted regularly and emission factors are updated in the event of any changes.

Greenhouse gas emissions indicators are expressed in tCO<sub>2</sub>e or in kgCO<sub>2</sub>e/sq.m.

In reducing its greenhouse gas emissions, SFL is pursuing two targets:

- An operating target, expressed in kgCO<sub>2</sub>e/sq.m., to reduce Scopes 1 & 2 emissions by 70%. Note that to focus solely on operating management performance, the target excludes emissions from refrigerant leaks.
- An SBTi-certified target, expressed in tCO<sub>2</sub>e, to reduce Scopes 1 & 2 emissions by 50% between 2018 and 2030.

## Water use

Water use data are collected from:

- water meters read by the multi-technical maintenance providers;
- property managers' databases, extracted via their client interface.

They are expressed in cubic meters and include water used in the common areas, by the shared services and in the tenant areas.

## Waste

### From assets in use

- SFL-managed buildings handle their waste in one of two ways:
  - in seven assets, representing 84% of managed surface area, waste is managed by private companies who report their data to SFL;
  - in six assets, waste is managed directly by the City of Paris, which does not report any information to SFL concerning amounts and treatment methods.

Thirteen types of waste are collected across the assets managed by SFL.

In the seven assets served by private contractors, two types of data are tracked:

- amounts, based on weighed tonnages reported by the service providers;
- treatment methods, which are also reported by the service providers using the EU statistical nomenclature.

SFL has set a target for the percentage of building waste recovered and reused. Waste is considered to be recovered if the treatment methods correspond to codes R1 to R13 in the European nomenclature.

### From redevelopment projects

SFL closely tracks waste management during both the clearance/demolition and construction phases of its redevelopment operations.

Data on waste tonnages and treatment methods are reported, compiled and communicated to SFL by each project's environmental manager.

## Certifications

The percentage of certified assets in the portfolio is calculated based on BREEAM In-Use certifications.

The denominator is the aggregate usable surface area of certifiable buildings, i.e., excluding buildings that are vacant or being redeveloped or renovated and therefore not eligible for certification.

The numerator is the aggregate usable surface area of the certified buildings.

The score used for the percentage of certified assets indicators is the score for Part 1, the only one available for all certified assets.

When BREEAM In-Use recertification is in progress or being prepared, or when SFL is waiting for the BRE to issue the final results, the asset is still considered certified and the previous certificate score is used pending the new score.

When a building reopens after a period of redevelopment or major works that prevented it from being certified, it only becomes certifiable after having met the following BREEAM In-Use International V6 conditions:

- Part 1: 80% of the interior space in the scope of certification must be fitted out and the work completed.
- Part 2: 80% of the space must be occupied for one year, with a full year of energy and water use data.

## 7.4.2. Methodology for calculating employee relations indicators

Employee relations indicators and their related objectives cover 100% of the workforce, which is based entirely in Paris.

Details of the method used to calculate the employee relations indicators are provided as needed following the description of the indicators in sections 6.1. and 6.2. above. Further details may also be found in the comments column in the EPRA indicators table in section 7.5.4.

## 7.5. SBTi and EPRA indicators

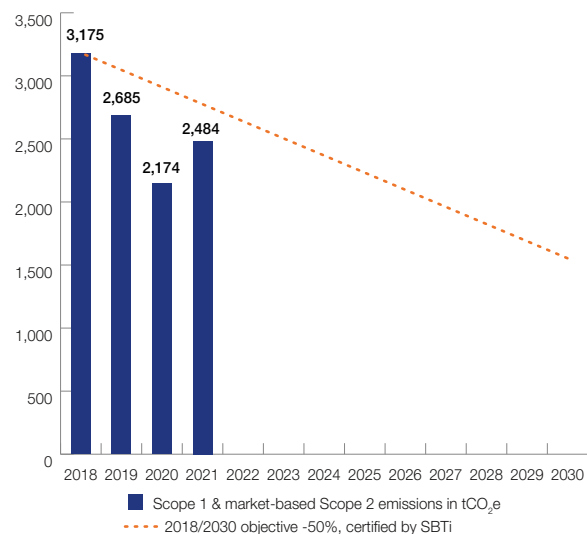
### 7.5.1. SBTi indicator

In August 2021, SFL's carbon pathway was certified as compatible with a 1.5°C target by the Science-Based Targets initiative (SBTi).

The pathway is based on a targeted 50% reduction in Scope 1 and market-based Scope 2 emissions, expressed in tCO<sub>2</sub>e, between 2018 and 2030.

By the end of 2021, these emissions had been reduced by 21.8% – 691 tCO<sub>2</sub>e in absolute terms – in line with the target.

### THE TARGET FOR SCOPE 1 AND MARKET-BASED SCOPE 2 EMISSIONS IN TCO<sub>2</sub>E CERTIFIED BY THE SCIENCE-BASED TARGETS INITIATIVE



## 7.5.2. Environmental indicators – Buildings in-use

**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&amp;C-Abs, Fuels-Abs, Elec-LfL, DH&amp;C-LfL, Fuels-LfL, Energy-Int

	Common areas and shared services			Tenant areas			Total					EPRA code
	2019	2020	2021	2019	2020	2021	2019	2020	2021	%20/21	%19/21	
Absolute												
Electricity	26,957	25,828	25,217	23,824	15,849	16,170	50,781	41,676	41,386			Elec-Abs
District heating systems	11,704	8,775	10,203				11,704	8,775	10,203			DH&C-Abs
District cooling systems	11,633	8,183	5,985				11,633	8,183	5,985			
Natural gas	685	584	778				685	584	778			Fuels-Abs
Total energy use in MWh	50,979	43,370	42,182	23,824	15,849	16,170	74,803	59,219	58,352			
Energy intensity in kWh/sq.m.							231.2	190.9	196.2	2.7%	-15.1%	Energy-Int
Number of buildings							16/16	15/15	13/13			
% of sq.m.							100%	100%	100%			
Like-for-like												
Electricity	26,450	25,395	25,217	20,306	15,274	16,170	46,756	40,670	41,386	1.8%	-11.5%	Elec.-LfL
District heating systems	10,741	8,379	10,203				10,741	8,379	10,203	21.8%	-5.0%	District H&C - LfL
District cooling systems	10,410	8,183	5,985				10,410	8,183	5,985	-26.9%	-42.5%	
Natural gas	685	584	778				685	584	778	33.2%	13.5%	Fuels-LfL
Total energy use in MWh	48,286	42,542	42,182	20,306	15,274	16,170	68,592	57,816	58,352	0.9%	-14.9%	
Energy intensity in kWh/sq.m.							230.6	194.4	196.2	0.9%	-14.9%	Energy-Int
Number of buildings							13/13					
% of sq.m.							100%					



**SCOPE 1<sup>(1)</sup> AND SCOPE 2 GHG EMISSIONS FROM ENERGY USE, IN TCO<sub>2</sub>E – ABSOLUTE AND LIKE-FOR-LIKE**

(EPRA codes: GHG-Dir-Abs, GHG-Indir-Abs, GHG-Int)

		2019	2020	2021	%20/21	%19/21	EPRA code
<b>Absolute</b>							
Scope 1		126	102	131	29.4%	4.2%	GHG-Dir-Abs
Market-based Scope 2		2,441	2,091	2,339	11.9%	-4.2%	GHG-Indir-Abs
Location-based Scope 2		2,973	2,435	2,604	6.9%	-12.4%	
Total market-based, in tCO <sub>2</sub> e		2,567	2,192	2,470	12.7%	-3.8%	
Total location-based, in tCO <sub>2</sub> e		3,099	2,537	2,736	7.8%	-11.7%	
Carbon intensity		7.9	7.1	8.3	17.5%	4.7%	GHG-Int
Coverage rate	Number of assets	16/16	15/15	13/13			
	% of sq.m.	100%	100%	100%			
<b>Like-for-like</b>							
Scope 1		126	102	131	29.4%	4.2%	
Market-based Scope 2		2,275	2,018	2,339	15.9%	2.8%	
Location-based Scope 2		2,797	2,358	2,604	10.5%	-6.9%	
Total market-based, in tCO <sub>2</sub> e		2,401	2,120	2,470	16.5%	2.9%	
Total location-based, in tCO <sub>2</sub> e		2,924	2,459	2,736	11.2%	-6.4%	
Coverage rate	Number of assets		13/13				
	% of sq.m.		100%				

**WATER USE IN CU.M, WATER USE INTENSITY IN CU.M./SQ.M. AND LITRES/USER/DAY, ABSOLUTE AND LIKE-FOR-LIKE** (EPRA codes: Water-Abs, Water-LfL, Water-Int)

		2019	2020	2021	%20/21	%19/21	EPRA code
<b>Absolute</b>							
<b>Total municipal water use in cu.m.</b>		<b>159,579</b>	<b>126,216</b>	<b>92,835</b>	<b>-26.4%</b>	<b>-41.8%</b>	Water-Abs
Intensity	in cu.m./sq.m.	0.493	0.407	0.312	-23.3%	-36.7%	Water-Int
	in litres/user	29.0	23.9	18.8	-21.3%	-35.2%	
Coverage rate	Number of assets	16/16	15/15	13/13			
	% of surface area (sq.m.)		100%	100%			
<b>Like-for-like</b>							
<b>Total municipal water use in cu.m.</b>		<b>151,519</b>	<b>123,633</b>	<b>92,835</b>	<b>-24.9%</b>	<b>-38.7%</b>	Water-LfL
Intensity	in cu.m./sq.m.	0.509	0.416	0.312	-25.0%	-38.7%	Water-Int
	in litres/user	30.6	25.0	18.8	-24.8%	-38.6%	
Coverage rate	Number of assets		13/13				
	% of sq.m.		100%				

(1) Excluding refrigerant leaks

**WASTE MANAGEMENT BY DISPOSAL METHOD, IN TONNES AND % – ABSOLUTE AND LIKE-FOR-LIKE** (EPRA codes: Waste-Abs and Waste-LfL)

		Absolute						Like-for-like					
		2019		2020		2021		2019		2020		2021	
		in tonnes	in %	in tonnes	in %	in tonnes	in %	in tonnes	in %	in tonnes	in %	in tonnes	in %
Reused		0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Recycled		200	26.2%	95	16.5%	48	8.9%	186	26.0%	95	17.4%	48	8.9%
Composted		0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Incinerated with energy recovery		328	43.0%	375	65.0%	243	45.1%	322	44.9%	362	66.0%	243	45.1%
Other form of reuse		84	10.9%	40	6.9%	176	32.7%	84	11.6%	40	7.2%	176	32.7%
Incinerated without energy recovery		107	14.0%	27	4.7%	3	0.5%	92	12.8%	15	2.7%	3	0.5%
Other		11	1.4%	4	0.7%	2	0.4%	0	0.0%	1	0.3%	2	0.4%
Landfilled		34	4.4%	36	6.2%	67	12.5%	34	4.7%	36	6.5%	67	12.5%
Total		763	-	577	-	538	-	718	-	548	-	538	-
Coverage rate	Number of assets	8/15		8/15		7/13		7/13					
	% of total sq.m.	83%		83%		84%		84%					
EPRA code		Waste-Abs						Waste-LfL					

**NUMBER OF BUILDINGS-IN-USE AND PERCENTAGE OF PORTFOLIO CERTIFIED BY TYPE AND LEVEL OF CERTIFICATION** (EPRA code: Cert-Tot)

			2019		2020		2021	
			Number of assets	% of sq.m.	Number of assets	% of sq.m.	Number of assets	% of sq.m.
Buildings in use	BREEAM In-Use	<b>Total</b>	<b>18</b>	<b>100%</b>	<b>17</b>	<b>100%</b>	<b>13</b>	<b>100%</b>
		≥Very Good	18	100%	17	100%	13	100%
		≥Excellent	7	55%	6	54%	1	14%
	<b>At least one certification</b>		<b>5</b>	<b>22%</b>	<b>5</b>	<b>22%</b>	<b>4</b>	<b>27%</b>
Properties being redeveloped	BREEAM New Construction		2	12%	2	13%	2	17%
	LEED		1	10%	1	10%	1	14%
	HQE		4	19%	4	20%	3	24%
Scope	Number of assets		18/18		17/17		13/13	
	Coverage rate (in % of sq.m.)		100%		100%		100%	

## SUMMARY TABLE OF EPRA INDICATORS FOR PROPERTIES IN-USE

Topic	Indicator	EPRA code	Unit	2019	2020	2021	Change 19/21	Coverage rate
<b>Certifications</b>								
	Number of assets BREEAM In-Use-certified assets		Number of assets	18	17	13	–	100%
	% of portfolio certified by value	Cert-Tot	% of portfolio certified by value	100%	100%	100%	0.0%	100%
<b>Energy</b>								
	Total use of electricity from renewable sources – absolute	Elec-Abs	MWh	9,494	10,366	10,583	11.5%	100%
	Total use of electricity from non-renewable sources – absolute	Elec-Abs	MWh	17,463	15,461	14,633	-16.2%	100%
	Total use of electricity from renewable sources – like-for-like	Elec-LfL	MWh	9,316	10,187	10,583	13.6%	100%
	Total use of electricity from non-renewable sources – like-for-like	Elec-LfL	MWh	17,134	15,208	14,633	-14.6%	100%
	Total energy use, district heating and cooling networks – absolute	DH&C-Abs	MWh	23,337	16,958	16,188	-30.6%	100%
	Total energy use, district heating and cooling networks – like-for-like	DH&C-LfL	MWh	21,151	16,562	16,188	-23.5%	100%
	Total fuel use – absolute	Fuels-Abs	MWh	685	584	778	13.6%	100%
	Total fuel use – like-for-like	Fuels-LfL	MWh	685	584	778	13.5%	100%
	Energy use intensity – absolute	Energy-Int	kWh/sq.m.	231	191	196	-15.2%	100%
	Energy use intensity – like-for-like	Energy-Int	kWh/sq.m.	231	194	196	-15.0%	100%
<b>Greenhouse gas emissions</b>								
	Total direct greenhouse gas (GHG) emissions (Scope 1) – absolute	GHG-Dir-Abs	tCO <sub>2</sub> e	126	102	131	4.2%	100%
	Total indirect greenhouse gas emissions (location-based Scope 2) – absolute	GHG-Indir-Abs	tCO <sub>2</sub> e	2,973	2,435	2,604	-12.4%	100%
	Total indirect greenhouse gas emissions (market-based Scope 2) – absolute	GHG-Indir-Abs	tCO <sub>2</sub> e	2,441	2,091	2,339	-4.2%	100%
	Carbon intensity	GHG-Int	kgCO <sub>2</sub> e/sq.m.	7.9	7.1	8.3	4.7%	100%
<b>Water</b>								
	Total water use – absolute	Water-Abs	cu.m.	159,579	126,216	92,835	-41.8%	100%
	Total water use – like-for-like	Water-LfL	cu.m.	151,519	123,633	92,835	-38.7%	100%
	Water use intensity – absolute	Water-Int	cu.m./sq.m.	0.49	0.41	0.31	-36.7%	100%
	Water use intensity – like-for-like	Water-Int	cu.m./sq.m.	0.51	0.42	0.31	-38.7%	100%
<b>Waste</b>								
			tonnes	763	577	538	-29%	
			% re-used	0%	0%	0%	–	
			% recycled	26%	16%	9%	-66%	
			% composted	0%	0%	0%	–	
			% incinerated with energy recovery	43%	65%	45%	5%	
	Total waste produced, by disposal method – absolute	Waste-Abs	% other form of reuse	11%	7%	33%	199%	84%
			% incinerated without energy recovery	14%	5%	0%	-97%	
			% other	1%	1%	0%	-75%	
			% landfilled	4%	6%	13%	184%	
			tonnes	718	548	538	-25%	
			% re-used	0%	0%	0%	–	
			% recycled	26%	17%	9%	-66%	
			% composted	0%	0%	0%	–	
			% incinerated with energy recovery	45%	66%	45%	0%	
	Total waste produced, by disposal method – like-for-like	Waste-LfL	% other form of reuse	12%	7%	33%	181%	84%
			% incinerated without energy recovery	13%	3%	0%	-96%	
			% other	0%	0%	0%	–	
			% landfilled	5%	7%	13%	167%	

EPRA methodological note (in addition to the methodological information presented in section 7.4.)

- Scope of reporting: the data entered in the above table 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 consumption and water use data includes data reported to SFL concerning its directly managed water facilities.
- Segmental analysis: SFL's buildings in operation 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.

- Estimate: the data in the EPRA table is 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.
- Head office: 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 in parts 5.1. and 5.2.

### 7.5.3. Environmental indicators – Head office occupied by SFL

Topic	Indicator	EPRA code	Unit	2019	2020	2021
<b>Certifications</b>						
	% of head office certified	Cert-Tot	% of head office	100%	100%	100%
<b>Energy</b>						
	Total use of electricity from renewable sources	Elec-Abs &	MWh	82.8	73.4	80.1
	Total use of electricity from non-renewable sources	Elec-LfL	MWh	152.5	136.4	110.7
	Total energy use, district heating and cooling networks	DH&C-Abs & DH&C-LfL	MWh	0	0	0
	Total fuel use	Fuels-Abs & Fuels-LfL	MWh	0	0	0
	Energy use intensity	Energy-Int	kWh/sq.m.	115.8	103.2	93.8
<b>Greenhouse gas emissions</b>						
	Total direct greenhouse gas (GHG) emissions (Scope 1)	GHG-Dir-Abs	tCO <sub>2</sub> e	0	0	0
	Total indirect greenhouse gas (GHG) emissions (Scope 2)	GHG-Indir-Abs	tCO <sub>2</sub> e	4.8	6.3	5.8
	Carbon intensity	GHG-Int	kgCO <sub>2</sub> e/sq.m.	2.4	3.1	2.8
<b>Water</b>						
	Total water use	Water-Abs & Water-LfL	cu.m.	401.1	334.3	327.7
	Water use intensity	Water-Int	cu.m./sq.m.	0.197	0.165	0.161
<b>Waste</b>						
			% recycled	100%	20%	13%
			% re-used	0%	44%	73%
			% composted	0%	0%	0%
			% incinerated	0%	0%	0%
			% disposed of by another method	0%	0%	0%
			% landfilled	0%	36%	14%

EPRA methodological note (in addition to the methodological information presented in section 7.5.)

- Coverage rate: 100% for all head-office indicators.
- The absolute and like-for-like scopes of reporting are identical and therefore undifferentiated, since they apply to the same head office over the 2019-2021 period.

## 7.5.4. Employee, societal and governance indicators

Topic	EPRA code	Indicator	Unit	2019	2020	2021	Comments
Diversity							
Diversity-Emp			Number of women	6	6	5	
		Percentage of men and women on the Board of Directors	% of women	43%	43%	42%	
			Number of men	8	8	7	
			% of men	57%	57%	58%	
		Percentage of men and women on the Management Committee	% of women	25%	33%	38%	Number of Management Board members at 31 December, including the Chief Executive Officer
			Number of men	6	6	5	
			% of men	75%	67%	62%	
			Number of women	2	3	3	
		Percentage of men and women managers, excluding the Management Committee	% of women	58%	55%	57%	Number of employees at 31 December
			Number of men	22	22	20	
			% of men	42%	45%	43%	
			Number of women	13	13	13	
		Percentage of men and women among other employees	% of women	87%	87%	87%	Number of employees at 31 December
			Number of men	2	2	2	
			% of men	13%	13%	13%	
			Number of women	45	43	43	
		Percentage of men and women among all employees	% of women	61%	60%	62%	Total number of employees at 31 December, excluding the Chief Executive Officer
			Number of men	29	29	26	
			% of men	39%	40%	38%	
Diversity-Pay	The ratio of the total compensation of men to women on the Management Committee (excluding the Chief Executive Officer and the Managing Director)	%	3%	13%	-4%	Theoretic gross base salary, excluding long-service pay and bonuses at 31 December, CEO and MD compensation and work-study contracts 1 - (average woman's salary/ average man's salary)	
	The ratio of the total compensation of men to women managers (excluding Management Committee members)	%	16%	18%	16%		
	The ratio of the total compensation of men to women in other categories	%	-4%	-6%	-8%		
	The ratio of the total compensation of men to women in the entire workforce	%	29%	29%	23%		
Training							
Emp-Training	Total number of training hours	Number	1,575	1,269	1,323	Number of employees trained/ average number of employees	
	Number of employees trained	Number	66	58	51		
	Average number of hours per trainee	Number	24	22	26		
	% of employees trained	%	94%	80%	71%		
	% of payroll allocated to training	%	3.31%	2.35%	2.28%		
Assessment							
Emp-Dev	% of employees who received performance reviews during the year	%	90%	96%	94%	Number of reviews/ number of eligible employees	

Topic	EPRA code	Indicator	Unit	2019	2020	2021	Comments
<b>Attracting and retaining talent</b>							
Emp-Turnover		New employee hires under permanent contracts	Number	12	5	6	
		New employee hires under fixed-term contracts	Number	3	1	0	
		Total new hires	Number	15	6	6	
		Terminations by mutual agreement	Number	2	3	3	
		Expiries of fixed-term contracts	Number	1	3	0	
		Resignation	Number	3	1	3	
		Dismissal	Number	0	0	2	
		Total departures	Number	9	8	9	<i>Including 1 retirement</i>
		Turnover	%	14.23%	6.24%	10.61%	<i>(Number of departures of employees under permanent contracts, except for death + number of new employee hires under permanent contracts/2/ average number of employees)</i>
<b>Health and safety</b>							
H&S-Emp		Number of fatal accidents	Number	0	0	0	
		Number of cases of occupational illness	Number	0	0	0	
		Number of occupational accidents	Number	1	0	2	2 commuting accidents without lost time
		Accident frequency rate	Rate	40.34	0	0	(No. of accidents with initial benefit payment reported per one million hours worked)
		Accident severity rate	Rate	0.29	0	0	(No. of days lost due to temporary disability per 1,000 hours worked)
		Short-term absenteeism rate	Rate	0.70%	0.80%	0.40%	One to three days
H&S-Asset		Percentage of assets covered by health and safety risk management system	% of assets covered	93%	93%	93%	Assets operationally managed by SFL
H&S-Comp		Number of health and safety-related incidents of non-compliance	Number of incidents	0	0	0	No health and safety-related incidents of non-compliance were recorded in 2019, 2020 or 2021
<b>Community engagement</b>							
Comty-Eng		Community engagement initiatives	% of assets or description	–	–	–	<i>Given that SFL assets are concentrated exclusively in Paris and the inner suburbs, community engagement initiatives are undertaken directly at Group level, as described in section 7.3.</i>

GOVERNANCE INDICATORS				
Topic	EPRA code	Indicator	Explanation	
Governance				
	Gov-Board	Composition of the Board of Directors	Description	See pages 91 to 107 of the Universal Registration Document
	Gov-Select	Nomination and selection process for the Board of Directors	Description	See pages 91 to 107 of the Universal Registration Document
	Gov-Col	Procedure for managing possible conflicts of interest	Description	See pages 91 to 107 of the Universal Registration Document








The coverage rate was 100% for all of the reported social and governance indicators



### 7.6. Cross-reference with SDGs

This table summarises the contribution of SFL's ESG process to achieving the 17 Sustainable Development Goals for 2030 adopted by the United Nations in 2015.

SFL considers that its initiatives are having an impact on ten of these goals through the following issues:

Pillar	12 issues	Contribution to the Sustainable Development Goals
Revitalise and reinvent the city	Urban footprint	
	Location & accessibility	
	Building resilience	
Offer comfortable, flexible, convivial environments	Convenience & amenities	
	Certifications & labels	
	Tenant relations & satisfaction	
Project ourselves into a low-carbon future	Low-carbon strategy	
	Circular economy	
	Biophilia	
Encourage engagement by our employees and partners	Employer appeal, development & diversity	   
	Health, safety & quality of worklife	
	Ethics in the value chain	

Sustainable Development Goals:

3 Good health and well-being

5 Gender equality

7 Affordable and clean energy

9 Industry, innovation and infrastructure

10 Reduced inequalities

11 Sustainable cities and communities

12 Responsible consumption and production

13 Climate action

15 Life on land

16 Peace, justice and strong institutions

### 7.7. Data verification

Report by one of the Statutory Auditors on a selection of non-financial information disclosed in the management report (see following pages).

# Report by one of the Statutory Auditors on selected non-financial information disclosed in the management report

Year ended 31 December 2021

*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 standards applicable in France.*

To the Executive Management,

Following your request and in our capacity as Statutory Auditors of Société Foncière Lyonnaise (hereinafter "the entity") appointed as independent third party accredited by COFRAC under number 3-1048 (scope of accreditation available on [www.cofrac.fr](http://www.cofrac.fr)) and in the process of aligning our management system with changes in our accreditation process mandated by COFRAC to upgrade from ISO 17020 to ISO 17029 standards, we conducted procedures to enable us to provide a reasoned opinion expressing a limited assurance conclusion on the fairness of a sample of historical information (the "Information") found in or extrapolated from the non-financial information statement (the "Statement"), prepared in accordance with the entity's procedures (the "Reporting Guidelines") for the year ended 31 December 2021, as presented in the Group Management Report.

The Information, selected by the entity, is as follows:

- Number of assets in use that have been certified and percentage of the portfolio, by surface area, with a Very Good or higher rating;
- Waste generated in tonnes (paper, cardboard and non-hazardous industrial waste);
- Total municipal water use in cu.m. and water use intensity in cu.m/sq.m. at constant scope of reporting (common and tenant areas combined);
- Energy use by type of energy and energy use intensity at constant scope of reporting (not climate adjusted);
- Greenhouse gas (GHG) emissions from energy use at constant scope of reporting (not climate adjusted);
- Planted and landscaped surface (horizontal or vertical) in sq.m. and % of the portfolio's total footprint.

## Conclusion

Based on the procedures we performed, as described in the "Nature and scope of our work" section, and the audit evidence we obtained, we did not identify any material anomaly likely to call into question the fact that the Information, taken as a whole, is presented fairly, in accordance with the Reporting Guidelines.

## Comment

Without affecting the conclusion expressed above, we draw your attention to the fact that the energy and water use indicators, greenhouse gas emissions indicators and waste production indicators cover the rolling 12-month period from 1 October to 30 September in order to facilitate the collection of data at the end of the financial year. This reporting period is specified in the methodological note included in the Statement.

## Preparation of the Statement

The lack of any generally accepted and commonly used reference frameworks or established practices available to assess and measure the Information means that a variety of different, but equally acceptable, measurement techniques may be used, which may affect comparability between entities and over time.

As a result, the Information should be read and understood with reference to the Reporting Guidelines, whose material aspects are presented in the Statement and available upon request from the entity's head office.

## Limitations inherent in the preparation of Statement information

The Information may be subject to inherent uncertainty because of incomplete scientific and economic knowledge and due to the quality of the external data used. Some information is sensitive to the choice of metrics, assumptions or estimates used in its preparation and disclosed in the Statement.

## Responsibility of the entity

The Board of Directors is responsible for selecting or defining appropriate guidelines for preparing the Information and for implementing the internal control procedures it deems necessary for the disclosure of Information free of material misstatement, whether due to fraud or error.

The Statement has been prepared in accordance with the entity's Reporting Guidelines as mentioned above.

## Responsibility of the Statutory Auditor appointed as an independent third party

On the basis of our work, our responsibility is to provide a reasoned opinion expressing a limited assurance conclusion on the fairness of the selected information.

Moreover, given that our responsibility is also to express an independent conclusion on the information, as prepared by management, we are not authorized to participate in any way in its preparation, as this could compromise our independence.

It is not our responsibility to comment on the entity's compliance with other applicable legal and regulatory provisions, in particular the prevention of corruption and tax evasion, or on the compliance of products and services with applicable regulations.

## Regulatory provisions and applicable professional standards

Our work described below was performed in accordance with the professional guidance issued by the French Institute of Statutory Auditors (*Compagnie nationale des commissaires aux comptes*) relating to this non-audit engagement and with the International Standard on Assurance Engagements (ISAE) 3000 Revised.

### Independence and quality control

Our independence is defined by Article L. 822-11-3 of the French Commercial Code and the French Code of Ethics (*Code de Déontologie*) of our profession. In addition, we implemented a system of quality control including documented policies and procedures regarding compliance with applicable legal and regulatory requirements, ethical standards and the professional guidance issued by the French Institute of Statutory Auditors concerning this engagement.

### Means and resources

Our work was carried out by a team of four people between January and February 2022 and took around two weeks.

We were assisted in our work by our specialists in sustainable development and corporate social responsibility. We conducted around ten interviews with the persons responsible for preparing the Statement, representing in particular the departments in charge of health and safety, the environment, sustainable development and purchasing.

### Nature and scope of our work

We planned and performed our work considering the risk of material misstatement of the Information.

We believe that the procedures that we performed, based on our professional judgement, are sufficient to provide a basis for a limited assurance conclusion:

- We reviewed the business activities of all the companies included in the scope of consolidation.

- We assessed the appropriateness of the Guidelines with respect to their relevance, completeness, reliability, neutrality and understandability, with due consideration of industry best practices, where appropriate.
- We verified that the Statement covers the scope of consolidation, i.e., all the companies included in the scope of consolidation in accordance with Article L. 233-16.
- We reviewed the internal control and risk management procedures implemented by the entity and assessed the data collection process designed to ensure the fairness of the Information.
- For the Information, we carried out:
  - analytical procedures to verify the proper consolidation of the data collected and the consistency of any changes in those data;
  - substantive tests, using sampling or other selection methods, to verify the proper application of definitions and procedures and reconcile the data with the supporting documents. These procedures were conducted for a selection of contributing entities<sup>(1)</sup> and covered between 10% and 100% of the consolidated data selected for these tests.
- We assessed the overall consistency of the Statement based on our knowledge of all the entities included in the scope of consolidation.

The procedures performed in a limited assurance engagement are less extensive than those required in a reasonable assurance engagement performed in accordance with the professional guidance issued by the French Institute of Statutory Auditors; a higher level of assurance would have required us to carry out more extensive procedures.

Paris-La Défense, 24 February 2022  
French original signed by one of the Statutory Auditors

Deloitte & Associés

Sylvain Durafour  
Partner, Audit

Catherine Saire  
Partner, Sustainable Services

(1) The #cloud.paris and Édouard VII buildings.

**SFL**\_\_

French *société anonyme*  
with share capital of €85,729,430

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