

Société Foncière Lyonnaise Ethics Code of Conduct

Foreword from the Chief Executive Officer



Investing exclusively in prime property in Paris, Société Foncière Lyonnaise ("SFL") is a leading major property company and one of the real estate market's stand-out players.

We believe that SFL reflects its clients and their values. That makes our responsibility to manage our business ethically especially important.

All of us at SFL aim to continue fostering a **culture of integrity and compliance within our Company**, in line with the compliance programme of our parent company, Colonial, and the guidelines already implemented in the past, such as the SFL Code of Ethics and the SFL IT charter.

This new Ethics Code of Conduct is intended not only for SFL's management and employees, but also for all our stakeholders. It aims to help users **identify high-risk situations** and respond to such situations individually and collectively.

This Ethics Code of Conduct outlines behaviours to be avoided or adopted in the day-to-day activities carried out by SFL, which prohibits unethical behaviour.

When you believe you are facing an ethical or compliance issue, ask yourself the following questions:

- **Do I have the right to do this?**
- **Is it consistent with SFL's values and the aim of this Ethics Code of Conduct?**
- **Can I justify my choice with regards to SFL's business ethics?**

We must uphold this Ethics Code of Conduct on a daily basis. The principles set out below are not exhaustive and require each of us to demonstrate **common sense** as well as responsibility for our actions.

Our Ethics Code of Conduct rounds out the internal rules, regulations and procedures already in force within SFL, including the whistleblowing procedure, under which any breaches of this Code can be reported confidentially.

Finally, I would like to thank everyone at SFL for their involvement in implementing this Ethics Code of Conduct.

Dimitri Boulte



Our values
Our values drive us to lead by example

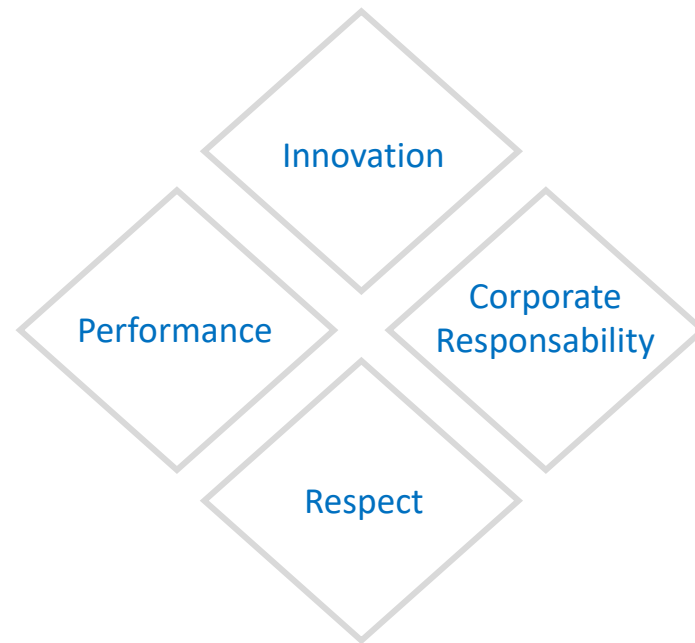
Our values

Innovation

SFL embodies an innovative vision for commercial property in central Paris. Meeting the ambitious goal of serving the very exacting prime rental market by offering the best buildings in Paris requires specific expertise and in-depth knowledge of the market, its products, its customers and their business requirements.

Performance

With our talented partners in the fields of architecture, design, hotel amenities, sociology of work and energy efficiency, we can boldly transform a building, both in its structure and how it operates. This pure player strategy enables us to offer tenants premium workspaces unlike any others in the capital.



Corporate Responsibility

SFL leads a disciplined CSR strategy designed to reduce the environmental impact of its assets. This deep-felt commitment is reflected in the certifications earned by every building in the portfolio and the integration of urban habitat biodiversity.

Respect

SFL is highly committed to complying with legal, regulatory, contractual and ethical provisions, as well as to respecting its employees and stakeholders. This responsibility is the driving force behind our clients' satisfaction and the Company's performance.

Our commitment: compliance with applicable laws



SFL conducts its business in accordance with applicable laws and regulations, and complies with the commitments and obligations set out in its **contractual relations** with third parties. It is committed to complying with the **legal and regulatory obligations** applicable to its sector and ensures that all its employees receive the appropriate **information and training**. SFL's performance objectives cannot be achieved by breaking the law, or failing to comply with any internal procedures or the ethical principles set out in this Ethics Code of Conduct. SFL's senior management and employees must ensure that they do not commit any **criminal offences** (harassment, corruption, money laundering, influence peddling, illegal interest taking, favouritism, etc.), or breach SFL's **ethical principles** as set out in this Ethics Code of Conduct.

Our commitment: respecting our employees



Ensure our workplace remains free of all forms of discrimination



Ensure equal treatment of men and women in terms of access to employment, training, career progression and working conditions



Ensure all employees are treated fairly and with respect



Prohibit all abuses of authority and all forms of physical or psychological harassment



Ensure an effective equal opportunity policy to allow employees to develop professionally based on merit



Respect employees' personal lives and facilitate a work/life balance

Our commitment: upholding an ambitious environmental strategy



**Label
"Green Star"**

92/100 Score GRESB 2021

100%

du patrimoine en exploitation est certifié
BREEAM In-Use international

Since **2011**, SFL has led a rigorous CSR strategy designed to **reduce the environmental impact** of its assets. This deep-felt commitment is reflected in the **certifications** earned by every building in the portfolio, the integration of **urban habitat biodiversity** and the introduction of accurate, easy-to-understand, real-world environmental performance indicators.

SFL aims to **set the industry benchmark in sustainable development**, expressing its own vision in its areas of expertise. In its CSR Report, the Company outlines its **ambitious approach** and specific objectives, which include reducing energy consumption, greenhouse gas emissions and the carbon footprint of its operations, **certifying properties in use** and development projects, reducing energy and water use and improving waste management, supporting biodiversity, improving **accessibility** for people with disabilities, delivering **equal opportunity**, and providing employee training.

SFL aims to pass these CSR values on to its employees.

Our ethics

A closer look at some prohibited or risky behaviours

Prohibited behaviours



Definition

Discrimination is defined as any distinction made between natural persons on the basis of their origin, name, sex, physical appearance or membership of a trade union or philosophical or political movement, or their status as a whistleblower or as someone with ties to a whistleblower.

French law currently recognises more than 25 grounds of discrimination.

What are the risks?

Discrimination is punishable by 3 years' imprisonment and a €45,000 fine when it consists of:

- Refusal to supply a good or service;
- Hindering the normal course of any economic activity;
- Sanctioning, dismissing or refusing to hire an individual;
- Making employment or the provision of a good or service conditional on a discriminatory criterion.

Case studies

- Refusing to work with a provider who has a foreign-sounding name.
- Introducing an internal provision that puts part-time employees at a disadvantage.
 - This could constitute indirect gender discrimination, as statistically a large majority of part-time employees are women.

What should I do?

- Inform your line manager and/or follow the whistleblowing procedure.

Prohibited behaviours



Definition

Bullying is defined as harassment of others by repeated comments or behaviour, with the purpose or effect of deteriorating working conditions, likely to infringe their rights and dignity, to affect their physical or mental health or to compromise their career prospects.

Sexual harassment consists of repeatedly subjecting others to comments or behaviour with sexual or sexist connotations which either infringe the person's dignity because of their degrading or humiliating nature, or put them in an intimidating, hostile or offensive situation.

What are the risks?

Bullying and sexual harassment are punishable by two years' imprisonment and a €30,000 fine.

The penalties for sexual harassment are increased to three years' imprisonment and a €45,000 fine when the acts are committed by a person abusing a position of authority. In the workplace, this may include harassment by someone more senior.

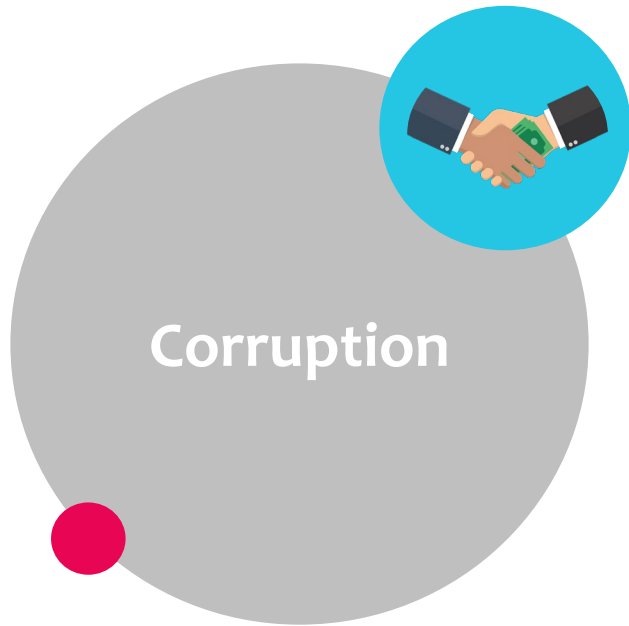
Case studies

- Purposefully assigning overly simple tasks to a qualified and experienced person to try to incite them to leave without a dismissal procedure (sacking).
- Making comments about a female employee's clothing on a daily basis.

What should I do?

- Inform your line manager and/or follow the whistleblowing procedure.

Prohibited behaviours



Definition

Corruption consists of behaviour whereby offers, promises, donations or gifts are solicited, accepted or received for the purpose of performing or refraining from performing an act, or for the purpose of obtaining favours or special advantages.

Active and passive corruption are complementary but separate offences. The actions of the person committing the act of corruption (active corruption) and those of the person benefiting from the act of corruption (passive corruption) can be prosecuted and judged separately and the prosecution of one is in no way contingent on the prosecution of the other.

What are the risks?

Individuals can be sentenced to 5 to 10 years' imprisonment and a €500,000 to €1 million fine.

If SFL were accused of corruption, it would be damaging to our Company in many ways. Consequences would include a €2.5 to €5 million fine and temporary exclusion from public tenders.

In addition to these legal consequences, SFL would risk losing its partners' trust (termination or non-renewal of contracts) and damage to its image in the eyes of all its stakeholders.

Case studies

- Offering Paris' urban planning agency money to modify the local urban planning scheme.
- Accepting a trip offered by a construction company in exchange for selecting it to redevelop an SFL asset.

What should I do?

- Refuse to place yourself in a risky situation as described here;
- Inform your line manager in order to identify and exclude service providers who engage in this type of practice and/or follow the whistleblowing procedure.

Prohibited behaviours



Definition

Influence peddling is a specific form of corruption, in which an advantage is offered or solicited by a person, in exchange for real or supposed influence over a third party's decision.

As with corruption more generally, this consists of two separate offences: passive influence peddling, concerning the solicited agent, and active influence peddling, concerning the person soliciting.

What are the risks?

Individuals can be sentenced to 5 to 10 years' imprisonment and a fine of €500,000 to 1 million.

If SFL were accused of influence peddling, it would be damaging to our Company in many ways. Consequences would include a €2.5 to €5 million fine and temporary exclusion from public tenders.

In addition to these legal consequences, SFL would risk losing its partners' trust (termination or non-renewal of contracts) and damage to its image in the eyes of all its stakeholders.

Case studies

- Gaining access to an elected or public official's contacts by offering them a consultancy contract with SFL.
- Gifting the latest iPad to a Paris council worker to encourage them to grant a building permit.

What should I do?

- Refuse to place yourself in a risky situation as described here;
- Inform your line manager and/or follow the whistleblowing procedure.

Risky behaviours



Conflict of interest

Definition

A conflict of interest arises when a personal interest or activity interferes, is likely to interfere, or may be perceived to interfere, with the duties entrusted to SFL employees.

A conflict of interest can be private or public, personal or professional.

Conflicts of interest can affect our impartiality, independence and objectivity, and cast doubt on our ability to fulfil our responsibilities.

What are the risks?

This is not an illegal situation but a risk, often illustrated as a grey area that can affect an employee's judgement and therefore lead to the conscious or unconscious commission of a punishable act.

Conflicts of interest could damage SFL's image and lead to a loss of trust among its stakeholders.

Case studies

- Favouring the use of a service provider I am related to.
- Having a financial interest (shares, employment contract or office) in a service provider company.

What should I do?

- Avoid taking a decision;
- Inform your line manager and/or follow the whistleblowing procedure.

Risky behaviours

Gifts and invitations



Definition

Accepting or receiving a gift or services at a time when the recipient has to exercise decision-making power or is in a position to influence a decision in favour of the company offering the gift (tender, negotiation, request for authorisation, change of legislation, pending court decision, etc.) is an act of corruption.

SFL prohibits the giving or acceptance of gifts in any form, except:

- in the following circumstances:
 - customary gifts and invitations: e.g., Christmas party,
 - courtesy or hospitality gifts and invitations: e.g., business lunches, invitations to sporting or cultural events;
- **and when they are of a reasonable value.**

What are the risks?

An accusation of corruption would not only have consequences for the individuals involved, but would also be extremely damaging for our Company, with consequences including:

- ❖ temporary exclusion from public tenders;
- ❖ loss of trust from our business partners: termination or non-renewal of contracts;
- ❖ damage to the Company's image, leading to a loss of stakeholder trust.

Case studies

- Receiving monthly invitations to the Ritz from a candidate for SFL tenders
 - **NO:** unreasonable value and tender circumstances.
- Asking a service provider to lend me his house in Corsica in return for a favourable decision
 - **NO:** unreasonable value and in exchange for a professional decision
- Accepting/receiving an invitation to a conference followed by a cocktail party catered for by a top chef
 - **YES:** professional event

What should I do?

- Ask yourself whether the gift is of reasonable value, whether it is offered at a key time, whether something is expected in return, whether the person often gives gifts, etc.
- Seek advice from your line manager.

Risky behaviours



Principle

SFL is listed on Euronext Paris and is therefore governed by the French financial markets authority (*Autorité des marchés financiers* – AMF). Employees who trade on the financial markets must comply strictly with the rules of these markets, the MAR Regulation and AMF requirements.

During blackout periods, employees who are aware of inside information that could affect the price of SFL shares are not authorised to trade in these shares, either directly or through an intermediary, until the inside information has been made public.

Inside information means advance knowledge of results or management information, planned changes in a company's scope, or major changes in strategy or organisation that would influence the share price of the company concerned.

What are the risks?

For an insider trading offence, individuals may be sentenced to up to five years' imprisonment and a €100 million fine.

If SFL were found guilty of insider trading as a legal entity, it would incur:

- a €500 million fine, which can be increased up to 15% of SFL's annual revenue;
- the additional penalties referred to in Article 131-39 of the French Criminal Code, including: a five-year ban on offering securities on a regulated market, exclusion from public tenders for a period of five years, or even the dissolution of the Company.

Insider trading may also be sanctioned by the AMF.

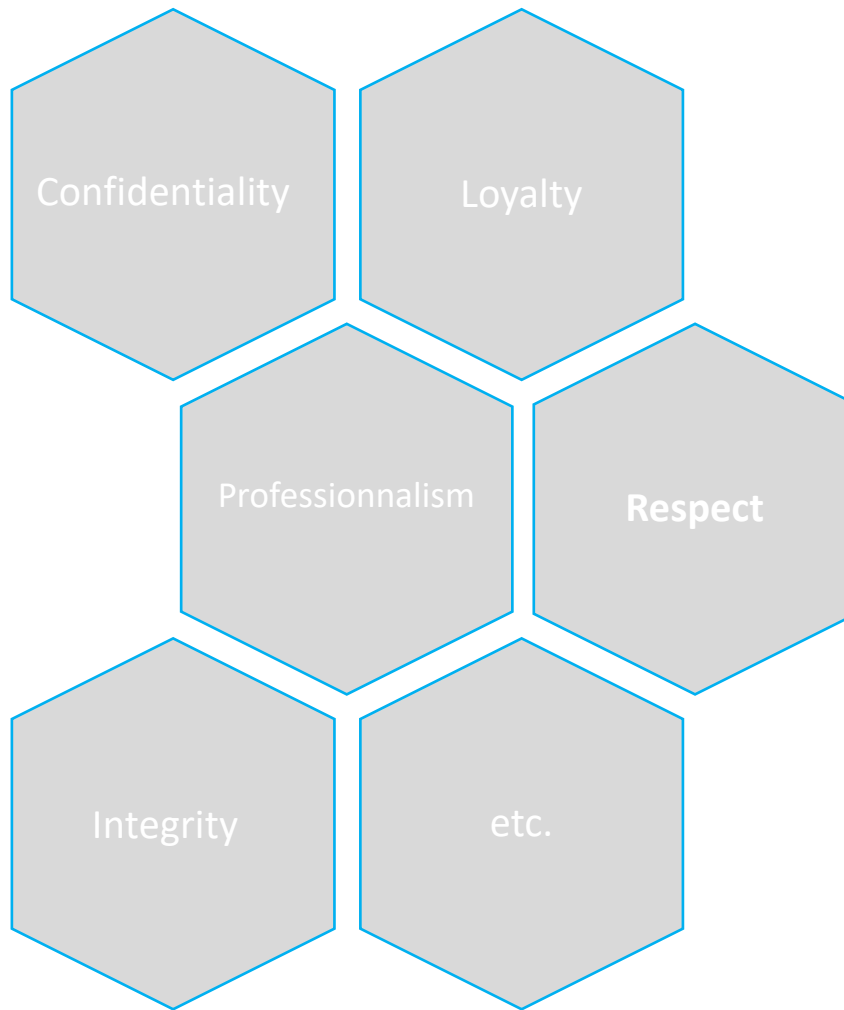
Case studies

- An accountant who is aware of SFL's excellent financial results buying a large number of shares during a blackout period.
- An employee disclosing a planned major acquisition or sale to their best friend who is an analyst in an investment bank.

What should I do?

- Refer to the internal policy on inside information and insider trading;
- Seek advice from the CFO.

Expected behaviours



Whistleblowing procedure

Ensuring our values and principles are respected



SFL has set up an **internal whistleblowing system** in accordance with Articles 6 to 16 of France's "Sapin II Act" of 9 December 2016 on transparency, the fight against corruption and the modernisation of economic life.

This whistleblowing system is available to **both internal and external employees, as well as to all of the Company's stakeholders** (suppliers, subcontractors, etc.). It can be used to report any **illegal, inappropriate or non-compliant situation** to SFL's ethics officers who will put a stop to such behaviour and, where necessary, apply disciplinary measures. **Breaches of our ethical principles** and failure to comply with this Code of Ethics must be reported, as well as any violation of the applicable laws and regulations.

SFL employees are asked to read the **whistleblowing procedure** and to direct any questions or concerns to the **ethics officers** indicated in the procedure.

Practicalities: internal and external distribution and sanctions



Implementation

- ❖ SFL's activities must not result in any breach of its values and **ethical principles**.
- ❖ SFL and its employees are committed to act with **integrity** in accordance with the provisions of this Ethics Code of Conduct and to behave in accordance with the principles set out herein.

Distribution

- ❖ A copy of the Ethics Code of Conduct and the internal procedures is given to each new hire **on arrival**. The Code is also available to all employees via the intranet.

Sanctions

- ❖ The Ethics Code of Conduct is appended to SFL's internal regulations. Behaviour in breach of the Ethics Code of Conduct is sanctioned by appropriate **disciplinary measures**.
- ❖ In case of violations of laws or regulations, those responsible will face legal action.

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