# THE ART OF **PRIME PARISIAN** *PROPERTY*

2023 Non-Financial Information Statement



# 2023 NON-FINANCIAL INFORMATION STATEMENT

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The Non-Financial Information Statement is an extract from the 2023 Universal Registration Document, which can be found at www.fonciere-lyonnaise.com





# A message from the Chief Executive Officer



years of unparalleled experience in serving cities and their users, SFL embraces its responsibility as a bold, ambitious, fully engaged agent of change. Our vision is to design sophisticated prime offices that respond to the emerging usage patterns and concerns of employees and managers – offices that are energy efficient, setting a course to carbon neutrality, harmoniously integrated into the city and abundantly landscaped.

The notion of prime, which is deeply embedded in our strategy and our DNA, is intrinsically tied to sustainability. Led by the proficient management of our property portfolio and our ceaseless quest for innovation and research, over the years we have acquired considerable expertise in sustainable design and construction, to create offices with lower emissions and energy use.

The superior quality of our assets and their very recent redevelopments represent clear advantages in addressing this new challenge.

Located in the capital's highly accessible central districts, our buildings are designed to give pride of place to low-carbon mobility, thereby helping to reduce the need to commute by car. All of them are fitted with innovative, high-performance utility installations that encourage the more efficient use of resources and support recycling and reuse. Real-time data reporting and analytics enable us to improve our knowledge and manage operating peaks more effectively, which is a decisive factor in improving our environmental performance. Lastly, our buildings benefit from the technical and structural quality designed into their frames from the beginning, which enables them to be steadily upgraded to sustain their efficient management over time.

At SFL, CSR is the heart of our business and our commitment to acting as an engaged citizen of the city.

# "At SFL, CSR is more about commitment than compliance."

An office is much more than just a place to work. It's a multi-faceted environment shaped and reshaped by a tightly woven web of spaces, functions, utilities, social interactions and amenities. It is a focal point of our daily lives, and as such reflects all the aspirations and concerns of today's society.

In recent years, climate change has forced us all to adjust our practices, processes and behaviour in every economic activity, including the real estate sector. With more than 145

Dimitri Boulte

### 1. ESG strategy

Since its founding 145 years ago, SFL has demonstrated its expertise as property owner and developer to build, maintain and transform its assets and the surrounding city. 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, thanks in particular to its innovation capabilities.

At a time when a certain number of social and urban trends are gaining momentum and environmental concerns are playing an increasingly critical role in its business practices, SFL is instilling its every action with fresh meaning by setting an ambitious course, guided by a renewed commitment to high-guality, results-oriented



This clear positioning in the prime Parisian office property market and the organisation by core competency provide a robust foundation for the Group's value creation strategy. At 31 December 2023, the portfolio comprised 17 assets (81% offices, 18% retail units and a hotel and 1% residential units by value), whose physical occupancy ratio stood at 99.7%.



#### CONSOLIDATED SFL PORTFOLIO: 410,000 SQ.M.

Paris	Total surface area <sup>(1)</sup>	Western Crescent	Total surface area <sup>(1)</sup>
1 Édouard VII	54,600 sq.m.	176 Charles de Gaulle Neuilly-sur-Seine	6,900 sq.m.
2 Washington Plaza	48,200 sq.m.	Total	6,900 sq.m.
3 Louvre Saint-Honoré	47,700 sq.m.	Paris CBD	
4 Pasteur	39,600 sq.m.	Paris Other	
5 #cloud.paris	35,000 sq.m.		parka Curfaga araga raundad ta
6 Cézanne Saint-Honoré	29,100 sq.m.	the nearest hundred.	parks. Surface areas rounded to
7 Biome	25,000 sq.m.		
8 Condorcet	24,900 sq.m.		
17 Scope	22,700 sq.m.		
9 103 Grenelle	18,900 sq.m.		
100 Haussmann	13,400 sq.m.		
1 83 Marceau	9,700 sq.m.		
12 131 Wagram	9,200 sq.m.		
13 90 Champs-Élysées	8,900 sq.m.		
4 Galerie Champs-Élysées	8,500 sq.m.		
15 92 Champs-Élysées	7,700 sq.m.		
Total	403,100 sq.m.		

All of SFL's buildings are located within a six minute walk from SFL is working in this direction by fostering stakeholder buy-in a train or metro station, in the thriving business districts of Paris among its tenants, its host communities (municipal and national and Neuilly-sur-Seine. Our portfolio assets are all characterised authorities, local residents), its employees, its business partners by very high occupation density, heavy user and visitor traffic, and (prime contractors, construction companies, utilities and extensive information technology and audiovisual facilities. amenities operators) and its shareholders.

This combination of high occupation density and low-carbon Throughout, its goal is to nurture the desire to work together commuting positions these assets as the sector's most effective around the following four fundamentals, by pursuing a responsible in helping to mitigate the city's climate impact and supporting its vision of the future in developing and managing its office buildings: ability to adapt to climate change.

For more than a decade, SFL's corporate social responsibility (CSR) policies have ranked at the very top of its concerns. Defined around clear objectives, particularly for the 2030 timeframe, the ambitious, assertive policy also addresses the environment, social and governmental (ESG) issues that are material for its stakeholders and critical for its financial resilience.

See details of SFL's asset portfolio on the next page.

SFL

- Climate strategy
- Urban footprint
- User satisfaction
- Employee and partner engagement

#### 1.1. Operating environment, SFL impacts and 2030 objectives

For more details, see pages 48 to 51.

# **CLIMATE** STRATEGY

The development and use of property assets are a significant source of greenhouse gas emissions. It is the Group's responsibility to provide resilient properties demonstrating excellent technical fundamentals. while promoting an ambitious climate strategy and the judicious use of resources.

## Operating environment

- Increasingly urgent goal of limiting the rise in global warming to 1.5°C.
- Far-reaching environmental regulations impacting our buildings.
- Major environmental impact from overuse of natural resources.
- Tight energy and materials markets in France and the rest of Europe.
- Increasing number of exceptional climate events, such as rising temperature anomalies.

## SFL response

#### **OPERATIONAL SUFFICIENCY**

- Improving energy efficiency.
- Transitioning to lower carbon energy sources.
- Extensively analysing each asset's usage profile.
- Sharing sufficiency commitments with partner building managers and office users.

#### EMBODIED CARBON EMISSIONS REDUCTION

 Ecodesign, repurposing and judicious use of resources during the works phase.

- Recovering, reusing and recycling waste from redevelopment projects and building operations.
- Increasing rainwater harvesting and controlling water use.

#### BUILDING RESILIENCE

- Investing in projects that are adaptable. flexible and upgradeable in response to tenant needs and demands.
- Thoroughly understanding the climate, environmental and health risks that could impact the portfolio.
- Deploying an accurate tracking system and the necessary prevention and adaptive response measures.

## 2030 TARGETS

42% tCOre

reduction in Scopes 1, 2 and 3 GHG emissions between 2021 and 2030

ZERO FINAL WASTE in properties in use and redevelopment projects

VULNERABILITY ASSESSMENTS AND ADAPTIVE RESPONSE MEASURES when necessary across the portfolio

We want to do our part in building the new geography of work and enhancing the beauty of the city. The Group gets local stakeholders involved in the design and execution of its urban development projects and focuses its capital programs on buildings that are located in vibrant communities, respect local biodiversity and blend harmoniously into the urban landscape.

## **Operating environment**

- Urban, heritage and architectural parameters specific to Paris: the new bioclimatic local urban planning regulation.
- Need for mixed-use capabilities in each neighbourhood.
- Land take is rising sharply in France and biodiversity is in steep decline.
- Need to invent a virtuous city that meets the business needs of companies while safeguarding the environment.
- Emergence of new forms of urban mobility.

## SFL response

### ARCHITECTURE AND DESIGN

- Preserving existing structures to minimise demolition and new construction.
- Architecturally bold but heritagefriendly designs.
- Urban consolidation and mixed use.

## NATURE AND LANDSCAPING

 Granular biodiversity audits of each asset to gain knowledge of its living environment and identify pathways to improvement.

## SIGNIFICANT EVENTS OF THE YEAR

- Delivery of the Louvre Saint-Honoré lower floors to the Cartier Foundation for Contemporary Art, the largest private cultural institution in Paris (16,000 sq.m.).
- ◆ Roll-out of the new nature and landscaping strategy.
- Delivery of a new lower-level retail space designed by Dominique Perrault in the Galerie des Champs-Élysées.

NET-ZERO land take in past ten years

the past ten years

of built-up land

89% of asset occupants commute by public transport or low-carbon mobility means

21.2 ktCOze ♦ Roll-out of a new climate strategy and

a new, more ambitious Scopes 1, 2 and 3 target. SFL receives the Low Carbon Building

Award at the SIBCA in September 2023.

SIGNIFICANT EVENTS OF

THE YEAR

released across the value chain (Scopes 1, 2 and 3). down 27% since 2021

2023 IMPACTS

58,679 mwh of energy used in assets in use, down 25%

Nearly

since 2018

tonnes of construction waste from the two redevelopment projects in 2023, of which 94% was recovered and reused

# URBAN FOOTPRINT

Addressing stakeholder expectations.



of surface area redeveloped or renovated in

100,000 SQ.M.

- A commitment to opening access to wild and local species.
- Preparing the adaptation to climate change.
- Opening green spaces to stakeholders and raising awareness of biodiversity issues.

#### MOBILITY

- Strategically investing in assets with top-quality transit access.
- Providing offices that are exceptionally well served by public transport.
- Listening to user needs for new forms of urban mobility.
- Rapidly deploying infrastructure to enable the use of these forms of mobility.

## 2030 TARGETS

HISTORICAL HERITAGE IMPACT ASSESSMENTS performed on every redeveloped building

NET-ZERO LAND TAKE

LESS THANA **10-MINUTE WALK** FROMA METRO STATION for every asset

# **USER** SATISFACTION

The world of work is radically changing. SFL wants its 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.

## **Operating environment**

- The new geography of work, with widespread work-from-home and a strong employee desire for more self-management.
- Socialising with co-workers is the main reason people come to the office.
- ◆ Office buildings have to be adaptable to a variety of ever-changing uses. • Rising expectations of potential

tenants regarding the environmental

performance of their leased premises.

SIGNIFICANT EVENTS OF

• Ten vears of Paris Workplace research

• Café Joyeux opens in the Cézanne

Saint-Honoré building, with a strong

social impact to foster inclusion in the

to design the office of tomorrow.

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• Extensive interaction with tenants, particularly this year concerning the critical issue of energy sufficiency.

THE YEAR

workplace.

260

21,500

office users over the past ten years

tenants

Up to

**2023 IMPACTS** 

## SFL response

- CONVENIENCE AND AMENITIES
- Undertaking to design buildings that flow seamlessly between private and common areas, resulting in a sense of community.
- Instilling maximum flexibility and operational efficiency in the tenant areas. • Offering an increasingly wide range of
- amenities based on a detailed analysis of each building.

#### CERTIFICATIONS AND LABELS

- Undertaking a certification campaign for all assets in use.
- ◆ Early adoption of BREEAM In-Use certification.

### 2023 IMPACTS

Comprising 81%

of office space by value

405,000 SQ.M. of total surface area

Up to 30,000 users can be accommodated every day

>95% of space certified Very Good or higher  Choosing project-phase certifications and labels aligned as closely as possible with specific building features, to support its market positioning.

#### TENANT RELATIONS AND SATISFACTION

- Focusing on understanding tenant expectations and factoring them into project programmes.
- Fostering close tenant relationships in SFL properties through a variety of dialogue methods and channels.
- Regularly measuring tenant satisfaction, with over 91% of tenants satisfied or very satisfied in the last satisfaction survey conducted in 2023.

## 2030 TARGETS

100%

tenant satisfaction rate

# EMPLOYEE AND PARTNER ENGAGEMENT

## Operating environment

- Fostering employee commitment and engagement, improving social cohesion and workplace atmosphere, recognition and appreciation.
- Developing employability and skills, maintaining employer appeal to attract and retain talent.
- Raising employee awareness of sustainability issues and the Group's CSR policy commitments.
- Developing ties with partners who are geographically close and sensitive to the same CSR issues.

### SIGNIFICANT EVENTS OF THE YEAR

- ◆ 92% of employees trained in diversity. climate, ethics and other ESG issues.
- A new Ethics Code of Conduct and whistleblowing mechanism.
- ◆ SFL teams moved into new offices meeting the market's highest standards.

## SFL response

#### SKILLS DEVELOPMENT AND WORKPLACE EQUALITY

- An individualised approach to career development.
  - Competitive, incentivising compensation aligned with workplace equality principles.
  - Skills development and training objectives defined annually.

#### HEALTH, SAFETY AND QUALITY OF WORKLIFE

- Regularly measuring the workplace atmosphere through the annual quality of working conditions (QWL) survey.
- Assertively pursuing policies to protect employee health and safety.

## 2023 IMPACTS

77employees at year-end 2023

50% of Board of Directors members and 38% of Management Committee members are

NO OCCUPATIONAL ACCIDENTS with lost time

91% of purchases sourced from suppliers in Paris and the Greater Paris region

>85%

100%

of business centres served by prime amenities

of projects and office assets in use certified

Our commitment to working together reflects our taste for transformation and thinking outside the box. Our team, which is entirely in-house. comprises talented people who know how to address these demanding issues. The Group can also count on its partners, with whom it nurtures robust, enduring and trusting relationships.

#### ETHICS IN THE VALUE CHAIN

- Identifying the most at-risk suppliers and deploying metrics to track their compliance.
- Sourcing extensively from local service providers and suppliers.
- Leading a continuous improvement process, particularly with maintenance providers operating the assets and contractors managing project worksites.

## 2030 TARGETS

>2.5%

of payroll spent on training

QUALITY OF WORKLIFE AND WORKING CONDITIONS SURVEY

conducted every year

100%

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

#### 1.2. ESG governance

At SFL, all of the capabilities involved in creating value at each stage in a property asset's life cycle are fully integrated, from investment and redevelopment to leasing and asset management, renovation and, if the opportunity is right, disposal

Combined with a relatively small workforce (77 employees at year-end 2023), integration means that SFL can be particularly agile, especially in responding to ESG challenges.

To further embed ESG strategy execution into everyday operations, a number of dedicated departments and committees have been set up, which together form the following ESG governance structure.



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SFL

The **ESG Committee** comprises the Management Committee and the Chief Sustainable Development Officer. Meeting at least four times a year, it assesses operating conditions and the most critical ESG challenges, defines strategic objectives and analyses performance in key metrics and SFL policies. In this capacity, it validates each year's carbon footprint data, tracks compliance with SFL banking covenants, and oversees European Taxonomy and CSRD disclosures.

With the support of its Management Committee members, it defines targets and action plans addressing each issue for the departments concerned, such as the Technical and Development Department for environmental issues and the Human Resources Department for employee relations issues.

Various working groups (asset management committees, ESG workshops) are addressing these challenges within SFL by developing operating procedures, issues of interest and outcomes and then discussing them with tenants, service providers, suppliers, investors and other stakeholders. The Chief Sustainable Development Officer coordinates these groups' environmental issues and liaises with the ESG Committee. The working groups also engage with our stakeholders through green committees with tenants, for example, and task forces with prime contractors on our redevelopment projects.

Lastly, the Chief Executive Officer reports to the Board of Directors concerning ESG strategy, the leading environmental, social and governance issues and the outcomes of the initiatives undertaken. A particularly strong bond has been created with the main shareholder, who is represented on the Board. Senior Management and the Chief Sustainable Development Officer also actively participate in the ESG Committees set up in the main shareholder's organisation.

#### A strong financial incentive to take action

These governance parties also now have a stronger incentive to engage, in that measurable ESG targets have been integrated into the performance reviews and compensation systems for both employees and corporate officers, with the following measures in 2023:

- ◆ Annual employee performance reviews: addition of new ESGrelated targets to the personal objectives reviewed to determine an employee's bonus for the year.
- Employee discretionary profit-sharing: inclusion of a carbon row, with scores of: performance criterion in the new discretionary profit-sharing ◆ 93/100 in the Standing Investments benchmark, up two points contract, with reductions in greenhouse gas emissions in line on 2022. with the 1.5°C target validated by the Science Based Targets ◆ 97/100 in the Development benchmark, up two points on 2022, initiative accounting for 15% of the total profit-share. ◆ 100/100 in the Public Disclosure Report.
- Compensation policies applicable to the Chief Executive Officer and the Deputy Chief Executive Officer: inclusion of an ESG criterion representing 20% of the 2023 gualitative bonus (10% of the total bonus).

#### **Recognised performance**

SFL complies with the recommendations issued by the European SFL ensures that all its reporting processes are aligned with the Public Real Estate Association (EPRA) for its CSR reporting. strictest standards. In addition, it seeks to have its performance Two Gold Awards, in Sustainability and Finance Best Practices assessed transparently and regularly responds to surveys from Recommendations, were once again received in 2023. EPRA-GRESB and other ESG rating agencies. The recent distinctions format indicators are presented in each of the relevant sections and awards from GRESB and the EPRA offer compelling proof of this report and in section 6.4. of this commitment to continuous improvement and transparent disclosure.





#### GRESB

In 2023, the Global Real Estate Sustainability Benchmark (GRESB) awarded SFL the Green Star designation for the tenth year in a



#### EPRA



#### Low Carbon Building Award (BBCA)

At the SIBCA fair in September 2023, SFL received the Low Carbon Building Award, which recognises SFL's strong commitment to low-carbon real estate, with all its redevelopment projects earning low-carbon certification in 2022.



#### Sustainable finance

SFL has undertaken clear commitments with regards to its environmental performance. As of 31 December 2023, all its bond debt and 79% of its confirmed bank lines were subject to strict environmental performance criteria.

The €835 million revolving credit facility signed in June 2023 has a margin adjustment mechanism based on i) the reduction in greenhouse gas emissions certified by the Science Based Targets initiative (SBTi); ii) the percentage of ESG-certified assets; and iii) the GRESB rating.

#### 1.3. 2030 targets and 2023 performance

Pillar	Issue	Primary 2030 objective	2023 performance
	Operational sufficiency	42% reduction in $tCO_2e$ in 2030 vs. 2021 across Scopes 1, 2 and 3 GHG emissions	27% reduction since 2021
Climate strategy	Embodied carbon emissions & circular economy	Zero final waste	94% of redevelopment project waste and 58% of building in use waste recycled or recovered
	Building resilience	100% of assets subject to vulnerability assessments and having the necessary prevention and compliance measures in place	Vulnerability studies of every asset updated in 2023
	Architecture & design	All redeveloped buildings subject to historical heritage impact assessments	100%
Urban footprint	Nature & landscaping	Net-zero land take	Zero land take
	Mobility	100% of office assets located less than a ten- minute walk from a metro station	100%
	Convenience & amenities	100% of business centres served by prime amenities	100%
User satisfaction	Certifications & labels	100% of projects and office assets in use certified	100%
	Tenant relations & satisfaction	>85% of tenants satisfied	91%
	Employer appeal, skills development & diversity	>2.5% of payroll invested in training	3.4%
Employee and partner engagement	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	100%

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## 2. Climate strategy

Increasing greenhouse gas emissions are radically changing the Earth's climate. The latest findings from the Intergovernmental Panel on Climate Change (IPCC) show more than ever that the increase in global warming must be limited to 1.5°C above preindustrial levels.

That limit was almost reached in 2023, with a 1.48°C increase. But while 2023 may have been exceptional, with climate records falling one after the other, the trend line over the past ten years has tracked a steady rise in temperatures, making it all the more urgent to deploy a clear strategy for reducing greenhouse gas emissions and adapting to the effects of climate change.

The construction industry has a fundamental role to play in this process. It is responsible for around a guarter of all greenhouse gas (GHG) emissions, both worldwide<sup>(1)</sup> and in France,<sup>(2)</sup> making it a major challenge in the fight against climate change

Baseline scenarios, such as France's national low-carbon strategy issued in late 2018 and scheduled for updating in 2024, the European Union's "Fit For 55" package, or the new industry targets issued by the Science Based Targets initiative (SBTi), call for the real estate sector to be almost entirely carbon-free by 2050.

In seamless alignment with this fast changing operating environment, SFL's climate strategy is based on:

- identifying and assessing climate change risks to its business.
- understanding the impacts, by measuring the carbon footprint as broadly and as granularly as possible,
- deploying a transition plan with precise, ambitious, achievable reduction targets and an understanding of what is required in order to adapt to the effects of climate change.

#### Identifying and assessing the main risks

The risks related to climate change and to their management in SFL's operations are increasingly well identified. Our approach to climate risks is aligned with the TCFD<sup>(1)</sup> and ISSB<sup>(2)</sup> S2 recommendations and therefore comprises a dedicated governance structure, a detailed analysis of physical and transition risks, a climate action strategy, and dedicated metrics and targets. It is also an integral part of the general assessment of risk factors on pages 17 et seg. of the Universal Registration Document.

SEL has assessed the climate-related risks that could have a material impact on its business activities. Conducted jointly at least once a year with our main shareholder, the assessment is one aspect of the general risk mapping exercise.

Type of risk	Description of the risk	Timeframe	Potential impact before initiatives	SFL's response
Regulatory	Increasingly strict environmental legislation, particularly energy efficiency standards and the adaptation of buildings to the effects of climate change.	Short term	Risk of asset obsolescence and increased CapEx and OpEx to maintain the technical performance of buildings.	A decarbonisation plan focused on operating energy sufficiency and ambitious, targeted investments in assets. SBTi certification for greenhouse gas emissions targets consistent with the 1.5°C pathway.
Market	An increasingly polarised office market due to growing tenant demand for more sustainable spaces, with proven environmental performance and well served by public transport.	Short and medium term	Buildings unable to document their environmental qualities may lose value and become less leasable.	Certification for all assets-in-use and redevelopment projects. Exceptional access to public transport. Development of low-carbon mobility- friendly infrastructure.
Reputational	Growing investor demand for ESG performance.	Medium and long term	Curtailed market access and higher borrowing costs for companies unable to demonstrate their performance.	79% of confirmed bank lines already subject to ESG performance criteria. Voluntary rating against leading ESG benchmarks (GRESB 93/100 score and 5 Stars label). Proactive disclosures in compliance with European Taxonomy and CSRD reporting.

The first step in the emissions reduction strategy is to measure the carbon impact of SFL's entire value chain, thereby identifying the main sources of greenhouse gas emissions and helping the Group

assess their main impacts.

(1) https://www.iea.org/energy-system/buildings (2) The building sector released 90 million tCO<sub>2</sub>e in 2017, or 19% of national Scope 1 emissions and 28% 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 in March 2020.

(1) Task Force on Climate-Related Financial Disclosures.

(2) International Sustainability Standards Board.

(R4RE) platform

(4) See section 2.3.1 below

The use of baseline scenarios<sup>(3)</sup> revealed three main material risks to the Group's business activities, which are summarised below. They were deemed to be transitional risks specific to the building industry's regulatory environment, to tenant demands for greener buildings and to the increasing prevalence of sustainable finance. SFL's solutions to mitigate its risk exposure are summarised in the following table and discussed in more detail below.

Physical risks have been mapped, primarily using the Resilience for Real Estate platform, and currently do not have any material impact on SFL's business activities<sup>(4)</sup>

possible, to clearly reveal the impact of SFL's operations in the three GHG Protocol Scopes and to define the most appropriate responses.

In 2023, SFL enhanced its measurement methodology with the support of leading climate consultancy Carbone 4, which also helped to identify the most effective action plans.

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#### SFL's broader carbon footprint in ktCO<sub>2</sub>e (Scopes 1, 2<sup>(1)</sup> and 3 as defined in the GHG Protocol)

Type of emissions		2021	2022	2023
Projects		20.1	14.9	11.5
Energy and waste	Energy	4.5	4.0	4.2
	Waste	0.4	0.7	0.6
Procurement and travel		4.3	5.0	4.9
	Total	29.2	24.5	21.2

(1) Scope 2 (market-based)

#### Greenhouse gas emissions in tCO<sub>2</sub>e in 2023, by source and GHG Protocol Scope



SFL's overall carbon footprint stems primarily from three sources of emissions:

- asset redevelopment and renovation projects, which accounted for 54.0% of total emissions in 2023,
- energy use in both common and tenant areas and the management of waste generated by operations, which together represented 22.7% of total emissions,
- procurement, mainly of services for assets in use and corporate operations and, to a lesser extent, employee travel, which together totalled 23.3% of emissions for the year.

Measuring the footprint enables us to set clear priorities in our commitment to reducing greenhouse gas emissions.

It also helps to gauge the effectiveness of initiatives undertaken in recent years. In 2023, it showed that SFL's total carbon footprint had shrunk by 27% since 2021, at constant methodology, with a significant 8,601 tCO<sub>2</sub>e reduction in greenhouse gas emissions from renovation and redevelopment projects, thanks to their carbon efficiency and a decline in their number. Note, however, that these projects still contributed the majority of emissions for the year.

#### A transition plan to address the climate emergency

Our transition plan for responding to the climate emergency and achieving a low-carbon future is focused on sharply reducing our greenhouse gas emissions.

A new 2030 carbon target has been defined that is more ambitious and, above all, broader, in that it covers all emissions across the value chain.

It aims to reduce Scopes 1, 2 and 3 emissions by 42% by 2030 compared with 2021. By year-end 2023, initiatives already under way had driven a 27% reduction.

The new Scopes 1, 2 and 3 reduction pathway is consistent with the commitment to limiting global warming to 1.5°C above pre-industrial levels.

In the same way that the previous Scopes 1 and 2 carbon target had been certified by the Science Based Targets initiative (SBTi) as 1.5°C-consistent, SFL will seek approval for its new target once the SBTi sector benchmark is issued.

#### Targeting a 42% reduction in Scopes 1, 2 and 3 ktCO<sub>2</sub>e in 2030 vs. 2021



#### Main decarbonisation levers

To meet the 42% reduction target, a number of decarbonisation levers have been identified and guantified for 2030. They involve a variety of initiatives aligned by emissions source and Scope.

- Scopes 1 and 2 levers/Operational sufficiency: These levers are geared towards managing energy efficiency and fluid use in buildings in use, transitioning to less carbon-intensive energy sources and refrigerants, and improving energy sufficiency through dialogue with users.
- Scope 3 levers/Reducing embodied carbon emissions and supporting circular economy practices: In the case of Scope 3 emissions, the reduction strategy also involves using resources more judiciously, diligently managing waste and water use and constantly engaging with tenants, architects, partner contractors during the works phase, building management partners and office users to decarbonise our purchases and deploy greener construction techniques.

#### Main decarbonisation levers and related impacts in ktCO<sub>2</sub>e by 2030



#### 2.1. Scopes 1 and 2 decarbonisation levers: operational sufficiency

Carbon emissions from energy use and refrigerant leaks in SFL-managed assets<sup>(1)</sup> represented 1,922 tCO<sub>2</sub>e in 2023, of which: ◆ 121 tCO₂e in direct Scope 1 emissions;

◆ 1,801 tCO₂e in indirect location-based Scope 2 emissions.

(1) 14 assets in 2023, see section 6.3 for full details on the scopes of reporting. (2) The change had little impact on historical data, thereby validating the new method (2022 NFIS: 167 Scope 1 tonnes and 1,888 Scope 2 tonnes reported in 2022 versus 174 Scope 1 tonnes and 1,975 Scope 2 tonnes recalculated with the new method). (3) 2021 figures, from the French Ministry of Ecological Transition: https://www.statistiques.developpement-durable.gouv.fr/edition-numerique/ chiffres-cles-energie-2022/8-consommation-finale-denergiepar-secteur-et

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#### GHG emissions, Scopes 1 & 2 location-based, in tCO<sub>2</sub>e

In absolute terms, Scopes 1 and 2 emissions fell sharply between 2018 and 2023, with a 1,413 tCO<sub>2</sub>e reduction corresponding to a decline of 42% (35% in Scope 1 and 42% in Scope 2).

The 11% year-on-year reduction in 2023 was led by a significant decrease in emissions from power use, gas use and refrigerant leaks.

This year's report focuses on location-based Scope 1 and 2 emissions to illustrate more clearly the lower consumption/lower emissions correlation and to avoid the impact of wide, exogenous swings in market-based emissions factors.

In addition, the process for collecting energy use data from the Deepki platform was changed in 2023. Data for 2021 and 2022 have been recalculated using the new method to ensure comparability<sup>(2)</sup>.

#### 2.1.1. Improving energy efficiency and sufficiency

Residential and commercial buildings are by far the largest energy users in France, accounting for 46% of the total energy consumed<sup>(3)</sup>. As a result, improving energy efficiency and sufficiency is certainly SFL's biggest challenge.

#### An ambitious national regulatory framework

The importance of this challenge was further confirmed by the French government decree mandating actions to improve the energy performance of commercial buildings (the "tertiary decree"), 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 (i) addressing emerging tenant needs (digital technologies, amenities, food services, etc.), which could impact building energy use intensity, and (ii) encouraging energy sufficiency by fostering lessor/tenant dialogue and emulation, especially in France under the impetus of the tertiary decree. 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.

## Asset-specific energy and carbon pathways and their supporting capital expenditure plans

In particular, SFL has joined with recognised, complementary partners to build its new strategic plan, which should drive a 40% reduction in its energy use by the end of 2030 compared with the 2017 baseline. 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. The plan also places the asset portfolio on a pathway to the tertiary decree targets.

Each asset pathway has also been analysed using the Carbon Risk Real Estate Monitor (CRREM) tool to confirm its consistency with French and European decarbonisation targets.

# Tenant dialogue and emulation to manage energy use in tenant areas

SFL has also 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.

SFL measures and tracks the vast majority of its tenants' energy use, with only 4% of consumption having to be estimated in 2023.

This process proved to be especially important in the winter of 2022/2023, when the French government encouraged everyone to practice energy sufficiency in response to tighter energy markets and the reduction in the country's nuclear power generation capacity. It is estimated that the initiatives undertaken helped to reduce energy use by 10% over the period, with peaks of 15 to 18% depending on the asset.

#### Absolute energy consumption down 25% since 2018

In 2023, properties owned and managed by SFL used 58,679 MWh of final energy, of which 33,635 MWh (57%) in common areas and for heating and air-conditioning in tenant areas.

#### Energy use by type, in MWh



In absolute terms, total energy use from all sources declined by 25% from 2018 to 2023.

#### Energy intensity in kWh/sq.m. - absolute



SFL's operational energy 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 2023, at almost the half-way point, the reduction already stood at 23%.

#### 2.1.2. 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.

#### Sources of SFL's purchased energy in 2023

More than 71% of the energy purchased by SFL and used in its assets is 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 1.1% of the total energy mix.

Concerning the upstream sources of SFL's purchased energy, 71% was generated from renewable sources, 13% from nuclear power and 16% from fossil fuels.

#### Sources of SFL purchased energy



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 2019,
- installing heat pumps, notably in the Galerie des Champs-Élysées in November 2020 and in the Édouard VII complex, which has since resulted in steep reductions in energy use.
- opting for energies with the lowest emission factors:
- gradually connecting more eligible assets in use or being redeveloped (Scope in particular) to the district cooling network, which has a low emissions factor,
- gradually increasing the proportion of renewable electricity in the power mix, to 60% in 2023.

# Science Based Targets initiative (SBTi): validation of the carbon pathway

In August 2021, SBTi certified SFL's carbon pathway as compatible with a 1.5°C target.

The pathway is based on a **targeted 50% reduction in market-based Scopes 1 and 2 emissions**, expressed in  $tCO_2e$ , between 2018 and 2030, as defined in SBTi's streamlined route for small and medium-sized businesses.

By the end of 2023, these emissions had been reduced by 23% since 2018 - 625 tCO<sub>2</sub>e in absolute terms - in line with the target.



#### 2.2. Scope 3 decarbonisation levers: reducing embodied carbon emissions and supporting circular economy practices

At SFL, reducing the carbon footprint involves more than just managing energy consumption during a building's in-use phase. It also means looking at every phase in a building's life cycle, particularly how it was built, redeveloped or refurbished and how carbon emissions may have been embodied in it along the way.

These building life cycle stages have a critical impact in the greenhouse gas emissions reduction strategy, as project-related emissions accounted for 54% of SFL's overall carbon footprint in 2023. They are also the emissions source with the greatest room for improvement in meeting the target of reducing emissions across the value chain by 42% between 2021 and 2030.

SFL is demonstrating its commitment to reducing embodied carbon volumes and supporting circular economy practices by developing and managing its assets in ways that limit carbon intensity, waste production and the use of natural resources in procurement and construction methods. This commitment covers three main levers that are helping to enhance the sufficiency of our footprint:

- judiciously using resources during the works phase, by limiting demolition and site clearance works and encouraging ecodesign and materials repurposing and reuse.
- recovering, reusing and recycling waste from redevelopment projects and building operations,
- managing water use in properties in use.

#### Paying attention to existing structures to limit demolition

It is reflected in the Group's approach to redevelopment projects, which are shaped by in-depth historical heritage impact assessments and close attention to the original building architecture.

This attention 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.

#### 2.2.1. Ecodesign and the judicious use of resources

In its redevelopment projects, SFL seeks to mitigate the impact of redevelopment work on the buildings it owns and renovates

- preserving existing structures by limiting demolition and site clearance works;
- 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.

#### Performing extensive life cycle assessments to measure the intensity of embodied carbon emissions

To establish a robust framework for this process and track the initiatives more accurately, life cycle assessments are now being performed for all major projects.

The following outcomes demonstrate the impact of embodied carbon emissions in the different types of project, assessed using the same method. These assessments identify the carbon intensity of each type of construction project and the materials used at each phase in the building life cycle. They enable options to be compared and validated, while helping to instil a culture of carbon-intensity awareness across the organisation.

	Type of project	Special features	Project start and end dates	Greenhouse gas emissions from construction works <sup>(1)</sup> in kgCO <sub>2</sub> e/sq.m.
#Cloud	Major renovation		2013 to 2015	858
83 Marceau	Major renovation		2019 to 2021	881
Biome	Major renovation		2020 to 2022	704
Cézanne Saint-Honoré	Major renovation	Without the façade	2021 to 2022	460
Louvre Saint-Honoré	Major renovation	Bare shells, water and energy on standby	2020 to 2023	461
Galerie des Champs-Élysées	Façade renovation only	Bare shells, water and energy on standby	2022 to 2023	102

#### Validating our initiatives with BBCA low-carbon building certification

BBCA low-carbon building certification is also sought for redevelopment projects. Already in 2018, the Biome project was one of the first in Paris to be certified to BBCA Rénovation standards as a low-carbon refurbishment, thanks in particular to the use of low-carbon concrete in 3.555 sq.m. of floor space. In September 2023, SFL was awarded the **2023 BBCA Low Carbon** Intensity Prize at the SIBCA trade show, recognising that all its eligible redevelopment projects had earned the label in 2022.



#### Materials repurposing and reuse

In summer 2022, SFL delivered two projects that were covered by clearly defined worksite guidelines, with a strong focus on materials reuse and disposal.

In both cases, special efforts were made to reuse demolition and salvaged materials or materials from other worksites.

Reused materials	Cézanne Saint-Honoré	Biome
Worksite materials	Raised floor panels (60%)	Façade stone crushed and reused in terrazzo flooring (400 sq.m.)
Materials from other worksites	-	Raised floor panels (13,850 sq.m.) <sup>(*)</sup>

(\*) The 13.850 sq.m. of reused raised floor panels represented a carbon saving of 49 kgCO<sub>2</sub>e/sq.m.

During the renovation of the Louvre Saint-Honoré intercompany staff restaurant delivered in 2023, almost four tonnes of fixtures were donated to a company that refurbishes and repurposes kitchen furniture and equipment.

#### 2.2.2. Waste recycling, recovery and reuse

The French construction industry generated around 212 million tonnes of waste in 2020 (down 11.4% since 2018), representing 68% of all waste produced in France<sup>(1)</sup>.

In the case of redevelopment projects. SFL is seeking to improve During the year, SFL produced nearly 25,000 tonnes of waste tracking by broadening the metrics to smaller projects, in line with on its two main construction worksites and 1,037 tonnes in the what was done in the large projects ongoing in 2023. 11 assets in use whose waste management is handled by SFL.

The recovery and reuse rates stood at respectively 93% and 97% on the two construction projects and 58% for the buildings in use.

#### Amount of waste in tonnes and recovery in tonnes and %

Masta	Proje	Buildings in use	
waste	Louvre Saint- Honoré <sup>(*)</sup>	Scope (clearance)	11 assets
Total amount generated in tonnes	23,599	1,335	1,037
Amount recovered and reused in tonnes	22,051	1,290	599
• Of which as materials	22,004	1,263	327
<ul> <li>Of which as energy</li> </ul>	47	27	272
Recovery rate in %	93%	97%	58%

(\*) Over the life of the project.

In the assets in use, 58% of waste was recovered and reused, To attenuate its waste production impacts, SFL is exploring four primarily through recycling or burning as fuel. The decline in the avenues of improvement: recovery and reuse rate from the 81% achieved in 2021 primarily Improving waste management metrics for tracking amounts reflected the disclosure by waste management contractors on produced and treatment methods. a few assets that NHIW is no longer burned as fuel in wasteto-energy facilities, but instead simply incinerated or landfilled. Treatment method information provided by these contractors has to be analysed in greater detail to determine the actions required to upgrade the methods.

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- Reducing waste production, by limiting demolition and reconstruction works, using resources judiciously, and engaging with general contractors in the worksite phase and with tenants in the in-use phase.
- In addition, a growing variety of sorting solutions are being deployed for users and waste management contractors.
- Increasing the recovery rate, with the goal of producing zero final waste from both redevelopment projects and assets in use.

#### Improving waste management metrics

Waste is tracked in the 11 buildings owned and managed by SFL. At the other three buildings in use, waste is directly collected by the City of Paris<sup>(2)</sup>, which means that SFL has no access to data on the amount of waste or its treatment methods.

In a commitment to improving its control over this issue. SFL is gradually attempting to take back these waste management tasks for outsourcing to a private contractor capable of pursuing the identified avenues to improvement. For the last two years, five assets have been transferred from municipal management to SFL via a private waste management contractor.

#### Deploying more waste sorting solutions

To manage building waste more effectively a wider selection of sorting solutions has been deployed for tenants. As of year-end 2023, 23 different types of waste were collected at SFL properties. including cardboard, paper, plastics, wood, glass, metals and waste electrical and electronic equipment.

#### Using the most effective treatment methods

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.

In 2023, 94% of the waste from the two largest projects was recovered and reused.

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.

#### 2.2.3. Managing water use

The buildings owned and managed by SFL used nearly 119,000 cu.m. of water in 2023, or an average of 0.37 cu.m. per sq.m.

SFL is steadily reducing this consumption by installing watersaving devices, raising tenant awareness and equipping buildings with rainwater harvesting systems. These programs are especially important given that the availability of water resources may also be impacted by the expected effects of climate change.

#### Assets moderately exposed to water stress, but recent droughts call for vigilance

For now, water stress studies<sup>(1)</sup> indicate that this risk only moderately concerns the areas where SFL assets are located, in Paris and its inner suburbs downstream from the confluence of the Seine and Marne rivers.

However, the summer droughts in 2022 and 2023 have prompted us to heighten our vigilance. In particular, climate models predict that while total annual precipitation should change little between now and the end of the century, there will likely be wide seasonal variations, with an increase in winter and a decrease in summer.

#### Developing the use of rainwater harvesting systems

The Group is therefore endeavouring to enable rainwater harvesting in its buildings, when such a solution is technically feasible, environmentally beneficial and cost effective. Currently, eight assets have rainwater harvesting systems.

Reviews are systematically performed on all redevelopment projects, and such systems have been installed in all the main projects either recently delivered or still in progress (Biome, 83 Marceau, Louvre Saint-Honoré and Scope).

#### Rainwater harvesting systems in operation in the portfolio

Property	Capacity in cubic metres
Washington Plaza	18
92 CE	6
#cloud.paris	28
103 Grenelle	11
Biome	20
83 Marceau	23
Cézanne Saint-Honoré	13
Louvre Saint-Honoré	5

#### A steady decline in water use intensity since 2017

SFL is also striving to reduce water use needs in its assets. On an absolute basis, water use intensity declined by 23% from 2017 to 2023, reflecting the initiatives under way, but also the impact of the reduced occupation intensity during the health crisis, particularly in 2020 and 2021. This explains why intensity rose in 2022, as users returned to the office and lifted occupancy rates to historic highs.

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

#### Annual change in water use intensity in cu.m./sg.m.





#### 2.3. Building resilience and strategy for adapting to the effects of climate change

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.

The quality of a building is judged by its potential for upgrades to meet more demanding tenant requirements and tighter regulatory and environmental standards, as well as its ability to withstand the expected effects 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 adaptive response measures.

#### 2.3.1. Adaptation strategy in response to the physical risks of climate change

The resilience of SFL's assets therefore 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 climate events.

#### Updated assessment of exposure to physical risks

Adapting SFL buildings to climate change is a concern that has been studied since 2018, when the resilience of its properties to physical hazards was initially assessed according to ADEME recommendations. The findings enabled SFL to analyse 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 the main risks, by identifying the possible impacts on each building's superstructure and shell, plumbing, electricals, HVAC, landscaping and exterior fixtures.

As climate science knowledge has improved, recent years have seen an increase in the number of climate forecasting models, scenarios and tools.

In response, as a member of the Green Building Observatory (OID), SFL again reviewed its assets in 2023 using the Resilience For Real Estate (R4RE) platform developed specifically to answer these questions. By identifying buildings exposed to significant risks over the more or less long term, R4RE helps to define initiatives to adapt to the risks over a given time frame. Risk exposure was assessed according to three climate scenarios (RCP2.6, RCP4.5 and RCP8.5) and three timeframes (2030, 2050 and 2070).

To strengthen its engagement in managing climate risks, SFL has become a member of the R4RE platform's strategy committee, which focuses on making the platform more robust and improving its alignment with risk tracking demands.

#### Exposure to the increased frequency and intensity of heat waves and flood risks

Rising temperatures, lifted by increasingly frequent heat waves. have been identified as one of the main risk factors. In particular, they could lead to higher energy use in HVAC systems and possible new capital projects to ensure that building utilities are appropriately sized.

In recent years, in response to the Covid-19 pandemic, SFL has obviously focused on the health and sanitary quality of its The risk analysis shows that exposure to heat risk remains low buildings, with strong initiatives to ensure a safe, healthy working across the portfolio until 2050 and only rises to moderate after environment by, for example, differentiating cross-ventilation 2070, based on the most pessimistic scenario. airflows and optimising air change rates. Preventive actions were deployed and building operations were maintained in The risk of flooding, on the other hand, has historically been a accordance with the strictest health standards without any bigger threat in Paris, but the percentage of exposed assets difficulty, demonstrating the resilience of SFL assets in fastremains at a steady 31% regardless of the climate scenario or evolving circumstances and the sound design and operation of timeframe. their utilities.

#### Measures in place to attenuate the impact of heatwaves and flood risks

The past few years have been the hottest on record in France. After breaking every record, with very intense and persistent summer heatwayes in the Paris region. 2022 was followed by 2023 as the second hottest year on record.

In each asset, these heatwaves were technically managed in close collaboration with the building managers and tenants. This demonstrated the correct sizing and efficient operation of the utilities, particularly the HVAC systems, since no malfunctions were reported. Tenants and users were reminded of the proper precautions and practices ahead of the heat waves, and there was no negative feedback over the last two summers.

Redevelopment projects can also include a bioclimatic design process, focused in particular on improving thermal comfort in both summer and winter. By subtly reorienting the windows, the planned treatment of the Scope redevelopment project's southern exposed façade will capture more of the winter solar gains and delay the summertime solar gains until late in the day. The new facade is expected to reduce heating needs by more than 35% and cooling needs in the summer by more than 13%.

Measures to attenuate the impact of flood risks are also being deployed in the assets, particularly during redevelopment projects. The riverfront Scope project, for example, will offer an opportunity to implement adaptive response measures. such as relocating electrical equipment to the upper floors and protectively encasing the heating and cooling utilities remaining on the lower floors.

#### 2.3.2. Environmental and health risk management systems

Taken as a whole, our assets in use can be used by nearly 30,000 people every day, or the equivalent of a medium-sized French town. With this in mind, highly disciplined environmental and health risk management policies have been deployed to drive continuous improvement in the quality of SFL assets by attenuating the risks to the health and safety of their occupants. All the assets are carefully monitored for health and environmental risks.

#### A clear focus on healthy buildings

More generally, the environmental and health risk management policy 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 SFL buildings healthier and mitigate the risks of pollution, in particular by:

- eliminating asbestos-containing materials and products whenever possible;
- testing for lead exposure before redevelopment 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;
- inspecting hot water installations every six months to analyse for legionnaires' disease.

#### A single audit bureau for regulatory inspections and reviews

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 inspections 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.

#### A dedicated online risk management platform

To continuously track the proper development of risk management procedures, an online platform, called 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 end-2023, all of the directly managed assets were being tracked on the platform.

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

## 3. Urban footprint

Revitalising and reinventing the city is a core driver of the strategy to increase the value of the Group portfolio. To create value in its properties, SFL must address the expectations of its stakeholders and the fact that its buildings are deeply ingrained in the Parisian cityscape, home to 16 of its 17 assets.

In 2023, this operating environment where SFL designs its projects was shaped by a number of key factors:

- The new bioclimatic local urban planning regulation (PLU), approved by the Paris city authorities in June 2023 and scheduled to come into force in early 2025, which strongly emphasises the need for building projects to retain existing structures and to integrate natural elements, energy efficiency and mixed use capabilities. These new standards will be addressed in every new project planned and undertaken after 2023.
- The polarisation of the office property market in the greater Paris Region, which is driving a shift in usage patterns and higher demand for desirable workspaces, with a clear focus on the central districts of Paris.
- The emergence of new forms of urban mobility and the growing office user preference for bicycles, electric vehicles and other less carbon-intensive modes of transport.

Effectively managing the urban footprint of office buildings implies a commitment to transforming them responsibly, preparing them for the future while preserving their history and heritage value and ensuring that they are harmoniously integrated into the cityscape. It also means addressing how they enhance the city environment, with landscaped green spaces and biodiversity safeguards. Lastly, it means ensuring, above all, that they are seamlessly accessible to public transit, low-carbon mobility and other types of transport.

Close to 50% of the surface area of assets have been redeveloped over the past decade, with several iconic projects initiated or completed in recent years, attesting to the Group's deep commitment to offering products that are increasingly attuned to an ever-changing society. Every year, SFL applies for and obtains around a dozen building and other permits. Through 200 different sized projects, SFL renovated 20,000 sq.m. and redeveloped around 40,000 sq.m. in 2023.

Our 2020-2030 commitments

subject to historical



Net-zero land take

#### 3.1. Architecture and design

SFL is pursuing its commitment to maintaining the quality of its portfolio in line with tenant expectations and, looking farther out, to building the sustainable city of the future, by reinventing its assets and developing new projects.

Each building development or revitalisation represents an opportunity to create positive externalities for the surrounding neighbourhood.

The heritage and urban transformation guidelines in Paris' new bioclimatic local urban planning regulation emphasise the need (i) to capitalise on existing structures, underscoring the urban and architectural qualities of current buildings, and (ii) to conduct sustainable, energy efficient transformations by improving quality of use and helping to preserve biodiversity. For SFL, architecture is the art of blending light and proportion. efficiency and anticipation. aesthetics and occupation density, desirability and environmental performance.

Every refurbishment or redevelopment project is designed to embrace the building's history and original architecture, while encouraging the use of new architectural forms and contemporary design codes. All these projects are now deeply informed by a highly ambitious process to ensure their sustainability and reduce their carbon footprints.

#### Preserving as much of the existing structure as possible

When defining an asset redevelopment programme, in-house teams work closely with architects and stakeholders to preserve as much of the existing structure as possible, consistent with the commitment to safeguarding the transformed building's surroundings by avoiding demolition and new construction and also by maximising project sufficiency.

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.

EE



100% of office assets located less than a ten-minute walk from a metro station



In particular, the Biome project, delivered in 2022 and leased to tenants since mid-2023, partly consisted in a top-to-bottom refurbishing of a 1960s building that retained the existing floors and vertical structures by limiting demolition works mainly to infrastructure and some of the obsolete superstructure on the first floor.

#### Mixed use and spacial density

SFL has long promoted mixed use in its properties, with both retail and office space in most of the buildings, residential units in Édouard VII, Condorcet and Biome, and theatres and a hotel in Édouard VII. Mixed-use capabilities, which will feature in all the Group's future projects, must meet identified neighbourhood needs and serve the objectives described above of optimally preserving both existing structures and the peaceful and fluid coexistence of various uses.

SFL is also committed to aligning its project development and execution strategy with the spirit of urban renewal, by making a concerted, enlightened effort to increase space-time density. 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.
- ◆ The emergence of new "soft" mobility systems and the correlative decrease in the need for parking spaces.
- The creation of high-quality outdoor spaces whenever possible. Examples include (i) recovering and repurposing rooftops by landscaping sections and relocating or scaling back rooftop utility installations; (ii) creating ground-level open ground plots; and (iii) introducing accessible terraces on the upper floors.

By engaging with local authorities and municipal stakeholders, SFL gets local residents and public stakeholders 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.

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



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### 3.1.1. Heritage and architectural guality Given its unique history with Paris, spanning close to 145 years, SFL is proud to uphold the highest standards in preserving and showcasing the city's architectural heritage. The Group's quality criteria are constantly being reaffirmed in its most iconic projects.

#### Revealing a building's heritage value to get a better understanding of the asset

This is why before any redevelopment project gets under way, an in-depth heritage impact assessment is conducted in partnership with the Grahal 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 heritagesensitive project, SFL's development teams, along with 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.

#### Working with the leading names in architecture and design

SFL is also sensitive to the urban planning and architectural issues arising from Paris' status as a world-class city, which is why it is collaborating with the biggest names in architecture and design,

including Ateliers Jean Nouvel, Dominique Perrault, Franklin Azzi, LAN, Patrick Jouin and Sanjit Manku, and Ana Moussinet. In this way, the Group strives 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 mutually enriching contributions.

The quality of these collaborations is illustrated by the two leading SFL works projects currently under way:

• The reinvention of the Louvre Saint-Honoré building, an iconic Paris property which has successively been 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 facade that reinterprets the facades of an iconic Parisian building with clear, pure lines, enhanced by a contemporary canopy opening onto large, full-length bay windows.

The outstanding Cartier Foundation project is also upgrading the building's office space, by refurbishing all the lobbies, delivering a new shared lounge area with a cafeteria and meeting rooms, opening a new company restaurant and revamping the other common areas.

• This environmental sensitivity is being taken to the next level by the **Scope** redevelopment project, which is being reinvented by the LAN agency for delivery in 2026. The building's façades, particularly the unobstructed main facade facing south-west, were selected in strict compliance with bioclimatic principles, which resulted in a highly innovative contemporary appearance. The tower's thoroughly reworked lower levels will allow for the creation and reopening to the public of landscaped gardens overlooking Paris.

In consultation with the City of Paris and the relevant arrondissement authorities, SFL chose to open an additional gateway to the neighbourhood by creating a new public access building in the gardens, offering amenities for both office tenants and Paris residents.

#### 3.1.2. An engaged citizen of the city

#### Project governance involving every stakeholder

Dialogue and engagement lie at the heart of SFL's 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 one led to the extinction of the dinosaurs 65 million years ago, through a variety of dedicated information and communication and lasted several hundred thousand years. The current crisis is media, such as a website, an on-site project information unfolding much more quickly and is almost entirely caused by office and regular communications such as newsletters. SFL human activity, which is rapidly degrading or destroying natural is also committed to supporting social inclusion, in particular environments. through agreements with building contractors. Each project's environmental footprint (energy use, amenities, natural light, For example, more than 35% of the world's coastal and continental vegetation, access) is assessed during the engineering studies wetlands have disappeared since 1970, and at the current rate phase. Moreover, interaction in the upstream also helps to more of deforestation, tropical forests could disappear entirely within effectively define and attenuate the project's impact on the urban 50 to 70 years(1). environment.

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

- Consultation with public authorities: for the Scope project, an the overexploitation of natural resources and illegal trafficking; architectural design competition based on mutually agreed global climate change; specifications was organised with the City of Paris, the 12th • ocean, freshwater, soil and air pollution; arrondissement authorities, the Urban Planning Department and the introduction of invasive alien species. the Pavillon de l'Arsenal association. These stakeholders chose The 17 SFL properties are located in Paris or the inner suburbs, in the winning team together, ensuring that its design offered the a dense, built-up and often restrictive environment and on plots best response to the expressed needs.
- Discussions with local residents: local residents and businesses (notably retailers) were engaged far upstream, even before the administrative permits were obtained, to get them involved in the project, address their expectations and respond to their needs as effectively as possible. Neighbourhood meetings are regularly held as projects advance to help nurture close ties with all the stakeholders.

(1) Source: https://biodiversite.gouv.fr/les-5-pressions-responsables-de-leffondrement-de-la-biodiversite (2) The Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services.

For the Scope project, which is scheduled for delivery in 2026, three such meetings have been organised, including two in 2023. Three meetings were also held in the Louvre Saint-Honoré neighbourhood, the last of which in 2023.

 Attenuating works impacts: on the Louvre Saint-Honoré site. in an iconic Paris neighbourhood adjacent to such renowned institutions as the Louvre Museum, the Palais Roval gardens and the Comédie Française, SFL took particular care to reduce the visual impact on the neighbourhood by installing moveable perimeter fences that can be rearranged for each phase and bold cladding to hide the site huts that take up part of the Place du Palais-Royal. After being clad in austere, trompe-l'œil panelling in the first months of construction, the huts were covered by a bold mirrored cube, designed by Ateliers Jean Nouvel, to create an artistic event foreshadowing the future Foundation. The Paris-Centre authorities are a key partner in this commitment to dampen works impacts.

#### 3.2. Nature and landscaping

Biodiversity has been suffering unprecedented erosion in recent decades, to the extent that scientists think we are heading toward a sixth mass extinction of species on our planet. The last

Recently, the IPBES<sup>(2)</sup> global assessment of biodiversity and ecosystem services identified five main types of anthropogenic pressure as the leading causes of biodiversity degradation:

the destruction and urbanisation of natural environments;

that have often already undergone several phases of urbanisation and development. At first glance, their nature-related issues may seem minor, far removed from the world's biodiversity hotspots and the iconic species that live there.

However, urban environments are often teeming with a rich variety of life. Paris, for example, is home to almost 2,800 wild species, which are sometimes highly adaptable. They include both animals, such as dragonflies, ladybirds, crayfish, eels, pikes, frogs, newts, peregrine falcons, tawny owls, foxes, weasels, red squirrels, hedgehogs and 11 types of bats, and plants, including orchids, ferns and mosses, as well as cultivated plants and trees<sup>(1)</sup>. In the same way, natural spaces in towns and cities can provide vitally important services in diminishing heat islands, preventing extreme rainfall or, more prosaically, offering residents places of recreation and leisure.

#### Strong stakeholder expectations for more greenery

The presence of green spaces and natural environments ranks among the leading desires of SFL office users. It also responds to the pressing demands of Paris municipal authorities, which have made landscaping and vegetation a major vector in preparing the city for the effects of climate change.

For example, the new bioclimatic local urban planing regulation (PLU), due to come into force in early 2025, calls for:

- increasing the amount of open ground and the number of breathing and cooling spaces;
- encouraging landscaping, greenery and the presence of plants, animals and open spaces, preserving nature in the heart of the city and protecting trees.

0 sa.m.	BiodiverCity
of land taken	labels for Biome, Cézanne Saint-Honoré and the Scope
over the past 10 years	project

#### Performing granular audits of each building to gain knowledge of its living environment and identify pathways to improvement

To get a better grasp of its impacts on the living environment and its possible pathways to improvement, as well as to meet the expectations of tenants and public authorities, SFL commissioned a specialist firm to audit living environments in its buildings and identify potential areas for action. These biodiversity audits were performed in the second half of 2023 on all the properties in use (15 of the 17 assets in the portfolio).

They measured 31 indicators covering six priority assessment areas:

- the ability to support biodiversity;
- climate resilience;
- water management;
- ♦ ties to nature:
- management of green spaces;
- short cycle plants.

The audits identified possible initiatives in each area for each building, differentiating between the ones that would deliver major benefits and others that would require extensive time and resources to implement.

(1) Source: https://www.paris.fr/pages/biodiversite-66

To highlight each building's potential for improving the quality of its biodiversity, the auditors measured two indicators in particular:

- The biotope area factor (BAF), mandated by France's ALUR housing and urban development act, is used to calculate the percentage of a lot's surface area that is biodiversity effective. In the sustainable urban planning process, the BAF is often used in conjunction with the floor area ratio to maintain both ecosystem services and a certain proportion of unsealed, undeveloped land.
- SFL's proprietary lot quality metric, which tracks the continuity of brown/green corridors, the presence of sanctuary space and the building's resilience in the face of climate change.

#### Transitioning to a new nature and landscaping strategy

Through its tracked metrics and pathways to improvement for each building, the nature and landscaping strategy points to three objectives for SFL in restoring biodiversity in urban areas and reversing the pressures on the living environment:

- open and widen access to wild and local species;
- prepare property assets for the challenges of adapting to climate change:
- give SFL stakeholders, office users and sometimes local residents opportunities to reconnect with nature in healthv. quiet, contemplative spaces.



#### 3.2.1. Opening up access to wild and local species

Combating biodiversity erosion in our real estate assets involves limiting land take and identifying, protecting and nurturing their existing plant, animal and insect species.

#### Net-zero land take

Every year in France, 20,000 to 30,000 hectares of land are taken and sealed by urbanisation, at a rate that is increasing three to four times faster than the population<sup>(1)</sup>. This land take is also spurring a loss of biodiversity and an increase in the number of heat islands in the country.

The fight against land take is one of the major thrusts of the French Lastly, we must pursue our pesticide-free policies, eliminating government's Biodiversity Plan, which hopes to reach net-zero the use of plant protection products, and ringfence certain nonland take by 2030. SFL supports this plan and has embraced the publicly accessible green spaces as sanctuaries. same target. Its primary response has been to increase occupation density in its assets, which reduces land take by concentrating 3.2.2. Preparing the adaptation to climate change new uses and amenities in previously built-up spaces.

No additional soil space has been sealed during the redevelopment projects delivered over the past 10 years. On the contrary, land has been unsealed and open-ground spaces conserved at Biome (creation of 2,500 sq.m. of green spaces) and Cézanne Saint-Honoré (planting of 100 sq.m. of roof space on the evennumbered building).

#### Inventorying, safeguarding and nurturing local on-site species

SFL is also committed to safeguarding and nurturing local species on its sites.

First, existing vegetation layers have to be densified and diversified with local species. Redevelopments are especially conducive to these solutions, which have been or will be implemented on the three latest projects:

- Biome's weighted landscaped area had been almost doubled to more than 2,500 sq.m. by the time it was delivered in 2022, installing water-saving drip irrigation or sprinkler systems. with more than 35 trees and 25 shrubs. In addition, the project earned the BiodiverCity Excellent label.
- ◆ Also in 2022, the Cézanne Saint-Honoré renovation project enabled a rooftop utilities deck to be replaced with an accessible

landscaped terrace that was also awarded the BiodiverCity label.

• On the Scope project, located on the banks of the Seine and due for completion in 2026, the selected landscape options are creating new contiguous green spaces and a generous tree layer that are expected to increase the site's greenery coefficient to 42% from 14% and the biotope area factor to 30% from 11%. The rooftops will be landscaped and a newly created garden set back from the avenue.

Another important measure is to remodel façades in ways that limit bird collisions. On-site audits have identified the most accident-prone façades.

SFL's nature and landscaping strategy is also designed to prepare and plan, to the extent possible, for the adaptation to climate change.

#### Rainwater management and low-maintenance vegetation

The recent droughts in the Seine drainage basin, particularly in the summer of 2023, have shown that water availability can be impacted by the effects of climate change.

On-site water management is therefore a key concern, involving various courses of action to manage rainwater, respond to droughts or heavy rainfall and lower water use in outside spaces:

- increasing runoff and retained rainwater directly on-site using various infiltration systems that can be installed during redevelopment projects;
- harvesting rainwater for watering green spaces, with facilities installed on every site redeveloped in recent years;

#### Mitigating the heat island effect

Because SFL's assets are located in dense, highly built-up urban environments, they need to be protected from the impact of heat islands created by the higher air and surface temperatures in city centres compared to rural areas, particularly at night.

Each site's urban overheating ratio was determined based on the types of surface found on the plot.

Three main initiatives have been undertaken:

- increasing the number of green rooftops and/or façades, such as the new landscaped rooftops created during the Cézanne Saint-Honoré redevelopment;
- increasing the percentage of open ground areas wherever the Parisian subsoil makes it possible:
- preferring deciduous trees, which provide more shade in summer, and species that are more resilient to increasingly higher temperatures.

#### 3.2.3. Opening access to stakeholders

Lastly, SFL's nature and landscaping strategy would not be complete without the involvement of its stakeholders, especially its users.

We believe that landscaping and greenery help to enhance user well-being by offering access both to quiet, healthy, planted, contemplative outdoor spaces and to the views that can be enjoyed from their desks.

At Biome, which was delivered in 2022, rooftops were landscaped and the garden was deliberately set back from the avenue to offer occupants a cool, quiet green space.

#### Raising awareness of biodiversity issues

These spaces can also be used directly to increase occupant sensitivity to biodiversity preservation issues.

At Biome, part of the accessible rooftop has been converted to use as an urban vegetable garden, where planting, harvesting and awareness-raising workshops and events are organised for users by the Le Potager association.

#### 3.3. Mobility

The way people get around Paris is constantly changing and is likely to continue to evolve very guickly in view of recent trends and the structural projects undertaken in the last few years.

Beginning in the 1990s, the decline in car use in the city spurred a similar decrease in car ownership among consumers, who are increasingly giving up their cars. This trend is particularly visible in Paris, where the number of cars on the road has shrunk by 90,000 units in the past ten years and inner city traffic has declined by 14%<sup>(1)</sup> over the last five years.

Conversely, we are seeing the emergence of new forms of mobility, particularly cycling, which is becoming highly popular in Paris. Biking is increasingly visible in the city, with a prominent presence in public spaces and the development of dedicated facilities and infrastructure. The annual use of bike lanes and facilities has risen 71% since 2019<sup>(2)</sup>.

The very fast development of public transit options is also going to continue apace, with a large number of metro and tramway projects under way in Greater Paris. Nearly 70 new metro stations and 200 kilometres of new lines are expected to be delivered over the next few years as part of a massive public works commitment.

4.407	71%	200 kilometres
<b>14%</b> decline in car traffic in Paris since 2019	increase in the use of Parisian bike lanes and facilities since 2019	of additional metro lines in the Grand Paris public works project

#### Location, a major factor in considering a job offer

These developments compellingly demonstrate the importance of daily commutes and workspace location.

Employees feel that the primary criterion for their well-being is the location of their office 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.

#### A portfolio concentrated in the most popular neighbourhoods Shorter commutes, a source of well-being at work

The satisfaction survey shows that, thanks to our strategic focus on By steadily concentrating the portfolio in the most popular neighbourhoods, SFL's investment strategy has been historically asset location, our tenants and users have an average commute of aligned with this aspiration, frequently voiced by its tenant 20 to 39 minutes, which is shorter than the average in the greater companies. SFL's assets are located in the Central Business Paris region as a whole. District, near the major Paris train stations and hubs (#cloud.paris, Above all, according to the latest Paris Workplace survey, average Haussmann Saint-Augustin and Scope, for example) and in the commuting time strongly correlates with a sense of well-being at new mixed-use neighbourhoods such as the 9<sup>th</sup> arrondissement work<sup>(2)</sup>. An average commute of 43 minutes is linked to a strong (Condorcet) the 7<sup>th</sup> arrondissement (103 Grenelle) and the sense of well-being, whereas an average of 68 minutes may lead 15<sup>th</sup> arrondissement (Biome). These neighbourhoods are highly to a low sense of well-being. mixed-use (shops, cultural venues, housing) and enjoy top-quality transit access via metro. RER or bus.

A compelling illustration of this location strategy is the acquisition in 2022 of the Pasteur building, sitting literally on top of the Montparnasse train station

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

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

This outstanding proximity is directly reflected in the ways in 3.3.2. New forms of urban mobility which office users commute to and from work. In late 2023, for example, the latest satisfaction survey showed that 72% of them Driven by the growing awareness of the environmental impact commute by metro, tram, train or RER, and 11% drive in by car, of travel, the prevailing health situation, the expanding range of motorcycle or scooter, or take a taxi, Lastly, 17% of users cycle or transport options and the transit-related policies being pursued walk to work, a percentage that has risen sharply since 2015. by the City of Paris and the Greater Paris regional authorities, new forms of urban mobility have emerged in recent years,

For our tenants, choosing an SFL building helps to decarbonise their business activities.

#### How SFL office users commute to and from work<sup>(1)</sup>



SFL

(1) In vehicle-kilometres per hour between 7:00 am and 9:00 pm, per kilometre of roadway tracked by instruments. Source: https://www.paris.fr/pages/ le-bilan-des-deplacements-a-paris-en-2022-24072

(2) Average number of bicycles per working day and site, source: https://www.paris.fr/pages/le-bilan-des-deplacements-a-paris-en-2022-24072

#### Well-being at work score: Well-being at work score: "Not good at all" "Very good" 43 OŎ VS. minutes minutes

#### Average commute

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.

#### More bicycle racks

One of the main demands is for easier-to-use bicycle racks.

In the case of Biome, the biggest project delivered in 2022, outstanding public transit access meant that the number of car parking spaces could be reduced by a significant 60%, which in turn enabled the creation of up to 270 bicycle racks.

At Washington Plaza, a works programme has been undertaken to design a service area dedicated to low-carbon 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, including in the Louvre Saint-Honoré building in 2024, as part of the current redevelopment works, and in the Édouard VII complex.

Including the projects planned for 2024, 12 assets will be equipped, providing more than 1,500 racks.

#### Facilitating the electric vehicle transition

Other initiatives under way are helping to facilitate the use of electric mobility modes. Every new redevelopment project supports these modes with new recharging infrastructure, a strategy that is also being gradually extended to assets in use.

Eleven assets have already installed electric vehicle charging infrastructure, representing nearly 120 stations, and plans are under way to equip other buildings in the future.

## 4. User satisfaction

Tenant relationships are always top-of-mind at SFL, and a central focus of its organisation. Its 17 properties serve 260 tenants and can accommodate up to an aggregate 30,000 people at any one time. Knowing and understanding current and future needs is essential, and is a major advantage as the Group manages its buildings in-use and designs new redevelopments and renovations. The organisation of in-house teams and contractors is helping the Group to optimise its tenant intelligence and align its offering more closely with expectations, thereby validating its strategic focus on properties with a high utility value.

#### The top 10 findings of the Paris Workplace survey

<b>1</b> Social relationships A clear link between well-being at work and the number of daily social interactions	<b>2</b> Working from home Employees hope to find a balance between office and home working	<b>3</b> Mobility Commuting times have a massive impact on business performance	<b>A</b> Neighbourhood A strong link between satisfaction with offices and where they are located	<b>5</b> Environment Offices should be a showcase for a company's environmental commitments
<b>6</b> Food services A strong cultural attachment to mealtimes, the preferred area of social interaction	7 Centrality Central Paris neighbourhoods are still gaining in popularity	8 Green spaces Greater Paris employees appreciate a natural environment in their offices	<b>9</b> Flexibility Greater Paris employees prefer flexible offices, particularly in terms of opening hours	<b>10</b> The importance of the office Twice as many employees consider the workplace to be an important factor when applying for a job

buildings.

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SFL

Moreover, the health crisis earlier in the decade prompted the emergence of a number of deep 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. The office has also become a core component in an employer's brand, a role that has become increasingly prominent with every new survey. 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

## The office is no longer just a place to work, but also a core component in the employer brand

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.

#### Understanding the social role of workspaces

The successive lockdowns in 2020 and 2021, the growing popularity of working from home, the polarisation of the Greater Paris office market and the recent hiring difficulties in certain industries are some of the factors that have spurred and are still spurring debate about the role of workspaces. Given the importance of these discussions, in 2014, we launched the Paris WorkPlace survey to gauge employee perceptions of their offices.

10 years	21.500	99	880,000
of Paris Workplace surveys	employees surveyed	experts interviewed	responses collected and analysed

These surveys reveal important information that is helping to shape how the Group looks at employee expectations. In the case of working practices, it is clear that recent-year events have 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 real desire to get together with colleagues in spaces that are increasingly appropriate and responsible.

array of organisational layouts, SFL strives to develop highly user-

friendly common spaces that foster creativity in its multi-tenant

#### Our 2020-2030 commitments



100% of projects and office assets in use certified

#### 4.1. Convenience and amenities

SFL takes special care with the amenities and layout of its assets. Evolving tenant expectations are accurately integrated into each renovation programme, thanks to the project scheduling process During renovations and refurbishments, SFL invests to deliver maximum flexibility and operating efficiency in the tenant areas, so that tenants can then use these spaces as they see fit. SFL also revamps the common areas to foster user well-being and pave the way for the installation of new amenities.

#### **Resource-sufficient projects**

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, thereby improving the capital project's sustainability.

#### Blurring boundaries between common and tenant areas

Work time is not governed by a single, finite, compartmentalised space, but by the diversity of places, indoors and out, where people can go to work alone or to meet with colleagues. SFL endeavours to build and develop connections within its buildings by blurring the boundaries between tenant and common areas, which enables multi-tenant properties to offer the amenity spaces actively sought by our users. SFL buildings offer maximum flexibility and highly efficient operations, which provide an effective buffer against the risk of obsolescence. The quality of the spaces and the investments committed to redevelop them mean that future tenants can reduce both post-

#### 4.1.1. Operating efficiency and maximum flexibility

Most SFL 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 future renovated floor plates in the Scope building, for example, direct sunlight will reach more than 95% of the surface area.

#### Technical features supporting a myriad of layout options

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. This percentage stands at 20% in Biome, for example, after the redevelopment was delivered in 2022 and the tenants moved in 2023.



>85% of tenants satisfied



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.

Tenants appreciate the myriad of layout options, which allow them to create their own space, with total freedom to be as conventional or original as they like. Thanks to the size and variety of their floor plates, SFL assets support all types of workstyles, from the most collaborative to the most reflective. In addition to facilitating office floor plan layouts, this flexibility of use is also seamlessly aligned with new usage pattens and the needs of employees to work in the common areas.

# A buffer against the risk of obsolescence and a way to retain tenants over time $% \left( {{{\mathbf{x}}_{i}},{{\mathbf{y}}_{i}}} \right)$

The quality of the spaces and the investments committed to redevelop them mean that future tenants can reduce both postmove punch list works and the use of resources. For example, a luxury goods company was able to lease more than 9,300 sq.m. of office space in the #Cloud building as is, with no additional works required, and move in the day after the previous tenant vacated.

#### 4.1.2. Occupant well-being and new amenities

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.

#### An array of amenities aligned with user needs

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 SFL's buildings:

- Food services, which are still the number one expectation in user survevs.
- Café club areas, which are beautifully and functionally designed by interior architects to offer a variety of spaces for convivial interaction.

Amenities	Biome	Cézanne Saint-Honoré	Cloud	Édouard VII	Louvre Saint-Honoré	Washington Plaza	103 Grenelle
Bike parking	V	V	V	V	Planned for 2024	V	V
Electric vehicle charging stations	V	V			V	V	V
Restaurant	V	V	V	V	V	V	V
Café Club space	V	V	Planned for 2024	V	V	V	
Fitness	V	Planned for 2024	V	V		V	V
Wellness area (hairdresser, beautician, osteopathy, etc.)				V		V	
Relaxation room						V	
Concierge services						V	V
Auditorium	V	V	V	V		V	V
Shared meeting rooms	V	V	V	V	V	V	V
Building mobile phone app		Planned for 2024		Planned for 2024	V	V	V
Community manager						V	V
Recording studio						Planned for 2024	
Urban agriculture	V						

#### Prime amenities by business centre as of end-2023

#### multi-purpose health and fitness rooms or, when possible, fully equipped gyms managed by a dedicated service provider.

waiting areas.

+ Large shared meeting spaces and auditoriums, enabling tenants to free up space in their own areas.

• Personalised lobbies, to give each building friendly, high-quality

+ Fitness, wellness and relaxation rooms, comprising either

- Spaces dedicated to new forms of mobility, such as parking areas for bicycles and electric vehicle charging stations, in response to emerging expectations of both the City of Paris and our tenants.
- Building news, events and facilitation, delivered by community managers or digitally via a dedicated mobile phone app.

#### A quantitative criterion built into the latest bank loans

Certification is also an effective, third-party-validated way for SFL to guarantee the quality of its buildings for stakeholders, investors, funders, public authorities and users.

The percentage of certified assets and their ratings were part of the ESG criteria built into the two latest bank loans. At 31 December 2023, all the bond debt was labelled green and 79% of confirmed banking lines were indexed to CSR performance objectives.

Similarly, public authorities may urge that redevelopment projects be certified. This was the case for Biome, delivered in 2022, where the City of Paris strongly encouraged SFL to use the project as a pilot for the development of BBCA low-carbon building certification.

These joint requests from stakeholders are motivating SFL to pursue its campaign to seek the highest possible levels of certification for its assets.

#### 4.2.1. All properties in use certified

All the certifiable<sup>(1)</sup> properties in use in the portfolio, i.e., 14 assets Certifications and labels are chosen to meet specific building representing more than 310,000 sq.m. of leasing area at year-end characteristics as closely as possible. In this way, they support the 2023, have been certified to BREEAM In-Use or HQE Exploitation building's market positioning, while challenging its management standards. teams and demonstrating its most innovative features.

BREEAM In-Use certification has been widely deployed since One prime example is Biome, delivered in 2022 and leased 2012, making SFL the benchmark among European property since mid-2023, which has been certified BiodiverCity Excellent, companies in pioneering early adoption of the standard for in-use highlighting its extensive landscaping and greenery. It has assets. Our objective is for each successive audit to result in a also earned the BBCA Rénovation low-carbon building label, rating upgrade. All new BREEAM In-Use certifications are carried reflecting the ambitious vision that guided the SFL greenhouse out using the V6 version, with increasingly stricter assessment gas emissions experts when working on the project. criteria.

By the end of 2023, 95.7% of the portfolio's surface area had earned at least a Very Good rating, under either BREEAM In-Use or HQE Exploitation standards.

For BREEAM In-Use alone, 78.5% of the portfolio's surface area was certified Very Good and 16.5% Excellent.

#### 4.2. Certifications and labels

Earning building certification and labels, in both the renovation and phases in use, has become indispensable in the property market.

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

From among the multitude of available certifications and labels, SFL has selected BREEAM In-Use and HQE Exploitation for its assets in use. Both of these are internationally recognised and serve as effective sources of credibility for investors and tenants alike.

#### A critical prerequisite for top-tier tenants

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, and especially a low-carbon label, is now a critical prerequisite, which is almost systematically requested during the prospecting or lease negotiation phases.



### BREEAM In-Use certifications by rating as a % of surface area

#### 4.2.2. Systematically earning certification and/or labelling for redevelopments

All the major redevelopment projects have earned certification.

#### 4.3. Tenant relations and satisfaction

With a portfolio that is highly consistent in terms of quality and location, it is essential that our teams have a keen understanding of the expectations of both our tenants and their employees (100 to 200 employees per tenant on average), so that we can best address their needs by designing just the right products and solutions.

A review of the typical profiles of assets, tenants and their employees using our offices proves that our products are closely aligned with tenant expectations.

	17 assets	260 tenants	Up to 30,000 users a day
Typical profile	Iconic, diverse architecture in the most iconic neighbourhoods of Paris	Head office showcase Diversified industries	Manager, average age 40, lives in Paris proper
Average surface area	24,000 sq.m. on average	Contiguous 1,000 to 3,000 sq.m. floor plates	An average 10 to 12 sq.m. of leasing area per person
Quality of the premises	Nearly 50% of premises redeveloped or renovated in the past 10 years	75% of floor space receives direct sunlight and 20% to 25% of average floor space is dedicated to meeting rooms	The office is a decisive factor in choosing to join a company
Services and well-being	Mixed-use neighbourhoods with all the modern amenities	Need to retain employees and support a return to the office	Average well-being score of 7.6/10 (vs. an average of 7.0/10 in Greater Paris)
Accessibility	A maximum six-minute walk from a metro station	Location is a decisive factor in choosing where to lease	An average 30-minute commute, 72% by public transport and 17% by walking or cycling
Satisfaction index	Physical occupancy rate: 99.7% at 31 December 2023	Tenant turnover <10%/year	91% of users satisfied with their premises at end-2023

The alignment between tenant expectations and SFL-designed products, along with the constant attention paid to our assets every day, also enables us to forge special relationships and undertake shared, powerful commitments together.

# 4.3.1. Constant dialogue and shared commitments with our tenants

Dialogue is an integral part of the Group's corporate DNA. It plays a critical role in the Group's ability to satisfy tenants, meet their expectations and capture their feedback and perceptions of SFL properties, amenities and services.

#### Relationships fostered at every step in the tenant journey

Using the full range of solutions in place, both the Leasing and the Asset Management teams foster close relationships with our tenants at every step in their journey, from first contact and the start of lease negotiations to their move-in works, and then throughout their lease and during renovation projects.

#### 1. Commercial brochure • Entry point for prospects

 Presentation of available space, services, location, environmental certications



Twice-yearly tenant meetings on iconic portfolio projects
 Suggestions for events and liaison for tenant events

#### Shared commitments

Examples of commitments shared with tenants can be seen in the initiatives pursued throughout 2023.

- Special lease arrangements for companies with a strong social, cultural or environmental impact
- Inclusion: Café Joyeux has leased 220 sq.m. of retail space in the Cézanne Saint-Honoré building, offering permanent contract jobs to more than a dozen disabled employees. It plans to hold one or two conferences a year to raise tenant awareness of hiring and retaining the disabled.
- Low-carbon mobility: space has been leased to bicycle repair services, including, in 2023, 1,200 sq.m. in the 176 Charles-de-Gaulle building in Neuilly-sur-Seine.
- **Culture:** SFL is home to three leading cultural institutions, the Olympia concert hall (6,000 sq.m.), the Édouard VII theatre (2,050 sq.m.) and the Cartier Foundation for Contemporary Art, which is currently under construction and will open in 2025 on a site covering more than 20,000 sq.m.
- Energy sufficiency: three levers for action are being activated to get tenants directly involved in meeting the challenges of energy sufficiency.
- A detailed audit of how SFL's buildings are used.
- Direct communication with employees via information boards reminding them of the proper way to use the premises.
- Direct communication with tenants to encourage them to discuss their own energy use and possible pathways of reduction. In 2023, discussion meetings to address the issue were organised with 43 tenants, representing almost 140,000 sq.m. of floor space.
- Events concerning environmental or social issues
- Urban agriculture workshops and events in the Biome rooftop vegetable garden.
- A circular economy awareness-raising event in the Washington Plaza building, attended by around thirty occupants.

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# 4.3.2. User satisfaction, at the crux of everything SFL does $% \left( {{{\rm{SFL}}}} \right) = {{\rm{SFL}}} \right)$

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

In all, 1,340 people responded to the latest satisfaction survey conducted at end-2023.

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 7.6/10 (compared to 7.0/10 for the managers in the Greater Paris region surveyed in the Group's 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 91% of survey respondents said that they were satisfied with their offices, while the percentage of highly satisfied users rose to 56% from 26% in 2015, amply exceeding the target of 85%.



#### Tenant satisfaction

#### 5. Employee and partner engagement

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.

SFL is therefore constantly striving to deepen employee and partner engagement across the value chain, to thereby foster a desire to work together.

#### 5.1. Employer appeal, skills development and workplace equality

The SFL Group had 77 employees at 31 December 2023. Women Developing employee skills, attracting and retaining talent and make up the majority of the workforce, at 61% of the total, and 77% promoting gender equality in the workplace are real challenges of employees are classified as managers. for SFL, given the size and structure of its workforce (fewer than 100 employees, mainly managers) and internal organisation based

#### Analysis of employees at 31 December 2023



With this in mind, the Group's 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 gender equality principles and commitments.

In addition to company agreements, the 77 employees working at the head office at 42 rue Washington, Paris are covered by the National Collective Agreement for the Property Industry.

The number of non-employee workers in the SFL workforce, as defined in the CSRD reporting standards, is not very material in relation to the number of employees under contract, and did not change significantly during the reporting period.

#### 5.1.1. Attracting and retaining talent

Fourteen new employees joined the SFL corporate community year to assess their achievements and abilities and to identify their in 2023, including two work-study interns and eight employees training needs. In addition, every two years, a career development under fixed-term contracts to support the deployment of a new review helps employees map out a more personal growth path, IT application and the overhaul of the company's information with milestones and outcomes assessed every six years. system. Thirteen people left during the year, including six whose fixed-term contracts ended and two who retired. Given these The review process has been facilitated by digitalisation, which movements, the SFL workforce remained stable, much like also ensures the traceability of these discussions and their average seniority, which stood at 9.5 years at 31 December 2023 follow-up. versus 9.6 years a year earlier.

Based on the average number of employees under permanent To encourage the professional advancement and engagement of contracts at 1 January 2023 and the number of employees under SFL employees, policies are in place to offer fair, attractive and permanent contracts who were hired or who left during the incentive-based remuneration, whose competitiveness is tracked period, the turnover rate was 7.1%, versus 8.0% in 2022<sup>(1)</sup>. through an industry review in which the Company participates every two years.

2023 No

## CORE COMPETENCIES

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Lettings

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	Investment	Redevelopment	Lettings	Rental management	Renovation	Portfolio management
SFL teams	<ul> <li>Strategy, investments and transactions team</li> <li>Finance Department</li> </ul>	• Technical and development team	Lettings and asset management teams	Rental management and technical teams	• Technical and development team	<ul> <li>Strategy, investments and transactions team</li> <li>Finance Department</li> </ul>
Leading stakeholders	<ul> <li>Shareholders</li> <li>Financial community</li> </ul>	<ul> <li>Local residents</li> <li>Elected officials</li> <li>Prime contractors</li> <li>Construction contractors</li> </ul>	• Tenants • Brokers	Tenants     Building     managers and     multi-technical     service     providers	Prime contractors     Construction contractors	<ul> <li>Shareholders</li> <li>Financial community</li> </ul>

#### Our 2020-2030 commitments







(1) Turnover calculation formula: (number of separations during the period + number of new hires during the period)/2/number of employees on payroll at 1 Januarv)

on integrated teams interacting with each other and active across the value creation chain.

Employee turnover, in %



As part of the employee skills development commitment, performance reviews are conducted with each employee every

#### Remuneration and benefits

This remuneration policy is 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, indirect remuneration, other remuneration and benefits).

#### Remuneration components

Direct remunerationBonuses and other remuneration (seniority pay, year-end thirteenth salary, etc.)Indirect remunerationDiscretionary profit-sharing Matching employer payments into the Group Pension Savings Plan (PERECO)Other remunerationSupplementary disability/health insurance TransportOther remunerationFood services Other (human services vouchers, sustainable mobility package)			Base salary				
Indirect       Discretionary profit-sharing         Indirect       Non-discretionary profit-sharing         Matching employer payments into the       Group Pension Savings Plan (PERECO)         Supplementary disability/health insurance       Transport         Other remuneration       Food services         Other (human services vouchers, sustainable mobility package)	Direct remuneration	Fixed remuneration	Bonuses and other remuneration (seniority pay, year-end thirteenth salary, etc.)				
Indirect remunerationDiscretionary profit-sharingIndirect remunerationNon-discretionary profit-sharing Matching employer payments into the Group Pension Savings Plan (PERECO)Other remunerationSupplementary disability/health insurance TransportOther remunerationFood services Other (human services vouchers, sustainable mobility package)		Bonus					
Indirect remuneration         Non-discretionary profit-sharing           Matching employer payments into the Group Pension Savings Plan (PERECO)           Supplementary disability/health insurance           Transport           Other remuneration           Food services           Other (human services vouchers, sustainable mobility package)	Indirect	Discretionary profit-sharing					
remuneration       Matching employer payments into the Group Pension Savings Plan (PERECO)         Supplementary disability/health insurance Transport       Transport         Other remuneration       Food services         Other (human services vouchers, sustainable mobility package)		Non-discretionary profit-sharing					
Other remuneration Other remuneration Other (human services vouchers, sustainable mobility package)	remuneration	Matching employer payments into the Group Pension Savings Plan (PERECO)					
Transport         Other remuneration       Food services         Other (human services vouchers, sustainable mobility package)		Supplementary disab	oility/health insurance				
Other remuneration Food services Other (human services vouchers, sustainable mobility package)		Transport					
Other (human services vouchers, sustainable mobility package)	Other remuneration	Food services					
		Other (human services vouchers, sustainable mobility package)					

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 Social and Economic Committee, and subsidised food services (meal vouchers and/or intercompany staff restaurants).

As part of its CSR policy and following on from its sustainability commitments, in 2023, SFL also introduced a sustainable mobility package to encourage employees to use environmentally-friendly modes of transport. Worth €350 per year per employee, it covers all forms of legally-eligible transport solutions and is offered to every employee, regardless of length of service.

In 2023, SFL demonstrated its commitment to addressing the environmental issues inherent in its business by deploying a variety of measures to upgrade its direct and indirect remuneration system:

• A change in the nature of personal objectives that determine an employee's bonus (identification of ESG objectives during annual performance reviews).

With reference to disclosure requirement S1-10 in the ESRS S1 standard, note that all SFL employees receive an adequate wage in accordance with applicable indices, particularly the sector minimum wage specified in amendment 100 of 4 October 2023 to the National Collective Agreement for the Property Industry.

- 15% of the discretionary profit-sharing bonus is now determined based on an environmental criterion, supported by a greenhouse gas emissions reduction target, in addition to the financial criterion.
- In the latest performance share plan, the number of vesting shares is determined in part by a new environmental performance target concerning decarbonisation.

#### 5.1.2. 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 its 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 2023, 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 to these recurring subjects, in 2023, SFL, as a learning organisation, rolled out an employee-led training programme called "Everyone's a Trainer", which offers courses in:

- digital strategy;
- the fundamentals of financial modelling;
- commercial leases;
- ♦ Excel;
- climate, energy, the EU taxonomy and the CSRD. The Chief Sustainable Development Officer was also certified to facilitate the Sustainable Real Estate Collage workshop.

Lastly, SFL set up and co-led dedicated training sessions to support:

- the roll-out of its new Ethics Code of Conduct and whistleblowing procedure;
- take-up of its diversity and inclusion policy.

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 2023, total training expenditure rose by 39% to represent 3.4% of total payroll, while more than 2,712 hours of training were offered to 72 employees, representing an average of 38 hours per trainee. In addition, 1,439 hours of training was provided in the use of the new information system.



#### 5.1.3. Gender equality in the workplace and equal opportunity

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

The Group has therefore reaffirmed both its pledge to reject any and all forms of discrimination and its commitment to fostering gender equality and equal opportunity in the workplace.

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

- fulfil the undertakings in the gender equality in the workplace indicators in the following thre agreement (described in more detail below);
   hiring and job opportunities;
- secure support for the disabled, which includes the grant made

Process	Objectives	2023 outcomes
Hiring and job opportunities	<ul> <li>Endeavour to obtain, as far as possible, an equal number of male and female candidates.</li> <li>Drive greater gender balance in the job Classification grid.</li> </ul>	<ul> <li>At year-end 2023, 54% of SFL managers were women.</li> <li>8 of the 14 people hired during the year were women.</li> </ul>
Promotion opportunities hanks to ongoing skills development	<ul> <li>Ensure that men and women have equal access to training opportunities.</li> <li>Define with each employee returning from maternity, adoption or parental leave training courses to ease their transition back into the workforce.</li> <li>Identify and address any family-related issues employees may face while in training.</li> </ul>	<ul> <li>In 2023, women who participated in at least one training session or event during the year accounted for 62.5% of trainees and spent an average 40 hours in training (34 hours for men).</li> <li>Out of the average number of employees in 2023, 93% of men and women attended training sessions during the year.</li> </ul>
Gender-neutral remuneration	<ul> <li>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.</li> <li>Eliminate any distortions in remuneration result- ing from parental-related leave.</li> </ul>	<ul> <li>As part of the statutory annual pay round in 2023, the opening of negotiations on the gender pay gap was duly minuted.</li> <li>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.</li> </ul>

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to the LADAPT non-profit organisation, the agreement with the ARPEJEH (which supports students with disabilities in their studies), and the practice of buying goods and services from companies specialised in employing people with disabilities.

#### Gender equality in the workplace

In December 2023, 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 three areas:

- promotion opportunities thanks to ongoing skills development;
- ${\ensuremath{\bullet}}$  actual remuneration packages.

Released in February 2023, the gender equality index for the 2022 calendar year showed an overall score of 91/100 points, a 25-point improvement over the two years.

#### Other workplace equality indicators

Seniors and young people

SFL also attaches particular importance to combating age-based discrimination. The average age of employees is 43. As of 31 December 2023, employees aged 50 or older represented 39% of the workforce and people under 30 represented 9%.

#### People with disabilities

As part of its policy of supporting employment opportunities for people with disabilities, in 2023 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.

In 2023, SFL also renewed its membership of the ARPEJEH association, which promotes the training, qualification and employment of people with disabilities by supporting students aged between 15 and 30 in their studies and career development. To help finance these programmes, SFL allocated a portion of its apprenticeship tax due for the year to ARPEJEH.

#### 5.2. 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 the Group's human resources policies, independently of any legal obligations. In addition, the workplace atmosphere is regularly measured with a quality of worklife and working conditions 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.

#### 5.2.1. Health and safety

To protect their health, all SFL employees are covered by a company-funded supplementary insurance scheme offering health, disability and death benefits.

Similarly, all employees are eligible for SFL's safety training programme, either on a voluntary basis (workplace first responder and fire prevention training) or as part of their job responsibilities (electrical contracting accreditation).

There were no workplace accidents, occupational illnesses or fatalities in 2023.

The Group's employee health and safety policies were actively pursued during the year, 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 2023. Five commuting accidents were reported, but none resulted in lost time.

#### 5.2.2. Quality of worklife

As stipulated in the gender equality in the workplace and quality of worklife agreement signed on 1 December 2021, a new quality of worklife survey was carried out in 2023.

Undertaken as part of a new approach, the survey was designed to get employees involved in a collective change dynamic and to support them as they help to improve the quality of worklife and working conditions (QWL).

To this end, a joint steering committee was formed with representatives from Senior Management, the Human Resources Department, the Economic and Social Committee and the occupational health office. Exploratory interviews were also conducted with steering committee members and managers to get an initial diagnosis of any possible workplace issues or QWL challenges.

This process was pursued in 2023 with the creation of three working groups tasked with identifying the main workplace issues and protective factors and then recommending action plans to foster employee engagement and well-being. Based on their discussions, action levers were identified in six areas: vision, cohesion, work organisation, consultation, empowerment and training.

Some of these levers were rolled out in 2023, particularly for training (the "Everyone's a Trainer" programme) and vision (quarterly meetings for all employees to present SFL's main projects and business issues). The other action levers are scheduled for deployment in 2024 together with the steering committee.

#### A new SFL head office

SFL employees were offered new workspaces in 2023 after a technical and functional analysis revealed the need to upgrade and align existing spaces with new usage patterns and working methods.

• Active employee participation: the project committee made up of SFL employees provided particularly invaluable input on the design and use of these new spaces, helping to create a highly functional office floor plate, aligned with user needs and featuring a large cafeteria as a hub for staff socialising.

• Assessing carbon impact and repurposing materials: a life cycle and carbon impact assessment of the new head office helped to identify the main sources of greenhouse gas emissions. Particular attention was paid to repurposing materials and furniture from the former head office, with more than 24 tonnes of furniture recovered and repurposed thanks to more than 240 inclusion hours.

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 2023, the rate stood at 0.7%, versus 0.6% in 2022.

#### Short-term absenteeism rate, in %



In accordance with the commitments undertaken during the 2022 statutory pay round, a work-from-home agreement was introduced in February 2023 to replace the former charter, so as to facilitate and optimise work-from-home options. As such, the new agreement reduced each request's prior notice period to at least three days and increased the maximum number of days that can be worked from home to six per month.

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The implementation of 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.

All employees are eligible for family leave as stipulated in the collective agreement or internal agreements in force at SFL. Family leave includes:

- maternity or paternity leave;
- ◆ parental leave;
- ◆ carer's leave.

With regard to the last category, in July 2021, company management and the union delegation signed an agreement to offer carer's leave and the possibility of donating days off to enable employees to take paid leave to care for a disabled or dependent loved one.

#### 5.3. Ethics in the value chain

As the leading world-class property company invested exclusively in the Paris prime segment, SFL stands out from the rest of the real estate sector. We see SFL as a showcase for our tenants and their values, and so we feel that we have an over-riding responsibility to manage our business ethically. SFL is striving to instil a genuine culture of integrity and compliance throughout the organisation by getting all its teams and partners involved in its practices.

This ethical culture is rooted in clearly defined principles, embraced by employees and partners across the value chain, and mechanisms to confidentially report any possible violations or infringements.

The culture also fosters collaboration and the use of mutually beneficial practices with industry partners in managing buildings or redevelopment projects.

#### 5.3.1. Ethical principles

The principles governing this ethical culture are described in a number of Group procedures and consolidated in an Ethics Code of Conduct, which is addressed to all our employees and partners.

#### An updated Ethics Code of Conduct in 2023

The Ethics Code of Conduct, which was completely revamped in 2023, describes the values and principles that govern the conduct of the Company's business and the commitments that it expects its managers, employees and partners to uphold. It also aims to help users identify high-risk situations and respond to such situations individually and collectively. In particular, it specifies the behaviours to be demonstrated or banned in SFL's day-to-day activities, as well as our core values of innovation, performance, respect and social responsibility.

The Code was presented in detail to employees during two sessions that gave everyone the opportunity to reflect individually on their own practices and to discuss them with a legal professional

Every new hire receives a copy of the Ethics Code of Conduct and the applicable internal procedures upon arrival. The Code is also available to all employees on the corporate intranet and website<sup>(1)</sup>.

#### A whistleblowing mechanism open to all

SFL also introduced a whistleblowing mechanism that employees. non-employee workers, suppliers, sub-contractors and other company co-contractors can use to notify SFL's two ethics officers of any illegal or inappropriate situation or any possible violation of the Ethics Code of Conduct. Action will then be taken to resolve the infringement and, if necessary, sanction the offender. Breaches of ethical principles and non-compliance with the Code must be reported in the same way as any violation of applicable laws and regulations.

#### Dedicated training for all employees

The roll-out of the Ethics Code of Conduct and the whistleblowing mechanism provided an opportunity to (re)sensitise employees to the issues of compliance and proper conduct. Two dedicated training sessions, led by a lawyer specialising in compliance issues, were organised in October 2023.

#### Upholding industry and international reference frameworks

SFL also complies with the provisions of the code of conduct for SIIC real estate companies, which covers issues such as 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.

#### No ethical incidents in 2023

No cases of bribery came to light in 2023 and the Group was not subject to any corruption-related disciplinary measures. There were no whistleblower reports during the year and, more generally, SFL did not have to respond to any incidents involving ethical issues in 2023.

Lastly, SFL specifies that it refrains from making political donations and that no such donations were made in 2023.

#### 5.3.2. Engaging with SFL partners and continuous improvement programmes

The Group pays particular attention to applying sustainable and responsible procurement processes and to maintaining sustainable and responsible relations with service and goods suppliers.

In 2023, SFL purchased goods and services from more than 730 different vendors for its corporate activities, building operations and redevelopment projects, for a total of nearly €160 million.

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

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

SFL also combats abusive subcontracting in its standard contractor and supplier contracts 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.

#### The vast majority of purchases are sourced from local suppliers

Special attention is also paid to a supplier's country of origin, In 2023, for example, 84% of suppliers accounting for 91% of the procurement spend were based in Paris or the Greater Paris region, within around 100 kilometres of the city centre.

#### Suppliers by location, in %







These two factors - limiting the sub-contracting pyramid and sourcing locally - should help to ensure that the delivered service quality meets SFL standards.

#### 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 the Group's practices in this area.

In particular, these recommendations can be incorporated into French legislation prohibits clandestine labour and the energy performance contracts like the one for #cloud.paris, employment of undocumented foreign workers. To avoid any risk whose multi-technical service contract has for several years of non-compliance and meet our obligations concerning supplier included energy efficiency improvement targets in terms of both employee documentation, SFL has outsourced compliance MWh and euros. This particular contract expired during the year, reporting to a collaborative, web-based platform on which but was renewed in light of its positive impact on environmental suppliers file the necessary documentation. performance and cost savings.

The dedicated platform lets suppliers submit, simply and free Similar contracts will be deployed in three of the Group's of charge, all their employee and tax-related documentation as other assets (Édouard VII, 176 Charles de Gaulle and Cézanne well as any required certificates and statements concerning their Saint-Honoré), with the addition of carbon targets as well. technical capabilities and financial condition. It manages all the administrative documents, verifies that they are complete, and Example of SFL's community engagement during projects if necessary sends reminders to the suppliers concerned. This For new projects, clauses to encourage local hiring are included platform<sup>(1)</sup> enables SFL to check compliance at any time, both of in the contracts signed with site contractors. The Louvre existing suppliers and potential new suppliers if they are included Saint-Honoré project comprised almost 5,000 hours of work in the database. Control systems are also in place to ensure that performed by people previously alienated from the workforce. the submitted documents are updated every six months.

Over the past few years, SFL has 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.

2023 No

#### Examples of a continuous improvement initiative in managing a building in use

SFL also aims to include contractors and suppliers in processes and initiatives to drive continuous improvement in both the management of buildings in use and in redevelopment projects. It 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 the responsible procurement charter:
- 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.

As key partners in fulfilling the environmental commitments in SFL assets, multi-technical maintenance contractors and building managers have fully embraced the Group's 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 or HQE certifications.

On every project, enhanced communication channels are deployed to ensure that the works are carried out smoothly and safely for everyone. 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.

## 6. Additional information

#### 6.1. Materiality of issues

SFL has analysed the materiality of its ESG 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).

#### Materiality matrix of CSR issues

Mobility Operational sufficiency ant relations & satisfaction Embodied carbon emissions & circular econom Nature 8 Building resilience Climate strategy Urban footprint User satisfaction Employee and partner engagement

#### 6.2. 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 11 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<sup>(1)</sup>.

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 the ESG 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

The analysis revealed 12 material issues for SFL's business and its

stakeholders, which were consolidated into four pillars and used to

structure the Group's CSR approach as well as this non-financial

This exercise will be reviewed in 2024 to address double

materiality issues ahead of the application of the CSRD directive

non-financial information statements.

information statement.

in the 2025 reporting year.

In 2023, SFL once again received two EPRA Gold Awards for optimal compliance with disclosure best practices.

#### Science Based Targets initiative

The Science Based Targets initiative (SBTi) seeks to encourage A4MT designs and implements a variety of engagement companies to help limit the increase in global warming by setting programmes for its clients, in particular to encourage the reuse greenhouse gas emissions reduction objectives based on the of materials from construction worksites. SFL has joined the latest scientific findings. "Booster" community, affirming its commitment to recovering and reusing materials.

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).

SFL has been pursuing an SBTi-certified 1.5°C greenhouse gas emissions reduction objective since August 2021.

#### 

The Observatoire de l'Immobilier Durable (OID) is an independent Fondation Palladio was set up in 2008 under the aegis of forum where stakeholders in the French commercial real estate the Fondation de France to address a major challenge of industry can discuss sustainable development and innovation the 21st century, that of developing urban areas and building issues. Created in 2012, it is committed to supporting the communities. For the 9th straight year, SFL was a sponsoring environmental and social performance of French property partner of Fondation Palladio. companies and to sharing all the practices that help move it forward.

By comparing the perspectives of business and political decisionmakers, managers and experts, students and professionals, It comprises around 60 members and partners, including leaders academics and people working in the field, each of the across the French commercial real estate value chain. Foundation's initiatives helps to nurture a process of challenging preconceived ideas, embracing new ones and learning from one SFL is a member of the Strategic Committee for the development another. SFL supports the Foundation's commitment to creating of OID climate change adaptation tools. the conditions that will further improve every property and C3D urban development stakeholder's ability to respond to the major economic, environmental, human and societal challenges facing The Sustainability and CSR Officers play a key role in the our world today and far into the future.

transformation of the Group's organisations and ultimately the Company as a whole.

centre To accelerate, facilitate and promote this transformation in the public sphere, the C3D association brings together 200 of France's SFL regularly supports Pavillon de l'Arsenal, the architecture and leading sustainability and CSR officers of private and public-sector urban planning information, documentation and exhibition centre companies and non-profit organisations into a single network. for the Paris metropolitan area.

#### **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.

Its objectives are seamlessly aligned with SFL's history, which has been deeply rooted in the development of the Parisian urban It is dedicated to deepening the Group's knowledge of lowlandscape since the end of the 19th century. SFL also organises carbon buildings, promoting best practices with the BBCA label employee-only tours of the Pavillon de l'Arsenal. 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 Premises in the Galerie des Champs Élysées (Paris Rénovation label for the Biome project delivered in 2022 in the 8<sup>th</sup> arrondissement) were offered free of charge to the Emmaüs 15<sup>th</sup> arrondissement of Paris and won the BBCA Low Carbon charitable association for use as a training centre. Building Award in 2023.



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Importance of the issue for SFL

#### "Booster du réemploi" alliance

#### 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

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

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.

#### Emmaüs

#### City of Paris - Nuit Blanche

SFL supports the City of Paris' Nuit Blanche all-night performance festival organised for the 21st time in 2023, which offers the public free access to an array of artistic events in the capital, for one night only.

In this way, SFL contributes to promoting Paris' cultural outreach, sometimes by organising events at its 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

The Group has been supporting ADAPT for many years as part of its policy of promoting employment opportunities for people with disabilities.

For example, it has contributed to the European Disability Employment Week organised by ADAPT since 1997, which took place from 20 to 26 November 2023. The annual event aims to raise awareness among recruiters and facilitate access to jobs for people with disabilities.

#### 6.3. Methodological note

#### 6.3.1. 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 set out

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 17 buildings totalling 409,945 sg.m. calculated using the same method as in the 2022 Universal Registration Document.

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 redevelopment.

#### Main 2023 environmental indicator scopes of reporting

At end-2023, there were separate scopes for reporting data on energy use, water use, waste production and certifications. The table below shows the inclusion of each asset in the various scopes and explains why when they are not.

Asset	sset Energy Water Waste		In-use certifications (HQE Exploitation or BREEAM In-Use)	
Washington Plaza	•	٠	•	•
Édouard VII	•	٠	•	•
103 Grenelle	•	٠	0	•
#cloud.paris	•	٠	0	•
Biome	•	•	•	Certification in progress after redevelopment
Galerie des Champs-Élysées	•	•	٠	•
90 Champs-Élysées	•	٠	•	•
Louvre Saint-Honoré	•	٠	•	Redevelopment in progress
Cézanne Saint-Honoré	•	٠	0	•
83 Marceau	•	٠	0	•
131 Wagram	•	٠	•	•
92 Champs-Élysées	•	٠	Waste directly collected by the City of	•
176 Charles de Gaulle	•	٠	Paris, with no data on amounts or disposal	•
106 Haussmann	•	٠	methods	•
Pasteur	Single-t	enant buildir operat	ngs whose in-use energy, water and waste ions are not managed by SFL	•
Condorcet	Single-t	enant buildir operat	ngs whose in-use energy, water and waste ions are not managed by SFL	•
Scope			Redevelopment in progress	

#### Reporting period

Data for all the environmental and societal indicators are reported for the calendar year.

#### Changes in scope of reporting

Scopes of reporting may change as a result of:

 acquisitions: newly acquired properties are included in the scope after one full year in use;



Asset included in the reporting scope

These events account for the differences between the like-forlike and absolute scopes of reporting as defined by the European Public Real Estate Association (EPRA), which are presented in section 6.4 below.

The absolute scope includes all the assets held in each of the reported years.

The like-for-like scope includes only those assets held over the entire period under review, i.e., a comparable asset base.

Special SBTi target scope of reporting: in line with the GHG Protocol and SBTi guidelines, the scope of reporting for data lacking. related to the SBTi-certified greenhouse gas reduction objective • estimates tenant consumption, when we have not been mandated by the tenant to collect actual data. These estimates differs slightly from the two above-mentioned scopes. The target are performed by extrapolating the known tenant energy runs from 2018 to 2030. Assets divested in a given year over this intensities for the year to other building occupants, which differ period are also removed from all prior-year scopes of reporting. Conversely, assets acquired over the period must be added back from building to building. to the scope from the beginning and, to the extent possible, their Energy data are expressed in units of final energy. emissions in the years prior to acquisition will be reported. These two cases could therefore lead to the recalculation of baseline SFL differentiates between energy used in common areas and and other prior-year emissions. The new development projects shared services, which are managed and metered by SFL, and will be factored in upon delivery, but will not impact prior-year energy used in tenant areas, for which SFL works with tenants to emissions. This methodology will maintain a consistent target in collect and discuss usage data. absolute value over a long period, which is the only way to support an ambitious emissions reduction commitment.

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- 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 one full year.

Asset not included in the reporting scope

#### Standardised surface areas

The standard measure used to calculate building energy use, carbon and water use intensities is the usable surface area, expressed in square metres (sq.m.), as reported in the Universal Registration Document.

#### Energy

Energy data are collected from the Deepki platform, which:

- consolidates data from property manager invoices or client platforms:
- supplies any missing data if property manager data is unusually

#### Energy use by asset in the 2023 energy data scope of reporting

	Type of energy by asset and use										
	С	common areas	and shared se	ervices		Te	nant areas				
	Natural	District	District	Flootrigity	Elect	ricity	District	District	Natural		
	gas	network	network	Electricity	Offices	Retail	network	network	gas		
176 Charles de Gaulle											
Washington Plaza											
Édouard VII											
Cézanne Saint-Honoré											
Louvre Saint-Honoré											
103 Grenelle											
92 Champs-Élysées											
Galerie des Champs-Élysées											
#cloud.paris											
131 Wagram											
90 Champs-Élysées											
83 Marceau											
104-100 Haussmann											
Biome											
Pasteur											
Condorcet											
Scope (being redeveloped)											

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2023 N(

Common areas and shared services Tenant areas

Energy use managed and paid by SFL and then rebilled to tenants 2023 energy indicator scope of reporting

#### **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 calculated using the location-based and/or market-based method.

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 emissions factors from suppliers and the ADEME carbon database and global warming potentials from IPCC reports. These sources are consulted regularly and emissions factors are updated in the event of any changes.

Greenhouse gas emissions indicators are expressed in tCO2e or in kqCO<sub>2</sub>e/sq.m.

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

- an operating target, to reduce Scope 1, market-based Scope 2 and Scope 3 emissions by 42% in 2030 compared with 2021:
- ◆ an SBTi-certified target, expressed in tCO₂e, to reduce Scopes 1 & 2 emissions by 50% between 2018 and 2030. This target has its own scope of reporting (see the explanation in the paragraph on changes in scope of reporting).

#### Water use

Water use data are collected from the Deepki platform, which consolidates data from property manager invoices or client platforms.

In the event of a significant discrepancy with prior-year figures, the data are checked against the meter readings reported by the

The percentage of certified assets in use in the portfolio is multi-technical maintenance providers. calculated based on BREEAM In-Use and HQE certifications. The denominator is the aggregate usable surface area of They are expressed in cubic metres and include water used in the certifiable buildings, i.e., excluding buildings that are vacant or common areas, by the shared services and in the tenant areas. being redeveloped or renovated and therefore not eligible for certification. The numerator is the aggregate usable surface area Waste of the certified buildings.

#### From assets in-use

SFL-managed buildings handle their waste in one of two ways:

- in 11 assets, representing 91% of managed surface area, waste is managed by private companies who report their data to SFL;
- in three assets, representing 9% of managed surface area, waste is managed directly by the City of Paris, which does not report any information to SFL concerning amounts and treatment methods.

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

In the 11 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 Details of the method used to calculate the employee relations recovered and reused. Waste is considered to be recovered indicators are provided as needed following the description of the if the treatment methods correspond to codes R1 to R13 in the indicators in sections 5.1. and 5.2. above. Further details may also European nomenclature. be found in the comments column in the EPRA indicators table in section 6.4.4.

#### 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 score used for the percentage of certified assets indicators is the highest score for Part 1 or, if applicable, for Part 2.

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 80% of its space has been occupied and the work completed for one year.

#### 6.3.2. Methodology for calculating employee relations indicators

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

#### 6.4. Additional ESG indicators

6.4.1. GHG Protocol Scopes 1, 2 and 3 greenhouse gas emissions

Scopes 1, 2 and 3 GHG emissions in  $tCO_2e$ 

				2023			2022	2021	2021 Change, 21/2	
		Energy and waste	Projects	Procurement and travel	Total	% of total	Total	Total	in tonnes	in %
Scope 1		121	0	0	121	0.6%	174	185	-64	-35%
Fossil fuels consumption	Natural gas	117			117	0.5%	123	150	-33	-22%
Refrigerant gases	Refrigerant	4			4	0.0%	51	35	-31	-89%
Scope 2 (market-based)		1,999	0	0	1,999	9.4%	1,848	2,169	-170	-8%
Purchased electricity	Electricity	760			760	3.6%	629	606	+153	+25%
Purchased heating and cooling	Heating and cooling networks	1,239			1,239	5.8%	1,218	1,562	-323	-21%
Scope 3		2,699	11,461	4,948	19,108	90.0%	22,487	26,890	-7,782	-29%
1 - Purchased goods and services	Purchased goods and services (OpEx)			4,920	4,920	23.2%	4,937	4,292	+628	+15%
2 - Capital goods	Capital projects (CapEx)		11,461		11,461	54.0%	14,916	20,062	-8,601	-43%
3 - Fuel- and energy- related activities	Production of energy, transmission and distribution losses	578			578	2.7%	647	721	-143	-20%
5 - Waste generated in operations	Building waste	605	Included in cat. 2		605	2.9%	653	376	+229	+61%
6 - Business travel	Business travel			12	12	0.1%	20	7	+5	+70%
7 - Employee commuting	Employee commuting			16	16	0.1%	14	11	+5	+47%
13 - Downstream leased assets	Energy used in tenant areas	1,516			1,516	7.1%	1,300	1,421	+95	+7%
Total		4,819	11,461	4,948	21,228		24,509	29,244	-8,016	-27.4%
% of total	-	22.7%	54.0%	23.3%						

#### 6.4.2. EPRA 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 codes: Elec-Abs, DH&C-Abs, Fuels-Abs, Elec-LfL, DH&C-LfL, Fuels-LfL, Energy-Int)

		Commo	Common areas and shared services Tenant areas Total				EPRA						
		2021	2022	2023	2021	2022	2023	2021	2022	2023	% 22/23	% 21/23	- coae
Absolute													
Electricity		21,367	19,909	16,620	22,928	25,078	25,044	44,295	44,987	41,664	_		Elec-Abs
District hea	ting systems	9,669	7,395	7,498	_			9,669	7,395	7,498			DH&C-
District cod	oling systems	6,301	8,179	8,872	_			6,301	8,179	8,872			Abs
Natural gas	;	886	727	645				886	727	645			Fuels- Abs
Total energ	y use in MWh	38,223	36,210	33,635	22,928	25,078	25,044	61,151	61,287	58,679			
Energy inte	ensity in kWh/sq.m.							205.7	191.3	184.4	-3.6%	-10.4%	Energy- Int
Coverage	in number of assets	-						13/13	15/15	14/14			
rate:	% of sq.m.	-						100%	100%	100%	_		
Like-for-like	e												
Electricity		16,703	15,694	14,979	21,739	21,680	21,588	38,442	37,374	36,567	-2.2%	-4.9%	ElecLfL
District hea	ting systems	9,454	6,725	6,210				9,454	6,725	6,210	-7.7%	-34.3%	DH&C-
District coc	oling systems	6,149	6,836	7,114				6,149	6,836	7,114	+4.1%	+15.7%	LfL
Natural gas	;	886	727	645				886	727	645	-11.4%	-27.2%	Fuels-LfL
Total energ	y use in MWh	33,191	29,982	28,947	21,739	21,680	21,588	54,931	51,662	50,535	-2.2%	-8.0%	
Energy inte	ensity in kWh/sq.m.							203.5	191.3	187.2	-2.2%	-8.0%	Energy- Int
Coverage	in number of assets								11/11				
rate:	% of sq.m.	-							100%				
		-											

Scope 1<sup>(1)</sup> and Scope 2 GHG emissions from energy use, in tCO₂e - absolute and like-for-like (EPRA codes: GHG-Dir-Abs, GHG-Indir-Abs, GHG-Int)

		2021	2022	2023	% 22/23	% 21/23	EPRA code
Absolute							
Scope 1		150	123	117	-5.1%	-22.0%	GHG-Dir-Abs
Scope 2 (market-b	based)	2,169	1,848	1,999	+8.2%	-7.8%	CLIC India Aba
Scope 2 (location-	based)	2,432	1,975	1,801	-8.8%	-25.9%	GIG-IIIUII-ADS
Total market-base	ed, in tCO₂e	2,318	1,970	2,116	+7.4%	-8.7%	
Total location-bas	ed, in tCO <sub>2</sub> e	2,581	2,098	1,918	-8.6%	-25.7%	
Carbon intensity (market-based)		7.8	6.2	6.7	+8.1%	-14.7%	GHG-Int
Coverage rate:	in number of assets	13/13	15/15	14/14			
	% of sq.m.	100%	100%	100%	_		
Like-for-like							
Scope 1		150	123	117	-5.1%	-22.0%	
Scope 2 (market-b	based)	2,001	1,600	1,709	+6.8%	-14.6%	
Scope 2 (location-	based)	2,207	1,700	1,531	-9.9%	-30.6%	
Total market-base	ed, in tCO <sub>2</sub> e	2,151	1,723	1,826	+6.0% -15.1%		
Total location-bas	Total location-based, in tCO2e		1,823	1,648	-9.6%	-30.1%	
0	in number of assets		11/11				
	% 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)

		2021	2022	2023	% 22/23	% 21/23	EPRA code
Absolute							
Total municipal water use in cu.m.		102,417	125,758	118,818	-5.5%	+16.0%	Water-Abs
Intensity	in cu.m./sq.m.	0.345	0.392	0.373	-4.9%	+8.4%	Water-Int
Coverage	in number of assets	13/13	15/15	14/14			
rate:	% of sq.m.	100%	100%	100%			
Like-for-like							
Total municip	al water use in cu.m.	93,983	113,834	105,832	-7.0%	+12.6%	Water-LfL
Intensity	in cu.m./sq.m.	0.348	0.422	0.392	-7.0%	+12.6%	Water-Int
Coverage rate:	in number of assets		11/11				
	% of sq.m.		100%				

Waste management by disposal method, in tonnes and % - absolute and like-for-like (EPRA codes: Waste-Abs and Waste-LfL)

		Absolute						Like-for-like					
	2021		21	2022		2023		2021		2022		2023	
		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		34	4.3%	51	5.2%	321	31.0%	33	5.8%	49	6.6%	235	31.2%
Composted		0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Incinerated with energy recovery		388	49.9%	461	46.5%	284	27.4%	189	33.0%	214	28.9%	230	30.4%
Other form o	f reuse	207	26.6%	174	17.6%	0	0.0%	207	36.1%	174	23.5%	0	0.0%
Incinerated w recovery	vithout energy	3	0.4%	0	0.0%	0	0.0%	3	0.5%	0	0.0%	0	0.0%
Other		8	1.0%	5	0.5%	187	18.1%	4	0.6%	4	0.6%	52	6.9%
Landfilled		138	17.8%	300	30.3%	245	23.7%	137	24.0%	300	40.5%	237	31.5%
Total		778	-	991	-	1,037		573	-	741	-	755	-
Coverage	in number of assets	7/13		10/15		11/14				6/	11		
rate:	% of sq.m.	84%		89%		91%				79	1%		
EPRA code				Waste	e-Abs					Waste	e-LfL		

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Number of buildings in use and percentage of portfolio certified by type and level of certification (EPRA code: Cert-Tot)

		2021		20	22	2023		
		Number of assets	% of sq.m.	Number of assets	% of sq.m.	Number of assets	% of sq.m.	
Total (at least on	e certification)	13	100%	14	100%	14	100%	
BREEAM In-Use	≥Good	0	0%	14	100%	14	100%	
	≥Very Good	13	100%	13	95%	10	68%	
	≥Excellent	1	14%	1	12%	2	14%	
HQE	≥Very Good	0	0%	1	13%	1	13%	
	≥Excellent	0	0%	1	13%	1	13%	
Total (at least on	e certification)	4	27%	5	38%	6	39%	
BREEAM New Construction		2	17%	3	28%	4	30%	
LEED		1	14%	2	12%	2	14%	
HQE		3	24%	4	34%	5	36%	
in number of assets		13,	/13	14,	/14	14	/14	
% of sq.m.		10	0%	10	0%	10	0%	
	Total (at least one BREEAM In-Use HQE Total (at least one BREEAM New Co LEED HQE in number of asse % of sq.m.	Total (at least one certification)BREEAM In-Use>Good>Very Good>Very GoodHQE>Very GoodTotal (at least one certification)BREEAM New ConstructionLEEDHQEin number of assets% of sq.m.	20       Number of assets       Total (at least one certification)     13       #Good     0       BREEAM In-Use     *Good     0       *Very Good     13     *Excellent     1       HQE     *Very Good     0       *Excellent     0     *Excellent     0       Total (at least one certification)     4       BREEAM New Construction     2       LEED     1       HQE     3       in number of assets     13, %       % of sq.m.     10	$\begin{array}{c c c c c } \hline & 2021 \\ \hline & Number of \\ assets & \% \ of \ sq.m. \\ \hline \hline \ Total (at least one \ certification) & 13 & 100\% \\ \hline & \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \$	2021         2021           Number of assets         % of sq.m.         Number of assets           Total (at least one certification)         13         100%         14           BREEAM In-Use         *Good         0         0%         14           HQE         *Very Good         13         100%         13           HQE         *Very Good         0         0%         1           Total (at least one certification)         4         27%         5           BREEAM New Construction         2         17%         3           LEED         1         14%         2           HQE         3         24%         4           in number of assets         13/13         10/%	$ \begin{array}{c c c c c c } \hline & 2021 & 2022 \\ \hline & Number of \\ assets & \% \ of \ sq.m. & Number \ of \\ assets & \% \ of \ sq.m. & Number \ of \\ assets & \% \ of \ sq.m. & Number \ of \\ assets & \% \ of \ sq.m. & 13 & 100\% & 14 & 100\% \\ \hline & & & \hline \\ \hline & & & \hline \\ \hline & & & \hline \\ BREEAM \ In-Use & & & \hline \\ & & & & \hline \\ BREEAM \ In-Use & & & & \hline \\ & & & & \hline \\ BREEAM \ In-Use & & & & \hline \\ & & & & & \hline \\ BREEAM \ In-Use & & & & \hline \\ & & & & & \hline \\ & & & & & \hline \\ BREEAM \ In-Use & & & & \hline \\ & & & & & \hline \\ BREEAM \ In-Use & & & & \hline \\ & & & & & \hline \\ & & & & & \hline \\ HQE & & & & & \hline \\ & & & & & \hline \\ \hline & & & & &$	2021         2022         2020           Number of assets         % of sq.m.         Number of assets         % of sq.m.         Number of assets         % of sq.m.         Number of assets         Number of assets </td	

#### Summary table of EPRA indicators for properties in use

Торіс	Indicator	EPRA code	Unit	2021	2022	2023	Change, 21/23	Coverage rate
suo	Number of assets certified BREEAM In-Use or HQE	Cert-Tot	Number of assets	13	14	14	-	100%
Certificati	% of portfolio certified by surface area		% of portfolio certified by value	100%	100%	100%	0.0%	100%
	Total use of electricity from renewable sources in common areas and shared services - absolute	Elec-Abs	MWh	7,611	7,092	10,882	+43.0%	100%
	Total use of electricity from non-renewable sources in common areas and shared services - absolute	Elec-Abs	MWh	13,756	12,817	5,738	-58.3%	100%
	Total use of electricity from renewable sources in common areas and shared services - like-for-like	Elec-LfL	MWh	5,950	5,590	9,807	+64.8%	100%
gy	Total use of electricity from non-renewable sources in common areas and shared services - like-for-like	Elec-LfL	MWh	10,753	10,104	5,172	-51.9%	100%
Ener	Total energy use, district heating and cooling networks - absolute	DH&C-Abs	MWh	15,970	15,574	16,370	+2.5%	100%
	Total energy use, district heating and cooling networks - like-for-like	DH&C-LfL	MWh	15,603	13,561	13,324	-14.6%	100%
	Total fuel use - absolute	Fuels-Abs	MWh	886	727	645	-27.2%	100%
	Total fuel use - like-for-like	Fuels-LfL	MWh	886	727	645	-27.2%	100%
	Energy use intensity - absolute	Energy-Int	kWh/sq.m.	206	191	184	-10.4%	100%
	Energy use intensity - like-for-like		kWh/sq.m.	203	191	187	-8.0%	100%
as	Total direct greenhouse gas (GHG) emissions (Scope 1) excluding refrigerant leaks - absolute	GHG-Dir-Abs	tCO <sub>2</sub> e	150	123	117	-22.0%	100%
ouse g sions	Total indirect greenhouse gas emissions (location-based Scope 2) - absolute	GHG-Indir- Abs	tCO <sub>2</sub> e	2,432	1,975	1,801	-25.9%	100%
eenho emiss	Total indirect greenhouse gas emissions (market-based Scope 2) - absolute	GHG-Indir- Abs	tCO <sub>2</sub> e	2,169	1,848	1,999	-7.8%	100%
Ģ	Carbon intensity (location-based)	GHG-Int	kgCO <sub>2</sub> e/ sq.m.	8.7	6.6	6.0	-30.5%	100%
	Total water use - absolute	Water-Abs	cu.m.	102,417	125,758	118,818	+16.0%	
ter	Total water use - like-for-like	Water-LfL	cu.m.	93,893	113,834	105,832	+12.6%	100%
Wa	Water use intensity - absolute	Water-Int	cu.m./sq.m.	0.34	0.39	0.37	+8.4%	100%
	Water use intensity - like-for-like		cu.m./sq.m.	0.35	0.42	0.39	+12.6%	100%

Торіс	Indicator	EPRA code	Unit	2021	2022	2023	Change, 21/23	Coverage rate		
			tonnes	778	991	1,037	+33.3%			
			% reused	0%	0%	0%				
			% recycled	4%	5%	31%	+619.2%			
			% composted	0%	0%	0%				
			% incinerated with energy recovery	50%	46%	27%	-45.2%			
	Total waste produced, by disposal method - absolute	Waste-Abs	% other form of reuse	27%	18%	0%		91%		
			% incinerated without energy recovery	0%	0%	0%				
			% other	1%	0%	18%	+1,637.6%			
ste			% landfilled	18%	30%	24%	+32.7%			
Wa			tonnes	573	741	755	+31.7%			
			% reused	0.0%	0.0%	0.0%		-		
			% recycled	6%	7%	31%	+433.7%			
			% composted	0.0%	0.0%	0.0%				
		e Waste-LfL	% incinerated with energy recovery	33%	29%	30%	-7.8%			
	Total waste produced, by disposal method - like-for-like		% other form of reuse	0%	23%	0%		79%		
			% incinerated without energy recovery	0.5%	0.0%	0.0%				
			% other	1%	1%	7%	+980.5%	-		
			% landfilled	24%	41%	31%	+31.1%			

#### 6.4.3. EPRA environmental indicators - Head office occupied by SFL

Торіс	Indicator	EPRA code	Unit	2021	2022	2023
Certifications	% of head office certified	Cert-Tot	% of head office	100%	100%	100%
	Total use of electricity from renewable sources	Elec-Abs & Elec-LfL	MWh	68.0	58.9	89.1
	Total use of electricity from non-renewable sources	5	MWh	122.8	106.4	25.7
Energy	Total energy use, district heating and cooling networks	DH&C-Abs & DH&C-LfL	MWh	0.0	0.0	0.0
	Total fuel use	Fuels-Abs & Fuels-LfL	MWh	0.0	0.0	0.0
	Energy use intensity	Energy-Int	kWh/sq.m.	93.8	81.3	53.6
	Total direct greenhouse gas (GHG) emissions (Scope 1)	GHG-Dir-Abs	tCO <sub>2</sub> e	0	0	0
	Total indirect greenhouse gas emissions (location-based Scope 2)	GHG-Indir-Abs	tCO <sub>2</sub> e	7.8	6.3	3.9
Greenhouse gas emissions	Total indirect greenhouse gas emissions (market- based Scope 2)	GHG-Indir-Abs	tCO <sub>2</sub> e	5.4	5.2	5.2
	Carbon intensity (location-based Scope 2)	GHG-Int	kgCO2e/ sq.m.	3.8	3.1	1.8
	Carbon intensity (market-based Scope 2)	GHG-Int	kgCO₂e/ sq.m.	2.7	2.6	2.5
Water	Total water use	Water-Abs & Water-LfL	cu.m.	328.0	365.0	522.0
	Water use intensity	Water-Int	cu.m./sq.m.	0.161	0.180	0.244
			% recycled	68.9%	30.4%	47.6%
			% reused	0.0%	0.0%	0.0%
			% composted	0.0%	0.0%	0.0%
Waste	Total waste produced, by disposal method	Waste-Abs & Waste-I fl	% incinerated	0.0%	0.0%	0.0%
			% disposed of by another method	5.7%	0.0%	0.0%
			% landfilled	25.4%	69.6%	52.4%

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EPRA methodological note (in addition to the methodological information presented in section 6.3.)

- 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 use consist of office buildings located exclusively in Paris and the Paris region. The segmental analysis proposed by EPRA is therefore not applicable.
- Normalisation: the square metres used to calculate intensities by surface area correspond to the buildings' usable surface area

because, for the properties included in the reporting scope, SFL provides heating and air-conditioning for the entire building.

- 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 2.1. and 2.2.

EPRA methodological note (in addition to the methodological information presented in section 6.3.)

- 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.

### 6.4.4. EPRA employee, societal and governance indicators

## Employee and societal indicators

Торіс	EPRA code	Indicator	Unit	2021	2022	2023	Comments
			Number of women	5	3	3	
		Percentage of men and women on	% of women	42%	50%	50%	
		the Board of Directors	Number of men	7	3	3	
			% of men	58%	50%	50%	
		Percentage of men and women on	Number of women	3	3	3	Number of Management Board members at 31 December, including the Chief Executive Officer
		the Management Committee	% of women	38%	37.5%	38%	
			Number of men	5	5	5	
	٩		% of men	62%	62.5%	63%	
	y-Em	Percentage of men and women	Number of women	27	29	29	Number of employees at 31 December
	rsit	managers, excluding the	% of women	57%	58%	56%	
	ive	Management Committee	Number of men	20	21	23	
			% of men	43%	42%	44%	
		Percentage of men and women among other employees	Number of women	13	14	15	Number of employees at 31 December
			% of women	87%	82%	83%	
>			Number of men	2	3	3	
irsit			% of men	13%	18%	17%	
Dive		Percentage of men and women	Number of women	43	46	47	Total number of employees at 31 December, excluding the Chief Executive Officer
		among all employees	% of women	62%	62%	61%	
		The ratio of the total compensation of men to women on the Management Committee (excluding the Chief Executive Officer and the Managing Director)	Number of men	26	28	30	
			% of men	38%	38%	39%	
	yay		%	-4%	12%	10%	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)
	Diversity-F	The ratio of the total compensation of men to women managers (excluding Management Committee members)	%	16%	18%	17%	
		The ratio of the total compensation of men to women in other categories	%	-8%	-10%	14%	
		The ratio of the total compensation of men to women in the entire workforce	%	23%	32%	32%	
		Total number of training hours	Number	1,323	1,493	2,712	
-	ing	Number of employees trained	Number	51	57	72	Including the Chief Executive Officer
aining	-Train	Average number of hours per trainee	Number	26	26	38	
Tra	Emp-	% of employees trained	%	71%	83%	93%	Number of employees trained/average number of employees
		% of payroll allocated to training	%	2.3%	2.2%	3.4%	

Tentia	EPRA		11-34	0001	0000	0000	0
торіс	code	Indicator	Unit	2021	2022	2023	Comments
Assessment	Emp-Dev	% of employees who received performance reviews during the year	%	94%	96%	97%	Number of reviews/number of eligible employees
		New employee hires under permanent contracts	Number	6	6	4	
int		New employee hires under fixed- term contracts	Number	0	4	10	
tale		Total new hires	Number	6	10	14	
- DC		Terminations by mutual agreement	Number	3	1	3	
inii	OVe	Expiry of fixed-term contracts	Number	0	0	6	
ete		Resignation	Number	3	3	1	
p	P-P-	Dismissal	Number	2	0	0	
gar	d L	Total departures	Number	9	5	13	Including 2 retirements
Attracting	Ш	Turnover	%	10.4%	8.0%	7.1%	(Number of departures of employees under permanent contracts, except for death + number of new hires under permanent contracts)/2/number of employees at 1 January
		Number of fatal accidents	Number	0	0	0	
		Number of cases of occupational illness	Number	0	0	0	
	H&S-Emp	Number of occupational accidents	Number	2	1	5	5 commuting accidents without lost time
safety		Accident frequency rate	Rate	0	8.36	0	(Number of accidents with initial benefit payment reported per one million hours worked)
alth and		Accident severity rate	Rate	0	0.01	0	(Number of days lost due to temporary disability per 1,000 hours worked)
He		Short-term absenteeism rate	Rate	0.4%	0.6%	0.7%	One to three days
	H&S- Asset	Percentage of assets covered by health and safety risk management system	% of assets covered	93%	93%	100%	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 2021, 2022 or 2023
Community engagement	Comty-Eng	Community engagement initiatives	% of assets or description	-	-	-	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 6.2.
Governa	ance indi	cators					
Торіс	EPRA code		Indicator			Explar	nation
nce	Gov- Board	Composition of the Board of Directors	Description	See sec	tion 3.1 of g	the Boar overnan	rd of Directors' corporate ce report
verna	Gov- Select	Nomination and selection process for the Board of Directors	Description	See sec	tion 3.2 of g	the Boa overnan	rd of Directors' corporate ce report
Go	Gov- Col Conflicts of interest Description See section 3.9.3 of the Board of Directors' corporation governance report						

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#### 6.5. Cross-reference with the 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	Issue	Contribution to the Sustainable Development Goals
	Operational sufficiency	10 CUMIT 7 ATOMANELING 10 REPORTEL 15 LIT
Climate strategy	Embodied carbon emissions & circular economy	
	Building resilience	
	Architecture & design	11 SUSTAINABLE CITIES
Urban footprint	Nature & landscaping	
	Mobility	
	Convenience & amenities	9 MUSTIPL NEWLITION AND NERASTRUCTURE
User satisfaction	Certifications & labels	
	Tenant relations & satisfaction	
Employee	Employer appeal, skills development & diversity	3 GOOD HEALTH 5 GENORER 10 REDUCED 16 AND STREWS
and partner engagement	Health, safety & quality of worklife	
	Ethics in the value chain	

6.6. Data verification/Statutory Auditors

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

## Limited assurance report by one of the Statutory Auditors on the verification of selected environmental information

#### Year ended 31 December 2023

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,

In our capacity as Statutory Auditors of Société Foncière Lyonnaise ("the Company") and in response to your request, we conducted a Limitations inherent in the preparation of the Information review for the purpose of expressing limited assurance in relation The Information may be subject to inherent uncertainty because to the environmental information selected by the Company, of incomplete scientific and economic knowledge and due to the prepared in accordance with the Company's procedures (the quality of the external data used. Some information is sensitive "Guidelines") and presented in the non-financial information to the choice of metrics, assumptions or estimates used in its statement (the "Statement") for the year ended 31 December preparation and disclosed in the Statement. 2023 (the "Information").

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

#### Quantitative information

- 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 nonhazardous industrial waste);
- Total municipal water use in cu.m. and water use intensity in cu.m/sg.m. at constant scope of reporting - absolute values (common and tenant areas combined);
- Energy use by type of energy and energy use intensity absolute values (not climate adjusted):
- ◆ 2023 market-based Scope 1 and 2 greenhouse gas (GHG) emissions - absolute values (not climate adjusted);
- Planted and landscaped surface (horizontal or vertical) in sq.m. and % of the portfolio's total footprint.

#### Quantitative information

• Scope 1 and 2 carbon trajectory certified by the Science Based share our conclusion with the Company's management. Targets initiative (SBTi).

#### 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.

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#### Preparation of the Information

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 Company's head office.

#### Responsibility of the Company

The Company is responsible for:

- selecting or establishing suitable criteria and procedures for preparing the Guidelines;
- preparing the Information in accordance with the Guidelines;
- implementing the internal control procedures it deems necessary for the disclosure of Information free of material misstatement, whether due to fraud or error.

#### **Responsibility of the Statutory Auditor**

The conclusion presented in this report relates to the Information only and not to all the information presented in the Statement.

On the basis of our work, our responsibility is to:

- express a limited assurance conclusion that the Information has been prepared in accordance with the Guidelines and is free from material misstatement, whether due to fraud or error;
- form an independent conclusion based on the evidence we have obtained; and

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

#### 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 ISAE 3000 Revised "Assurance Engagements other than Audits and Reviews of Historical Financial Information" of the IAASB (International Auditing and Assurance Standards Board).

#### Independence and quality control

Our independence is defined by Article L. 822-11 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.

#### Nature and scope of our work

We planned and performed our work with a view to expressing a limited assurance conclusion in relation to the Information.

The nature, timing and extent of the procedures performed on this information are based on our professional judgement, including the assessment of the risks of material misstatement, whether due to fraud or error.

- we assessed the appropriateness of the Guidelines with respect to their relevance, completeness, reliability, neutrality and understandability;
- verified the implementation of a data collection, compilation, processing and control process to ensure that the Information was complete and prepared on a consistent basis;
- conducted interviews with the relevant departments at the Company's headquarters and with a selection of contributing entities to analyse the implementation and application of the Guidelines;
- implemented analytical procedures to verify the calculations made and the proper consolidation of the data collected and the consistency of any changes in those data;
- conducted substantive tests, using sampling methods on a set of representative entities<sup>(1)</sup> that we selected, to verify the proper application of definitions and procedures and reconcile the data with the supporting documents. The selected sample covered between 20% and 46% of the consolidated data related to the Information.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion. 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, 28 February 2024 French original signed by one of the Statutory Auditors

Deloitte & Associés

Sylvain Durafour Partner, Audit Catherine Saire Partner, Sustainable Services



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2023 Non

2023 Non-Financial Information Statement

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