

SELECTIRENTE

Retail property investment company

SUSTAINABLE DEVELOPMENT REPORT

2022



The English language version of this document is a free translation from the original, which was prepared in French. All possible care has been taken to ensure that the translation is an accurate presentation of the original. However, in all matters of interpretation, views or opinion expressed in the original language version of the document in French take precedence over the translation.

TABLE OF CONTENTS

	INTRODUCTION	4
1	CONTEXT OF THE SUSTAINABLE DEVELOPMENT APPROACH	5
1.1	Cross-functional strategy & CSR policy	5
1.2	Stakeholder inclusion	5
1.3	Risks & opportunities	6
1.4	Dashboard	7
2	PROMOTING THE ECONOMIC DEVELOPMENT OF CITY CENTERS	8
2.1	Local shops, SELECTIRENTE's DNA	8
2.2	Be useful and contribute to society	9
3	COMMITTING TO AN ENVIRONMENTALLY-FRIENDLY BUSINESS	10
3.1	Consumption and environmental impact	10
3.2	Sustainable waste and water management	11
3.3	Risk management & climate resilience	11
4	MAKE ESG ISSUES AN INTRINSIC FEATURE OF THE GOVERNANCE POLICY	12
4.1	Internal governance	12
4.2	External governance	13

Introduction

Aware of contemporary social and environmental issues, SELECTIRENTE wishes to contribute to a more sustainable real estate sector. Local shops are an integral part of the real estate company's DNA and its vision of local economic development. Thus, the E, S and G pillars are at the heart of its governance, the foundation of a strategy based on the resilience and value creation of shops located in the heart of city centers. SELECTIRENTE has set itself 12 concrete and quantifiable objectives in terms of ESG policy, which guide it through the acquisition of its assets, their management, their long-term valuation or the development of close collaboration with the stakeholders. Through the implementation of concrete actions, SELECTIRENTE works to promote the economic development of city centers, to commit to an environmentally-friendly business, and to firmly integrate ESG issues into its governance policy. Its 12 commitments have been formalised in an ESG Charter entitled "**Our sustainable development commitments**", published in January 2023. This ESG report reveals the first results of this strategy, which are intended to be monitored and published from year to year.

Jérôme Descamps, Chairman of SELECTIRENTE Gestion SAS

"E, S, G. Three pillars on which companies must now base their model. Three formidable challenges to overcome, in a rapidly changing world in which multi-faceted and often complementary requirements intersect.

Faced with the climate emergency and the need for a more humane and better organised world of work, we all have a role to play and a contribution to make to this gigantic undertaking. SELECTIRENTE understood this and wanted to deploy a strategy that is tailored to the challenges; by serving city and urban populations, it thus promotes city-center economic dynamism through the development of local shops operating in very diversified sectors.

*Moreover, at SELECTIRENTE, **the diversification of local shops is recognised as essential to virtuous local economic development.** This diversification policy, which is an integral part of the Company's DNA, reflects a concrete approach to support retailers. Enabling local populations to purchase essential goods and services, it is the "S" pillar of the Company's ESG strategy.*

From an environmental standpoint, SELECTIRENTE makes a point of investing almost exclusively in city-center assets located less than 500 meters from a public transport station or alternative soft mobility solutions. CO2 emissions reduction plans are also deployed on the assets of the Company, which is committed to monitoring and reducing the energy consumption of its real estate portfolio. With most of its portfolio located in city centers, it limits the greenhouse gas emissions linked to the travel of visitors to its shops.

More broadly, the Company is committed to involving all stakeholders in its approach and in the Company's management policy throughout the life cycle of its assets, from asset selection to their long-term valuation, as well as in their daily monitoring".

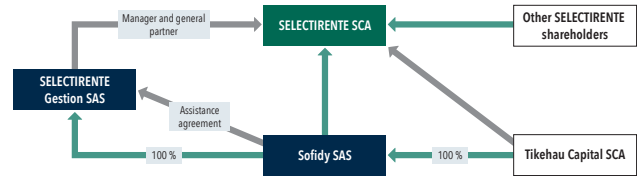
1 CONTEXT OF THE SUSTAINABLE DEVELOPMENT APPROACH

1.1 CROSS-FUNCTIONAL STRATEGY & CSR POLICY

ESG values driven by the business model

Created in 1997 at the initiative of Sofidy and real estate professionals, SELECTIRENTE was listed on the stock market in October 2006 and adopted the SIIC status on 1 January 2007. It was then transformed on 3 February 2021 from a *société anonyme* (public limited company) to a *société en commandite par actions* (partnership limited by shares), a major step in its continued development. SELECTIRENTE, which has no employees, is managed by a manager, SELECTIRENTE Gestion SAS, which itself has its own management department enabling it to continue the development of SELECTIRENTE both in France and internationally. SELECTIRENTE Gestion is therefore responsible for implementing a formal and ambitious ESG policy for SELECTIRENTE. It is responsible for defining the ESG policy and monitoring its implementation, addressing the ESG issues of the Company and its employees and ensuring compliance with the 12 commitments it has set for itself in this area.

SELECTIRENTE Gestion is wholly owned by Sofidy, itself a wholly-owned subsidiary of Tikehau Capital, a global investor with a long-term commitment to sustainable development, characterised by a systematic integration of environmental, social and governance criteria. Thus, SELECTIRENTE's governance model, and through this its ESG management policy, benefits from the collaboration and contribution of these three players. SELECTIRENTE Gestion operates a close partnership with Sofidy as part of its ESG policy, through an advisory and assistance contract enabling it to draw on its know-how and skills, in particular in terms of asset management, Property Management and the execution of investment, disposal and financing programmes.



This ESG policy is cross-functional and is deployed at all levels of the Company, starting with the internal policy. SELECTIRENTE has implemented an internal sustainable development policy aimed at reducing society's impact on the environment.

In addition, social values are reflected in its human resources policy, which aims to promote professional equality and the diversification of profiles within SELECTIRENTE Gestion's teams. The integration of ESG issues is also taken into account in the annual employee assessments, as well as in the remuneration policy put in place.

In order to implement its ESG approach, both with its internal and external stakeholders, SELECTIRENTE published its ESG Charter in January 2023 entitled "Our Sustainable Development Commitments". It defines its 12 quantified and dated commitments and targets in terms of sustainable development, its expectations of its stakeholders and the consideration of ESG issues in the conduct of its businesses.

1.2 STAKEHOLDER INCLUSION

SELECTIRENTE fully includes its internal and external stakeholders in its sustainable development approach, through close collaboration on ESG issues.

This collaboration is formalised by a Stakeholder Engagement Policy which defines the ESG expectations and actions of SELECTIRENTE towards its employees, shareholders, tenants, service providers, condominium management companies, partners, professional organisations, etc. For SELECTIRENTE, this policy is a communication tool on its sustainable development commitments with its stakeholders, one of the pillars of its collaboration strategy around ESG issues.

It can take the form of awareness-raising actions or training on the subject for its employees, or the distribution of "best practice guides" to its tenants.

In addition, SELECTIRENTE undertakes to systematically add an environmental annex when signing new leases.

SELECTIRENTE commits its service providers such as Property Management by strengthening its agreements/contracts with ESG clauses, and its suppliers through the development of a Suppliers Charter.

Lastly, aware that the type of its ground-floor assets limits its ability to act on certain aspects, SELECTIRENTE has agreed a rental, administrative and accounting management agreement with Sofidy, which integrates its ESG approach into its regular relations with condominium management companies. Thus, it has defined a voting policy at the General Meetings of co-condominiums, where it undertakes to respond favourably to any resolution whose main objective is to reduce the building's environmental footprint.

1.3 RISKS & OPPORTUNITIES

SELECTIRENTE is aware of the transition risks and the physical risks that climate change and the associated changes cause for its business. Thus, it proactively includes the identification and prioritisation of non-financial risks as an integral part of its risk management policy and its ESG policy. Using the TCFD framework⁽¹⁾, SELECTIRENTE conducts an annual ESG risk mapping, with a related prioritisation methodology, making it possible to define actions adapted to their consideration. Thus, this mapping defines the gross risks (before actions implemented) and net risks (taking into account the objectives and actions to be implemented in SELECTIRENTE's ESG dashboard).

Taking risks into account is at the heart of SELECTIRENTE's ESG policy at all levels. SELECTIRENTE analyzes the ESG score of each of its acquisitions in a cross-functional manner using two grids, one in the pre-investment phase (11 criteria) and one in the acquisition phase (46 criteria), taking into account a set of E, S and G criteria very extensively. 100% of assets are analysed at investment. Thus, this pre-acquisition study phase allows SELECTIRENTE to assess the assets through the prism of the ESG criteria and issues that it has identified. If they are then part of the portfolio, an analysis of their climate risks is carried out annually.



Place de Jaude - Clermont-Ferrand (63)

(1) The Task Force on Climate-related Financial Disclosure is a working group that produces recommendations for companies concerning the disclosure of information for their investors in relation to their climate risk management policy and governance.

1.4 DASHBOARD

Actions	Scope	The 12 commitments	2022 results
1 / PROMOTING THE ECONOMIC DEVELOPMENT OF CITY CENTERS			
Working for development of dynamic urban centers	Portfolio	- Maintain the share of local shops at over 80% of the total number of assets	95% of assets under management at the end of 2022 are local shops 442 assets in the portfolio, of which 420 local
Continue to invest in assets close to environmentally-friendly mobility solutions	Portfolio	- Maintain at more than 95% of the portfolio overall, the share of assets within 500 meters of: <ul style="list-style-type: none"> public transport and/or access to soft mobility and/or electric vehicle charging stations 	99% of assets are located less than 500 meters of public transport or soft mobility transport solutions
Participate in the diversification of local shops for activities that contribute to society	Portfolio	- Achieve 50% of leases across the entire portfolio specializing in activities that contribute or particularly contribute to society ⁽²⁾	56% of leases signed on the entire portfolio of SELECTIRENTE concern retail tenants specialising in activities that contribute or significantly contribute to society
2 / COMMITMENT TO AN ENVIRONMENTALLY-FRIENDLY BUSINESS			
Monitor and reduce greenhouse gas (GHG) emissions and energy consumption of the assets	Portfolio	- Carry out an annual carbon assessment and define an emissions reduction plan - Monitor energy consumption on 100% of assets and define a reduction plan	1 carbon footprint carried out in 2022 on 100% of assets, covering the three scopes of emissions
Work to improve the quality of waste sorting and sustainable water management	Portfolio	- 100% of tenants informed via eco-guides appended to leases by the end of 2023 - 100% of new tenants or lease renewals receive eco-guides	In a group of 69 assets, which represent 64% of the total surface area of the portfolio, 83% of the surface area of this group of assets was made aware via the eco-guides appended to the leases. In 2022, an eco-guide was appended to 100% of new leases and lease renewal deeds signed.
Analysing the climate risks of assets to improve their resilience	Portfolio	- Climate risk analysis on 100% of assets: <ul style="list-style-type: none"> at acquisition annually on the existing portfolio 	Climate risks were analysed for 100% of assets at acquisition and for 100% of the existing portfolio. Climate risks are reassessed annually for the entire portfolio.
3 / MAKING ESG ISSUES AN INTRINSIC FEATURE OF THE GOVERNANCE POLICY			
Integrate ESG issues into HR processes	Corporate	- 100% of employees trained in the ESG challenges - Systematic indexation of a part of the variable remuneration of 100% of employees based on ESG criteria	100% of SELECTIRENTE Gestion employees were trained in ESG issues in 2022 100% of employees saw a portion of their remuneration for 2022 indexed to ESG criteria
Maintain an ESG risk management policy	Corporate	- Complete and update the ESG risk mapping each year	ESG risk mapping was carried out in January 2023 and will be updated from the year 2024
Integrate ESG issues into investment and tenant choices	Portfolio	- Analyse 100% of assets in the pre-investment phase and existing according to an ESG grid including an exclusion policy in the choice of tenants	An exclusion policy has been implemented as part of the selection of 100% of tenants ESG analysis carried out on 100% of assets in the pre-investment phase (46 criteria)
Engaging stakeholders in our ESG approach	Portfolio	- Add an environmental annex to 100% of new leases signed	In 2022, an environmental annex was appended to 100% of new leases and lease renewal deeds signed.

(2) SELECTIRENTE defines an activity that contributes to society* as ensuring the distribution of essential goods and services to citizens and promoting local economic dynamism (health, culture, education, food, etc.). This definition comes from a specific pre-investment grid. Activities in the food sector, personal services, local services and temporary employment agencies are considered as contributing activities. Activities in the health, education, organic and/or local sectors, crèches, general interest associations, public and cultural services as well as reintegration, SSE and ESATs are considered particularly contributing.

2 PROMOTING THE ECONOMIC DEVELOPMENT OF CITY CENTERS

The social aspect of SELECTIRENTE's commitment is at the heart of its activity. By choosing to become one of the few real estate companies to own a large majority of retail ground floor buildings, SELECTIRENTE is positioning itself as a player in the revitalisation of urban centers. It finances the real economy for businesses that benefit local populations and create jobs locally. By participating in the development of economic activity through its targeted investment in ground floors, SELECTIRENTE makes a substantial contribution to the local economic fabric.

2.1 LOCAL SHOPS, SELECTIRENTE'S DNA

Work to develop dynamic urban centers that respect the environment

95% of assets
under management are **local
shops** in 2022

99% of assets are located
less than 500 meters from public transport
or **soft mobility solutions** in 2022



Rue du Gros Horloge - Rouen (76)

The social aspect of SELECTIRENTE's commitments is at the heart of its activity: it is the only listed French real estate company to own a large majority of shops on the ground floor of buildings. In fact, local shops - shops located in city centers and less than 500 meters from a public transport network - make up the DNA of SELECTIRENTE, a real estate company that serves urban and local populations. It is committed, by the nature of its assets, to actively contribute to the diversity of the local economic fabric. The acquisition of its assets is therefore part of a strong desire to work on the development of dynamic urban centers.

Thus, SELECTIRENTE wishes to **maintain the share of local shops at above 80% of the total number of assets. At the end of 2022, it had more than achieved its target, with 95% of assets under management being local shops.** This strategy actively finances the real economy through the creation of jobs locally, through the activity of tenants or indirectly through renovation work.

SELECTIRENTE sees the overall impact of its business, both positive and negative. Investing in ground floor local shops also allows SELECTIRENTE to actively participate in an urban transition promoting a more sustainable and environmentally-friendly city.

Indeed, it undertakes to **maintain at more than 95% the share of assets less than 500 meters away from:**

- One or more public transport lines or;
- Soft mobility solutions (bicycle rental station, electric scooters, etc.) or;
- Charging stations for electric vehicles.

Thus, it works to mitigate climate change and reduce pollution at the local level.

In 2022, 99% of SELECTIRENTE's assets were located near public transport or soft mobility solutions. Thus, its investment policy is fully involved in the advent of the quarter-hour city, an urban planning concept adopted in particular by the city of Paris, establishing an ideal urban development model representing a city where all services are available within a quarter of an hour on foot or by bicycle.

2.2 BE USEFUL AND CONTRIBUTE TO SOCIETY

Participate in the diversification of local shops for contributing activities⁽³⁾ to society

Proportion of activities contributing
(% of the number of tenants with a contributing activity)



56% of the tenants' activities are considered **contributing or particularly contributing** to society at the end of 2022

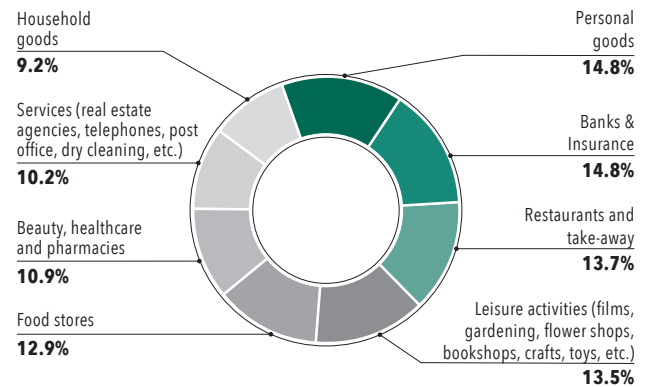
The Chairman of SELECTIRENTE Gestion, Jérôme Descamps, considers that *"the diversity of local shops is recognised as essential for virtuous local development"*. To meet this objective of achieving 50% of leases specialising in contributing or particularly contributing activities, SELECTIRENTE implements a concrete approach to support the development of local shops and makes it possible to supplement the offer by incorporating specific ESG criteria in its due diligence policy regarding the tenant selection process.

Indeed, **the degree of contribution to society of the lessee's activity is taken into account**: SELECTIRENTE undertakes to favour, in the selection process, tenants whose activity is considered to be contributing or particularly contributing to society. Thus, at the end of 2022, SELECTIRENTE had, for example, 6% of tenants in the health and personal care sector, 13% of food stores contributing or particularly contributing, as well as 15% of retailers offering local services and 18% restaurants, brasseries and cafes.

SELECTIRENTE also pays particular attention to retailers committed to a sustainable development approach to their consumers, such as second-hand retailers, creative craftspeople and shops selling organic products.

The monitoring of this indicator and the success of this ESG assessment policy for tenants are made possible by a **continuous monitoring of the sectoral breakdown of the real estate portfolio, as well as the share of contributing and high-contributing activities** in order to ensure that SELECTIRENTE achieves its objectives in terms of diversification of local shops.

Sector distribution of direct real estate portfolio
(% of theoretical annual rental income)



(3) SELECTIRENTE defines an activity that contributes to society* as ensuring the distribution of essential goods and services to citizens and promoting local economic dynamism (health, culture, education, food, etc.). This definition comes from a specific pre-investment grid. Activities in the food sector, personal services, local services and temporary employment agencies are considered as contributing activities. Activities in the health, education, organic and/or local sectors, crèches, general interest associations, public and cultural services as well as reintegration, SSE and ESATs are considered particularly contributing.

3 COMMITTING TO AN ENVIRONMENTALLY-FRIENDLY BUSINESS

SELECTIRENTE sets out in its sustainable development commitments the implementation of a specific environmental approach for ground-floor assets, which is accompanied by precise and quantifiable objectives relating to three strategic areas.

3.1 CONSUMPTION AND ENVIRONMENTAL IMPACT

Monitor and reduce greenhouse gas (GHG) emissions and energy consumption of its assets

A carbon footprint covering the 3 scopes of emissions

16.47 kgCO₂eq/m²

Aware of ecological issues, SELECTIRENTE regularly monitors energy consumption, greenhouse gas (GHG) emissions and the impact of climate change on its entire real estate portfolio in order to implement reduction plans and adapted decarbonisation.

Carry out an annual carbon assessment and define an emissions reduction plan

SELECTIRENTE wishes to commit to the low-carbon transition of its real estate portfolio in operation.

Thus, in 2022, SELECTIRENTE carried out a carbon assessment of its assets, taking into account the following three emission scopes:

- **Scope 1:** direct energy emissions produced in the premises of SELECTIRENTE Gestion, the Manager of SELECTIRENTE (example: gas consumed in the premises);
- **Scope 2:** indirect imported emissions related to the energy consumed in the premises of SELECTIRENTE Gestion (e.g. electricity produced by non-renewable energy sources);
- **Scope 3:** emissions related to the energy consumption of its tenants.

301 kWhEF/m²

Energy intensity of the SELECTIRENTE portfolio in 2022

This first carbon assessment made it possible to determine a level of greenhouse gas emissions of 16.47 kgCO₂eq/m² (including 11% actual data and 89% estimated data), which is directly correlated with the electricity consumption of the real estate portfolio.

SELECTIRENTE's objective is clear: on the basis of this carbon assessment, the Company wants to generalise, to all its assets, the monitoring of greenhouse gas emissions (in particular by increasing the share of actual data) and reduce these emissions by adopting a reduction plan that will be rolled out on an asset-by-asset basis, depending on its type.

Monitor energy consumption across all assets and define a reduction plan

SELECTIRENTE is working on the technical analysis of its assets and the collection of energy data in order to identify the action plans and renovation work required to gradually improve the energy and environmental performance of its buildings.

To do this, several action levers were put in place in 2022 to improve the monitoring of energy consumption:

- Collection of data directly from tenants: a "green leases" clause is included in all new leases in order to improve transparency on the energy consumption of buildings (fluids, energy, water, waste);
- Establishment of a key partnership with three specialised players: Deepki, CBRE and Wild Trees. The aim is for each of these players to contribute their expertise to support SELECTIRENTE in achieving its ESG objectives and strategy.



deepki

CBRE

WILD TREES

At 31 December 2022, SELECTIRENTE was able to collect or estimate data on all of its assets (including 11% actual data and 89% estimated data) and thus determine an energy intensity of around 300.7 kWhEF/m². Thanks to the partnership set up, SELECTIRENTE will be able to use energy audits carried out on a number of typical buildings to define action plans to reduce consumption. These action plans will be established using a tool developed internally and deployed on an asset-by-asset basis.

Finally, SELECTIRENTE also wants to improve the environmental footprint of the energy used by promoting the purchase or production of renewable energy in the medium term.

3.2 SUSTAINABLE WASTE AND WATER MANAGEMENT

Work to improve the quality of waste sorting and sustainable water management

In 2022, an
eco-guide was
appended to **100%** of new leases
and lease renewal deeds signed

In order to work to improve the quality of waste sorting and a sustainable use of water (consumption and supply) throughout its real estate portfolio, SELECTIRENTE believes that it is imperative to commit and actively engage its tenants in this process. Indeed, concerted action with them is a condition *sine qua non* in an efficient management of waste and water and thus allows the objectives that SELECTIRENTE has set for itself to be achieved.

In this context, SELECTIRENTE undertook an active awareness-raising process among its tenants in 2022. For this, a user guide presenting "eco-advice" was given to the tenants of the largest assets in its portfolio (in terms of value and surface area), representing 64% of the portfolio's total surface area.

This awareness-raising action also contributes to better use of water resources in assets, while improving the quality of waste sorting and ultimately a more sustainable use of resources.

3.3 RISK MANAGEMENT & CLIMATE RESILIENCE

Analysing the climate risks of assets to improve their resilience

Climate risks analysed for
100% of assets
at acquisition, and reassessed
annually

In accordance with the latest forecasts highlighted by the latest IPCC report⁽⁴⁾, climate change could lead to an increase in the number of extreme weather events, which could affect SELECTIRENTE's results, since its assets are mainly located in city centers and urban areas.

In order to have a precise knowledge of all potential climate risks, including regulatory, physical, transition and liability risks, SELECTIRENTE carried out an analysis in 2022 of climate risks for all its assets, both upon acquisition, and annually, on the existing portfolio, as well as a mapping of non-financial risks. This approach aims to improve the resilience of SELECTIRENTE's real estate portfolio through concrete actions.

To do this, the Company uses the Bat'adapt tool, which provides information on the vulnerability of each asset to various climate hazards and enables it to carry out adaptation plans for each asset, in order to improve the resilience of the real estate portfolio through concrete actions.

(4) Intergovernmental Panel on Climate Change.



4 MAKE ESG ISSUES AN INTRINSIC FEATURE OF THE GOVERNANCE POLICY

As a listed company that has adopted the MIDDLENEXT code, SELECTIRENTE implements robust governance principles and ensures that they evolve in order to follow best practices in this area. Thus, beyond the social and environmental aspects identified, the subject of governance is a key issue for SELECTIRENTE.

The ESG/CSR aspects have been fully integrated by SELECTIRENTE and are broken down into various commitments, while ensuring the constant involvement of all its internal and external stakeholders.

In January 2023, SELECTIRENTE published its ESG Charter entitled "Our Sustainable Development Commitments". It defines its 12 quantified and dated commitments and targets in terms of sustainable development, its expectations of its stakeholders and the consideration of ESG issues in the conduct of its businesses.

SELECTIRENTE, which has no employees, is managed by a manager, while SELECTIRENTE Gestion SAS, manager and General Partner responsible for the implementation of a formal and ambitious ESG/ CSR policy for SELECTIRENTE. In

particular, it is responsible for defining the ESG policy and monitoring its implementation, addressing the ESG issues of the Company and its employees and ensuring compliance with commitments in this area.

SELECTIRENTE Gestion has created a working group to define an ESG/CSR strategy for SELECTIRENTE, the objective being to develop a CSR Committee specific to SELECTIRENTE in the medium term.

Finally, transparency is at the heart of its approach; its financial communication was rewarded with the EPRA BPR Gold Award in September 2022.



4.1 INTERNAL GOVERNANCE

Integrate ESG issues into HR processes

Human resources management has always been a major issue for SELECTIRENTE in order to ensure consistency between its overall strategy, its organisation, its corporate culture and the people who contribute to its success.

100% of employees of
SELECTIRENTE Gestion were trained in 2022
on ESG issues

On the strength of this conviction, SELECTIRENTE has been committed for several years to ensuring that employees are an integral part of its ESG strategy. During the year 2022, SELECTIRENTE nevertheless decided to take an additional step by effectively committing to the implementation of the following two actions:

100% of
employees of
SELECTIRENTE Gestion
saw their variable remuneration in 2022
indexed to ESG criteria

- **Training programmes specific to ESG issues** are set up and SELECTIRENTE undertakes that 100% of SELECTIRENTE Gestion employees follow these training actions on an annual basis.
- **The remuneration policy has also been subject to a recent change** in order to take into account these non-financial considerations, when they are collective issues. Thus, SELECTIRENTE undertakes to index the annual variable remuneration of 100% of SELECTIRENTE Gestion employees on ESG criteria. This contributes to a dual objective: i) accelerating the implementation of the ESG strategy since employees are encouraged to implement it at their respective level and ii) raising employee awareness of these issues, which are of personal interest to the achievement of ESG objectives.

Regular monitoring is carried out at the level of SELECTIRENTE Gestion⁽⁵⁾, through Human Resources indicators which were established on the basis of EPRA standards⁽⁶⁾.

(5) Manager and General Partner of SELECTIRENTE

(6) Association Européenne des Sociétés Immobilières Cotées (European Association of Listed Real Estate Companies)

Maintain an ESG risk management policy

Mapping of ESG risks

carried out in January 2023,
then updated annually from 2024

In order to take into account the ESG risks weighing on its assets, **SELECTIRENTE undertakes to carry out a non-financial risk mapping** to specifically identify the following three risk factors: environmental, social and governance. This mapping goes beyond the climate risk mapping carried out at the level of each asset, as presented above in the Environmental Focus (see page 73).

SELECTIRENTE also undertakes to update this mapping and summarise it each year in its Universal Registration Document. This approach enables SELECTIRENTE to identify and document the main ESG risks generated by its businesses and then to assess, address and monitor their evolution on an ongoing basis.

4.2 EXTERNAL GOVERNANCE

Integrate ESG issues into investment choices

ESG analysis carried out on
100%
of assets in the pre-investment phase
in 2022

Exclusion policy

implemented in 2022 as part of the
selection of tenants

In addition, this ESG analysis includes an exclusion policy for leasing if the tenant's activity does not comply with said ESG criteria. SELECTIRENTE wishes to be actively involved in the selection of its potential tenants and to avoid - as far as possible - the risks of controversies related to their activities. The exclusion criteria concern:

- Controversial arms trade;
- Prostitution, pornography;
- Marijuana and other illicit substances;
- Thermal coal

In addition, in a desire to implement concrete ESG action plans for all of its assets, **SELECTIRENTE has established a common voting policy at General Meetings of the co-ownership building**. This policy aims to favourably approve any resolution that would improve the ESG criteria of assets (e.g. reducing the building's environmental footprint; strengthening the well-being and safety of tenants, soft mobility; developing joint work between tenants, the trustee and the owners).

Assets involved in extraction, storage, transportation or manufacturing of fossil fuels are excluded.



Rue Rambuteau - Paris (1st)

As part of the acquisition of new assets, SELECTIRENTE undertakes to analyse them from an ESG prism, using two specific criteria grids to cover the pre-investment phase (11 criteria) but also the acquisition phase (46 criteria) of assets.

The objective pursued by SELECTIRENTE is to implement a cross-functional approach in order to define all the Environmental, Social and Governance criteria, in order to then establish an ESG score that will have a direct impact on the investment decision. **This commitment was implemented during the year 2022, leading to an analysis of 100% of the assets to be acquired - but also of 100% of the existing assets**, with a view to continuous improvement (concrete action plan in terms of energy consumption and GHG emissions)

Engaging stakeholders in the ESG approach

An environmental appendix

added to 100% of new leases
and renewal deeds signed

In line with its environmental commitments (as described above - cf. Environmental Development Approach), SELECTIRENTE is convinced that the involvement of all its stakeholders is one of the keys to success in the implementation of an efficient and ambitious ESG approach.

To this end and in application of the principles of good governance that govern it, SELECTIRENTE has decided to engage in awareness-raising actions among the tenants of its assets. While the approach undertaken with the issuance of eco-guides has already been mentioned above (see page 73 above), it should be noted that SELECTIRENTE also ensures that environmental appendix are systematically included when signing new leases. **SELECTIRENTE thus undertakes, from the year 2022, that 100% of new leases signed include an environmental appendix.**

This system is essential in terms of the environmental challenges facing the Company, since it makes it possible to formally commit the lessor and the lessee to improving the building's environmental performance.

In addition, SELECTIRENTE has undertaken substantive work to include all its stakeholders in its ESG approach, in addition to the tenants of its assets. In the course of 2022, this has resulted in several actions - which are not as such the subject of specific commitments, but which should nevertheless be highlighted in order to fully appreciate the strategy undertaken by SELECTIRENTE in this area.

- Constant communication with its stakeholders, which has been formalised **through a genuine Stakeholder Engagement Policy**. This is based on the principle of collaboration so that stakeholders are fully aware of SELECTIRENTE's commitments and that the general and specific objectives can be achieved collectively for the assets under management.
- A particular focus is on suppliers with **the implementation of a Responsible Suppliers Charter**. The objective of this charter is to expressly identify SELECTIRENTE's expectations of suppliers but also to implement a progressive approach with regard to them and in particular with regard to SMEs.

The methodology applied to the annual calculations of SELECTIRENTE's twelve commitments is available on request from its manager, SELECTIRENTE Gestion.



Place Joffre - Paris (7th)



SELECTIRENTE

Manager and General Partner: **SELECTIRENTE
GESTION**

SELECTIRENTE Gestion is a subsidiary of SOFIDY.

SELECTIRENTE Gestion SAS

Simplified joint-stock company with a share capital of €100 000

Registered office: 303, Square des Champs Élysées - Évry Courcouronnes - 91026 Évry Cedex

Website: www.selectirente.com - Email : selectirente@selectirente.com

Tel: +33 (0)1 69 87 02 00 - Fax: +33 (0)1 69 87 02 01

Sofidy
SAVE - INVEST

by **TIKEHAU
CAPITAL**