



Euromed Center, Marseille

# VERIFICATION BY AN INDEPENDENT THIRD PARTY – GREEN BOND

Independent report of one of the statutory auditors on compliance with environmental and social criteria for selection and monitoring of assets eligible for Green Bonds and the allocation of funds raised under these obligations.

*This is a free translation into English of the original report issued in the French language and it is provided solely for the convenience of English speaking users. This report should be read in conjunction with, and construed in accordance with, French law and professional standards applicable in France.*

## Year ended December 31<sup>st</sup>, 2016

To Mr. Christophe Kullmann, Chief Executive Officer,

In our capacity as statutory auditor of the company, we hereby present our report on environmental and social criteria for selection and monitoring processes, defined in the “Use of Proceeds”<sup>(1)</sup> requirements of Green Bonds “Selection and Monitoring Criteria” for the assets selected for Green Bonds in effect on December 31<sup>st</sup> 2016 and on the allocation of funds raised under the obligation issued in 2016.

### RESPONSIBILITY OF THE COMPANY

It is the responsibility of the Company’s Chef Executive Officer to establish the Selection and Monitoring Criteria and ensure their implementation.

### INDEPENDENCE AND QUALITY CONTROL

Our independence is defined by regulatory requirements and the Code of Ethics of our profession and the conditions laid down by Article L. 822-11 of the French Commercial Code. In addition, we have implemented a quality control system, including documented policies and procedures to ensure compliance with ethical standards and applicable laws and regulations.

### RESPONSIBILITY OF THE STATUTORY AUDITOR

It is our role, based on our work:

- ◆ to express a reasonable assurance as to whether the assets selected for Green Bonds in effect on December 31<sup>st</sup> 2016 comply, in all material aspects, with the Selection and Monitoring Criteria (reasonable assurance report).
- ◆ to attest to the allocation of funds raised during the year 2016 under Green Bonds to the selected assets and attest to the concordance of funds allocated to these assets with the amount in the accounts.

We conducted the work described below in accordance with the international standard ISAE 3000 (International Standard on Assurance Engagements) and the professional doctrine of the National board of auditors concerning this intervention. We called, to assist us in performing our work, on our experts in sustainable development, under the responsibility of Mr. Eric Duvaud, Partner.



(1) “Roadshow Green Bonds 2016” release, May 2016, available in English on the “Selected Criteria” and reporting criteria (“Reporting”) for green bonds available at <http://www.en.fonciere-des-regions.fr/content/location/377>





## 1. REASONABLE ASSURANCE REPORT ON ENVIRONMENTAL AND SOCIAL CRITERIA FOR SELECTION AND MONITORING

### Nature and scope of work

In order to be able to express our conclusion, we undertook the following work, between October 2016 and March 2017:

- ◆ We assessed the suitability of the Selection and Monitoring Criteria regarding their relevance, completeness, clarity, neutrality and reliability, taking into consideration the “Green Bonds Principles”<sup>(1)</sup>;
- ◆ We undertook interviews at the main office of the Company in order to understand selection and monitoring procedures and to verify the compliance with Selection and Monitoring Criteria, based on the documentary evidence available at the company main office, relating to the assets selected for the 2016 financial year:
  - ◆ Nine assets that have been delivered (Le Divo, Le Floria, Le Pégase, SICRA, Campus Eiffage, New Vélizy Thalès, Green Corner, Steel and Respiro)
  - ◆ Four assets under construction (Lyon Silex 1, Levallois Thaïs, Issy-les-Moulineaux Edo and Toulouse Riverside).

### Information or explanations

- ◆ The Selection and Monitoring Criteria only cover environmental and social aspects of eligible assets, and exclude their economic aspects. These criteria are the minimum requirements to be met by eligible assets in order to be considered as Green Bonds. They are related to construction and operating phases and the monitoring of assets. The company also publishes the justification or the confirmation of the compliance with each criterion for the selected assets in the pages 33 and 34 of the 2016 Sustainable Development Report of Foncière des Régions.
- ◆ For the operating phase, part of the criteria cannot be applied and verified before 18 months of operation. For assets still under construction (e.g. Lyon Silex 1) or recently delivered (e.g. Green Corner), the expected date of compliance with these criteria will be at least following an 18 months period after the delivery date specified in the detailed table by asset in the page 34 of the 2016 Sustainable Development Report of Foncière des Régions.

### Conclusion

In our opinion, the assets selected for Green Bonds in effect on December 31<sup>st</sup>, 2016 comply, in all material aspects, with the Selection and Monitoring Criteria.

(1) The Green Bonds Principles (updated version of June 2016, 16<sup>th</sup>) are available on the website of the ICMA (International Capital Market Association) <http://www.icmagroup.org>

## 2. ATTESTATION ON FUNDS ALLOCATION

It is also our responsibility to express our conclusion on the funds allocated to the assets that were selected and on the consistency between the amount of funds allocated to these assets in 2016 within the framework of the Green Bonds issuance with the accounting records and their underlying data.

However, it is not our responsibility to express a conclusion on the use of the funds allocated to the eligible assets following their allocation.

In our capacity as statutory auditor of Foncière des Régions, we conducted jointly with the co-statutory auditor, the audit of the consolidated financial statements of the company for the year ended December 31<sup>st</sup>, 2016. Our audit, conducted in accordance with professional standards applicable in France, aimed at expressing an opinion on the consolidated financial statements considered globally and not on specific elements of these statements used to establish this information. Therefore, we did not perform any audit tests or sampling to this purpose and we do not express any opinion on these isolated elements.

In addition, we have not implemented any procedures to identify, as the case may be, events that occurred after the issuance of our report on the consolidated accounts of Foncière des Régions on the 28<sup>th</sup> of 2017 February date.

Our intervention, which is neither an audit nor a limited review, was performed in accordance with and the professional doctrine of the National board of auditors concerning this intervention, in order to:

- ◆ understand the procedures that the company put in place so as to determine the information provided in the attached document;
- ◆ verify that the sum of the funds provided under these contracts equals the amount of the Green Bond issuance of M EUR 500 issued in May 2016;
- ◆ verify the consistency between the information provided in the attached document for the year ended December 31<sup>st</sup>, 2016 and the data from the consolidated financial statements of the company for the same year.

Based on our work, in the context of the Green Bonds issuance, we have nothing to report with regard to the allocation of the funds to the assets selected or to the consistency of the amount of funds allocated in 2016 to these eligible assets, within the framework of the Green Bonds issuance with the accounting records and their underlying data.

Paris-La Défense, March 15<sup>th</sup>, 2017



French original signed by:  
One of the Statutory Auditors  
ERNST & YOUNG et Associés

Éric Duvaud  
Sustainability Expert

Bruno Perrin  
Partner