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## Foncière des Régions

Year ended December 31<sup>st</sup>, 2017

**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**

ERNST & YOUNG Audit

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## Foncière des Régions

Year ended December 31<sup>st</sup>, 2017

### **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**

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> 2017 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 Chairman 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. 822-11-3 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> 2017 comply, in all material aspects, with the Selection and Monitoring Criteria (reasonable assurance report).
- to attest the allocation of funds raised during the year 2016 under Green Bonds to the selected assets and attest the concordance of funds allocated to these assets with the amount in the accounts, knowing that no new "Green Bond" was issued in 2017.

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<sup>1</sup> "Criteria" and "Indicators" press releases published on February 19th 2014, about Selection criteria ("Additional criteria") and Monitoring Criteria (Indicators) for Green Bonds, available at [www.unbail-rodamco.fr](http://www.unbail-rodamco.fr)

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 French Compagnie Nationale des Commissaires aux Comptes in relation to 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. 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 2017 and March 2018:

- 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>2</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 year 2017 and monitored in the framework of bonds issued during the previous financial years :
  - Seven assets that have been delivered (Le Divo, Le Pégase, Campus Eiffage, New Vélizy Thalès, Green Corner, Steel and Respiro)
  - Six assets under construction or being renovated (Le Floria, Nancy Origin, Lyon Silex 1, Levallois Thais, Issy-les-Moulineaux Edo and Toulouse Riverside).
- At the level of the representative selection assets that we selected<sup>3</sup>, based on their activity, their contribution to the consolidated indicators, their location and a risk analysis, we undertook interviews to verify the correct application of the procedures and undertook detailed tests on the basis of samples, consisting in verifying the calculations made and linking them with supporting documentation. The sample selected therefore represented on average between 63% and 65% of the quantitative environmental information reported.

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<sup>2</sup> The Green Bonds Principles (updated version of June 2017) are available on the website of the ICMA (International Capital Market Association) <http://www.icmagroup.org>

<sup>3</sup> Le Divo (Metz), Respiro (Nanterre) and New Vélizy Thalès

## Information or explanations on the Selection and Monitoring Criteria

- 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 chapter “ French Offices “ of the Sustainable Development Report of Foncière des Régions.
- For the operating phase, part of the criteria cannot be applied and verified before one or several years of operation (e.g. certification BREAM-In-Use). For assets still under construction or recently delivered (e.g. Toulouse Riverside, Levallois Thaïs), the expected date of compliance with these criteria is specified in the detailed table by asset in the chapter “ French Offices “ of the 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>, 2017 comply, in all material aspects, with the Selection and Monitoring Criteria.

### 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 within the framework of the Green Bonds issuance and the accounting records and their underlying data, knowing that no new “Green Bond” was issued in 2017.

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>, 2017. Our audit 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.

Moreover, we did not perform any work to identify, if relevant, the events that took place after the issuance of our report on the consolidated accounts of Foncière des Régions, February the 28<sup>th</sup> 2018. Our intervention, which is neither an audit nor a limited review, was performed in accordance with the professional doctrine of the French Compagnie Nationale des Commissaires aux Comptes in relation to this intervention, in order to:

- understand the procedures that the company put in place so as to determine the information provided in the chapter “ French Offices “ of the Sustainable Development Report of Foncière des Régions;
- verify that the amounts allocated to the selected assets still match the Green Bond Issuance of May 2016 of M€ 500. Chevilly-Larue asset, selected since 2016 as part of the “Green Bonds” process was sold during the 2017 fiscal year. The funds initially allocated to this assets were reallocated to another eligible asset (Nancy Origin) ;
- verify the consistency between the information provided in the chapter “ French Offices “ of the Sustainable Development Report of Foncière des Régions for the year ended December 31<sup>st</sup>, 2017 and the data from the consolidated financial statements of the company for the same year.

Based on our work, 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 during the year 2016 to these eligible assets with the accounting records and underlying data.

Paris-La Défense, the 3<sup>rd</sup> of April 2018,

French original signed by:

One of the Statutory Auditors  
ERNST & YOUNG Audit

Jean-Roch Varon

Eric Duvaud  
Sustainability Expert