

## Communication on Progress of Foncière des Régions 2012



This is our **Communication on Progress** in implementing the principles of the **United Nations Global Compact**.

We welcome feedback on its contents.

## 2012 Communication on Progress

Paris, July 12, 2012

### **Foncière des Régions renewed commitment to the 10 Principles of the Global Compact**

By adhering to the United Nations Global Compact on October 19, 2011, we had confirmed our willingness to promote, within the company, with our customers and with our suppliers, the 10 principles relating to the protection of the environment, the fight against corruption, respect for Human Rights and the improvement of working conditions.

For several years, our Sustainable Development policy has occupied a central position in the company's strategy. It is structured around 4 main pillars: Green Building, Social, Societal and Governance.

Our adherence to the Global Compact has allowed us to enter a new phase and to provide ourselves with fresh perspectives by stimulating, within our sphere of influence, dialogue and initiatives to promote the Charter.

Our Communication on Progress (COP) demonstrates our concrete actions that are contributing to an approach of continuous development in all aspects of CSR.

As Chief Executive Officer and a member of the Board of Directors of Foncière des Régions, it is with a strengthened ambition that I renew, in this year of RIO+20, our commitment to respect the 10 principles of the Global Compact.

Christophe Kullmann  
Chief Executive Officer

Principles of the Global Compact	Main Actions 2011	Results
<b>HUMAN RIGHTS</b>		
<p><b>Foncière des Régions operates in France (with interests in Italy and Germany), a country that adopted the Universal Declaration of Human Rights in 1948.</b></p> <p><b>Due to the nature of its businesses, Foncière des Régions has not identified any risks of non-respect with Human Rights, but has decided to adopt a preventive approach with its suppliers.</b></p>		
<p><b>Businesses are encouraged to:</b></p> <p><b><u>Principle 1</u></b></p> <p><b>Support and respect the protection of internationally proclaimed Human Rights in their sphere of influence.</b></p>	<p><b>Respect for fundamental Human Rights</b></p> <p>Foncière des Régions undertakes to apply the laws, conventions and regulations in force in the countries in which it operates by adhering to the principles of the Universal Declaration of Human Rights, and the International Labour Organisation (ILO).</p>	
<p><b><u>Principle 2</u></b></p> <p><b>Make sure that they are not complicit in Human Rights abuses.</b></p>	<p><b>A policy in support of suppliers</b></p> <p>Foncière des Régions ensures that it shall not become complicit in Human Rights violations.</p> <p>A responsible purchasing policy has been initiated since 2010 and it was in 2011 that the tools were finalised.</p> <p>The suppliers are thus encouraged to engage with Foncière des Régions by signing its Responsible Purchasing Charter, to which are appended the 10 principles of the Global Compact and the fundamental conventions of the International Labour Organisation</p> <p>This approach reflects the willingness of Foncière des Régions to increase the influence of the Global Compact.</p>	<p><b>2011 results:</b></p> <p><b>5.2%</b> of suppliers, representing 80% of spending, were audited on CSR criteria (including Human Rights).</p> <p>(GRI: HR2)</p>

Principles of the Global Compact	Main Actions 2011	Results
<b>LABOUR LAW</b>		
<p><b>Foncière des Régions operates in France (with interests in Germany and Italy). Labour codes are guarantors of respect for workers and these States have ratified the International Conventions including n° 87 on freedom of association and the protection of the right to organise and n° 98 on the right to organise and collective bargaining.</b></p>		
<p><b><u>Principle 3</u></b> <b>Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.</b></p>	<p><b>Social dialogue</b> In 2011 the social dialogue was fast-paced and intense, involving all of the staff representatives. For example, a working group with various elected officials (staff delegates, trade union delegates, the Health, Safety and Working Conditions Committee (HSWCC)) was created by the Human Resources Department to identify and anticipate action plans concerning harassment and violence at work.</p>	<p><b>2011 results:</b> <b>Signing of an agreement on Professional Equality and Diversity.</b> <b>100% of our employees are covered by a collective agreement (GRI: LA4)</b></p>
<p><b><u>Principle 4</u></b> <b>The elimination of all forms of forced or compulsory labour.</b></p>	<p>With regard to these principles, Foncière des Régions considers that it has no direct or indirect risk, since its suppliers are subject to French law.</p>	<p><b>2011 results:</b> <b>The Responsible Purchasing Charter was signed by 70% of our key suppliers<sup>1</sup></b></p>
<p><b><u>Principle 5</u></b> <b>The effective abolition of child labour</b></p>	<p>These principles are also included in the company's responsible purchasing policy. The key suppliers agree to comply with the 8 fundamental conventions of the ILO.</p>	
<p><b><u>Principle 6</u></b> <b>The elimination of discrimination in respect of employment and occupation</b></p>	<p><b>Diversity and equal opportunities</b></p> <ul style="list-style-type: none"> <li>• A 'Professional Equality and Diversity' agreement was signed with the social partners on December 2011 and it covers 3 themes proposed by the law: recruitment, remuneration and reconciling work life and personal life. From these 3 themes, various ambitious and innovative commitments with concrete and measurable action plans stand out. An equality commission was formed to monitor this agreement and analyse the results of its implementation.</li> <li>• Acceptance of persons with disabilities into the world of business.</li> <li>• The Group has been a signatory to the Diversity Charter since 2010 and carries out an annual review.</li> <li>• Senior agreement to promote recruitment and support at the end of an employee's career.</li> </ul>	<p>Foncière des Régions favours the inclusion of young people; in 2011 17 apprenticeship contracts were signed.</p> <p>Training in anti-discrimination practices for all HR staff and staff representatives.</p> <p><b>0 incident of discrimination (GRI: HR4)</b></p>

<sup>1</sup> The key suppliers are those representing 80% of the total purchase amount.

Principles of the Global Compact	Main Actions 2011	Results
<b>ENVIRONMENT</b>		
<p>Considering its business lines (building development, holding and valuation of assets), Foncière des Régions has placed the control and reduction of its environmental impact at the heart of its business strategy. This strategy is part of an action plan for the pool of properties it manages and for its own facilities. The eco-performance criteria of buildings and sustainable building are present at each stage of the development of our operations.</p>		
<p>Foncière des Régions' environmental policy is structured around 2 main objectives:</p> <ul style="list-style-type: none"> <li>- Sustainable Building: hold 50% of green buildings by the end of 2015.</li> <li>- Eco-performance: reduce energy consumption by 25% by the end of 2015.</li> </ul>		
<p><b>Businesses should:</b></p> <p><b><u>Principle 7</u></b></p> <p><b>Support a precautionary approach to environmental challenges</b></p>	<p><b>Control the health and environmental risks of all our assets</b></p> <ul style="list-style-type: none"> <li>• Monitoring and management of all environmental risks (especially asbestos, soil contamination, facilities classified for the protection of the environment, floods, etc.)</li> <li>• Impact study prior to any project</li> <li>• Participation in research and development studies on air quality in offices</li> <li>• Interactive management of asbestos risk</li> </ul>	<p><b>2011 results:</b></p> <p><b>No fine</b> for non-compliance with the laws and regulations concerning the environment (GRI: EN28)</p>
<p><b><u>Principle 8</u></b></p> <p><b>Undertake initiatives to promote greater environmental responsibility</b></p>	<p><b>Measure and reduce the environmental footprint of the property pool (energy, CO<sub>2</sub>, waste, water)</b></p> <ul style="list-style-type: none"> <li>• Signing of environmental leases with our tenants and implementation of a regular SD Committee with the tenants.</li> <li>• Completion of energy mapping of our properties pool (2 new portfolios examined in 2011).</li> <li>• Voluntary construction work policy</li> <li>• Responsible Purchasing Policy</li> </ul> <p><b>Reduce the footprint of our operations</b></p> <ul style="list-style-type: none"> <li>• Creation of the first balance sheet for greenhouse gases in 2011 (relating to 2010 consumption).</li> <li>• Selective collection of paper and cardboard</li> <li>• Reduction of consumption in our organisation thanks to: <ul style="list-style-type: none"> <li>Repairs to the boiler room and air conditioning at the head office at 30 Avenue Kléber, Paris;</li> <li>Presence of automatic lighting, replacement of light bulbs with LEDs, etc.</li> <li>Employee awareness: each month, campaign on an eco-friendly practice, information meetings with an expert (Green Meetings), etc.</li> </ul> </li> </ul>	<p><b>2011 results:</b></p> <p><b>+200 "green" leases signed</b></p> <p><b>15 to 20% of the work budgets for the existing pool are devoted to more efficient equipment and materials.</b></p> <p><b>Assessment of greenhouse gas emissions :</b></p> <p><b>2.75 teqCO<sub>2</sub> on average per employee</b></p>

<p><b><u>Principle 9</u></b></p> <p><b>Encourage the development and diffusion of environmentally-friendly technologies.</b></p>	<p><b>Involvement in R&amp;D studies</b></p> <ul style="list-style-type: none"> <li>• Completion of energy mapping of the pool with the <i>Centre Technique et Scientifique du Bâtiment</i></li> <li>• Life-cycle assessment of buildings in development. Consideration of environmental impacts at all stages: from the production of materials to decommissioning.</li> <li>• Feasibility study for the deployment of a metrology tool which will enable energy and water consumption to be monitored and reported.</li> </ul>	<p><b>2011 results:</b></p> <p><b>100% of ‘green’ development</b></p> <p><b>20.2% of ‘green’ buildings</b> (certified/approved) on 12.31.2011.</p>
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Principles of the Global Compact	Main Actions 2011	Results
<b>FIGHT AGAINST CORRUPTION</b>		
<b>Foncière des Régions undertakes to fight against all forms of corruption.</b>		
<p><b><u>Principle 10</u></b></p> <p><b>Businesses should work against corruption in all its forms, including extortion and bribery.</b></p>	<p><b>Foncière des Régions’ Ethics Charter</b></p> <p>Implemented in 2011, the Charter is for all employees. The fundamental principles of this Charter include in particular:</p> <ul style="list-style-type: none"> <li>- compliance with laws and regulations</li> <li>- compliance with rules concerning insider dealing</li> <li>- prevention of conflicts of interest</li> <li>- fight against money laundering, the financing of terrorism and tax evasion</li> <li>- fight against corruption</li> </ul>	<p><b>No incidents of corruption (GRI: SO4)</b></p> <p><b>An ethics charter communicated to all employees online on the FDR website.</b></p>
	<p><b>Risk Management</b></p> <p>The risks of fraud, corruption, money laundering and the financing of terrorism are governed by adequate procedures distributed to all employees. They are the subject of regular audits by the Audit and Internal Control department.</p>	<p><b>Anti-money laundering procedure implemented</b></p>