

CITADINES
French “Société Anonyme” [Public Limited Company] with capital of 5,000,000 Euros
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(The "Company")

Non-Financial Performance Statement

Citadines SA- Fiscal Year 2022

The European Directive on Non-Financial Reporting¹ transposed into French law in 2017² requires, for certain companies subject to Section L233-16 of the French Commercial Code³ [*Code du Commerce*] exceeding thresholds established by applicable regulations, the production of a Non-Financial Performance Statement [*Declaration de Performance Extra Financiere* (DPEF)]. Unlisted public limited companies whose total balance sheet or turnover exceed 100 million euros and whose average number of permanent employees during the year is at least 500 are required to provide their non-financial performance statement, highlighting the way in which they take into account the social and environmental impact of their business.

The data published in this report concerns the business of Citadines SA (the Company) and relates to the 2022 financial year (1 January to 31 December).

All eligible companies exceeding the thresholds specified above must appoint a COFRAC-accredited independent third-party body [*Organisme Tiers Independant* (OTI)] to certify the accuracy of the statements presented in the DPEF. The Saint Front firm has been appointed to carry out this assignment for the current fiscal year.

The purpose of this non-financial performance statement is to provide clarity and transparency on the non-financial policies carried out by Citadines SA. The latter specialises in the business sector of tourist accommodation and other short-term and long-term accommodations. It consists of 25 residences (in Paris and the French provinces) and 3 franchises, as well as the support operations located at the head office.

The information published hereinafter has been provided by the various responsible departments or calculated from data provided by these contributors or external third parties. Any methodological details or specificities are indicated in the methodological notice⁴.

¹ Directive 2014/95/EU on Non-Financial Reporting.

² Order No. 2017-1180 dated 19 July 2017; Implementing Decree No. 2017-1265 dated 9 August 2017 codified in Sections L.225102-1 and R.225-104 *et seq.* of the French Commercial Code.

³ "I.-Commercial companies prepare and publish consolidated financial statements each year, at the behest of the board of directors, the management board, or the manager(s), as the case may be, as well as a report on the management of the group, when they control one or more other companies, either exclusively or jointly, according to the conditions defined below." ⁴ *Comite Français d'Accreditation* (COFRAC) [French Accreditation Committee].

⁴ Appendix 1.

Citadines SA is mindful of the environment and the social issues it may encounter. This report therefore aims to present the actions taken by the Company to respond to any risks that may arise. It should be noted that in 2020 the CapitaLand Group – of which Citadines SA, a subsidiary of Ascott, is a member – was ranked 56th out of 100 multinational companies most committed to sustainable development (ranked 63rd in 2020)⁵. In this respect, Citadines has already taken several steps to obtain various green certifications for the hotel services.

These various actions will be presented in the second part of this report, the first being devoted to the presentation of the Company's business model to provide clear understanding and an overall perspective. The risks confronted by Citadines SA and the measures put in place to address them will then be described.

After a recovery in business in 2021, the Company's performance in 2022 remained strong and on a par with the levels preceding the Covid-19 health crisis.

This report has been drawn up for the 2022 fiscal year, the previous report having been drawn up for the 2020 fiscal year. Between the two, a Non-Financial Performance Statement had not been prepared for the 2021 fiscal year as the legal thresholds had not been met.

I. THE BUSINESS MODEL

1. Presentation

CapitaLand Investment Limited (CapitaLand), headquartered in Singapore, is one of Asia's largest listed real estate groups and operates in 40 countries. Its business is divided between real estate and real estate asset management. The Group has a diversified real estate portfolio combining the development of integrated projects, shopping centres, tourist accommodation and hotels, senior residences, office and residential buildings, activity centres, data centres and warehouses.

It conducts its property investment activities through property investment funds listed on the Singapore Exchange (SGX), CapitaLand Ascott Real Estate Investment Trust ("CLAS"), formerly known as Ascott Residence Trust ("ART"), this being the fund specialising in tourist residences and hotels valued at S\$8 billion as at 31 December 2022.

These tourist accommodations are managed through its Singaporean subsidiary, i.e. The Ascott Limited ("Ascott"), of which Citadines SA is the subsidiary in France.

Since 1984, Ascott has been one of the pioneers in Asia Pacific of internationally renowned tourist residences. With more than 30 years of experience, Ascott enjoys worldwide recognition in its field of business.

Ascott's development is carried out through a variety of value-creating strategies, from the acquisition of tourist accommodation to management mandates and simple operation through commercial leases or franchising coupled with the upgrading of some of its properties (in particular with a 5-star offer). More recently, its growth has revolved around the development of co-living establishments under the Lyf banner.

⁵ [CapitaLand Investment recognised as one of the world's most sustainable corporations on the 2023 Global 100 index | CapitaLand](#) and www.corporateknights.com/global100

By acquiring Oakwood Worldwide (Oakwood) in 2022, Ascott has now more than 900 properties (as at 1 August 2023) in more than 224 cities and 43 countries in the Asia-Pacific region, Africa, Europe, India, the Middle East and the United States.

In Europe, Ascott is present through its main brands: Citadines and The Crest Collection; Ascott will open its first residences under the Lyf and Somerset banners in 2023. Its portfolio comprises 56 residences (including franchises and projects under development, i.e. 6,700 units) in 10 countries, including 29 residences in France.

In France, the historic birthplace of Citadines more than 30 years ago (1984), Citadines SA operates residences mainly under the Citadines brand for 29 3- and 4-star residences as well as four residences in The Crest Collection (three 5-star residences in Paris and one 4-star residence in Tours), located in the city centres. Citadines SA has been able to develop the Citadines brand worldwide thanks to its accommodation model, which combines the conviviality and independence of a fully-equipped flat alongside a wide range of services. In line with this strategy, the company intends to bolster its organisation in terms of partnership development, the digitalisation of its tools, marketing resources and sales strategy, as well as its operational experience and interior design consultancy.

Over the years, Citadines SA has added 3 European subsidiaries⁶ which are included in the financial consolidation scope of Citadines SA. However, these subsidiaries are not included in the scope of this report, which reflects the scope of the Citadines UES [*economic and social unit*] in France.

Citadines' values are as follows:

- A winning mindset: being passionate and striving for excellence, persevering and overcoming difficulties, being bold, courageous and resilient.
- Respect: showing humility and gratitude to one another, encouraging inclusion, collaboration and acceptance of diversity within a global group.
- Integrity: behaving ethically and in a way that can be trusted, acting in the best interests of the company, respecting our communities and the environment.
- Entrepreneurial spirit: demonstrating innovation and agility, daring to be different and defying stagnation by continuing to learn and evolve.

Therefore, Citadines SA has built its social and environmental approach by paying close attention to:

- Customer expectations: offering them value-added experiences through high-quality residences and services to make them feel "at home";
- Employee expectations to provide them the best working conditions and opportunities for development;
- Community expectations: caring about and contributing to the economic, environmental and social development of the communities is a key aspiration of the Company. Improving the quality of life in the communities in which Citadines operates and promoting sustainable growth for future generations is essential;
- The expectations of its shareholders and investors who are seeking sustainable returns.

⁶ CITADINES BETRIEBS (Germany); SODERETOUR UK Limited (United Kingdom); APARTHOTELS CITADINES S.A. (Spain).

CapitaLand and its subsidiaries The Ascott Limited and Citadines SA are particularly committed to sustainable development. To this end, CapitaLand has established a Master Plan with environmental, social and governance ("ESG") objectives to be achieved by 2030 ("2030 CapitaLand Master Plan").⁷

2. The Citadines SA Economic Model

Europe is a priority market for Ascott, where it has high ambitions.

In Europe, Ascott combines the operation of the residences and the ownership of the majority of their buildings (70%) through CLAS, which in France is a major advantage for incorporating its strategy into a long-term vision.

In France, Citadines SA operates the French residences owned indirectly by CLAS on the one hand, and the residences belonging to external third parties on the other.

In addition, Citadines SA plays a direct and indirect role (through its subsidiaries) as a management company for all operations in Europe and is also the owner of the Citadines brand, which has enabled it to initiate franchise development in France and the Netherlands.

Lastly, Citadines SA does not own the residences which it operates through commercial leases or management mandates.

2.1. Upgrading and diversification

France is home to more than half of Ascott's European portfolio and to The Crest Collection brand which was launched in Paris in April 2016. The Crest Collection now comprises three 5-star properties in Paris: La Clef Louvre Paris operated by Citadines SA, La Clef Tour Eiffel Paris and La Clef Champs-Élysées Paris which are operated by Ascott Group companies. This prestigious collection of residences and hotels, which demonstrate a key step in its upgrading strategy, has been created to meet the needs of discerning travellers seeking services with exceptional quality and understated luxury. The Château Belmont franchise has benefited from this brand.

In 2022, Citadines SA acquired the premises of the Citadines residence at 53 quai des Grands-Augustins in the 6th arrondissement of Paris. Once the renovation work starting at the end of 2024 has been completed, Citadines SA will transform the residence into a 5-star establishment operating under the banner of The Crest Collection.

Ascott is also developing co-living facilities, operating under the Lyf banner, combining accommodation, shared spaces and services. In France, the first Lyf facility to combine living, working and leisure facilities will be in the 20th arrondissement of Paris.

2.2. Franchise

As part of its growth strategy, Ascott is continuing to develop its franchise network and is strengthening its presence in the French market in particular: after Amsterdam, Tours and Nantes, a second Citadines residence has opened in Strasbourg, while new projects are taking shape in Toulouse and the Lyon region.

⁷https://www.capitaland.com/content/dam/capitaland-sites/international/about-capitaland/sustainability/CapitaLand_2030_Sustainability_Master_Plan.pdf

Ascott is thus transmitting its expertise and reputation to partner operators and generating additional income for Citadines SA.

3. Outlook

In Europe over the next five years, Ascott aims to further expand in the main European cities in which it is already established (Paris, London, Munich, etc.), while exploring new markets, particularly in Eastern Europe under the Citadines, The Crest Collection, Lyf, Somerset and The Ultimate Collection by Oakwood brands, in order to build up a network of more than 100 properties and offer a flexible, hybrid accommodation model for both short and long stays through tourist residences, hotels and co-living facilities.

Since 2022 Ascott has been pursuing an integrated asset-light growth strategy through management mandates and franchising with a view to becoming the world's leading hotel management group. More than 80% of Ascott residences are operated under long-term management and franchise agreements.

Against this background, two management mandates were signed in 2022 for 2 Lyf and 1 Somerset properties in Austria.

Citadines SA will also benefit indirectly from these developments by operating over the course of 2024 the future Lyf Gambetta property, following the acquisition of a property complex in Paris in 2022 by a French The Ascott Limited subsidiary.

Furthermore, in 2022 Citadines SA renovated the Citadines La Défense residence representing an investment of more than €4.5 million and, from 2023 onwards, will begin a programme to renovate La Clef Tour Eiffel and the Citadines les Halles, Bastille-Marais and Saint Germain des Prés residences, the latter of which will be converted into La Clef – The Crest Collection.

II. RISK ANALYSIS

Several non-financial risks are discussed and developed herein, as determined by the Executive Committee and based on the Citadines business unit. Two major areas are presented: social risks and environmental risks. As the workforce at Citadines is dense and diverse, various risks arise, particularly in terms of safety and in terms of equal treatment. The second risk that has been identified is the environmental risk, owing to the ecological impact intrinsic to its business.

Non-financial risks were indeed identified through the use of the Group's environmental risk mapping entitled "*Environmental Aspects and Impacts Register (Administration & Operations)*"⁸. Likewise, a cross-reference with the SASB risk matrix was carried out⁹ in the same way as for social risks. This mapping categorises risks according to their severity rate¹⁰ and their probability rate¹¹ and led to the identification of several environmental risks related to the Company's business.

To address these risks, the Company has implemented several measures and action plans which are detailed below.

⁸ Internal document updated yearly by Singapore.

⁹ <https://materiality.sasb.org/>

¹⁰ Major, moderate, or minor.

¹¹ Frequent, occasional, rare.

1. Social Information

1.1. Employment

The social data published in this report relates to Citadines SA for the 2022 financial year.

- **Total workforce as of 31 December 2022**

As at 31 December 2022, the Citadines UES¹² had a total workforce of 585 employees, compared with 565 the previous year, the same as in 2020.

This workforce is made up of 539 permanent contracts [*contrats a duree indeterminée* (CDIs)] (92.1%) and 46 fixed-term contracts [*contrats a duree determinee* (CDDs)] (7.9 %) of which 22 are work-study contracts.

- **Breakdown of employees by gender and department (head office/residences)**

2021	TOTAL	Men	%	Women	%
Residences (Paris and the provinces)	442	162	36.7	280	63.3
Head Office	120	34	28.3	86	71.7
TOTAL France	562	196	34.9	366	65.2
2022	TOTAL	Men	%	Women	%
Residences (Paris and the provinces)	451	170	37.7	281	62.3
Head Office	112	34	30.4	78	69.6
TOTAL France	563	204	36.2	359	63.7

In 2021, 3 work-study trainees (2 at head office and one working at a residence) completed the workforce.

In 2022, Citadines called on 22 work-study trainees:

- 12 work-study trainees working at residences, including 2 men and 10 women
- 10 work-study trainees at head office, including 6 men and 4 women

- **Age breakdown of the workforce in France**

	2021		2022	
	Workforce	%	Workforce	%
Under 25	25	4.3	43	7.4
25 to 35	125	24.1	129	22.1

¹² This includes Citadines SA as well as two other entities in the Ascott Group in Paris: Citadines Arc de Triomphe Operating SAS (*société par actions simplifiée* [simplified joint stock company]) which operates the La Clef Tour Eiffel Hotel, and CPS Bassano Operating SAS which operates La Clef Champs Elysees.

35 to 45	165	28.2	157	26.8
45 to 55	156	26.6	157	26.9
55 and over	94	16.1	99	16.9
Total	565		585	

The number of employees in the "under 25" age bracket increased significantly between 2021 and 2022, with 68 under-25s hired in 2022 compared with 25 in 2021.

The average age of the workforce employed as of 31 December 2022 was 42.5 years.

- **Hires and departures**

In 2022, the Company hired 272 people, of which 159 under a permanent contract, compared to 53 in 2019.

The Company had 233 departures over the year, including 19 terminations in 2022, compared to 12 in 2021 (none of the terminations was for economic reasons). Of these 233 departures, 149 were permanent contract positions. Other departures related to the end of fixed-term contracts.

For the Citadines UES, which includes Citadines SA but also two other entities in the Ascott Group (Citadines Arc de Triomphe Operating SAS which operates the La Clef Tour Eiffel hotel and CPS Bassano Operating SAS which operates the La Clef Champs Elysees hotel), the turnover in permanent contract positions (all grounds for departure considered) increased from 18.35% in 2021 to 26.17% in 2022 (12.11% in 2020).

- Change in turnover:

Turn over			
	2020	2021	2022
Résidences	13,14%	18,91%	28,53%
Siège	8,61%	15,41%	16,74%
TOTAL	12,11%	18,35%	26,17%

Total des sorties de la période (hors CDD) rapporté à l'effectif moyen

1.2. Social Risks

The Company was able to identify four social risks associated with its business for the 2022 financial year on the following topics:

- **Alignment between workforce structure and business development.**

This risk is monitored by Management and Human Resources and is reviewed regularly at the operational level, and at least once a year during budget reviews. The aim is to ensure a permanent balance between the volume of business and staffing levels, which is particularly crucial in a period of post-covid recovery and an increasingly tight labour market. A mismatch between staffing levels and business growth could affect the Group's productivity, demotivate teams, increase staff turnover, lead to burn-out and impact customer satisfaction.

- **Commitment and professional development.**

The Company identified this risk following the impact of the COVID-19 pandemic, which led, on the one hand, to a drastic drop in activity and consequently to the placement of a large number of employees in partial activity for all or part of their time, and on the other hand, to the implementation of full-time teleworking for all Head Office employees.

A lack of commitment from employees leads to a risk of demotivation and increases the number of people leaving the company. It also has an impact on the quality of service we provide to our customers.

The Company intends to proactively develop and maintain a culture of safety, social cohesion and employee well-being through initiatives at head office and in residences communicated via the "Workplace" internal communications platform. It also aims to offer internal development opportunities through the development of internal mobility and the provision of training courses to develop the skills and ensure the employability of our employees, particularly in the face of the challenges posed by the automation and digitalisation of our processes.

- Occupational health and safety conditions.

Some Company activities lead to higher risk for staff who work in an environment that is prone to accidents and hygiene-related issues (housekeeping, customer contact, premises maintenance, etc.), which is a risk that needs to be addressed by appropriate policies. In this context, a training and prevention programme is set out in paragraph 1.2.3 below.

- Equal Treatment.

Promoting equal treatment and combating discrimination are issues which the Company is attentive to, in order to ensure the well-being of its employees.

These risks were also cross-referenced with the SASB risk matrix¹³.

1.2.1 Alignment Between Workforce Structure and Business Development

Citadines has been in operation for a long time and has developed by offering a range of apartment hotels (the "aparthotel" concept) that was primarily aimed at a business clientele oriented towards long-term stays. Its workforce structure was built on this basis:

- a Reception team primarily focused on customer service;
- a limited Housekeeping team since cleaning is needed on a weekly basis (and on daily basis for three 5-star hotels exclusively);
- a Maintenance team;
- a management structure (director and deputy).

However, the business has evolved dramatically over the past few years with, in particular:

- An increase in the number of leisure customers and decrease in the average length of stay, resulting in more arrivals and departures and therefore more activity for the operations teams (especially Reception and Housekeeping);
- Increasing competition, whether in apartment hotels, hotels or networking platforms like Airbnb;
- Different expectations by customers who are looking for more customisation and now make their choices based on "e-reputation" (customer comments available on Trip Advisor, etc.);
- The development of new brands and the search for diversification leading to new operating models;

¹³ [SASB](#)

- Increasing difficulty in recruiting receptionists, maintenance technicians – a highly-coveted position in the hospitality industry but which is not attracting as much interest as in the past. The COVID crisis exacerbated the recruitment difficulties that had already existed for several years.

Faced with these challenges, the company is taking action on several fronts.

- At each annual budget review, the staffing structures of the residences are reviewed in light of changes in activity, and the necessary adjustments are decided.
- Staffing at the Head Office should also be adjusted when necessary, in order to provide the Residences with the support they need, particularly in terms of management tools and processes and regulatory monitoring.
- An ambitious Recruitment & Employer Brand plan was rolled out in 2019 to improve candidate sourcing, optimise recruitment procedures, build a stronger employer brand with a greater social media presence, and develop school relations or partnerships with Pôle Emploi to encourage career changes and welcome new employees from other business sectors.

The measurement indicators are as follows:

- Actual headcount (Residences and Headquarters) in line with the budget, and any variances justified by the level of activity. This is visible through the quarterly "Headcount reports".
- Change in turnover.

The HR France team has been expanded since 2019 to meet these challenges and lead action plans with residence managers.

Alongside these structural measures, 2022 was also highlighted by the company agreement on the payment of a value-sharing bonus in 2022. The law on emergency measures to protect purchasing power (Act no. 2022-1158 of 16 August 2022) introduced a legal framework enabling companies that so wish to pay a value-sharing bonus that is exempt from income tax and social security contributions under certain conditions. Against a backdrop of strong business recovery and a good level of performance in 2022, the management of the Citadines UES decided to offer employees the benefit of this exceptional scheme to reward the commitment and efforts made by all the company's employees and to provide immediate and tangible purchasing power support.

1.2.2 Commitment and professional development

Such an environment entails several risks in terms of commitment and professional development. The company responded by implementing the following actions:

- Use of the "Workplace" internal communication platform to maintain links with employees, develop information sharing between peers and recognise achievements (company news, employee events e.g. Ascott Moments Week, videos and testimonials from teams, customer testimonials, etc.);
- Regular information meetings via video-conference led by the General Management;
- Regular surveys to assess employee engagement;
- Monthly memos reiterating key information sent with the pay slips;
- Specific training for managers.
- Encouraging internal mobility by creating career paths within the same business line and developing internal skills.

In terms of resources, the company is investing in an e-learning platform called ACE (Ascott Center of Excellence) to provide skills development solutions that are accessible to all and to encourage the roll-

out of training programmes addressing business, cross-functional or managerial skills. We continue to give priority to face-to-face training, to help people embed their skills and share their experiences with their peers.

The measurement indicators on this subject consist of the effective implementation of the various communication and engagement actions described above.

The number of promotions relative to the number of employees is also monitored to ensure that internal career paths are smooth. In 2022, promotions (changes in status and transfers between facilities) represented 15% of the average workforce, an increase compared with 2021, which was a lower year due to the impact of the COVID crisis.

In addition, Citadines has set a target of an average of at least 30 hours training per employee per year.

1.2.3. Occupational Health and Safety Conditions

Data relating to absenteeism and occupational illnesses, combined with the issue of customer relations which constitute the daily life of nearly 80% of the company's workforce, have led the company to act on the issue of occupational health and safety conditions.

This risk is characterised by the following findings:

- Frequency rate of occupational accidents involving leave from work (including commute travel accidents): 26.4 in 2022 (15.5 in 2021) with a high number of declarations (48 compared with 31 in 2021);
- Frequency index: 40.4 in 2022 (23.6 in 2021)
- Severity rate: 0.60 in 2022 (0.48 in 2021)
- Absenteeism: 10.43% in 2022 (12,966 days not worked due to absences for any reason) versus 9.98 % in 2021 (11,981 days not worked due to absences for any reason).

Thus, many training courses directly related to general working conditions, and in particular to health and safety, are permanently listed in the Training Catalogue:

- Annual Fire Training (theory and evacuation exercise) (*)¹⁴.
- First Aid - SST (*Sauveteurs - Secouristes du Travail* [Workplace First Aid and Safety Officers]): initial training and refresher courses. Managing time, priorities, and stress.
- Movements & Postures: every two years for all Housekeeping and Maintenance staff (*).
- Reception, service and cleaning at breakfast (**)¹⁵.
- Multi-technical training for Maintenance personnel.
- Electrical certification (initial certification and retraining) (***)¹⁶.
- Reception staff: management of complaints and claims, management of customer rudeness.
- Reception and monitoring of the public accessibility register for the disabled.
- Management: Management curriculum (6 modules of 2 days each covering different aspects of team management: delegation, communication, conflict management, annual assessment, etc.) (*).
- Ascott Group EHS (Environment, Health & Security) Programme Training (*).

¹⁴ (*) *mandatory training.*

¹⁵ (**) *mandatory training for employees providing breakfast service.*

¹⁶ (***) *mandatory electrical certification for Maintenance and IT staff.*

- Ascott Cares training (Programme implemented in partnership with Bureau Veritas (Label Safeguard) (*)).

In addition, a specific training programme for Housekeeping staff was rolled out in 2018. In addition to movements & postures training, this course includes other modules (multicultural workshops, interpersonal skills, know-how and customer commitment - LIFE programme) in order to (re)train the entire Housekeeping team in all areas of their profession.

Safety resources are also made available and checked regularly (fire extinguishers, defibrillators, etc.). As of the end of 2019, the company also deployed a DATI (*Dispositif d'Alerte du Travailleur Isole* [Lone Worker Alert System]) system for all its Night Receptionists working alone.

Like the other entities of the CapitaLand Group, the Company is ISO 14001- and OHSAS 18001-certified. As such, the internal EHS programme brings together both an environmental management system and an occupational health and safety management system, and ensures proper monitoring of working conditions and the identification and prevention of occupational risks.

The HR France team and the Operations Support team are mobilised to steer action plans to improve employee working conditions and safety, with the support of residence managers and operational managers.

Lastly, the Company has a Quality of Life at Work & Professional Equality agreement in force since June 2017, as well as a Teleworking agreement covering Head Office and Sales staff, implemented at the end of 2019 for an initial test period then extended in September 2020, which was then supplemented with an addendum in November 2021. HR teams, in conjunction with managers, oversee actions undertaken to meet the commitments set out in the agreement.

The measurement indicators for these actions are as follows:

- Change in the rate of absenteeism and the number of workplace accidents;
- Implementation of the training actions listed above, as part of the annual skills development plan and based on the needs of the different employee positions;

As part of this, the CapitaLand 2030 Master Plan aims to achieve an employee ESG training rate of 85%.

1.2.4 Equal Treatment

The social risk regarding equal treatment is common to most companies. Citadines is committed to achieving this equality and enhancing its employees' sense of well-being by fostering a calm social dialogue.

- *Measures taken to support gender equality*

The Company is committed to gender equality and complies with legal obligations, in particular those enacting the principle of professional equality in career development, with regard to training, compensation and hierarchical position within the company.

A Quality of Life at Work & Professional Equality agreement was signed on 1 June 2017 and renewed in September 2020. This agreement includes the following provisions:

- In terms of recruitment and professional development: improvement in the mix of positions, proportion of male/female promotions similar to the proportion in the workforce, and the use of a mixed vocabulary for all positions appearing internally and externally.
- In terms of working conditions for employees on maternity leave, as well as parental and adoption leave or any suspension of contract lasting for at least four months: departure and return interviews, possibility of staying informed of company news via the Workplace communication platform, priority given to returning to the same site at the end of their leave.
- In terms of compensation: equal treatment in salary reviews.

These measures are paying off, as Citadines SA's Professional Equality index has risen to 94/100 (index published in March 2023 based on 2022 data) compared with 89/100 (index published in March 2021 based on 2020 data).

- *Measures taken in support of the employment and integration of disabled individuals*

In 2022, 16 Citadines SA employees had the status of disabled worker, i.e., 2.84% of the total workforce, compared to 17 in 2021, i.e., 3.02% of the total workforce.

Facilities subject to the obligation to employ disabled workers fulfil their obligation through employment, the use of companies suitable for certain services and the payment of a contribution to AGEFIPH (*Association de Gestion du Fonds pour l'Insertion Professionnelle des Personnes Handicapées* [Association for the Management of the Fund for the Professional Insertion of the Disabled]).

In its Quality of Life at Work & Professional Equality agreement, the Company is also planning internal communication campaigns to standardise its approach to disability and promote access to the necessary information for the employees concerned, and reiterates its commitment to solicit disability-friendly companies as soon as possible (practice already in place for the supply of meal trays and the collection of recyclable waste in particular).

- *The Anti-Discrimination Policy*

The Company is committed to combating all existing discrimination and to respecting diversity, gender equality, and the recruitment and retention of senior workers.

Citadines is present throughout France and mainly employs people residing locally. It also indirectly generates jobs in the service sectors (outsourced breakfast services, housekeeping, laundry, etc.) within the residences.

In 2022, Citadines joined the Hauts de Seine "Companies are Committed" Club. Commitments include recruitment in connection with the "jobs for residents of disadvantaged neighbourhoods" government project, and access for all young people to apprenticeships and work-study training schemes, in particular for young people from disadvantaged neighbourhoods.

The HR France team is responsible for taking action to promote equal treatment in conjunction with operational directors and managers.

The measurement indicators for these topics consist of the effective implementation of the various actions described above and a Professional Equality Index of at least 85/100. For the year 2022, Citadines achieved a score of 94/100, as indicated above.

In terms of gender parity, the CapitaLand 2030 Master Plan sets a target of 40% female representation in senior management.

1.3. Stakeholder Relations

The CapitaLand 2030 Master Plan encourages actions that promote a positive impact on stakeholder relations and improve living conditions for stakeholders and Citadines has made its mark in this regard through the following actions:

- **The conditions for dialogue with stakeholders interested in the Company's activity, in particular integration associations, educational institutions, environmental protection associations, consumer associations and local populations.**
- *"La Mare Savin" Circle and Vocational Rehabilitation Centre [Etablissement et Service d'Aide par le Travail ("ESAT")]*

The **"La Mare Savin" ESAT**¹⁷ is a medical and social institution that has a capacity to accommodate 145 disabled workers led by the CDAPH [*Commissions des Droits et de l'Autonomie des Personnes Handicapées* - Disabled Individual Autonomy and Rights Committees] and whose work capabilities do not allow them to work at an ordinary company or a disability-friendly company.

In this perspective, and in accordance with Section L. 344-2-1 of the French Code of Social Action and Families [*Code de l'Action Sociale et des Familles* (CASF)], La Mare Savin implements or promotes access to "actions to maintain skills, educational achievements and vocational training, as well as educational actions for greater autonomy and involvement in social life, for the benefit of people with disabilities" for those accommodated by the institution.

Citadines collaborates with the "La Mare Savin" ESAT which provides meal trays for meetings and trainings.

- **Partnership or sponsorship actions**
- *Secours Populaire Français ("French Community Relief Organisation") Partnership*

Since 2018, Citadines has been working with Secours Populaire Français (SPF) 92 to enable some Ile-de-France residents to enjoy holidays in major French cities. For the third year in a row, Citadines and SPF 92 have thus set up a range of stays for disadvantaged families who are deprived of holidays. Supported by Secours Populaire, these families can choose between different major French cities for holidays in July and August: Grenoble, Marseille, Toulouse, Lille, Strasbourg and Lyon. In this way, during the summer of 2022, Citadines was able to accommodate 44 families at its residences in August 2022 (43 families in 2021).

Citadines and Secours Populaire are also planning campaigns to collect donations and involve employees in specific actions carried out by the Hauts de Seine federation.

This initiative is part of the corporate social responsibility and humanitarian actions of the CapitaLand Group for underprivileged children around the world.

¹⁷ <http://www.esatdelamaresavin.com/>

2. Environmental Information

Any human activity leads to pollution and the hotel sector is no different. Citadines is keenly attentive to the environmental impact that its activity generates, even though no provision for environmental risk has been earmarked in the Company's accounts.

Nevertheless, out of respect for the environment, the Company is ISO 14001- and ISO 45001-certified and a framework defining the rules for integrating environmental concerns into Citadines' activities has been established to control the impact on the environment and thus reconcile the Company's obligations in terms of both operating requirements and respect for the environment.¹⁸

CapitaLand's strategy for identifying and addressing climate-related risks and opportunities covers all areas of the lifecycle of its various properties, from the early stages of the investment process through to design, procurement, construction, operation and redevelopment or divestment.¹⁹

The Company is also guided by CapitaLand's Environment, Health and Safety Policy, which aims to:

- ensure best environmental, health and safety practices to reduce pollution and health risks;
- continuously improve environmental, health and safety performance;
- comply with applicable legislation and requirements;
- implement CapitaLand's guidelines for more sustainable buildings and occupational health and safety programmes.

This policy is communicated to our employees, suppliers, service providers and partners.

2.1 Environmental Risks

The Company's environmental challenges include the following:

- Use of resources

In the tourist accommodation sector, energy consumption (water, electricity, gas, urban hot water and chilled water networks) is high and represents a risk for society. Given the number of residences with uninterrupted activity, combined with that of the head office, this consumption rate is high and requires an eco-responsible policy to avoid wasting energy and water.

Tourist residences generate more waste because there are kitchenettes in the rooms. Given that we can hardly reduce our customers' consumption, we have introduced waste sorting in our residences with a view to promoting rational consumption and less pollution.

The Operations support department at head office is responsible for monitoring such consumption on a monthly basis for the entire scope. This enables resources to be optimised, in line with the Company's philosophy.

- Environmental Impact

All human activity is prone to the emission of greenhouse gases, and Citadines SA takes this into account in its risk management policy to limit as much as possible the polluting impact of its activity. If greenhouse gases are generated on a massive scale, the result will be greater global warming. This

¹⁸ [Sustainability | CapitaLand](#)

¹⁹ [Sustainability | CapitaLand](#)

increase in ambient temperature could make our destinations in the South of France less attractive to our customers in the long term.

All of these risks are subjects for reflection for the Company, which is engaged in an eco-responsible approach and is implementing measures to limit its ecological footprint. The Operations support department at head office monitors these emissions on a yearly basis for the entire scope.

2.2 The Measures Put in Place

Use of resources

- **Prevention and recycling measures**

Actions relating to waste management and environmental protection have been implemented:

In our residences (except for Citadines Toulouse, Citadines Castellane and Citadines Lille) and at our head office:

- Implementation of a framework contract in June 2022 with Suez and Cèdre for waste sorting to enable us to quantify our consumption, recover our waste and ensure traceability of our waste disposal in approved and appropriate facilities. The implementation of this contract means that we can now cover a wider scope of residences to monitor and quantify the waste generated for each residence. 2023 will be considered the reference year for data collection, enabling performance monitoring indicators to be put in place for 100% of the residences covered by this national contract.
- Sorting of the following streams: CIW, paper, cardboard, plastic, glass, batteries, masks, WEEE, light bulbs/neon lights, hazardous waste, beverage containers (cups, cans and plastic bottles), laughing gas cylinders, selective sorting, furniture and textile waste, biowaste²⁰, coffee grounds, wood. (Set out in detail in the paragraph below);
- Bins with "Reduce, Reuse, Recycle" stickers: sorting paper and other waste;
- Residences: garbage rooms with labelled bins (posters, stickers, etc.): paper/cardboard, plastic, glass, waste, etc.;

The Company works with various service providers, including Cèdre, which handles waste recycling at the head office and in the Parisian residences, to ensure the good processing of this waste and to avoid waste. SUEZ is our service provider in the provinces, with the exception of the residences in Toulouse, Marseille Castellane and Lille.

Regarding raw material consumption, the Company implements a paper consumption reduction policy, through the digitalisation of the Company's internal publications, and double-sided printing of documents as well as digitalisation of process, mainly emergency reports. Based on the information provided by Cèdre, our service provider, the Company recycled 5,604 kg of paper in 2022. In 2021, the Company recycled 1,154.80 kg of paper.

At the end of 2022, we launched a new paper reduction initiative in our residences, replacing the room directories and equipment manuals with QR codes in all our properties.

²⁰ In particular, the residence in Toulouse.

The amount of waste processed and recycled by Cèdre for the Paris head office and residences (paper, cardboard, WEEE, cartridges) in 2022 amounted to 7,455 kg. In 2021, Cèdre processed 1,207.8 kg for this type of waste. This increase is attributable to the roll-out of the Cèdre framework contract, which now collects several types of waste at all our residences in Paris, as well as to the installation of appropriate collection containers for each type of waste.

As part of our green approach and to reduce the volume of waste generated by the Company, the CapitaLand Group is committed to achieving a 25% recycling rate and a 20% decrease in the volume of waste produced as part of our day-to-day activities by 2030²¹.

- **Sustainable use of resources**

Decree No. 2019-771 of 23 July 2019 on obligations to take action to reduce end-use energy consumption in tertiary buildings ("tertiary decree") has imposed targets for reducing the energy consumption of buildings, with an initial objective of reducing consumption levels by 40% by 2030. Separate reference years have been retained for each residence. (expressed in kWh/m²/year).

In 2022, CapitaLand's worldwide performance was as follows:

- 44.4% reduction in water consumption (compared with the 2019 reference year)
- 8.6% recycling rate across the scope²²

We also have group targets for reducing electricity and water consumption. In 2022, our objective was to reduce our water and energy consumption by 3% compared with 2019. This target has been set at -4.5% for 2023.

We are able to assert our energy reduction credentials thanks to the gradual achievement of EDGE (Excellence in Design for Greater Efficiencies) certification for our properties. EDGE certification is a building sustainability certificate developed and awarded by the IFC (International Finance Corporation), a member of the World Bank Group, requiring a minimum planned reduction of 20% in energy consumption, water consumption and embodied energy of materials compared to the EDGE baseline. EDGE Advanced certification requires a 40% reduction and represents a higher standard than EDGE certification.

- 2022: the following certificates were awarded: **EDGE Advanced certificate**: Citadines Maine Montparnasse, **EDGE certificate**: Citadines Presqu'île Lyon and Citadines Tour Eiffel.
- 2023: Residences planned to receive certification – Citadines Montmartre, La Clef Tour Eiffel, Citadines Place d'Italie, La Clef Louvre, Citadines Antigone Montpellier, Citadines Trocadéro, Citadines Austerlitz, Citadines République, La Clef Champs Elysées.

The Group aims to have 100% of residences certified as "green" by 2030. To achieve this, the Citadines residences are EDGE-certified, a sustainable development certification for enhancing energy-saving practices and improving the energy performance of buildings. In 2022, 58% of residences were certified "green" worldwide.

To control its energy costs, the Company has implemented procedures aimed at limiting electricity and water consumption. The Company invites its customers and partners to adopt a voluntary eco-responsible approach, by discontinuing the systematic or daily changing of sheets and towels for stays of more than one night unless requested by the guest. The Company has also gradually implemented heat transfer

²¹ [Sustainability | CapitaLand](#)

²² [Sustainability | CapitaLand](#)

radiators as well as LED and compact fluorescent bulbs to replace traditional lighting (in corridors, common areas, rooms). Some residences have circuit-breaker cards. We have introduced this system during the renovation of the Citadines La Défense site in 2022.

In 2022/2023, major work will be carried out to convert the head office into an open-plan space. Moving the offices to a new floor will result in a significant reduction in energy consumption, as the 3rd floor will no longer be in use²³; during the works, all the lights were replaced by LEDs.

The energy consumption of the residences has been reduced in absolute terms for the same surface area of 132,191 m²⁴. Consumption was 21,075,279 kWh in 2022, compared with 22,954,798 kWh in 2019, a reduction of 8.19% in absolute terms.

Details of energy consumption in 2019 and 2022

	<u>2019</u>	<u>2022</u>
Electricity	15,774,992 kWh	14,130,453 kWh
Gas	2,688,806 kWh	2,336,230 kWh
Hot water network	3,007,000 kWh	2,955,767 kWh
Chilled water network	1,484,000 kWh	1,652,829 kWh

Electricity consumption has been reduced by 4.70% and gas consumption by 13.11% in absolute terms (2019 vs. 2022).

If we compare this energy consumption with the number of rooms let out, we get a reduction of 3.10%. (757,865 rooms let out in 2022 vs. 799,898 rooms let out in 2019).

Every year, our residences take part in Earth Hour. Teams and customers are made aware of the need to save water and energy.

CapitaLand has set itself the goal of achieving energy consumption of at least 45% from renewable sources by 2030. To date 5% of the energy consumed by the Group comes from renewable sources.

CapitaLand also plans to achieve zero net carbon emissions by 2050 for scopes 1 and 2²⁵. This is also in line with French regulations through the French Energy and Climate Bill.

To reduce water consumption, aerators have been installed on the taps as well as water-saving shower heads and flush flow reducers.

Water consumption is particularly closely monitored because of the high risk it represents.

Breakdown of water consumption for 2019 and 2022:

	<u>2019</u>	<u>2022</u>
Surface area being operated	125,380 m ² ²⁶	125,380 m ²
Water consumption	213,035 m ³	207,414 m ³

²³ We do not have enough experience to quantify this energy reduction.

²⁴ This figure does not include consumption by the head office.

²⁵ CapitaLand Investment 2030 Sustainability Master Plan.

²⁶ Consumption for residences in France, with the exception of the Citadines Lille residence, as we do not have access to the invoices, which are managed by the management agent and the head office.

Consumption per m²	1.70 m ³ /m ²	1.65 m ³ /m ²
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If we compare these figures on the basis of the number of rooms let out, this represents 0.29m³ of consumption in 2022 compared to 0.26m³ in 2019, a slight increase of 2.71%.

We have selected 2019 as the reference year to reflect actual consumption more accurately (excluding the Covid period and with a similar occupancy rate of 75.1% in 2022 vs. 79.9% in 2019). This slight increase in water consumption was attributable to the numerous leaks that the La Clef Tour Eiffel residence has had to deal with, caused by structural problems in the building. In 2019, water consumption was recorded on the basis of the date on which invoices were received, whereas since 2022, we have been compiling the water consumption of the residences using monthly meter readings in order to reflect this consumption in relation to the occupancy rate, which could also lead to variance.

The residences are connected to the municipal drinking water network and are not located in water stress areas.

These are key issues addressed by the sustainability policy of the CapitaLand Group which is focused on improving and reducing the consumption of resources (water, electricity and carbon emissions).

Environmental Impact

- **Organisation of the Company to take into account environmental issues and, where appropriate, environmental assessment or certification**

The Company strives to reduce the impact of its business on the environment through responsible and disciplined management of the resources used and is ISO 14001- and 45001-2015- certified.

A series of procedures, training and awareness-raising measures have been put in place at head office and in the residences, in particular through dedicated resources.

In order to preserve resources and ensure monitoring, we use an internal ETS (Environmental Tracking System) platform for the entire scope.

- **Employee training and information actions relative to environmental protection**

The Company has implemented employee training actions:

- Annual training for new site managers: training in the EHS (Environment, Health and Safety) programme to update the management system and annual review of compliance with ISO standards at their sites;
- Setting up thematic workshops on risk analysis and legal compliance with environmental regulations (as well as health and safety);
- Annual awareness-raising on the CapitaLand EHS policy and the role each employee can play in this system.

Monthly webinars on sustainable development organised by CapitaLand's head office supplement these training courses.

- **Resources devoted to the prevention of environmental risks and pollution**

The Company is careful to limit the generation of pollution.

The specifications for our suppliers and service providers include "eco-friendly" standards for more environmentally friendly products and services. The criteria ensure products and services with reduced environmental impacts are used.

Certain measures have now become permanent within the Company, such as:

- Collection of plastic bottle caps for associations²⁷;
- Collection of used batteries for recycling;
- Recycling used coffee capsules.
- Ink toner recycling by our supplier

Regarding subcontracting, Citadines SA strives to only work with service providers who can provide sufficient and satisfactory ecological guarantees in line with the Company's policy in this area. In fact, in its purchasing policy, the Company orders eco-friendly cleaning products and invites its suppliers to respect its approach in favour of the environment by asking them to adhere to a code of conduct which they must return signed and stamped.

In 2022, we limited the use of chemicals by installing ozonated water from the Tersano plant in 100% of the residences within the scope. Our house cleaning protocols were updated to include this new method, and five products were eliminated:

- Kiehl Rapides for surfaces,
- Blutoxol,
- Jet Crème for kitchens,
- Econa for floors and furniture,
- Eloxa prima for lifts.

However, we've kept Desisan for the WC and bathroom interiors because ozonated water isn't sufficiently effective and we also use a degreasing product but only for cleaning very greasy hobs.

As part of the call for tenders, the Company asks each of its suppliers for their affiliations to professional bodies, orders or quality control bodies and asks the suppliers about their certifications. Preference is given to service providers who are ISO 14001- and 45001-certified.

- **Greenhouse gas emissions**

CapitaLand has had its carbon emission reduction targets for scopes 1 and 2 approved by the Science Based Targets initiative (SBTi) for a scenario of 1.5 °C in 2022. This target is in line with the objectives of the Paris Agreement to limit the global temperature increase to 1.5 °C this century. CapitaLand is also committed to achieving net zero carbon by 2050 for its Type 1 and Type 2 emissions.²⁸

Greenhouse gas emissions are calculated mainly on the basis of purchased energy consumption ("scope 2") and partly via direct energy consumption ("scope 1") (mainly natural gas and other fuels such as diesel, petrol and LPG), in accordance with the GHG protocol (operational control approach) and using the CO₂ emission factors for each country, which are taken from International Energy Agency statistics.²⁹

²⁷ Citadines Cannes and Toulouse in particular.

²⁸ [Sustainability | CapitaLand](#)

²⁹ [Sustainability | CapitaLand](#)

In 2022, the greenhouse gas emissions generated by electricity, the urban hot and chilled water network and natural gas for all the residences³⁰ (25 in France) amounted to 1,762,998 kg of CO₂. The CO₂ generated was comprised of:

- 760,218.37 kg of CO₂ from electricity
- 573,007.70 kg of CO₂ from urban hot and chilled water networks
- 429,772.87 kg of CO₂ from natural gas

In 2019, the residences generated a total of 1,924,007 kg of CO₂. In absolute terms, this represented a reduction of 8.37%. The consumption per room let out was 2.33 kg of CO₂ in 2022 compared with 2.41 kg of CO₂ in 2019, an effective reduction of 3.29%.

The Company is currently reviewing the integration and accounting of significant energy emission items and the actions implemented to reduce emissions items related to the purchase of equipment and food, laundry, and building immobilisation.

2.3. *Information not relevant to the activity*

- **Preventing food waste**

Citadines' hotel operations are not directly linked to catering and restaurant activities, although breakfast services may be offered on an ancillary basis. In this respect, the Citadines residences strive to limit food waste by adjusting orders according to the number of guests and by optimising stocks to reduce excess.

To keep bio-waste to a minimum, the Citadines Strasbourg residence has set up a partnership with Too Good To Go so that unsold breakfast items are not thrown away.

- **Other information**

The following information listed in the 2nd subparagraph of paragraph III. of Section L. 225-102-1 of the French Commercial Code is not considered relevant, given the nature of the activities of Citadines SA: combating food insecurity, respect for animal welfare and responsible, fair and sustainable food and circular economy.

However, Citadines SA is taking on this issue to a limited extent:

- The CapitaLand Group is committed to reducing waste from our daily activities by 20% by 2030.
- As part of our commitment to responsible eating, our coffee is fair trade and as many of our breakfast products as possible are of French origin.
- With regard to our commitment to animal welfare, animals are welcome in our residences, and we recommend the use of free-range eggs.
- To promote the circular economy:
 - i. We have removed the cardboard cups available directly to customers near the 24-hour self-service coffee machine. A poster has been put up recommending that customers use the mugs available in their room or cups made from recycled cardboard.
 - ii. During our renovation work, we used an outside company to recycle our furniture as part of a circular economy approach.

³⁰ The head office is not counted.

- **Environmental indicators**

Water consumption: The data relating to the Levallois-Perret head office, as well as data from Citadines Lille residence, are not included in the data reported because they were not available when the DPEF was published. This represents less than 1% of the total data reported in m².

Gas consumption: The data is based on invoices for 2019 and 2022 for the Citadines Saint Germain, La Clef Louvre and Citadines Opéra residences. As the internal reporting software was missing data for gas in 2019, we preferred to process this data in an Excel document. We do not have access to gas consumption data for the Citadines La Défense residence (awaiting return of co-ownership data)

Paper Recycling: the paper tonnage data specified in this document covers only the buildings in Ile de France, i.e., 67.45% of the scope indicated by the data per square metre.

2.4 Rankings and recognition

As previously mentioned, the CapitaLand Group was ranked 56th (compared to 63th in 2020) out of 100 multinationals most committed to sustainable development in 2020³¹. Within the CapitaLand Group, Citadines SA, an Ascott subsidiary, was a Global 100 member for the year 2022. Global 100 refers to companies generating more than one billion US dollars in revenue that are recognised for their actions in terms of commitment to sustainable development.

CapitaLand is also included in the 2022 Dow Jones Sustainability World Index (DJSI World), which groups the top 10% of global companies based on long-term economic, environmental and social criteria.

CapitaLand was recognised for its sustainability achievements in the GRESB 2022 Property Assessment, achieving the maximum 5-star rating, placing it in the top 20% of the world rankings. CapitaLand maintained its position as "Global Sector Leader - Hotel".

The GRESB is an environmental, social and governance (ESG) benchmark for real estate assets. The 2022 benchmark for real estate covers more than 1,800 real estate companies, real estate investment trusts (REITs), funds and developers.

³¹ [CapitaLand Investment recognised as one of the world's most sustainable corporations on the 2023 Global 100 index | CapitaLand](#) and www.corporateknights.com/global100

APPENDIX 1

Methodological Note on Non-financial Reporting

Citadines SA's financial reporting approach is intended to meet the requirements set out in Sections R. 225-105, R. 225-105-1 and L. 225-102-1 of the French Commercial Code.

1. Reporting period and frequency

The data collected cover the period from 1 January to 31 December 2022. The thresholds set out in the applicable regulations were exceeded this year leading to the presentation of this Non-Financial Performance Statement.

2. Scope

The scope of this non-financial reporting aims to be representative of the activities of the Citadines SA Group. It is defined according to the following rules:

- Only companies consolidated in the financial statements according to the full consolidation method are included in the non-financial reporting scope.
- Entities integrated or created in 2022 will be included in the reporting for the year in question, in order to adopt a gradual approach.
- Entities sold since 2020 are excluded from the reporting scope for 2022.

The scope of the 2022 report was updated on 31 December 2022 by the management of the Citadines SA Group.

The environmental indicators are provided by Citadines SA while the social and safety indicators are from the Citadines UES.

In the processing software used to calculate the various environmental performance indicators, Citadines SA includes the head office located in Levallois-Perret as well as all the French residences, 17 in Paris including three residences under La Clef - The Crest Collection brand and 9 in the provinces, as well as three franchises.

The specificities related to the restriction of scope concerning certain indicators are specified in section 6: "Specifications and Methodological Limitations".

3. Selection of policies, results of policies and indicators of non-financial performance

The selection of the policies, results of the policies and non-financial performance indicators presented in the non-financial performance statement is based on the main social and environmental risks associated with the company's business.

The following information listed in the 2nd subparagraph of paragraph III. of Section L. 225-102-1 of the French Commercial Code is not considered relevant, given the nature of the activities of the Citadines SA Group: food waste, combating food insecurity, respect for animal welfare and responsible, fair and sustainable food.

4. Consolidation and internal audit

Data is collected centrally or from each entity included in the non-financial reporting scope from the following sources: extractions from information systems, Excel monitoring files, invoices, etc. Qualitative information is collected centrally by the management of the Citadines group. Data is controlled and validated by the Group Management.

5. External audits

Pursuant to the provisions of Section R. 225-105-2 of the French Commercial Code, the Citadines Group has appointed the consulting firm Cabinet de Saint-Front³² as of 2022 as an independent third-party organisation to audit the non-financial performance statement.

6. Specifications and Methodological Limitations

Social Indicators

Several social indicators are included in the DPEF and some require clarification, in particular the frequency rate and the severity rate:

- The theoretical number of hours worked is calculated by multiplying the average workforce by 218 days worked in a year by 7 (average number of hours worked per day)
- Days of absence are counted in business days with a theoretical calculation (Calendar Days / 7 * 5)
- Days of absence are counted in payroll with one month offset. Therefore, the days of absence for December 2022 are included in the severity rate for 2020 while the days of absence for December 2022 are not.
- Employees are accounted for as full time equivalent on a monthly basis, i.e., 151.67 hours per month.
- The turnover rate calculation is as follows: ((hires + departures)/2) / workforce as of 01/01/2023.
- Voluntary turnover takes into account the following reasons for leaving the Company: resignation, end of trial period at the employee's initiative, contractual termination, dismissal following abandonment of post.

Environmental indicators

Water consumption: The data relating to the Levallois-Perret head office are not included in the data reported because they were not available when the DPEF was published. This represents less than 1% of the total data reported in m².

Gas consumption: Data is reported in cubic meters and directly converted into kWh in the environmental reporting software with a conversion factor of 10,667.

GHG emissions: The emission factors used are those provided by the Group and come from the IEA database (55.1 g of CO₂/kWh for electricity and 183.96 g of CO₂/kWh for natural gas). The calculation is based on the country-specific network's annual emission factor for electricity and on a standard emission factor for gas. The value is divided by 1,000,000 to convert from grams to tonnes.

Paper Consumption: Internal paper consumption is calculated based on purchases from Fiducial, the sole supplier of reams of blank paper for internal use. Regarding paper for external use, the approved supplier is GRAPH'IMPRIM with which the Company places an order when paper is needed.

³² [Cabinet Conseil RSE & Audit RSE - Cabinet de Saint-Front \(cabinetdesaintfront.fr\)](http://cabinetdesaintfront.fr)