

Towards affordable & sustainable housing

Our CSR strategy



in'li 

Groupe ActionLogement

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A message from the Management Board



As the leader in intermediate housing in the Paris region, we have made some **major commitments to meeting societal and environmental challenges.**

To meet the challenges of providing affordable housing, climate change mitigation and committed corporate governance, we have structured a **Corporate Social Responsibility (CSR) strategy that is fully integrated into our strategic plan** and aligned with the goals of Action Logement Group.

These commitments reflect the **public interest mission of both the Company and Action Logement Group.** Our primary long-term objective is to develop a **quality portfolio that enhances the living environment and purchasing power** of our tenants through below-market rents. Our second priority is to develop a property **portfolio of high environmental quality** and to implement an ambitious energy retrofit policy throughout our

existing portfolio. We work day in, day out to **improve the well-being** of and provide support to our employees.

Our holistic approach incorporates the expectations of all of our stakeholders – tenants, employees, developers, local authorities, suppliers, lenders and shareholders. **To meet these expectations, in'li is committed to cutting carbon emissions right across its property portfolio by 2050. Continuing our strong commitments in these areas will be one of the key factors in the Company's success** in the years to come and one of our major strategic priorities.

In'li: No. 1 in intermediate housing

Our mission

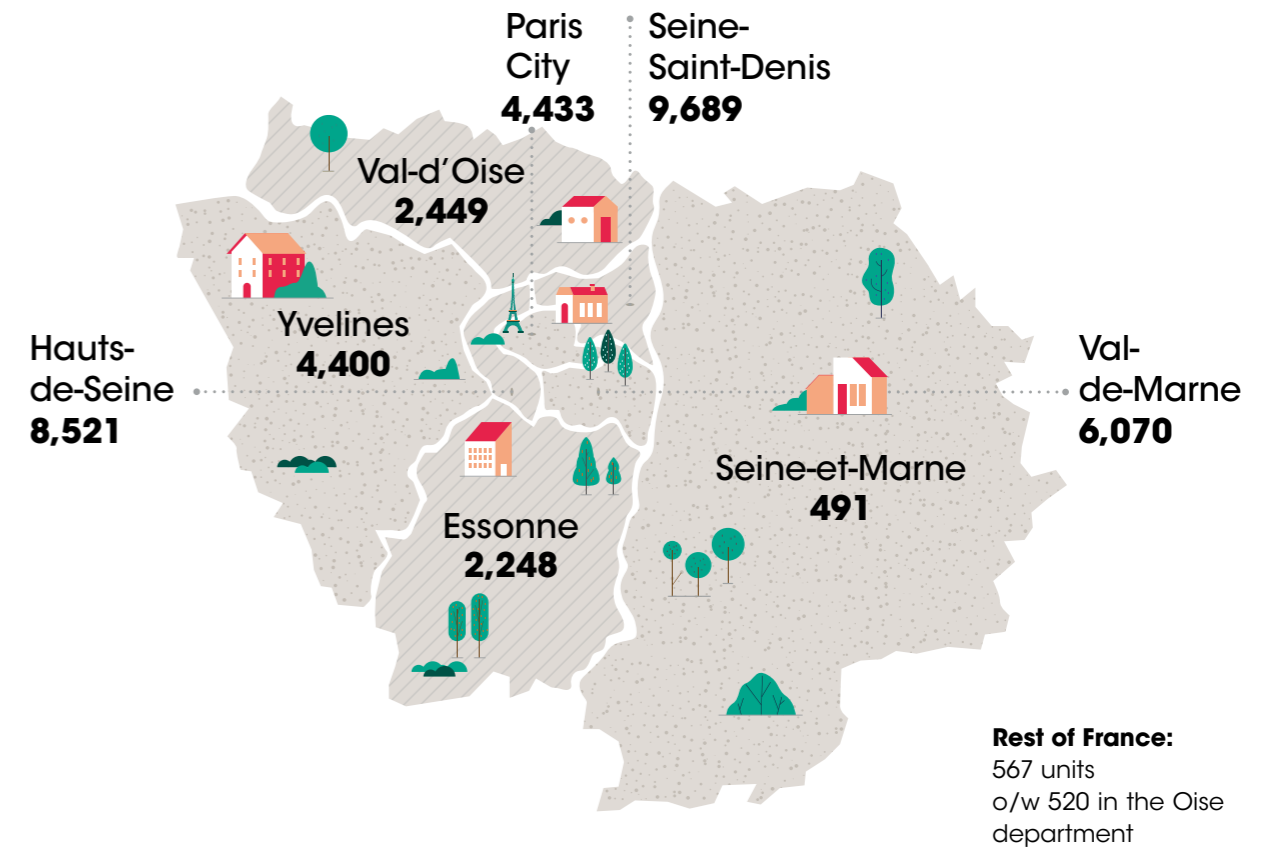
Growing a sustainable intermediate housing offering that brings young and middle-class workers closer to their place of work.

As a subsidiary of Action Logement Group, in'li is tackling the shortage of intermediate housing in the Paris region and reinforcing the employment-housing link.

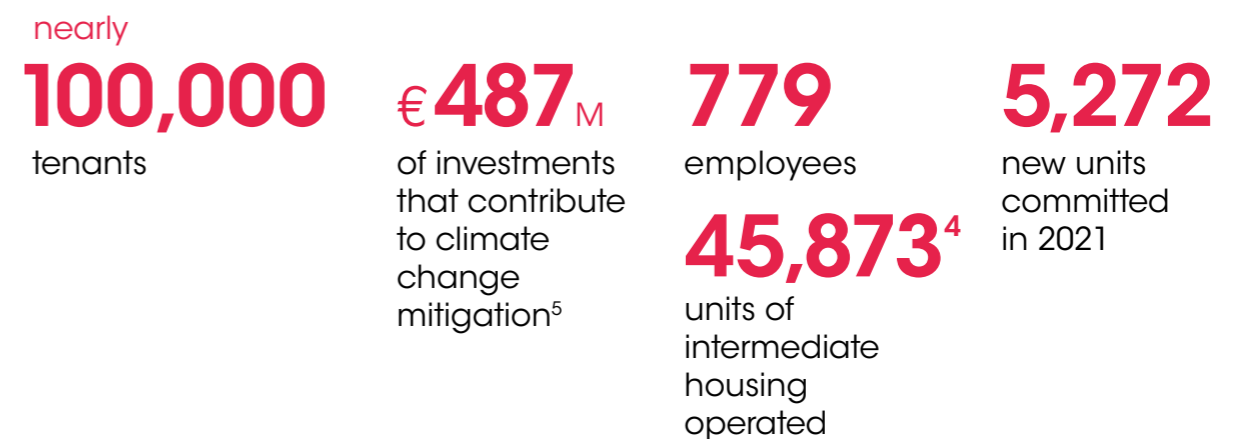
Our activities

- 1 Operating, maintaining and marketing housing let out at below market rates
- 2 Developing new intermediate housing
- 3 Facilitating home ownership for the middle classes

Our portfolio in the Paris region



in'li in a few figures³



Our ambition



¹ Only housing located in zones Abis, A and B1 is eligible for Intermediate Housing tax status.
² Public report by the Inspection Générale des Finances (IGF) - Développement de l'offre de logement locatif intermédiaire par les investisseurs institutionnels, published in April 2021.
³ Figures for 2021.
⁴ 38,868 housing units owned by in'li.
7,005 units managed on behalf of third parties by in'li Property Management (wholly-owned subsidiary of in'li).
⁵ Within the meaning of EU Taxonomy.



What is intermediate housing?

Special Intermediate Housing status (*LLI* or *Logement Locatif Intermédiaire*) was officially created in 2014. With **rents that are capped below market rents** (10% to 15% less on average), it helps middle-class and young working people to get decent housing in supply-constrained areas¹. The potential demand for intermediate housing in the Paris region is estimated at between **160,000 and 280,000** households².

Our CSR Strategy

Our CSR policy has been integrated into our business model, strategy and governance framework. We are committed to providing affordable housing in supply-constrained areas with a positive impact on the economic fabric of the Paris region and a limited environmental footprint.



01 Developing an affordable housing offering near public transport and employment hubs



02 Adapting jobs to the requirements of the sector and the expectations of employees



03 Reducing our environmental footprint



04 Guaranteeing a quality service for tenants



05 Guaranteeing ethical business practices and striving for ethical corporate governance



12 rue du Plateau,
Rueil Malmaison
(Hauts-de-Seine)

We contribute to 10 of the 17 UN Sustainable Development Goals (SDGs) and we have signed up to the United Nations Global Compact.



In 2022, our CSR strategy was evaluated by ESG rating agency, Sustainalytics. The results: a level of ESG risk deemed to be low, making us as one of the best rated companies in the world across all sectors, on ESG metrics.



Global ranking
no.219
of
14,912
companies
rated

no.53
of
1,037
real estate
companies

10.0
ESG rating
Sustainalytics

2nd
Percentile
Out of >14,000
businesses rated

01 Developing affordable housing near public transport and employment hubs

In an economic environment marked by the return of inflation and a continual rise in property prices in the Paris region, our goal is to give young and middle-class working people access to affordable housing and enhance social mix everywhere we operate.



12, Impasse Rohri, Villejuif (Val-de-Marne)

⁶ Based on intermediate housing criteria.
⁷ Zones A and Abis densely-populated areas where demand for housing far outstrips supply.
⁸ Excluding sale to property companies.

Providing housing accessible to young and middle-class working people

Our actions

- Developing the intermediate housing offering in the Paris region.
- Providing accommodation at below market rents.
- Giving preference to middle-class households⁶.

Key figures for 2021

€**3,221** in annual average gain in purchasing power per household

97% of incoming tenants belonging to the middle-classes⁶

82% of tenants < 40 years old



11 avenue Georges Pompidou, Margency (Val-d'Oise)

Targeting supply-constrained areas and close to transport links

Our actions

- Acquiring properties in supply-constrained neighbourhoods in the Paris region.
- Providing accommodation close to public transport hubs.

Key figures for 2021

97% in "supply constrained" areas⁷

79% of the property portfolio is located less than 1 km away from public rail transport (metro, tramway, rapid transit)



Promoting home ownership for middle class families

Our actions

- Innovating and diversifying our offering by developing new products such as leasing solutions.
- Selling off part of the portfolio to our tenants.

Key figures for 2021

172 units of intermediate rent-to-buy housing undertaken

84 units sold⁸



Facilitating home ownership for middle class families

Since 2022, we have been offering an intermediate housing solution that allows middle-class families to rent with an option to purchase after five years without having to make a downpayment. The price is fixed when the tenants first move in, thus helping them side-step inflation in the property market.

02 Adapting jobs to the requirements of the sector and the expectations of employees



In a stretched labour market undergoing profound change in both jobs and working methods, attracting and retaining talent is a major challenge. Inclusion, well-being and career support are all key priorities.

⁹ National Association of HR Directors.
¹⁰ An association that works to provide social amenities.

Promoting diversity, equality and inclusion within teams

Our actions

- Promoting gender equality : pay equality budgets, encouraging paternity leave, etc.
- Promoting the integration of disabled employees: recruitment, employee awareness-raising, adapting workstations, etc.
- Digitalisation job training and support for building caretakers as part of the «Digital Pass Project», which was awarded the «2021 digital inclusion prize» from the French Association of HR directors (ANDRH)⁹.

Key figures for 2021

- 57%** of managers are women
- 95/100** on the gender equality index
- 100%** of our building caretakers are in the process of obtaining Pass Digital certification



Helping our employees to upskill

Our actions

- Supporting our employees with tailored learning programmes: training, internal mobility, certification courses.
- Encouraging 'intrapreneurial' skills based on a dedicated internal programme.

Key figures for 2021

- 82%** of employees took at least one training module



A school for training building caretakers

L'école des gardiens, run in partnership with APES¹⁰, is a certification work-study programme for training building caretakers, conducted over 6 or 10 months within a subsidiary of Action Logement Ile-de-France. It has a dual objective of meeting fresh recruitment challenges and hiring locally at under-pressure sites.

Strengthening two-way social dialogue and the quality of life at work

Our actions

- Listening to our employees: social dialogue, satisfaction surveys, etc.
- Enhancing the work environment by redesigning new offices.
- Better work/life balance thanks to flexible work arrangements.

Key figures for 2021

- 78%** of employees state that their work is meaningful for them
- 92%** of eligible administrative employees have opted for flexible working arrangements (teleworking or "nomadism")



03 Reducing our environmental footprint

The building sector accounts for 44% of final energy consumption and over a third of greenhouse gas emissions in France¹¹. 500,000 homes a year need to be retrofitted in order to achieve France's 2050 carbon neutrality target and we have a major role to play in energy retrofitting and building new, energy efficient housing.



Avenue de la République, Juvisy-sur-Orge (Essonne)

Achieving carbon neutrality by 2050

Our actions

- Retrofitting our existing portfolio to reduce energy consumption.
- Building new intermediate housing with excellent environmental performance (energy, materials, resource management).
- Promoting the circular economy and bio-sourced materials: use of soil excavated from Grand Paris construction sites as building materials (*Cycle Terre project*).

Key figures for 2021

-32% reduction in our energy consumption by 2030

88% of all 2021 capital expenditure that substantially contributes to climate change mitigation¹²



11 rue du clos des Ermites, Suresnes (Hauts-de-Seine)

Retrofitting our portfolio

Our actions

- Carrying out insulation work and transitioning to less carbon-intensive energy sources.
- Getting tenants on board and raising their awareness of our environmental approach: technical solutions, water saving devices, shared green spaces, etc.

Key figures for 2021

1,925 dwellings subjected to energy retrofits

1,069 tonnes of CO₂ per year avoided thanks to energy retrofits



23 rue de Champy, Colombes (Hauts-de-Seine)

Greening our financing

Our actions

- Diversifying our sources of financing by integrating environmental performance criteria:
 - Funding from the European Investment Bank (EIB) via the European Strategic Investment Fund (ESIF)¹³.
 - Bank financing where the margin is indexed to energy efficiency targets in the housing portfolio.

Key figures for 2021

1.4 billion € of sustainable financing: **€600 million** in sustainable financing on our balance sheet and **€800 million** as part of the Cronos operation

Real Estate Capital Europe AWARDS 2021
GRANDS PRIX CFNEWS

Sustainable financing solutions

The inaugural €800 million financing of Foncière Cronos, earmarked for the development of nearly 20,000 units of new intermediate housing over 10 years, in which in'li has a 25% stake, was recognised as the 2021 Sustainable Financing Deal of the Year by Real Estate Capital Europe, and named «best financing operation» at the CFNEWS IMMO Trophies in 2021.

¹¹ ADEME, 2021.
¹² Within the meaning of EU Taxonomy.
¹³ Known as the Juncker Plan.

04 Guaranteeing a quality service for tenants



50% of French people consider that living in sustainable housing is important for their comfort, well-being and health¹⁴. A quality living environment and meeting the needs of our tenants are therefore central issues.

¹⁴ Qualitel Survey, 2021.

¹⁵ App used to identify incidents occurring at a property and to facilitate concerted action with all local and regional stakeholders.

Ensuring the health, safety and comfort of our tenants

Our actions

- Continuous retrofitting and upgrading of the existing property portfolio to reduce costs and enhance tenant comfort.
- Providing tenants with support services round-the-clock and the ALI TRANQUIL app¹⁵.
- Promoting green spaces and biodiversity throughout our properties.

Key figures for 2021

€ **48**
Million

worth of improvement and renovation work throughout the portfolio

60

caretakers and site managers have been trained to use the ALI TRANQUIL app



Strengthening dialogue and close ties with tenants

Our actions

- Conducting satisfaction surveys using specialised external service providers.
- Listening to what tenants need through our "go to" people on the ground, i.e., caretakers and site managers.

Key figures for 2021

234

local personnel working in in'll properties



Helping people to stay in their own homes

Our actions

- Providing advice to the most vulnerable tenants: preventing people from falling into arrears, *Fonds de Solidarité Logement* (Housing Solidarity Fund).
- Rehousing our tenants if necessary: Charter for collectively rehousing people affected by demolition programmes, programmes for rehousing tenants in distressful situations, etc.
- Providing accommodation for «key workers» (particularly carers) under an agreement with the government of the Paris region.

Key figures for 2021

200

dwellings provided for «key workers» when the agreement was signed with the Paris region in 2021

168

proposals to rehouse tenants in distressful situations



Supporting our tenants in difficult situations

Fonds de Solidarité Logement (Housing Solidarity Fund) helps tenants that have fallen into difficulties due to a deterioration in their health and/or circumstances (elderly or disabled people or people who have lost their jobs). To facilitate the process, we vet applications and then submit them to the Department, which subsequently pays over an indemnity.

€**335,000** paid out to more than 120 beneficiary tenants

05 Guaranteeing ethical practices and ensuring ethical corporate governance

Rue Paul Verlaine / Jean Perrin, Gennevilliers (Hauts-de-Seine)



Real estate is a complex sector involving a multitude of players – financiers, developers, local authorities, tenants, etc. - and massive financial flows. Our activities therefore require open and transparent governance processes, especially in view of our public interest mission.

¹⁶ Works towards the social cohesion of residences.
¹⁷ Organises shared accommodation for people who used to be homeless and young working people.
¹⁸ Cooperative association specialised in transition urbanism.

Promoting ethical behaviour and combating fraud

Our actions

- Being exemplary in our procurement policy and real estate acquisitions from an ethical perspective.
- Stepping up our ethics policy: deployment of a "Compliance Pathway" based around training, a whistleblowing process, etc.
- Guaranteeing equal treatment of candidates in housing allocation thanks to an automatic scorecard system.

Key figures for 2021

80% of employees have completed the Compliance module



Working with local stakeholders

Our actions

- Working closely with locally elected representatives and local authorities.
- Deploying communication and consultation initiatives in liaison with local residents for all of our directly managed operations in accordance with shared guidelines and principles.

Key figures for 2021

7 densification and renovation projects subject to concertation with local residents

78 meetings organised between local elected representatives and our Management Board



Innovating within a stakeholder ecosystem

Our actions

- Working with associations and cooperative organisations with social and/or sustainable goals: member of APES¹⁶, benefactor of Lazare¹⁷, member of Plateau Urbain¹⁸.
- Using in'li LAB to boost innovation and detect new products, services and applications that will enhance the day-to-day lives of customers and employees alike.

Key figures

14 start-ups and 5 'intrapreneurs' partnered in 3 different intakes of in'li LAB

2 Parisian sites made available to Plateau Urbain



Partnering innovative start-ups as part of our business incubator

Since 2018, in'li LAB has been partnering start-ups for 12 month periods by providing them with a co-working space free of charge at our headquarters, access to Action Logement Group's network of real estate subsidiaries and à la carte acceleration services.

What about tomorrow?



FULLY AWARE OF THE EXTENT OF THE ENVIRONMENTAL AND SOCIAL CHALLENGES AND THE NEED TO PROVIDE A FITTING RESPONSE, WE HAVE MADE CSR AN INHERENT PART OF OUR STRATEGY AND GOVERNANCE POLICY.

Damien Robert

Chairman of the Management Board

Since 2020, we have been building and developing our CSR strategy around these five structural pillars. In addition to societal issues that have always been part of in'li's DNA as a stakeholder in the intermediate housing sector, we have stepped up our environmental commitment by defining **energy efficiency and carbon intensity reduction objectives**. The Sustainalytics CSR rating obtained in 2022 testifies to the quality of our approach – but we want to go even further:

- **No gas in dwellings to be undertaken from 2023 on**
- **90% of dwellings undertaken will use at least 10% less than French RE 2020 energy performance requirements beginning from 2023**
- **54% reduction in carbon emissions throughout our properties by 2030**
- **The housing portfolio will be carbon neutral by 2050**

Over the coming years, in'li will strive not only to implement its existing formal commitments, but will also work on new commitments where progress needs to be made. Conscious of the direct and indirect impacts of the building sector on the living environment, we have begun to devise objectives **and an action plan to promote biodiversity**. The circular economy, by embracing models for recycling resources and waste, also provides an essential lever for accelerating the transition of our businesses. We also need to integrate the **adaptation requirements of our housing** to make it resilient to the climate of tomorrow.

A new offering comprising 80,000 units of intermediate housing

The stakes could hardly be higher. We want to move forward by harnessing the commitment of our employees and the trust of our partners and external stakeholders. We must continue to **listen to their changing needs** and come up with a suitable offering, particularly for middle-class and young working people. We want to make a **positive contribution to the ecological and social transition of the country**, while consolidating our role of leader in the intermediate housing sector.



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(Hauts-de-Seine)

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